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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 374
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 374's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Sigrist and Abrams

Local Impact Statement Procedure Required: Yes

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Highlights

- Requiring that health benefit plans provide coverage for prescription readers may increase costs to local governments to provide health benefits to employees and their dependents. Any local government that already provides the required coverage would experience no cost increase.
- The bill could increase costs for Medicaid if more recipients request and receive prescription readers. The amount would depend on the number of readers requested and the costs associated with the readers.
- The bill's notice requirement will have no discernible ongoing effects on the State Board of Pharmacy's annual operating costs or related revenue generation.

Detailed Analysis

Notice of prescription reader availability

The bill requires certain licensed pharmacies to (1) notify certain individuals purchasing a prescription drug that a prescription reader¹ can be made available, (2) provide such a reader for the duration of a prescription when requested, and (3) ensure that the label affixed to the container containing the prescription drug is compatible with the provided reader. A pharmacy that fails to follow the procedures regarding prescription readers would be subject to the State Board of Pharmacy's disciplinary procedures. The disciplinary actions the Board may take include revoking, suspending, limiting, or refusing to renew the pharmacy's license; placing the license

¹ A prescription reader is a device that audibly conveys the information required by law or rule to be contained on a prescription label.

holder on probation; or imposing a monetary penalty or forfeiture not to exceed \$1,000. Any money collected is credited to Fund 4K90, the Occupational Licensing and Regulatory Fund. Pharmacies generally will comply with the bill's notice requirement making any disciplinary actions by the Board infrequent. This suggests that the bill's notice requirement will have no discernible ongoing effects on the Board's annual operating costs or related revenue generation.

Health insurers

The bill requires a health benefit plan² to provide coverage for prescription readers if provided by a licensed terminal distributor of dangerous drugs. The bill also includes a provision that exempts this requirement from a provision of current law governing bills that carry mandates regarding health benefits.³

According to a Department of Administrative Services' official, the state's health benefit plans would not incur any additional cost related to this provision. However, the required coverage may increase costs to local governments to provide health benefits to employees and their dependents; any political subdivision that already complies with the bill's requirement would experience no cost increase. LBO staff could not determine the magnitude of the fiscal impact due to lack of information related to prescription reader coverage under local governments' health benefit plans.

Based on data and assumptions below, the estimated costs associated with the required coverage on local governments could amount to about \$106,000 per year statewide. The actual costs could be lower or higher than this amount, depending on the cost of such readers and the number of readers that may be utilized by covered persons under local governments' employee health benefit plans per year.

According to data derived from the 2019-2023 American Community Survey (ACS) Public Use Microdata Sample (Ohio), prepared by the U.S. Census Bureau, there are approximately 292,838 individuals in Ohio who were vision impaired (of which 171,364 are under age 66); the estimated ACS number represents about 2.5% of all Ohioans. Only some of these individuals would be covered by a health benefit plan provided by a government employer. In 2023, approximately 63.6% of Ohioans under age 65 and 29.9% of Ohioans aged 65 and older received their health insurance coverage through their employer, based on data from the 2023 ACS. In addition, based on Nonagricultural Wage and Salary Employment in Ohio, 2024, published by the U.S. Bureau of Labor Statistics (BLS), 1.4% of the Ohio nonfarm workforce was employed by state government (not including those employed by an educational institution), 4.1% were employed by local government (not including those employed by an educational institution or a local government hospital), and 5.1% were employed in local government education.

² The required coverage applies to all health benefit plans, as defined in R.C. 3922.01, and includes a nonfederal government health plan delivered, issued for delivery, modified, or renewed on or after the effective date of the bill.

³ Under current law, no mandated health benefits legislation enacted by the General Assembly may be applied to sickness and accident or other health benefits policies, contracts, plans, or other arrangements until the Superintendent of Insurance determines that the provision can be applied fully and equally to employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA) and employee benefit plans of the state or any of its political subdivisions.

LBO assumes 145,308 of the estimated 292,838 vision impaired individuals receive coverage through an employer's health plan, based on the age of vision impaired individuals and the health coverage statistics for their respective age group. If these individuals are covered by governmental plans in proportion to the overall employment of Ohioans reported by BLS above, the number of such individuals that are covered by a state health plan is estimated to be about 2,083; the number that are covered by a health plan sponsored by a county, municipality, or township is estimated to be about 5,892; and the number covered by a school district-sponsored health plan is estimated to be about 7,373.

A prescription label reader is available for [free](#) or can be purchased for about [\\$18](#). Assuming those vision impaired individuals utilized one prescription label reader per plan year that cost up to \$18 per reader, the estimated statewide costs to school districts and local governments could be roughly up to \$133,000 and \$106,000 per year, respectively. Some prescription label readers could be free or cost more than \$18. Thus, the actual cost of the bill's requirements could be lower or higher than the estimates and would depend on the number of individuals covered by a government-sponsored health benefits plan and need a prescription reader in each plan year.

Medicaid

Under the bill, Medicaid is required to cover prescription readers. Currently, Medicaid covers prescription readers only if prior authorization has been received. LBO does not know how many requests for prescription readers, if any, have been made of the Ohio Department of Medicaid (ODM). According to a November 2024 query of the Medicaid Quality Decision Support System (QDSS) for Ohio Medicaid reporting and analytics, there were just over 2,000 Medicaid recipients who were categorized as blind in FY 2023. These individuals could currently receive a reader if a prior authorization request was made. However, because of the bill, more of these individuals may become aware of prescription readers and opt to receive one. If such is the case, Medicaid costs could increase. The total increase would depend on the number of prescription readers requested because of the bill, as well as the costs associated with the readers themselves.