## As Reported by Senate Insurance and Financial Institutions Committee

## **132nd General Assembly**

# Regular Session 2017-2018

Am. S. B. No. 265

#### Senator Dolan

### **Cosponsor: Senator Beagle**

## A BILL

То	amend sections 173.12, 341.192, 1739.05,	1
	1751.01, 3702.30, 3712.06, 3712.061, and 3963.01	2
	and to enact sections 1751.91, 3923.89, 5164.14,	3
	and 5167.121 of the Revised Code to permit	4
	certain health insurers to provide payment or	5
	reimbursement for services lawfully provided by	6
	a pharmacist and to recognize pharmacist	7
	services in certain other laws	8

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

Section 1. That sections 173.12, 341.192, 1739.05,	9
1751.01, 3702.30, 3712.06, 3712.061, and 3963.01 be amended and	10
sections 1751.91, 3923.89, 5164.14, and 5167.121 of the Revised	11
Code be enacted to read as follows:	12
Sec. 173.12. The services provided by a multipurpose	13
senior center shall be available to all residents of the area	14
served by the center who are sixty years of age or older, except	15
where legal requirements for the use of funds available for a	16
component program specify other age limits. Persons who receive	17
services from the center may be encouraged to make voluntary	18

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contributions to the center, but no otherwise eligible person	19
shall be refused services because of inability to make a	20
contribution.	21
Services provided by the center may include, but are not	22
limited to, the following:	23
(A) Services available within the facility:	24
(1) Preventive medical services, diagnostic and treatment	25
services, emergency health services, and counseling on health	26
matters, which are provided on a regular basis by a licensed	27
physician, <u>pharmacist</u> , or <del>by a </del> registered nurse or other	28
qualified health professional;	29
(2) A program to locate full- or part-time employment	30
opportunities;	31
(3) Information and counseling by professional or other	32
persons specially trained or qualified to enable older adults to	33
make decisions on personal matters, including income, health,	34
housing, transportation, and social relationships;	35
(4) A listing of services available in the community for	36
older adults to assist in identifying the type of assistance	37
needed, to place them in contact with appropriate services, and	38
to determine whether services have been received and identified	39
needs met;	40
(5) Legal advice and assistance by an attorney or a legal	41
assistant acting under the supervision of an attorney;	42
(6) Recreation, social activities, and educational	43
activities.	44
(B) Services provided outside the facility:	45

by a single management unit, operating within the center, that

The department of aging, or the local entity approved by

the department under section 173.11 of the Revised Code for the

is established, staffed, and equipped for this purpose.

operation of a center, may contract for any or all of the

services provided by the center with any other state agency,

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county, municipal corporation, township, the department of youth	104
services, or the department of rehabilitation and correction to	105
provide medical services to persons confined in a jail or state	106
correctional institution determines that a person who is	107
confined in the jail or state correctional institution or who is	108
in the custody of a law enforcement officer prior to the	109
person's confinement in a jail or state correctional institution	110
requires necessary care that the physician cannot provide, the	111
necessary care shall be provided by a medical provider. The	112
county, municipal corporation, township, the department of youth	113
services, or the department of rehabilitation and correction	114
shall pay a medical provider for necessary care an amount not	115
exceeding the authorized reimbursement rate for the same service	116
established by the department of medicaid under the medicaid	117
program.	118

- Sec. 1739.05. (A) A multiple employer welfare arrangement that is created pursuant to sections 1739.01 to 1739.22 of the Revised Code and that operates a group self-insurance program may be established only if any of the following applies:
- (1) The arrangement has and maintains a minimum enrollment of three hundred employees of two or more employers.
- (2) The arrangement has and maintains a minimum enrollment 125 of three hundred self-employed individuals. 126
- (3) The arrangement has and maintains a minimum enrollment 127 of three hundred employees or self-employed individuals in any 128 combination of divisions (A)(1) and (2) of this section. 129
- (B) A multiple employer welfare arrangement that is130created pursuant to sections 1739.01 to 1739.22 of the Revised131Code and that operates a group self-insurance program shall132

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medicare pursuant to a medicare contract, or to the coverage of	189
beneficiaries enrolled in the federal employee health benefits	190
program pursuant to 5 U.S.C.A. 8905, or to the coverage of	191
medicaid recipients, or to the coverage of beneficiaries under	192
any federal health care program regulated by a federal	193
regulatory body, or to the coverage of beneficiaries under any	194
contract covering officers or employees of the state that has	195
been entered into by the department of administrative services.	196

- (2) A health insuring corporation may offer coverage for 197 diagnostic and treatment services for biologically based mental 198 illnesses without offering coverage for all other basic health 199 care services. A health insuring corporation may offer coverage 200 for diagnostic and treatment services for biologically based 201 mental illnesses alone or in combination with one or more 202 supplemental health care services. However, a health insuring 203 corporation that offers coverage for any other basic health care 204 service shall offer coverage for diagnostic and treatment 205 services for biologically based mental illnesses in combination 206 with the offer of coverage for all other listed basic health 207 care services. 208
- (3) A health insuring corporation that offers coverage for basic health care services is not required to offer coverage for diagnostic and treatment services for biologically based mental illnesses in combination with the offer of coverage for all other listed basic health care services if all of the following apply:
- (a) The health insuring corporation submits documentation 215 certified by an independent member of the American academy of 216 actuaries to the superintendent of insurance showing that 217 incurred claims for diagnostic and treatment services for 218

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health care services other than basic health care services that	248
a health insuring corporation may offer, alone or in combination	249
with either basic health care services or other supplemental	250
health care services, and includes:	251
(a) Services of facilities for intermediate or long-term	252
care, or both;	253
(b) Dental care services;	254
(c) Vision care and optometric services including lenses	255
and frames;	256
(d) Podiatric care or foot care services;	257
(e) Mental health services, excluding diagnostic and	258
treatment services for biologically based mental illnesses;	259
(f) Short-term outpatient evaluative and crisis-	260
intervention mental health services;	261
(g) Medical or psychological treatment and referral	262
services for alcohol and drug abuse or addiction;	263
(h) Home health services;	264
(i) Prescription drug services;	265
(j) Nursing services;	266
(k) Services of a dietitian licensed under Chapter 4759.	267
of the Revised Code;	268
(1) Physical therapy services;	269
(m) Chiropractic services;	270
(n) Any other category of services approved by the	271
superintendent of insurance.	272

(2) If a health insuring corporation offers prescription 273 drug services under this division, the coverage shall include 274 prescription drug services for the treatment of biologically 275 based mental illnesses on the same terms and conditions as other 276 physical diseases and disorders. 277 (C) "Specialty health care services" means one of the 278 supplemental health care services listed in division (B) of this 279 section, when provided by a health insuring corporation on an 280 outpatient-only basis and not in combination with other 281 282 supplemental health care services. (D) "Biologically based mental illnesses" means 283 schizophrenia, schizoaffective disorder, major depressive 284 disorder, bipolar disorder, paranoia and other psychotic 285 disorders, obsessive-compulsive disorder, and panic disorder, as 286 these terms are defined in the most recent edition of the 287 diagnostic and statistical manual of mental disorders published 288 by the American psychiatric association. 289 290 (E) "Closed panel plan" means a health care plan that requires enrollees to use participating providers. 291 (F) "Compensation" means remuneration for the provision of 292 health care services, determined on other than a fee-for-service 293 or discounted-fee-for-service basis. 294 (G) "Contractual periodic prepayment" means the formula 295 for determining the premium rate for all subscribers of a health 296 insuring corporation. 297 (H) "Corporation" means a corporation formed under Chapter 298 1701. or 1702. of the Revised Code or the similar laws of 299 another state. 300

(I) "Emergency health services" means those health care

services that must be available on a seven-days-per-week,	302
twenty-four-hours-per-day basis in order to prevent jeopardy to	303
an enrollee's health status that would occur if such services	304
were not received as soon as possible, and includes, where	305
appropriate, provisions for transportation and indemnity	306
payments or service agreements for out-of-area coverage.	307
(J) "Enrollee" means any natural person who is entitled to	308
receive health care benefits provided by a health insuring	309
corporation.	310
(K) "Evidence of coverage" means any certificate,	311
agreement, policy, or contract issued to a subscriber that sets	312
out the coverage and other rights to which such person is	313
entitled under a health care plan.	314
(L) "Health care facility" means any facility, except a	315
health care practitioner's office, that provides preventive,	316
diagnostic, therapeutic, acute convalescent, rehabilitation,	317
mental health, intellectual disability, intermediate care, or	318
skilled nursing services.	319
(M) "Health care services" means basic, supplemental, and	320
specialty health care services.	321
(N) "Health delivery network" means any group of providers	322
or health care facilities, or both, or any representative	323
thereof, that have entered into an agreement to offer health	324
care services in a panel rather than on an individual basis.	325
(O) "Health insuring corporation" means a corporation, as	326
defined in division (H) of this section, that, pursuant to a	327
policy, contract, certificate, or agreement, pays for,	328
reimburses, or provides, delivers, arranges for, or otherwise	329

makes available, basic health care services, supplemental health

care services, or specialty health care services, or a 331 combination of basic health care services and either 332 supplemental health care services or specialty health care 333 services, through either an open panel plan or a closed panel 334 plan. 335

"Health insuring corporation" does not include a limited 336 liability company formed pursuant to Chapter 1705. of the 337 Revised Code, an insurer licensed under Title XXXIX of the 338 Revised Code if that insurer offers only open panel plans under 339 340 which all providers and health care facilities participating receive their compensation directly from the insurer, a 341 corporation formed by or on behalf of a political subdivision or 342 a department, office, or institution of the state, or a public 343 entity formed by or on behalf of a board of county 344 commissioners, a county board of developmental disabilities, an 345 alcohol and drug addiction services board, a board of alcohol, 346 drug addiction, and mental health services, or a community 347 mental health board, as those terms are used in Chapters 340. 348 and 5126. of the Revised Code. Except as provided by division 349 (D) of section 1751.02 of the Revised Code, or as otherwise 350 provided by law, no board, commission, agency, or other entity 351 under the control of a political subdivision may accept 352 insurance risk in providing for health care services. However, 353 nothing in this division shall be construed as prohibiting such 354 entities from purchasing the services of a health insuring 355 corporation or a third-party administrator licensed under 356 Chapter 3959. of the Revised Code. 357

(P) "Intermediary organization" means a health delivery 358 network or other entity that contracts with licensed health 359 insuring corporations or self-insured employers, or both, to 360 provide health care services, and that enters into contractual 361

arrangements with other entities for the provision of health	362
care services for the purpose of fulfilling the terms of its	363
contracts with the health insuring corporations and self-insured	364
employers.	365
(Q) "Intermediate care" means residential care above the	366
level of room and board for patients who require personal	367
assistance and health-related services, but who do not require	368
skilled nursing care.	369
(R) "Medical record" means the personal information that	370
relates to an individual's physical or mental condition, medical	371
history, or medical treatment.	372
(S)(1) "Open panel plan" means a health care plan that	373
provides incentives for enrollees to use participating providers	374
and that also allows enrollees to use providers that are not	375
participating providers.	376
(2) No health insuring corporation may offer an open panel	377
plan, unless the health insuring corporation is also licensed as	378
an insurer under Title XXXIX of the Revised Code, the health	379
insuring corporation, on June 4, 1997, holds a certificate of	380
authority or license to operate under Chapter 1736. or 1740. of	381
the Revised Code, or an insurer licensed under Title XXXIX of	382
the Revised Code is responsible for the out-of-network risk as	383
evidenced by both an evidence of coverage filing under section	384
1751.11 of the Revised Code and a policy and certificate filing	385
under section 3923.02 of the Revised Code.	386
(T) "Osteopathic hospital" means a hospital registered	387
under section 3701.07 of the Revised Code that advocates	388
osteopathic principles and the practice and perpetuation of	389

osteopathic medicine by doing any of the following:

(1) Maintaining a department or service of osteopathic	391
medicine or a committee on the utilization of osteopathic	392
principles and methods, under the supervision of an osteopathic	393
physician;	394
(2) Maintaining an active medical staff, the majority of	395
which is comprised of osteopathic physicians;	396
which is complised of osceopachic physicians,	330
(3) Maintaining a medical staff executive committee that	397
has osteopathic physicians as a majority of its members.	398
(U) "Panel" means a group of providers or health care	399
facilities that have joined together to deliver health care	400
services through a contractual arrangement with a health	401
insuring corporation, employer group, or other payor.	402
(V) "Person" has the same meaning as in section 1.59 of	403
the Revised Code, and, unless the context otherwise requires,	404
includes any insurance company holding a certificate of	405
authority under Title XXXIX of the Revised Code, any subsidiary	406
and affiliate of an insurance company, and any government	407
agency.	408
(W) "Premium rate" means any set fee regularly paid by a	409
subscriber to a health insuring corporation. A "premium rate"	410
does not include a one-time membership fee, an annual	411
administrative fee, or a nominal access fee, paid to a managed	412
health care system under which the recipient of health care	413
services remains solely responsible for any charges accessed for	414
those services by the provider or health care facility.	415
(X) "Primary care provider" means a provider that is	416
designated by a health insuring corporation to supervise,	417
coordinate, or provide initial care or continuing care to an	418
enrollee, and that may be required by the health insuring	419

corporation to initiate a referral for specialty care and to 420 maintain supervision of the health care services rendered to the 421 enrollee. 422

- 423 (Y) "Provider" means any natural person or partnership of natural persons who are licensed, certified, accredited, or 424 otherwise authorized in this state to furnish health care 425 services, or any professional association organized under 426 Chapter 1785. of the Revised Code, provided that nothing in this 427 chapter or other provisions of law shall be construed to 428 429 preclude a health insuring corporation, health care practitioner, or organized health care group associated with a 430 health insuring corporation from employing certified nurse 431 practitioners, certified nurse anesthetists, clinical nurse 432 specialists, certified nurse-midwives, pharmacists, dietitians, 433 physician assistants, dental assistants, dental hygienists, 434 optometric technicians, or other allied health personnel who are 435 licensed, certified, accredited, or otherwise authorized in this 436 state to furnish health care services. 437
- (Z) "Provider sponsored organization" means a corporation, 438 as defined in division (H) of this section, that is at least 439 440 eighty per cent owned or controlled by one or more hospitals, as defined in section 3727.01 of the Revised Code, or one or more 441 physicians licensed to practice medicine or surgery or 442 443 osteopathic medicine and surgery under Chapter 4731. of the Revised Code, or any combination of such physicians and 444 hospitals. Such control is presumed to exist if at least eighty 445 per cent of the voting rights or governance rights of a provider 446 sponsored organization are directly or indirectly owned, 447 controlled, or otherwise held by any combination of the 448 physicians and hospitals described in this division. 449

(B) The patient's individual or group health insuring	479
corporation policy, contract, or agreement provides for payment	480
or reimbursement of the service.	481
Sec. 3702.30. (A) As used in this section:	482
(1) "Ambulatory surgical facility" means a facility,	483
whether or not part of the same organization as a hospital, that	484
is located in a building distinct from another in which	485
inpatient care is provided, and to which any of the following	486
apply:	487
(a) Outpatient surgery is routinely performed in the	488
facility, and the facility functions separately from a	489
hospital's inpatient surgical service and from the offices of	490
private physicians, podiatrists, and dentists.	491
(b) Anesthesia is administered in the facility by an	492
anesthesiologist or certified registered nurse anesthetist, and	493
the facility functions separately from a hospital's inpatient	494
surgical service and from the offices of private physicians,	495
podiatrists, and dentists.	496
(c) The facility applies to be certified by the United	497
States centers for medicare and medicaid services as an	498
ambulatory surgical center for purposes of reimbursement under	499
Part B of the medicare program, Part B of Title XVIII of the	500
"Social Security Act," 79 Stat. 286 (1965), 42 U.S.C.A. 1395, as	501
amended.	502
(d) The facility applies to be certified by a national	503
accrediting body approved by the centers for medicare and	504
medicaid services for purposes of deemed compliance with the	505
conditions for participating in the medicare program as an	506
ambulatory surgical center.	507

(e) The facility bills or receives from any third-party	508
payer, governmental health care program, or other person or	509
government entity any ambulatory surgical facility fee that is	510
billed or paid in addition to any fee for professional services.	511
(f) The facility is held out to any person or government	512
entity as an ambulatory surgical facility or similar facility by	513
means of signage, advertising, or other promotional efforts.	514
"Ambulatory surgical facility" does not include a hospital	515
emergency department.	516
(2) "Ambulatory surgical facility fee" means a fee for	517
certain overhead costs associated with providing surgical	518
services in an outpatient setting. A fee is an ambulatory	519
surgical facility fee only if it directly or indirectly pays for	520
costs associated with any of the following:	521
(a) Use of operating and recovery rooms, preparation	522
areas, and waiting rooms and lounges for patients and relatives;	523
(b) Administrative functions, record keeping,	524
housekeeping, utilities, and rent;	525
(c) Services provided by nurses, pharmacists, orderlies,	526
technical personnel, and others involved in patient care related	527
to providing surgery.	528
"Ambulatory surgical facility fee" does not include any	529
additional payment in excess of a professional fee that is	530
provided to encourage physicians, podiatrists, and dentists to	531
perform certain surgical procedures in their office or their	532
group practice's office rather than a health care facility, if	533
the purpose of the additional fee is to compensate for	534
additional cost incurred in performing office-based surgery	535

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infection control; ensure that the program is an integral part	563
of the ambulatory surgical facility's quality assessment and	564
performance improvement program; and implement in an expeditious	565
manner corrective and preventive measures that result in	566
improvement.	567
(C) Every ambulatory surgical facility shall require that	568
each physician who practices at the facility comply with all	569
relevant provisions in the Revised Code that relate to the	570
obtaining of informed consent from a patient.	571
(D) The director shall issue a license to each health care	572
facility that makes application for a license and demonstrates	573
to the director that it meets the quality standards established	574
by the rules adopted under division (B) of this section and	575
satisfies the informed consent compliance requirements specified	576
in division (C) of this section.	577
(E)(1) Except as provided in division (H) of this section	578
and in section 3702.301 of the Revised Code, no health care	579
facility shall operate without a license issued under this	580
section.	581
(2) If the department of health finds that a physician who	582
practices at a health care facility is not complying with any	583
provision of the Revised Code related to the obtaining of	584
informed consent from a patient, the department shall report its	585
finding to the state medical board, the physician, and the	586

(3) This division does not create, and shall not be

construed as creating, a new cause of action or substantive

legal right against a health care facility and in favor of a

patient who allegedly sustains harm as a result of the failure

health care facility.

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on admission to each session of respite care.	703
(4) Have an interdisciplinary team or teams that provide	704
or supervise the provision of pediatric respite care program	705
services and establish the policies governing the provision of	706
the services;	707
(5) Maintain central clinical records on all pediatric	708
respite care patients under its care.	709
(B) A provider of a pediatric respite care program may	710
include pharmacist services among the other services that are	711
made available to its pediatric respite care patients.	712
(C) A provider of a pediatric respite care program may	713
arrange for another person or public agency to furnish a	714
component or components of the pediatric respite care program	715
pursuant to a written contract. When a provider of a pediatric	716
respite care program arranges for a home health agency to	717
furnish a component or components of the pediatric respite care	718
program to its patient, the care shall be provided by a home	719
health agency pursuant to a written contract under which:	720
(1) The provider of a pediatric respite care program	721
furnishes to the contractor a copy of the pediatric respite care	722
patient's interdisciplinary plan of care that is established	723
under division (A)(3) of this section and specifies the care	724
that is to be furnished by the contractor;	725
(2) The regimen described in the established plan of care	726
is continued while the pediatric respite care patient receives	727
care from the contractor, subject to the patient's needs, and	728
with approval of the coordinator of the interdisciplinary team	729
designated pursuant to division (A)(3)(a) of this section;	730
(3) All care, treatment, and services furnished by the	731

or control with a contracting entity.	759
(B) "Basic health care services" has the same meaning as	760
in division (A) of section 1751.01 of the Revised Code, except	761
that it does not include any services listed in that division	762
that are provided by a pharmacist or nursing home.	763
(C) "Contracting entity" means any person that has a	764
primary business purpose of contracting with participating	765
providers for the delivery of health care services.	766
(D) "Credentialing" means the process of assessing and	767
validating the qualifications of a provider applying to be	768
approved by a contracting entity to provide basic health care	769
services, specialty health care services, or supplemental health	770
care services to enrollees.	771
(E) "Edit" means adjusting one or more procedure codes	772
billed by a participating provider on a claim for payment or a	773
practice that results in any of the following:	774
(1) Payment for some, but not all of the procedure codes	775
originally billed by a participating provider;	776
(2) Payment for a different procedure code than the	777
procedure code originally billed by a participating provider;	778
(3) A reduced payment as a result of services provided to	779
an enrollee that are claimed under more than one procedure code	780
on the same service date.	781
(F) "Electronic claims transport" means to accept and	782
digitize claims or to accept claims already digitized, to place	783
those claims into a format that complies with the electronic	784
transaction standards issued by the United States department of	785
health and human services pursuant to the "Health Insurance	786

Portability and Accountability Act of 1996, 110 Stat. 1933, 42	101
U.S.C. 1320d, et seq., as those electronic standards are	788
applicable to the parties and as those electronic standards are	789
updated from time to time, and to electronically transmit those	790
claims to the appropriate contracting entity, payer, or third-	791
party administrator.	792
(G) "Enrollee" means any person eligible for health care	793
benefits under a health benefit plan, including an eligible	794
recipient of medicaid, and includes all of the following terms:	795
(1) "Enrollee" and "subscriber" as defined by section	796
1751.01 of the Revised Code;	797
(2) "Member" as defined by section 1739.01 of the Revised	798
Code;	799
(3) "Insured" and "plan member" pursuant to Chapter 3923.	800
of the Revised Code;	801
(4) "Beneficiary" as defined by section 3901.38 of the	802
Revised Code.	803
(H) "Health care contract" means a contract entered into,	804
materially amended, or renewed between a contracting entity and	805
a participating provider for the delivery of basic health care	806
services, specialty health care services, or supplemental health	807
care services to enrollees.	808
(I) "Health care services" means basic health care	809
services, specialty health care services, and supplemental	810
health care services.	811
(J) "Material amendment" means an amendment to a health	812
care contract that decreases the participating provider's	813
payment or compensation, changes the administrative procedures	814

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(L) "Payer" means any person that assumes the financial	844
risk for the payment of claims under a health care contract or	845
the reimbursement for health care services provided to enrollees	846
by participating providers pursuant to a health care contract.	847
(M) "Primary enrollee" means a person who is responsible	848
for making payments for participation in a health care plan or	849
an enrollee whose employment or other status is the basis of	850
eligibility for enrollment in a health care plan.	851
(N) "Procedure codes" includes the American medical	852
association's current procedural terminology code, the American	853
dental association's current dental terminology, and the centers	854
for medicare and medicaid services health care common procedure	855
coding system.	856
(O) "Product" means one of the following types of	857
categories of coverage for which a participating provider may be	858
obligated to provide health care services pursuant to a health	859
<pre>care contract:</pre>	860
(1) A health maintenance organization or other product	861
provided by a health insuring corporation;	862
(2) A preferred provider organization;	863
(3) Medicare;	864
(4) Medicaid;	865
(5) Workers' compensation.	866
(P) "Provider" means a physician, podiatrist, pharmacist,	867
dentist, chiropractor, optometrist, psychologist, physician	868
assistant, advanced practice registered nurse, occupational	869
therapist, massage therapist, physical therapist, licensed	870
professional counselor, licensed professional clinical	871

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operation, finds that the composite is the resulting version of	929
the section in effect prior to the effective date of the section	930
as presented in this act.	931