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ADA and IntriCon Launch Low-Cost Hearing Aids: Announcement with Comments from the Hearing Industries Association and Rebuttal from ADA and IntriCon

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Editor's note: The following interchange between the Academy of Doctors of Audiology (ADA) and the Hearing Industries Association (HIA) underscores the changing environment that we need to work in. More on this can be found in my editorial in this issue of Canadian Audiologist.

ADA and IntriCon Partner to Launch earVenture Low-Cost Hearing Aids

In a bold move intended to bring low-priced hearing aids to the professional market and reinstate the provider's vital place in the treatment of hearing loss, the Academy of Doctors of Audiology (ADA) and IntriCon Corp announced today the launch of earVenture, LLC. The new company, co-founded to deliver hearing aids and educational resources, will reportedly offer products of unprecedented value for audiologists and their patients.



Kim Cavitt, AuD

earVenture's hearing aids, available first to ADA members and later to all licensed dispensers, are advanced digital devices most professionals would consider in the "essential" performance category, delivering a feature set that includes 8-channel/12-band feedback control, directional microphones, telecoil, and noise-reduction. "This device is intended as a high-quality low-cost alternative with the provider in mind, delivered to the audiologist and the consumer so that it places our services—not the device—at the center of hearing healthcare," said ADA President Kim Cavitt in an interview with *The Hearing Review*. "This hearing aid is designed as an answer to the PSAPs (personal sound amplification products), direct to consumer, and mass retail devices that are currently challenging the practices of private practice audiologists."

Accessibility, Affordability, and Autonomy. According to the company, earVenture's products have been developed to disrupt the hearing aid market in a manner that allows all hearing care professionals to succeed. A video on the company's website describes how the new hearing aids will allow audiologists to employ the care model of their choice for exceptional outcomes and value for their patients:

Cavitt says audiologists are facing severe pressure as the hearing care field becomes awash in

price-oriented marketing that continually places the device—and the price of those devices—at the center of the hearing healthcare industry's consumer message. "The Internet has changed everything," says Cavitt. "There has never been this kind of transparency in hearing aid prices. However, several peer-reviewed studies, including the recent research by Robyn Cox and colleagues, clearly demonstrate that what drives a consumer's success with hearing aids is *not* the device itself but rather evidence-based practices—providing the appropriate diagnostic and fitting services and aftercare that ensure an excellent outcome. Simply put, our field is desperate for a value-based model of quality care, with the devices being viewed as only one tool in the process. We need to make the comprehensive testing, fitting, and rehabilitative services that only licensed hearing care professionals can provide the center of the hearing care model."

"IntriCon is excited to partner with the ADA to form earVenture—a testament to each organization's strong commitment to provide audiologists access to high-quality hearing instruments and education resources at attractive price points," said Mark Gorder, president and CEO of IntriCon in a press statement. "IntriCon's long-standing design and development strategy focuses on hearing aid platforms driven by outcome-based features. This philosophy has enabled us to offer technically advanced products to independent audiologists at price points significantly lower than competing devices. Coupled with best practices, we believe this model will help audiologists compete in today's marketplace."


earVenture ReVel BTE

Product line. Initially, earVenture will offer a limited product line that is focused on outcome-based features. The reVel thin-tube (312) BTE features 8-channel WDRC with 12 bands of gain adjustment, 4 programmable memories, adaptive feedback cancellation, adaptive directionality, dynamic speech enhancement, and a telecoil. The faVor (10A) BTE offers many of the same features, is reportedly one of the smallest directional devices on the market, and includes a telecoil and layered noise reduction. According to earVenture, the devices are designed to embody streamlined performance and value that will help audiologists compete in any market and reach underserved or never-served populations.


Delain Wright

"These are high-quality products at the right price point," Delain Wright, Intricon's VP of business development and a well-known industry executive, told The Hearing Review. Intricon, a public company (NASDAQ: IIN) located in the Minneapolis suburb of Arden Hills, has a long history of supplying the hearing industry with high-quality components and, more recently, in manufacturing hearing aids and PSAPs. They are perhaps best known as the suppliers of United Healthcare's hi HealthInnovations' line of hearing aids, as well as supplying components for the numerous medical device firms in Minneapolis and elsewhere.

Importantly, earVenture devices will not be marketed to consumers by the company, and they will be unavailable to over-the-counter or direct-to-consumer firms. There will be no minimum order or volume discounts, no perks or incentives for larger buyers, and little hand-holding outside of what is generally considered routine hearing aid manufacturing protocols. The

programming software is NOAH-compatible and relies on a standard platform familiar to most experienced audiologists. The company is also rolling out a unique exchange and repair program. Rather than the traditional and costly return-for-credit approach, there will be immediate same-day replacement for exchanges and repairs.

It will be up to the dispensing professional how the reVel and faVor hearing aids fit into their practice's product offerings. ADA envisions that the new products will open up more options for audiologists and dispensing professionals to enhance their models of quality care. This might include unbundling the cost of hearing care services from the price of the devices—a prospect that is a desired business strategy but has proven to be elusive due to several practical challenges. In the latest *Hearing Review* survey, more than three-quarters of practices continue to bundle pricing. The educational section of the earVenture website, called reinVent, offers step-by-step ideas for success regardless of the pricing structure you use: bundled, unbundled, or a hybrid. It also provides recommended protocols for private-pay and third-party reimbursement.



Stephanie Czuhajewski

ADA Executive Director Stephanie Czuhajewski says the joint venture with IntriCon provides a unique product to the market that ensures value beyond the device. The company has no paid sales force, no consumer advertising, marketing, or sales. The products are purchased via credit cards on the earVenture website, eliminating administrative overhead and risks associated with accounts-receivables. "Maximizing profit is not the objective of earVenture," says Czuhajewski. "In fact, if the sole result of this start-up is to disrupt the market and other competitors enter this space, then we've achieved our objectives."

ADA member audiologists may pre-order earVenture hearing instruments through September 22nd at www.earventure.net (while supplies last). Non-ADA member providers (including hearing instrument specialists and ENTs) may register and order beginning September 23rd. Profits from earVenture will be split 50/50 between ADA and Intricon, with the ADA's profits being used to support ADA advocacy initiatives that advance best practices and the audiology profession.

HIA Expresses Concerns about ADA and IntriCon's Formation of earVenture

The Hearing Industries Association (HIA) released a statement yesterday expressing concerns about the recent formation of earVenture LLC, a hearing aid company that is the joint venture of the Academy of Doctors of Audiology (ADA) and IntriCon Corp. earVenture plans to introduce hearing aids in the "essential" product category at extremely low wholesale prices. HIA says it is concerned about the propriety of a major professional organization aligning itself with a single hearing instrument manufacturer in an extremely competitive market, and says this action raises questions related to potential conflicts of interest for the Academy.

HIA's statement reads:

"The Hearing Industries Association (HIA) has expressed concern about the recently-announced joint venture between the Academy of Doctors of Audiology (ADA) and hearing aid manufacturer IntriCon Corporation. The program, earVenture LLC, would sell hearing aids to Audiologists with special pricing for ADA members, virtually all of whom are existing customers of the members of HIA, including IntriCon. HIA members produce the vast majority of hearing aids sold in the US on an annual basis.

HIA believes that earVenture may not align with ADA's stated mission of advancing "professional autonomy and sound business practices," as profit motives inherent in product sales call into question potential conflicts of interest. Further, HIA thinks the decision by ADA to become a commercial actor in the marketplace negatively impacts that organization's objectivity and neutrality. Additionally, HIA questions the need for an exclusive relationship with only one member manufacturer of HIA to sell products that are already commercially available from virtually every hearing aid manufacturer at similar price points.

HIA President Carole Rogin observed that "HIA and its members have been staunch supporters of ADA since its inception and were, indeed, instrumental in supporting its creation, as well as its meetings and programs continuously over the years. While each HIA member will be assessing the impact of this venture on its company and valued customers, HIA will be undertaking a comprehensive review of its longstanding partnership with ADA in furthering the private practice of audiology with respect to a potential conflict of interest posed by this initiative."

As reported by *The Hearing Review*, the ultimate goal of earVenture, according to ADA, is to disrupt the hearing aid market in a manner that will allow all hearing care professionals to succeed. The two hearing aids being launched by the new company, the reVel thin-tube (312) and faVor (10A) BTE hearing aids, are reportedly designed as a low-cost high-quality answer to the PSAPs (personal sound amplification products), direct to consumer, and mass retail devices that are currently challenging the practices of private practice audiologists.

In the previous interview, ADA Executive Director Stephanie Czuhajewski responded to a *Hearing Review* question that specifically addressed the issue of profits and competition with many of ADA's corporate supporters. "Maximizing profit is not the objective of earVenture," said Czuhajewski. "In fact, if the sole result of this start-up is to disrupt the market and other competitors enter this space, then we've achieved our objectives." She said ADA and IntriCon are splitting the profits 50/50, with the ADA's portion being used to support the Academy's advocacy initiatives that advance best practices and the audiology profession.

ADA Addresses HIA Statement on earVenture, LLC

The Academy of Doctors of Audiology (ADA) studied with interest the Hearing Industries Association (HIA) September 15th release, "*HIA Statement on earVenture, LLC*."

The HIA Statement, which posed provocative questions about ADA's ownership stake in earVenture, LLC, came just one day after the launch of the innovative start-up company, co-founded by IntriCon and ADA for the purpose of delivering hearing instruments and educational resources that offer unprecedented value for audiologists and their patients. Given the unusual manner, content, circumstances and venue whereby the HIA Statement was released, ADA is compelled to publicly respond.

- ADA's ownership position in earVenture supports ADA's mission to advance the professional

interests of its members, the autonomous practice of audiology and clinical and business best practices.

- There is no requirement, stated or implied, for ADA members or other providers to purchase devices from earVenture.
- All licensed audiologists are eligible for membership in ADA, ensuring the same access to discounts for earVenture products and services for the entire audiology community.
- earVenture is operated independently from ADA.
- Any profits returned to ADA from its partial ownership of earVenture will be used to advance ADA's mission, programs and advocacy initiatives, like the 18x18 effort.
- ADA board members shall receive no private benefit or inurement by virtue of ADA's investment in earVenture.

"ADA assures HIA and all stakeholders that ADA's participation in the formation of earVenture aligns perfectly with ADA's mission to advance the autonomous practice of audiology and best clinical and business practices," said ADA executive director, Stephanie Czuhajewski. "In addition, earVenture beautifully supports some of HIA's most prominent initiatives and tenets