# *Fiscal Note & Local Impact Statement*

*122 nd General Assembly of Ohio*

BILL: **Am. H.B. 395** DATE: **January 14, 1998**

STATUS: **As Reported by Senate Judiciary** SPONSOR: **Rep. Hottinger**

LOCAL IMPACT STATEMENT REQUIRED: **No — No local cost**

CONTENTS: **Prohibits the use of state funds for nontherapeutic abortions**

## *State Fiscal Highlights*

| STATE FUND | FY 1998 | FY 1999 | FUTURE YEARS |
|---|---|---|---|
| **Fund 808** | | | |
| Revenues | - 0 - | - 0 - | - 0 - |
| Expenditures | Savings up to $18,220 or more | Savings up to $18,220 or more | Savings up to $18,220 or more |

- According to six insurance companies which responded to the Department of Administrative Services' survey of the state insurance plans, insurance rates would not change substantially. Representatives from Choicecare indicated that this company's insurance rates would decrease by less than one fourth of one percent for a yearly savings of about $18,220. Three of the other insurance companies indicated that there would be no impact to their rates.

## *Local Fiscal Highlights*

- No direct fiscal effect on local governments.

## *Detailed Fiscal Analysis*

This bill, which prohibits the use of state funds to provide health care insurance benefits for nontherapeutic abortions received by state officers and employees, except as a result of rape or incest, would probably save the state a minimal amount. The Department of Administrative Services (DAS) received the following responses from a survey of state plan providers who were asked about the impact of excluding coverage for nontherapeutic abortions:

- Representatives from Nationwide, Personal Physician's Care, and PruCare indicated there would be no change in rates due to the legislation.
- Choicecare's rates would decrease by less than one fourth of one percent. The state's payment for Choicecare is annually about $7,286,605, ¼ of one percent of this amount is $18,217.
- United Health Care's rate impact data has not been submitted.
- However, another insurance company's contact person unofficially predicted an increase due to the potential for encouraging more maternity claims, as well as covered lives. Due to legal concerns, this company's name has been withheld.

A representative of the Office of Benefits Administration of DAS performed an analysis of coverage and utilization of nontherapeutic abortions from survey responses, as follows:

| INSURANCE PROVIDER* | COVERAGE | UTILIZATION |
|---|---|---|
| Choicecare | Covers the procedure up to 18 weeks of pregnancy without prior authorization, and up to 24 weeks with authorization from the primary care physician | 5 nontherapeutic abortions<br>51 live births<br>1 to 10 ratio of nontherapeutic abortions to live births |
| Nationwide | Covers the procedure up to 24 weeks of pregnancy | 7 nontherapeutic abortions<br>50 live births<br>1 to 7 ratio |
| United Health Care | Covers the procedure up to 24 weeks of pregnancy | data not received |
| Personal Physician Care | Covers the procedure up to 24 weeks of pregnancy | 4 nontherapeutic abotions<br>31 live births<br>1 to 8 ratio |
| PruCare | Covers the procedure up to 24 weeks of pregnancy | 10 nontherapeutic abortions<br>197 live births<br>1 to 20 ratio |
| Total responses | Most cover the procedure up to 24 weeks of pregnancy | 26 nontherapeutic abortions<br>329 live births<br>1 to 13 ratio |

*One of the companies which responded withheld the above information due to legal concerns

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