



OAHU Legislative/Regulatory Update

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The Ohio Legislature is in the second year of its 2-year legislative session that ends on December 31, 2018. Any legislation that is not enacted into Ohio law by the end of this year will need to be re-introduced next year and go through the entire legislative process.

The Legislature has been very active the first 6 months of this year and it's anticipated that they will be in session for the next week or two before recessing until at least September and then resume legislative activity after the November 6th General Election.

All partisan statewide offices (Governor, Secretary of State, Auditor, Attorney General and Treasurer) and are up for election on November 6th along with 2 Ohio Supreme Court Justice seats and a U.S. Senate seat. In addition, all 99 Ohio House of Representative seats, and 17 of the 33 Ohio Senate seats will be up for election.

I am happy to report that OAHU/CAHU member and OAHU State Legislative Chair, **Tim Barhorst**, won the Republican Primary in the 19th Ohio House District which includes Westerville, New Albany, Gahanna and parts of eastern Columbus. The 19th District is a Republican-leaning House District currently held by Republican State Representative Anne Gonzales who is term-limited.

The statewide partisan races this November are as follows:

- **U.S. Senate** - Democrat incumbent U.S. Senator **Sherrod Brown** vs. Republican Congressman, **Jim Renacci**.
- **Governor** - Republican Attorney General/former US Senator **Mike DeWine** vs. Democrat **Richard Cordray** a former State Representative, State Treasurer, Attorney General and most recently Director of the US Consumer Financial Protection Agency.
- **Secretary of State** – Republican State Senator **Frank LaRose** vs. Democrat State Representative **Kathleen Clyde**.
- **Auditor** – Republican State Representative/former Ohio Senate President **Keith Faber** vs. Democrat former Congressman, **Zach Space**.
- **Treasurer** – Republican State Representative **Robert Sprague** vs. Democrat attorney/former Chairman of the University of Cincinnati Board of Trustees, **Rob Richardson**.
- **Attorney General** – Republican State Auditor **David Yost** vs. Democrat former U.S. Attorney, **Steven Dettelbach**.

Legislative Activity

S.B. 227 – S.B. 227 is OAHU’s top legislative priority. The legislation requires health insurers to provide health claims information to employer groups. S.B. 227 was introduced by Senator Matt Huffman (R-Lima) on November 2, 2017. The legislation as introduced required health insurers to provide claims data to all sizes of employer groups. On January 16, 2018 proponent testimony was presented before the Senate Insurance & Financial Institutions Committee. Proponents testifying included:

- OAHU – OAHU member Brian Thompson provided the testimony in support of the legislation with the caveat that OAHU supports applying the legislation to groups of 51+.
- Ohio Insurance Agents Association (formerly PIA) – also testified in support of applying S.B. 227 to groups of 51 +.
- AXIA Consulting – Based in the Cincinnati area, this company of 70+ employees explained the importance of employers being able to receive claims data to make informed decisions when purchasing health insurance. OAHU member David Connors helped facilitate the company’s testimony.
- Other proponents included: MedBen, GMS and IMA of Louisiana (who testified that a similar law in Louisiana is working well).

On January 30, 2018, the two opponents testifying in opposition to the legislation were the Ohio Association of Health Plans (health insurers) and the National Multiple Sclerosis Society.

On May 22, 2018, S.B. 227 passed unanimously out of the Senate Insurance & Financial Institutions Committee and on May 23rd passed unanimously out of the Ohio Senate. The bill has now been referred to the House Insurance Committee and is scheduled to receive sponsor testimony in the Committee this coming Wednesday, June 27, 2018. Further hearings in the House Insurance Committee will not likely occur until September or after the November election.

State of Ohio Consideration of Section 13332 Waiver

In the latter part of 2017, the Ohio Department of Insurance hired the nationally recognized consulting firm Oliver Wyman to assist the State of Ohio in preparing a Section 1332 waiver. Oliver Wyman had previously consulted with the State of Alaska in the preparation of their Section 1332 waiver which was approved by CMS.

In response to ODI’s request for comments on a possible Ohio waiver, OAHU established a Section 1332 Waiver Task Force which included the following OAHU members:

CAHU – John Dodd, Carol Conway, Tim Barhorst and Linda Freeman Walker

GCAHU – Danny Bradford (Danny was recently hired as an attorney for the Ohio Department of Insurance)

NEOAHU – Stan Sieniawski

NWOAHU – Barb Gerken and Karen Irwin

WRAHU – Kandis Suhar

The Task Force focused on the following: (1) The health insurance delivery system; (2) Benefit Package, (3) Cost Containment and medical cost containment options, (4) Funding and (5) Reinsurance.

During the course of OAHU’s internal discussions on a 1332 waiver, OAHU met with the Ohio Association of Health Plans (health insurers) to discuss a possible waiver. As a result of our

discussion, we decided to meet jointly with the Ohio Department of Insurance which occurred on December 20, 2017. The ODI meeting revealed that a 1332 waiver request would not be filed by the January 31, 2018 deadline. And ultimately, ODI decided to submit a very limited waiver advocating only for the elimination of the individual mandate. This suggested change would have limited affect because the federal government has already removed the penalty for failure to purchase health insurance.

As we move forward, the state of Ohio's decision as to whether to seek a Section 1332 waiver will be determined by the next Governor's administration, either Mike DeWine or Richard Cordray. From an OAHU perspective, we will engage the next Administration concerning a 1332 waiver relating to, but not limited to, the following;

- Promote restructuring the individual, and eventually the small group market;
- Build a risk pool that protects and incents insurers to return to the market; and
- Restructure plan designs to allow greater flexibility in deductible and out-of-pocket options.

Ohio Department of Insurance Issues Guidance regarding Pharmacy Gag Clauses

On April 3, 2018 the Ohio Department of Insurance Issued Bulletin 2018-02 applicable to TPAs, PBMs and Health Insurers. Here is the [link](#). The Bulletin states that under current Ohio law, that pharmacy benefit managers, third party administrators and health insurers are prohibited from barring any person from informing an individual about less expensive ways to purchase prescription drugs that may also be available under any insurance policy or benefit plan.

The prohibition also includes requiring cost-sharing in an amount, or directing a pharmacy to collect cost-sharing in an amount, greater than the amount an individual would pay for the prescription drug if the drug were purchased without coverage under a health benefit plan.

The prohibitions are effective immediately.