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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 448
134th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsor: Rep. Brown

Local Impact Statement Procedure Required: Yes

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Highlights

- Requiring that health benefit plans provide coverage for prescription readers may increase costs to local governments to provide health benefits to employees and their dependents. Any local government that already provides the required coverage would experience no cost increase.
- The bill could increase costs for Medicaid if more recipients request and receive prescription readers. The amount would depend on the number of readers requested and the costs associated with the readers.
- The bill's notice requirement will have no discernible ongoing effects on the State Board of Pharmacy's annual operating costs or related revenue generation.

Detailed Analysis

Notice of prescription reader availability

The bill requires certain licensed pharmacies to notify certain individuals purchasing a prescription drug that a prescription reader¹ can be made available. A pharmacy that fails to follow the procedures regarding notification would be subject to the State Board of Pharmacy's disciplinary procedures. The disciplinary actions the Board may take include revoking, suspending, limiting, or refusing to renew the pharmacy's license; placing the license holder on probation; or imposing a monetary penalty or forfeiture not to exceed \$1,000. Any money collected is credited to Fund 4K90, the Occupational Licensing and Regulatory Fund. Pharmacies

¹ A prescription reader is a device that audibly conveys the information required by law or rule to be contained on a prescription label.

generally will comply with the bill's notice requirement making any disciplinary actions by the Board infrequent. This suggests that the bill's notice requirement will have no discernible ongoing effects on the Board's annual operating costs or related revenue generation.

Health insurers

The bill requires a health benefit plan² to provide coverage for prescription readers if provided by a licensed terminal distributor of dangerous drugs. The bill also includes a provision that exempts this requirement from a provision of current law governing bills that carry mandates regarding health benefits.³

According to a Department of Administrative Services' official, the state's health benefit plans would not incur any additional cost related to this provision. However, the required coverage may increase costs to local governments to provide health benefits to employees and their dependents; any political subdivision that already complies with the bill's requirement would experience no cost increase. LBO staff could not determine the magnitude of the fiscal impact due to lack of information related to prescription reader coverage under local governments' health benefit plans.

Medicaid

Under the bill, Medicaid is required to cover prescription readers. Currently, Medicaid covers prescription readers only if prior authorization has been received. As of June 2019, there were no requests for prior authorizations for prescription readers under the fee-for-service component of the Medicaid Program. LBO does not know how many requests, if any, have been made under Medicaid managed care. According to a March 2022 query of the Medicaid Quality Decision Support System (QDSS) for Ohio Medicaid reporting and analytics, there were approximately 2,000 Medicaid recipients who were categorized as blind in FY 2021. These individuals could currently receive a reader if a prior authorization request was made. However, because of the bill, more of these individuals may become aware of prescription readers and opt to receive one. If such is the case, Medicaid costs could increase. The total increase would depend on the number of prescription readers requested because of the bill, as well as the costs associated with the readers themselves.

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² The required coverage applies to all health benefit plans, as defined in R.C. 3922.01, and includes a nonfederal government health plan delivered, issued for delivery, modified, or renewed on or after the effective date of the bill.

³ 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 to employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA) and employee benefit plans of the state or any of its political subdivisions.