OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

H.B. 336
135th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Reps. Schmidt and A. Miller

Local Impact Statement Procedure Required: No

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Highlights

- Prohibiting a health benefit plan from denying a claim for dental services on the basis of the age of the patient may increase insurance premiums of certain local governments' health benefit plans that provide dental benefits under the plan. Any increase in insurance premiums would increase costs to local governments to provide dental benefits to employees and their dependents.
- The bill prohibits the Ohio Department of Medicaid (ODM) from denying a dental claim on the sole basis of the age of the recipient of the dental services. The financial impact of this requirement will be dependent on how many more claims are paid by ODM as a result of this policy that would have previously been denied. Any increase in costs caused by the bill would be shared between the state and federal governments.

Detailed Analysis

Health benefit plan

The bill prohibits a health benefit plan from denying a claim of reimbursement for dental services on the sole basis of the age of the recipient. Private dental insurance plans may be a stand-alone plan or be included as a part of medical insurance. Stand-alone dental plans require individuals to enroll separately; they are not a part of the individual's medical insurance plan. The bill applies to "a health benefit plan," which excludes stand-alone dental plans according to R.C. 3922.01. Therefore, the bill has no direct fiscal effect to the state health benefit plan as dental benefits provided to state employees and their beneficiaries are provided under a stand-alone dental plan.

The bill may increase certain local governments' health benefit plans that provide dental benefits under their health benefit plans through a possible increase in insurance premium costs

due to additional costs associated with certain dental claims based on age that would be permitted, but previously would have been denied under the plan. Any such increase would depend on the amount, type, and utilization of dental claims based on age that would be permitted, but previously would have been denied under the plan. According to the 2023 Health Insurance Report for Ohio's Public Sector, published by the State Employment Relations Board, there were a total of 1,205 reported public sector dental plans in effect on January 1, 2023 statewide. Of the total, 892 dental plans (74%) were stand-alone dental plans, thus, those plans will not incur a direct fiscal effect under the bill.

Medicaid

As with health benefit plans, the bill prohibits the Ohio Department of Medicaid (ODM) from denying a claim of reimbursement for dental services on the sole basis of the age of the recipient. For dental claims, as is the case for most Medicaid services, coverage is currently determined by medical necessity of the procedure. Coverage of dental services for adults is not mandated by the federal government, and while Medicaid programs are required to cover dental services for those under 21, states are not required to provide coverage at all for Medicaid recipients 21 and older. Medically necessary dental services for Medicaid recipients of any age are covered under current policy, with the patient being responsible for a $0 or $3 copay. The extent to which the bill will increase costs for ODM will depend on the number of procedures which previously were denied solely because of the age of the recipient, and would now have to be covered.

According to existing ODM policy,[1] braces and cleanings/checkups are covered differently depending on the age of the patient in question. For braces, only individuals under age 21 are eligible under current policy, with the added qualification that the braces are covered in extreme cases, with prior authorization from ODM. The bill does not explicitly require ODM to change any current administrative policy, but states that claims may not be denied solely on the basis of a recipient's age. As braces are already restricted to extreme cases and subject to prior authorization, coverage may not be impacted significantly by the bill. If the bill were to result in expanding coverage for a larger pool of Medicaid recipients, and there were a high rate of uptake and approval of prior authorization for this pool of recipients, this could lead to sizeable increases in expenditures.

Cleanings and checkups are covered for all Medicaid beneficiaries under current policy, however, the frequency of cleanings and checkups are different for those under age 21 and those at or over age 21. Current coverage provides for a checkup and cleaning every six months for Medicaid beneficiaries under the age of 21, but only a checkup and cleaning every 12 months for Medicaid beneficiaries 21 and over. If the bill leads to more frequent checkups and cleanings being reimbursed for all Medicaid beneficiaries, this would increase costs for ODM. The extent of these costs would additionally depend on how many Medicaid beneficiaries over the age of 21 chose to receive more frequent cleanings and checkups if they were a covered service.

There are many other dental services which are not currently covered differently depending on the age of the Medicaid recipient in question, and instead rely on the medical necessity justification. Services of this type include specific, problem-focused oral evaluation (as

[1] Specified in the Appendix to Ohio Administrative Code (O.A.C.) 5160-5-01.

opposed to a more general annual or biannual checkup), dentures, fillings, extractions, and crowns, root canals, and periodontal services.

Any increase in costs for ODM from this legislation will be a shared state and federal expense. The federal government is typically responsible for approximately 63% of Medicaid costs, with the state responsible for the remaining share of the costs.

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