

Ohio

Ohio Insurance Commission
2100 Stella Court
Columbus, OH 43215-1067
(614) 644-2665

Summary of Important Regulations

MEWA Regulations	Yes
TPA Regulations	Yes
Stop-Loss Regulations	No
UR Regulations	No

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Health Insurance Reserves Model Regulation	Ohio Ins. Regs. Rule 3901-3-13	None
Comprehensive Health Ins. Cost Containment Model Act	None	None
Standardized Health Claims Form Model Regulation	Ohio Ins. Regs. Rule 3901-1-59	Ohio Rev. Code Ann. §§ 3902.21 to 3902.23
Small Employer Health Insurance Availability Model Law	Ohio Rev. Code Ann. §§ 3924.01 to 3924.14	Ohio Rev. Code Ann. § 3923.57
Model Regulation To Eliminate Unfair Sex Discrimination	None	None
Health Information Privacy Model Law	None	None
Preferred Provider Arrangements Model Law	None	None
Utilization Review Model Law	Ohio Rev. Code Ann. §§ 1751.77 to 1751.86	Ohio Rev. Code Ann. § 1753.28
Managed Care Plan Network Adequacy Model Law	None	None
Third Party Administrator Law	None	Ohio Rev. Code Ann. §§ 3959.01 to 3959.16, 3959.99; Ohio Ins. Regs. Rule 3901-1-51

Stop-loss Insurance Model Law	None	None
<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Jurisdiction of Health Care Providers Model Law	None	None
Standard Group Health Model Law	None	Ohio Rev. Code Ann. § 3923.12
Group Health Insurance Mandatory Conversion Law	None	Ohio Rev. Stat. Ann. § 3923.122
Group Coverage Discontinuance/ Replacement Model Regulation	None	None
Premium Rates and Renewability of Coverage-Small Groups	None	Ohio Rev. Code Ann. §§ 3924.01 to 3924.14
Group Coordination of Benefits Model Law	Ohio Rev. Code Ann. §§ 3902.11 to 3901.14; Ohio Ins. Reg. Rule 3901-1-56	Bulletin 90-6
Model Regulation for Certification of Health Plans	None	None
Off-Label Drug Use Model Law	None	Ohio Rev. Code Ann. §§ 3923.60, 1738.30, 1742.44 § 1753.23
Group Health Mandatory Drug/ Alcohol Dependency Law	None	Ohio Rev. Code Ann. § 3923.29
Model Newborn Children's Law	Ohio Rev. Code Ann. § 3923.26	None
Health Examination Benefits	None	Ohio Rev. Code Ann.
Ohio	3	

Availability Law

§§ 3923.55 to 3923.56

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	None	None
Agents and Brokers Licensing Model Law	None	Ohio Rev. Code Ann. §§ 3905.01 to 3905.99
MEWA Licensing Model Law	None	None
Managing General Agents Law	Ohio Rev. Code Ann. §§ 3905.71 to 3905.79	Ohio Ins. Regs. Rule 3901-3-10
Health Maintenance Organization Model Law	Ohio Rev. Code Ann. §§ 1751.01 to 1751.89	None
Insurance Information and Privacy Protection Law	Ohio Rev. Code Ann. §§ 3904.1 to 3904.22	None
Unfair Trade Practices Law	Ohio Rev. Code Ann. §§ 3901.19 to 3901.22; Ohio Ins. Regs. Rule 3901-1-07	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	None	Ohio Rev. Code Ann. § 3999.16
Model Regulation on Unfair Discrimination in Life and Health	Ohio Rev. Code Ann. § 3901.21	Ohio Rev. Code Ann. § 3999.16

Insurance on the Basics of
Total or Partial Blindness

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	Ohio Rev. Code Ann. § 3901.21
Unfair Claims Settlement Practices Law	Ohio Ins. Reg. Rule 3901-1-07	Ohio Rev. Code Ann. §§ 2164-D, 2436-A
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	None	None
Private Employer Workers' Compensation Group Self- Insurance Model Law	None	None
Public Employee Workers' Compensation Group Self- Insurance Model Law	None	None
Twenty Four Hour Coverage Pilot Project Model Law	None	None

State-Mandates

Benefits That Must Be Covered

- Alcoholism treatment
- Breast reconstruction
- Cervical cancer screening (pap smear)
- Complications of pregnancy
- Emergency services
- Mammography screening
- Minimum maternity stays
- Off-label drug use

Benefits That Must Be Offered

- Mental health care (but only up to \$550 annually)
- Prescription drugs

Persons Who Must Be Allowed Coverage

- Adopted children
- Conversion to non-group
- Handicapped dependents
- Newborns

Providers Who Must Be Covered

- Chiropractors
- Dentists
- Nurse Midwives
- Optometrists
- Osteopaths
- Podiatrists
- Psychologists

Coordination of Benefits

- Birthday Rule? Yes
- Divorced/Separated Rule? Yes

- Joint Custody Rule? No
- Active v. Inactive Rule? Yes
- Longer v. Shorter Rule? Yes
- Managed Care Rule? No
- COBRA Rule? No
- Preservation Rule? Yes

Patient's Bill of Rights Legislation

None

High Risk Health Pool

None

External Grievance System

Yes – all health plans

Basis of Filing Grievance

Investigational and medical necessity

Status of Decision of Grievance Panel

Binding or both parties

Prompt Payment of Health Claim Requirement

Yes - 24 days

Miscellaneous

- Group sickness and accident insurance policies must cover kidney dialysis performed on an outpatient basis, if the policy provides for kidney dialysis benefits.
- Ohio requires group health insurance policies which provide dependent coverage to provide benefit child health supervision services. The law applies to each employee benefit plan established or maintained in Ohio and any group medical policy delivered, issued or renewed in Ohio. The statute does not apply to self-funded ERISA plans due to the preemption provision in ERISA.

MEWA Regulation

Ohio has a MEWA law¹ which established minimum requirements for registration with the state. The statute requires filing of annual reports, calls for audits of MEWAs and examinations of members, and requires a self-funded MEWA to contain a minimum surplus of \$150,000.

Only associations which have been in existence for more than one year and which function for purposes other than providing a health care plan are eligible.

Such MEWA must be both registered with and authorized by the Insurance Department of Ohio.

Items to be furnished as a condition to being approved include the following:

- Projected or pro forma financials.
- Resumes of principals connected with the MEWA.
- Relevant legal papers associated therewith.
- Business plan of the MEWA.

- Copies of all relevant contracts (claims administrator and stop-loss in particular)
- Actuarial attestation as to reserves, funding levels, overall soundness, etc.

TPA Regulations

Ohio enacted a TPA registration statute in 1988 which was revised effective July 8, 1991.² The principal provisions of the statute are as follows:

- Licensing fee is \$200 and renewal fee is \$300.
- Documents or financial statements by TPA:
 1. Certified copy of articles of incorporation
 2. Proof of fidelity bond coverage, minimum amount of 10% of amount of funds handled by the administrator in fiscal year, not to exceed \$1 million. Administrator must maintain any required bond as mandated by ERISA.
 3. Written agreements between administrator and plan sponsor
 4. Biographical, organizational, and financial information
- Only TPAs administering plans or sponsors of plans that are either domiciled in the state or have their principal office in the state are required to be licensed.
- TPAs must provide an annual report to the insurer or plan sponsor within 90 days after the end of the plan's fiscal year.
- Return premiums or contributions must be paid to the insurer or plan sponsor or credited to their account within 30 days after receipt by the TPA.

Stop-Loss Regulation

No regulation is reported.

Utilization Review Regulations

Not regulated.

Miscellaneous

Small Group Reform³

Ohio's small employer group health insurance law applies to group insurance plans covering two but no more than 25 eligible employees, if the plan is issued by an HMO; two but no more than 50 eligible employees if the plan is issued by an insurance carrier.

A *small employer* is any person, firm, corporation, partnership or association actively engaged in business whose total employed work force consisted, during at least 50% of the work days in the preceding calendar year, of between two and 25 employees for health plans issued by HMOs, or between two and 25 employees for health plans issued by group insurance carriers, the majority of whom were employed in Ohio.

An *eligible employee* is a person whose normal work week is at least 30 hours, but does not include anyone who is employed on a temporary or substitute basis. However, if requested by the small employer, the issuer of the health plan must lower the 30 hour requirement to 25 hours.

New coverage must be issued to all of an adopting small employer's eligible employees without imposition of a waiting period although the small employer may specify that the plan include a 90 day service requirement.

MSA Legislation⁴

Who May Establish	Individual or employer
Tax Treatment	Contributions to an MSA, interest earned thereon, and money used To pay for eligible medical expenses are tax-exempt.
Policy Deductible	Not specified
Max. Annual Deposit	\$3,000 (\$6,000, married couples)
Non-Medical Withdrawals	If used for purposes other than medical expenses, they are taxable
Eligible Medical Expenses	Tracks IRC § 213

State Premium Taxes

Commercial insurers and Blue Cross are taxed at 2.5%, which is reduced for domestic insurers. HMOs pay no tax.

Continuation of Coverage and Conversion of Benefits

Ohio law requires group policies to allow continuation coverage for up to six months for employees and dependents who would otherwise lose coverage due to termination of employment or termination of membership in a group plan. Individuals must apply for coverage and pay the first premium within 31 days of termination. To be eligible for continuation coverage, members must have been covered by the group policy at least three months prior to the loss of coverage. In addition, individuals requesting coverage may not be covered by Medicare or other insurance.⁵

Endnotes

¹ Ohio Rev. Code Ann. §§ 1739.01 to 1739.22

² Ohio Rev. Code Ann §§ 3959.01 to 3959.16; Ohio Admin, Reg. § 3901-1-51.

³ Ohio Rev. Code §§ 3924.01 to 3927.14.

⁴ Ohio Rev. Code Ann. §

⁵ Ohio Rev. Code Ann. §§ 3923.122 *et seq.*