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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 589**  
**136<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 589's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsor:** Rep. A. Mathews

**Local Impact Statement Procedure Required:** No

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### **Highlights**

- The bill may increase the Department of Insurance's administrative costs regarding health care contracts. Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540).
- No direct fiscal effect to local governments.

### **Detailed Analysis**

The bill modifies the current definition of a material amendment, which would include an amendment to any program, policy, or procedure of the contracting entity that is applicable to participating providers under the health care contract. The bill modifies the notification requirement for the contracting entity regarding a proposed material amendment to the participating provider, including the timeline for sending a notice to the provider.

The bill specifies procedures for the participating provider, if the provider objects to the proposed material amendment, including a method to resolve the objection. The bill also eliminates the current law provision that allows either party to terminate the health care contract if there is no resolution of the objection to the material amendment. The bill requires both parties to agree to the material amendment and both parties sign their agreement in writing before the proposed material amendment becomes effective.

### **Fiscal effect**

The bill may increase the Department of Insurance's administrative costs related to regulating health care contracts. 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.