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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
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Legislative Budget  
Office

H.B. 11  
133<sup>rd</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 11's Bill Analysis](#)

**Version:** As Passed by the Senate

**Primary Sponsors:** Reps. Manning and Howse

**Local Impact Statement Procedure Required:** No

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### Highlights

- The bill requires Medicaid, Medicaid managed care organizations, and state employee health plans to cover tobacco cessation services and medications and to market the coverage of these to recipients. This provision could increase Medicaid and state employee health plan costs.
- The bill appropriates \$5.0 million in fiscal year (FY) 2021 in GRF funding for the required group-based prenatal health care grant program, which is to be administered by the Ohio Department of Health (ODH).
- ODH may experience an increase in costs to develop educational materials regarding lead-based paint, which are to be distributed through the Help Me Grow Program to eligible families. ODH may also experience an increase in costs to promulgate rules regarding certain provisions of the bill.
- The bill also increases appropriations within the Ohio Department of Medicaid's budget by a total of \$279.6 million in FY 2020 to reflect the temporary federal medical assistance percentage (FMAP) increase that was in the Families First Coronavirus Response Act.

### Detailed Analysis

#### Coverage of tobacco cessation services and medications

The bill requires the Medicaid Program and Medicaid managed care organizations to cover certain tobacco cessation medications and services. It also requires health care benefits provided to state employees to include coverage of those same medications and services. These medications and services include any tobacco medication approved by the federal Food and Drug Administration and any tobacco service recommended by the U.S. Preventative

Services Task Force. The bill prohibits the following conditions from being imposed: counseling requirements; cost-sharing requirements; limits on the duration of services, including annual or lifetime limits; and prior authorization requirements, step therapy protocols, or any other utilization management requirements. However, prior authorization requirements and limits may be imposed under certain circumstances including: when treatment exceeds recommended durations and when services are associated with more than two attempts to quit using tobacco in a 12-month period.

Under the bill, the Ohio Department of Medicaid (ODM) and each insurance company or health plan providing health care benefits to state employees is required to (1) inform Medicaid recipients or state employees of the coverage required above and (2) market the above-mentioned coverage to those individuals.

ODH is required to adopt rules establishing standards and procedures for the approval of covered tobacco cessation medications and services, which must be updated as new medications or cessation services are approved or recommended.

The bill includes a provision that exempts its required benefits for state employees from the existing requirement related to mandated health benefits. Under current law, no mandated health benefits legislation enacted by the General Assembly after January 14, 1993, must be applied to sickness and accident or other health benefits policies, contracts, plans, or other arrangements until the Superintendent of Insurance determines that the provision can be applied fully and equally in all respects to employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA) and employee benefit plans established or modified by the state or any political subdivision of the state or by any agency or instrumentality of the state or any political subdivision of the state.

### **Fiscal impact**

The Medicaid Program currently covers tobacco cessation medications and services for its enrollees. However, some limits on the duration of services and prior authorization requirements may be in place depending on which Medicaid managed care organization is providing the coverage. Since the bill prohibits certain conditions from being imposed, Medicaid costs could increase. ODM may also experience some administrative costs to inform Medicaid recipients of the coverage required by the bill and to market the coverage to recipients.

According to a Department of Administrative Services (DAS) official, the state's health benefit plans currently cover coaching and counseling for tobacco cessation with no limitations. The plans also cover a variety of medications, if an individual is enrolled in counseling and/or coaching, with limitations as follows: nicotine gums, lozenges, and patches are limited to 12 weeks; bupropion XL is limited to one year; and Chantix is limited to 12 weeks, but prior authorization is required. However, officials at DAS have expressed the belief that the bill would increase costs to the state due to the requirements that the coverage must be covered without (1) cost sharing, (2) limits on the duration of services, or (3) prior authorization requirements. In addition, in FY 2020 state employees may enroll in a high deductible healthcare plan (HDHP) with a health savings account (HSA) or a standard plan. Under the HDHP, tobacco cessation services and medications would be covered at 80% after the deductible has been met, thus, the required full coverage under this bill would increase costs to the state health benefit plans. LBO

does not have an estimate of the magnitude of the increase. There could also be administrative costs to market the coverage to recipients. Any increase in costs 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.

ODH may experience an increase in costs to adopt and update the required rules.

## **Group-based prenatal health care services**

The bill requires ODH to establish a grant program to provide prenatal health care services to pregnant women on a group basis. Under the program, grants will be awarded to entities that meet eligibility requirements. ODH is required to give priority to entities that provide care to pregnant Medicaid recipients and operate in areas of the state with high preterm birth rates, including rural areas and Cuyahoga, Franklin, Hamilton, and Summit counties. Under the bill, ODH is permitted to adopt rules as necessary. The bill allows a participating entity to employ or contract with licensed dental hygienists to educate pregnant women about the importance of prenatal and postnatal dental care.

### **Fiscal impact**

The bill appropriates GRF funding of \$5.0 million in FY 2021 for the grant program. The bill requires \$500,000 of the allocated amount to be used to provide planning grants to help entities meet the bill's requirements and \$4.5 million to be used for the group prenatal health services grants. ODH may also incur costs related to rule promulgation.

## **Prenatal dental cleanings**

The bill permits ODM to establish a program to provide dental services to pregnant Medicaid recipients. If a program is established, ODM is required to give priority to those recipients residing in areas of the state with high preterm birth rates. In addition, under the program, a pregnant Medicaid recipient is eligible to receive two dental cleanings per year. ODM is also required to establish reimbursement rates for entities that educate Medicaid recipients about the importance of prenatal and postnatal dental care as part of ODH's group-based prenatal health care services grant program, including reimbursement rates for all or part of the costs associated with developing and distributing educational materials related to the importance of prenatal and postnatal dental care. ODM is also required to inform Medicaid recipients about the dental program and market the program to recipients if a program is established.

### **Fiscal impact**

Some dental cleanings are already covered under the Medicaid Program. However, if the bill increases the amount of cleanings or the utilization, Medicaid costs could increase. There could also be costs associated with establishing reimbursement rates for entities providing educational services under the grant program administered by ODH. ODM may also experience some administrative costs to inform recipients about the program and market the program to recipients if the program is established.

## **Lead-based paint educational materials**

The bill requires ODH to develop culturally and linguistically appropriate educational materials describing the health risks of lead-based paint and the measures that may be taken to reduce those risks. As part of ODH's Help Me Grow Program, copies of the materials are to be distributed during home visits to eligible families residing in houses, apartments, or other residences built before 1979.

### **Fiscal impact**

ODH may experience an increase in costs to develop the required educational materials. Local public entities that are providers for the Help Me Grow Program may experience a minimal increase in costs to print and distribute the materials to families. However, these providers receive funding from ODH to provide services; thus, these costs may be covered.

### **ODM appropriations**

The bill makes the following changes to ODM's budget in FY 2020 to reflect the temporary FMAP increase that was in the Families First Coronavirus Response Act: (1) increases GRF appropriation item 651525, Medicaid Health Care Services, by \$102.6 million total (\$533.7 million decrease in state share and \$636.3 million increase in federal share), and (2) increases Federal Fund 3F00 appropriation item 651623, Medicaid Services – Federal, by \$177.0 million. The bill also makes a technical correction to the DPF Fund Group total in both FY 2020 and FY 2021.