



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 218 of the 129th G.A.](#)

Date: June 14, 2011

Status: As Reported by House Insurance

Sponsor: Rep. Hottinger

Local Impact Statement Procedure Required: No

Contents: To use the compendia adopted by the U.S. Department of Health and Human Services to determine whether an insurer may exclude coverage for off-label drug usage

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill replaces the list of standard medical reference compendia for purposes of insurance coverage of off-label drug usage. The bill replaces the current statutory list of compendia with a reference to the standard medical reference compendia approved by the U.S. Department of Health and Human Services under federal law. Under current law, health insuring corporations (HICs) and group and individual policies of sickness and accident insurance that provide coverage for prescription drugs are required to provide coverage for any "off-label"¹ drug if it has been recognized as safe and effective for treatment as indicated in one or more of the standard medical reference compendia or in certain medical literature specified in current law.

The bill's provisions do not apply to public employee benefit plans, so they would have no direct fiscal impact on the state self-insured health benefit plans or on local governments' self-insured health benefit plans. For local governments that provide health benefits to employees and their dependents through an HIC or a group sickness and accident insurance policy that includes prescription drug coverage, there is a potential for the bill to have an effect on prescription drugs covered by the plan, and therefore on costs of providing those benefits. If the new compendia expand the number of off-label drugs covered, it could increase costs for local governments. The bill's provisions appear to be administrative in nature, rather than substantively expanding benefits, such that LSC staff believe that any potential fiscal effect on local governments would be negligible.

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¹ "Off-label" drug refers to any drug that has been approved by the U.S. Food and Drug Administration (USFDA) for the treatment of a specific indication, when it is prescribed for an unapproved treatment.