



United States of America
Federal Trade Commission

**Acting Chairman Maureen K. Ohlhausen
Opening Remarks for FTC Workshop**

**Now Hear This:
Competition, Innovation, and Consumer Protection in Hearing Health Care**

April 18, 2017

Introduction

I am delighted to open the FTC's workshop on Hearing Health Care. First, I want to thank all the participants for coming to share their views and ideas on hearing loss – a problem that is of increasing importance to many Americans' quality of life. I can't mention by name everybody who is joining us today, but we have participants from the hearing aid and consumer tech sectors, academic medicine, audiology, consumer groups, the retail sector, and others. We also are particularly grateful to our colleagues joining us from our sister federal agencies that lead the work on many aspects of hearing loss and will share their expertise – the Centers for Disease Control and Prevention (CDC), the Food and Drug Administration (FDA), and the Department of Veterans Affairs (VA). I also want to recognize those from the National Academies (of Science, Engineering, and Medicine), the Department of Health and Human Services, and the commercial sector who have been generous in providing input to this workshop.

Finally, I would like to thank the FTC staff for their considerable work in organizing this workshop. As Tara mentioned, once-upon-a-time, I was the head of the FTC's Office of Policy Planning, so I know well the work involved for a major workshop like this. I'm supposed to say that my remarks are only my own and not those of the entire Commission but I will disregard that restriction when it comes to thanking the staff for all of their hard work.

As most of you know, the FTC is an enforcement agency with a dual competition and consumer protection mission. We vigorously enforce U.S. antitrust and consumer protection laws to prevent harm to consumers and competition. But advocacy also plays an important role in the FTC's mission. Today, we are here as part of our research and advocacy mission to bring together stakeholders to explore a critical healthcare issue for many Americans – hearing loss.

Hearing Loss – The Unmet Need

Tens of millions of Americans suffer from hearing loss. Hearing loss ranges from mild to profound, and individuals react to hearing loss differently, but communication challenges can affect personal and work interactions and individuals' health and quality of life.¹

I understand that John Eichwald from the CDC will be joining us by video feed later today to present recent research on hearing loss. This CDC research suggests that up to one in four American adults has measurable hearing loss.² I believe that John will also have something to say about alternative methods of measuring the incidence and severity of hearing loss, but I

¹ HEARING HEALTH CARE FOR ADULTS: PRIORITIES FOR IMPROVING ACCESS AND AFFORDABILITY, NATIONAL ACADEMIES OF SCIENCES, ENGINEERING, AND MEDICINE, 1, Ch. 2 (Hearing Loss: Extent, Impact, and Research Needs) (2016) [hereinafter HEARING HEALTH CARE FOR ADULTS].

² Yulia I. Carroll et al., Vital Signs: Noise-Induced Hearing Loss Among Adults – United States 2011-2012, Centers for Disease Control, Morbidity & Mortality Weekly Reports, 140 (2017).

gather that all methods point to a widespread problem – some 30 – 50 million people in the United States have hearing loss.³

According to a 2016 report by the National Academy of Sciences, that number is not only large but growing, due to the prevalence of age-related hearing loss and the aging of the population.⁴ The same National Academy report suggests that the large majority of those who might benefit from some form of hearing health care do not get it. An estimated “67 to 86 percent of adults who might benefit from hearing aids do not use them.”⁵ By any measure, this represents tremendous unmet demand.

Addressing the problem of hearing loss is important and multilayered for a growing and significant number of Americans. Those who have hearing loss often do not recognize the problem⁶ and those that want to find a solution often are not able to easily understand or identify options to meet their hearing loss needs.⁷

Exploring the Challenges and Potential for Increased Knowledge, Access, Options

Through this workshop, we hope to have a lively discourse on the many questions that all of us would benefit from asking and discussing among a large array of stakeholders.

Among the first questions we ask: Most consumers who might benefit from hearing loss help simply do not get it. Why not? For many reasons, it seems, but we should start with a simple one: treatment is expensive. To focus on the National Academy’s hearing aids example, and to borrow again from its research, prices vary considerably but in 2013 the average retail

³ See, e.g., *id.* (estimated 39.4 million adults, aged 20-69); HEARING HEALTH CARE FOR ADULTS, *supra* note 1, at 38-45 (reviewing studies of various methods suggesting 29-48 million adults with hearing loss).

⁴ HEARING HEALTH CARE FOR ADULTS, *supra* note 1, at 1.

⁵ *Id.*

⁶ *Id.* at 17.

⁷ *Id.* at 4.

price for a pair of hearing aids, plus support services, was estimated to be \$4,700.⁸ For most Americans this is an out-of-pocket cost, with only the Veterans Health Administration, some state Medicaid programs, and a small number of third-party payers being notable exceptions.⁹ Thus, it's a very considerable expense for the average consumer.

Consider the impact on senior citizens. We're told that "the prevalence of hearing loss rises steeply with age, from approximately 3 percent among adults 20 to 29 years of age to an estimated 45 percent among the 70- to 74-year age group and more than 80 percent in the 85-years-and-older age group."¹⁰ Suppose both members of a senior couple are dealing with hearing loss, and they're contemplating a \$9,400 dollar out-of-pocket expenditure for hearing aids they might need to replace five years down the road. That would be a tall order for most seniors and their families. So we ask, could greater transparency on the cost of services and devices, greater consumer education on hearing loss and a potential increase in demand, new technology, or a combination of these and other aspects help increase competition and potentially decrease costs?

Second, hearing loss is a complex medical condition with no one size fits all solution.¹¹ Although there are many available treatment options and they work well for many consumers; they work better for some consumers than others, and not at all for some.¹² So we ask, what factors could spur greater innovation?

⁸ *Id.* at 11.

⁹ *Id.* at 205-17.

¹⁰ *Id.* at 1.

¹¹ *Id.* at 35. Regarding hearing loss generally, see *id.* at C.2.

¹² *Id.* at 152.

Third, information costs seem to be high – unusually high – in hearing health care. Many consumers who might afford hearing health care simply cannot determine how best to get it.¹³ There are many different possible routes to care – through various professionals, including primary care practitioners, ENT specialists, audiologists, hearing aid dispensers, and speech language pathologists.¹⁴ Some offer health services, some devices, and many offer bundles of devices and health care or technical services. Adding to the options, there are several different types of devices, and many consumers report having a difficult time knowing where to begin. They do not know the relative advantages of one path or another, or one provider or another.¹⁵ And the array of device offerings can be confounding, particularly when consumers cannot find good information about the relative advantages of products and features that come with very different price tags.¹⁶ Sometimes the basic question what’s included in a bundle of goods and services is obscure. This raises important questions about how might information costs be lowered.

The FTC has found, across diverse industries and occupations, that competition tends to lower prices, improve quality, foster innovation, and improve consumer access. We know that we have a vibrant and dynamic tech sector and an often innovative and sophisticated health care sector.

¹³ *Id.* at 4, 75-77.

¹⁴ *Id.* at 75, 76-77 (Box 3-1).

¹⁵ *Id.* at 75.

¹⁶ *Id.* at 158, 172 (need for research to better aid consumers in comparing products and general need for comparative effectiveness research, respectively); *cf.* Robyn M. Cox et al., *Impact of Advanced Hearing Aid Technology on Speech Understanding for Older Listeners with Mild to Moderate, Adult-Onset, Sensorineural Hearing Loss*, 60 *Gerontology* 557, 567 (2014) (finding “essentially equivalent” improvement in speech understanding and quality of life with basic and premium level hearing aids tested).

This prompts some key questions. What can competitive markets do to help? Could markets do more to benefit consumers under different conditions? How can we in government best foster competitive markets, to keep improving, and better meet the demand for hearing health care while balancing health and safety needs? Can we identify undue impediments to competition and innovation and consumers' access to truthful and non-misleading information about goods and services? Can we lower them?

Conclusion

In conclusion, health care problems can be complex, solutions imperfect, and technology costly. **But** the scale of unmet demand created by hearing loss stands out – not just to those of us at the FTC but to other agencies and those in commerce – in the tech sector, in health care. The FDA has cited estimates that “only about one-fifth of the people who could benefit from a hearing aid seek intervention.”¹⁷ Consumers deserve better options than what they have now.

Thus, we are pleased to convene this workshop to bring together such a broad array of panelists to share information on innovations in technology and methods of health care delivery, about new consumer tools and regulatory initiatives. About what's being accomplished now, and about how reform might better enable competitive markets – old and new industries, technologies, platforms, services and professionals – to meet the critical, burgeoning, and unmet demand for hearing health care.

¹⁷ Food & Drug Admin., Immediately in Effect Guidance Document: Conditions for Sale for Air-Conduction Hearing Aids Guidance for Industry and FDA Staff, 1 (Dec. 12, 2016), <https://www.fda.gov/downloads/MedicalDevices/DeviceRegulationandGuidance/GuidanceDocuments/UCM531995.pdf>.