OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

H.B. 469
133rd General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 469's Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Manchester and West

Local Impact Statement Procedure Required: No

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Highlights

- The bill's requirement would result in a minimal increase in costs to the state to provide health benefits to employees and their dependents.
- Similarly, some local governments may experience a minimal increase in costs to provide health benefits to employees and their dependents.

Detailed Analysis

The bill requires a health insurer to include all amounts paid by an enrollee and on behalf of the enrollee when calculating an enrollee's contribution to any applicable cost-sharing requirement, including the annual limitation on cost sharing. Examples of payments made on behalf of an enrollee are manufacturer coupons and financial assistance.

The requirement applies only to the extent allowed under federal law. The bill also specifies that the requirement does not apply to cost sharing for a name brand drug that has a medically appropriate generic equivalent and the name brand drug is prescribed, but the name brand is not considered to be medically necessary by the prescribing physician.[1]

Health insurers subject to the bill's requirements include health insuring corporations (HICs) and sickness and accident insurers.

[1] The bill specifies that if its requirement is invalid or incapable of being enforced against a health insurer due to a conflict with federal law, then such requirement must remain in full force and effect with respect to all health insurers and in all situations in which no such conflict exists.

Fiscal effect

The state health benefit plan uses a pharmacy benefit manager (PBM) for the prescription drug benefit under the plan and a Department of Administrative Services official reports that the PBM does not currently count manufacturer coupons toward a member's out-of-pocket maximum. So there would be a reduction in cost-sharing payments under the bill, minimally increasing the cost to the state of providing health benefits to employees and their dependents. Any increase in cost to the state plan would be paid from the Health Benefit Fund (Fund 8080). Fund 8080 receives funding through state employee payroll deductions and state agency contributions toward their employees' health benefits, which come out of the GRF and various other state funds. Some local governments may also experience similar minimal increases in costs to provide health benefits to employees and their dependents.

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