OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

H.B. 682
136th General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 682's Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Craig and Manning

Local Impact Statement Procedure Required: Yes

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Highlights

- The bill's provisions regarding the outpatient administration of physician-administered drugs for certain covered persons at a specified location may increase costs to the state for providing health benefits to its employees and their dependents. Any increase in costs to the state's self-insured health benefit plans would be paid from the Health Benefit Fund (Fund 8080). Fund 8080 receives funding through state employee payroll deductions and state agency contributions toward their employees' health benefits, which come out of the GRF and various other state funds.
- The bill may also increase costs to local governments to provide health benefits to employees and their dependents. However, LBO staff are uncertain about the extent of such increase. If some local government health benefit plans already comply with the bill's provisions, those plans would experience no fiscal impact.

Detailed Analysis

The bill prohibits a health benefit plan issued, amended, or renewed on or after January 1, 2027, from the following practices related to the outpatient administration of physician-administered drugs at a physician's office or an independent hospital: (1) requiring physician-administered drugs to be dispensed only by certain pharmacies or only by pharmacies participating in the health plan issuer's network, (2) limiting or excluding coverage, if a physician-administered drug is otherwise covered, based on the covered person's choice of pharmacy or because the drug is not dispensed by a pharmacy that participates in the health plan issuer's network, (3) requiring a physician or other health care provider participating in the health plan issuer's network to bill or be reimbursed for the delivery and administration of physician-administered drugs under the pharmacy benefit instead of the medical benefit without an informed consent from the covered person and a written attestation by the covered person's physician or other health care provider that a delay in the drug's administration will not place the covered person at an increased health risk, and (4) requiring that a covered person pay an additional fee or impose increased cost-sharing requirements for physician-administered drugs based on the covered person's choice of pharmacy or because the drug was not dispensed by a pharmacy that participates in the health plan issuer's network. The bill includes a provision that exempts its provisions from a mandated health benefits requirement under continuing law.[1]

The prohibited practices regarding the outpatient administration of physician-administered drugs under the bill apply only to covered persons with a chronic, complex, rare, or life-threatening medical condition and whose physician or other health care provider determines that (1) a delay of care would make disease progression probable, (2) the use of a pharmacy within the health plan issuer's network would make death or patient harm probable or potentially cause a barrier to the covered person's compliance with the plan of care, or (3) it is necessary to have the drug dispensed by a different pharmacy based on the timeliness of the delivery or on dosage requirements. The bill does not authorize a person to administer a drug when otherwise prohibited under the state laws or to modify drug administration requirements under the state laws, including any requirements related to delegation and supervision of drug administration.

Fiscal effect

The bill is likely to increase certain specialty drugs' costs to the state's self-insured health benefit plans when such drugs are administered on an outpatient basis under applicable circumstances at a physician's office or an independent hospital. However, the potential increase is indeterminate as the estimated number of covered persons with a chronic,[2] complex, rare, or life-threatening medical condition, as determined by a physician or other health care provider, who would utilize such drugs on an outpatient basis at a physician's office or an independent hospital, including the price of drugs that would be utilized by such persons are undetermined. Any increase in costs to the state of providing health benefits to its employees and their dependents would be paid from the Health Benefit Fund (Fund 8080). Fund 8080 receives funding through state employee payroll deductions and state agency contributions toward their employees' health benefits, which come out of the GRF and various other state funds.

The bill may also increase costs to local governments to provide health benefits to employees and their dependents. However, LBO staff are uncertain about the extent of such increase. If some local government health benefit plans already comply with the bill's provisions, those plans would experience no fiscal impact.

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[1] 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 in all respects to employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA) and employee benefit plans established or modified by the state or any political subdivision of the state.

[2] Research, Chronic Disease Prevalence in the US: Sociodemographic and Geographic Variations by Zip Code Tabulation Area, provides results of chronic disease prevalence.