



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 400
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 400's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Callender and Sweeney

Local Impact Statement Procedure Required: No

Ruhaiza Ridzwan, Senior Economist

Highlights

- Requiring issuers that offer Medicare supplement policies to individuals aged 65 or older to also offer the same coverage to Medicare enrollees under age 65, who are disabled or have an end stage renal disease, may increase the Department of Insurance's administrative costs to review Medicare supplement policy provisions offered for such enrollees and to ensure compliance with the bill's requirements. Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540).
- The bill has no direct fiscal effect to local governments.

Detailed Analysis

The bill requires, on and after January 1, 2025, an issuer¹ that offers coverage under a Medicare supplement plan to individuals aged 65 or older to also offer the same coverage to individuals under age 65, who are eligible for and enrolled in Medicare by reason of disability or end stage renal disease. The bill specifies that any benefit, protection, policy, or procedure applicable to Medicare supplement plan coverage under a plan for an individual aged 65 or older must also apply to coverage offered to such Medicare enrollees under age 65. The bill specifies that premiums for the coverage offered to individuals under age 65 must not be higher than the premiums for a Medicare supplement plan offered to individuals aged 65 or older. Any Medicare supplement plan policy issued to individuals under age 65 must not exclude or limit benefits for losses attributable to a preexisting condition.

¹ Under existing law, issuers of a Medicare supplement plan include insurance companies, fraternal benefit societies, health insuring corporations, and other entities.

Fiscal effect

The bill may increase the Department of Insurance's administrative costs to review issuers' Medicare supplement policy provisions offered to Medicare enrollees under age 65, who are disabled or have an end stage renal disease, and to ensure compliance with the bill's requirements. Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540).

The bill would increase written premiums associated with the Medicare supplement policies sold in the state as premiums from such policies are currently taxable under the state foreign and domestic insurance taxes. Thus, it would increase revenue from such insurance taxes. However, premiums paid by a taxpayer on an after tax basis for supplemental health insurance are generally deductible to the extent they exceed 7.5% of the taxpayer's federal adjusted gross income (FAGI), thus, it may reduce the state personal income tax revenue. The potential net effect of tax revenue associated with premiums written for Medicare supplement policies is undetermined. According to [Table 8 of the 2022 Annual Statistical Report on the Social Security Disability Insurance Program \(PDF\)](#), there were a total of 334,301 Social Security Disability Insurance beneficiaries between age 18 and 64 in Ohio.

The bill has no direct fiscal effect to local governments.