



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 275 of the 131st G.A.

Date: October 19, 2015

Status: As Introduced

Sponsor: Rep. Schuring

Local Impact Statement Procedure Required: No

Contents: Regarding limitations imposed by health insurers on vision care services

State Fiscal Highlights

- The bill may minimally increase the Department of Insurance's administrative costs related to regulating health care contracts, including vision insurance contracts. 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 vision insurance contracts. Any fines and penalties collected would also be deposited into Fund 5540.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill would prohibit health insurers that provide coverage for vision care from limiting or influencing an enrollee's choice of sources and suppliers of vision care materials. The bill applies to a health care policy, contract, agreement, or plan of a health insuring corporation, sickness and accident insurer, multiple employer welfare arrangement, or public employee benefit plan. The bill also prohibits a contract or agreement between a vision care provider and a health insurer from influencing an enrollee's or vision care provider's choice of sources and suppliers of vision care materials. The bill specifies that any violation of the prohibitions is considered an unfair and deceptive act or practice in the business of insurance under existing law.

The bill prohibits a contracting entity from requiring a participating vision care provider to provide noncovered services or vision care materials to an enrollee at a fee set or limited by the contracting entity in a health care contract that covers vision care or imposing specified conditions to participate in any other health care contract or discount medical plan. The bill also prohibits a vision care provider from charging more for noncovered services and vision care materials than the vision care provider's usual and customary rate for those services and materials. The bill specifies that the provisions related to discount medical plans do not prohibit an enrollee from using a discount card from such plan if specified conditions are met.

Fiscal effect

The bill would have no direct fiscal impact on the state and local governments' health benefit plans. The bill may minimally increase the Department of Insurance's administrative costs related to regulating health care contracts, including vision care contracts. Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540). Under existing law, the Superintendent of Insurance may also impose fines and penalties for committing unfair or deceptive acts in the business of insurance. Any fines and penalties collected for such violations would also be deposited into Fund 5540. This may help to offset any increase in such costs.

The bill may have indirect fiscal effects that would affect the costs for the state and local governments to provide health benefits to employees and their dependents. The prohibited activity may be a tool used by some insurers to manage the cost of providing vision care to enrollees. If that is the case the employers in question (i.e., the state or a local government employer) may experience an increase in cost to provide vision care benefits, and health benefits more generally. LSC does not have an estimate of the potential magnitude of such costs due to lack of data on the prevalence of using such a tool.