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Office

S.B. 115
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 115's Bill Analysis](#)

Version: As Reported by Senate Insurance

Primary Sponsor: Sen. Schuring

Local Impact Statement Procedure Required: No

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Highlights

- The bill may minimally increase the Department of Insurance's administrative costs related to regulating health care contracts between a dental care provider and a contracting entity (such entities generally are health insurers). Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540). The Superintendent of Insurance may also impose fines and penalties for violations related to such contracts. Any fines and penalties collected would also be deposited into Fund 5540.
- The provision allowing the State Dental Board to impose disciplinary actions on a dentist who engages in a pattern of continuous or repeated violations of the bill's price and reimbursement disclosure requirements may minimally increase the Board's administrative costs. Any increase in such costs would be paid from the Board's appropriation item 880609, Operating Expenses (Fund 4K90).
- No direct fiscal effect on political subdivisions.

Detailed Analysis

Health care contracts

The bill imposes (1) certain disclosure requirements on health insurers related to coverage of dental care services, and (2) certain restrictions on health care contracts between a dental care provider¹ and a contracting entity. As an example of the latter, the bill prohibits such

¹ "Dental care provider" means a dentist licensed by the State Dental Board. "Dental care provider" does not include a dental hygienist.

contracts from requiring that a dental care provider accept as payment an amount set by the contracting entity for noncovered dental care services provided to an enrollee.² The bill also specifies requirements on dental care providers related to dental care services that are not covered by the patient's insurance. Under the bill, a dental care provider who chooses not to accept as payment an amount set by a contracting entity for noncovered dental care services must: (1) provide pricing and reimbursement information on noncovered dental services to an enrollee, and (2) post a notice specified under the bill in a conspicuous place.

The health insurers affected by the bill include health insuring corporations, sickness and accident insurers, multiple employer welfare arrangements, and public employee benefit plans that cover dental care services. The bill's requirements apply to all such contracts entered into, amended, or renewed on or after the 90th day after the bill's effective date. A pattern of continuous or repeated violations of the bill's restrictions on contract terms is considered an unfair and deceptive act or practice in the business of insurance, along with other practices classified as such under existing law.

Fiscal effect

The bill may increase the Department of Insurance's administrative costs for regulating health insurers. Currently, the Superintendent of Insurance is allowed to conduct a market investigation related to regulations and enforcement of health care contracts, and the Superintendent is allowed to assess the costs of examination against the person examined. If there is any increase in such costs, and any offsetting revenue, they are likely to be minimal. Any general administrative costs would be paid from the Department of Insurance Operating Fund (Fund 5540). Any increase in examination costs, and any reimbursement related to assessments for examination costs, would be paid from (or deposited in) the Superintendent's Examination Fund (Fund 5550).

The Superintendent may also impose fines and penalties for committing unfair or deceptive acts in the business of insurance, specified under existing law (section 3901.22 of the Revised Code, not in the bill). Such penalties may include an assessment for half the Department's costs of any investigation and hearing related to an unfair or deceptive act, up to \$100,000, or a penalty of up to \$3,500 per violation but no more than \$35,000 in any six-month period. Any fines and penalties collected for such violations would be deposited to the credit of Fund 5540.

The bill would have no direct fiscal impact on the state and local governments' health benefit plans.

² "Covered dental services" means dental care services for which reimbursement is available under an enrollee's health care contract, or for which a reimbursement would be available but for the application of contractual limitations, such as a deductible, copayment, coinsurance, waiting period, annual or lifetime maximum, frequency limitation, alternative benefit payment, or any other limitation. The bill also prohibits such contracts from requiring that a dental care provider contract with a plan offering supplemental or specialty health care services as a condition of contracting with a plan offering basic health care services.

State Dental Board

The bill specifies that a dental care provider, who is an applicant for or holder of a certificate or license issued by the State Dental Board and engages in a pattern of continuous or repeated violations of the bill's price and reimbursement disclosure requirements, is subject to disciplinary action by the State Dental Board.

Fiscal effect

The bill may minimally increase administrative costs for the State Dental Board. Any such costs would be paid from the Board's appropriation item 880609, Operating Expenses (Fund 4K90).