Before the House Insurance Committee
House Bill 289 – Ohio Health Care Plan
Representatives Tristan Rader and Michele Grim
October 14, 2025

Chairman Lampton, Vice Chair Craig, Ranking Member Hall, and members of the House Insurance Committee, thank you for the opportunity to present sponsor testimony on House Bill 289, which seeks to establish the Ohio Health Care Plan to provide single-payer universal access to quality health care, dental care, and vision services for all Ohioans.

I want to be clear from the outset: this bill is not about expanding bureaucracy or government control. It is about simplifying a system that is already one of the most complex and expensive in our state. Ohioans and Ohio businesses currently pay more for health care than ever before, but they receive less certainty, more red tape, and annual cost increases that outpace wages and inflation.

This bill proposes a single, efficient payment system, not a takeover of health care delivery. Doctors, hospitals, and providers remain independent. What changes is the maze of billing, pre-authorizations, and insurance negotiations that consume up to 25% of every health care dollar. Under this plan, we redirect those administrative costs back into patient care, local providers, and workforce stability.

Every member of this committee hears from employers, large and small, struggling with skyrocketing premiums. Under our current system:

- A business can see double-digit rate hikes with no explanation.
- Families are paying deductibles so high they effectively don't have insurance.
- County governments and school districts dedicate growing portions of their budgets to health benefit costs rather than services or education.

According to national and state-level actuarial studies, a unified payment system like the one proposed here can save 3–7% annually in administrative waste alone. That may sound small, but for Ohio's $140 billion annual health economy, those savings are measured in billions.

The Plan will be administered by the Ohio Health Care Agency, which will operate under the direction of the Ohio Health Care Board. The Board will establish standards to demonstrate proof of residency. The Board will also seek all necessary waivers, exemptions, or agreements to allow various federal and state health care payments to be made to the agency, which would then assume responsibility for all benefits and services previously paid for by those funds.

In the absence of waivers for Medicare and Medicaid, both of which will be considered primary insurers, the Ohio Health Plan will be the secondary insurer. Until such time as waivers are obtained, the Plan will not pay for services for persons otherwise eligible for the same benefits under Medicare or Medicaid

Under the Plan, every Ohioan would have a free choice of providers and be fully covered for necessary health services such as routine out-patient services to prescription drugs, medical supplies and medical transportation. Services are provided without co-payments or deductibles. Coverage will be provided regardless of income or employment status. There will be no exclusions for pre-existing conditions. Payment to health care providers for all covered benefits will be made from a single-public fund, called the Ohio Health Care Fund.

Funding for the Plan shall be obtained from the following sources: up to 3.85% payroll tax paid by employers; up to 3% gross receipts tax paid by businesses; 6.2 % tax on personal income in excess of the amount subject to the Social Security payroll tax. 5% tax on income over $200,000. These funds are in addition to existing state and federal dollars already used in Ohio for services rendered under Medicaid and Medicare. Under this legislation 91% of Ohio residents will experience no tax increase whatsoever

What does this mean in practice?

- **For a farmer in Gallia County**, it means keeping their doctor and hospital but never worrying about losing coverage after a bad season.

- **For small manufacturers in Lorain or Lima**, it means predictable health costs instead of renegotiating plans every year.

- **For rural hospitals**, it means stable reimbursement and less time navigating multiple insurers.

Importantly, providers are free to participate or not. We do not compel any doctor or hospital to join. But those who do will benefit from standardized billing, faster payments, and reduced administrative burden. In fact, many physicians retire early not because of medicine, but because of paperwork. This bill addresses that.

Members, the status quo is not sustainable. This legislation asks us to do what Ohio has always done best: be practical, be innovative, and put working people and businesses ahead of entrenched inefficiencies. We welcome amendments, actuarial review, and bipartisan collaboration. We cannot afford to do nothing while costs rise, employers struggle, and families defer needed care.

I respectfully ask for your support on this important measure, and I'm proud to partner with Rep. Grim in bringing it forward. Chairman Lampton, Vice Chair Craig, Ranking Member Hall, and members of the House Insurance Committee, thank you and I look forward to your questions.