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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 313
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 313's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Chavez

Local Impact Statement Procedure Required: Yes

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Highlights

- The bill may minimally increase the Department of Insurance's administrative costs to ensure health benefit plans comply with the bill's requirements and to adopt rules specified under the bill. Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540).
- The bill may increase costs to local governments to provide health benefits to employees and their dependents by undetermined amounts. The costs would depend on the number and expense of a scalp cooling system utilized by enrollees covered under a local government plan. To the extent that a particular local government's health benefit plan already complies with the bill's requirement, there would be no impact on its costs of providing health benefits to employees and their dependents.
- The bill may increase costs for the Ohio Department of Medicaid by mandating the coverage of scalp cooling systems for all Medicaid recipients receiving chemotherapy treatments. The expense of any increase in costs due to the scalp cooling system coverage will be shared between the state and federal governments.

Detailed Analysis

The bill requires every individual or group health insuring corporation policy, contract, and agreement that provides basic health care services, that is delivered, issued for delivery, or renewed in the state, that provides coverage for cancer chemotherapy treatment to also provide benefits for the expense of a scalp cooling system. The requirement also applies to every individual or group sickness and accident insurance policy, public employee benefit plan, and the

Medicaid Program. The bill includes a provision that exempts its provisions from a mandated health benefits requirement under continuing law.¹

Fiscal effect

State government

Based on the state employee health benefit plan's [medical plan descriptions for the 2025-2026 plan year \(PDF\)](#), the state employee health benefit plan currently provides coverage for cooling caps. The current coverage under the state employee health benefit plan is limited to one cap and \$150 maximum benefit per covered person. Thus, the state employee health benefit plan may not be affected by the bill's requirement. However, if the bill's requirement increases any costs to the state health benefit plan, it 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.

Local governments

The bill may increase costs to local governments (inclusive of school districts) to provide health benefits to employees and their dependents by undetermined amounts. Data related to the number of employees and beneficiaries who are covered under local governments' employee health benefit plans and those utilizing a scalp cooling system is undetermined. However, based on information and assumptions below, the estimated statewide costs for local governments' health benefit plans could range roughly between \$0.8 million and \$3.8 million per year. The costs would depend on the number and expense of a scalp cooling system utilized by enrollees covered under a local government plan. To the extent that a particular local government's health benefit plan already complies with the bill's requirement, there would be no impact on its costs of providing health benefits to employees and their dependents.

According to the [Annual Report on the Cost of Health Insurance in Ohio's Public Sector 2025 \(PDF\)](#), prepared by the State Employment Relations Board (SERB), about 22% of local governments statewide fully insured their plans while 78% of public employers, including the state, self-insured their plans. Thus, local governments that fully insured their employees' medical plans may experience an insurance premium increase, depending on the number of enrollees, current coverage under the plans, and whether the plans already conformed with the bill's requirement.

Based on an [online search](#), "manual cold caps cost around \$400 per month to rent. Automated scalp cooling systems run about \$2,000 over the course of chemo treatment." According to a report, [Ohio Annual Cancer Report 2026, prepared by the Ohio Department of Health, April 2026 \(PDF\)](#), a total of 74,550 new invasive cancer cases were diagnosed in Ohio in

¹ Under current law in R.C. 3901.71, 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.

2023. Based on information in [Table HI05 ACS. Health Insurance Coverage Status and Type of Coverage by State and Age for All Persons: 2024](#), 57.2% of Ohioans received employment-based insurance coverage. Using the number of Ohioans who have cancer and multiplying by the percentage who receive employment-based insurance coverage, the estimated number of such individuals would be 42,643 (i.e., $74,550 \times 57.2\% = 42,643$ individuals).

Based on estimates from the U.S. Bureau of Labor Statistics (BLS), Ohio's nonfarm workforce was nearly 5.7 million in calendar year 2025. The U.S. Census Bureau's [Annual Survey of Public Employment & Payroll](#) suggests about 3% of the nonfarm employment was employed by local governments, inclusive of school districts. When assuming 42,643 individuals covered by employer-based health plans will be annually diagnosed with cancer, and the incidences are proportional across all employer types, roughly 3,840 such individuals may be covered by a local government health benefit plan.

Assuming about 50% of the applicable individuals that are covered by local government health benefit plans annually utilize a scalp cooling system costing between \$400 and \$2,000 per such system, the estimated costs to local governments' health benefit plans would be roughly between \$0.8 million and \$3.8 million per year (i.e., [$\$400 \times 3,840 \times 50\% = \$768,000$] and [$\$2,000 \times 3,840 \times 50\% = \3.8 million]).

Medicaid

The bill would likely increase costs for the Ohio Department of Medicaid (ODM), by requiring Ohio's Medicaid Program to cover scalp cooling systems for Medicaid recipients who undergo chemotherapy treatment. While it is unclear if some Ohio Medicaid recipients may already be receiving coverage for scalp cooling systems based on a determination of medical necessity, the bill would make all Medicaid recipients receiving chemotherapy treatment for cancer eligible to receive coverage of scalp cooling systems. Any increases in cost would be dependent on the number of Medicaid recipients receiving chemotherapy treatment, and the number of chemotherapy recipients who elected to utilize scalp cooling systems. Any eventual increases in costs would be shared between the state and federal governments. Typically, the federal government reimburses approximately 65% of Medicaid service costs.