



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 95 of the 131st G.A. **Date:** May 21, 2015
Status: As Reported by House Health and Aging **Sponsor:** Rep. DeVitis

Local Impact Statement Procedure Required: No

Contents: To prohibit a health insurer from establishing a fee schedule for dental providers for services that are not covered by any contract or participating provider agreement between the health insurer and the dental provider

State Fiscal Highlights

STATE FUND	FY 2016	FY 2017	FUTURE YEARS
Department of Insurance Operating Fund (Fund 5540)			
Revenues	Potential minimal gain	Potential minimal gain	Potential minimal gain
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

Note: The state fiscal year is July 1 through June 30. For example, FY 2016 is July 1, 2015 – June 30, 2016.

- The bill may increase the Department of Insurance's administrative costs related to regulating dental services health care contracts. If there is any increase in such costs, it is likely to be minimal. Any 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 health care contracts. Any fines and penalties collected for such violations must also be deposited to the credit of Fund 5540.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill prohibits any "contracting entity" from requiring a dental provider to provide services to an enrollee based upon a fee schedule set by, or a fee subject to the approval of, the contracting entity unless the dental services are covered dental services. "Covered dental services" means dental services for which a reimbursement is available under an enrollee's health benefit plan contract, or for which a reimbursement would be available but for the application of contractual limitations.

The bill adds to the types of violations that constitute unfair and deceptive acts in the business of insurance: making or requiring the insurer's approval of fees for dental services that are not covered dental services, and making available any health benefit plan that sets fees for dental services that are not covered dental care services.

Fiscal effect

The bill would have no direct fiscal impact on local governments, and would not affect the state's costs of providing health benefits to employees and their dependents.

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. Such penalties may include an assessment for half the Department's costs of any investigation, up to \$100,000, a penalty of up to \$3,500 per violation but no more than \$35,000 in any six-month period.¹ Any fines and penalties collected for such violations would be deposited to the credit of Fund 5540.

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¹ These penalties, along with some others, are found in section 3901.22 of the Revised Code, unchanged by the bill.