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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 390  
133<sup>rd</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 390's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. Crossman and Clites

**Local Impact Statement Procedure Required:** No

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### Highlights

- The bill may increase the Department of Insurance's administrative costs due to the requirements to (1) conduct a survey of employer provided health coverage, (2) issue a report to the General Assembly regarding compliance with essential health benefit requirements, and (3) issue rules. Any increase in the Department's administrative costs would be paid from the Department of Insurance Operating Fund (Fund 5540), and may be minimal.
- No direct fiscal effect on political subdivisions.

### Detailed Analysis

The bill would codify in state law various provisions that are currently part of the federal Patient Protection and Affordable Care Act (ACA). The provisions that would be codified by the bill include the requirements related to essential health benefits and level of coverage that must be provided; limitations on premium charges, cost sharing, and annual and lifetime limits on an essential health benefit; and prohibitions on the use of preexisting condition exclusions. Please refer to the LSC bill analysis for a detailed description of the bill's provisions and the health plans that may be affected.

The bill includes a provision that exempts its requirements 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, 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 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.

The bill requires the Superintendent of Insurance to adopt rules to implement the bill's provisions.

## **Fiscal effect**

The bill may increase the Department of Insurance's administrative costs. The bill requires the Department to conduct a survey of employer sponsored coverage to determine the benefits typically covered by employers, and to submit a report to the General Assembly when defining (or redefining) essential benefits certifying that the definition complies with the bill's requirements. The bill also includes a rulemaking requirement. Any increase in departmental costs would be paid from the Department of Insurance Operating Fund (Fund 5540). The magnitude of any cost increases would depend primarily on the extent of the employer survey.

The bill has no direct fiscal effect on political subdivisions: the bill's requirements are generally in place currently under federal law for health benefit plans sponsored by political subdivisions to provide coverage to employees and their dependents. If federal provisions related to essential health benefits and annual and lifetime limits were repealed at the federal level, the bill might then have a fiscal effect requiring political subdivisions to continue more expensive benefit packages for their employees that would be an indirect fiscal effect of the bill.