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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

S.B. 387
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 387's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Blessing

Local Impact Statement Procedure Required: No

Brandon T. Minster, Senior Economist

Highlights

- The bill requires the Ohio Department of Medicaid (ODM) to cover pharmacogenomic (PGx) testing considered medically necessary. ODM estimates an additional annual cost of approximately \$15.5 million all-funds (\$4.4 million state share) due to expanded coverage.

Detailed Analysis

The bill requires the Department of Medicaid to include medically necessary pharmacogenomic (PGx) testing in the Medicaid care management system and allows Medicaid managed care organizations (MCOs) to impose prior authorization requirements for such testing. It also authorizes the Department to take specified enforcement actions against any MCO that fails to comply with these provisions and requires the Department to establish a process through which enrollees, prescribers, and laboratories can report instances of noncompliance. ODM estimates an additional annual cost of approximately \$15.5 million all-funds (\$4.4 million state share) due to expanded coverage of PGx testing.

According to ODM, the Ohio Medicaid Program already covers medically necessary PGx testing, and the above cost was determined with the assumption that the definition of “medically necessary” would be expanded to include tests that ODM’s clinical team currently considers non-necessary. However, research suggests that preemptive PGx testing can lead to offsetting savings, as care can be tailored to the individual in light of test results. It is unclear how much of the \$15.5 million estimated annual cost would be recovered through lower care costs.