

**As Passed by the House**

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**H. B. No. 185**

**Representatives DeGeeter, Book**

**Cosponsors: Representatives Garland, Murray, Lundy, Huffman, Domenick,  
Chandler, Letson, Slesnick, Yuko, Okey, Oelslager, Snitchler, Foley, Goyal,  
Combs, Gardner, Moran, Blair, Fende, Heard, Amstutz, Lehner, Stebelton,  
Batchelder, Koziura, Bolon, Boyd, Carney, Celeste, DeBose, Dyer, Evans,  
Garrison, Grossman, Harris, Harwood, Luckie, Mallory, Patten, Pillich, Pryor,  
Weddington, Williams, B., Winburn, Yates**

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**A B I L L**

To amend section 3963.04 of the Revised Code to 1  
specify that a material amendment to a health care 2  
contract does not become part of the contract 3  
unless agreed upon by both parties. 4

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 3963.04 of the Revised Code be 5  
amended to read as follows: 6

**Sec. 3963.04.** (A)(1) If an amendment to a health care 7  
contract is not a material amendment, the contracting entity shall 8  
provide the participating provider notice of the amendment at 9  
least fifteen days prior to the effective date of the amendment. 10  
The contracting entity shall provide all other notices to the 11  
participating provider pursuant to the health care contract. 12

(2) A material amendment to a health care contract shall 13  
14

occur only if the contracting entity provides to the participating 15  
provider the material amendment in writing and notice of the 16  
material amendment not later than ninety days prior to the 17  
effective date of the material amendment. The notice shall be 18  
conspicuously entitled "Notice of Material Amendment to Contract." 19  
20

(3) If within fifteen days after receiving the material 21  
amendment and notice described in division (A)(2) of this section, 22  
the participating provider objects in writing to the material 23  
amendment, and there is no resolution of the objection, either 24  
party may terminate the health care contract upon written notice 25  
of termination provided to the other party not later than sixty 26  
days prior to the effective date of the material amendment. 27  
28

(4) If the participating provider does not object to the 29  
material amendment in the manner described in division (A)(3) of 30  
this section, the material amendment shall be effective as 31  
specified in the notice described in division (A)(2) of this 32  
section. 33

(5) If the participating provider objects to the material 34  
amendment in the manner described in division (A)(3) of this 35  
section, and there is no resolution, and neither party terminates 36  
the health care contract, the material amendment shall not become 37  
part of the existing health care contract. 38

(B)(1) Division (A) of this section does not apply if the 39  
delay caused by compliance with that division could result in 40  
imminent harm to an enrollee, if the material amendment of a 41  
health care contract is required by state or federal law, rule, or 42  
regulation, or if the provider affirmatively accepts the material 43  
amendment in writing and agrees to an earlier effective date than 44  
otherwise required by division (A)(2) of this section. 45

(2) This section does not apply under any of the following 46  
circumstances: 47

(a) The participating provider's payment or compensation is 48  
based on the current medicaid or medicare physician fee schedule, 49  
and the change in payment or compensation results solely from a 50  
change in that physician fee schedule. 51

(b) A routine change or update of the health care contract is 52  
made in response to any addition, deletion, or revision of any 53  
service code, procedure code, or reporting code, or a pricing 54  
change is made by any third party source. 55

For purposes of division (B)(2)(b) of this section: 56

(i) "Service code, procedure code, or reporting code" means 57  
the current procedural terminology (CPT), current dental 58  
terminology (CDT), the healthcare common procedure coding system 59  
(HCPCS), the international classification of diseases (ICD), or 60  
the drug topics redbook average wholesale price (AWP). 61

(ii) "Third party source" means the American medical 62  
association, American dental association, the centers for medicare 63  
and medicaid services, the national center for health statistics, 64  
the department of health and human services office of the 65  
inspector general, the Ohio department of insurance, or the Ohio 66  
department of job and family services. 67

(C) Notwithstanding divisions (A) and (B) of this section, a 68  
health care contract may be amended by operation of law as 69  
required by any applicable state or federal law, rule, or 70  
regulation. Nothing in this section shall be construed to require 71  
the renegotiation of a health care contract that is in existence 72  
before ~~the effective date of this section~~ June 25, 2008, until the 73  
time that the contract is renewed or materially amended. 74

**Section 2.** That existing section 3963.04 of the Revised Code 75

is hereby repealed.