
LEGISLATIVE SERVICE COMMISSION

- Transfers legislative oversight of the state’s Medicaid program from the Joint Medicaid Oversight Committee (JMOC) to the standing committees in the House and Senate that primarily consider Medicaid legislation and support for that work from JMOC staff to LSC.
- Requires LSC to research and review Medicaid reports, legislation, and other related materials and present this information to the standing Medicaid committees at joint meetings of the committees.
- Requires LSC, instead of JMOC, to contract biennially with an actuary to calculate the projected medical inflation rate and for the standing committees, rather than JMOC, to approve or reject the actuary’s calculated rate.
- Updates and modernizes LSC duties related to rule codification and maintaining a uniform Ohio Administrative Code.
- Transfers from LSC’s administrative rules to statute the required formats for presenting changes in bills and resolutions.
- Abolishes four LSC funds and transfers the cash balances to the GRF.

Transfer of Medicaid oversight to Medicaid committees and LSC

(R.C. 103.13, 103.41 through 103.412; Section 525.70; conforming changes in 103.65, 121.93, 355.04, 3901.90, 5119.89, 5162.08, 5162.13, 5162.132, 5162.133, 5162.134, 5162.136, 5162.1310, 5162.70, 5162.82, 5163.04, 5167.24, 5168.90, 5180.17, and 5180.20; Sections 209.20, 313.10, 313.20, 333.85, 751.70, 751.111, and 751.130)

The act transfers legislative oversight of the state’s Medicaid program from the Joint Medicaid Oversight Committee (JMOC) to the standing committees in the House and Senate that primarily consider Medicaid legislation. Relatedly, support for the oversight work transfers from JMOC’s staff to LSC staff. The act calls for the standing committees to meet jointly, at the call of the House chairperson in even-numbered years and the Senate chairperson in odd-numbered years. At the committees’ request, LSC staff will prepare and present Medicaid updates and research to the committees during the joint meetings. Additionally, LSC will take over the responsibility of contracting with an actuary to calculate the projected medical inflation rate each fiscal biennium and work with the standing committees to relay that recommended rate to the Governor ahead of the Governor’s biennial budget recommendation.

The act abolishes JMOC effective September 29, 2025. JMOC acted as a standalone, joint legislative committee with its own executive director and staff. For more detailed information on JMOC’s set up and operations prior to the act, please consult its enacting legislation, [S.B. 206 of the 130th General Assembly](#) (2013).¹⁰²

¹⁰² Available on the General Assembly’s website, legislature.ohio.gov.

LSC presentations to standing committees

At the request of the chairperson who calls the joint meeting and to assist the standing committees, LSC staff must research, review, and summarize the following to the joint standing committees:

- How the Medicaid program relates to the public and private provision of health care coverage in Ohio and the U.S.;
- Reports received by LSC from agencies that participate in the Medicaid program;
- Policies and strategies related to:
 - Medicaid recipients being able to join and stay in the workforce and becoming self-sufficient;
 - Less use of the Medicaid program.
- Newly adopted Medicaid rules;
- Pending Ohio Medicaid legislation;
- Medicaid legislation and innovation in other states;
- Local Healthier Buckeye Council reports submitted to LSC.

Actuary contract – medical inflation rate

The act transfers to LSC the duty to contract every other year with an actuary to determine the projected medical inflation rate for the upcoming fiscal biennium. The Medicaid Director is required to limit growth of the Medicaid program to the projected medical inflation rate or an alternate rate under continuing law.¹⁰³ Once LSC receives the actuary's report, LSC must share the report with the standing committees. The committees, acting jointly, must then determine whether they agree with the actuary's recommended inflation rate. If they do not, they will work with LSC to determine a different inflation rate.

At least 90 days before the Governor is required to submit a state budget for the upcoming fiscal biennium to the General Assembly (between mid-November to mid-December of each even-numbered year, depending on whether the Governor is newly elected), LSC must submit a report to the Governor, Medicaid Director, and the standing committees that includes:

1. The projected medical inflation rate recommended by the standing committees;
2. If the committees recommended an alternate rate to the actuary's proposal, an explanation for rejecting the actuary's rate;
3. A copy of the actuary's report.

¹⁰³ R.C. 5162.70.

Conforming changes

The act transfers the remainder of JMOC's duties either to the standing Medicaid committees or to LSC. Examples of transferred duties mostly involve receiving reports, such as:

1. Local Healthier Buckeye Council reports (R.C. 355.04);
2. Medicaid coverage of doula services reports and the data used to calculate the information in the report (R.C. 5162.13);
3. Medicaid cost containment reform reports (R.C. 5162.70).

Ohio Administrative Code duties

(R.C. 103.05, 111.15, and 119.04)

The act updates the law governing LSC's duties to advise and oversee the preparation and codification of administration rules adopted by state agencies. In general, the act carries over to statute much of the duties expressed in LSC administrative rules on these matters, but also makes updates to reflect electronic versus paper rule filing practices. In 2017, a major update to the electronic rule filing system used by agencies led to process changes that were not reflected in the statute. The act's changes address the following:

- Require the LSC Director to publish and revise, as needed, a Rule Drafting Manual that takes into account the principles of statutory construction and provides basic rule drafting information for filers to follow;
- Clarify the procedures for how and when LSC reviews rules that have been filed for compliance with the Manual and how rules that are not in compliance are addressed with the filer.

Publishing the O.A.C.

The act updates LSC's statutory duties in publishing the Ohio Administrative Code (O.A.C.) to reflect electronic publishing. In 2018, the General Assembly designated LSC as the official publisher of the Ohio Revised Code and O.A.C. as part of Ohio's adoption of the Uniform Electronic Legal Materials Act (UELMA).¹⁰⁴ The act conforms LSC's statutory duties with UELMA, but retains the current law pathway for other publishers to publish an "acceptable" version of the O.A.C. if the LSC Director determines it meets standards prescribed in statute, which are unchanged by the act. Moreover, the act deletes standards authorizing the Director to publish some rules in the O.A.C. by number and title only, omitting the text. This practice, formerly known as "rules by reference," was discontinued in electronic publishing.

¹⁰⁴ S.B. 139 of the 132nd General Assembly, R.C. 149.21 to 149.27, not in the act.

Format for bills and resolutions

(R.C. 101.53)

The act transfers from LSC administrative rules¹⁰⁵ to statute the formats for how changes to the law are presented in bills and resolutions. There is no change to the required formatting in the transfer.

Abolishment of LSC funds

(Repealed R.C. 103.053, 103.054, and 103.24; conforming change in R.C. 103.051; Section 516.10)

The act abolishes the following funds used by LSC and transfers the cash balances to the GRF:

Abolished LSC funds	
Fund name	Purpose
Sale of Publications Fund	Support the publication of LSC documents
Legislative Budget Services Fund	Previously funded health care analysis services by LSC, but the funding was discontinued in 2015 ¹⁰⁶
Legislative Agency Telephone Usage Fund	Pay telephone carriers for telephone calls made by legislative agencies
Register of Ohio Fund	Defray costs of publishing the Register of Ohio

¹⁰⁵ O.A.C. 103-5-01 and 103-5-02.

¹⁰⁶ H.B. 64 of the 131st General Assembly, the FY 2016-FY 2017 biennial appropriations act.

LOTTERY COMMISSION

Cashing out lottery prize annuities

- Allows a lottery prize winner who previously agreed to be paid in installments via an annuity to cash out the full amount of the annuity only in a single transaction, unless the Lottery Commission's (LOT) rules permit additional transfers.
- Prohibits a transferee from then transferring the annuity rights to a third person.
- Modifies the type of independent professional advice a winner must receive, and from whom the winner may receive it, before the transfer can occur.
- Requires signed documentation that the winner received independent professional advice.

Withholding from gambling winnings

- Changes the person responsible for withholding taxes and certain debts from lottery sports gaming and video lottery terminal (VLT) winnings that meet or exceed a threshold amount.
- Specifies that the sports gaming proprietor generally is responsible for withholding all amounts from lottery sports gaming winnings, including in a VLT facility (racino).
- Requires LOT to withhold all amounts from lottery sports gaming winnings won on a terminal that also offers other lottery games.
- Clarifies that the video lottery sales agent who operates a VLT facility must withhold all amounts from VLT prize winnings.
- Applies the changes described above beginning on January 1, 2026.
- Eliminates requirements that at the end of each calendar year, a video lottery sales agent, casino operator, or sports gaming proprietor give the Tax Commissioner a copy of each patron's IRS Form W-2G for the year.

Cashing out lottery prize annuities

(R.C. 3770.072, 3770.10, 3770.12, 3770.121, and 3770.13)

The act makes several changes to the process by which a lottery prize winner may cash out the winner's annuity for a one-time payment by selling it to a third party.

Background on lottery prize annuities

Under continuing law, a lottery winner who wins a large sum can choose between two options:

- Receive the full prize amount from the Lottery Commission (LOT) in the form of regular payments over a set period of time or over the winner's lifetime (an annuity);

- Receive a smaller lump sum – about half the full prize amount – from LOT immediately.

When a winner chooses an annuity, LOT puts the full value of the prize in the Deferred Prizes Trust Fund for investment by the Treasurer of State. Then, LOT makes regular payments to the winner. Any excess interest earned by the Deferred Prizes Trust Fund, above what is needed to cover annuity payments to winners, goes to the Lottery Profits Education Fund.¹⁰⁷

A winner who initially chooses an annuity might later wish to cash out the remaining value of the annuity in the form of a lump sum received immediately. LOT does not offer this service, but many private companies do. In what the Revised Code calls a “transfer agreement,” a winner can sign over the right to receive future LOT annuity payments to another person, the “transferee,” in exchange for an agreed upon payment from the transferee. The transferee then has the right to receive ongoing annuity payments from LOT in place of the winner.

The transferee must apply to a court in advance for approval of the transfer based on several factors. If the factors are met, the transfer is presumed to be fair and reasonable and in the winner’s best interests. The transferee also must notify LOT of the application, and LOT has the right to intervene in the proceeding.

Annuity transfer changes under the act

Number of transfers

The act makes several changes to the transfer process. First, it allows a winner to cash out the full amount of the annuity only in a single transaction, unless LOT’s rules permit additional transfers. Prior law allowed a winner to cash out a single prize annuity through a maximum of three partial transfers, unless LOT permitted a greater number of transfers by rule. However, a partial transfer was allowed only if the value of each portion of the annuity to be transferred was at least \$500,000.

Second, the act prohibits a transferee from then transferring the annuity rights to a third person in a manner that would require LOT to make annuity payments to that third person. The previous law included several provisions that accounted for this possibility and laid out procedures for taxing the parties involved, depending on their business structures. LOT was able to object to a transfer to a third person if the annuity had been transferred within the last 12 months. If LOT objected, and the court found that the prize was transferred within the last 12 months, the court was required to disapprove the transfer.

Independent professional advice

Finally, the act modifies the law that requires a winner to receive independent professional advice before the court can approve a transfer. Under continuing law, as a condition of approval, the court must find that the winner has received independent professional advice regarding the legal and other implications of the transfer. The adviser must not be affiliated in

¹⁰⁷ R.C. 3770.06, not in the act, and Ohio Lottery, [Cash Option Values](http://ohiolottery.com), available at ohiolottery.com under “Claim Prizes.”

any manner with, or compensated in any manner by, the transferee. And, the adviser's compensation must not be affected by whether the transfer occurs.

The act adds a requirement that the independent professional advice include advice concerning the financial implications of the transfer, in addition to the "legal and other" implications. Further, under the act, the adviser must be one of the following:

- An attorney;
- A certified public accountant;
- An actuary;
- A financial planner who is accredited by a nationally recognized accreditation agency.

Prior law required the adviser to be "an attorney, a certified public accountant, an actuary, or any other licensed professional adviser," and did not mention a financial planner.

For a court to approve a transfer, the act requires the transferee to submit a statement, signed under penalty of perjury by the winner and the winner's licensed professional adviser, evidencing that the winner received the required advice. Under prior law, the court had to determine that the winner received that advice, but the law did not require documentation.

Withholding from gambling winnings

(R.C. 718.031, 3121.441, 3123.89, 3123.90, 3770.071, 3770.072, 3770.073, 3770.074, 3770.075, 3770.10, 3770.25, 3775.16, 5747.062, 5747.063, and 5747.064; Section 801.120)

Background on gambling winnings withholding

Under continuing law, when a person's winnings from the Ohio Lottery, sports gaming, or casino gaming meet or exceed a given dollar threshold (in most cases, \$600), the agency or business that pays out the winnings first must collect identifying information from the winner and withhold the following amounts:

- State income tax;
- Municipal income tax, in the case of casino winnings, winnings at a physical sports gaming facility, or winnings at a video lottery terminal (VLT) facility located at a horse racetrack, also known as a racino;
- Any past due child or spousal support the winner owes, according to a database maintained by JFS;
- Any debts the winner owes to the state or a political subdivision, according to a database maintained by the Attorney General.

For all four categories, the withholding threshold is the dollar threshold at which the agency or business paying out the winnings also must report the payout to the Internal Revenue