



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

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H.B. 465

132nd General Assembly
(As Introduced)

Reps. Lipps and Koehler, Hambley, Thompson, Riedel, Vitale, R. Smith, Retherford, Hill, Johnson, Roegner, Scherer, Becker, DeVitis, Butler, Perales

BILL SUMMARY

- Eliminates the requirement that the Medicaid managed care system provide prescription drug coverage and explicitly prohibits the system from covering prescribed drugs.
 - Requires instead that Medicaid prescription drug benefits be paid through the fee-for-service system.
 - Permits the Department of Medicaid to allow Medicaid managed care organizations to develop medication therapy management programs for Medicaid recipients enrolled in managed care plans.
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CONTENT AND OPERATION

Medicaid coverage of prescription drugs

Under current law, the Department of Medicaid must require that health insuring corporations under contract with the Department for purposes of the managed care system provide coverage for prescription drugs.¹ The bill repeals this requirement and explicitly prohibits prescription drugs from being covered under the Medicaid managed care system. It instead mandates that prescription drug benefits, including dispensing fees, be paid through the Medicaid fee-for-service system. In doing so, the

¹ R.C. 5167.12(A).

bill makes conforming changes to current law to indicate that Medicaid drug benefits will be paid under the fee-for-service system instead of the managed care system.²

Medication therapy management programs

Under the bill, the Department can permit Medicaid managed care organizations to develop medication therapy management programs for Medicaid recipients enrolled in managed care plans; however, the benefits for any prescribed drugs will be paid under the fee-for-service system.³

Pharmacy utilization management program

Current law requires the Department to authorize a Medicaid managed care organization to develop and implement a pharmacy utilization management program establishing prior authorization requirements for prescribed controlled substances.⁴ The bill eliminates this requirement as part of its provisions moving Medicaid prescription drug coverage from managed care to fee-for-service.⁵ Continuing law does not appear to expressly authorize such a program under the fee-for-service system, although the Department's authority may be broad enough for it to allow such a program administratively.

HISTORY

ACTION	DATE
Introduced	01-17-18

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² R.C. 5164.092, 5167.13, 4121.50, and 4729.20.

³ R.C. 5167.05.

⁴ R.C. 5167.12(C).

⁵ R.C. 5167.092.

