



Greg Schwab

Bill Analysis
Legislative Service Commission

H.B. 307

123rd General Assembly
(As Reported by H. Insurance)

Reps. Williams, Calvert, Jolivette, Netzley, Harris, Pringle, Trakas, Buchy, Britton, Sulzer, Taylor, Ogg, Willamowski, Verich, Krupinski, Krebs, Padgett, D. Miller, R. Miller, Carey, Hartnett, Boyd, Haines, Vesper, Grendell, Allen, Roman, DePiero, Metelsky

BILL SUMMARY

- Requires those policies, contracts, and agreements of health insuring corporations and insurers that provide coverage for prescription drug services provided by participating pharmacies to also provide coverage for covered drugs dispensed by a nonparticipating pharmacy, if the nonparticipating pharmacy is willing to meet the same terms and conditions met by the participating pharmacies.

CONTENT AND OPERATION

Coverage for prescription drug services dispensed by nonparticipating pharmacies

(secs. 1753.36 and 3923.68)

The bill prohibits an individual or group health insuring corporation policy, contract, or agreement providing coverage for prescription drug services provided by participating pharmacies, as well as an individual or group sickness and accident insurance policy providing coverage for prescription drug services provided by participating pharmacies, from excluding coverage for any covered drug dispensed by a nonparticipating pharmacy, if the nonparticipating pharmacy is willing to meet the terms and conditions of the pharmacy program of the health insuring corporation or insurer, or of the network of pharmacies providing prescription drug services under the policy, contract, or agreement. For this purpose, a nonparticipating pharmacy includes a pharmacy that dispenses drugs through the mail. The bill's prohibition functions as a coverage mandate.

The bill deems a violation of its prohibition against placing an exclusion of a "willing" pharmacy in a policy, contract, or agreement, to be an unfair and deceptive act or practice in the business of insurance under the Unfair and Deceptive Trade Practices Law, sections 3901.19 to 3901.26 of the Revised Code. The Superintendent of Insurance is authorized to act, administratively or in the courts, against health insuring corporations and insurers that engage in an act or practice defined as an unfair and deceptive act or practice in the business of insurance.

The bill exempts its coverage mandate from the review otherwise required by section 3901.71 of the Revised Code. Section 3901.71 of the Revised Code requires the Superintendent of Insurance to hold a public hearing to consider any new health benefit mandate contained in a law enacted by the General Assembly. A new health benefit mandate may not be applied to health benefit plans until the Superintendent determines that the mandate can be fully and equally applied to employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA), and to employee benefit plans established by the state or its political subdivisions, or their agencies and instrumentalities. ERISA generally precludes state regulation of benefits offered by private self-insured plans.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	04-27-99	p. 477
Reported, H. Insurance	06-30-99	pp. 1161-1162

H0307-RH.123/rss