



# HEARING MATTERS AUSTRALIA

Support from real life experience

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## THEY COST WHAT???

## FOR THAT PRICE THEY SHOULD DO THE WASHING UP...

### Understanding the price of hearing devices

Most people are surprised by the cost of hearing devices. The media has reported on this issue many times, focussing on commissions paid for hearing devices. Advice often given is to insist on a hearing aid trial and to seek second opinions. Below we inform you of how hearing aids are priced and explain what to look for in pricing and price comparisons, and what to look out for in relation to insurance to protect you against loss and damage. We discuss the trial process and second opinions and how that works in practice.

Most hearing clinics have a tradition of charging bundled fees, but increasingly clinics are giving the option to patients to elect either a bundled package (all services paid with the cost of the hearing device) or an unbundled package (services paid as you go, and devices charge separately at the time of fitting).

### Bundled hearing and rehabilitation fees

The most common pricing model in hearing clinics is to bundle all services and the cost of hearing devices into one fixed price. Clinics may advertise hearing tests are free or very low cost, but those who need hearing aids find that they are paying high costs for hearing aids because those device costs are actually the cost of running the service, as well as the cost of the device.

Service costs included in bundled fees typically include:

- Hearing Assessment
- Rehabilitation planning and prescription of hearing devices and necessary accessories
- Ordering and setting up hearing devices for the individual
- Programming the device and fitting the hearing device in the clinic
- Counselling in the use and adjustment to the device
- Follow up appointments usually within 2 weeks of the initial fitting of the devices
- Medium term follow up appointments
- Repairs and checking of devices within warranty periods
- All requested consultations related to the hearing device for the life of the hearing aid

For some people, a bundled fee offers confidence that they will be supported without additional costs. For those with high or changing needs, a bundled fee may end up as good value. Payments for anticipated services are bundled and paid up front.

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### **Unbundled hearing device and rehabilitation costs**

Unbundled costs mean that each aspect of hearing rehabilitation is charged separately.

Clinics will charge separately for:

- Hearing assessments
- Hearing devices
- Fees for accessories needed for the devices
- Fitting and dispensing of devices
- Consultation fees for each consultation – fitting, follow up, monitoring, further assessment.

The unbundled model is typical of healthcare service providers, although some surgeons charge bundled fees. For example, when you visit your GP or physiotherapist, you are charged on each visit and pay for the visits as you go, but if you have an operation, you may be billed the same amount, even if you require more follow up appointments than were originally expected. Many independent hearing clinics charge unbundled fees. Most hearing clinic chains charge bundled fees.

### **Comparing bundled and unbundled costs**

Upfront costs will be very different depending on whether fees are bundled or unbundled.

Those who are used to not paying for each consultation, earmolds and repairs because they have been in a bundled model may not realise that they have paid for those services in the bundled fee that they paid upfront. Because bundling is the most common type of pricing, audiologists who unbundle can seem expensive, because they charge for appointments.

The trend is towards transparent pricing – so whether your audiologist offers bundled or unbundled fees or asks you to choose which you prefer – you should always ask for an itemised bill. This should give you a list of all that is included in the bundle.

Unbundled fees may feel like drip pricing, when costs keep adding up without you realising – but you can check with your audiologists what costs to expect in the future, and they can give you an indication of what is needed for you.

Examples:

Mr A needs hearing devices fitted quickly and is going to live overseas for 5 years. If the clinic Mr A visits charges him a bundled fee, he will be paying for follow up consultations that he is likely to never use. He could save on the cost of his hearing devices by requesting an unbundled fee. He would then pay for his assessment, hearing devices and fitting appointment as per the audiologists schedule of fees.

Ms B has dementia and struggles to learn new tasks. She is likely to need multiple appointments to manage with new hearing aids. Her audiologist offers a bundled or unbundled option. Ms B may be sensible to accept a bundled fee, as although the upfront costs will be high, her carers know she will need many more appointments than is typical to cope with hearing aids.



## **Are hearing aids expensive because the audiologist earns commission?**

Some audiologists work in settings where they are rewarded for sales, for successful outcomes, or for productivity. Of concern has been situations where the sale of more expensive hearing devices reward audiologists with higher commissions, which creates a conflict of interest for them when they are providing advice. The media recently drew attention to hidden commissions paid in many large clinic chains and at Hearing Australia that prompted more transparency about commissions.

When attending an audiology clinic, you can ask about commission structures. Any commissions or special discount arrangements with suppliers that may benefit the audiologist who attends to you should be transparent. Sometimes commissions are framed as bonuses or team rewards, based on sales made by a whole clinic. HMA cannot provide advice on whether this is a good or bad system. We do, however, recommend that you make an informed decision by being clear on what portion of the fee you are being charged (if any) is a commission.

## **ACCC Advice on purchasing hearing aids**

### **Shop smart and do your research**

Choosing the right hearing aid and provider can be difficult. Before you buy a hearing aid you can protect yourself by being a smart shopper.

Always do your research first. Compare offers, ask questions, read independent online reviews on the hearing aid or hearing clinic, and take your time to make the right purchasing decision.

There are a variety of hearing aids and devices available at a range of price points. Not all the features and benefits may be necessary for you. For example, if you simply want to better hear the telephone or television, there may be a device available to assist you.

Think carefully about the hearing problem you would like to address. Before you buy a hearing aid or device you can protect yourself by doing some research and asking the right questions.

If you need assistance, a trusted friend or relative may be able to help you do your research.



## Be aware the hearing clinic is a business

Hearing clinics are usually profit-making businesses like any other store. Some hearing clinics:

- encourage clinicians to sell more expensive hearing aids by setting sales targets and other performance measures
- pay clinicians commissions and other incentives for selling hearing aids
- have arrangements that favour certain brands or types of hearing aids
- are owned by companies that manufacture hearing aids.

These factors could influence the price, type, and brand of hearing aid that a clinician recommends to you. Don't feel pressured into purchasing a more expensive hearing aid unless you are satisfied that you need it and be sure to ask lots of questions.

### Before your appointment

Before visiting a hearing clinic, you should discuss your hearing concerns with your doctor to make sure that your hearing is not impacted by a treatable medical condition.

You may wish to arrange for a trusted friend or relative to join you at your hearing clinic appointment.

### During your appointment

If you need a hearing aid, here are some suggestions to help you make the right choice:

1. Ask the clinician to explain your audiogram so that you **understand your hearing loss**.
2. Ask the clinician to discuss the range of **hearing aids and devices available** and what the **different prices are**.
3. Ask the clinician about the **different features** of the hearing aid. While some hearing aids may have more features or functions than others, **you may not need or want them**.
4. If a clinician recommends a hearing aid, **ask why**. If you don't understand anything, ask the clinician to repeat or clarify the information until you do understand. You have the right to ask the practitioner if they are paid more to sell particular hearing aids, or why they only sell certain brands or types of hearing aids.
5. Take notes if you think you may have trouble remembering important details (or ask your support person to take notes for you).



6. Ask for a **copy of your hearing test results**, including the audiogram. Having copies of test results will make it easier to shop around to find the best deal (*note from HMA: as per our information sheet on hearing assessments, not all hearing tests are equivalent and taking test results for a second opinion may legitimately prompt a further assessment, for which you can be charged*).
7. Ask for a **quote, including the type and cost of any recommended hearing aid**.
8. Find out if the hearing clinic offers a **free trial period**. Be sure to ask for the conditions of any free trial period, including its end date.
9. Take your time to make a decision and **remember it's ok to say no**. You should never feel pressured or rushed into making a decision and you do not have to agree to anything on the spot.

#### After your appointment

1. **Shop around for the best deal**, compare the offer you are looking at with others, and choose what's right for you. You may also want to ask about the rehabilitation and support services offered by the clinic.
2. If you don't feel comfortable with the information and recommendations from a clinician, get a **second opinion** from a different hearing clinic.
3. **Keep all the paperwork**. Whenever you buy something, keep a copy of the receipts and anything you sign. Make sure you keep any paperwork in a safe place where you can find it again. You have the right to ask for a receipt for anything you buy or pay for.
4. You have the right to expect that what you buy does or performs as it is supposed to. If a problem arises with your hearing aid or it does not perform as promised, you may be entitled to a **repair, replacement or refund**.

#### Speak up if something goes wrong

The ACCC can give you information about your consumer rights and obligations and suggest possible courses of action you can take. In some cases, the ACCC or your local fair trading agency may also be able to investigate and take action when a seller or clinician fails to meet obligations under the Australian Consumer Law. Visit [www.accc.gov.au](http://www.accc.gov.au) or call the ACCC Infocentre on 1300 302 502 for further information.

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