



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** S.B. 259 of the 132nd G.A.

**Status:** As Passed by the House

**Sponsor:** Sen. Hackett

**Local Impact Statement Procedure Required:** No

**Subject:** Revises the law regulating physician assistant practice and teledentistry

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### State & Local Fiscal Highlights

- The State Medical Board might realize a minimal decrease in administrative costs since it will no longer have to perform certain duties, such as establishing a formulary for physician assistants. However, as a result of the changes relating to physician assistant practice, there could be costs for any additional complaints received or investigations conducted.
- The State Medical Board could realize an increase in license fee revenue if the number of physician assistants who practice in another jurisdiction, are in the armed forces, or are in the U.S. Public Health Service Commissioned Corps seeking licensure increases as a result of the replacement of the three-year service requirement to a two-year requirement or examination options.
- The State Medical Board could realize a decrease in reimbursements for members of the Physician Assistance Policy Committee since the number of pharmacist members is reduced and video and teleconferencing is allowed.
- The State Dental Board may realize a minimal gain in revenue related to the creation of \$20 teledentistry permits, as well as an increase in costs to process these new permits and to establish rules.
- The requirement that health insurers, including public employee benefit plans, provide coverage for the costs of any services provided to an insured through teledentistry, if the services would be covered when provided using other means, may increase costs for the state to provide dental benefits to its employees and their dependents. Currently, the costs of dental benefits for state exempt employees are paid out of the State Employee Health Benefit Fund (Fund 8080). Revenue to Fund 8080 consists of employer premiums derived from GRF-supported payroll, with various state funds providing the rest.
- The Department of Medicaid could realize a minimal increase in costs to establish standards for Medicaid payments that provide coverage for teledentistry services that is comparable to coverage for services provided without the use of teledentistry.

- The requirement to provide health insurance coverage for teledentistry services may also increase premiums paid by counties, municipalities, townships, and school districts statewide to provide dental benefits to employees and their dependents, thereby increasing their costs. LSC staff could not determine the magnitude of the bill's fiscal impact on local governments due to lack of information on the number of plans that do not currently include teledentistry services coverage.

## **Detailed Fiscal Analysis**

The bill makes a number of revisions regarding the law regulating physician assistants, teledentistry, and dentistry. These are discussed below.

### **Physician assistant practice**

#### **Prescriptive authority and furnishing samples**

The bill potentially expands the authority of physician assistants to prescribe drugs by eliminating the State Medical Board's authority to adopt a physician assistant formulary. While the bill eliminates the formulary, the Board maintains its authority to adopt rules governing physician-delegated prescriptive authority. The bill also requires the Board to issue a prescriber number to each physician assistant who is authorized to prescribe under a supervision agreement with a physician. The bill permits a physician assistant to delegate to another person the task of administering a drug only if the physician assistant is authorized to prescribe that drug. Additionally, the bill eliminates a provision requiring the Medical Board to establish standards and procedures for physician assistant delegation of drug administration.

The bill also removes a requirement that the drugs and therapeutic devices personally furnished as samples be in the physician assistant's physician-delegated prescriptive authority. This allows a physician assistant to personally furnish samples that are not in the physician assistant's physician-delegated prescriptive authority as long as other conditions, unchanged by the bill, are met.

It is possible that the State Medical Board could see a minimal reduction in administrative costs since it will no longer have to establish the formulary or establish standards and procedures relating to the delegation of drug administration. However, if there are any additional complaints resulting from this expansion of practice, the Board may realize an increase in costs to conduct additional investigations. If a physician assistant is able to perform additional services, local and state health programs could realize a savings since physician assistants are typically reimbursed at a lower rate than physicians.

### **Out-of-state, military, and U.S. Public Health Service physician assistants**

Currently, a physician assistant who has practiced for at least three consecutive years in another jurisdiction, in the armed forces, or the U.S. Public Health Service Commissioned Corps may acquire Ohio licensure. This three-year service requirement is in lieu of the requirement that the physician assistant have certain educational

degrees. The bill replaces this requirement with options of practicing for at least two years, passing an examination or assessment, or having other limitations placed on the license. The bill also authorizes a military or U.S. Public Health Service physician assistant to be supervised by any licensed physician (not only the supervising physician) during the first 500 hours of prescriptive authority and exempts such a physician assistant from the supervision requirement if he or she practiced in the military or U.S. Public Health Service for not less than 1,000 hours.

The State Medical Board could realize an increase in the number of individuals seeking licensure as physician assistants as a result of this replacement. As such, the Board could realize an increase in license fee revenue, as well as a corresponding increase in administrative costs to process the licenses and regulate additional licensees.

### **Medical Board Physician Assistant Policy Committee**

The bill reduces to one (from two) the number of pharmacists on the Medical Board's Physician Assistant Policy Committee and authorizes the Committee to meet through videoconferencing and teleconferencing. The bill also allows the Committee to meet as necessary rather than at least four times a year.

Members of the Physician Assistant Policy Committee may be reimbursed for necessary and actual expenses incurred in the performance of official duties as a member. The bill's provisions to reduce the number of members and to permit video and teleconferencing may reduce reimbursement costs for the Board.

### **Teledentistry**

The bill authorizes the provision of dental services through teledentistry, defined as the delivery of dental services through the use of synchronous, real-time communication and the delivery of services by a dental hygienist or expanded function dental auxiliary (EFDA) pursuant to a dentist's authorization. Dentists performing and authorizing teledentistry services are required to obtain a permit from the Board. Under the bill, the permit fee is \$20. The bill specifies requirements a dentist must meet before providing or authorizing teledentistry services, including what must be included in the dentist's written authorization and what information must be provided to the patient to obtain informed consent. Additionally, the bill specifies experience, education, and other requirements that must be met before a dental hygienist or EFDA may perform teledentistry services as authorized by an authorizing dentist.

The Board may realize a gain in revenue related to the creation of \$20 teledentistry permits, as well as an increase in costs to process these new permits and to establish rules. The State Dental Board expects that less than 50 dentists would initially apply. Thus, the gain in revenue would likely be minimal, or approximately \$1,000 (50 dentists x \$20) for each licensing cycle. However, the Board indicated that the number of permits issued could increase over the next five to ten years.

## **Insurance coverage for teledentistry services**

The bill prohibits health insurers, including public employee benefit plans, from denying coverage for the costs of any services provided to an insured through teledentistry if the services would be covered if delivered other than through teledentistry. The bill specifies that the coverage that may not be excluded is subject to all terms, conditions, restrictions, exclusions, and limitations that apply to any other coverage for services performed by participating and nonparticipating providers. The bill applies to individual or group health insuring corporation policies or agreements, individual or group policies of sickness and accident insurance, public employee benefit plans, and certain multiple employer welfare arrangements.

The bill may increase costs for health insurers mentioned above. Accordingly, it may also increase premiums paid by the state and local governments to provide dental benefits to employees and their dependents. Any increase in insurance premiums would increase costs to the state and local governments.

Currently, teledentistry service is not included in the state's health benefit plan. The costs of dental benefits for state exempt employees are paid out of the State Employee Health Benefit Fund (Fund 8080). Revenue to Fund 8080 consists of employer premiums derived from GRF-supported payroll, with various state funds providing the rest.

LSC staff could not determine the magnitude of the bill's fiscal impact on counties, municipalities, townships, and school districts statewide due to lack of information on the number of plans that do not currently include coverage for teledentistry services. To the extent that teledentistry services are already included in a local government's dental benefit plan, the impact on its costs of providing dental benefits to employees and their dependents would be reduced (or eliminated).

## **Medicaid and teledentistry**

The bill requires the Department of Medicaid to establish standards for Medicaid payments that provide coverage for teledentistry services that is comparable to coverage for services provided without the use of teledentistry. These standards could increase access to dental services, which would increase Medicaid costs. However, the Department anticipates the increase to be minimal initially due to the limited use of teledentistry. If the use of teledentistry increases, then costs would be higher. The Department would receive federal reimbursement for services provided to eligible individuals. Typically, the federal government reimburses the state of Ohio for approximately 63% of Medicaid expenditures.

## **General anesthesia permit and other dental law changes**

The bill requires the Board to adopt rules establishing eligibility criteria, application and permit renewal procedures, and safety standards applicable to a dentist who applies for a general anesthesia permit. The Board does not expect any additional revenue related to this provision as a permit fee is currently being charged. The fee for

this permit is a one-time fee. The bill makes other changes to the dental law including changes to the services of dental assistants, dental hygienists, and EFDAs, as well as dental licensing exams. These changes may have some minimal administrative costs to the Board.

### **Choose Ohio First Program scholarships for dental students**

The bill requires the Ohio State University (OSU) College of Dentistry and Case Western Reserve University (CWRU) School of Dental Medicine to jointly develop a proposal to create a component of the Choose Ohio First Scholarship Program for eligible primary care dental students. Under the bill, the institutions must consider including in the proposal provisions that provide sufficient funds for up to eight dental students per year and specify that a scholarship be provided to a student for no more than four years. The institutions must submit the proposal by January 1, 2020 to the Chancellor of Higher Education, who then can decide whether to implement the proposal. Each of the institutions' administrative workload will minimally increase to develop the proposal.

The Choose Ohio First Scholarship Program provides scholarships to students pursuing science, technology, engineering, mathematics, or medicine (STEMM) or STEMM education degrees at one of Ohio's institutions of higher education. Selected institutions are awarded funds through a competitive grant process based on their STEMM recruitment and retention plans. Recipient institutions then distribute scholarships to students. The program is supported by GRF line item 235438, Choose Ohio First Scholarship.