



Ohio Legislative Service Commission

Ruhaiza Ridzwan

Fiscal Note & Local Impact Statement

Bill: H.B. 497 of the 129th G.A.

Date: November 13, 2012

Status: As Introduced

Sponsor: Rep. Hackett

Local Impact Statement Procedure Required: No

Contents: To prohibit a health insurer from reimbursing dental providers based upon a fee schedule if the dental services provided are not covered by any contract or participating provider agreement between the health insurer and the dental provider

State Fiscal Highlights

STATE FUND	FY 2013	FY 2014	FUTURE YEARS
Department of Insurance Operating Fund (Fund 5540)			
Revenues	Potential minimal gain	Potential minimal gain	Potential minimal gain
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- The bill may increase the Department of Insurance's administrative costs related to dental services health care contract regulations. If there is any increase in such costs, it is likely to be minimal. Any such costs would be paid from the Department of Insurance Operating Fund, Fund 5540. The Superintendent may also impose fines and penalties for violations related to health care contracts. Any fines and penalties collected for such violations must also be deposited to the credit of the Department of Insurance Operating Fund, Fund 5540.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill prohibits any "contracting entity" from requiring a dental provider to provide services to an enrollee based upon a fee schedule set by, or a fee subject to the approval of, the contracting entity unless the dental services are covered dental services. "Covered dental services" means dental services that meet both of the following criteria: (1) dental services for which a reimbursement is available under an enrollee's health benefit plan contract, or for which a reimbursement would be available but for contractual limitations such as a deductible, copayment, coinsurance, waiting period, annual or lifetime maximum, frequency limitation, alternative benefit payment, or any other limitation and (2) dental services for which the reimbursement under an enrollee's health benefit plan contract is more than 50% of the provider's prevailing fee for those services.

The bill expands the type of violations that constitutes unfair and deceptive act in the business of insurance to include making or requiring the insurer's approval of fees for dental services that are not covered dental services, and making available any health benefit plan that sets fees for dental services that are not covered dental care services.

Fiscal effect

The provision prohibiting a contracting entity from requiring a dental provider to provide services to plan enrollees based upon a fee schedule set by, or a fee subject to the approval of, the contracting entity unless certain circumstances are met have no direct fiscal impact to the state and local governments.

The provision related to health care contract regulations may increase the Department of Insurance's administrative costs. If there is any increase in such costs, it is likely to be minimal. Any such costs would be paid from the Department of Insurance Operating Fund, Fund 5540. Currently, the Superintendent of Insurance is allowed to conduct market examination related to regulations and enforcement of health care contracts. Under existing law, the Superintendent of Insurance is allowed to assess the costs of examination against the person examined. The Superintendent may also impose fines and penalties for such violations. Any fines and penalties collected for such violations must also be deposited to the credit of the Department of Insurance Operating Fund, Fund 5540.