



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 416 of the 132nd G.A.

Status: As Introduced

Sponsor: Rep. Huffman

Local Impact Statement Procedure Required: Yes

Subject: Cost estimates for health care services

State & Local Fiscal Highlights

- Government-owned hospitals that do not currently provide cost estimates would realize an increase in administrative costs to do so. Government-owned hospitals that do provide estimates might realize an impact depending on what each hospital currently provides.

Detailed Fiscal Analysis

Cost estimates for scheduled services from health care providers

The bill requires on and after June 1, 2018, a health care provider to provide a patient or a patient's representative a reasonable, good faith estimate of the cost for each scheduled service, upon request. In addition, it must include the amount the health care provider expects to receive as payment from the patient's health plan issuer for each scheduled service, the amount that the patient or party responsible will be required to pay to the health care provider, and a disclaimer that information provided is only an estimate based on facts available at the time. Additionally, a health care provider must include a notification that the provider is out of network for the patient if that information is known to the health care provider at the time the estimate is given. The bill specifies that a provider may state the estimate as a range rather than a specific dollar amount. The bill specifies that a patient is responsible for payment of an administered health care service or procedure even if the patient does not receive a cost estimate before receiving that service or procedure.

Current law, which is repealed by the bill, requires certain health care facilities and professionals to provide a reasonable, good faith estimate of various costs before products, services, or procedures are provided. This law never went into effect though because the statute is the subject of ongoing litigation. According to the Ohio Hospital Association, some, but not all, hospitals currently provide cost estimates. Government-owned hospitals¹ that do provide estimates might realize a reduction in

¹ There are currently 17 government-owned hospitals in Ohio. These hospitals could be state or county hospitals or hospital districts.

administrative costs in comparison to current law provisions since the bill would allow estimates to be provided on request for services scheduled at least seven days before a service or procedure is to occur. In addition, the bill would allow estimates to be written or verbal. However, this savings depends on what each hospital is currently providing. Government-owned hospitals that do not currently provide estimates would realize an increase in administrative costs to do so.

Cost estimates for services requiring preauthorization from health care issuers

The bill also requires on and after June 1, 2018, a health plan issuer to provide a patient or a patient's representative a reasonable, good faith estimate of the cost for each service, including a scheduled service, for which the health care provider seeks preauthorization from the health plan issuer. The estimate must be provided in writing, immediately upon approving the associated prior authorization request, and can be provided by regular mail, electronic mail, or text message. It must include the same information as specified above.