



Representative Michael E. Henne
Ohio House District 40

Sponsor Testimony HB 399

Chairman Huffman, Vice Chair Gavarone, and Ranking Member Antonio, thank you for the opportunity to speak today on HB 399.

This past year I've bought my son a used car after he wrecked another one, I bought a new golf driver which I still can't hit straight, I took my wife on a trip for our 30th anniversary, I hired an electrician to rewire some outlets (so I can say "Alexa, turn off the upstairs lights"), I joined Planet Fitness and I had my gall bladder removed because we weren't getting along.

Every one of those things I shopped for the best value except for one, the gall bladder. Sometimes I chose the cheapest and sometimes I chose a more expensive alternative I liked better. In any case, I shopped because I valued the cost of these purchases. When someone else is paying for the goods and services, the fact of the matter is there is no incentive to shop.

I remember once when I was younger my mother took me to buy golf shoes for my birthday, which I had expressed I wanted. I never looked at the price tags and just picked out the shoes I liked the most. This incident stuck in my mind because I kind of felt guilty. I would not have bought those same shoes if I was the one footing the bill, but since someone else was paying, finding the best value was not part of the equation.

Competition is a very important factor in a free market but most people just take the path of least resistance. I go to my doctor, he tells me to go downstairs and have a test done, and I do it. Imagine if there was a reason for me to pick up the phone, look on the computer, or check an app on my phone to find that same test or procedure for a lower price. That is exactly the purpose of this Right to Shop legislation.

Here how it works: Doctor prescribes a procedure or test and if the patient finds a provider who will do the medical procedure for less than the average price the insurance company has paid for that procedure, the individual receives a shared savings incentive payment equal to at least 50% of the savings.

The patient can choose wherever he/she wants to go and does not have to choose the least expensive option. The patient can choose to apply the shared savings incentive to their out-of-pocket costs. This legislation is a win for transparency, consumers and cost savings.

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