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The Hunt for an Affordable Hearing Aid

The crackling noises coming from my left ear weren't a good sign.

Last year, when my decade-old analog [hearing aid](#) started making popping sounds, I knew I had to replace it. But because hearing aids are so costly and generally aren't covered by insurance, I had put it off. I soon learned that in the last 10 years, purchasing a hearing aid had become even more difficult and confusing than buying a new car — and almost as expensive.

The first salesman I visited, in Los Angeles, looked at the hairline [fracture](#) on my wax-encrusted aid. He warned me that it could shatter in my ear and advised me to get a new one on the spot.

Alarmed, I visited Hearx, the national chain where I had bought my previous aids. There, a fastidious young man spread out a brochure for my preferred brand, Siemens, and showed me three models. The cheapest, a Siemens Motion 300, started at \$1,600. The top-of-the-line model was more than \$2,000 — for one ear. I gasped.

I've worn hearing aids for more than 30 years; I've had profound [hearing loss](#) in my right ear and moderate loss in the left ear, the one where I wear the aid, since I was 5. So I am probably savvier than most first-time customers, many of them elderly and scared of what might happen if they don't buy an expensive aid.

A hearing aid is basically just a microphone and amplifier in your ear. It isn't clear why it costs thousands of dollars.

But the digital era has ushered in new technology: Manufacturers boasted of Bluetooth, multiple settings, “channels” and “bands,” which processed sound and fine-tuned it like a stereo's equalizer.

Perhaps that was why the Hearx salesman bristled when I asked what I could get for \$1,000. He likened the expensive model with 16 channels to listening to an orchestra — and the eight-channel model to a car stereo. He didn't show me any other options. It was as if I'd gone into a car lot and had been presented with only Mercedeses, Porsches and Ferraris, when I wanted to see a Honda.

Feeling pressured, I ordered the “cheap” aid. But I quickly canceled the order and started researching my options. I learned not only that now you can buy hearing aids online, but also that Costco — a place where you typically get toilet paper in bulk — has gotten into the hearing aid business.

Why have hearing aids become more expensive, while cellphones, computers and televisions have gotten cheaper? Russ Apfel, an engineer who designed a technology now found in all hearing aids, says there is no good reason for this.

“The hearing aid industry uses every new thing, like digital or a new algorithm, to raise prices,” said Mr. Apfel, whose company, [AudioTonic](#), aims to sell sophisticated but affordable devices. “The semiconductor industry traditionally reduces the cost of products by 10 to 15 percent a year,” he said, but “hearing aids go up 8 percent a year annually” and have for the last 20 years.

The microphones, speakers and processing chips aren’t that expensive. “Those devices in small volumes cost \$10 to \$15,” Mr. Apfel said. He estimated that most hearing aids cost no more than \$100 to make.

Indeed, less expensive hearing aids are available online. At [Audicus.com](#), prices run from \$399 to \$599, a discount made possible by eliminating the middleman — the hearing aid dispenser. “Retailers/audiologists account for up to 70 percent of the final price of a hearing aid, because they factor in a bundle of additional expensive services,” the site states.

“The big discussion right now in the industry is about unbundling,” said Audicus’s founder, Patrick Freuler. “The consumer has absolutely no idea how much is the cost of the device, how much is the cost of the service that went into testing, advising, programming, your after-sales support. All the customer sees at the end of it is one big fat price tag that says, ‘\$2,000.’ ”

And all of those channels are mostly marketing. “For someone with mild to moderate hearing loss, the average hearing aid today is completely overengineered,” Mr. Freuler said. He cited studies showing that four or five channels improve speech intelligibility.

There is a downside to buying online: Hearing aids need to be mailed in for adjustments, an imperfect option.

Deborah Carlson, president of the American Academy of [Audiology](#), said that the high prices included research and development, and pointed out that audiologists at private clinics provide customized service, including real ear measurements and repeated follow-up visits. “They’re going to understand your hearing loss better” than a Web site, she said.

Cindy Beyer, an audiologist and a senior vice president of HearUSA, the parent company of HearX, said in an e-mail that the company offers aids as low as \$850 — but that the average cost of a hearing aid, according to a report from the Hearing Review and House Institute, is \$3,000.

In other words, my shopping experience could have been much worse.

When I told a friend about the sticker shock, she said, “Why don’t you check out Costco?”

The chain started selling hearing aids in 1993, and now has 438 hearing aid centers. At Costco, a basic in-the-ear shell hearing aid costs \$500, with the most advanced behind-the-ear models going for \$1,300.

And unlike the Internet retailers, Costco offers face-to-face service with hearing aid dispensers and audiologists for custom fittings.

“As a company, we made a decision to go after this business,” said Richard Chavez, a Costco senior vice president. “I mean, to really try to become the best in the world.”

Costco’s prices are less than half than the industry standard, despite the fact that its hearing aids are produced by the same major companies, including Rexton (a brand made by Siemens) and GN ReSound. Its in-house brand of aids, Kirkland Signature, is also built by Siemens. And unlike many private hearing aid dispensers, Costco employees don’t work on commission.

Not surprisingly, Costco isn’t winning any popularity contests in the industry.

“Oh, they hate Costco,” Mr. Freuler said.

Sam Tanzer, a founder of an online store called [Embrace Hearing](#) (where prices run from \$399 to \$899), said that private retailers had to raise prices to cover fixed costs. “When you think about your typical independent audiologist charging \$6,000 for a set of hearing aids, he’s not getting rich,” he said. “Costco just has much more efficient overheads. They don’t have to pay a receptionist; they don’t have to lease separate space.”

Admittedly, my experience at Costco was mixed. The inexperienced hearing aid dispenser suggested a brand, Bernafon, that I was not familiar with. The sound was compressed and tinny; it never sounded or fit right and had to be remade several times. After seven or so visits, I was beginning to believe the adage “You get what you pay for” (in this case, \$950).

When I moved to Seattle last year, I went back to Costco and explained my situation. Though nearly a year had passed, the store accepted a complete return and gave me a new brand, which fit perfectly.

However, I may not have needed a new aid at all. Far into my Costco experience, I saw a nondescript sign in Culver City, Calif., for a hearing aid professional. I rang the doorbell, located discreetly inside an eyeglass shop, and an older man beckoned me to a small, windowless room with wood-paneled walls and shelves filled with odds and ends of the trade: hearing aid boxes, batteries, replacement parts, silicone molds.

I told him about my misadventures and he looked at my cracked, wax-encrusted aid — the one I was told was so dangerous it needed to be immediately replaced. He put a stethoscope in his ear and listened to it. He said that he could clean out the wax and have the shell repaired and that it would work just fine.

His price: \$100.