



**Ohio Association of Health Underwriters  
Legislative Update**

**October 6, 2015  
Prepared by John McGough**

**U.S. House and Senate Pass PACE Act!**

The U.S. House of Representatives unanimously passed H.R. 1624 - Protecting Affordable Coverage for Employees (PACE) Act on September 28, 2015 and the U.S. Senate unanimously passed the companion bill S. 1099 on October 1, 2015. This important legislation now will be sent to President Obama for his signature. OAHU believes President Obama will sign the legislation. The PACE Act repeals the mandated small-group expansion from the current definition of 2-50 employees to 1-100 employees which was scheduled to go in to effect on January 1, 2016. The Act allows each state to determine the size of their small group market rather than imposing a national standard.

If the bill becomes law as anticipated, it will offer the flexibility to employers with 51-99 employees the ability to remain out of the community rating structure and to keep a more generous offering of coverage options. OAHU has already communicated with the Ohio Department of Insurance to let them know that OAHU strongly supports keeping Ohio's small group market at 2-50 employees.

OAHU has been informed that Lt. Governor/Ohio Department of Insurance Director, Mary Taylor, strongly supports the legislation and wants to keep Ohio's small group market at its current 2-50 employees.

**Update on OAHU-supported Ohio Law relating to  
small group size and age to qualify for dependent coverage**

As OAHU has reported to you on several occasions, we were successful last year in enacting into Ohio law three provisions that improved Ohio's fully insured market. While the legislation became effective on March 23, 2015, of the three provisions OAHU was working on, only the "short term" health insurance policy provision became effective on that date. Below is a summary of when the 3 provisions take effect.

**Ø Reduces the dependent age under a parent's health insurance plan from age 28 to age 26. (Applies to plans offered on or after 1/1/2016) Please note that this provision applies to all of Ohio's fully insured market.**

**Ø Increases from 25-30 hours the threshold to be considered a full-time employee to be eligible for employer health insurance in Ohio's small group market. (Applies to plans offered on or after 1/1/2016)**

**Ø Extends the maximum length of a short-term health insurance policy from "no longer than 6 months" to "less than 12 months" (Effective 3/23/2015)**

### **ODI Issues Composite Rating Bulletin**

The Ohio Department of Insurance has issued a Composite Rating Bulletin effective October 1, 2015. The Bulletin is effective for plan years beginning on or after January 1, 2016. Ohio's 4-tiered composite methodology may be used to set employer premium rates in the off-exchange market. For further details go to: <http://insurance.ohio.gov/Legal/Bulletins/Documents/2015-3.pdf>

### **Legislature Returns from summer recess**

The Ohio House and Senate are now back in session after their summer recess and will likely have committee hearings and session days through the middle of December. They Legislature will then be back in session in January with a fairly heaving schedule for the first 5 months with some breaks relating to the May 5th primary. All 99 House seats and 17 Senate seats are up for election next year.

### **House Healthcare Efficiencies Study Committee Holds Summer Hearings**

The newly created House Healthcare Efficiencies Study Committee chaired by Representative Steve Huffman held four hearings throughout September and is comprised of the following the following members:

### **Majority Members**

Steve Huffman (Tipp City) Chair  
Andrew Brenner (Powell)  
Bob Cupp (Lima)  
Doug Green (Mt. Orab)  
Sara LaTourette (Bainbridge Twp.)  
Mark Romanchuk (Ontario)

### **Minority Members**

Christie Bryant Kuhns (Cincinnati)  
Emilia Sykes (Akron)

The Study Committee has now concluded their hearings and it is unclear whether any legislation will be proposed as a result of the testimony received at the hearings. Below is a summary of public testimony received on the following subject matters:

### **Graduate Medical Education Panel Discussion - Thursday, September 3 Location: ProMedica Toledo Hospital, Sylvania, Ohio**

The committee heard testimony from a panel of representatives from ProMedica, the University of Toledo, the Ohio Academy of Family Physicians, Mercy Hospital Systems, Ohio State Medical Association and the OSU Wexner Medical Center. Major themes conveyed by the panel included the following:

Ø The needs for funding of Graduate Medical Education (GME) are increasing, and the costs of GME are increasing as well; medical systems are greatly dependent on the state's GME funding.

Ø Inadequate GME funding will negatively impact the wellbeing of the healthcare of all Ohioans; adequate funding of GME is directly related to the healthcare outcomes of Ohioans.

Ø The current GME system was developed in 1965, and has not evolved as medicine and healthcare has evolved.

Ø GME funding should be more targeted towards primary care and necessary specialty practice areas, and should expand beyond the teaching and academic hospital setting.

Ø Collaboration between medical schools and hospitals is critical.

### **Behavioral Health - Tuesday, September 8**

**Location: Shawnee State University, Portsmouth, Ohio**

The featured speaker was Ohio Department of Mental Health and Addiction Services' Director Tracy Plouck who said that consolidating mental health and addiction services into one state agency in July of 2013 was not only a streamlining of state government but better enables her department to provide a broader spectrum of services. She mentioned moving to a full-risk model in partnership with the Managed Care Organizations (MCOs) which will help in such areas as: billing, consistency in services provided and the level of services provided by the MCOs.

Areas that present challenges include recovery housing, recovery counseling and helping people through peer support to obtain jobs. Plouck stated that a new population that provides challenges are the deaf and hard of hearing, with particular needs relating to interpreters and medical professionals. She also mentioned that the use of telehealth is helping to provide services in certain underserved areas such as the partnership with Mahoning County providing telehealth services for a program in Lorain.

Anthem spoke about its efforts to integrate behavioral health services into private physician practices through its partnership with Mount Carmel hospital system. Anthem stated that approximately one-half of its Ohio contracts now include provisions relating to integration of behavioral health care management. Mount Carmel representatives stated that 1450 out of 1700 doctors are now participating in a behavioral health care management program. Mount Carmel representatives also discussed how Anthem provides claims data which helps them understand how funds are being utilized. They also briefly discussed how certain risk-sharing arrangements with Anthem have proved beneficial.

### **Medicaid and Aging - Wednesday, September 16**

**Location: MetroHealth Main Campus, Cleveland**

The featured speakers were Ohio Medicaid Director John McCarthy and Department of Aging Director Bonnie Kantor-Burman. McCarthy focused on the Medicaid reforms the Kasich Administration has instituted since being in office, including the following: privatizing Medicaid through partnership with the Medicaid managed care plans, rewarding and paying for value in the Medicaid program, providing choices for Medicaid enrollees to receive care in community settings as

opposed to institutional settings, and modernizing the Medicaid program's anti-fraud, waste, and abuse efforts. He also discussed the value-based payment program currently underway, and the importance of the commercial insurers' involvement in those efforts.

Department of Aging Director Kantor-Burman also testified, providing demographic data on Ohio's aging population, and focusing on a program called "Music and Memory," a music based program to treat those with dementia, where music is used to help such individuals connect with the world around them.

Other presenters included:

Ø CareSource and MetroHealth who discussed their partnership on population health management intended to improve health outcomes and efficiencies for CareSource members served by MetroHealth.

Ø SummaHealth provided testimony on its Accountable Care Organization initiative, which is clinician-led and patient-centered, and has demonstrated savings over the past 2 1/2 years.

Ø There were a few witnesses on the MyCare program who stated that the program was resulting in a reduced quality of care and life for dual-eligibles. Also, there were concerns expressed about the MyCare enrollment process.

Ø The Buckeye Institute provided testimony that on the one hand was complimentary of the move to more managed care in the Medicaid program, but also espoused the idea of not paying managed care plans for enrollees auto-assigned to them until the enrollee has sought medical services.

**Children's Health, Innovative Medical Savings, and Population Health Management - Tuesday, September 22**  
**Location: Mercy Health, Fairfield**

The featured speaker for the hearing was Ohio Department of Health Director, Richard Hodges. Hodges emphasized that the healthcare environment is changing due to the Affordable Care Act, Ohio's extension of Medicaid coverage and efforts to increase value in health care spending in Ohio. Hodges stated that the implications of these changes is that Ohio needs to put a greater emphasis on value over volume and achieve efficiencies through evidenced-based practices and improving population health outcomes through greater collaboration. Hodges

stated that fewer Ohioans will need to utilize ODH's safety net programs as they transition to health insurance that covers the services they need.

Paramount Health Care discussed their Care Management Collaborative and how important it is to appropriately assist members moving from one care setting to another, where the risk of fragmented services increases. Through organized workflow processes and procedures between inpatient and outpatient care, and care management services, Paramount has seen statistically significant decreases in all acute care utilization metrics and medical costs.

Other highlights included: Cincinnati Children's Hospital success in avoidable emergency room visits through the use of a walk-clinic; promising uses of telehealth; Mercy Health's use of medical homes, pay for performance and electronic records; a presentation by Pathnostics Labs that focused on the significant dollars that could be saved through DNA testing to ensure appropriate use of prescription drugs; and The Health Collaborative of Cincinnati which discussed the positive initial results of their Comprehensive Primary Care Initiative that includes 75 local primary care practices.

**OAHU Association Office: 4036 Center Road, Suite B, Brunswick, OH 44212**

**Phone 330-273-5756 · Fax (216) 803-9900 · [Sheri@ohioahu.org](mailto:Sheri@ohioahu.org)**

**Government Affairs Office**

**John McGough · 137 East State Street · Columbus, OH 43215**

**Phone: 614-221-5771 · Fax: 614- 221-2865 · [jmcgough@mcgough-inc.com](mailto:jmcgough@mcgough-inc.com)**