



June 14, 2023

Representative Brian Lampton  
Chair, Ohio House Insurance Committee  
77 South High Street, 13<sup>th</sup> Floor  
Columbus, OH 43215

Dear Chairman Lampton:

I am writing on behalf of our 20,000 small business members to express our concerns with House Bill 99. 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), 47 percent (down from 56 in 2021) of companies with 3-49 workers offer health insurance. Contrast that with the employers with 50 or more employees where 93 percent (down from 94 in 2021) are offering this desired benefit.<sup>1</sup> Similar to the data from KFF, a recent survey of our Ohio membership shows 31 percent of our members indicate cost as the reason why they do not offer health insurance. Additionally, for those that are providing, more than one-third indicate it is a "very-costly benefit." Further, over half of respondents indicate an increase in premium between 6-20 percent when they last renewed their policy(s). As such, we are concerned with legislation that may lead to additional costs.

House Bill 99 is applicable to only health insuring corporations and sickness and accident insurers. The Ohio General Assembly has the ability to impact self-insured government plans, however, House Bill 99 does not. The provisions of this bill will **only** impact 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. At the very least, House Bill 99 should be applied to all plans that can be impacted by the legislature. This would not remove our concerns but at least make the bill more equitable.

House Bill 99 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

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<sup>1</sup> <https://www.kff.org/report-section/ehbs-2022-section-2-health-benefits-offer-rates/>

required by federal law to treat all who come through the doors. However, it is well known that emergency room costs can be significant. We believe House Bill 99 may result in increased usage of this costly method of care.

The bill prohibits a health insurer from reducing or denying reimbursement for emergency services based on a determination of the absence of an emergency medical condition if a prudent layperson with an average knowledge of health and medicine would have reasonably expected the presence of an emergency medical condition.<sup>2</sup> This provision sends the message that so long as an individual feels they have a medical emergency, the claim will likely be paid in full. 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. These cost increases could be significant, and some portion of them may be passed through to enrollees and plan sponsors that contract with such insurers...”<sup>3</sup>

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 99, it creates new administrative processes for health insurance companies when evaluating emergency services claims. This will likely lead to increased claims processing costs that will be passed on to our members.

What also is not addressed in House Bill 99 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  
State Director

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<sup>2</sup> <https://www.legislature.ohio.gov/download?key=20733&format=pdf>

<sup>3</sup> <https://www.legislature.ohio.gov/download?key=20863&format=pdf>