



# Ohio Legislative Service Commission

## Bill Analysis

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### H.B. 224

131st General Assembly  
(As Introduced)

**Reps.** Antani and Duffey, T. Johnson

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## BILL SUMMARY

- Requires each accountable care organization in Ohio to establish a clinical laboratory testing advisory board.

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## CONTENT AND OPERATION

### Accountable care organizations

An accountable care organization (ACO) is a group of physicians, other health professionals, or hospitals who agree to share responsibility for the quality, cost, and coordination of care for a defined population of patients. An ACO may work with one or more payers, including Medicare.<sup>1</sup> For the purposes of this bill, an ACO is an organization that (1) participates in the Medicare Shared Savings Program, a program established by the Patient Protection and Affordable Care Act (ACA) and (2) includes as participants ACO professionals (physicians, physician assistants, certified nurse practitioners, or clinical nurse specialists) who provide services to patients in Ohio.<sup>2</sup>

According to the federal Centers for Medicare and Medicaid Services, eligible providers, hospitals, and suppliers may take part in the Medicare Shared Savings Program by creating or participating in an ACO and providing care to Medicare fee-for-service beneficiaries. A Shared Savings Program ACO is not a Medicare Advantage Plan or an HMO. The program rewards those ACOs that lower their growth in health

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<sup>1</sup> American Academy of Family Physicians, *Accountable Care Organizations* (last visited June 15, 2015), available at <<http://www.aafp.org/practice-management/payment/acos.html>>.

<sup>2</sup> R.C. 3701.862.

care costs while meeting quality of care performance standards.<sup>3</sup> At present, Ohio law does not regulate ACOs.

## **ACOs and clinical laboratory testing advisory board**

The bill requires that each ACO in Ohio establish a clinical laboratory testing advisory board to make recommendations to the ACO concerning laboratory testing. The bill specifies, however, that an ACO is not required to adopt any recommendation of an advisory board.

### **Board membership**

An advisory board must consist of individuals selected by the ACO, as well as a representative designated by each clinical laboratory that provides ongoing laboratory testing services directly to ACO professionals or hospitals participating in the ACO. The bill specifies that the designated representative must be both of the following: (1) a physician affiliated with the ACO and (2) the director, or a pathologist designated by the director, of the clinical laboratory.

### **Board governance and recommendations**

Under the bill, the ACO must determine how the advisory board is to be governed and the form and manner of its recommendations. The bill also requires that each advisory board consider and recommend guidelines or protocols for each of the following:

- (1) Clinical laboratory testing used for diagnosis and disease management;
- (2) Pathologist consultation on episodes of care;
- (3) Appropriate use of clinical laboratory testing.

## **Definitions**

### **Clinical laboratory**

The bill defines a clinical laboratory as "a facility for the biological, microbiological, serological, chemical, immuno-hematological, hematological, biophysical, cytological, pathological, or other examination of materials derived from

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<sup>3</sup> U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, Medicare, *Shared Savings Program* (last visited June 15, 2015), available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html?redirect=/sharedsavingsprogram/>.

the human body for the purpose of providing information for the diagnosis, prevention, or treatment of any disease or impairment of, or the assessment of the health of, human beings."<sup>4</sup>

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## HISTORY

### ACTION

### DATE

Introduced

05-20-15

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<sup>4</sup> R.C. 3701.862(A)(3) and 42 U.S.C. 263a.

