

Purchasing Hearing Aids Unbundled vs. Bundled

Unbundled

"Unbundling" refers to separating the sale of the hearing aid from the follow-up service and care.

Although unbundling has long been practiced in the more medically-oriented practices, it started gaining momentum shortly after open ear (behind-the-ear) hearing aids came on the market and the need for post-sale service declined due to advancements in hearing aid technology.

Open Ear hearing aids side step the three issues leading to the most time spent in after-sale service:

1. Physical comfort is usually taken care of on the initial fitting by getting the proper length tube and correct diameter dome.
2. By keeping the ear canal open, background noise issues are minimized.
3. All sounds, including the wearer's own voice, are much more natural, again due to keeping the ear canal open.

Some dispensers offer unbundled prices on all types of hearing aids. The customer can choose how long the post-sale service period will be, usually 45 days to one year.

Bundled

"Bundled" (as the name implies) refers to all costs of the hearing aids and any included services and fees being given as a single price. Though not disclosed, this price may at times be more than what you could purchase separate items for separately, unbundled. When discussing the purchase of hearing aids with any provider or dispenser, make sure you know everything that you are getting in the package (bundle), including hearing aids, service, and accessories

<http://hearingaidinsider.com/articles/purchasing-hearing-aids-unbundled-vs-bundled>

Unbundling-University of North Carolina Hearing and Communications Center

Hearing aids are an expensive investment. They improve audibility of speech and can help immensely in improving communication, increasing one's job performance, and improving quality of life.

Typically hearing aid prices are "bundled," meaning there is a set price that covers the device and follow-up appointments for a period of time (sometimes indefinitely). While this may sound attractive, especially to those on a fixed income, there are some major problems with this approach.

	Bundled	Unbundled Hearing Care at UNC HCC
Hearing Aid prices	Initial price is higher, often a lot higher, than it needs to be.	Fair, transparent pricing at, or close to, single unit price.
Portability of services	Your contract for follow up services is with a specific clinic.	You <u>can seek quality audio logic care wherever you are.</u>
Ability to upgrade	Having paid so much for the devices, you may be reluctant to upgrade your hearing aids when technology improves.	With fair hearing aid pricing you <u>can choose when you want to upgrade</u> your hearing aids.
Cost of routine maintenance and follow up	No charge (length of no charge period depends on clinic)	You will be <u>charged only for appointments and services needed.</u>
Quality recommendations	This model has to become a sales model in order to stay in business. The clinic <u>depends on hearing aids sales to stay afloat.</u>	With regular revenue from hearing aid care appointments, this clinic <u>does not focus on how many hearing aids it sells.</u> The important factor is follow up care which results in greater hearing aid satisfaction, improved quality of hearing aid performance and loyal patients.

We have chosen to unbundle our services, and have been working towards this gradually since 2006. We believe it serves our patients better and is more beneficial in the long-run.

[Dr. Stephanie Sjoblad](#) [Dr. Barbara Winslow-Warren](#) [UNC Hearing and Communication Center](#)

REAL PROBLEMS WORTHY OF REAL SOLUTIONS:

Residents of our retirement community come from all over the US and I hear our Hearing Solutions Group member's sad stories relating to bundled servicing over and over. A few of these stories are:

- Relocated from another part of the country with aids purchased at the previous location with prepaid servicing. Some previous providers making referrals to local providers-some not. Few are happy with the referred provider. All dread the tedious stressful task of re-discovering the "right" provider that is experienced, knowledgeable, established, whom they feel they can trust and with whom they can communicate. All are resentful of losing the value of the "lifetime" non-refundable prepaid service fees.

- Discovery, sometimes as long as a year after a purchase, they made a poor choice in selecting their provider but are locked-in with prepaid servicing fees.
 - Provider without warning “sells” their patient rights to another provider across town or to a provider the patient initially ruled out before buying their aids, or worse yet, having their Phonak aids short circuited by a Miracle Ear provider on the first such visit.
 - Provider suddenly acquires a large base of patients and the waiting time for service goes from 1 week to 2 months or the patient suddenly finds they are dealing with a new trainee instead of the Audiologist they carefully chose before purchase.
 - Provider unexpectedly retires, quits business, relocates without warning, is acquired by an undesirable provider in an inconvenient location or the carefully chosen Audiologist transfers to another location.
 - After purchasing aids with lifetime prepaid fitting and servicing the selling Provider advises their patient “I have done all I can for you”.
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DISCUSSION

- Full Service for life of the aids is the best answer for some users --- Pay-for-Service of aids is the best answer for others.
- The problem is we don't have the option.
- National Audiology Associations as well as state and local chapters discuss this subject and actually have Pay-for Service pricing models. Why is this information a closely guarded secret? Why is the true cost of aids not separated from the cost of fitting, evaluation and service after the sale? Could it be because this lack of transparency and openness is in the providers financial best interest at the expense of the consumer?

SOLUTIONS

1. Our group could benefit from the success of a local provider offering an unbundled marketing approach which should result in a competitive advantage for the provider encouraging others to follow.
2. Another benefit to our group would be to develop and publish a comparative servicing price menu form listing the prices charged by area providers. All providers have this information but are reluctant to provide it openly. This lack of transparency and openness is a major cause of consumer distrust and adversarial conflict with providers.

FORM--SERVICES AVAILABLE BY HEARING AID PROVIDERS

(example) PROVIDER NAME

STANDARD FEE SERVICES (FEE \$) excludes promotion specials

Video Otoscopy (\$)

Audiogram (\$) \$200

Real Ear Measurement (computer connected to (Y-N) Y

Sound Field Test (duplicate real situations) (Y-N-\$) Y-\$150

Visual Speech Mapping (Live Speech Recorded at Eardrum) (Y-N-\$) N

Low Price Matching (Y-N)	N
Batteries (Cost per battery)	50 cents
Cerumen (Wax) Management (Y-N-\$)	Y-\$25
Consultation-Adjustment (Non patient) (\$/hour \$/6mo \$/12mo)	\$75/hr

FREE SERVICES FOR PATIENTS WITH PURCHASED AIDS

Term of Free Service (Mos)-Life of Aids (LA)-Term of Warranty (TW)	TW
Trial Period (Days)	30
Return: Money Back (Y-N)-Restocking Fee (\$)	Y-\$150
Warranty of Aids (Y-N)	Y
12 Mo Extended Warranty Repair/Dmg Option (\$/aid)	\$200
12 Mo Extended Warranty Repair Only Option (\$/aid)	\$100
Number of Hearing Aid Adjustments (Specify#) U=Unlimited	U
Audiograms (Y-N) Copy for Patient (Y-N)	Y-Y
Hearing Aid Clean and Check (Month Interval)	3mo
Cerumen (Wax) Management (Y-N)	N
Batteries:(# at Purch) (Free for Life of Aids=LA)	60