(123rd General Assembly)
(Substitute House Bill Number 221)

AN ACT

To enact sections 103.144, 103.145, 103.146, and 103.147 of the Revised Code to require, under certain circumstances, the Legislative Budget Officer to arrange for independent healthcare actuarial reviews of bills that include a mandated benefit and to make an appropriation.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 103.144, 103.145, 103.146, and 103.147 of the Revised Code be enacted to read as follows:

Sec. 103.144. As used in sections 103.144 to 103.147 of the Revised Code:

(A) "Mandated benefit" means the following, when considered in the context of a sickness and accident insurance policy or a health insuring corporation policy, contract, or agreement:

(1) Any required coverage for a specific medical or health-related service, treatment, medication, or practice;

(2) Any required coverage for the services of specific health care providers;

(3) Any requirement that an insurer or health insuring corporation offer coverage to specific individuals or groups;

(4) Any requirement that an insurer or health insuring corporation offer specific medical or health-related services, treatments, medications, or practices to existing insureds or enrollees;

(5) Any required expansion of, or addition to, existing coverage;

(6) Any mandated reimbursement amount to specific health care providers.

(B) "Mandated benefit" does not include any required coverage or offer of coverage, any required expansion of, or addition to, existing coverage, or any mandated reimbursement amount to specific providers, as described in division (A) of this section, within the context of any public health benefits arrangement, including but not limited to, the coverage of beneficiaries enrolled in Title XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended, pursuant to a medicare risk contract or medicare

cost contract, or to the coverage of beneficiaries enrolled in Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended, known as the medical assistance program or medicaid, provided by the Ohio department of job and family services under Chapter 5111. of the Revised Code.

Sec. 103.145. (A) Whenever any bill receives a second hearing in a standing committee in the house of the general assembly in which the bill originated, the legislative budget officer shall review the bill to determine whether the bill includes a mandated benefit. If the legislative budget officer determines that the bill includes a mandated benefit, the legislative budget officer shall ARRANGE FOR THE PERFORMANCE OF AN INDEPENDENT HEALTHCARE ACTUARIAL REVIEW OF THE MANDATED BENEFIT. IN MAKING THIS ARRANGEMENT, THE legislative budget officer SHALL retain one or more independent actuaries on a consulting basis to determine the financial impact of the mandated benefit in accordance with section 103.146 of the Revised Code. Each actuary retained shall be a member in good standing of the American academy of actuaries. The legislative budget officer shall assist the actuary or actuaries in obtaining any information needed.

No later than sixty days after the second hearing of the bill, the legislative budget officer shall submit the findings of the actuarial review to the chairperson of the committee to which the bill is assigned and to the ranking minority member of that committee.

(B) To assist the actuary or actuaries in obtaining information needed to perform the healthcare actuarial review, the legislative budget office of the legislative service commission may request any department, division, institution, board, commission, authority, bureau, or other instrumentality or officer of the state, a county, a municipal corporation, a township, a school district, or other governmental entity of the state to provide any information the legislative budget office requires for purposes of the review.

An instrumentality, officer, or entity shall comply with a request as soon as reasonably possible after receiving it. The legislative budget office shall specify the manner of compliance, and the period of time for compliance, in its request.

Sec. 103.146. In performing an independent healthcare actuarial review of a mandated benefit, the actuary or actuaries retained by the legislative budget officer shall consult with professionals KNOWLEDGEABLE IN MATTERS RELATED TO THE PERFORMANCE OF AN ACTUARIAL REVIEW OF A MANDATED BENEFIT and shall consider the results of any professionally acceptable controlled trial and any other relevant research

specifically centered around the benefit. The actuary or actuaries shall determine the extent to which:

(A) The mandated benefit will increase or decrease the administrative expenses of insurance companies and health insuring corporations;

(B) The mandated benefit will increase or decrease premiums;

(C) Small employers, medium-sized employers, large employers, and, if applicable, the state and political subdivisions of the state, will be financially impacted;

(D) The mandated benefit will increase or decrease the number of insured individuals in this state; and

(E) The mandated benefit will impact the total cost and quality of health care, including any potential cost savings that may be realized.

Sec. 103.147. The chairperson of a standing committee of either house of the general assembly may, at any time, request the legislative budget officer to review any bill that is assigned to the chairperson's committee in order to determine whether the bill includes a mandated benefit. The legislative budget officer shall review the bill and, if the legislative budget officer determines that the bill includes a mandated benefit, shall arrange for the performance of an independent healthcare actuarial review of the mandated benefit in the same manner as provided in section 103.145 of the Revised Code.

No later than sixty days after receiving the chairperson's request, the legislative budget officer shall submit the findings of the actuarial review to the chairperson and to the ranking minority member of the chairperson's committee.

SECTION 2. Section 1 of the act shall take effect January 1, 2001.

SECTION 3. On or before July 15, 2000, the Director of Budget and Management shall determine and certify to the Legislative Budget Officer the total amount of unexpended, unobligated appropriations made to the Legislative Budget Office of the Legislative Service Commission for fiscal year 2000 in appropriation item 035-403, Legislative Budget Office. Additional appropriation authority equal to the amount certified is hereby appropriated to appropriation item 035-403, Legislative Budget Office, for fiscal year 2001.

This section is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, this section goes into immediate effect when this act becomes law.

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Speaker _____ of the House of Representatives.

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President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

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Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ____ day of _____, A. D. 20____.

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Secretary of State.

File No. _____ Effective Date _____