Highlights

- Placing new disclosure requirements on health insurers may minimally increase the Department of Insurance’s administrative costs. Any increase in the Department’s administrative costs would be paid from the Department of Insurance Operating Fund (Fund 5540).

- The bill specifies that a health plan issuer that fails to comply with the bill’s requirements is deemed to have engaged in an unfair and deceptive act or practice in the business of insurance, which carries civil penalties. Any revenue from the penalties would depend on health issuers’ compliance with the requirement. Any revenue from the penalties would be deposited into Fund 5540.

- No direct fiscal effect on political subdivisions.

Detailed Analysis

The bill requires health plan issuers, upon request, to release to each group policyholder or its authorized representative certain claims data within 30 business days of receipt of the request. The requirement begins on July 1, 2020. The bill also specifies the type of data that must be disclosed to such requestor. The bill specifies that a health plan issuer that discloses the requested data may condition any such disclosure upon the execution of an agreement with the policyholder absolving the health plan issuer from civil liability related to the use of such data. The bill also specifies that a series or pattern of violations of the bill’s

---

1 The bill defines a group policyholder as a policyholder for a health insurance policy covering 50 or more full-time employees.
provisions is deemed to constitute having engaged in an unfair and deceptive act or practice in
the business of insurance and is subject to sections 3901.19 to 3901.26 of the Revised Code.

Under the bill, “health plan issuer” has the same meaning as in section 3922.01 of the
Revised Code. Thus, the bill would apply to a sickness and accident insurance company, a health
insuring corporation, a fraternal benefit society, a self-funded multiple employer welfare
arrangement, or a nonfederal government health plan. The bill would also apply to a third-party
administrator licensed under Chapter 3959 of the Revised Code, which includes pharmacy
benefit managers.

**Fiscal effect**

The bill may minimally increase the Department of Insurance’s administrative costs for
regulating health insurers. Any increase in the Department’s administrative costs would be paid
from the Department of Insurance Operating Fund (Fund 5540). Any civil penalties that may
arise from failure to comply with the bill’s requirements, the amount of revenue from which
would depend on health issuers’ compliance with the requirement, would be deposited into
Fund 5540. The Superintendent of Insurance is authorized under continuing law to assess an
insurer for half of Department costs, up to $100,000, reasonably incurred to conduct
investigations of that insurer’s committing unfair or deceptive acts in the business of insurance;
violations of a cease and desist order issued by the Superintendent may lead to a court order of
civil penalties up to $3,500 for each violation or a total of $35,000 in any six-month period.

The bill has no direct fiscal effect on political subdivisions.

The bill’s disclosure requirement may increase health insurers’ administrative costs. LBO
staff are uncertain about the magnitude of any such increases, but the bill’s allowance of
30 days to disclose the information and the bill’s limit of the requirement to once per year
would likely minimize any such costs. Though some portion of any such cost increases might be
passed through to the plan sponsors, which in some cases may be local governments, LBO staff
generally treat such a pass-through of purely administrative costs as an indirect fiscal effect.