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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 99
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 99's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Rep. Manchester

Local Impact Statement Procedure Required: No

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Highlights

- The bill may minimally increase administrative costs for the Department of Insurance to monitor health insurers' compliance with the bill's requirements. Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540).
- No direct fiscal effect on political subdivisions.

Detailed Analysis

Health insurers

The bill prohibits a health insurer to reduce or deny a claim for reimbursement for emergency services in any of the following circumstances: (1) based solely on a diagnosis code or impression, the current International Classification of Diseases (ICD) code, or select procedure code relating to the enrollee's condition submitted to the health insurer by a medical provider, (2) based on the absence of an emergency medical condition if a prudent layperson with an average knowledge of health and medicine would have reasonably expected the presence of an emergency medical condition,¹ or (3) before having performed an emergency services utilization review² of the claim. None of the prohibitions apply when a reduction in reimbursement is made by a health insurer based on a contractually agreed upon reimbursement rate.

¹ The bill modifies the definition in current law of emergency medical condition.

² "Emergency services utilization review" means a review of a claim related to emergency services for the purpose of determining whether the claim relates to an emergency medical condition, including a determination as to whether a prudent layperson with an average knowledge of health and medicine would have reasonably expected the presence of such a condition.

The bill specifies items that must be included in an emergency services utilization review, including the patient's diagnostic testing and whether a prudent layperson would reasonably presume the presence of an emergency medical condition. The bill also specifies eligibility requirements for a physician to be allowed to conduct such a review. Other bill provisions include a requirement that insurers inform their enrollees that they are not required to self-diagnose, and a specification that the bill does not exempt insurers from the prompt payment requirements under existing law.

The bill's requirements apply to health insuring corporations (HICs) and sickness and accident insurers.

Fiscal effect

The bill may minimally increase the Department of Insurance's administrative costs for regulating health insurers. Any increase in the Department's administrative costs would be paid from the Department of Insurance Operating Fund (Fund 5540).

The bill's prohibitions are not applied to self-insured government plans, and thus do not appear to affect the state's costs of providing health benefits to employees or their dependents. Similarly, the bill has no direct fiscal effect on political subdivisions.

The bill's prohibitions would have little or no fiscal effect on public hospitals' reimbursements related to emergency claims. If there were any fiscal effect, they would make it easier for hospitals to collect for emergency services provided.

The bill's prohibitions would likely increase HICs' and sickness and accident insurers' costs, in part by making it more difficult for them to avoid paying for care provided in an emergency room setting that could have been provided in a lower cost setting. These cost increases could be significant, and some portion of them may be passed through to enrollees and plan sponsors that contract with such insurers, e.g., local government health plans. Generally, LBO staff consider that such cost increases are indirect fiscal effects if they do not affect self-insured government plans or if they create administrative costs but do not mandate coverage of a medical condition. LBO staff could not determine the magnitude of the effects of the bill on plan sponsors due to lack of information related to such insurers' emergency services coverage. But survey responses to [National Hospital Ambulatory Medical Care Survey: 2020 Emergency Department Summary Tables \(PDF\)](#) indicate that roughly 2.5% of emergency room visits that year were classified as being for nonurgent medical situations. Based on results of the survey from 2015 through 2020, the percentage of such classified visits has been declining from a high of 5.5% in 2015. In addition, another study,³ performed in an area "with a high literacy and educational baseline" that "may not be representative of the American population of self-defined prudent laypeople at large" found that "A minority of symptoms and signs (25/87, 29%) were considered emergency medical conditions by more than half of nonmedical survey respondents who were self-defined as prudent laypersons."

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³ Li, James & Galvin, Hannah & Johnson, Sandra (2002) [The prudent layperson definition of an emergency medical condition](#), The American Journal of Emergency Medicine. 20. 10-3. 10.1053/ajem.2002.30108.