



Ohio Association of Health Underwriters Legislative Update September 18, 2007

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OHIO SELECTED TO PARTICIPATE IN STATE COVERAGE INITIATIVE

OAHO LEGISLATIVE CHAIR, KEN STATZ, APPOINTED TO ADVISORY COMMITTEE

The State of Ohio has been chosen as one of 14 states to participate in the Robert Wood Johnson Foundation's State Coverage Initiative. The program works with states to develop policies that expand health care access for their uninsured population by expanding public programs and private sector reforms. In announcing the initiative Governor Strickland said "we now must move forward in a bipartisan way to develop a comprehensive plan to make affordable health coverage available to all of Ohio's uninsured; to improve the cost, quality and efficiency of Ohio's health care system; and to improve the health of all Ohioans."

The Ohio team members include: Rep. Jim Raussen (R-Cincinnati); Rep. Sandra Williams (D-Cleveland); Sen. Tom Niehaus (R-New Richmond); Sen. Shirley Smith (D-Cleveland); Cristal Thomas, Ohio Medicaid Director; Janetta King, Policy Director for the Governor; Cynthia Burnell, Office of Healthy Ohio; Doug Anderson, Interim Assistant Director of Health Coverage Policy, Ohio Department of Insurance; Bill Hayes, President, Health Policy Institute of Ohio; Col Owens, Senior Attorney, Legal Aid Society of Southwest Ohio; John Charles Barrant, Health Systems Division Director of the Service Employees International Union District 1199; and Nick Lashutka, Director of External Relations for the Ohio Business Roundtable. OAHU Legislative Chair, Ken Statz, has been appointed to a stakeholder committee that will be advising Ohio's team members.

State Budget Health Care Provisions

On June 30, 2007, Governor Ted Strickland signed into the law the biennial state budget (H.B. 119) which funds state government for the period July 1, 2007 through June 30, 2009. The budget was a bipartisan effort between Governor Strickland and the Ohio House and Senate. Only one House member and no Senate members voted against the final version of the budget; however, Governor Strickland did exercise his line item veto 38 times. It is unlikely that any of the vetoed provisions will be overridden by the General Assembly. In this regard, certain provisions relating to public school

employees' health care benefits were vetoed. Below is a summary of the final version of the budget relating to public school employees' health care benefits provisions and the Medicaid health care expansion provisions.

Public School Employees Health Care Provisions

The centerpiece of the provisions relating to public school employees' health care benefits is the authorization of the School Employees Health Care Board ("the Board") to implement "Best Practice Standards" which standards will be required of all health plans providing benefits to public school employees. The Governor also did keep intact the language which makes it clear that nothing prohibits public school districts from consulting with and compensating insurance agents and brokers for professional services. (There had been suggested language relating to disclosures by agents and brokers that was in conflict with S.B. 5 that was enacted last session that was not included in the final version of the bill).

One of the Governor's vetoes did reinstate language that gives the Board and any consultant it may hire the authority to study the potential benefits of state or regional consortiums of public schools offering multiple health care plans. The Governor also removed a requirement that the Ohio Department of Insurance ("ODI") be required to evaluate the performance of the Board's Best Practices standards because ODI does not have the expertise and resources to perform the function. Another major change from current law is the expansion of the Board from 9 to 12 members. The additional three members will be representatives of nonadministrative public school district employees. There was also a change in the makeup of the Public School Employees Advisory Committee. Currently six associations including OAHU have three representatives on the Advisory Committee. The budget reduces the six current associations' representatives from three to two and adds two new representatives from three school employee unions, not currently having seats on the Advisory Committee.

Medicaid Health Care Expansions

SCHIP

Currently, the SCHIP program provides health care benefits for children up to 200% of the federal poverty level (FPL). The budget increases health care benefits for children up to 300% of FPL with a requirement that for children between 200-300% of FPL, their parents must pay a monthly premium of \$40 for one child, \$80 for two children, and \$120 for three or more children. It is estimated that 20,000 children will be eligible under the expansion.

Buy-In Program for Children under Age 19 without Credible Coverage for Six Months

The Buy-In Program provides coverage of certain children under age 19 who live in households with incomes above 300% of the FPL. To participate in the program at least one of the following must apply: (1) unable to obtain credible coverage due to pre-existing condition; (2) lost coverage due to exhaustion of lifetime benefit limits; (3) premium for credible coverage is more than 200% of the buy-in premium; (4) already participate in the program for medically handicapped children. For children between 300% and 400% of the FPL, the monthly premium is \$100 for one child and \$150 for two or more children. For children in families above 400%, but not greater than 500% of the FPL, the monthly premium is \$125 for one child and \$175 for two or more children. For children in families with incomes of more than 500% of the FPL, pay 100% of the actual premium.

NAHU CEO Janet Trautwein Testifies Before Senate Health & Human Services Committee

On June 6, 2007, NAHU CEO Janet Trautwein appeared before the Senate Health & Human Services Committee to discuss issues surrounding the Federal Government's reauthorization of the SCHIP program. In addition, Janet talked about how premium subsidies in the private market can be an effective way to reduce the number of uninsured without expanding Medicaid. She also emphasized that before the state looks at further government subsidy programs, it needs to establish a high-risk pool to help stabilize both the individual and small group market.

During the day, Janet also had the opportunity to meet with Representative Jim Raussen, Chair of the House Healthcare Access & Affordability Committee, Senator Keith Faber, who is working on the high-risk pool legislation and Ohio Department of Insurance Director, Mary Jo Hudson.

Implementation of Long Term Care Partnership Program Moves Forward

During the past several months, OAHU has been participating on the Long Term Care Partnership Program Project Team to implement the Long Term Care Partnership Program in Ohio. Implementation language was included in the Workers Compensation Budget language (H.B. 100) that was recently signed into law by Governor Strickland and ODI has proposed rules to also implement the program. The effective date of Ohio's program was September 10, 2007, however, it may be a few more months before Ohio Partnership policies are available.

A key element of the Partnership Program will be the training of agents to sell the Partnership Program. Agents will have until September 1, 2008 to complete the 8 hours of training to sell partnership products. While the training does not have to be completed until September 1, 2008, agents were authorized to sell the products beginning September 10, 2007.

RECENTLY INTRODUCED LEGISLATION

H.B. 294 – Post-Traumatic Stress Disorder Mandate

On August 9, 2007 Representative Ted Celeste (D- Grandview Heights) introduced H.B. 294 to prohibit HICs and insurers from excluding coverage for the diagnosis and treatment of post-traumatic stress disorder. The bill has been referred to the House Infrastructure, Homeland Security & Veterans Affairs Committee.

H.B. 291 – Any Willing Pharmacy Mandate

Representative Tom Patton (R-Strongsville) introduced H.B. 291 on July 26, 2007. The bill states that no HIC or insurer contract that includes coverage for prescription drug services shall exclude a nonparticipating pharmacy that is willing to meet the terms and conditions of the pharmacy program of the HIC or insurer. The bill has been referred to the House Insurance Committee.

H.B. 268 & S.B. 186 – Cancer Clinical Trials Coverage

On June 19, 2007 and June 13, 2007 Representative Joyce Beatty (D-Columbus) and Senator Steve Stivers (R-Columbus) introduced H.B. 268 and S.B. 186, respectively. These companion bills would prohibit insurers, public employee benefit plans, and multiple employer welfare arrangements from excluding coverage for routine patient care administered as part of a cancer clinical trial. H.B. 268 has been referred to the House Insurance Committee and S.B. 186 has been referred to the Senate Insurance, Commerce & Labor Committee.

H.B. 251 – Prescription Contraceptive Mandate

On May 30, 2007 Representatives Jon Peterson (R-Delaware) and Tyrone Yates (D-Cincinnati) introduced H.B.251 which prohibits HICs and insurers from: (1) limiting or excluding coverage for prescription contraceptive drugs or devices if the contract provides coverage for other prescription drugs or devices, and (2) limiting or excluding coverage for physician-directed outpatient services that are related to the provision of such drugs or devices, if the contract provides coverage for other outpatient services rendered by a provider. The bill has been referred to the House Health Committee.

H.B. 249 – Increase Medicaid Reimbursement of Medical Transportation Services

Representative Ross McGregor (R- Springfield) introduced H.B. 249 on May 30, 2007 to establish a procedure to increase the Medicaid program's reimbursement rate for medical transportation services. The bill has been referred to the House Finance & Appropriations Committee.

H.B. 236 – Establish Family Health Plus Component of Medicaid Program

On May 29, 2007 Representative Sandra Williams (D-Cleveland) introduced H.B. 236 to require the Director of Job and Family Services to seek a federal Medicaid waiver to establish the Family Health Plus component of the Medicaid program, and imposes an assessment on hospitals to help fund the program. The program establishes criteria to allow individuals 18 – 64 whose income or resources exceed the Medicaid program's eligibility requirements to qualify for health care coverage under the Medicaid Family Plus component. The bill has been referred to the House Healthcare Access & Affordability Committee.

H.B. 170 – Autism Mandate

On April 24, 2007, Representatives Ted Celeste (D-Grandview Heights) and Jon Peterson (R-Delaware) introduced H.B. 170 to prohibit health insurers from excluding coverage for autism. The bill has been referred to the House Insurance Committee.

H.B. 186 & S.B. 168 – Single Payer Health Care

On April 25, 2007 and May 15, 2007, Representative Michael Skindell (D-Lakewood) and Senator Dale Miller (D-Cleveland) introduced H.B. 186 and S.B. 168, respectively, to provide universal health care coverage for all Ohioans. These companion bills are essentially the SPAN Ohio government run health care proposal. H.B. 186 has been referred to the House Healthcare Access & Affordability Committee and S.B. 168 has been referred to the Senate Health, Human Services & Aging Committee.

OTHER PENDING LEGISLATION

H.B. 125 & S.B. 127 – Physician Contracting/Credentialing

On March 22, 2007, Representative Matt Huffman (R-Lima) and Senator Kevin Coughlin (R-Cuyahoga Falls) introduced H.B. 125 and S.B. 127, respectively. The bills would establish certain uniform contract provision between health care providers and third party payers, establish standardized credentialing and require third party payers to provide health care providers specified information concerning enrollees. On September 12th, the House Civil & Commercial Law Committee had its ninth hearing on the bill. S.B. 127 has been referred to the Judiciary-Civil Justice Committee.

H.B. 6 – SCHIP Expansion

Representative Jimmy Stewart (R-Albany) introduced H.B. 6 on February 20, 2007. The bill increases the income eligibility limit for the Children's Health Insurance Program Part II to 300% of the federal poverty guidelines. The bill has been referred to the House Finance & Appropriations Committee. Provisions of this bill have been included in Governor Strickland's budget bill (H.B. 119).

S.B. 4 & H.B. 106 – Medicaid Buy In

On February 20, 2007, Senator Steve Stivers (R-Columbus) introduced S.B. 4. The bill establishes the Medicaid Buy-In for Workers with Disabilities Program which would allow eligible individuals with family income up to 250% of the federal poverty guideline to participate in the program. Provisions of this bill have been included in Governor Strickland's budget (H.B. 119). Also on March 13th Representative Jon Peterson (R-Delaware) introduced H.B. 106 which is the House companion bill version of S.B. 4. H.B. 106 has been referred to the House Finance & Appropriations Committee.

H.B. 99 & S.B. 114 – Epilepsy Drugs

On March 6, 2007, Representative Michelle Schneider (R-Madeira) introduced H.B. 99 and on March 13, 2007, Senator Kevin Coughlin (R-Cuyahoga Falls) introduced S.B. 114, respectively, regarding substitution of drugs intended to treat epilepsy. H.B. 99 is pending in the House Health Committee and S.B. 114 is pending in the Senate Health, Human Services & Aging Committee.

S.B. 115 – Dependent Age

On March 13, 2007, Senator Steve Stivers (R-Columbus) introduced S.B. 115 to require health insurers to provide coverage for unmarried dependent children until the age of thirty. To qualify, the child must be a resident of Ohio or a full-time student at a public or private institution of higher learning and cannot be employed by an employer that offers the child any health benefit plan. The bill received its second hearing in the Senate Insurance, Commerce & Labor Committee on April 18, 2007.

S.B. 104 – Assignment of Benefits

Senator Larry Mumper (R-Marion) introduced S.B. 104 on March 8, 2007. The bill would require insurers and other third-party payers to accept and honor assignment-of-benefit agreements entered into between plan beneficiaries and treating health care providers. The bill has been referred to the Senate Insurance, Commerce & Labor Committee.

H.B. 98, H.B. 137 & S.B. 99 – Diabetes Mandate

On March 6, 2007 Representative Michelle Schneider (R-Madeira) and Senator Randy Gardner (R-Bowling Green) introduced H.B. 98 & S.B. 99, respectively, to require health insurance policies and contracts to provide benefits for equipment, supplies and medication for the diagnosis, treatment, and management of diabetes and for diabetes self-management education. H.B. 98 received sponsor testimony in the House Health Committee on March 21, 2007 and S.B. 99 has been referred to the Senate Insurance, Commerce & Labor Committee. On March 28, 2007, Representative Schneider introduced H.B. 137 which is the same as H.B. 98 with the exception that it adds Representative Beatty as a co-lead sponsor with Representative Schneider. H.B. 137 has been referred to the House Health Committee.

S.B. 54 – Coverage Exclusions

On February 20, 2007, Senator Patricia Clancy (R-Cincinnati) introduced S.B. 54 to prohibit a health insurer from limiting or excluding coverage for injuries occurring as a consequence of an insured's use of alcohol or other drugs or both. The bill has been referred to the Senate Insurance, Commerce & Labor Committee.

S.B. 138 – Medicaid Coverage of Services

On April 5, 2007, Senator Tim Schaffer (R-Lancaster) introduced S.B. 138 to require the Medicaid program to include coverage for occupational therapy services provided by a licensed occupational therapist. The bill has been referred to the House Finance & Appropriations Committee.

H.B. 164 – Federally Qualified Health Centers

On April 18, 2007, Representative Ross McGregor introduced H.B. 164 to promote the establishment of federal health centers, to include federally qualified health center look-alikes in the medical malpractice premium assistance program, and to create a pilot program to place federally qualified health centers in two hospital emergency departments. The bill was scheduled for a possible vote in the House Health Committee on June 20, 2007.

S.B. 120 – Hospital ERs

On March 20, 2007, Senator David Goodman (R-Columbus) introduced S.B. 120 to require hospitals to operate emergency departments and maintain Medicaid and Medicare agreements subject to certain exemptions from those requirements. The bill received its fourth hearing in the Senate Health, Human Services & Aging Committee on June 20, 2007 and was scheduled for a possible vote.

H.B. 24 – Municipal Tax Deductions

On February 20, 2007, Representative Jeff Wagner (R-Sycamore) introduced H.B. 24 to authorize municipalities to allow self-employed taxpayers to take a municipal income tax deduction for amounts paid for medical care insurance and to authorize municipalities to allow individuals to deduct amounts paid into health savings accounts. The bill passed out of the House on April 17, 2007 and is pending in the Senate Ways & Means & Economic Development Committee.

H.B. 73 & S.B. 58 – Pharmacists/Interns Immunizations

Representative John Adams (R-Sidney) and Senator Keving Coughlin (R-Cuyahoga Falls) introduced H.B. 73 and S.B. 58, respectively. The bills modify the authority of pharmacists and pharmacy interns to administer immunizations and to make changes in certain voting procedures of the State Board of Pharmacy. H.B. 73 received sponsor testimony in the House Health Committee on March 21, 2007 and general testimony on March 28, 2007. S.B. 58 has been enacted into law and becomes effective on August 30, 2007.

H.B. 75 – Minimum Employer Coverage

On February 27, 2007, Representative Bob Hagan (D-Youngstown) introduced H.B. 75. The bill would require employers that employ 1,000 or more employees in the state and who in the preceding calendar year did not incur total health insurance costs of at least 8% of the total amount of wages paid to employees, shall remit 8% of the total amount of wages paid by the employer to employees in the state to the Director of Job and Family Services. All monies received shall be used for the exclusive purpose of supplementing the State's share of Medicaid costs. The bill has been referred to the House Insurance Committee.

H.B. 86 – Prohibit Coverage of Nontherapeutic Abortions

Representative Lynn Wachtmann (R-Napoleon) introduced H.B. 86 on February 28, 2007 to prohibit the state offering, sponsoring, or endorsing a health insurance policy that covers nontherapeutic abortion. The bill received its first hearing in the House Health Committee on March 14, 2007.

S.B. 13 – Placeholder on Healthcare

Senator Shirley Smith (D-Cleveland) introduced S.B. 13 on February 20, 2007. The bill formally states the intention of the 127th General Assembly to deliberate on how to improve the provision of, and payment for, health care services in Ohio in a manner that promotes Ohio's economic development and to revise the laws of the state to achieve improvements in these matters. The bill has been referred to the Senate Health, Human Services & Aging Committee.

S.B. 47 – Ohio Income Tax Deductions

On February 20, 2007, Senator Tim Schaffer (R-Lancaster) introduced S.B. 47 to authorize the deduction for unreimbursed medical expenses that exceed 3% of the taxpayer's federal adjusted gross income in computing Ohio income tax. The bill received its first hearing in the Senate Ways, Means & Economic Development Committee on March 14, 2007.

H.B. 116 – HSAs to Public Employees

On March 20, 2007, Representative Lou Blessing (R-Cincinnati) introduced H.B. 116 to require employers to make health savings accounts available to public employees. The bill has received two hearings in the House State Government Committee.