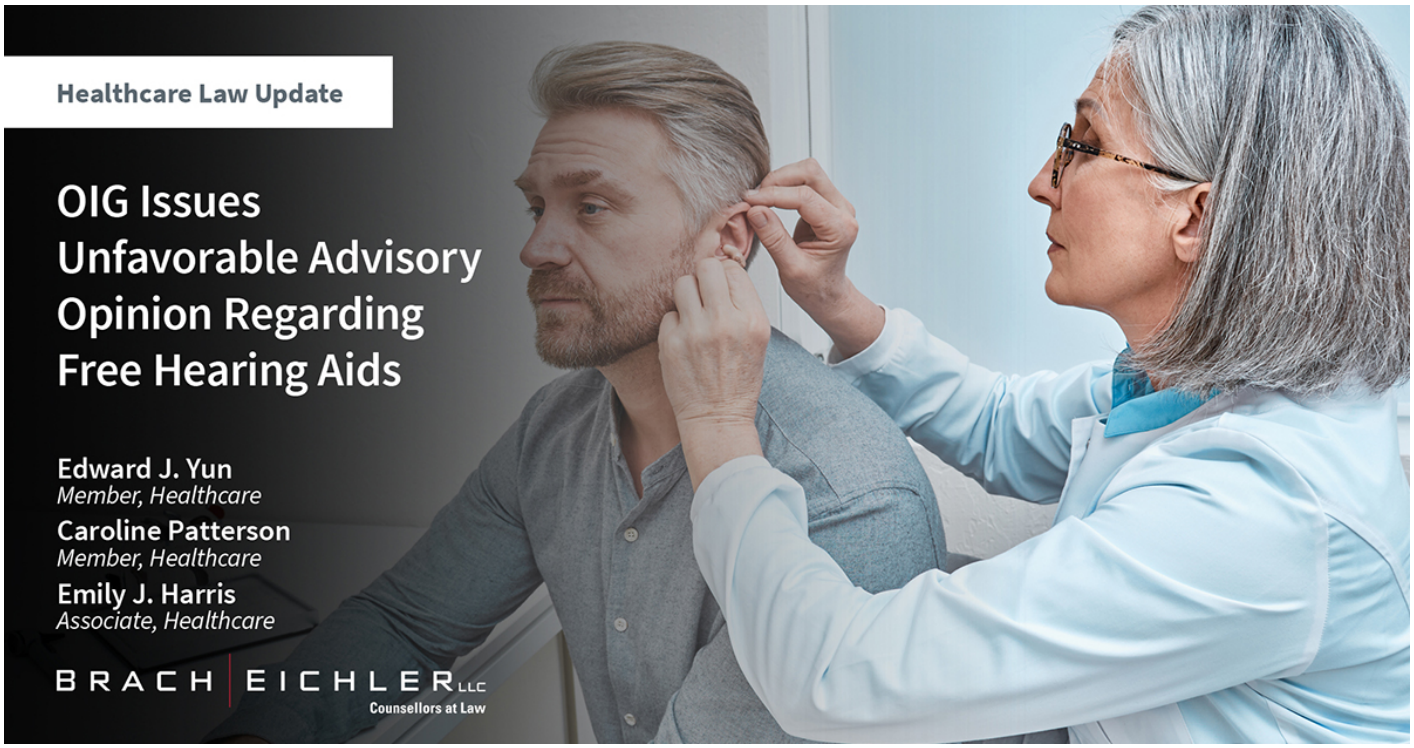
OIG Issues Unfavorable Advisory Opinion Regarding Free Hearing Aids



11/30/2023

On October 25, 2023, the Office of Inspector General (OIG) issued Advisory Opinion (AO) 23-08 in response to a cochlear implant manufacturer's proposal to offer a "hearing bundle" and provide a free compatible hearing aid to eligible patients. Under the proposed arrangement, the hearing bundle would be purchased, the cochlear implant device would be implanted at a hospital or surgical center, and the free hearing aid would later be programmed and fitted by an audiologist. Receipt of the free hearing aid would be conditioned upon purchasing the cochlear implant device. The OIG determined that the proposed arrangement would implicate the federal Anti-Kickback Statute because the free hearing aid offered to patients may induce them to order and purchase the cochlear implant, which is reimbursable by federal healthcare programs. The OIG has longstanding and continuing concerns regarding free items because they can result in unfair competition with other manufacturers who may not be in a position to offer a similar benefit.

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