



The mission of the Ohio Association of Health Plans is to promote and advocate quality health care and access to a variety of affordable health care benefits for all consumers in Ohio.

TO: House Finance Chairman Scott Oelslager
House Finance Committee Members
FROM: Miranda Motter, President and CEO
DATE: May 6, 2019
RE: House Bill 166 (HB 166)

Thank you for the opportunity to testify before the House Finance Subcommittee on Health and Human Services on April 11th along with the state's Medicaid managed care partners. We appreciated the opportunity to provide information on the specific topics Chairman Romanchuk requested and to address HHS member questions.

In addition to that testimony (attached) and the MyCare value proposition memorandum submitted following that hearing (also attached), OAHP is submitting the following memorandum to the House Finance Committee to outline comments on the various provisions included in both the as introduced version and the substitute version of the biennial budget.

HB 166 - As Introduced. OAHP supports many of the provisions put forth by the Administration in the as introduced version of HB 166 that focus on improving Ohio's population health. Ohio is ranked 46th in the country on health value which means Ohioans are less healthy and spend more on health care than most other states.

OAHP applauds many of the Governor's initiatives that invest in children's health and the recovery of many Ohioans struggling with mental health and substance abuse, including:

- Continued investment in efforts to reduce Ohio's infant mortality rate.
- Expanding access to home visiting.
- Engagement of children in the health care system.
- Increased lead testing and abatement efforts.
- Increased access to substance use disorder treatment through a proposed 1115 SUD waiver.
- Efforts to reduce the rate of smoking in Ohio through raising the age requirement to 21.

HB 166 – Substitute Version. OAHP applauds the Ohio House for taking a number of important steps to advance quality and affordability of health care for Ohioans.

Protecting Ohioans from Surprise Billing. Patients in Ohio and across the nation continue to be billed after the fact for unknowingly receiving out-of-network care within in-network facilities. For patients with large employer coverage, about 1 in 6 hospital stays includes an out- of-network

bill. Further, 7 out of 11 individuals who received out-of-network surprise bills indicated they couldn't afford to pay and didn't know the provider was out of their network at the time of care. OAHP applauds the House in protecting Ohio's health care consumers from such practices in a manner that takes patients out of the middle of payment disputes and provides fair, and reasonable reimbursement rates for out of network providers that are based on the in-network rate.

Freestanding Emergency Rooms. Ohioans in need of quick or convenient nonemergency services often mistake freestanding emergency rooms for neighborhood urgent care facilities. Ohioans deserve greater transparency and more information particularly when the average cost of an emergency room visit is \$1,726 compared to \$183 for an urgent care visit. OAHP supports House language that empowers Ohioans through disclosure and protection against "surprise" hospital system facility fees.

Prescription Drug Prices. Ohio, like many other states, is exploring ways to manage the unsustainable costs of drugs. States are demanding transparency and accountability across the drug supply chain. Ohio efforts are currently focused on demanding price visibility of pharmacy benefit manager (PBM) services and on January 1, 2019, the Medicaid managed care plans implemented a transparent pass-through model for PBM services. Through this model, pharmacies will be paid exactly what the plan pays the PBM per transaction, while the PBM's will charge the Plans an administrative fee in addition to the claim cost. These fees will vary depending on a variety of factors including the work conducted for each Plan and will be reportable to ODM. This on-going reporting of data and subsequent analysis will be used to advance additional pharmacy strategies.

As Director Corcoran indicated during the House Finance Committee on April 30th, on July 1, 2019 additional PBM oversight will be compelled in the Medicaid managed care provider agreements. These additional measures will provide ODM direct oversight of PBM contracts held by the Medicaid managed care plans.

PBM transparency is an important step in understanding the cost of pharmaceuticals and this information will serve to advance transparency and accountability strategies across the entire drug supply chain. Understanding how a high list price impacts the behavior and actions across the entire pharmaceutical chain is imperative to understanding what is driving drug costs, the impact those costs are having on Ohio's purchasers of pharmacy care and the solutions that will offer relief to Ohioans. To this end, OAHP encourages the Ohio Legislature to undertake a review of the entire drug supply chain in order to truly drive toward lower prescription drug costs for Ohioans.

OAHP is in the process of studying the PBM provisions included in the substitute version of HB 166 and remains a committed partner in advancing initiatives that will drive value, transparency and accountability across the drug supply chain.

Improving Value and Advancing Quality and Transparency in Ohio's Health Care Delivery System. OAHP applauds a series of House provisions that advance value through aligning payments with outcomes. House provisions that improve quality in nursing facilities, eliminate hospital facility fees, use financial incentives to encourage value based purchasing with hospitals, encourage the right care at the right time in the right place through emergency room diversion

payments will connect public and private health care spend to quality across the health care system. These policy measures will drive value purchasing and yield better outcomes across Ohio's health care system.

Finally, OAHP is in the process of reviewing the healthcare transparency language. Today, health plans are delivering innovative technologies for members because the market is demanding it. Plans understand that transparency is a critical component of providing healthcare consumers access to the resources they need to make informed choices. This type of support will drive engagement, lower costs, and lead to more satisfaction with healthcare benefits overall. However, what consumers are missing today, is health care cost information provided directly from providers. Giving health care consumers a partial picture of health care cost does not fully equip consumers to make informed health care decisions. We look forward to more work on this issue.

Thank you for the opportunity to comment on HB 166.

cc: House Finance Chairman Oelslager
House Finance Committee Members
Representatives Butler, Seitz, DeVitis, Edwards and Lanese
Jonathon McGee
Travis Butchello