



February 26, 2018

The Honorable Louis Blessing III, Chair  
House Government Accountability & Oversight Committee  
Ohio House of Representatives  
77 South High Street, 12th Floor  
Columbus, Ohio 43215

Dear Chairman Blessing,

On behalf of the Ohio Association of Health Plans (OAHP), thank you for the opportunity to offer testimony on House Bill 450 (HB 450).

The Ohio Association of Health Plans (OAHP) is the state's leading trade association representing the health insurance industry. OAHP's member plans provide health benefits to more than 9 million Ohioans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare, Medicaid and the Federal Insurance Marketplace. Our members offer a broad range of health insurance products to Ohioans in the commercial marketplace and are committed partners in public programs.

OAHP member plans are committed to providing affordable, quality care through solutions that address the underlying cost of that care and we have long supported efforts by policymakers to better understand how health insurance mandates impact the cost of health care for Ohioans consumers and taxpayers. It is for these reasons that OAHP supports the policy goals and general approach outlined in HB 450.

### **U.S. Health Care Spending Is on The Rise**

OAHP member plans continue to be concerned about the unsustainable cost of health care in Ohio and nationally. On February 14, CMS released new [data](#) on projected national health expenditures for 2017-2026. According to this CMS data:

- *National health spending will increase at an average annual rate of 5.5 percent during the full projection period (2017-2026).*
- *The price for medical goods and services is on the rise and projected to increase from historically low rates in 2014-2016 (1.1 % per year) and average 2.5% per year in 2017-2026.*

- *Among the major sectors of healthcare, spending growth is projected to be fastest for prescription drugs, averaging 6.3 percent for 2017-2026.*

### **Ohio Must Champion Reforms That Bring Down the Cost of Health Care**

With health care spending and medical goods and services prices on the rise, state law makers are uniquely positioned to champion state reforms to mitigate the growing cost of health care and health insurance for Ohioans. Because health insurance reflects what it costs to purchase health care, when health care is expensive, health insurance is expensive. Today, major drivers of health care cost are: (1) provider costs, (2) drug costs, (3) federal and *state coverage and provider mandates* and (3) taxes and fees.

HB 450 provides a vehicle for state lawmakers to understand how the decisions they make – relative to the types of health care coverage they require individuals and employers purchase – impact the overall affordability of health care and health insurance for Ohioans.

### **Mandates Provides Upwards Pressure on Health Care and Health Insurance Costs**

Health care coverage mandates increase the cost of health insurance for Ohio’s purchasers of health insurance. Most mandates, when considered individually, raise premiums incrementally. This increase is deceiving when viewed in isolation and has resulted in an abundance of mandate legislation in Ohio.

Today, Ohio has more than 30 mandates and the accumulated impact of those dozens of incremental increases has made health insurance unaffordable for many Ohioans – individuals and employers.

Additionally, there are at least 4 bills currently pending in this General Assembly that would require employers, individuals and Ohio’s taxpayers to purchase a certain type of coverage, purchase coverage provided in a certain way and/or purchase coverage provided by a certain provider type. Examples of mandate legislation pending before this Legislature include:

- *Step Therapy/House Bill 72 & Senate Bill 56*: requires statutorily defined step therapy protocols and imposes new requirements step therapy exemptions.
- *EMT Services/House Bill 197*: requires insurance reimbursement for EMT services in non-emergencies.
- *3D Mammography/Senate Bill 121*: requires health insurance coverage for 3D mammography.
- *Hearing Aids/Senate Bill 93*: requires health insurers to offer coverage for hearing aids.

**HB 450 Provides a Mechanism to Determine Impact & Increased Costs for Ohioans.**

Health insurance mandates limit flexibility, innovation and the financial options Ohio's health insurance consumers so badly need to ensure access to affordable coverage. Each time a new mandate is proposed, Ohio policymakers should ask themselves:

*Does this request to increase the cost of health insurance premiums to cover a new procedure, therapy, provider type outweigh the interests to keep health insurance premiums affordable?*

OAHP believes HB 450 provides state lawmakers a mechanism to ask this important question, determine the impact and ultimately make decisions relative to health insurance costs for Ohioans. To that end, OAHP urges you to support the policy principles and approach found in HB 450.

Thank you for the opportunity to comment on this bill. As always, OAHP and its member plans stand ready to work with state policymakers to achieve the shared goal of affordable and quality healthcare for all Ohioans.

Best,

A handwritten signature in black ink that reads "Miranda C. Motter". The signature is written in a cursive, flowing style.

Miranda C. Motter  
President and CEO  
Ohio Association of Health Plans