

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: Sub. S.B. 278

DATE: May 28, 2008

STATUS: As Reported by Senate Health, Human Services, and Aging

SPONSOR: Sen. Coughlin

LOCAL IMPACT STATEMENT REQUIRED: Yes

CONTENTS: Requires health insurers and Medicaid to provide benefits for colorectal cancer screening and laboratory tests for cancer under specified conditions

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
Counties, municipalities, townships, school districts			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase	Potential increase	Potential increase
Other Local Governments			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	- 0 -	- 0 -

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The required benefit may increase the cost to local governments of providing health benefits to employees and their dependents. LSC is not able to quantify the potential increase due to data limitations—in particular due to lack of data on whether the benefit is already provided by health plans offered by political subdivisions.



Detailed Fiscal Analysis

S.B. 278 requires health insuring corporations (HICs), sickness and accident insurers, public employee benefit plans, and Medicaid to provide benefits for colorectal cancer screenings and for laboratory tests for cancer. The requirement applies when the patient is nonsymptomatic and is either (1) over age 50 or (2) under age 50 and at high risk for colorectal cancer according to the most recent screening guidelines published by the American Cancer Society. HICs, sickness and accident insurers, and public employee benefit plans are permitted to require copayments and deductibles as long as they are required under the same terms as they are required for other conditions.

Fiscal effects

The required benefits could increase the costs to the state and to political subdivisions of providing health benefits to employees and their dependents. They could also increase the costs of Medicaid. Whether costs increase in actuality would depend on whether these benefits are already provided by the state and by local governments.

These benefits are already provided under all health plans offered to state employees. Furthermore, they are currently provided under Medicaid. Therefore, the bill would not have a fiscal effect on the state.

Due to data limitations, LSC staff are unable to quantify the potential fiscal effect on political subdivisions. The cost to local governments depends on the number of employees who would be newly eligible for this benefit times the cost of the benefit. LSC staff do not have data on benefit coverage of health plans at the local level. Officials with Montgomery and Muskingum counties were contacted, and they reported that employees and beneficiaries of those counties already have this benefit provided under wellness programs available to them. LSC staff believe it is quite possible that this is more broadly true, and that there may be no cost to local governments because they already provide this benefit. We cannot confirm this without a more extensive survey of local officials, however.

The potential cost to local governments could exceed the "yes" local impact threshold used by LSC¹ if this is generally a new benefit, however. Data from the Ohio Public Employees Retirement System show that over 75,000 active members in the Local Government Division were between the ages of 50 and 64 in the defined benefit valuation as of December 31, 2006. If the cost of the benefit were just \$100 per year, that would translate to the possibility of costs to local governments up to \$7.5 million per year or more.

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¹ A "yes" local impact is assigned if the cost statewide for all counties, municipalities, school districts, and townships exceeds \$100,000 per year.