

# Ohio Association of Health Underwriters Legislative Update

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## Governor Kasich Unveils Proposed State Budget

Governor Kasich proposed state budget that will fund state government from July 1, 2015 through June 30, 2017 has been introduced as H.B. 64. A couple of initial hearings were held in the House Finance Committee where the Office of Budget & Management and the Legislative Service Commission provided an overview of the budget proposal. Also, the Governor's Office of Health Transformation and the Department of Medicaid can presented testimony on the healthcare related provisions of the budget and addressed questions about Ohio's continuance of Medicaid expansion under PPACA. The Ohio Department of Taxation also provided an overview of the numerous tax-related provisions contained in the budget.

Below is a summary of the tax provisions:

- Total budget (state & federal funds) of \$68.5 billion in Fiscal Year 2016 (a 2% increase over estimated FY 2015 spending) and \$70.2 billion in Fiscal Year 2017 (a 2.5% increase over FY 2016).
- **Tax cuts of \$5.696 billion and tax increases of \$5.173 billion for a net tax cut of \$523 million.**
  - **Tax cuts**
    - \$696 million due to elimination of income taxes for small businesses with annual gross of \$2 million or less.
    - \$4.628 billion due to a 23% cut in personal income taxes
    - \$372 million due to a nearly doubling of the personal income tax exemption for those with incomes of \$80,000 or less.
  - **Tax increases**
    - \$991 million in new cigarette and other tobacco taxes
    - \$1.553 billion due to a .50% increase in the state sales tax
    - \$928 million due to an expansion of the state sales tax to apply to the following services:
      - Lobbying, Market Research/Opinion Polling, Public Relations, Management Consulting, Debt Collection, Cable Subscriptions, Parking and Travel.
    - Increases in the following taxes/reduction in credits:
      - Commercial Activity Tax - \$691 million
      - Oil & Gas Severance Tax - \$325 million

- Reduction in Used-Car & Watercraft Trade-in Discount - \$216 million
- Reduction in Sales Tax discount to Vendors – \$62 million
- Means testing Income tax credits
  - Social Security deduction - \$264 million
  - Retirement income - \$46 million
  - Senior credit - \$8 million
- Eliminate Deduction for Early Beer/Wine Payment - \$3 million
- .5% increase on Base Expanders - \$86 million

## **Healthcare-related Legislation Introduced**

**[HB 14 POWDERED ALCOHOL](#)** (Gerberry & Buchy) (Introduced 1/28/2015) To prohibit the sale of powdered or crystalline alcohol for human consumption. The bill has been referred to the House Government Accountability & Oversight Committee.

**[HB 33 MEDICAL CANNABIS](#)** (Retherford & Rogers) (Introduced 2/3/2015) To authorize for persons diagnosed with seizure disorders certain uses of cannabidiol and other drugs or substances derived from cannabis.

**[HB 34 HEALTH CARE COMPACT](#)** (Retherford & Boose) (Introduced 2/3/2015) To enter into the Health Care Compact.

**[HB 39 INHALER USE](#)** (Duffey & DeVitis) (Introduced 2/4/2015) To permit schools and camps to procure and use a metered dose inhaler or dry powdered inhaler used to alleviate asthmatic symptoms in accordance with prescribed policies and to exempt them from licensing requirements related to the possession of these inhalers.

**[HB 64 BIENNIAL BUDGET](#)** (Smith, R) (Introduced 2/11/2105) To make operating appropriations for the biennium beginning July 1, 2015, and ending June 30, 2017, and to provide authorization and conditions for the operation of state programs.

**[SB 9 INFANT MORTALITY](#)** (Jones & Lehner) (Introduced 2/4/2015) Regarding data collection on state-administered services provided in the home that are aimed at reducing infant mortality and negative birth outcomes or health disparities among women who are pregnant or capable of becoming pregnant and who belong to a racial or ethnic minority and Medicaid coverage of certain services for pregnant women, new mothers, or women who may become pregnant. The bill has been referred to the Senate Medicaid Committee.

**[SB 10 MEDICAL ASSISTANCE](#)** (Burke) (Introduced 2/2/2015) To establish a process for identifying individuals who are medical assistance recipients that may be eligible to receive federal military-related health care benefits. The bill has been referred to the Senate Government Oversight & Reform Committee.

[SB 14](#) **NEWBORN SCREENING** (Faber & Lehner) (Introduced 2/4/2015) To require that Krabbe disease be included in the Newborn Screening Program. The bill has been referred to the Senate Health & Human Services Committee.

[SB 15](#) **DRUG PRISON** (Uecker & Faber) (Introduced 2/4/2015) To require the Department of Rehabilitation and Correction, by December 15, 2015, to study the feasibility of converting an existing facility into a substance abuse recovery prison and to specify that the General Assembly is to consider expanding the pilot program for medication-assisted treatment for drug offenders. The bill has been referred to the Senate Government Oversight & Reform Committee.

[SB 17](#) **MEDICAID COVERAGE** (Cafaro) (Introduced 2/4/2015) To require the Medicaid program to cover the eligibility expansion group authorized by the Patient Protection and Affordable Care Act and to make an appropriation. The bill has been referred to the Senate Medicaid Committee.

[SB 31](#) **HEALTH INSURANCE** (Tavares) (Introduced 2/9/2015) To prohibit health insurers from denying payment for a service during or after the performance of the service if the insurer provided prior written authorization for the service.

[SB 32](#) **TELEMEDICINE** (Tavares) (Introduced 2/6/2015) Regarding insurance and Medicaid coverage of telemedicine services.

[SB 33](#) **CULTURAL COMPETENCY** (Tavares) (Introduced 2/9/2015) To require certain health care professionals to complete instruction in cultural competency.

[SB 42](#) **OUTPATIENT TREATMENT** (Beagle) (Introduced 2/10/2015) Regarding minors and outpatient mental health treatment.