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H.B. 454
(1_134_1743-9)
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 454's Bill Analysis](#)

Version: In House Families, Aging and Human Services

Primary Sponsors: Reps. Click and Grendell

Local Impact Statement Procedure Required: No

Ryan Sherrock, Economist, and other LBO staff

Highlights

- The bill prohibits Medicaid coverage of gender transition procedures for minors.
- There may be costs to the State Medical Board to investigate complaints and violations of the bill's provisions. The costs will depend on the scope and number of investigations.
- The Ohio Department of Health (ODH) would realize costs to receive required reports from physicians, analyze data submitted and report data to the General Assembly, and provide any necessary guidance or technical assistance. ODH could also realize minimal rule promulgation costs.
- The Ohio Attorney General's Office may realize an increase in costs if any actions are taken to enforce compliance with the bill's provisions.

Detailed Analysis

Gender transition treatment for minors

The bill prohibits physicians from knowingly performing gender reassignment surgery (genital and nongenital) on minors (under age 18) for the purpose of assisting with gender transition and from referring minors to a mental health professional for the diagnosis or treatment of a gender related condition without disclosing to the minor's parent or guardian that the referral is for the diagnosis or treatment of a gender related condition. Additionally, before a physician can prescribe a cross-sex hormone or puberty-blocking drug for a minor for the purpose of assisting the minor individual with gender transition, certain conditions must be met. Any impacts associated with this provision will depend on how these criteria differ from current standard protocols. Under the bill, a physician who violates the bill's prohibitions and conditions on gender transition care is considered to be engaging in unprofessional conduct and is subject

to discipline by the State Medical Board. As a result, the State Medical Board could realize an increase in costs to address licensee questions or to respond to and investigate any potential complaints or violations. Additionally, the bill permits the Attorney General to bring an action to enforce compliance with the bill's prohibitions and conditions on gender transition care. If the Attorney General brought forward such an action, there would be administrative and court costs.

Reporting requirements

The bill requires each physician who prescribes puberty-blocking drugs or cross-sex hormones to annually report specified information to the Ohio Department of Health (ODH) by March 1. Additionally, ODH is required to report to the General Assembly the information it receives from the prescribing physicians by June 1 each year. The Director of Health is permitted to adopt rules relating to the reporting requirements. ODH would have administrative and possibly information technology costs to receive reports, analyze data, and provide any guidance or technical assistance to reporting physicians. In addition, if any physicians employed at state or local entities were required to report any information, there could be some administrative costs to do so. Lastly, ODH could have minimal rule promulgation costs.

Medicaid

The bill prohibits the Medicaid Program from covering gender transition procedures for any minor. However, the bill clarifies that it does not prohibit Medicaid coverage for the following: treatment of disorders of sex development; treatment of infections, injuries, diseases or disorders caused by or exacerbated by the performance of gender transition services; mental health services provided for gender related conditions; and any services that are not gender transition services.

The bill takes effect six months after the standard 90-day effective date.

Synopsis of Fiscal Effect Changes

In the As Introduced version, the bill prohibited a medical health care professional (e.g., physicians, nurses, pharmacists, psychiatrists, etc.) from providing to a minor any medical or surgical procedure or service that seeks to alter or remove physical or anatomical characteristics or features that are typical for the minor's biological sex or to instill or create physiological or anatomical characteristics that resemble a sex different from the minor's birth sex and from referring a minor to any medical doctor for gender transition procedures and services. This could have resulted in administrative costs to licensing boards that regulated any of these professions. The substitute bill (I_134_1743-9) instead prohibits a physician from knowingly performing gender reassignment surgery on a minor for the purpose of assisting with a gender transition, and prohibits a physician from referring a minor to a mental health professional for the diagnosis or treatment of a gender related condition without disclosing to the minor's parent or guardian that the referral is for the diagnosis or treatment of a gender related condition. Additionally, before a physician can prescribe a cross-sex hormone or puberty-blocking drug for a minor for the purpose of assisting the minor individual with gender transition, certain conditions must be met. The substitute bill will result in administrative costs to the State Medical Board, which regulates physicians.

The substitute bill (I_134_1743-9) added provisions to: require each physician who prescribes puberty-blocking drugs or cross-sex hormones to annually report specified

information to the Ohio Department of Health (ODH) by March 1, to require ODH report to the General Assembly this information by June 1 each year, and to allow the Director of Health to adopt rules relating to these reporting requirements. ODH would have administrative and rule promulgation costs as a result of this addition.

Under the As Introduced version of the bill, the bill prohibited the distribution of public funds, directly or indirectly, to organizations or individuals that provided gender transition procedures to minors. This could have resulted in state and local administrative costs to ensure that no public funds were given to such entities. Further, the As Introduced version prohibited health care services provided by or in a state, county, or local facility or by a physician employed by the state or other employee from including gender transition procedures for minors. To the extent these procedures were provided to minors in these facilities or by individuals employed by the state, there could have been a reduction in costs for providing said services, as well as a corresponding reduction in any associated third-party reimbursements under the As Introduced version. The substitute bill removes these provisions and any associated fiscal impacts.

The As Introduced version of the bill prohibited tax deductions for any amounts paid for gender transition procedures to minors or as health insurance premiums for coverage that includes these procedures for minors, which could have resulted in a gain in tax revenues of an uncertain magnitude. These revenues would have been primarily deposited into the GRF, but a small portion would also have been deposited into the Local Government Fund and the Public Library Fund. The substitute bill removes the provisions, which will eliminate associated fiscal impacts.

The As Introduced version of the bill specified that no insurance plan providing health care coverage in Ohio may include reimbursement for gender transition procedures for any minor. As a result, any state or local health benefit plan would have been unable to cover these procedures. The state plan does not cover such procedures currently, so there would have been no cost savings from the bill's prohibition. It is unknown how many local government plans currently cover these procedures. However, those that do provide coverage currently might have realized costs savings from the bill's coverage exclusion. Any such cost savings for such local plans were expected to be minimal. The substitute version of the bill eliminates these provisions.

The As Introduced and substitute bill both prohibit the Medicaid Program from covering gender transition procedures for a minor. However, the substitute bill clarifies that it does not prohibit Medicaid coverage for the following: treatment of disorders of sex development; treatment of infections, injuries, diseases or disorders caused by or exacerbated by the performance of gender transition services; mental health services provided for gender related conditions; and any services that are not gender transition services.

The As Introduced version of the bill allowed a person to assert an actual or threatened violation of the bill's provisions as a claim or defense in a judicial or administrative proceeding. As a result, the person may have obtained compensatory damages, injunctive relief, or other appropriate relief. Additionally, a person may have filed a lawsuit, and relief may have been granted, regardless of if the person sought or exhausted administrative remedies first. These provisions could have led to increased court costs. The substitute bill removes these provisions.

The As Introduced bill prohibited a nurse, counselor, teacher, principal, or other staff or official at a public or private school, from withholding information from the minor's parent or legal guardian that a minor's gender identity is inconsistent with the minor's biological sex.

Similarly, they could not encourage or coerce a student to withhold this information from that student's parent or legal guardian. These provisions were not anticipated to have a direct fiscal impact. The substitute bill removes these provisions from the bill.