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**Statement of the  
Ohio State Medical Association  
to the House Finance Committee**

**2018-2019 Executive Budget Proposal / HB 49**

**by Tim Maglione, JD  
Senior Director, Government Relations**

**March 28, 2017**

On behalf of our 16,000 physicians, residents, fellows, and medical students, the Ohio State Medical Association (OSMA) appreciates the opportunity to offer comments regarding HB 49, the 2018-19 executive budget proposal.

**Medicaid Expansion & Investments in Primary Care**

As you may be aware, the OSMA supported Medicaid expansion as authorized by the Affordable Care Act (ACA). We believe this expansion has offered a crucial tool to increase access to healthcare for Ohioans who are either uninsured or otherwise unable to see a doctor for medical care. Now that expansion has been successfully implemented by the Kasich Administration, **we support the commitment made by the Governor to continue providing coverage to low-income Ohioans.** Under Medicaid expansion, more than 700,000 Ohioans have been able to access health coverage and uncompensated care has significantly decreased. Further, we applaud Governor Kasich for his proposal to increase personal responsibility within the Medicaid program and to increase Medicaid's reimbursement rates for primary care services utilizing patient centered medical homes.

**Mental Health & Addiction Services, Prescription Drugs and the Heroin/Fentanyl Epidemic**

The OSMA has been an active participant with the administration and legislature to curb opioid prescription drug abuse. Numerous laws and regulations adopted over the last 5 years have helped turn the corner on *prescription drug* abuse and misuse. Because of new guidelines for prescribing opioids, the total number of opioid prescriptions decreased by 162 million doses (20%) from 2012 to 2016. Additionally, prescriber OARRS use has increased from 500,000 queries in 2009 to more than 24 million queries in 2016. As a result, the number of "doctor shoppers" has decreased from more than 3,000 in 2009 to 357 in 2016. And, most importantly, the percentage of deaths attributable to opioid *prescriptions* has declined 4 consecutive years.

But Ohio is now in the throes of a heroin/fentanyl epidemic and the OSMA strongly supports the administration's investment of nearly \$1 billion to strengthen Ohio's fight against drug abuse. This

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[www.OSMA.org](http://www.OSMA.org)

5115 Parkcenter Avenue • Suite 200 • Dublin, OH 43017  
ph (614) 527-6762 • (800) 766-6762 • fax (614) 527-6763  
[info@osma.org](mailto:info@osma.org)

financial commitment addresses prevention, education, treatment & recovery as well as law enforcement. **We urge the legislature to support this comprehensive approach to ensure that state agencies have the resources to continue fighting the opioid heroin crisis.**

The OSMA also recommends that the legislature assess whether insurance coverage options are complementary to the goals of Ohio's prescribing protocols or, in the alternative, whether they hinder the use of non-pharmacologic approaches to treating. For example, to reduce opioid prescribing for acute pain and chronic, non-terminal pain, Ohio has implemented protocols that clinicians should consider non-pharmacologic approaches to pain management, such as: tactical stimulation, massage therapy, acupuncture/acupressure, cognitive behavioral therapy, and physiotherapy and rehabilitation. However, it is unclear whether the current availability of insurance coverage for non-pharmacologic approaches makes them a viable alternative to opioid prescribing for treating these types of pain. **If barriers exist in insurance coverage for patients to gain access to alternative therapies, then we must identify them and work to break them down to make these treatment approaches more accessible and affordable options for Ohio's patients.**

Additionally, as you consider further efforts to address the opioid epidemic, **the OSMA would urge you to identify and remove other barriers that exist regarding patient access to addiction treatment and recovery services.** One obstacle we know of is the insurer administrative hassle that physicians face when recommending medication assisted treatment for treating addiction. Another is the high cost burden for patients' access to treatment for substance use disorders due to high deductibles or lack of comprehensive mental health insurance coverage options. Addressing these two areas will help those suffering from addiction get access to treatment and get on a path to recovery.

### **Tax Changes**

HB 49 includes a new sales tax on elective cosmetic procedures. If passed, this proposal will require state tax officials to understand the nuances of surgical cases where the tax may apply. This could result in their auditing medical records and photographs to determine if a procedure is cosmetic or reconstructive. In addition to being a compliance nightmare for the Department of Taxation – violations of federal patient privacy laws, even if inadvertent, are severely punished – it makes tax collectors responsible for evaluations well beyond their capability.

The line between what is cosmetic and what is reconstructive is not always bright, and basing a tax on that distinction will demand widespread, complex and risky tax department auditing of individual medical practices. As a result, medically necessary procedures may be subject to the tax. For example, patients who suffer from hyperhidrosis, or excessive sweating, are often treated by getting injections of Botox to the affected areas. These patients already purchase Botox as an out of pocket expense in many instances, because some insurance providers do not cover the cost of Botox, even though in this case, it is being used in a medically necessary procedure. Under this proposal, patients receiving this medically necessary hyperhidrosis treatment could be subject to the proposed "cosmetic tax."

Furthermore, Ohio is not the first or only state to consider this type of taxation. For example, in New Jersey, the cosmetic procedure tax was ultimately repealed because of the difficulty in collecting the tax and the significant shortfall of actual revenue.

For these reasons, **the OSMA believes that this cosmetic tax proposal is not only unnecessary and inappropriate – it is risky and could have major negative patient and physician consequences.**

The OSMA supports the proposed increase in the cigarette tax that is included in the budget, along with adding vapor products, primarily e-cigarettes, to the definition of other tobacco tax products. The price-per-pack cigarette tax would increase from \$1.60 to \$2.25. Other tobacco products (cigars, pipe tobacco, chewing tobacco and vaping products) would have adjusted taxes to keep them uniform with the cigarette tax. Alcoholic beverages will see a tax increase of one penny for a 12-ounce serving of beer or a 5-ounce serving of wine. Tobacco use and excessive alcoholic consumption continue to fuel countless health problems experienced by Ohioans. **The OSMA is supportive of these increases as they reduce the likelihood to use these products, resulting in improved health outcomes.**

### Conclusion

Thank you for considering the comments of the OSMA regarding HB 49. If you have any questions, please contact Tim Maglione at [tmaglione@osma.org](mailto:tmaglione@osma.org) or Monica Hueckel at [mhueckel@osma.org](mailto:mhueckel@osma.org).