



www.lsc.ohio.gov

# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**S.B. 157**  
**135<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for S.B. 157's Bill Analysis](#)

**Version:** As Reported by House Insurance

**Primary Sponsor:** Sen. Lang

**Local Impact Statement Procedure Required:** No

Ruhaiza Ridzwan, Senior Economist, and other LBO staff

### **Highlights**

#### **Hearing aid coverage**

- Requiring that all health benefit plans provide coverage for (1) the cost, up to \$2,500 per hearing aid<sup>1</sup> every 48 months for a covered person under 22 years of age and (2) all related services, would minimally increase costs to the state to provide health benefits to employees and their dependents.
- The requirement would increase costs to local governments to provide health benefits to employees and their dependents, by up to \$1.3 million statewide in the first year for counties, municipalities, and townships, and by up to \$1.7 million for school districts statewide in the first year. Any local government that already provides the required coverage would experience no cost increase. These estimates are rough, and actual costs could be lower or higher.
- After the initial year, the average annual costs would be roughly one-fourth of the amounts listed in the previous bullet because the bill requires the coverage only once in every 48 months.

---

<sup>1</sup> The bill defines a “hearing aid” as any wearable instrument or device designed or offered for the purpose of aiding or compensating for impaired human hearing, including all attachments, accessories, and parts thereof, except batteries and cords, that is dispensed by a licensed audiologist, a licensed hearing aid dealer or fitter, or an otolaryngologist.

## Prescription drug readers coverage

- Requiring that health benefit plans provide coverage for prescription readers may increase costs to local governments to provide health benefits to employees and their dependents. Any local government that already provides the required coverage would experience no cost increase.
- The bill could increase costs for Medicaid if more recipients request and receive prescription readers. The amount would depend on the number of readers requested and the costs associated with the readers.
- The bill's notice requirement will have no discernible ongoing effects on the State Board of Pharmacy's annual operating costs or related revenue generation.

## Replica motor vehicles

- The Bureau of Motor Vehicles (BMV) will incur between \$6.25 (single) and \$7.60 (pair) to issue each "Replica Vehicle – Ohio" license plate requested. That cost will be offset by the collection of a one-time \$10 license fee from the requesting owner of the vehicle.
- The Department of Public Safety and certain local governments may experience a minimal loss in the amount of vehicle registration tax and fee revenue collected annually.

## Other insurance provisions

- The bill may minimally increase the Department of Insurance's administrative costs for ensuring insurers doing business in the state comply with the requirements related to ancillary product protection contracts. Any increase in the Department's administrative costs would be paid from the Department of Insurance Operating Fund (Fund 5540).

## Detailed Analysis

### Hearing aid coverage

The bill requires health benefit plans to provide coverage for the cost of both of the following: (1) one hearing aid per hearing-impaired ear up to \$2,500<sup>2</sup> every 48 months for a covered person under 22 years of age who is verified as being deaf or hearing impaired by a licensed audiologist or by an otolaryngologist or other licensed physician, and (2) all related services prescribed by an otolaryngologist or recommended by a licensed audiologist and dispensed by a licensed audiologist, a licensed hearing aid dealer or fitter, or an otolaryngologist. The bill specifies that a health plan issuer is not required to pay a claim for the cost of a hearing aid if less than 48 months prior to the date of the claim, the covered person received the required coverage from any health benefit plan.

Under current law, no mandated health benefits legislation enacted by the General Assembly may 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

---

<sup>2</sup> The bill specifically allows a covered person to choose a higher priced hearing aid, so long as the person pays the difference in cost.

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. The bill includes a provision that exempts its requirements from this restriction.

The required coverage applies to all health benefit plans, as defined in section 3922.01 of the Revised Code, and includes a nonfederal government health plan delivered, issued for delivery, modified, or renewed on or after the bill's effective date.

### **Fiscal effect**

According to a Department of Administrative Services (DAS) official, the state's health benefit plans are currently providing more generous coverage for hearing aids than is required under the bill. The official also indicated that if there is any additional cost to the state's plan, it would be minimal. The state's health benefit plan is more generous in the sense that the state plan does not limit the coverage to the first \$2,500 of the cost of a hearing aid, and the benefit is available to a covered individual every year rather than once every 48 months. But the state's plan does require copayments that appear not to be permitted under the bill, so there would likely be some cost.<sup>3</sup> The costs of state employees' health benefits are paid out of the State Employee Health Benefit Fund (Fund 8080). Fund 8080 is funded by employer contributions derived from the GRF and various state funds and state employee payroll deductions.

On the other hand, the required coverage would increase costs to local governments to provide health benefits to employees and their dependents, though any political subdivision that already complies with the bill's requirements would experience no cost increase. Based on the assumptions below, the estimated statewide costs to counties, municipalities, and townships would be up to \$1.3 million in the first year; after the initial year, the average annual costs would be lower because the coverage is not required every year, ranging up to \$330,000. The estimated statewide costs to school districts would be up to \$1.7 million in the first year; similarly, after the initial year, the average annual costs would range up to \$430,000.

The number of individuals under 22 years of age and residing in Ohio who have been diagnosed with hearing loss, and therefore might require a hearing aid, is undetermined. Nationwide data and statistics from various sources, including from the Centers for Disease Control and Prevention (CDC) and National Institute on Deafness and Other Communication Disorders (NIDCD),<sup>4</sup> do not specifically present the prevalence of hearing loss for individuals under 22 years old, or the number of such individuals. However, according to data derived from the 2018-2022 American Community Survey (ACS) Public Use Microdata Sample (Ohio), prepared by the U.S. Census Bureau, there are approximately 18,578 individuals in Ohio who are under

---

<sup>3</sup> Under the state's health benefit plans, hearing aid benefits for accident, congenital illness, or injury are covered at 80% after deductible for network providers and at 60% after deductible for non-network providers with no age limit or lifetime maximum, in each plan year. Hearing aid benefits for natural hearing loss are covered at 50% after deductible for both network and non-network providers, with a \$1,000 lifetime maximum. In addition, hearing examinations are covered through age 21 at 100% for network providers, and at 60% after deductible and a \$30 copay for non-network providers.

<sup>4</sup> According to [CDC Data and Statistics About Hearing loss in Children in the United States](#), the prevalence rate for children between three and 17 years of age is 0.6%, and the prevalence rate of babies is 1.8 per 1,000 babies screened.

22 years of age and have hearing difficulty; the estimated ACS number represents about 0.6% of Ohioans aged zero to 21 years.<sup>5</sup> Only some of these individuals would be covered by a health benefit plan provided by a government employer. In 2023, approximately 57.4% of Ohioans received their health insurance coverage through their employer, based on data from the 2023 ACS. In addition, based on Nonagricultural Wage and Salary Employment in Ohio, 2023, published by the U.S. Bureau of Labor Statistics (BLS), 1.4% of the Ohio nonfarm workforce was employed by state government (not including those employed by an educational institution), 4.0% were employed by local government (not including those employed by an educational institution or a local government hospital), and 5.1% were employed in local government education.

Assuming that 57.4% of the estimated 18,578 individuals with hearing difficulty receive coverage through an employer's health plan, that would imply that the number of individuals with such coverage is roughly 10,664. If these individuals are covered by governmental plans in proportion to the overall employment of Ohioans reported by BLS above, the number of such individuals that are covered by a state health plan is estimated to be about 148, the number that are covered by a health plan sponsored by a county, municipality, or township is estimated to be about 426, and the number covered by a school district-sponsored health plan is estimated to be about 548.

Based on an analysis by the California Health Benefits Review Program for Assembly Bill 598,<sup>6</sup> the overall prevalence rate for adolescents aged 12 to 19 with unilateral and bilateral hearing loss was 3.5%. The study also indicates that "Children may . . . require either one or two hearing aids . . . . Nationwide, hearing loss in one ear (unilateral) occurs in about 2.7% of adolescents aged 12 to 19 while hearing loss in both ears (bilateral) is less common at 0.8% of adolescents . . . ." Assuming the estimated 10,664 individuals above have the same proportions of unilateral and bilateral hearing loss as the analysis, about 8,211 of such individuals would require one hearing aid while the remaining 2,453 would require two hearing aids. Subject to the bill's \$2,500 limit per hearing-impaired ear per 48 months, the estimated total costs to the state to provide the required coverage for these individuals would range up to \$454,000 in the first year, but most of this cost is already covered under the state's existing plan. For local government employers, the statewide estimated costs would be up to roughly \$1.3 million the first year for counties, municipalities, and townships, and up to roughly \$1.7 million for school districts. In general, the costs of hearing aids range "from about \$1,500 to more than a few thousand dollars each. Professional fees, remote controls, hearing aid accessories and other hearing aid options may cost extra."<sup>7</sup> Actual costs to public employers would likely be lower than these amounts if some of their plans already included the same hearing aids coverage as under the bill, but LBO cannot rule out that they would be higher. Actual costs would depend on the number of individuals covered by such public employers, the number of hearing aids required by each eligible person, and other costs related to hearing aid services.

---

<sup>5</sup> According to ACS data, the estimated number of Ohioans aged zero to 21 during that period was 3,232,412.

<sup>6</sup> Page 8 of *Analysis of California Assembly Bill 598 Hearing Aids: Minors*, a report to the 2019-2020 California State Legislature, April 4, 2019. A copy of the analysis is available [here](#).

<sup>7</sup> [Hearing aids: How to choose the right one](#), posted on the Mayo Clinic's website.

The nature of costs for local governments depends on whether the particular entity is self-insured, in which case the entity would itself pay the claim (most likely by way of a contracting claims processor), or provides health benefits via an insurance policy. According to data derived from the 2024 Health Insurance Report,<sup>8</sup> published by the State Employment Relations Board, 442 or about 22% of public employees' health insurance plans are fully insured by outside health plan issuers; thus these plans would be subject to any increase in premiums to cover additional costs related to the bill's requirement.<sup>9</sup> The remaining 1,606 of public employees' health insurance plans (78%) are self-insured plans; so the majority of public employee benefit plans would pay the costs of medical claims directly.

The bill may increase the Department of Insurance's administrative costs related to regulation of insurers under its purview. Any such costs would be paid from the Department of Insurance Operating Fund (Fund 5540). The bill may also increase administrative costs for the Speech and Hearing Professionals Board to adopt professional standards related to permit compliance with the bill's provisions. Any increase in such cost would be paid from the Board's line item 123609, Operating Expenses.<sup>10</sup>

The bill's provisions do not apply to the state Medicaid Program and so there is no cost to the Medicaid Program. Under Ohio Administrative Code Rule 5160-10-11, Medicaid is currently required to provide coverage for a hearing aid if it is medically necessary.

## **Prescription drug readers coverage**

### **Notice of prescription reader availability**

The bill requires certain licensed pharmacies to notify certain individuals purchasing a prescription drug that a prescription reader<sup>11</sup> can be made available. A pharmacy that fails to follow the procedures regarding notification would be subject to the State Board of Pharmacy's disciplinary procedures. The disciplinary actions the Board may take include revoking, suspending, limiting, or refusing to renew the pharmacy's license; placing the license holder on probation; or imposing a monetary penalty or forfeiture not to exceed \$1,000. Any money collected is credited to Fund 4K90, the Occupational Licensing and Regulatory Fund. Pharmacies generally will comply with the bill's notice requirement making any disciplinary actions by the Board infrequent. This suggests that the bill's notice requirement will have no discernible ongoing effects on the Board's annual operating costs or related revenue generation.

---

<sup>8</sup> A copy of the report is available [here](#).

<sup>9</sup> According to the [American Speech-Language-Hearing Association \(ASHA\)](#) website (visited May 9, 2023), 25 states require some type of hearing aids coverage. The bill's required hearing aids coverage is fairly similar to the required coverage in Massachusetts, North Carolina, and Georgia. Actuarial assessments of the bills enacting the coverage requirements in those states generally found that insurance premiums would increase by less than 0.01% due to their respective requirements. References to the studies are available upon request.

<sup>10</sup> The Board is funded by fees and does not receive any GRF funding.

<sup>11</sup> A prescription reader is a device that audibly conveys the information required by law or rule to be contained on a prescription label.

## Health insurers

The bill requires a health benefit plan<sup>12</sup> to provide coverage for prescription readers if provided by a licensed terminal distributor of dangerous drugs. The bill also includes a provision that exempts this requirement from a provision of current law governing bills that carry mandates regarding health benefits.<sup>13</sup>

According to a Department of Administrative Services' official, the state's health benefit plans would not incur any additional cost related to this provision. However, the required coverage may increase costs to local governments to provide health benefits to employees and their dependents; any political subdivision that already complies with the bill's requirement would experience no cost increase. LBO staff could not determine the magnitude of the fiscal impact due to lack of information related to prescription reader coverage under local governments' health benefit plans.

## Medicaid

Under the bill, Medicaid is required to cover prescription readers. Currently, Medicaid covers prescription readers only if prior authorization has been received. As of June 2019, there were no requests for prior authorizations for prescription readers under the fee-for-service component of the Medicaid Program. LBO does not know how many requests, if any, have been made under Medicaid managed care. According to a November 2024 query of the Medicaid Quality Decision Support System (QDSS) for Ohio Medicaid reporting and analytics, there were just over 2,000 Medicaid recipients who were categorized as blind in FY 2023. These individuals could currently receive a reader if a prior authorization request was made. However, because of the bill, more of these individuals may become aware of prescription readers and opt to receive one. If such is the case, Medicaid costs could increase. The total increase would depend on the number of prescription readers requested because of the bill, as well as the costs associated with the readers themselves.

## Replica motor vehicles

The bill defines "replica motor vehicle" as a motor vehicle that is constructed, assembled, or modified to replicate the make, model, and year of a motor vehicle that is at least 25 years old, and establishes requirements relative to the titling and use of such vehicles. The use of a replica titled motor vehicle is limited to specific purposes and cannot be used for general transportation. As a result, the number of motor vehicles titled and registered as a replica vehicle under the bill, as opposed to being titled and registered under current law as a passenger vehicle, is likely to be relatively small.

---

<sup>12</sup> The required coverage applies to all health benefit plans, as defined in R.C. 3922.01, and includes a nonfederal government health plan delivered, issued for delivery, modified, or renewed on or after the effective date of the bill.

<sup>13</sup> Under current law, no mandated health benefits legislation enacted by the General Assembly may 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 to employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA) and employee benefit plans of the state or any of its political subdivisions.



## **Bureau of Motor Vehicles**

The Bureau of Motor Vehicles (BMV) will incur one-time costs to modify its titling and registration systems, including the Automated Title Processing System (ATPS), which is used by the 88 clerks of courts of common pleas to issue motor vehicle, watercraft, off-highway motorcycle, and all-purpose vehicle certificates of title. Those costs are expected to be absorbed by the BMV utilizing existing resources.

### **Vehicle titling**

The bill requires a person seeking to obtain a certificate of title for a replica motor vehicle to have an inspection completed by the Ohio State Highway Patrol. Under continuing law, the Patrol is required to inspect every vehicle that is assembled from component parts by a person other than the manufacturer, including self-assembled and salvage vehicles, prior to the issuance of a title. The Patrol assesses a \$50 fee for this purpose, which is credited to the Public Safety – Highway Purposes Fund (Fund 5TMO). Fund 5TMO is used in part to pay the BMV’s expenses related to titling motor vehicles, licensing drivers, and registering motor vehicles.

Under current law, replica motor vehicles are likely already subject to inspection by the Patrol prior to the issuance of a title, as they are “constructed, assembled, or modified” to replicate another vehicle and are thus arguably “self-assembled” to some degree, and subsequently issued a certificate of title by the county clerks of court for a \$15 fee.<sup>14</sup> That \$15 fee will also apply to certificates of title issued for replica motor vehicles under the bill. This suggests that the bill’s titling requirements will likely have no discernible effect on the Patrol’s overall workload or on the related annual revenues or expenditures of county clerks of court.

### **Vehicle registration**

If a motor vehicle is titled as a replica motor vehicle and the owner is issued a “Replica Vehicle – Ohio” specialty license plate, the bill requires the owner to pay a one-time \$10 license fee to the BMV in lieu of paying annual passenger vehicle registration taxes and fees. The BMV currently produces specialty license plates via a digital print-on-demand process at a cost of \$6.25 for a single plate, or \$7.60 for a pair.<sup>15</sup> This cost will be offset by the bill’s one-time \$10 fee.

Since these plates are subject to annual registration, the BMV and certain counties, municipalities, and townships would lose annual motor vehicle license tax and fee revenue that otherwise would have been collected for each motor vehicle that is registered as a replica motor vehicle instead of as a passenger vehicle. The magnitude of which is likely to be no more than minimal annually, as relatively few vehicles are expected to be titled and registered as a replica motor vehicle.

For background, annual registration taxes and fees for a passenger vehicle range from \$36 to \$66. Those amounts are distributed as follows: (1) \$20 to local governments for planning,

---

<sup>14</sup> Of the \$15 certificate of title fee, the county clerks of court retain \$12.25. The remaining \$2.75 is credited to the state treasury as follows: the Automated Title Processing Fund (\$2), the Public Safety – Highway Purposes Fund (25¢), the Motor Vehicle Sales Audit Fund (25¢), the Highway Operating Fund (21¢), and the Motor Vehicle Dealers Board Fund (4¢).

<sup>15</sup> Under current law, a person registering a motor vehicle may elect to purchase a single license plate or a set of two plates.

construction, and maintenance of roads and bridges, (2) \$11 to the Department of Public Safety for expenses incurred in administering and enforcing motor vehicle and traffic laws, (3) \$5 to deputy registrars (or the BMV for mail-in and online transactions) as a service fee, and (4) \$0 to \$30 to local governments from levied permissive motor vehicle license taxes.<sup>16</sup> The money paid to the Department is credited to Fund 5TM0.

### **Service fee**

Under current law, vehicle registration transactions are subject to a \$5 service fee that is retained by the deputy registrar providing the service or by the BMV for mail-in or online transactions. There are approximately 200 deputy registrar locations statewide, most of which are operated by private independent contractors. The clerk of the court of common pleas or county auditor operates as a deputy registrar in 11 counties. Under the bill, deputy registrars, including those locations served by the clerk of a court of common pleas or the county auditor, may lose a small amount of service fee revenue annually if a passenger vehicle is instead registered as a replica motor vehicle. The service fees paid to the BMV are credited to Fund 5TM0.

## **Bureau of Motor Vehicles**

The bill allows any person who suffers injury or property damage to report a driver or owner of a motor vehicle involved in an accident to the BMV for failure to maintain financial responsibility, as opposed to only drivers involved in the accident. This provision is not expected to have a discernible impact on the overall workload of the BMV.

### **Driving without a valid motor vehicle registration**

The bill exempts the operator of a rental vehicle from the prohibition against driving without a valid motor vehicle registration under certain conditions and places the liability for fees, fines, and penalties arising from the violation of the prohibition on the registered owner of the rental motor vehicle. This provision may result in some additional costs for law enforcement related to determining the vehicle's registered owner and issuing a citation. The magnitude of any costs incurred by a given law enforcement agency is expected to be minimal annually. Driving without a valid motor vehicle registration is a minor misdemeanor subject to a fine of up to \$150.

## **Other insurance provisions**

### **Ohio assigned risk insurance plan**

The bill requires insurance agents to take certain actions to confirm that a person seeking automobile insurance through the Ohio assigned risk insurance plan is unable to secure coverage through private insurers authorized to do business in Ohio.

---

<sup>16</sup> The use of local permissive motor vehicle taxes includes the planning, constructing, improving, maintaining, and repairing of public roads, highways, streets, bridges, and viaducts.



## **Excess wear and use waivers**

The bill stipulates that an “excess wear and use waiver”<sup>17</sup> is not an insurance product and defines it for use in commercial transactions associated with leasing of motor vehicles. The bill specifies that the terms of a related motor vehicle lease must not be conditioned upon the consumer’s payment for any excess wear and use waiver. Excess wear and use waivers may be discounted or given at no extra charge in connection with the purchase of other noncredit-related goods or services.

## **Debt cancellation or debt suspension products**

The bill modifies debt cancellation or debt suspension products. Under the bill, such products may also provide, with or without a separate charge, a benefit that waives an amount, or provides a borrower with a credit, towards the purchase of a replacement motor vehicle. The bill specifies that a charge for any optional debt cancellation or debt suspension product must not be considered a finance charge or interest. Under continuing law, a “debt cancellation or debt suspension product” is an agreement, exempt from state insurance laws, that cancels any debt associated with a motor vehicle that is destroyed or stolen.

## **Ancillary product protection contracts**

The bill modifies requirements for ancillary product protection contracts and adds additional services that would be eligible for such contracts, which are exempted from state insurance laws. The bill expands the current definition of a “motor vehicle” to also include under-speed vehicles for the purpose of motor vehicle ancillary product protection contracts. The bill also specifies that a motor vehicle ancillary product protection contract includes a vehicle value protection agreement, which is a contract that provides benefits when a motor vehicle is damaged, lost, stolen, or otherwise depreciates in value. The bill also requires all motor vehicle ancillary product protection contract providers in Ohio to comply with certain requirements as outlined under the bill.

## **Fiscal effect**

The bill may minimally increase the Department of Insurance’s administrative costs for ensuring insurers doing business in the state comply with the bill requirements. Any increase in the Department’s administrative costs would be paid from the Department of Insurance Operating Fund (Fund 5540). The bill has no direct fiscal effect on political subdivisions.

FNSB0157RH-135/zg

---

<sup>17</sup> An “excess wear and use waiver” means a contractual agreement that is part of, or a separate addendum to, a lease agreement for use of a motor vehicle, under which the lessor agrees, with or without a separate charge, to do any of the following: (1) cancel or waive all or part of amounts that may become due under a lessee’s lease agreement as a result of excess wear and use of a motor vehicle, and (2) cancel or waive amounts due for excess mileage.