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President
ERIC L. BURKLAND

January 25, 2016

The Honorable Tim Brown
Chairman, Government Accountability and Oversight Committee
Ohio House of Representatives
77 S. High St., 13th Floor
Columbus, OH 43215

Re: H.B. 350 – Autism Treatment

Dear Chairman Brown:

I write to provide The Ohio Manufacturers' Association's (OMA) perspective on health insurance-related mandates in the context of House Bill 350.

The OMA has historically opposed health insurance-related mandates because they increase cost and limit flexibility for employers that seek to provide health care plans for their employees. Our position has been to allow the market, not the government, to drive the features and benefits of health care insurance products.

As you well know, changes to current Ohio health insurance laws, e.g. House Bill 350, need to be considered in light of the provisions of the Affordable Healthcare Act (ACA).

Under the ACA, states have the authority to define the benefits that comprise Essential Health Benefits (EHB). On December 26, 2012, Governor Kasich signed a Directive exercising this authority. The Directive defined coverage for Autism Spectrum Disorder as a Habilitative Service, thus making such coverage a federally mandated EHB. Under the Directive, per ACA, only large group plans and grandfathered plans were not required to provide coverage for EHBs.

House Bill 350 would require autism coverage for large group plans and all grandfathered and "grandmothered" health plans offered in individual and small group markets and to sickness and accident plans issued in Ohio.

In theory, grandfathered plans could be around indefinitely if affected employers are committed to maintaining their plans and can afford to do so. In fact, most of the grandfathered plans have already vanished because employers could not afford to keep the terms of their grandfathered plans. The federal government strictly defined the limited changes a grandfathered plan could make. In the near future these plans will be virtually extinct.

"Grandmothered" plans are those that are individual and small employer plans up to 50 employees that did not maintain grandfathered status, and were scheduled to move to ACA plans upon renewal in 2014. These plans fell under "Transitional Relief" and were given extensions all the way through renewal of October 2016. These grandmothered plans that renew in October 2016 will now be able to maintain their "Transitional Relief" until renewal of October 2017. These plans will be effectively governed by the ACA and require EHB coverage at the expiration of the "Transitional Relief" period.

Therefore, we'll focus on our concern for employers using large group plans, especially the smaller employers who continue to provide such insurance coverage. Any mandated change to the current requirements increases their costs, and thus the potential for employers to discontinue their plans, sending their employees to the open market. This removes workers' bargaining power with insurance companies, and they will have to settle for higher-priced insurance with less coverage and fewer benefits.

While we recognize Representatives Grossman and Terhar for their hard work on this issue, and especially drafting the bill to ensure that Ohio will not be required to provide a subsidy to cover the additional insurance costs created by the bill; it seems counterproductive to add requirements to plans that will a) no longer be in the market and b) to group plans that can hardly bear more cost. Especially as Ohio already requires exchange plans to cover the targeted health benefits.

An affordable health care system is essential to protect Ohio manufacturers' most valuable asset, their workforces. This proposed legislation would represent an increase in the benefits that plans *must* provide, and thus increase the cost of the plans impacted.

Thank you for considering our position. I am available for further discussion. My contact information is rbrundrett@ohiomfg.com or (614) 629-6814.

Sincerely,



Robert Brundrett
Director, Public Policy Services

CC: Representative Grossman
Representative Terhar
Government Accountability and Oversight Committee Members