

Executive

As Passed by the House

As Reported by Senate Finance

INSCD10 Multiple employer welfare arrangements

R.C. 1739.02, 1739.03, 1739.05, 1739.07, 1739.12, 1739.13, 1739.141, 1739.20, 1739.21, and 3903.81

R.C. 1739.02, 1739.03, 1739.05, 1739.07, 1739.12, 1739.13, 1739.141, 1739.20, 1739.21, and 3903.81

No provision.

Expands entities eligible to form a multiple employer welfare arrangement (MEWA) to include a chamber of commerce, a tax-exempt voluntary employee beneficiary association or business league, or any other association specified in rule by the Superintendent of Insurance.

Same as the House.

No provision.

Extends from one year to five years the time frame a group must have been organized and maintained before registering as a MEWA.

Same as the House.

No provision.

Increases the required minimum surplus for MEWAs from \$150,000 to \$500,000. Specifies that a MEWA is subject to the continuing law risk-based capital requirements for life or health insurers.

Same as the House.

No provision.

Permits a MEWA to send notice of involuntary termination to a member by any manner permitted in the agreement, instead of only by certified mail.

Same as the House.

No provision.

Prohibits a MEWA's stop-loss insurance policy from engaging in specified actions with respect to covered individuals.

Same as the House.

No provision.

Prohibits a MEWA from enrolling a member in the MEWA's group self-insurance program until the MEWA has notified the member of the possibility of additional liability if the MEWA has insufficient funds.

Same as the House.

No provision.

Requires MEWAs to annually file with the Superintendent an actuarial certification.

Same as the House.

Executive

As Passed by the House

As Reported by Senate Finance

No provision.

Specifies that the requirements for MEWAs that have a valid certificate of authority on the effective date of these provisions enter into force two years from that date.

Same as the House.

**Fiscal effect: May increase the Department of Insurance's administrative costs related to requirements associated with MEWAs. Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540). Potential loss of revenue to GRF under insurance premium taxes (domestic and foreign); MEWAs are exempt from the taxes. Amount of revenue loss would depend on number of employers shifting from taxable premium-based provision of health benefits to MEWA-based provision, and is uncertain.**

**Fiscal effect: Same as the House.**

INSCD13

Innovative waiver regarding health insurance coverage

No provision.

No provision.

**R.C. 3901.052**

Requires the Superintendent of Insurance to apply for a federal waiver authorized by the Patient Protection and Affordable Care Act for the purpose of establishing a system that provides access to affordable health insurance coverage for the residents of this state.

No provision.

No provision.

Requires the Superintendent to include in the application a request for waivers of the federal employer and individual mandates established by the Patient Protection and Affordable Care Act.

**Fiscal effect: None.**

Executive

As Passed by the House

As Reported by Senate Finance

INSCD7 Health insurer required provision of information

R.C. 3901.241

R.C. 3901.241, 303.30

No provision.

Requires insurers offering health benefit plans through an exchange to make available a list of the top 20% of services and an insured's expected contribution for each service to individuals seeking information on the plan.

No provision.

No provision.

Specifies that an insurer that does not provide the required information is committing an unfair and deceptive practice in the business of insurance.

No provision.

No provision.

No provision.

Prescribes disclosure requirements to the Superintendent of Insurance and the public for health benefit plans offered through an exchange, including information regarding cost sharing, claims, payment policies, and insured rights.

**Fiscal effect: May increase the Department of Insurance's administrative costs related to the requirement. Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540).**

**Fiscal effect: Same as the House.**

INSCD5 Surplus lines affidavit

R.C. 3905.33

R.C. 3905.33

No provision.

Replaces the surplus lines affidavit, required under continuing law to be completed for every insurance policy placed in the surplus lines market, with a signed statement serving a similar purpose, that does not need to be notarized.

Same as the House.

**Fiscal effect: None.**

**Fiscal effect: Same as the House.**

Executive

As Passed by the House

As Reported by Senate Finance

INSCD11 Continuing education for insurance agents

No provision.

No provision.

R.C. 3905.481

Modifies the continuing education requirements for licensed insurance agents to specify that an agent must complete at least 24 hours of continuing education for each licensing period instead of 24 hours in each licensing period.

**Fiscal effect: None.**

INSCD6 Use of genetic information by insurers

No provision.

R.C. 3923.66, 1739.05, 1751.18, and 1751.65

Prohibits health insuring corporations, which are already prohibited from using genetic information in relation to reviewing applications, determining insurability, or determining benefits, from using genetic information in setting premium rates.

No provision.

No provision.

Prohibits sickness and accident insurers, public employee benefit plans, and multiple employer welfare arrangements from using genetic information in relation to reviewing applications, determining insurability, determining benefits, or setting premiums.

No provision.

No provision.

Specifies that sickness and accident insurers are subject to the jurisdiction of the Superintendent of Insurance, and the Superintendent's enforcement authority, if such insurers violate the prohibition related to the usage of genetic information.

No provision.

Executive

As Passed by the House

As Reported by Senate Finance

**Fiscal effect: Potential increase in costs to some political subdivisions to provide health benefits to employees and their dependents, and potential decrease in costs to other political subdivisions to provide those benefits. Costs to the state to provide such benefits may increase or decrease. The cost of providing health benefits to state and local employees, across all employers statewide, would likely be unchanged. Genetic information may allow insurers to price risk more precisely across groups of employees, meaning premiums would likely go up for some groups and down for other groups.**

INSCD8 Pharmacy benefit managers and maximum allowable cost

R.C. 3959.111, 3959.01

R.C. 3959.111, 3959.01

No provision.

Adds pharmacy benefit managers (PBMs) to the types of third-party administrators, who are required to be licensed by the Superintendent of Insurance.

Same as the House.

No provision.

Places requirements on contracts between PBMs and "plan sponsors," primarily in regard to maximum allowable cost drug reimbursements. (Plan sponsor includes, with regard to a prescription drug plan, an employer, a multiple employer welfare arrangement, public employee benefit plan, state agency, insurer, managed care organization, or other thirdparty payer that facilitates a health benefit plan that provides a drug benefit that is administered by a PBM.)

Same as the House, but does not require a PBM to disclose to a plan sponsor whether or not the PBM uses the same maximum allowable cost list when billing the plan sponsor as it does when reimbursing a pharmacy.

Executive

As Passed by the House

As Reported by Senate Finance

**Fiscal effect: May increase the Department of Insurance's administrative costs related to requirements related to third-party administrators. Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540). Potential revenue gain from penalties imposed on PBMs as third-party administrators.**

**Fiscal effect: Same as the House.**

**INSCD1 Market conduct examination**

**Section: 303.10**

Allows the Superintendent of Insurance to assess the cost of conducting a market conduct examination of an insurer against the insurer. Allows the Superintendent to enter into consent agreements to impose administrative assessments or fines for violations of insurance laws or rules. Specifies that all costs, assessments, and fines collected must be deposited to the Department of Insurance Operating Fund (Fund 5540).

**Section: 303.10**

Same as the Executive.

**Section: 303.10**

Same as the Executive.

**Fiscal effect: Potential revenue gain for Fund 5540.**

**Fiscal effect: Same as the Executive.**

**Fiscal effect: Same as the Executive.**

**INSCD2 Examinations of fraternal benefit societies**

**Section: 303.10**

Allows the Director of Budget and Management, at the request of the Superintendent of Insurance, to transfer funds from the Department of Insurance Operating Fund (Fund 5540) to the Superintendent's Examination Fund (Fund 5550). Specifies that the permitted transfer amount is limited to expenses incurred in examining domestic fraternal benefit societies.

**Section: 303.10**

Same as the Executive.

**Section: 303.10**

Same as the Executive.

Executive

As Passed by the House

As Reported by Senate Finance

**INSCD3            Transfer from Fund 5540 to General Revenue Fund**

**Section: 303.10**

Requires the Director of Budget and Management to transfer \$5.0 million from the Department of Insurance Operating Fund (Fund 5540) to the GRF, not later than the thirty first day of July each fiscal year.

**Section: 303.10**

Same as the Executive.

**Section: 303.10**

Same as the Executive.

**INSCD4            Transfer of funds for captive insurance company regulation**

**Section: 303.20**

Allows the Director of Budget and Management to transfer up to \$1 million from the Department of Insurance Operating Fund (Fund 5540) to the Captive Insurance Regulation and Supervision Fund (Fund 5PT0) during fiscal years 2016 and 2017, to pay for necessary operating needs associated with regulating captive insurance companies in Ohio that will occur before receipts related to such regulation are deposited into Fund 5PT0. Requires the Director, in consultation with the Superintendent, to establish a schedule for repaying Fund 5540 for the amounts previously transferred.

**Section: 303.20**

Same as the Executive.

**Section: 303.20**

Same as the Executive.

Executive

As Passed by the House

As Reported by Senate Finance

DOHCD25 Hospital cost estimates

R.C. 4743.08

Section: 289.60

No provision.

Requires a health care provider to provide certain cost information (including out-of-pocket charges) to a patient or patient's representative before dispensing a prescription drug or providing a medical product or service to the patient unless an emergency exists.

No provision.

No provision.

Prohibits a health care provider, except in emergencies, from dispensing a prescription drug or providing a medical product or service to a patient unless the patient or representative consents to paying the out-of-pocket charge.

No provision.

No provision.

No provision.

Requires hospitals to either provide patients with an estimated out-of-pocket cost for certain common services or enable the patient to obtain this information from the patient's insurer.

**Fiscal effect: Public hospitals could experience an increase in administrative costs to provide the required cost information.**

**Fiscal effect: Potential increase in administrative costs to public hospitals to establish a process regarding hospital cost estimates and to provide cost information.**

Executive

As Passed by the House

As Reported by Senate Finance

**Other Taxation Provisions**

TAXCD58 Payment date for domestic insurance premium tax

R.C. 5725.22

R.C. 5725.22

No provision.

Requires the State Treasurer to issue a final tax bill to each domestic insurance company on or before May 15 of each year. Allows the Treasurer to issue the tax bill after May 15 and to grant the taxpayer an extension for paying the amount due, in case of emergency. (Current law requires the Treasurer to issue the tax bill within 20 days after receiving the final assessment of taxes from the Department of Insurance and also requires the Department of Insurance to certify the tax liability of each insurance company to the Treasurer on or before the first Monday of May.)

Same as the House.

No provision.

Requires domestic insurance companies to pay insurance premium tax liability on or before June 15 of each year, or by the next business day if June 15 is a Saturday, Sunday, or legal holiday. (Under current law, payment is due within 30 days of the date the Treasurer mails the tax bill.)

Same as the House.

No provision.

Adjusts the penalties associated with late payment of the domestic insurance premiums tax. Specifies that the penalty equals \$500 for each month the taxpayer fails to pay all taxes and interest due. Allows the Treasurer to assess an additional penalty not exceeding 10% of the taxes and interest due, if the taxpayer fails to demonstrate a good faith effort to pay the taxes and interest on time. (Under current law, the penalty for late payment is 5% of the taxes and interest due if the payment is made within ten days of the due date and escalates to 10% of the taxes and interest due if the payment is more than ten days late).

Same as the House.

Executive

As Passed by the House

As Reported by Senate Finance

**Fiscal effect: Potential revenue gain or loss to the GRF, potentially in the millions, due to penalties related to insurance tax. The insurance tax timing changes would have no revenue effect.**

**Fiscal effect: Same as the House.**