



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 184 of the 132nd G.A.

**Status:** As Introduced

**Sponsor:** Reps. Gavarone and DeVitis

**Local Impact Statement Procedure Required:** Yes

**Subject:** Authorizes the provision of dental services through teledentistry and makes other changes regarding the practices of dentistry and dental hygiene

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### State Fiscal Highlights

- 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 Ohio Department of Health will realize a gain in revenue of approximately \$140,000 credited to the Dentist Loan Repayment Fund (Fund 5Z70) over each biennium due to the increase in the biennial registration fee.

### Local Fiscal Highlights

- 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

## 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 requirements related to the permit are to be established in rules. 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.

### **Dentist Loan Repayment Program and general anesthesia permits**

The bill increases the biennial registration fee for dentists to \$265 (from \$245) and increases, by \$20, the portion of the fee transferred into the Dentist Loan Repayment Fund (Fund 5Z70), which is used by the Ohio Department of Health. As a result, the State Dental Board anticipates that an additional \$140,000 would be transferred to Fund 5Z70 over the biennium.

The bill also 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 general anesthesia permits is a one-time fee.

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

The bill requires the Ohio State University (OSU) College of Dentistry and Case Western Reserve University School (CWRU) 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, 2018 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, which is appropriated \$16.7 million in FY 2017.

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