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Joint Medicaid Oversight
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Education Committee

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Chairman Brinkman, Vice-Chair Henne, Ranking Member Boccieri, and Members of the House Insurance Committee: Thank you for allowing me to provide sponsor testimony today on House Bill 416.

House bill 416 would repeal the current healthcare price transparency provision in the Ohio revised code and implement a new system that will be more workable for providers and beneficial to patients. Price transparency has been a major topic in discussions to reduce health care costs across the nation. Similar to any other transaction, a consumer wants to know what they should anticipate paying for a service or product. While the healthcare industry and the pricing of services are certainly complex, patients deserve to have information regarding their care readily available to them.

The price transparency language currently in code was passed by the Legislature in June of 2015 as part of the BWC budget. It has been over two years since its passage, and price transparency has yet to be implemented in Ohio. It continues to be litigated in the courts due to concerns brought forth by the medical community. House bill 416 seeks to address those concerns while still providing patients with price estimates and information regarding anticipated out-of-pocket costs.

House bill 416 would require a provider, upon request, to give a “good faith” cost estimate of a service or procedure that is scheduled at least seven days in advance. This estimate will include the amount the provider expects to receive as payment from the health plan, the amount that the patient will be required to pay, and (if applicable) notification that the provider is out of network for the patient. If the scheduled service requires a prior authorization, then the responsibility will shift to the insurer to provide a cost estimate (in writing) directly to the patient or the patient’s representative once the prior authorization request is approved.

This legislation was created in light of the issues with the current transparency section of the code. By clarifying what the insurer and provider must provide to the patient and utilizing the prior authorization process, I believe that this language will be much more enforceable for stakeholders while still greatly benefiting patients.

House bill 416 will ensure that all patients: both insured and uninsured, will have the opportunity to request and review what their medical procedures will cost. Transparency is an essential component for empowering patients to make wise decisions regarding their care. As healthcare costs continue to rise and Ohio looks for ways to reduce costs and make meaningful reforms to the industry, we must implement common-sense policies to benefit patients.

The legislation before you today has the support of the Ohio Hospital Association and the Ohio State Medical Association as well as input from several other stakeholders. I believe that HB 416 will truly make a difference for patients and establish Ohio as a leader for healthcare price transparency in the nation. Thank you for the opportunity to present testimony to you today, I am happy to answer any questions you may have.