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May 18, 2022

Representative Tom Brinkman
Chair, Ohio House Insurance Committee
77 South High Street, 13th Floor
Columbus, OH 43215

Dear Chairman Brinkman:

I am writing on behalf of our nearly 22,000 small business members to provide interested party comments on House Bill 270. This legislation will alter the claims process for emergency services for health insurance plans regulated by the Ohio Department of Insurance. We are concerned the provisions of this bill could result in increased premiums for our members who purchase health insurance for themselves and their employees in the fully-insured marketplace.

The cost of health insurance is a major issue for small businesses. The NFIB Research Foundation's last *Problems & Priorities* has shown the cost of health insurance to be the top concern amongst members, a place this issue has held since 1986! Many of our members struggle to even offer this benefit. According to the Kaiser Family Foundation (KFF), 56 percent of companies with 3-49 workers offer health insurance. Contrast that with the employers with 50 or more employees where 94 percent are offering this desired benefit.¹ We are still collecting data from our most recent Ohio economic survey, however, we do have some preliminary data salient to this bill. Similar to the data from KFF, 31 percent of our members indicate cost as the reason why they do not offer health insurance. Additionally, for those that are providing, nearly half indicate it is a "very-costly benefit." A staggering 90 percent of small businesses saw their health insurance premiums increase this past year, an almost one out of every three saw premium increases of greater than 10 percent.

As such, we are always concerned with legislation that may pile on additional costs, particularly when those bills impact **only** the fully-insured market, leaving self-insured (typically larger companies) immune from the cost impacts. This inherent inequity saddles our members and others who purchase fully-insured products with the associated costs. We are concerned House Bill 270 will lead to increased costs of health insurance. It makes the small business community wonder why this legislation is so critically needed, it leaves out all those individuals covered by self-insured plans?

House Bill 270 purports to strengthen Ohio's prudent layperson standard when it comes to individuals evaluating the severity of a medical issue and the need to seek emergency care. We recognize putting off treatment can result in more adverse outcomes. We also acknowledge emergency departments are required by federal law to treat all who come through the doors. The bill requires that a health insurer must clearly educate its enrollees on the fact that, if an enrollee believes they may have an emergency

¹ <https://www.kff.org/report-section/ehbs-2021-section-2-health-benefits-offer-rates/>

medical condition, the health insurer will cover any emergency services even if, after the emergency evaluation, no emergency is found.² This provision sends the message that so long as an individual feels they have a medical emergency, it will be paid. Further, House Bill 270 will require payment for claims if the sole reason for denial is the final diagnosis of the medical condition is not emergency in nature.

Health insurance plans do provide coverage for emergency services but also review these claims to determine if the medical issue was in fact an emergency. These review procedures are in place to encourage care to be delivered in the appropriate venue and to discourage unnecessary emergency visits. We believe a review of claims is an appropriate cost control mechanism. As we read House Bill 270, it creates new administrative processes for health insurance companies when evaluating emergency services claims. The Legislative Service Commission fiscal note indicates "The bill would make it more difficult for health insurers to avoid paying for care provided in an emergency room setting that could have been provided in a lower cost setting, suggesting insurers may experience significant costs that are claims related. It is likely that at least a portion of those costs would be passed on to governments that provide health benefits by using HICs or sickness and accident insurance policies."³ The same will hold true for our members, you can simply swap small businesses with governments in the preceding sentence.

What also is not addressed in House Bill 270 is the exorbitant costs associated with emergency services. The bill will simply shift who receives the bill. There is nothing in this bill that gets at the high-cost of evaluation, treatment, and supplies associated with an emergency room visit. We implore this committee to ask why costs are so high in an emergency room setting and subsequently why the legislature would want to encourage more individuals to seek treatment in these high-cost settings?

We urge this committee to thoroughly evaluate any legislation that puts upward pressure on health insurance premiums. These policies ultimately result in difficult decisions by small business owners concerning providing healthcare coverage. Please do not move forward on legislation that will increase health insurance costs. Thank you for your consideration.

Sincerely,



Christopher J. Ferruso
Ohio Legislative Director

² <https://www.legislature.ohio.gov/download?key=16707&format=pdf>

³ <https://www.legislature.ohio.gov/download?key=16822&format=pdf>