

**As Passed by the House**

**131st General Assembly**

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**Sub. H. B. No. 116**

**Representatives Brown, Ginter**

**Cosponsors: Representatives Becker, Kuhns, Kraus, Lepore-Hagan, Huffman, Barnes, Bishoff, Duffey, Ramos, Anielski, Antonio, Baker, Blessing, Boyce, Boyd, Buchy, Burkley, Celebrezze, Clyde, Conditt, Craig, Derickson, Dever, Dovilla, Driehaus, Fedor, Green, Hackett, Hall, Hambley, Hayes, Henne, Hill, Howse, Johnson, G., Kunze, Landis, Leland, Maag, Manning, McClain, O'Brien, M., Patterson, Pelanda, Reece, Rogers, Romanchuk, Ruhl, Ryan, Schaffer, Scherer, Schuring, Sears, Sheehy, Slaby, Slesnick, Smith, K., Smith, R., Sprague, Stinziano, Strahorn, Sweeney, Sykes, Terhar, Young, Speaker Rosenberger**

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**A BILL**

To amend sections 1739.05, 5164.01, 5164.753, 1  
5164.757, 5167.01, and 5167.12 and to enact 2  
sections 1751.68, 3923.602, 4729.20, and 3  
5164.7511 of the Revised Code regarding 4  
insurance and Medicaid coverage of medication 5  
synchronization. 6

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 1739.05, 5164.01, 5164.753, 7  
5164.757, 5167.01, and 5167.12 be amended and sections 1751.68, 8  
3923.602, 4729.20, and 5164.7511 of the Revised Code be enacted 9  
to read as follows: 10

**Sec. 1739.05.** (A) A multiple employer welfare arrangement 11  
that is created pursuant to sections 1739.01 to 1739.22 of the 12  
Revised Code and that operates a group self-insurance program 13  
may be established only if any of the following applies: 14

(1) The arrangement has and maintains a minimum enrollment 15  
of three hundred employees of two or more employers. 16

(2) The arrangement has and maintains a minimum enrollment 17  
of three hundred self-employed individuals. 18

(3) The arrangement has and maintains a minimum enrollment 19  
of three hundred employees or self-employed individuals in any 20  
combination of divisions (A) (1) and (2) of this section. 21

(B) A multiple employer welfare arrangement that is 22  
created pursuant to sections 1739.01 to 1739.22 of the Revised 23  
Code and that operates a group self-insurance program shall 24  
comply with all laws applicable to self-funded programs in this 25  
state, including sections 3901.04, 3901.041, 3901.19 to 3901.26, 26  
3901.38, 3901.381 to 3901.3814, 3901.40, 3901.45, 3901.46, 27  
3902.01 to 3902.14, 3923.24, 3923.282, 3923.30, 3923.301, 28  
3923.38, 3923.581, 3923.602, 3923.63, 3923.80, 3923.85, 29  
3924.031, 3924.032, and 3924.27 of the Revised Code. 30

(C) A multiple employer welfare arrangement created 31  
pursuant to sections 1739.01 to 1739.22 of the Revised Code 32  
shall solicit enrollments only through agents or solicitors 33  
licensed pursuant to Chapter 3905. of the Revised Code to sell 34  
or solicit sickness and accident insurance. 35

(D) A multiple employer welfare arrangement created 36  
pursuant to sections 1739.01 to 1739.22 of the Revised Code 37  
shall provide benefits only to individuals who are members, 38  
employees of members, or the dependents of members or employees, 39  
or are eligible for continuation of coverage under section 40  
1751.53 or 3923.38 of the Revised Code or under Title X of the 41  
"Consolidated Omnibus Budget Reconciliation Act of 1985," 100 42  
Stat. 227, 29 U.S.C.A. 1161, as amended. 43

Sec. 1751.68. (A) As used in this section: 44

(1) "Cost-sharing" means the cost to an enrollee under an individual or group health insuring corporation policy, contract, or agreement according to any coverage limit, copayment, coinsurance, deductible, or other out-of-pocket expense requirements imposed by the policy, contract, or agreement. 45  
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(2) "Drug" has the same meaning as in section 4729.01 of the Revised Code. 51  
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(3) "Medication synchronization" means a pharmacy service that synchronizes the filling or refilling of prescriptions in a manner that allows the dispensed drugs to be obtained on the same date each month. 53  
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(4) "Prescriber" has the same meaning as in section 4729.01 of the Revised Code. 57  
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(5) "Prescription" means a written, electronic, or oral order issued by a prescriber for drugs or combinations or mixtures of drugs to be used by a particular individual. 59  
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(B) Notwithstanding section 3901.71 of the Revised Code, each health insuring corporation policy, contract, or agreement that provides prescription drug coverage shall provide for medication synchronization for an enrollee if all of the following conditions are met: 62  
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(1) The enrollee elects to participate in medication synchronization; 67  
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(2) The enrollee, the prescriber, and a pharmacist at a network pharmacy agree that medication synchronization is in the best interest of the enrollee; 69  
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(3) The prescription drug to be included in the medication synchronization meets the requirements of division (C) of this section. 72  
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(C) To be eligible for inclusion in medication synchronization for an enrollee, a drug must meet all of the following requirements: 75  
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(1) Be covered by the policy, contract, or agreement; 78

(2) Be prescribed for the treatment and management of a chronic disease or condition and be subject to refills; 79  
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(3) Satisfy all relevant prior authorization criteria; 81

(4) Not have quantity limits, dose optimization criteria, or other requirements that would be violated if synchronized; 82  
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(5) Not have special handling or sourcing needs, as determined by the policy, contract, or agreement, that require a single, designated pharmacy to fill or refill the prescription; 84  
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(6) Be formulated so that the quantity or amount dispensed can be effectively divided in order to achieve synchronization; 87  
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(7) Not be a schedule II controlled substance, opiate, or benzodiazepine, as those terms are defined in section 3719.01 of the Revised Code. 89  
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(D) (1) To provide for medication synchronization under division (B) of this section, a policy, contract, or agreement shall authorize coverage of a prescription drug subject to medication synchronization when the drug is dispensed in a quantity or amount that is less than a thirty-day supply. 92  
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(2) Except as provided in division (D) (3) of this section, the requirement of division (D) (1) of this section applies only 97  
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once for each prescription drug subject to medication 99  
synchronization for the same enrollee. 100

(3) Division (D)(2) of this section does not apply if any 101  
of the following occur: 102

(a) The prescriber changes the dosage or frequency of 103  
administration of a prescription drug subject to medication 104  
synchronization; 105

(b) The prescriber prescribes a different drug. 106

(E)(1) A policy, contract, or agreement that provides for 107  
medication synchronization under division (B) of this section 108  
shall permit and apply a prorated daily cost-sharing rate for a 109  
supply of a prescription drug subject to medication 110  
synchronization that is dispensed at a network pharmacy. 111

(2) Division (E)(1) of this section does not require a 112  
policy, contract, or agreement to waive any cost sharing in its 113  
entirety. 114

(F) A policy, contract, or agreement that provides for 115  
medication synchronization under division (B) of this section 116  
shall not use payment structures that incorporate dispensing 117  
fees that are determined by calculating the days' supply of 118  
drugs dispensed. Dispensing fees shall be determined exclusively 119  
on the total number of prescriptions that are filled or 120  
refilled. 121

(G) This section does not require a health insuring 122  
corporation to provide to a network pharmacy or a pharmacist at 123  
a network pharmacy any monetary or other financial incentive for 124  
the purpose of encouraging the pharmacy or a pharmacist to 125  
recommend medication synchronization to an enrollee. 126

Sec. 3923.602. (A) As used in this section: 127

(1) "Cost-sharing" means the cost to an insured under a 128  
policy of sickness and accident insurance or a public employee 129  
benefit plan according to any coverage limit, copayment, 130  
coinsurance, deductible, or other out-of-pocket expense 131  
requirements imposed by the policy or plan. 132

(2) "Drug" has the same meaning as in section 4729.01 of 133  
the Revised Code. 134

(3) "Medication synchronization" means a pharmacy service 135  
that synchronizes the filling or refilling of prescriptions in a 136  
manner that allows the dispensed drugs to be obtained on the 137  
same date each month. 138

(4) "Prescriber" has the same meaning as in section 139  
4729.01 of the Revised Code. 140

(5) "Prescription" means a written, electronic, or oral 141  
order issued by a prescriber for drugs or combinations or 142  
mixtures of drugs to be used by a particular individual. 143

(B) Notwithstanding section 3901.71 of the Revised Code, 144  
each policy of sickness and accident insurance that provides 145  
prescription drug coverage and each public employee benefit plan 146  
that provides prescription drug coverage shall provide for 147  
medication synchronization for an insured if all of the 148  
following conditions are met: 149

(1) The insured elects to participate in medication 150  
synchronization; 151

(2) The insured, the prescriber, and a pharmacist at a 152  
network pharmacy agree that medication synchronization is in the 153  
best interest of the insured; 154

(3) The prescription drug to be included in the medication 155  
synchronization meets the requirements of division (C) of this 156  
section. 157

(C) To be eligible for inclusion in medication 158  
synchronization for an insured, a drug must meet all of the 159  
following requirements: 160

(1) Be covered by the policy or plan; 161

(2) Be prescribed for the treatment and management of a 162  
chronic disease or condition and be subject to refills; 163

(3) Satisfy all relevant prior authorization criteria; 164

(4) Not have quantity limits, dose optimization criteria, 165  
or other requirements that would be violated if synchronized; 166

(5) Not have special handling or sourcing needs, as 167  
determined by the policy or plan, that require a single, 168  
designated pharmacy to fill or refill the prescription; 169

(6) Be formulated so that the quantity or amount dispensed 170  
can be effectively divided in order to achieve synchronization; 171

(7) Not be a schedule II controlled substance, opiate, or 172  
benzodiazepine, as those terms are defined in section 3719.01 of 173  
the Revised Code. 174

(D) (1) To provide for medication synchronization under 175  
division (B) of this section, a policy or plan shall authorize 176  
coverage of a prescription drug subject to medication 177  
synchronization when the drug is dispensed in a quantity or 178  
amount that is less than a thirty-day supply. 179

(2) Except as provided in division (D) (3) of this section, 180  
the requirement of division (D) (1) of this section applies only 181

once for each prescription drug subject to medication 182  
synchronization for the same insured. 183

(3) Division (D) (2) of this section does not apply if any 184  
of the following occur: 185

(a) The prescriber changes the dosage or frequency of 186  
administration of a prescription drug subject to medication 187  
synchronization; 188

(b) The prescriber prescribes a different drug. 189

(E) (1) A policy or plan that provides for medication 190  
synchronization under division (B) of this section shall permit 191  
and apply a prorated daily cost-sharing rate for a supply of a 192  
prescription drug subject to medication synchronization that is 193  
dispensed at a network pharmacy. 194

(2) Division (E) (1) of this section does not require a 195  
policy or plan to waive any cost sharing in its entirety. 196

(F) A policy or plan that provides for medication 197  
synchronization under division (B) of this section shall not use 198  
payment structures that incorporate dispensing fees that are 199  
determined by calculating the days' supply of drugs dispensed. 200  
Dispensing fees shall be determined exclusively on the total 201  
number of prescriptions that are filled or refilled. 202

(G) This section does not require a sickness and accident 203  
insurer or public employee benefit plan to provide to a network 204  
pharmacy or a pharmacist at a network pharmacy any monetary or 205  
other financial incentive for the purpose of encouraging the 206  
pharmacy or pharmacist to recommend medication synchronization 207  
to an insured. 208

**Sec. 4729.20.** As used in this section, "medication" 209



synchronization" means a pharmacy service that synchronizes the 210  
filling or refilling of prescriptions in a manner that allows 211  
the dispensed drugs to be obtained on the same date each month. 212

(B) A pharmacist may dispense a drug in a manner that 213  
varies from the prescription for the drug by dispensing a 214  
quantity or amount of the drug that is less than a thirty-day 215  
supply, if the pharmacist's action is taken solely for the 216  
purpose of medication synchronization pursuant to section 217  
1751.68, 3923.602, 5164.7511, or 5167.12 of the Revised Code. 218

**Sec. 5164.01.** As used in this chapter: 219

(A) "Early and periodic screening, diagnostic, and 220  
treatment services" has the same meaning as in the "Social 221  
Security Act," section 1905(r), 42 U.S.C. 1396d(r). 222

(B) "Federal financial participation" has the same meaning 223  
as in section 5160.01 of the Revised Code. 224

(C) "Healthcheck" means the component of the medicaid 225  
program that provides early and periodic screening, diagnostic, 226  
and treatment services. 227

(D) "Home and community-based services medicaid waiver 228  
component" has the same meaning as in section 5166.01 of the 229  
Revised Code. 230

(E) "Hospital" has the same meaning as in section 3727.01 231  
of the Revised Code. 232

(F) "ICDS participant" means a dual eligible individual 233  
who participates in the integrated care delivery system. 234

(G) "ICF/IID" has the same meaning as in section 5124.01 235  
of the Revised Code. 236

(H) "Integrated care delivery system" and "ICDS" mean the demonstration project authorized by section 5164.91 of the Revised Code.

(I) "Mandatory services" means the health care services and items that must be covered by the medicaid state plan as a condition of the state receiving federal financial participation for the medicaid program.

(J) "Medicaid managed care organization" has the same meaning as in section 5167.01 of the Revised Code.

(K) "Medicaid provider" means a person or government entity with a valid provider agreement to provide medicaid services to medicaid recipients. To the extent appropriate in the context, "medicaid provider" includes a person or government entity applying for a provider agreement, a former medicaid provider, or both.

(L) "Medicaid services" means either or both of the following:

(1) Mandatory services;

(2) Optional services that the medicaid program covers.

(M) "Medication synchronization" means a pharmacy service that synchronizes the filling or refilling of prescriptions for drugs in a manner that allows the prescribed drugs to be obtained on the same date each month.

(N) "Nursing facility" has the same meaning as in section 5165.01 of the Revised Code.

~~(N)~~ (O) "Optional services" means the health care services and items that may be covered by the medicaid state plan or a federal medicaid waiver and for which the medicaid program

receives federal financial participation. 265

~~(O)~~(P) "Pharmacy provider" means a medicaid provider that 266  
is a pharmacy licensed as a terminal distributor of dangerous 267  
drugs. 268

(Q) "Prescribed drug" has the same meaning as in 42 C.F.R. 269  
440.120. 270

~~(P)~~(R) "Prescriber" has the same meaning as in section 271  
4729.01 of the Revised Code. 272

(S) "Provider agreement" means an agreement to which all 273  
of the following apply: 274

(1) It is between a medicaid provider and the department 275  
of medicaid; 276

(2) It provides for the medicaid provider to provide 277  
medicaid services to medicaid recipients; 278

(3) It complies with 42 C.F.R. 431.107(b). 279

~~(O)~~(T) "Terminal distributor of dangerous drugs" has the 280  
same meaning as in section 4729.01 of the Revised Code. 281

**Sec. 5164.753.** In December of every even-numbered year, 282  
the medicaid director shall establish a dispensing fee, 283  
effective the following July, for terminal distributors of 284  
dangerous drugs that are providers of drugs under the medicaid 285  
program. In establishing the dispensing fee, the director shall 286  
take into consideration the results of the survey conducted 287  
under section 5164.752 of the Revised Code. The dispensing fee 288  
shall not be prorated on the basis of the days' supply of 289  
prescribed drugs dispensed. 290

**Sec. 5164.757.** ~~(A) As used in this section, "licensed~~ 291

~~health professional authorized to prescribe drugs" has the same~~ 292  
~~meaning as in section 4729.01 of the Revised Code.~~ 293

~~(B)~~The medicaid director may acquire or specify 294  
technologies to provide information regarding medicaid recipient 295  
eligibility, claims history, and drug coverage to medicaid 296  
providers through electronic health record and e-prescribing 297  
applications. 298

If such technologies are acquired or specified, the e- 299  
prescribing applications shall enable a medicaid provider who is 300  
a ~~licensed health professional authorized to prescribe drugs~~ 301  
prescriber to use an electronic system to prescribe a drug for a 302  
medicaid recipient. The purpose of the electronic system is to 303  
eliminate the need for such medicaid providers to issue 304  
prescriptions for medicaid recipients by handwriting or 305  
telephone. The technologies acquired or specified by the 306  
director also shall provide such medicaid providers with an up- 307  
to-date, clinically relevant drug information database and a 308  
system of electronically monitoring medicaid recipients' medical 309  
history, drug regimen compliance, and fraud and abuse. 310

Sec. 5164.7511. The medicaid program shall do all of the 311  
following regarding its coverage of prescribed drugs: 312

(A) Allow a pharmacy provider to engage in medication 313  
synchronization for a medicaid recipient for the treatment of a 314  
chronic disease or condition, other than a prescription for a 315  
drug that is a schedule II controlled substance, opiate, or 316  
benzodiazepine, as those terms are defined in section 3719.01 of 317  
the Revised Code, if the medicaid recipient, the prescriber, and 318  
a pharmacist of the pharmacy provider agree that medication 319  
synchronization is in the recipient's best interest; 320

(B) Prorate any cost-sharing charges instituted under 321  
section 5162.20 of the Revised Code that apply in the case of a 322  
prescribed drug, if less than a thirty-day supply of the drug is 323  
dispensed by a pharmacy provider to the recipient to achieve 324  
medication synchronization; 325

(C) Determine dispensing fees exclusively on the total 326  
number of prescriptions filled or refilled and not use payment 327  
structures incorporating dispensing fees determined by 328  
calculation of the days' supply of drugs dispensed. 329

**Sec. 5167.01.** As used in this chapter: 330

(A) "Controlled substance" has the same meaning as in 331  
section 3719.01 of the Revised Code. 332

(B) "Dual eligible individual" has the same meaning as in 333  
section 5160.01 of the Revised Code. 334

(C) "Emergency services" has the same meaning as in the 335  
"Social Security Act," section 1932(b)(2), 42 U.S.C. 1396u-2(b) 336  
(2). 337

(D) "Home and community-based services medicaid waiver 338  
component" has the same meaning as in section 5166.01 of the 339  
Revised Code. 340

(E) "Medicaid managed care organization" means a managed 341  
care organization under contract with the department of medicaid 342  
pursuant to section 5167.10 of the Revised Code. 343

(F) "Medicaid waiver component" has the same meaning as in 344  
section 5166.01 of the Revised Code. 345

(G) "Medication synchronization" means a pharmacy service 346  
that synchronizes the filling or refilling of prescriptions for 347  
drugs in a manner that allows the prescribed drugs to be 348

obtained on the same date each month. 349

(H) "Nursing facility" has the same meaning as in section 350  
5165.01 of the Revised Code. 351

~~(H)~~(I) "Pharmacy provider" means a provider that is a 352  
pharmacy licensed as a terminal distributor of dangerous drugs. 353

(J) "Prescribed drug" has the same meaning as in section 354  
5164.01 of the Revised Code. 355

~~(I)~~(K) "Prescriber" has the same meaning as in section 356  
4729.01 of the Revised Code. 357

(L) "Provider" means any person or government entity that 358  
furnishes services to a medicaid recipient enrolled in a 359  
medicaid managed care organization, regardless of whether the 360  
person or entity has a provider agreement. 361

~~(J)~~(M) "Provider agreement" has the same meaning as in 362  
section 5164.01 of the Revised Code. 363

(N) "Schedule II" has the same meaning as in section 364  
3719.01 of the Revised Code. 365

(O) "Terminal distributor of dangerous drugs" has the same 366  
meaning as in section 4729.01 of the Revised Code. 367

**Sec. 5167.12.** (A) When contracting under section 5167.10 368  
of the Revised Code with a managed care organization that is a 369  
health insuring corporation, the department of medicaid shall 370  
require the health insuring corporation to ~~provide~~ do all of the 371  
following: 372

(1) Include coverage of prescribed drugs for in the 373  
benefits package available to medicaid recipients enrolled in 374  
the health insuring corporation; 375

(2) Allow a pharmacy provider to engage in medication 376  
synchronization for a medicaid recipient for the treatment of a 377  
chronic disease or condition, other than a prescription for a 378  
drug that is a schedule II controlled substance, opiate, or 379  
benzodiazepine, as those terms are defined in section 3719.01 of 380  
the Revised Code, if the medicaid recipient, the prescriber, and 381  
a pharmacist of the pharmacy provider agree that medication 382  
synchronization is in the recipient's best interest; 383

(3) Prorate any cost-sharing charges instituted under the 384  
health insuring corporation's benefits package that apply in the 385  
case of a prescribed drug, if less than a thirty-day supply of 386  
the drug is dispensed by a pharmacy provider to the recipient to 387  
achieve medication synchronization; 388

(4) Determine dispensing fees exclusively on the total 389  
number of prescriptions filled or refilled and not use payment 390  
structures incorporating dispensing fees determined by 391  
calculation of the days' supply of drugs dispensed. 392

~~In~~ (B) In providing the required coverage of prescribed 393  
drugs pursuant to this section, the a health insuring 394  
corporation may, subject to the department's approval and the 395  
limitations specified in division ~~(B)~~ (C) of this section, use 396  
strategies for the management of drug utilization. 397

~~(B)~~ (C) The department shall not permit a health insuring 398  
corporation to impose a prior authorization requirement in the 399  
case of a drug to which all of the following apply: 400

(1) The drug is an antidepressant or antipsychotic. 401

(2) The drug is administered or dispensed in a standard 402  
tablet or capsule form, except that in the case of an 403  
antipsychotic, the drug also may be administered or dispensed in 404

a long-acting injectable form. 405

(3) The drug is prescribed by either of the following: 406

(a) A physician whom the health insuring corporation,  
pursuant to division (C) of section 5167.10 of the Revised Code,  
has credentialed to provide care as a psychiatrist; 407  
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(b) A psychiatrist practicing at a community mental health  
services provider certified by the department of mental health  
and addiction services under section 5119.36 of the Revised  
Code. 410  
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(4) The drug is prescribed for a use that is indicated on  
the drug's labeling, as approved by the federal food and drug  
administration. 414  
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~~(C)~~ (D) The department shall permit a health insuring  
corporation to develop and implement a pharmacy utilization  
management program under which prior authorization through the  
program is established as a condition of obtaining a controlled  
substance pursuant to a prescription. 417  
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**Section 2.** That existing sections 1739.05, 5164.01,  
5164.753, 5164.757, 5167.01, and 5167.12 of the Revised Code are  
hereby repealed. 422  
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**Section 3.** Sections 1739.05 and 1751.68 of the Revised  
Code, as amended or enacted by this act, apply only to  
arrangements, policies, contracts, and agreements that are  
created, delivered, issued for delivery, or renewed in this  
state on or after January 1, 2016. Section 3923.602 of the  
Revised Code, as enacted by this act, applies only to policies  
of sickness and accident insurance delivered, issued for  
delivery, or renewed in this state and public employee benefit  
plans that are established or modified in this state on or after 425  
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January 1, 2016.

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