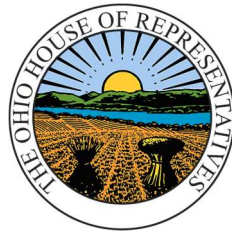


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State Representative Kyle Koehler
Ohio House of Representatives

Chairman Merrin, Vice-Chair Riedel, Ranking Member Sobbecki and members of the Ohio House Ways and Means Committee – thank you for giving me the opportunity to provide sponsor testimony for House Bill 443.

During lame-duck of the 131st General Assembly, the Ohio Senate amended House Bill 463 with language from then Rep. Cheryl Grossman’s House Bill 350. This language mandated insurance coverage for autism spectrum disorder by Ohio businesses. Concurrence by the House and with the Governor’s signature, Ohio became the 45th state (at the time) to mandate coverage of autism.

The intent of the legislation included (1) the implementation of a two-year moratorium on new health care mandates and (2) a promise that we develop potential tax credits that offset additional employer costs associated with health care mandates.

This decision was debated greatly by our Republican Caucus. But the freeze on mandates and promise to address the cost with future tax credits allowed the Ohio General Assembly to move forward. I voted in favor of HB 463 because of the moratorium on mandates and the promise of tax credits for Ohio businesses.

We are now five years out from HB 463’s enactment, and we have yet to address what was written into the bill. As one of only a dozen members remaining from the 131st General Assembly, I realize now how easy it is to forget what we promised business owners in Ohio. This bill seeks to fulfill those promises.

You will find that the analysis for HB 443 is short, only one page. I can ensure you; the bill is equally simple.

HB 443 creates a refundable tax credit, equivalent to 1.3% of the cost of an employer’s health care premiums, to offset the costs of health insurance mandates that have been imposed by the Legislature.

To ensure this tax credit is available to all industries that are subject to our health insurance mandates – this 1.3% refundable credit can be claimed against ONE of the following;

- The commercial activity tax (CAT);
- Income tax;
- The financial institutions tax;
- Insurance company premiums taxes;
- The public utilities excise tax;
- Or the petroleum activity tax.

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During proponent testimony, you will hear why and how the 1.3% tax credit was established based on cost to employers over time. Likewise, along with mandating coverage of autism spectrum disorder, HB 463 required an actuarial study be conducted by the Ohio Department of Insurance to analyze the cost of 17 of Ohio's state health mandates. In proponent testimony, you will hear about the results of that study.

At the advice of the Ohio Department of Taxation, this bill includes three common sense stipulations:

1. The tax credit is only offered for the company's employees who reside in Ohio.
2. The tax credit is not available to self-insured companies, as they are not subject to Ohio's health insurance mandates.
3. And companies without a physical CAT presence are prohibited from registering for CAT and paying the minimum tax just to claim this tax credit.

Of course, with every tax credit comes some decrease in government revenue, this bill is no different. However, as you review the LSC fiscal analysis know that for every estimated decrease in revenue – private employers are paying more than that by 1.3%.

This bill isn't a free pass to private businesses. They have paid their fair share to accommodate these mandates.

In this GA alone, we are considering bills to mandate full or partial coverage for telehealth visits, hearing aids, and supplemental breast cancer screening. And while the intent of these bills are to promote the health of Ohioans, they come at a hefty cost to employers.

In the end, businesses that employ Ohioans are the backbone of our economic growth. They have all weathered a tumultuous time over the past 18 months. This bill will not only fulfill a promise that is long overdue, but it will provide help to those businesses that have come through the pandemic and continue to provide mandated coverage for numerous healthcare services to their employees.

Again, Mr. Chairman – thank you for allowing me sponsor testimony on House Bill 443. I will be happy to take questions.