

## Hearing care represents a sound investment

Many studies in the past 30 years provide conclusive evidence of the **negative effects of hearing loss on people's quality of life**. Hearing loss can indeed lead to social isolation, depression, poor relationships, stigma, low self-esteem, memory loss, unemployment, and even dementia.

While the **appropriate use of hearing aids improves the quality of life of people with hearing loss, unaided hearing loss creates increased costs for public health care systems, estimated in 2006 at €224 billion in Europe**<sup>1</sup>.

As hearing loss is **strongly associated with ageing**, the demand for hearing care will thus rise, creating a **growing challenge** that should be addressed urgently.

Increasing the number of people using hearing aids can be achieved by promoting adult hearing screening, raising awareness, as well as campaigns to reduce the stigma linked to wearing hearing aids.

What is more, **proper hearing care provided by qualified hearing care professionals in competitive markets can ensure high usage rates of hearing aids and high customer satisfaction, preventing higher additional costs for society**.

**For this reason, investing in hearing care represents a "sound investment"**

### What is hearing loss?

#### ***A complex pathology...***

Hearing loss is a **subjective condition** that cannot be measured easily. As a matter of fact, there is **no standardised definition** of hearing loss:

- The World Health Organisation (WHO) considers hearing loss based on **audiometry** or loudness level in decibels at which one starts to hear pure tones. Hearing loss is considered "disabling" when an individual is only perceiving sounds as from 40 dB (30 dB for children).
- On the other hand, many prefer to consider **self-reported hearing loss**, because this approach takes other indicators into account, such as quality of hearing, overall profile and needs of the individual.

According to the WHO definition, 16% of adults worldwide have some degree of hearing loss<sup>ii</sup>. Using the concept of "self-reported hearing loss", we can consider that about 10% of the population in high-income countries have hearing loss, i.e. **52 million people in Europe only**.

Both approaches have pros and cons, however, **adopting a standard definition** would facilitate the collection of data, provide a better estimate of the number of people that could be helped and, ultimately, improve the quality of hearing care provided.

#### ***... strongly associated with ageing***

Around 90% of hearing loss cases are reported to be caused by ageing<sup>iii</sup>. It is estimated that 50% of people aged between 60 and 70 years old and over 80% of people older than 70 face hearing problems<sup>iv</sup>.

Knowing that the percentage of Europeans aged over 65 is projected to rise from 16% in 2010 to 29.3 % in 2060<sup>v</sup>, it is easy to understand the **huge impact hearing loss could have on public health spending in the near future**.

## Complexities of the hearing loss market

### *The penetration rate is hard to calculate*

The ratio between the number of hearing aid owners and the number of people with hearing loss (penetration rate) **is hard to define and depends on a series of factors**, including:

- age and severity of hearing loss;
- level of awareness and information;
- stigma associated with wearing a hearing aid;
- organisation of the healthcare and reimbursement systems at national level.

The penetration rate is **usually calculated too low**, as a large majority of people with “mild hearing” loss (below 40 dB in the better ear) cannot be helped with hearing aids. Similarly, a “profound hearing loss” (above 90 dB) is generally approached by other methods, such as cochlear implants.

As a matter of fact, there is no consensus on the size of the **“addressable market”** (i.e. the percentage of people with hearing loss that can be helped through a hearing aid), which **is generally estimated at 60-70% of the people with hearing loss**. However, constant technological developments increase the “treatable” conditions.

Moreover, **usage rates** depend on many factors, such as the context and quality of the guidance provided, the user satisfaction and the perceived quality of life benefit. On average at European level, 59% of people with self-perceived hearing loss who were recommended for hearing care actually use hearing aids (vi).

Looking at penetration rates without considering the quality of the hearing care provided is misleading. **Other parameters are also important when evaluating the efficiency of a local market**. This includes customer satisfaction; active use of hearing aids; perceived impact on the overall quality of life of people who benefit from hearing care provided by a hearing aid professional.

### *Impact of hearing care and organised reimbursement*

It is possible to divide countries into **two different models of organising hearing care**:

- **Countries following a “state-organised” model**, where hearing care is free of charge but where the end-user has no or little freedom of choice; and
- **Countries with a “competitive” model**, where the healthcare system refunds hearing aids so that a basic solution can be nearly free of charge, and where the end-user has freedom of choice and the option to top up if wanted)

While the uptake of hearing aids by the people who were recommended hearing care is higher in countries with a “state organised” model (84% vs 70% in counties with competitive model<sup>vii</sup>), it is striking to see that **usage rates, customer satisfaction and benefits attributed to professional hearing care** (e.g. self-confidence, social life, sense of safety and independence, as well as mental and physical health) **are higher in “competitive market” countries<sup>viii</sup>**.

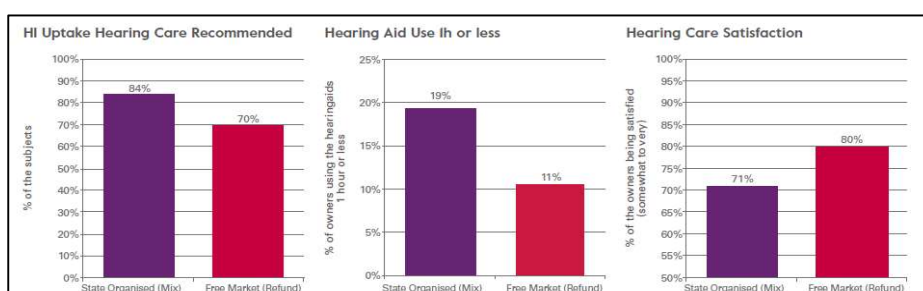


Fig6: Left pane the percentage of Hearing instrument Uptake by People who receive the recommendation to go for hearing care (The uptake is higher for the State Organised Model - violet bar).

Middle pane, the percentage of people using the hearing aids 1 hour or less – lower is better (this percentage is lower for the Free Market Model - red bar).

Right pane, the percentage of people that are satisfied with the received hearing care (this percentage is higher for the Free Market Model - red bar) - (Source of basic data: Ehima-Anovum Eurotrak).

In other words:

- **High public intervention in the reimbursement of hearing care**, where customer freedom of choice is limited, **doesn't necessarily lead to a higher usage or higher customer satisfaction.**
- **The most effective systems are not the most expensive ones for states' budgets;**
- **Market competitiveness is an essential factor to ensure high customer satisfaction.**

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<sup>i</sup> 'Evaluation of the social and economic costs of hearing impairment – a report for Hear-it', Bridget Shield, October 2006.

<sup>ii</sup> 'Hearing Loss: The Statistics', European Federation of Hard of Hearing People (EFHOH), 2015.

<sup>iii</sup> 'Economic Impact of Hearing Loss in France and Developed Countries – a survey of academic literature 2005-2015', Jean de Kervasdoué and Laurence Hartmann, March 2016.

<sup>iv</sup> [www.hear-it.org](http://www.hear-it.org).

<sup>v</sup> Facts and numbers on Hearing Loss & Hearing Care - Mark Laureyns AEA - March 2017.

<sup>vi</sup> 'Getting our numbers right on Hearing Loss and Hearing Care', Joint AEA, EFHOH, and EHIMA report, Mark Laureyns, Lidia Best, Nikolai Bisgaard and Soren Hougaard, September 2016.

<sup>vii</sup> Idem.

<sup>viii</sup> Extrapolation from EuroTrak and MarkeTrak surveys. EuroTrak was designed and executed by Anovum (Zurich) on behalf of the European Hearing Instrument Manufacturers Association (EHIMA). This survey is based on a representative sample of the population in each of the **ten** countries surveyed so far (Belgium, Denmark, Germany, France, Italy, Norway, Poland, Switzerland and the UK) (> 13000 people per country – weighted in age, gender, education level, region, etc.). For each country, Anovum has identified a sample of at least 1300 people with self-reported hearing loss. **MarkeTrak is the US equivalent of EuroTrak.**