



Jennifer A. Parker

Final Analysis
Legislative Service Commission

Sub. H.B. 221

123rd General Assembly
(As Passed by the General Assembly)

Reps. Van Vyven, Callender, Cates, Mottley, Schuler, Terwilleger, Trakas, Young, Tiberi, Olman

Sens. Nein, Cupp, Wachtmann, Finan

Effective date: *

ACT SUMMARY

- Requires the Legislative Budget Officer to arrange for the performance of an independent healthcare actuarial review of a "mandated benefit," as follows:
 - Whenever a bill that includes a mandated benefit receives a second hearing in a standing committee in the house of the General Assembly in which the bill originated;
 - When requested by the chairperson of a standing committee of either house of the General Assembly to which a bill that includes a mandated benefit is assigned.
- Makes an appropriation.

CONTENT AND OPERATION

Review of mandated benefits; duties of the Legislative Budget Officer

(secs. 103.144, 103.145(A), and 103.147)

The act requires the Legislative Budget Officer, whenever any bill receives a second hearing in a standing committee in the house of the General Assembly in which the bill originated, to review the bill to determine whether the bill includes a

* *The Legislative Service Commission had not received formal notification of the effective date at the time this analysis was prepared.*

mandated benefit. If the Legislative Budget Officer determines that the bill includes a mandated benefit, the Legislative Budget Officer must arrange for the performance of an independent healthcare actuarial review of the mandated benefit, as provided below. No later than 60 days after the second hearing of the bill, the Legislative Budget Officer must submit the findings of the actuarial review to the chairperson of the committee to which the bill is assigned and to the ranking minority member of that committee.

The act defines a "**mandated benefit**" as the following, considered in the context of a sickness and accident insurance policy or a health insuring corporation policy, contract, or agreement:

(1) Any required coverage for a specific medical or health-related service, treatment, medication, or practice;

(2) Any required coverage for the services of specific health care providers;

(3) Any requirement that an insurer or health insuring corporation offer coverage to specific individuals or groups;

(4) Any requirement that an insurer or health insuring corporation offer specific medical or health-related services, treatments, medications, or practices to existing insureds or enrollees;

(5) Any required expansion of, or addition to, existing coverage;

(6) Any mandated reimbursement amount to specific health care providers.

However, "mandated benefit" does not include any required coverage or offer of coverage, any required expansion of, or addition to, existing coverage, or any mandated reimbursement amount to specific providers, within the context of any public health benefits arrangement, including, but not limited to, the coverage of beneficiaries enrolled in Medicare or Medicaid.

Additionally, the act permits the chairperson of a standing committee of either house of the General Assembly to request the Legislative Budget Officer, at any time, to review any bill that is assigned to the chairperson's committee to determine whether the bill includes a mandated benefit. If the Legislative Budget Officer determines that the bill includes a mandated benefit, the Legislative Budget Officer must arrange for the performance of an independent healthcare actuarial review of the mandated benefit, as provided below. The Legislative Budget Officer must submit the findings of the actuarial review to the chairperson, and to

the ranking minority member of the chairperson's committee, within 60 days after receiving the chairperson's request.

Independent healthcare actuarial reviews

(secs. 103.145 and 103.146)

The act requires the Legislative Budget Officer, under the circumstances described above, to arrange for an independent healthcare actuarial review of a mandated benefit. In making this arrangement, the Legislative Budget Officer is to retain one or more independent actuaries on a consulting basis to determine the financial impact of the mandated benefit. Each actuary retained must be a member in good standing of the American Academy of Actuaries.

The actuary or actuaries retained are to consult with professionals knowledgeable in matters related to the performance of an actuarial review of a mandated benefit. They are also required to consider the results of any professionally acceptable controlled trial and any other relevant research specifically centered around the benefit.

The act specifically requires the actuary or actuaries to determine the extent to which:

- (1) The mandated benefit will increase or decrease the administrative expenses of insurance companies and health insuring corporations;
- (2) The mandated benefit will increase or decrease premiums;
- (3) Small employers, medium-sized employers, large employers, and, if applicable, the state and political subdivisions of the state, will be financially impacted;
- (4) The mandated benefit will increase or decrease the number of insured individuals in Ohio; and
- (5) The mandated benefit will impact the total cost and quality of health care, including any potential cost savings that may be realized.

The act requires the Legislative Budget Officer to assist the actuary or actuaries in obtaining any information needed, and permits the Legislative Budget Office to request any department, division, institution, board, commission, authority, bureau, or other instrumentality or officer of the state, a county, a municipal corporation, a township, a school district, or other governmental entity of the state to provide any information the Legislative Budget Office requires for purposes of the review. An instrumentality, officer, or entity must comply with

such a request as soon as reasonably possible after receiving it. The Legislative Budget Office is to specify the manner of compliance, and the period of time for compliance, in its request.

Appropriation

(Section 3)

The act requires the Director of Budget and Management, on or before July 15, 2000, to determine and certify to the Legislative Budget Officer the total amount of unexpended, unobligated appropriations made to the Legislative Budget Office for fiscal year 2000. Additional appropriation authority equal to the amount certified is then appropriated to the Legislative Budget Office for fiscal year 2001.

Effective date of the act's provisions

(Sections 2 and 3)

The provisions of the act described in "**Review of mandated benefits; duties of the Legislative Budget Officer,**" and "**Independent healthcare actuarial reviews,**" above, are to take effect January 1, 2001. The appropriation provision goes into immediate effect upon the Governor's filing of the act with the Secretary of State.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-03-99	p. 261
Reported, H. Insurance	05-12-99	pp. 644-645
Amended and informally passed House	10-12-99	pp. 1241-1242
Motion to reconsider	10-19-99	pp. 1273-1274
Passed House (59-36)	10-19-99	pp. 1274-1280
Reported, S. Insurance, Commerce & Labor	05-23-00	p. 1777
Passed Senate (33-0)	05-23-00	p. 1783
House concurred in Senate amendments (63-33)	05-24-00	pp. 2062-2063

00-HB221.123/lg

