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It's Mid-October, Where Are We With OTC Hearing Aids?

By Stephen O. Frazier

When the Food and Drug Administration (FDA) released their rules for over-the-counter (OTC) hearing aids in August 2022, they set the date for their introduction to be October 17. This week a new era in hearing help is opening for the roughly 30 million American adults with mild to moderate hearing loss.

Depending on age and gender, between 70 and 84 percent of hard of hearing people in the U.S. who could benefit from hearing aids do not use them. A majority of that group fall into the category that would qualify for OTC hearing aids, so the market for these products is huge. For those who choose them, OTC hearing aids are going to dramatically reduce the cost of addressing hearing loss.

Justin Golub, M.D., an ear specialist at Columbia University Medical Center in New York City, was quoted on CBS News as expecting OTC hearing aids to retail for \$200 to \$800 a pair. Others, like Barbara Kelley, the executive director of the Hearing Loss Association of America quoted in The New York Times, have made similar projections. But the higher end may be in the thousands of dollars, as big box electronics retailer Best Buy reports in the same Times article that it will be selling OTC devices for up to \$3,000 a pair.

The Players So Far

A mix of startups, major tech companies, big box stores, and existing hearing aid makers are jumping into the OTC market. Dr. Golub predicted that names like Samsung and Apple may join established online names like Audicus, MDHearing, and Otophonix. Sony has partnered with WS Audiology (makers of Widex, Signia, and Rexton hearing aids), and has just announced two different in-the-canal hearing aid models that will retail for under \$1,000. Bose, famed for headphones and speakers, developed an OTC hearing aid now being marketed by Lexie, an established low price hearing aid maker.

Victra, an independent operator of 1,600 Verizon cellular phone stores, has entered into a partnership with Eargo to stock and sell their smartphone controlled, in-the-canal hearing aids and will even offer an in-store hearing test. In a surprise announcement, Starkey, the only major U.S. hearing aid manufacturer, announced in mid-October that it will make and market an OTC hearing aid branded Start Hearing One.

Last September 2021, Best Buy added a "hearing solutions" section to their website with an online hearing test from HearX. The hearing solutions department will now also appears in some of their stores. They are planning to sell up to nine different devices ranging in price from a few hundred dollars to \$3,000 for a pair, including Lexie Hearing, Nuheara, Jabra Enhance Plus, Lucid Hearing, Eargo 6, and more.

Selling Features

In light of the upper end prices planned by Best Buy, it's expected that some of the products will include many, if not all, of the bells and whistles of prescription devices such as customizable sound, multiple sound-environment settings called "memories," rechargability, and directional microphones.

Adjustability with a smartphone app and even telecoils will be available in the Lexie Lumen that will be sold at Walgreens. Lexie will also be available at Best Buy, although it's not yet clear if it will be the Lumen model or their B1 model.

The New York Times's Wirecutter, on the heels of the FDA announcement, presented a comprehensive review of the OTCs then available in late August, and had this to say about telecoils in OTC devices:

"We were unable to find a device available by remote purchase that also offered telecoil capabilities. (Telecoil, t-coil, or induction loop systems essentially offer a means for hearing aids to receive a signal from a local broadcasting device, such as a theater's audio, a public-transit PA system, or a specially equipped telephone.) Hearing assistance also has some technological limitations—like the fact that the smaller the device is, the tougher it is to maintain Bluetooth connectivity. As a result, we realized we had to search for several devices that fit different needs."

The Role of Pharmacists

Lucas Berenbrok, a pharmacy professor at the University of Pittsburgh Health Sciences, wrote in The Conversation: "Pharmacists will play a key role in OTC hearing aid sales." This was also echoed in a recently published University of Maryland paper. In recognition of this, ASHA (American Speech-Language-Hearing Association) has developed a special certificate course for pharmacists.

It will teach pharmacists to:

- Recognize the signs and symptoms of hearing loss.
- Assess the individual's need for over-the-counter hearing aids.
- Assist patients in the selection of over-the-counter hearing devices.
- Collaborate with hearing healthcare professionals to champion hearing health-care.
- Employ effective strategies when communicating with persons with hearing loss.

What Can We Expect About Pricing?

Last year Amyn M. Amlani, Ph.D., the president of Otolithic Consulting, did an extensive, multipart study of hearing aid pricing in the U.S. that was reported in Hearing Health and Technology Matters. She found that, at the time, the average prescription hearing aid that cost \$457 was retailed at \$1,785 by a hearing care office.

Traditional department stores like Dillard's, a fashion retailer promising style and value, would have retailed an item costing \$457 for around \$900 which they would consider 50 percent markup (half of the retail price is markup). Or, if they were a high-end retailer like Macy's, they would mark it up to around \$1,200 and then put it on sale at 20 percent off, taking the actual selling price down to \$960—or again around a 50 percent markup all told.

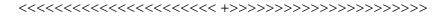
If OTC hearing aids are to be treated by Best Buy like smartphones and other consumer electronics they will only take an 8 to 10 percent markup. But Walmart operates on an average 32 percent markup, so Best Buy can easily underprice them and still conceivably be profitable selling hearing aids. Based on these comparisons, a pair of hearing aids sold at Best Buy for \$900 may be comparable to an \$1,800 hearing aid (or \$3,600 for a pair) at a typical private hearing care office. (See more of my research on the business of selling hearing aids here.)

'The Wild West'?

What the introduction of OTC devices will do to the hearing aid market remains to be seen. The popular conception is that it will increase the sale of hearing aids to those who have claimed they cannot afford them because they're so expensive.

Hearing aid distribution in the U.K. makes that statement questionable as a recent MarkeTrak study found that in Britain, where hearing aids are free through the National Health Service, the percentage of people who could benefit from and had them was not appreciably greater than here in the U.S. And, in some age groups, even lower except for the most senior of seniors. This would seem to portend a reduction in the sale of prescription hearing aids as people with mild to moderate hearing loss opt for OTCs instead. (See more of my research on hearing aid use here.)

Even Frank Lin, M.D., Ph.D., of Johns Hopkins University, who did so much to spearhead the creation of an FDA-regulated OTC hearing aid market, agreed in The New York Times that "it may be the Wild West for the next few years."



Trained by the Hearing Loss Association of America as a hearing loss support specialist, staff writer and New Mexico resident Stephen O. Frazier has served HLAA and others at the local, state, and national levels as a volunteer in their efforts to improve communication access for people with hearing loss. Contact him at hlaanm@juno.com