



HOUSE BILL 166 – STATE OPERATING BUDGET

INTERESTED PARTY TESTIMONY

OHIO HOUSE FINANCE SUBCOMMITTEE ON HEALTH & HUMAN SERVICES

APRIL 10, 2019

Chairman Romanchuk, Ranking-Member West, and members of the Ohio House Finance Subcommittee on Health and Human Services, my name is Chris Ferruso, and I am the Legislative Director for NFIB in Ohio. I am here on behalf of our nearly 22,000 governing members to express our concern with a provision in House Bill 166, specifically Ohio Revised Code §3902.30. This provision adds the requirement that “a health benefit plan shall provide coverage for telemedicine services on the same basis and to the same extent that the plan provides coverage for the provision of in-person health care services.” This section of House Bill 166 mirrors House Bill 546 from the 132nd General Assembly. Some of my comments will reflect the debate, discussion surrounding House Bill 546.

By way of background, a typical NFIB member in Ohio employs 20 or fewer and does less than \$2 million in annual receipts. Our members come from all industry types and each of the 88 counties. We like to say if there is a type of business in operation, we count at least one as a member.

Cost of healthcare remains a top concern amongst our members and has since 1986.¹ Many of our members strive to provide this benefit. However, the cost associated with doing so may be prohibitive. We are extremely sensitive to anything putting upward pressure on premiums. While the Affordable Care Act (ACA) essential health benefits and their accompanying mandates are out of the auspices of this subcommittee and the Ohio General Assembly, there are impacts the state legislature can have on health insurance costs. As you are aware, federal ERISA law restricts the ability of state legislatures to force coverage on self-insured plans. This significantly limits the impact of any state-imposed health insurance mandate. Self-insured plans thus can better tailor plans that fit the needs

¹ <https://www.nfib.com/assets/NFIB-Problems-and-Priorities-2016.pdf>

of their employees. I found it interesting that the State of Ohio health plans, which are self-insured, do not currently provide telemedicine services.²

NFIB believes in the merits of telemedicine. Our members recognize the potential to reduce the costs associated with having employees take time from work for in-person practitioner visits. However, the LSC fiscal analysis for House Bill 546 indicates potential cost increases for public employee plans that do not already provide this coverage, including the state's health benefit plan. We believe the same will be true for our members. We are concerned the additional coverage in House Bill 166 could spike premiums without guardrails to maximize cost efficiencies that have been a key argument for the merits of telemedicine.

The debate during last session centered around providing some statutory protections regarding charging of facility fees for a telemedicine service. We want to ensure the efficiencies and cost savings associated with a telemedicine visit, and not going to a bricks and mortar facility, are preserved and protected. During the last interested party meeting facilitated by Representative Tom Patton, the proponents of the bill indicated they did not see the need for such language. Arguments may be made services provided vary with each patient, thus putting statutory prohibitions on such fees may not allow for recognition of the uniqueness of each claim. However, it is worth noting that Medicaid does not currently reimburse facility charges. Ohio Administrative Code §5160-1-18 (D)(1) reads in part "The distant site provider may submit a professional claim for the health care service delivered through the use of telemedicine. No institutional (facility) claim may be submitted by the distant site provider for the health care service delivered through the use of telemedicine." As such, given the protection afforded taxpayers by preventing charges for facility fees for Medicaid patients, we ask, absent removal of Ohio Revised Code (ORC) §3902.30 from House Bill 166, the same protection be given to our small business owner members.

Again, we believe in the merits of telemedicine. We want to ensure that cost and time-saving benefits are recognized. During our interested party discussions, we heard from proponents that prohibiting facility fees in code eliminates the ability of provider and insurer to negotiate in the free market. I respectfully submit the very language of ORC §3902.30 distorts the free market by mandating reimbursement for telemedicine services. If the General Assembly desires to enact such coverage, please do so with protections for our members and their employees.

Thank you Mr. Chairman, I would be happy to try and address any questions the committee may have.

² <https://www.legislature.ohio.gov/download?key=10539&format=pdf>