



H.B. 53

124th General Assembly

(As Introduced)

Reps. Williams, D. Miller, Hollister, Trakas, Grendell, Perry, Collier, Metzger, Barrett, Metelsky, Allen, Flowers, Womer Benjamin, Hartnett, Krupinski, Ogg, Redfern, Willamowski, Calvert, Sullivan, Coates, Cirelli, Fedor, Brinkman

BILL SUMMARY

- Requires that health insuring corporations and insurers that provide for prescription drug coverage by participating pharmacies also provide coverage for covered drugs dispensed by a nonparticipating pharmacy, if the nonparticipating pharmacy is willing to meet the same terms and conditions as the participating pharmacies.

CONTENT AND OPERATION

Coverage for prescription drug services by nonparticipating pharmacies

(secs. 1753.36 and 3923.68)

The bill prohibits an individual or group health insuring corporation policy, contract, or agreement that provides coverage for prescription drug services provided by participating pharmacies, as well as an individual or group sickness and accident insurance policy providing such coverage, 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 health insuring corporation or insurer's pharmacy program, or of the network of pharmacies providing the prescription drug services. Under the bill, nonparticipating pharmacies include pharmacies that dispense drugs through the mail.

A violation of the prohibition against excluding prescription drug coverage for drugs dispensed by a "willing" pharmacy is an unfair or deceptive act or practice in the business of insurance under Ohio's unfair and deceptive trade

practices law.¹ That law authorizes the Superintendent of Insurance to take administrative or court action against a health insuring corporation or insurer that engages in those acts or practices.

The prohibition in the bill is a coverage mandate. The bill exempts its coverage mandate from the requirement of current law that the Superintendent of Insurance hold a public hearing to consider new benefit mandates 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 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.

COMMENT

ERISA is a comprehensive federal statute governing the administration of employee benefit plans. ERISA establishes disclosure and funding requirements, standards for eligibility and vesting, and procedures for processing benefit claims. ERISA generally precludes state regulation of benefits offered by private self-insured plans.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02/01/01	p. 113

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¹ Revised Code §§ 3901.21 to 3901.26.