



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 85 of the 129th G.A.

**Date:** February 18, 2011

**Status:** As Introduced

**Sponsors:** Reps. Hackett and Sears

**Local Impact Statement Procedure Required:** No

**Contents:** To prohibit requiring an individual to obtain or maintain health insurance

### State Fiscal Highlights

STATE FUND	FY 2011	FY 2012	FUTURE YEARS
<b>General Revenue Fund – Attorney General</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase	Potential increase	Potential increase

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- The bill specifies that an Ohio resident is not required to obtain or maintain health insurance and cannot be rendered liable for any penalty for failing to have health insurance, unless it is required by a judicial or administrative proceeding in which the individual is named a party.
- The provisions requiring the Attorney General (AG) to seek injunctive or other appropriate relief as expeditiously as possible regarding any violation specified in the bill would increase the AG's administrative costs. The costs would depend on many factors, including the number of violations, the scope of each violation, and the complexity of each case.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## Detailed Fiscal Analysis

The bill would prohibit any requirement that each Ohioan must obtain or maintain health insurance coverage, unless it is required by a judicial or administrative proceeding in which the individual is named a party. The bill indicates that all Ohioans are not liable for any penalty for failing to obtain or maintain health insurance coverage. Under existing federal law, the Patient Protection and Affordable Care Act (PPACA) enacted in March 2010, almost all citizens and legal residents of the United States are required to have health insurance coverage or face a penalty beginning in year 2014.

The bill requirements do not apply to individuals who voluntarily apply for coverage under Medicaid or the Children's Health Insurance Program. The bill requirements also do not apply to students who are required by an institution of higher education to obtain and maintain health insurance as a condition of enrollment.

The bill requires the Attorney General (AG) to seek injunctive or other appropriate relief as expeditiously as possible if a federal, state, or local government entity enacts or adopts a law, rule, or regulation that is in violation of the prohibitions specified in the bill.

### **Fiscal impact**

The bill appears to require the AG to seek injunctive relief against the PPACA, which includes requirements for all U.S. citizens and legal residents to purchase health insurance coverage beginning in 2014. On January 19, 2011, the AG filed a complaint and joined other plaintiffs in a lawsuit in a federal court challenging the constitutionality of the PPACA. Thus, it appears that there would be no increase in costs from the bill, beyond those already undertaken, in response specifically to federal enactment of PPACA.

However, the bill may increase the AG's administrative costs to file future injunctions or pursue other appropriate relief in the event that any federal, state, or local government entities were to violate the prohibitions specified by this bill. Any such costs would be paid from the GRF. At this time, the estimated costs are undetermined. The costs would depend on many factors, including the number of violations, the scope of each violation, and the complexity of each case. The bill has no direct fiscal impact on local governments.