Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. H.B. 417 of the 129th G.A. **Date**: May 10, 2012

Status: As Passed by the House **Sponsor**: Rep. Grossman

Local Impact Statement Procedure Required: Yes

Contents: To make changes to law regarding responsibility for notifying patients that a physician's employment by a health care entity has been terminated

State Fiscal Highlights

- The bill would require the State Medical Board to revise an administrative rule, which would result in a minimal increase in costs to the Board.

Local Fiscal Highlights

- The bill would require health care entities, including public hospitals, to provide notices of a physician's termination of employment, with certain exceptions, to patients served by the physician in the past two years. Depending upon the rules adopted by the Medical Board regarding the method of notification required (e.g., certified mail), the costs to a public hospital could total more than $5,000 per year (i.e., the threshold for a "yes" local impact determination). However, the bill would allow the hospital to require the physician to notify the patients. This option would eliminate the notification costs for the hospital; however, it would not impact the cost of identifying patients. The cost of identifying patients would likely be minimal.

Detailed Fiscal Analysis

The bill requires health care entities,[1] when a physician's employment to provide physician services is terminated for any reason, to provide notice to all patients served in the two years prior to the physician's termination of employment.[2] In addition, the bill allows a health care entity to require a physician to send the notices on behalf of the entity if the entity provides the physician with a list of patients treated and patient contact information.

State Medical Board

The bill requires the State Medical Board, within six months after the effective date of the bill, to revise rule 4731-27-01 of the Ohio Administrative Code to authorize health care entities to provide the notices to patients. The notices are to be provided within ten business days after termination from employment and are required to contain certain information. This notice is not required for a physician rendering services to a patient on an episodic basis or in an emergency department or urgent care center. Notice is also not required for a medical director or other physician providing services in a similar capacity to a medical director to patients through a hospice care program.

The notice to patients must include the following information: notice to the patient that the physician will no longer be practicing medicine as an employee of the health care entity, the physician's name and any contact information provided by the physician, the date on which the physician ceased or will cease to practice medicine as an employee of the entity, and contact information for an alternative physician employed by the health care entity. The Medical Board would experience a minimal increase in costs to amend the rule.

Currently, rule 4731-27-01 of the Ohio Administrative Code requires physicians to notify patients in order for the physician to terminate the physician-patient relationship. However, there are exceptions to the current rule. For example, the rule does not apply if a patient received services on an episodic basis or in an emergency setting. The bill would not provide for any exceptions, broaden the instances to which the rule would apply, and would place the notification requirement on the health care entity instead of on the physician.

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[1] Health care entities include: a hospital registered with the department of health under O.R.C. 3701.07, a corporation formed under O.R.C. 1701.03(B), a nonprofit corporation formed under O.R.C. 1702., a limited liability corporation formed under O.R.C. 1705., a health insuring corporation holding a certificate of authority under O.R.C. 1751., a partnership, and a professional association formed under O.R.C. 1785.

[2] The bill defines termination as the end of the physician's employment with the health care entity for any reason.

Public hospitals

The bill's requirement for health care entities to identify patients and provide notification would result in increased costs to public hospitals. Depending upon the rules adopted by the Medical Board regarding the method of notification required (e.g., certified mail), the costs to a public hospital could total more than $5,000 per year (i.e., the threshold for a "yes" local impact determination). However, the bill would allow the hospital to require the physician to notify the patients. This option would eliminate the notification costs for the hospital; however, it would not impact the cost of identifying patients. The cost of identifying patients would likely be minimal.

If a health care entity fails to comply with the provisions of the bill, the physician may file an action in the court of common pleas seeking an order in equity against the health care entity. If a public hospital failed to comply with this provision and a physician files an action in the court of common pleas, the hospital would incur court costs.

According to the Ohio Department of Health, there are currently 20 public hospitals in Ohio that are registered with the Department. A public hospital is government-owned, either by the state, a county, or a municipality. The table below shows each public hospital listed by county.

Public Hospitals by County			
County	**Hospital**	**County**	**Hospital**
Adams	Adams County Regional Medical Center	Holmes	Pomerene Hospital
Brown	Brown County General Hospital	Lucas	University of Toledo Medical Center
Cuyahoga	MetroHealth Medical Center	Mercer	Mercer County Community Hospital
Defiance	Community Memorial Hospital	Morrow	Morrow County Hospital
Fayette	Fayette County Memorial Hospital	Paulding	Paulding County Hospital
Franklin	Ohio State University Hospitals	Pickaway	Berger Hospital
Franklin	Ohio State University Hospital – East	Portage	Robinson Memorial Hospital
Franklin	OSU Arthur G. James Cancer Hospital	Union	Memorial Hospital of Union County
Highland	Highland District Hospital	Wayne	Wooster Community Hospital
Hocking	Hocking Valley Community Hospital	Wyandot	Wyandot Memorial Hospital

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