As Introduced

133rd General Assembly
Regular Session
2019-2020

H. B. No. 292

Representatives Skindell, Kent

Cosponsors: Representatives Leland, Boggs, Patterson, West, Miller, A., Ingram, Sheehy, Denson

A BILL

To amend section 109.02 and to enact sections 3920.01, 3920.02, 3920.03, 3920.04, 3920.05, 3920.06, 3920.07, 3920.08, 3920.09, 3920.10, 3920.11, 3920.12, 3920.13, 3920.14, 3920.15, 3920.21, 3920.22, 3920.23, 3920.24, 3920.25, 3920.26, 3920.27, 3920.28, 3920.31, 3920.32, and 3920.33 of the Revised Code to establish and operate the Ohio Health Care Plan to provide universal health care coverage to all Ohio residents.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 109.02 be amended and sections 3920.01, 3920.02, 3920.03, 3920.04, 3920.05, 3920.06, 3920.07, 3920.08, 3920.09, 3920.10, 3920.11, 3920.12, 3920.13, 3920.14, 3920.15, 3920.21, 3920.22, 3920.23, 3920.24, 3920.25, 3920.26, 3920.27, 3920.28, 3920.31, 3920.32, and 3920.33 of the Revised Code be enacted to read as follows:

Sec. 109.02. The attorney general is the chief law officer for the state and all its departments and shall be provided with

adequate office space in Columbus. Except as provided in division (E) of section 120.06 and in sections 3517.152 to 3517.157 and 3920.04 of the Revised Code, no state officer or board, or head of a department or institution of the state shall employ, or be represented by, other counsel or attorneys at law. The attorney general shall appear for the state in the trial and argument of all civil and criminal causes in the supreme court in which the state is directly or indirectly interested. When required by the governor or the general assembly, the attorney general shall appear for the state in any court or tribunal in a cause in which the state is a party, or in which the state is directly interested. Upon the written request of the governor, the attorney general shall prosecute any person indicted for a crime.

Sec. 3920.01. As used in this chapter:

(A) "Health care facility" means any facility, except a health care practitioner's office, that provides preventive, diagnostic, therapeutic, acute convalescent, rehabilitation, mental health, mental retardation, intermediate care, or skilled nursing services.

(B) "Provider" means a hospital or other health care facility, and physicians, podiatrists, dentists, pharmacists, chiropractors, and other health care personnel, licensed, certified, accredited, or otherwise authorized in this state to furnish health care services.

Sec. 3920.02. (A)(1) There is hereby created the Ohio health care plan, which shall be administered by the Ohio health care agency under the direction of the Ohio health care board.

(2) The Ohio health care plan shall provide universal and

affordable health care coverage for all residents of this state, consisting of a comprehensive benefit package that includes benefits for prescription drugs. The Ohio health care plan shall work simultaneously to control health care costs, control health care spending, achieve measurable improvement in health care outcomes, increase all parties' satisfaction with the health care system, implement policies that strengthen and improve culturally and linguistically sensitive care, and develop an integrated health care database to support health care planning.

(B) There is hereby created the Ohio health care agency. The Ohio health care agency shall administer the Ohio health care plan and is the sole agency authorized to accept applicable grants-in-aid from the federal and state government, using the funds in order to secure full compliance with provisions of state and federal law and to carry out the purposes of sections 3920.01 to 3920.33 of the Revised Code. All grants-in-aid accepted by the Ohio health care agency shall be deposited into the Ohio health care fund established under section 3920.09 of the Revised Code.

Sections 101.82 and 101.83 of the Revised Code do not apply to the Ohio health care agency.

Sec. 3920.03. (A) There is hereby created the Ohio health care board. The Ohio health care board shall consist of fifteen voting members, consisting of the director of health as an ex officio voting member and fourteen members elected in accordance with this section.

(B) For purposes of representation on the Ohio health care board, the state shall be divided into seven regions each composed of designated counties as follows:

(1) Region 1: Ashtabula, Cuyahoga, Geauga, Lake, Lorain;

(2) Region 2: Allen, Auglaize, Defiance, Erie, Fulton, Hancock, Henry, Huron, Lucas, Mercer, Ottawa, Paulding, Putnam, Sandusky, Seneca, Van Wert, Williams, Wood;

(3) Region 3: Athens, Belmont, Coshocton, Gallia, Guernsey, Harrison, Hocking, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Vinton, Washington;

(4) Region 4: Adams, Brown, Butler, Clermont, Clinton, Hamilton, Highland, Warren;

(5) Region 5: Crawford, Delaware, Fairfield, Fayette, Franklin, Hardin, Knox, Licking, Logan, Madison, Marion, Morrow, Pickaway, Union, Wyandot;

(6) Region 6: Ashland, Carroll, Columbiana, Holmes, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, Wayne;

(7) Region 7: Champaign, Clark, Darke, Greene, Miami, Montgomery, Preble, Shelby.

(C)(1) The health commissioner of the most populous county in each region shall convene a meeting of all county and city health commissioners in the region within ninety days following the effective date of this section. If there are two or more health districts located wholly or partially in the most populous county of the region, the health commissioner of the health district with the largest territorial jurisdiction in that county shall convene the meeting of all county and city health commissioners within ninety days following the effective date of this section.

(2) At the meeting called pursuant to division (C)(1) of this section, the county and city health commissioners in each region shall elect one resident from each county in the region to represent the county on a regional health advisory committee established for that region. The county and city health commissioners also shall set a date, not sooner than one hundred days and not later than one hundred ten days after the effective date of this section, for the initial meeting of the regional health advisory committee.

(3) Following the initial meetings of county and city health commissioners called pursuant to division (C)(1) of this section, the county and city health commissioners in each region shall convene a meeting every two years to elect representatives to the regional health advisory committee in accordance with division (C) of this section. Each biennial meeting shall be held within five days of the same day of the same month as the initial meeting.

(4) Each representative elected under division (C) of this section shall hold office for two years, starting on the date of the representative's election. Any individual appointed to fill a vacancy occurring prior to the expiration of the term for which a representative is elected shall hold office for the remainder of the predecessor's term.

(D)(1) Each of the seven regional health advisory committees shall elect a chairperson from among the representatives to their committees. Each chairperson shall convene and preside over the initial meeting of that regional health advisory committee on the date set pursuant to division (C)(2) of this section. At the initial meeting of the regional health advisory committees, the committees' representatives

shall elect two residents from the region to represent that region as members of the Ohio health care board. One of the two residents elected from each region to serve on the Ohio health care board shall be a resident of the region's most populous county and the other shall be a resident of any county in the region other than the region's most populous county.

Except for the elections to the Ohio health care board at the initial meeting of each regional health advisory committee, each resident elected to the board shall be elected to a two-year term of office. At the initial meeting, the resident from the most populous county in the region shall be elected to a term of three years.

(2) Annually, beginning in the second year following the initial elections to the Ohio health care board, the chairperson of each regional health advisory committee shall convene a meeting within five calendar days of the same date of the same month as the initial meeting of that regional health advisory committee to elect a resident from the region to serve as a member of the Ohio health care board. The regional health advisory committee shall elect a resident of a county as is necessary to meet the representation requirements set by division (D)(1) of this section. No individual may serve as a member of the Ohio health care board for more than four consecutive terms.

(3) In addition to meeting for the election of Ohio health care board members, the regional health advisory committees shall meet as necessary to fulfill any functions and responsibilities assigned to them under sections 3920.01 to 3920.15 of the Revised Code. Meetings shall be held at the call of the chairperson and as may be provided by procedures adopted

by the regional health advisory committee.

(E)(1) The director of health shall set the time, place, and date for the initial meeting of the Ohio health care board and shall preside over the Ohio health care board's initial meeting. The initial meeting shall be set not sooner than one hundred fifteen days and not later than one hundred twenty-five days after the effective date of this section.

(2) The members of the Ohio health care board annually shall elect a member of the board to serve as chairperson at meetings of the board. Meetings shall be held upon the call of the chairperson and as provided by procedures prescribed by the Ohio health care board. Two-thirds of the members of the Ohio health care board shall constitute a quorum for the conduct of business at meetings of the board. Decisions at meetings of the Ohio health care board shall be reached by majority vote of those present.

(3) All meetings of the Ohio health care board are open to the public unless questions of patient confidentiality arise. The Ohio health care board may go into closed executive session with regard to issues related to confidential patient information. The fourteen members of the Ohio health care board elected by the regional health advisory committees shall receive an annual salary and benefits established in accordance with division (J) of section 124.15 of the Revised Code.

(F) The seven regional health advisory committees shall act as advisory bodies to the Ohio health care board, representing their individual regions. The regional health advisory committees shall oversee the management of consumer and provider complaints originating in their respective regions and shall hold a hearing on all such complaints. The regional health

advisory committees shall offer assistance to resolve consumer and provider disputes and shall seek the agreement of all parties to the dispute to submit the dispute to negotiation or binding arbitration. A regional health advisory committee shall transfer any dispute that is not resolved at the regional level to the director of the Ohio health care agency's department of consumer affairs within six months of the filing of the complaint; however, the committee may vote to transfer individual disputes at an earlier date.

(G)(1) If a vacancy occurs on the Ohio health care board for any reason, resulting in a region being without full representation on the board, that region's health advisory committee shall elect a resident of that region to fill the vacancy. Any resident elected to fill a vacancy shall serve the remainder of the departing member's term. The health advisory committee shall elect a resident of a county as necessary to meet the representation requirements set by division (D)(1) of this section.

(2) A serving member of the Ohio health care board shall continue to serve following the expiration of their term until a successor takes office or a period of ninety days has elapsed, whichever occurs first.

(H)(1) The members and staff of the Ohio health care board and employees of the Ohio health care agency, and their immediate families, are prohibited from having any pecuniary interest in any business with a contract, or in negotiation for a contract, with either the Ohio health care board or Ohio health care agency, or in any business that is subject to the Ohio health care board's oversight. The members and staff of the Ohio health care board and employees of the Ohio health care

agency shall not knowingly receive remuneration for health care service of any kind during their term of service or employment. The members and staff of the Ohio health care board and employees of the Ohio health care agency, and their immediate families, shall not knowingly receive consulting fees of any kind from any source that is directly or indirectly related to the delivery of health care services pursuant to the Ohio health care plan. The members and staff of the Ohio health care board and employees of the Ohio health care agency, and their immediate families, are prohibited from knowingly owning stock in, and from investing in mutual funds holding stock in, pharmaceutical companies, health maintenance organizations, health insuring corporations, or other businesses that relate directly or indirectly to the delivery of health care services, unless the stock or mutual funds are in a blind trust.

As used in division (H)(1) of this section, "blind trust" means an independently managed trust in which the beneficiary has no management rights and in which the beneficiary is not given notice of alterations in or other dispositions of the stock, mutual funds, or other property subject to the trust.

(2) No member of the Ohio health care board other than the director of health shall knowingly hold any other salaried public position with the state, either elected or appointed, during the member's tenure on the board. The director of health shall receive no salary or benefits by virtue of the director's service on the Ohio health care board.

(3) The chairperson of the Ohio health care board may conduct hearings to determine if a violation of division (H)(1) or (2) of this section has occurred. If the alleged violator is the chairperson, the director of health may conduct the

hearings. If the director of health is the chairperson, the member of the board not alleged to have committed a violation with the greatest seniority may hold the hearings. Notice of any hearing, the conduct of the hearing, and all other matters relating to the holding of the hearing shall be governed by Chapter 119. of the Revised Code.

If a member of the Ohio health care board, or of the member's immediate family, is found to have violated division (H)(1) of this section, or a member of the Ohio health care board is found to have violated division (H)(2) of this section, the chairperson of the Ohio health care board, the director of health, or senior board member, as applicable, shall remove the member from the Ohio health care board.

If a staffer of the Ohio health care board or an employee of the Ohio health care agency, or a member of the staffer's or employee's immediate family, is found to have violated division (H)(1) of this section, the Ohio health care board or Ohio health care agency shall take appropriate disciplinary action against the staffer or employee, which action may include termination of employment.

Sections 101.82 and 101.83 of the Revised Code do not apply to the Ohio health care board and the regional health advisory committees.

Sec. 3920.04. (A) The Ohio health care board is responsible for directing the Ohio health care agency in the performance of all duties, the exercise of all powers, and the assumption and discharge of all functions vested in the Ohio health care agency. The Ohio health care board shall adopt rules in accordance with Chapter 119. of the Revised Code as needed to carry out the purposes of, and to enforce, this chapter.

(B) The duties and functions of the Ohio health care board include the following:

(1) Implementing statutory eligibility standards for benefits;

(2) Annually adopting a benefits package for participants of the Ohio health care plan;

(3) Acting directly or through one or more contractors as the single payer for all claims for health care services made under the Ohio health care plan;

(4) Developing and implementing separate formulas for determining budgets under sections 3920.21 to 3920.28 of the Revised Code;

(5) Annually reviewing the formulas for determining the appropriateness and sufficiency of rates, fees, and prices;

(6) Providing for timely payments to providers through a structure that is well organized and that eliminates unnecessary administrative costs;

(7) Implementing, to the extent permitted by federal law, standardized claims and reporting methods for use by the Ohio health care plan;

(8) Developing a system of centralized electronic claims and payments;

(9) Establishing an enrollment system that will ensure that all eligible residents of this state, including those who travel frequently, those who cannot read, and those who do not speak English, are aware of their right to health care and are formally enrolled in the Ohio health care plan;

(10) Reporting annually to the general assembly and the governor, on or before the first day of October, on the performance of the Ohio health care plan, the fiscal condition of the Ohio health care plan, any need for rate adjustments, recommendations for statutory changes, the receipt of payments from the federal government, whether current year goals and priorities were met, future goals and priorities, and major new technology or prescription drugs that may affect the cost of the health care services provided by the Ohio health care plan;

(11) Administering the revenues of the Ohio health care fund pursuant to section 3920.09 of the Revised Code;

(12) Obtaining appropriate liability and other forms of insurance to provide coverage for the Ohio health care plan, the Ohio health care board, the Ohio health care agency, and their employees and agents;

(13) Establishing, appointing, and funding appropriate staff for the Ohio health care agency throughout this state;

(14) Procuring requisite office space and administrative support;

(15) Administering aspects of the Ohio health care agency by taking actions that include the following:

(a) Establishing standards and criteria for the allocation of operating funds;

(b) Meeting regularly with the executive director and administrators of the Ohio health care agency to review the impact of the agency and its policies on the regional districts established under section 3920.03 of the Revised Code;

(c) Establishing measurable goals for the health care

system established pursuant to the Ohio health care plan;

(d) Establishing statewide health care databases to support health care services planning;

(e) Implementing policies, and developing mechanisms and incentives, to assure culturally and linguistically sensitive care;

(f) Establishing standards and criteria for the determination of appropriate compensation and training for residents of this state who are displaced from work due to the implementation of the Ohio health care plan;

(g) Establishing methods for the recovery of costs for health care services provided pursuant to the Ohio health care plan to a participant that are covered under the terms of a policy of insurance, a health benefit plan, or other collateral source available to the participant under which the participant has a right of action for compensation. Receipt of health care services pursuant to the Ohio health care plan shall be deemed an assignment by the participant of any right to payment for services from any policy, plan, or other source. The other source of health care benefits shall pay to the Ohio health care fund all amounts it is obligated to pay to the participant for covered health care services. The Ohio health care board may commence any action necessary to recover the amounts due.

(16) Appointing a technical and medical advisory board. The members of the technical and medical advisory board shall represent a cross section of the medical and provider community and consumers, and shall include two persons, one being a provider and the other representing consumers, from each region designated in section 3920.03 of the Revised Code. The members

of the technical and medical advisory board shall be reimbursed for actual and necessary expenses incurred in the performance of their duties. The technical and medical advisory board's duties include:

(a) Advising the Ohio health care board on the establishment of policy on medical issues, population-based public health issues, research priorities, scope of services, expanding access to health care services, and evaluating the performance of the Ohio health care plan;

(b) Investigating proposals for innovative approaches to the promotion of health, the prevention of disease and injury, patient education, research, and health care delivery;

(c) Advising the Ohio health care board on the establishment of standards and criteria to evaluate requests from health care facilities for capital improvements.

(C) The Ohio health care board shall employ and fix the compensation of Ohio health care agency personnel, with the approval of the department of administrative services, as needed by the agency to properly discharge the agency's duties. The employment of personnel by the Ohio health care board is subject to the civil service laws of this state. The Ohio health care board shall employ personnel that include the following:

(1) Executive director;

(2) Administrator of planning, research, and development;

(3) Administrator of consumer affairs;

(4) Administrator of quality assurance;

(5) Administrator of finance;

(6) Legal counsel to represent the Ohio health care agency and Ohio health care board in any legal action brought by or against the agency or board under or pursuant to any provision of the Revised Code under the agency's or board's jurisdiction.

(D) No member of the Ohio health care board or individual on the staff of the Ohio health care board or Ohio health care agency shall use for personal benefit any information filed with or obtained by the Ohio health care board that is not then readily available to the public. No member of the Ohio health care board shall use or in any way attempt to use their position as a member to influence a decision of any other governmental body.

Sections 101.82 and 101.83 of the Revised Code do not apply to the technical and medical advisory board established pursuant to division (B)(16) of this section.

Sec. 3920.05. The executive director of the Ohio health care agency is the chief administrator of the Ohio health care plan and shall administer and enforce this chapter. The executive director shall oversee the operation of the Ohio health care agency and the agency's performance of any duties assigned by the Ohio health care board.

Sec. 3920.06. (A) The executive director of the Ohio health care agency shall determine the duties of the administrator of planning, research, and development. Those duties shall include the following:

(1) Establishing policy on medical issues, population-based public health issues, research priorities, scope of services, the expansion of participants' access to health care services, and evaluating the performance of the Ohio health care

plan;

(2) Investigating proposals for innovative approaches for the promotion of health, the prevention of disease and injury, patient education, research, and the delivery of health care services;

(3) Establishing standards and criteria for evaluating applications from health care facilities for capital improvements.

(B)(1) The executive director shall determine the duties of the administrator of consumer affairs. Those duties shall include the following:

(a) Developing educational and informational guides for consumers that describe consumer rights and responsibilities and that inform consumers of effective ways to exercise consumer rights to obtain health care services. The guides shall be easy to read and understand and available in English and in other languages. The Ohio health care agency shall make the guides available to the public through public outreach and educational programs and through the internet web site of the Ohio health care agency.

(b) Establishing a toll-free telephone number to receive questions and complaints regarding the Ohio health care agency and the agency's services. The Ohio health care agency's internet web site shall provide complaint forms and instructions online.

(c) Examining suggestions from the public;

(d) Making recommendations for improvements to the Ohio health care board;

(e) Examining the extent to which individual health care facilities in a region meet the needs of the community in which they are located;

(f) Receiving, investigating, and responding to all complaints about any aspect of the Ohio health care plan and referring the results of all investigations into the provision of health care services by health care providers or facilities to the appropriate provider or health care facility licensing board, or when appropriate, to a law enforcement agency;

(g) Publishing an annual report for the public and the general assembly that contains a statewide evaluation of the Ohio health care agency and of the delivery of health care services in each region established under section 3920.03 of the Revised Code;

(h) Holding public hearings, at least annually, within each region established under section 3920.03 of the Revised Code for public suggestions and complaints.

(2) The administrator of consumer affairs shall work closely with the seven regional health advisory committees on the resolution of complaints. In the discharge of the administrator's duties, the administrator shall have unlimited access to all nonconfidential and nonprivileged documents in the custody and control of the agency. Nothing in this chapter prohibits a consumer or class of consumers, or the administrator of consumer affairs, from seeking relief through the courts.

(C) The executive director, in consultation with the technical and medical advisory board, shall determine the duties of the administrator of quality assurance. Those duties shall include the following:

(1) Studying and reporting on the efficacy of health care treatments and medications for particular conditions;

(2) Identifying causes of medical errors and devising procedures to decrease medical errors;

(3) Establishing an evidence-based formulary;

(4) Identifying treatments and medications that are unsafe or have no proven value;

(5) Establishing a process for soliciting information on medical standards from providers and consumers for purposes of division (C) of this section.

(D) The executive director shall determine the duties of the administrator of finance. Those duties shall include the following:

(1) Administering the Ohio health care fund;

(2) Making prompt payments to providers;

(3) Developing a system of centralized claims and payments;

(4) Communicating to the treasurer of state when funds are needed for the operation of the Ohio health care plan;

(5) Establishing a process for soliciting information on medical standards from providers and consumers for purposes of division (D) of this section;

(6) Developing information systems for utilization review;

(7) Investigating possible provider or consumer fraud.

Sec. 3920.07. (A) All residents of this state and individuals employed in this state, including the homeless and

migrant workers, are eligible for coverage under the Ohio health care plan. The Ohio health care board shall establish standards and a simplified procedure to demonstrate proof of residency. The Ohio health care board shall establish a procedure to enroll eligible residents and employees and to provide each individual covered under the Ohio health care plan with identification that providers may use to determine eligibility for health care services under the Ohio health care plan.

(B) If waivers are not obtained under sections 3920.31 to 3920.33 of the Revised Code from the medical assistance and medicare programs operated under Title XVIII or XIX of the "Social Security Act," 49 Stat. 20 (1935), 42 U.S.C. 301, as amended, or whenever a necessary waiver is not in effect, the medical assistance program, medicare program, CHIP program, and federal employees health benefits program as defined in section 3920.31 of the Revised Code shall act as the primary insurers for residents of this state and individuals employed in this state for health coverage and the Ohio health care plan shall serve as the secondary or supplemental plan of health coverage. When the Ohio health care plan serves as a secondary or supplemental plan of health coverage the Ohio health care plan shall not provide coverage to a resident of this state or individual employed in this state for any covered health care service that the resident or worker is then eligible to receive under the medical assistance or medicare program.

(C) A plan of employee health coverage provided by an out-of-state employer to resident of this state working outside of this state shall serve as the employee's primary plan of health coverage and the Ohio health care plan shall serve as the employee's secondary plan of health coverage.

(D) The Ohio health care agency shall bill an out-of-state employer or the employer's insurer for the cost of covered health care services provided in accordance with the Ohio health care plan to residents of this state employed by the out-of-state employer when the health care services provided are covered under the terms of the employer's plan of employee health coverage.

(E) The Ohio health care plan shall reimburse Ohio health care board approved providers practicing outside of this state at Ohio health care plan rates for health care services rendered to a plan participant while the participant is out of state.

(F) Any employer operating in this state may purchase coverage under the Ohio health care plan for an employee who lives out of state but who works in this state.

(G)(1) Any institution of higher education located in this state may purchase coverage under the Ohio health care plan for a student who does not otherwise have status as a resident of this state.

(2) As used in this section, "institution of higher education" means an institution of higher education, as defined in section 3345.12 of the Revised Code, and a private college, university, or other postsecondary institution located in this state that possesses a certificate of authorization issued pursuant to Chapter 1713. of the Revised Code or a certificate of registration issued by the state board of career colleges and schools under Chapter 3332. of the Revised Code.

(H) Any individual who arrives at a health care facility unconscious or otherwise unable due to their mental or physical condition to document eligibility for coverage under the Ohio

health care plan shall be presumed to be eligible.

Sec. 3920.08. (A) The Ohio health care board shall establish a single health benefits package that shall include all of the following:

(1) Inpatient and outpatient provider care, both primary and secondary;

(2) Emergency services, as defined in section 3923.65 of the Revised Code, twenty-four hours each day on a prudent layperson standard. Residents who are temporarily out of state may receive benefits for emergency services rendered in that state. The Ohio health care agency shall make timely emergency services, including hospital care and triage, available to all residents of this state, including all residents not enrolled in the Ohio health care plan.

(3) Emergency and other transportation services to covered health care services, subject to division (B) of this section;

(4) Rehabilitation services, including speech, occupational, and physical therapy;

(5) Inpatient and outpatient mental health services and substance abuse treatment;

(6) Hospice care;

(7) Prescription drugs and prescribed medical nutrition;

(8) Vision care, aids, and equipment;

(9) Hearing care, hearing aids, and equipment;

(10) Diagnostic medical tests, including laboratory tests and imaging procedures;

(11) Medical supplies and prescribed medical equipment,

both durable and nondurable;

(12) Immunizations, preventive care, health maintenance care, and screening;

(13) Dental care;

(14) Home health care services.

(B) The Ohio health care plan shall provide necessary transportation in each county to covered health care services. Independent transportation providers shall be reimbursed on a fee-for-service basis. Fee schedules for covered transportation may take into account the recognized differences among geographic areas regarding cost. A covered transportation benefits account is hereby created within the Ohio health care fund.

(C) The Ohio health care plan shall not exclude or limit coverage of its participants' pre-existing conditions.

(D) Residents enrolled in the Ohio health care plan are not subject to copayments, point-of-service charges, or any other fee or charge, and shall not be directly billed by providers for covered health care services provided to the resident.

(E) The Ohio health care board, with the consent of the technical and medical advisory board, shall remove or exclude procedures and treatments, equipment, and prescription drugs from the Ohio health care plan's benefit package that the board finds unsafe, experimental, of no proven value, or that add no therapeutic value.

(F) The Ohio health care board shall exclude coverage for any surgical, orthodontic, or other medical procedure, or

prescription drug, that the technical and medical advisory board determines was or will be provided primarily for cosmetic purposes, unless required to correct a congenital defect, to restore or correct disfigurements resulting from injury or disease, or that is determined to be medically necessary by a qualified, licensed provider.

(G) Participants shall have free choice of the providers eligible to participate in the Ohio health care plan.

(H) No provider shall be compelled by the Ohio health care agency to offer any particular service, provided that the provider does not discriminate among patients in providing health care services.

(I) The Ohio health care plan and the providers participating in the plan shall not discriminate on the basis of race, color, religion, national origin, sexual orientation, health status, employment status, or occupation or sex, military status, disability, or age as defined in section 4112.01 of the Revised Code.

Sec. 3920.09. (A) The Ohio health care fund is hereby established in the state treasury. The administrator of finance of the Ohio health care agency shall administer and monitor the Ohio health care fund. All moneys collected and received by the Ohio health care plan shall be transmitted to the treasurer of state for deposit into the Ohio health care fund, to be used to finance the Ohio health care plan and to pay the costs of compensation and training for displaced workers pursuant to section 3920.11 of the Revised Code.

(B) The treasurer of state may invest the interest earned by the Ohio health care fund in any manner authorized by the

Revised Code for the investment of state moneys. Any revenue or interest earned from the investments shall be credited to the Ohio health care fund.

(C) All provider claims for payment for health care services rendered under the Ohio health care plan shall be transmitted to the Ohio health care fund by the provider or the provider's agent. The format of, and the method of transmitting, provider claims shall be determined by the Ohio health care board.

(D) All payments for health care services rendered under the Ohio health care plan shall be disbursed from the Ohio health care fund. The administrator of finance of the Ohio health care agency shall establish a reserve account within the Ohio health care fund. When the revenue available to the Ohio health care plan in any biennium exceeds the total amount expended or obligated during that biennium, the excess revenue shall be transferred to the reserve account. The Ohio health care board may use the money in the reserve account for expenses of the Ohio health care agency or the Ohio health care plan.

(E) The administrator of finance of the Ohio health care agency shall notify the Ohio health care board when the annual expenditures or anticipated future expenditures of the Ohio health care plan appear to be in excess of the revenues or anticipated revenues for the same period. The Ohio health care board shall implement appropriate cost control measures based on the notification. The Ohio health care board shall seek a special appropriation for the Ohio health care fund if the cost control measures implemented do not reduce the Ohio health care plan's expenditures to an amount that may be covered by its revenue.

Sec. 3920.10. (A) The Ohio health care board shall establish written procedures for the receipt and resolution of disputes and grievances. The procedures shall provide for an initial hearing before the appropriate regional health advisory committee in accordance with division (F) of section 3920.03 of the Revised Code. The board shall accord to plaintiffs the right to be heard at the hearing.

(B) Any party aggrieved by an order or decision issued pursuant to the procedures established in division (A) of this section may appeal the order or decision to the court of common pleas of the county in which the consumer resides. The appellant shall file a notice of appeal with the Ohio health care board within fifteen days of the filing of the appeal with the court of common pleas. The appellant shall file evidence of the notice with the court of common pleas within twenty days of the filing. If the court of common pleas does not receive such evidence, proceedings shall be stayed until the court receives the required evidence.

(C) Appeals of denied claims may be submitted by Ohio health care plan beneficiaries or providers, or businesses selling medical equipment and supplies to the Ohio health care board. The board shall conduct appeals in compliance with its written procedures and both laws of this state and federal laws.

Sec. 3920.11. (A) The department of job and family services shall determine which residents of this state employed by a health care insurer, health insuring corporation, or other health care related business, have lost employment as a result of the implementation and operation of the Ohio health care plan. The department also shall determine the amount of monthly wages that the resident lost due to the plan's implementation.

The department shall attempt to position these displaced workers in comparable positions of employment with the Ohio health care agency.

(B) The department of job and family services shall forward the information on the amount of monthly wages lost by residents of this state due to the implementation of the Ohio health care plan to the Ohio health care agency. The Ohio health care agency shall determine the amount of compensation and training that each displaced worker shall receive and shall submit a claim to the Ohio health care fund for payment. A displaced worker, however, shall not receive compensation from the Ohio health care fund in excess of sixty thousand dollars per year for two years. Compensation paid to the displaced worker under this section shall serve as a supplement to any compensation the worker receives from the department of job and family services.

Sec. 3920.12. (A) Any employer operating in this state and providing employees with benefits under a public or private health care policy, plan, or agreement as of the date that benefits are initially provided pursuant to this chapter, which benefits are less valuable than those provided by the Ohio health care plan, may participate in the Ohio health care plan or shall provide additional benefits so that, until the expiration of the policy, plan, or agreement, the benefits provided by the employer at least equal the amount and scope of the benefits provided by the Ohio health care plan. If an employer chooses to provide additional benefits to match or exceed the benefits provided by the Ohio health care plan the additional benefits shall include the employer's payment of any employee premium contributions, copayments, and deductible payments called for by the policy, contract, or agreement.

Employers are exempt from all health taxes imposed under this chapter until the expiration of the policy, plan, or agreement, at which point the employer and the employer's employees become participants in the Ohio health care plan.

(B) A person covered by a health care policy, plan, or agreement that has its premiums paid for in any part with public money, including money from the state, a political subdivision, state educational institution, public school, or other entity, shall be covered by the Ohio health care plan on the day that benefits become available under the Ohio health care plan.

(C) Health care insurers, health insuring corporations, and other persons selling or providing health care benefits may deliver, issue for delivery, renew, or provide health benefit packages that do not duplicate the health benefit package provided by the Ohio health care plan, but shall not, except as provided by division (A) of this section, deliver, issue for delivery, renew, or provide health benefit packages that duplicate the health benefit package provided by the Ohio health care plan.

Sec. 3920.13. The Ohio health care agency is subrogated to all rights of a participant who has received benefits, or who has a right to benefits, under any other policy or contract of health care.

Sec. 3920.14. (A) All providers may participate in the Ohio health care plan.

(B) The Ohio health care board and the technical and medical advisory board shall assess the number of primary and specialty providers needed to supply adequate health care services to all participants in the Ohio health care plan, and

shall develop a plan to meet that need. The Ohio health care board shall develop incentives for providers in order to increase residents' access to health care services in unserved or underserved areas of the state.

(C) The Ohio health care board annually shall evaluate residents' access to trauma care, and shall establish measures to ensure participants have equitable access to trauma care and to specialized medical procedures and technology.

(D) The Ohio health care board, with the advice of the technical and medical advisory board and the administrator of quality assurance, shall define performance criteria and goals for the Ohio health care plan and shall report to the general assembly at least annually on the plan's performance. The Ohio health care board shall establish a system to monitor the quality of health care and patient and provider satisfaction with that care and a system to devise improvements to the provision of health care services.

(E) All providers subject to the Ohio health care plan shall provide data upon request to the Ohio health care board, which data the board requires to devise methods to maintain and improve the provision of health care services.

(F) The Ohio health care board, with the advice of the technical and medical advisory board, shall coordinate the Ohio health care plan's provision of health care services with any other state and local agencies that provide health care services directly to their residents.

Sec. 3920.15. In the absence of fraud or bad faith, county and city health commissioners, regional health advisory committees, and the Ohio health care board and Ohio health care

agency, and their members and employees, shall incur no liability in relation to the performance of their duties and responsibilities under sections 3920.01 to 3920.15 of the Revised Code. The state shall incur no liability in relation to the implementation and operation of the Ohio health care plan.

Sec. 3920.21. (A) The Ohio health care board shall prepare and recommend to the general assembly an annual budget for health care that specifies and establishes a limit on total annual state expenditures for health care provided pursuant to sections 3920.01 to 3920.15 of the Revised Code. The budget shall include all of the following components:

(1) A system budget covering all expenditures for the system, in accordance with section 3920.22 of the Revised Code;

(2) Provider budgets for the fee-for-service and integrated health delivery system and for individual health care facilities and their associated clinics, in accordance with section 3920.23 of the Revised Code;

(3) A capital investment budget in accordance with section 3920.24 of the Revised Code;

(4) A purchasing budget in accordance with section 3920.25 of the Revised Code;

(5) A research and innovation budget in accordance with section 3920.26 of the Revised Code.

(B) In preparing the budget, the Ohio health care board shall consider anticipated increased expenditures and savings, including projected increases in expenditures due to improved access for underserved populations and improved reimbursement for primary care, projected administrative savings under the single-payer mechanism, projected savings in prescription drug

expenditures under competitive bidding and a single buyer, and projected savings due to provision of primary care rather than emergency room treatment.

Sec. 3920.22. (A) The system budget referred to in division (A)(1) of section 3920.21 of the Revised Code shall comprise the cost of the system, services and benefits provided, administration, data gathering, planning and other activities, and revenues deposited with the system account of the Ohio health care fund.

The Ohio health care board shall limit administrative costs to five per cent of the system budget and shall annually evaluate methods to reduce administrative costs and report the results of that evaluation to the general assembly. The board shall also limit growth of health care costs in the system budget by reference to changes in state gross domestic product, population, employment rates, and other demographic indicators, as appropriate. Moneys in the reserve account of the Ohio health care fund shall not be considered as available revenues for purposes of preparing the system budget.

(B) The Ohio health care board shall implement cost control measures pursuant to division (A) of this section. However, no cost control measure shall limit access to care that is needed on an emergency basis or that is determined by a patient's provider to be medically appropriate for a patient's condition.

Possible mandatory cost control measures include the following:

(1) Postponement of the introduction of new benefits or benefit improvements;

(2) Postponement of new capital investment;

(3) Adjustment of provider budgets to correct for inappropriate provider utilization;

(4) Establishment of a limit on provider reimbursement above a specified amount of aggregate billing;

(5) Deferred funding of the reserve account;

(6) Establishment of a limit on aggregate reimbursements to pharmaceutical manufacturers;

(7) Imposition of an eligibility waiting period in the event of substantial influx of individuals into the state for purposes of obtaining health care through the Ohio health care plan.

Sec. 3920.23. (A) The provider budgets referred to in division (A)(2) of section 3920.21 of the Revised Code shall include allocations for fee-for-service providers and capitated providers. These allocations shall consider the relative usage of fee-for-service providers and capitated providers. Each annual provider budget shall include adjustments to reflect changes in the utilization of services and the addition or exclusion of covered services made by the Ohio health care board upon the recommendation of the technical and medical advisory board and its staff.

(B) Providers shall choose whether they will be compensated as fee-for-service providers or as part of a capitated provider network.

(1) The budget for fee-for-service providers shall be divided among categories of licensed health care providers in order to establish a total annual budget for each category. Each

of these category budgets shall be sufficient to cover all included services anticipated to be required by eligible individuals choosing fee-for-service at the rates negotiated or set by the Ohio health care board, except as necessary for cost containment purposes pursuant to section 3920.22 of the Revised Code.

The board shall negotiate fee-for-service reimbursement rates or salaries for licensed health care providers. In the event negotiations are not concluded in a timely manner, the board shall establish the reimbursement rates. Reimbursement rates shall reflect the goals of the system.

(2) The budget shall detail all operating expenses for health care facilities or clinics that are not part of a capitated provider network. In establishing a health care facility budget, the Ohio health care board shall develop and utilize separate formulas that reflect the differences in cost of primary, secondary, and tertiary care services and health care services provided by academic medical centers. The board shall negotiate reimbursement rates with facilities and clinics. Reimbursement rates shall reflect the goals of the system.

(C)(1) The budget for capitated providers shall be sufficient to cover all included services anticipated to be required by eligible individuals choosing an integrated health care delivery system at the rates negotiated or set by the Ohio health care board. All health care facilities, group practices, and integrated health care systems shall submit annual operating budget requests to the board and may choose to be reimbursed through a global facility budget or on a capitated basis. The board shall adjust budgets on the basis of the health risk of enrollees; the scope of services provided; proposed innovative

programs that improve quality, workplace safety, or consumer, provider, or employee satisfaction; costs of providing care for nonmembers; and an appropriate operating margin.

(2) Providers that choose to operate a health care facility on a capitated basis shall not be paid additionally on a fee-for-service basis unless they are providing services in a separate private medical practice or health care facility. Providers and health care facilities that operate on a capitated basis shall report immediately any projected operating deficits to the Ohio health care board. The board shall determine whether the projected deficits reflect appropriate increases in health care needs, in which case the board shall adjust the provider or health care facility budget appropriately. If the board determines that the deficit is not justifiable, no adjustment shall be made.

(3) The board may terminate the funding for health care facilities, group practices, and integrated health care systems or particular services provided by them if they fail to meet standards of care and practice established by the board. The board shall make future funding contingent on measurable improvements in quality of care and health care outcomes.

(D) The Ohio health care board shall prohibit charges to the Ohio health care plan or to patients for covered health care services other than those established by regulation, negotiation, or the appeals process. Licensed health care providers who provide services not covered by sections 3920.01 to 3920.15 of the Revised Code may charge patients for those services.

Sec. 3920.24. (A) The capital investment budget referred to in division (A)(3) of section 3920.21 of the Revised Code

shall be established by the Ohio health care board, with the advice of the technical and medical advisory board and its staff, and shall provide for capital maintenance and development. In preparing the budget, the Ohio health care board shall determine capital investment priorities and evaluate whether the capital investment program has improved access to services and has eliminated redundant capital investments.

(B) All capital investments valued at five hundred thousand dollars or greater, including the costs of studies, surveys, design plans and working drawing specifications, and other activities essential to planning and execution of capital investment, and all capital investments that change the bed capacity of a health care facility or add a new service or license category incurred by any health system entity, shall require the approval of the Ohio health care board. When a health care facility, or individual acting on behalf of a health care facility, or any other purchaser, obtains by lease or comparable arrangement any health care facility or part of a health care facility, or any equipment for a health care facility, the market value of which would have been a capital expenditure, the lease or arrangement shall be considered a capital expenditure for purposes of sections 3920.01 to 3920.15 of the Revised Code.

(C) Health care facilities shall provide the Ohio health care board with at least three-months' advance notice of any planned capital investment of more than fifty thousand dollars but less than five hundred thousand dollars. These capital investments shall minimize unneeded expansion of health care facilities and services based on the priorities and goals for capital investment established by the board.

(D) No capital investment shall be undertaken using funds from a health care facility operating budget.

Sec. 3920.25. The purchasing budget referred to in division (A)(4) of section 3920.21 of the Revised Code shall provide for the purchase of prescription drugs and durable and nondurable medical equipment for the system. The Ohio health care board shall purchase all prescription drugs and durable and nondurable medical equipment for the system from this budget.

Sec. 3920.26. The research and innovation budget referred to in division (A)(5) of section 3920.21 of the Revised Code shall support research and innovation that has been recommended by the Ohio health care board, the technical and medical advisory board, or the administrator of consumer affairs. This research and innovation includes methods for improving the administration of the system, improving the quality of health care, educating patients, and improving communication among health care providers.

Sec. 3920.27. The Ohio health care board shall establish a capital account in the Ohio health care fund as part of the Ohio health care plan. Moneys in the account shall be used solely to pay for the establishment and maintenance of a loan program for health care facilities and equipment for use by health care professionals who desire to establish practices in areas of the state in which, according to criteria established by the board, the level of health care services is inadequate.

Sec. 3920.28. Funding of the Ohio health care plan shall be obtained from the following sources:

(A) Funds made available to the Ohio health care plan pursuant to sections 3920.31 to 3920.33 of the Revised Code;

(B) Funds obtained from other federal, state, and local governmental sources and programs;

(C) Receipts from taxes levied on employers' payrolls to be paid by employers. The tax rate in the first year shall not exceed three and eighty-five hundredths per cent of the payroll.

(D) Receipts from additional taxes levied on businesses' gross receipts. The tax rate in the first year shall not exceed three per cent of the gross receipts.

(E) Receipts from additional income taxes, equal to six and two-tenths per cent of an individual's compensation in excess of the amount subject to the social security payroll tax;

(F) Receipts from additional income taxes, equal to five per cent of all of an individual's Ohio adjusted gross income, less the exemptions allowed under section 5747.025 of the Revised Code, in excess of two hundred thousand dollars.

Sec. 3920.31. (A) As used in sections 3920.31 to 3920.33 of the Revised Code:

(1) "CHIP" has the same meaning as in section 5161.01 of the Revised Code.

(2) "Federal employees health benefits program" means the program of health insurance benefits available to employees of the federal government that the United States office of personnel management is authorized to contract for under 5 U.S.C. 8902.

(3) "Federal poverty guidelines" has the same meaning as in section 5101.46 of the Revised Code.

(4) "Medicaid" and "medicare" have the same meanings as in section 5162.01 of the Revised Code.

(B) At the request of the Ohio health care board, the Ohio health care agency's executive director shall seek federal financial participation in the Ohio health care plan, including funding otherwise available under medicare, medicaid, CHIP, and the federal employees health benefits program. The executive director shall request that the amount of the federal financial participation be at least equal to the medicaid federal financial participation rate in effect for this state on the effective date of this section. The executive director shall periodically seek adjustments to the federal financial participation rate for the Ohio health care plan to reflect changes in the state domestic gross product, the state's population, including changes in age groups, and the number of residents with income below the federal poverty guidelines.

Sec. 3920.32. At the request of the Ohio health care board, the Ohio health care agency's executive director shall negotiate with the United States office of personnel management to have included in the Ohio health care plan residents of this state who would otherwise be covered by the federal employees health benefits program. As part of the negotiations, the executive director shall seek to have the federal government provide the Ohio health care plan with amounts equal to the amount federal employees participating in the Ohio health care plan would otherwise pay as premiums under the federal employees health benefits program.

Sec. 3920.33. At the request of the Ohio health care board, the medicaid director shall seek any federal waivers necessary for the Ohio health care plan to receive federal financial participation under section 3920.31 of the Revised Code otherwise available under the medicaid and CHIP programs. Upon receipt of federal approval, the medicaid director shall

implement the medicaid and CHIP programs in accordance with the waiver.

Section 2. That existing section 109.02 of the Revised Code is hereby repealed.

Section 3. In the first two years following the effective date of sections 3920.01 to 3920.33 of the Revised Code, the Ohio Health Care Board shall prepare for the delivery of universal, affordable health care coverage to all eligible Ohio residents and individuals employed in Ohio. The Ohio Health Care Board shall appoint a Transition Advisory Group to assist with the transition to the provision of care under the Ohio Health Care Plan. The Transition Advisory Group shall include a broad selection of experts in health care finance and administration, providers from a variety of medical fields, representatives of Ohio's counties, employers and employees, representatives of hospitals and clinics, and representatives from state regulatory bodies. Members of the Transition Advisory Group shall be reimbursed by the Ohio Health Care Agency for necessary and actual expenses incurred in the performance of their duties as members.