



**Ohio Association of Health Underwriters
Legislative Update
February 15, 2008**

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**EFFORTS TO INCREASE NUMBER OF OHIOANS
WITH HEALTH INSURANCE HEATS UP**

Strickland Administration Initiative

During the past few months OAHU Legislative Chair, Ken Statz, has been serving on the Advisory Committee of Ohio's State Coverage Initiative (SCI). This is an effort by Governor Strickland's Administration to provide health insurance to 500,000 more Ohioans by 2011. The Advisory Committee meetings have provided an opportunity for Ken Statz to educate the 40 plus committee members concerning Ohio's individual market. Ken's presentation was an eye-opening experience for many committee members who did not understand the significant number of persons that are uninsurable in the individual market. This led to Ken being able to explain how a high risk pool could be an effective answer to the problem.

At its meetings on January 22 and February 14, 2008 the Advisory Committee received presentations from David Dillon of the actuarial firm Lewis & Ellis. Three types of approaches were reviewed: (1) An Exchange similar to Massachusetts' Connector, (2) A Reinsurance model similar to Healthy New York, and (3) a more limited plan with a mandate that individuals buy the plan. While there were variations of the plans and a host of questions among the Committee members, at first blush, the Reinsurance model appears to do the least disruption to Ohio's current private market and to be the best dollar value. While the other models relied on a government subsidy to the consumer, the Reinsurance model's only subsidy would be to fund the reinsurance. Under the plan, insurers would cover claims below \$10,000 and over \$75,000. The reinsurance would pay 90% of claims between \$10,000 and \$75,000.

Also, on February 13th, representatives of OAHU's Legislative Committee met with Ohio Department of Insurance staff to discuss the healthcare initiative in more depth. It is anticipated that by mid-year the Advisory Committee could issue recommendations to Ohio's SCI Team.

House Republicans' Legislation (H.B. 456)

On January 29, 2008 Representative Jim Raussen, Chair of the House Healthcare Access & Affordability Committee, introduced H.B. 456 which is the House Republicans' plan to increase the

number of insured Ohioans. At his press conference, Representative Raussen stated that roughly 600,000 adults could be covered within five to six years. The centerpiece of his legislation is a three-tiered reinsurance plan to cover high risk people in the individual market. The Ohio Department of Insurance would be given the task of categorizing uninsurable preexisting conditions into three levels of risk, i.e. low-high risk, medium-high risk and high-high risk. In the first year, only low-high risk individuals would qualify and in succeeding years medium-high risk and high-high risk individuals would be incorporated in to the plan. The subsidy cost is estimated at \$100-\$150 million in fiscal year 2009 and once fully implemented, \$450-\$500 million annually. The funding would come from the premium tax that health insurers are assessed which currently generates about \$400 million.

The other major component of the legislation is a state tax credit of up to \$2,500 per individual and \$4,000 per family for those individuals and families below 100% of the federal poverty level that are not eligible for Medicaid. About 30% of the uninsured fall into this category. Representative Raussen presented sponsor testimony on H.B. 456 on February 6, 2008, and the second hearing is scheduled for February 20th.

OHIO 2008 ELECTION

While the Ohio General Assembly will be in session during a good part of the first half of 2008, much of the focus will be on the 2008 elections. Due to the fact that 2008 is a presidential election year and with all of the Ohio House and one-half of the Ohio Senate up for election, the last half of 2008 will be focused on the November 2008 General Election. There is a good chance that Ohio will again be one of the most heavily contested states for the Presidency and there is expected to be several competitive State House and Senate races. The current Republican House majority is 53-46 and the current Republican majority in the Ohio Senate is 21-12.

Many people believe that control of the Ohio House is up for grabs given that the Democrats only need to pick up four seats to take control. It is anticipated that candidates on both sides will be well funded.

In the Ohio Senate, the Republicans are likely to maintain a strong majority. In this regard, there are seven current Republican House members who are attempting to move to the Senate. They are: Representatives Bob Gibbs (Lakeville), Jim Hughes (Columbus), Current House Speaker Jon Husted (Kettering), Tom Patton (Strongsville), Mark Wagoner (Toledo), Chris Widener (Springfield), and Steve Reinhard (Bucyrus). Recently, the Ohio Senate Republican Caucus did endorse former state Senator Karen Gillmor over Representative Reinhard for the 2nd Senate District seat.

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 October 9, 2007, H.B. 125 passed the House. H.B. 125 is currently receiving hearings in the Senate Judiciary-Civil Justice Committee. A possible vote on H.B. 125 is scheduled for February 19, 2008. S.B. 127 has also been referred to the Judiciary-Civil Justice Committee.

S.B. 278 – Colorectal Cancer

On January 23, 2008, Senator Kevin Coughlin (R-Cuyahoga Falls) introduced S.B. 278 to require health insurers, including the state's Medicaid program, to provide benefits for colorectal examinations. The bill has been referred to the Senate Health, Human Services & Aging Committee.

H.B. 355 – Medicaid Fraud

On October 18, 2007, Representative Jim Hughes (R-Columbus) introduced H.B. 355 which would authorize the recovery of damages and civil penalties for defrauding the state of money, property or services in relation to the Medicaid program, and to authorize private persons to bring civil actions to remedy the frauds. The bill has received four hearings in the House Civil & Commercial Law Committee.

S.B. 251 – Pilot Accessing to Health Grant Program

On November 8, 2007, Senator Kevin Coughlin (R-Cuyahoga Falls) introduced S.B. 251 to create the Pilot Accessing to Health grant program. The Ohio Department of Health would award grants to regional programs operated for the purpose of providing access to health care coverage or health care services to persons who otherwise would not have access to the coverage or services. The bill authorizes \$5 million per year for FY 2008-2009. Two types of programs are eligible to apply for the grant. One is a program that makes health care coverage available to the employees of participating small employers by serving as a consumer of health care coverage and having the premiums or other costs for the coverage shared by the employers, employees and the program. The program may allow an employer to participate if the employer has not more than 100 employees on average in a 12 month period and has not made employer-sponsored health care coverage available to its employees for at least 12 months. The second is a voluntarily care network program that solicits, maintains, and makes available to participants a list of health care providers that agree to provide a percentage of their services according to a sliding fee scale or at no charge to persons who have low incomes and do not have health care coverage. The program may make the list available to any person who has an annual family income not exceeding 200% of the Federal Poverty Level. The bill specifically prohibits insurers and HICs from receiving grants. On January 15, 2008, the bill received sponsor testimony in the Senate Finance and Financial Institutions Committee.

H.B. 384 – Mental Health Parity (Including Substance Abuse and Drug Addiction)

On November 7, 2007, Representative Ted Celeste (D-Columbus) introduced H.B. 384 to prohibit discrimination in health care policies, contracts and agreements in the coverage provided for the diagnosis and treatment of mental illnesses and substance abuse and addiction conditions. This legislation would expand the current mental health parity law to include all mental illnesses, not just biologically-based mental illnesses, and add substance abuse and drug addiction. The bill is pending in the House Insurance Committee.

H. B. 335 – Prostate/Colorectal/Cervical/Ovarian Cancer Screening Exams

On October 2, 2007, Representative Michael DeBose (D-Cleveland) introduced H.B. 335 to require health insurers and plans, including the state's Medicaid program, to provide benefits for prostate, colorectal, cervical and ovarian cancer screening examinations. The bill has been referred to the House Insurance Committee.

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 had sponsor testimony in the House Insurance Committee on January 23, 2008.

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 received three hearings in 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 passed the Senate on January 15, 2008, and has been referred to the House Insurance 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 received sponsor testimony in the House Finance & Appropriations Committee on October 16, 2007.

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 received its third hearing in the House Insurance Committee on December 4, 2007.

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.

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 is pending in the Senate Insurance, Commerce & Labor Committee.

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 received sponsor testimony in the Senate Insurance, Commerce & Labor Committee on October 10, 2007. 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. 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.