



Greg Schwab

Bill Analysis

Legislative Service Commission

H.B. 221

123rd General Assembly
(As Introduced)

**Reps. Van Vyven, Allen, Callender, Cates, Jerse, Mottley, Ogg, Salerno,
Schuler, Stapleton, Terwilleger, Trakas, Young**

BILL SUMMARY

- Provides for the establishment and operation of the Ohio Mandated Benefits Review Council.
- Requires the Legislative Service Commission to prepare a mandated benefits report on each bill receiving second consideration in either house of the General Assembly, the report to identify mandated health care benefit provisions in the bill.
- Requires the Superintendent of Insurance, upon receipt of a request from the Mandated Benefits Review Council, to arrange for an independent actuarial review of mandated benefits included in legislation and to make recommendations to the Council.
- Requires the Mandated Benefits Review Council to review the Legislative Service Commission's mandated benefits reports and the recommendations of the Superintendent of Insurance, and to make written recommendations to the General Assembly.
- Restricts the actions that a committee of the General Assembly may take on bills and amendments when the committee has not received a mandated benefits report or a recommendation of the Mandated Benefits Review Council.
- Provides for the repeal of the bill's provisions on December 31, 2003.

CONTENT AND OPERATION

Legislative Service Commission to review bills and prepare a mandated benefit report; "mandated benefits" defined; restrictions on actions by committees of the General Assembly

(secs. 103.144, 105.01, and 105.09)

The bill requires the Legislative Service Commission to perform certain services within seven days after any bill receives second consideration in either house of the General Assembly. These services are: (1) review the bill to determine whether the bill includes a mandated benefit, (2) prepare a written mandated benefits report setting forth the results of this review, and (3) distribute copies of the report to the chairperson of the committee to which the bill has been assigned, to the Ohio Mandated Benefits Review Council (*see*, "Ohio Mandated Benefits Review Council," below), and to the Superintendent of Insurance. The bill 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 practitioners;
- (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 health care services, treatments, or practices to existing insureds or enrollees;
- (5) Any required expansion of, or addition to, existing coverage;
- (6) Any required amount of reimbursement of specific health care practitioners.

The bill also requires the Legislative Service Commission to revise the mandated benefits report, and to distribute the revised report, within seven days after an amendment to the bill is offered, or a substitute bill is presented, to its assigned committee. The revised report is to reflect the changes proposed by the

amendment or substitute bill and is to be distributed to the same persons to whom the original report was distributed.

The bill prohibits a committee from reporting a bill with a recommendation for passage, and also prohibits a committee from taking any vote on a proposed amendment or substitute bill, until after the members of the committee have received the mandated benefits report pertaining to the bill, or, if applicable, a revised mandated benefits report; however, the bill permits a committee to report a bill, or to take a vote on a proposed amendment or substitute bill, without the receipt of a mandated benefits report, if the report or revised report is approved by a two-thirds vote of the membership of the committee.

The bill also prohibits a committee from reporting a bill with a recommendation for passage, which bill has been identified by the Legislative Service Commission as including a mandated benefit, without either the written recommendation of the Mandated Benefits Review Council or a vote of two-thirds of the members of the committee.

Ohio Mandated Benefits Review Council

Creation of the Ohio Mandated Benefits Review Council; Council membership

(secs. 105.02 and 105.03; Section 3)

The bill creates the Ohio Mandated Benefits Review Council. The Council is to consist of 15 members, the membership consisting of the following:

(1) Three members of the Senate, appointed by the President of the Senate, not more than two of whom may be members of the same political party;

(2) Three members of the House of Representatives, appointed by the Speaker of the House of Representatives, not more than two of whom may be members of the same political party;

(3) Three representatives of consumers, appointed by the Governor with the advice and consent of the Senate, not more than two of whom shall be members of the same political party. None of the representatives of consumers are to be employed by, or in any way affiliated with or biased toward, any of the nonvoting members of the council.

(4) Six nonvoting members, including: (a) two representatives of health care providers, one of whom is to be appointed by the President of the Senate and one of whom is to be appointed by the Speaker of the House of Representatives,

(b) one representative of health insuring corporations, appointed by the President of the Senate, (c) one representative of sickness and accident insurers, appointed by the Speaker of the House of Representatives, (d) one representative of Ohio employers employing fewer than 25 employees, appointed by the President of the Senate, which employer is not a health care provider, a health insuring corporation, or a sickness and accident insurer, and (e) one representative of Ohio employers employing at least 25 employees, appointed by the Speaker of the House of Representatives, which employer is not a health care provider, a health insuring corporation, or a sickness and accident insurer.

The bill requires the initial appointments to the Ohio Mandated Benefits Review Council to be made no later than 60 days after its effective date.

The following rules apply to those Council members appointed from outside the Ohio House of Representatives and Senate:

(1) Of the initial appointments, three appointments are to be to a term ending June 30, 2001, three to a term ending June 30, 2002, and three to a term ending June 30, 2003. Thereafter, terms of office are for three years, with each term ending on the same day of the same month as did the term it succeeds;

(2) Each member is to hold office from the date of the appointment until the end of the term for which the member was appointed;

(3) Any member appointed to fill a vacancy occurring prior to the expiration date of the term for which the member's predecessor was appointed is to hold office as a member for the remainder of that term;

(4) A member is to continue in office subsequent to the expiration date of the member's term until the member's successor takes office or until a period of 60 days has elapsed, whichever occurs first.

Council members appointed from the membership of the Ohio House of Representatives or the Senate are to serve during their terms as members of the General Assembly and until their successors are appointed and qualified, notwithstanding the adjournment of the General Assembly of which they are members or the expiration of their terms as members of such General Assembly.

The bill provides that members of the Council are to serve without compensation, but are to be reimbursed for actual and necessary expenses incurred in the performance of their duties. The bill requires vacancies on the Council to be filled in the manner provided for original appointments.

Meetings of the Mandated Benefits Review Council; organization of the Council

(sec. 105.03)

The bill requires meetings of the Mandated Benefits Review Council to be called in such manner and at such times as prescribed by rules adopted by the Council. A majority of the membership of the Council constitutes a quorum and no action may be taken by the Council unless the action is approved by at least five voting members.

The Council is required to organize by selecting from among the voting members a chairperson, a vice-chairperson, and such other officers as it considers necessary. The Council is required to adopt rules for the conduct of its business and the election of its officers. Each Council member, before entering upon the member's official duties, must take and subscribe to an oath of office, to uphold the constitutions and laws of the United States and Ohio and to perform the duties of the office honestly, faithfully, and impartially.

Duties of the Mandated Benefits Review Council

(secs. 105.05(A) and (C) and 105.07)

The bill requires the Mandated Benefits Review Council to review the mandated benefits reports that the Council receives from the Legislative Service Commission pursuant to section 103.144 of the Revised Code. The Council is to determine if the mandated benefits report indicates the inclusion of a mandated benefit, and, if one is indicated, the Council is required to request the Superintendent of Insurance to arrange for an independent actuarial review of the mandated benefit conforming with the requirements set forth in this bill.

The bill requires the Superintendent to retain an independent actuary, on a consulting basis, upon the Superintendent's receipt of a request from the Council for an independent actuarial review of a mandated benefit. This actuary is to determine the medical efficacy and financial impact of the mandated benefit. The bill requires the Superintendent to assist the actuary in obtaining any information needed.

The bill requires the actuaries performing reviews of mandated benefits to do all of the following:

- (1) Use appropriate assumptions that accurately demonstrate the financial impact of the mandated benefit;

(2) Determine to what extent the absence of the mandated benefit results in financial hardship to the general population;

(3) Determine the extent of public demand for the mandated benefit, and to what extent voluntary coverage of the benefit is available;

(4) Determine the extent of public demand for inclusion of the mandated benefit in arrangements negotiated through collective bargaining;

(5) Consult with relevant medical experts;

(6) Consider the results of at least one professionally acceptable controlled trial and the results of any other relevant peer-reviewed research specifically centered around the benefit;

(7) If applicable, determine the extent to which: coverage will increase or decrease the cost of the treatment or service; a similar mandated benefit in other states has affected charges, costs, utilization, and payments for services and treatments in those states; coverage will increase or decrease the appropriate use of the treatment or service; coverage will increase or decrease the administrative expenses of insurance companies and health insuring corporations; coverage will increase or decrease premiums; existing mandated benefits meet the proposed requirements; small employers, medium-sized employers, and large employers will be financially impacted; and, coverage will impact the total cost of health care.

Within 45 days after receiving a request from the Council for an independent actuarial review of a mandated benefit, the Superintendent must submit the findings of the review to the Council, and must submit the Superintendent's own recommendations. The bill requires the Superintendent to provide any appropriate professional, technical, and clerical support from the Superintendent's staff needed by the Council to fulfill its duties.

The Council is required to hold a public meeting to consider the findings and recommendations of the Superintendent. The Council is authorized to administer oaths and to hold public hearings at such times and places within Ohio as may be necessary to carry out the purposes and intent of the bill's provisions as related to the Council. The bill requires the Council to make a written recommendation to the General Assembly within 30 days after its receipt of the Superintendent's findings and recommendations. The bill prohibits the Council from making a recommendation that has not been approved by at least five voting members of the Council.

The Council is required to prepare an annual summary of its recommendations with respect to proposed and existing mandated benefits (*see*, "**Council granted additional review authority**," below, with regard to existing mandated benefits), and is required to submit a copy of that summary to the Governor, the Speaker of the House of Representatives, and the President of the Senate.

Council granted additional review authority

(sec. 105.05(B))

In addition to carrying out the mandatory duties assigned to it, the bill authorizes the Mandated Benefits Review Council to review the existing provisions of the Revised Code that include mandated benefits, from time to time. The Council may request the Superintendent to arrange for an independent actuarial review of the mandated benefits, and make findings and recommendations, as the Superintendent performs these tasks following the receipt of a mandated benefits report prepared by the Legislative Service Commission in connection with a bill receiving its second consideration in either House of the General Assembly. The Council is required to forward its recommendations regarding these mandated benefits to the President of the Senate, the Speaker of the House of Representatives, and the chairpersons of the committees of the General Assembly that have primary jurisdiction over health insurance.

Scheduled repeal of the bill's provisions

(Section 2)

The bill provides for the repeal of all of the Revised Code sections enacted by the bill, effective December 31, 2003.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-03-99	p. 261

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