

Testimony of
Eugene R. King
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HB 511

Chair Wachtmann, Vice Chair Gonzales, Ranking Minority Member Antonio, and members of the House Health and Aging Committee, I am Eugene R. King, director of the Ohio Poverty Law Center and a legal aid lawyer focusing on health care access and poverty law issues for more than 30 years. I am here today to speak to HB 511 as an interested party. Thank you for this opportunity to comment on HB 511.

I will focus my comments today on three issues: eligible employees under small employer benefit plans; continuation of group health insurance coverage (mini COBRA); and, insurance coverage for dependent children.

Let me preface my comments by stating that the changes and opportunities brought by the Affordable Care Act are significant and beneficial to Ohioans, but the ACA does not require, nor even encourage, states to eliminate more favorable existing, or new, programs or other innovative alternatives to achieve consistency with the provisions of the ACA.

Eligible employees under small employer benefit plans

The bill increases from 25 to 30 the minimum number of hours than an eligible employee normally works for the purposes of eligibility for small employer health benefits plans.

Given the availability of coverage on the Exchange, this is a policy change with some winners and some losers. We do not have an opinion of which is better for the state and Ohioans.

Continuation of group health insurance coverage (mini COBRA)

The bill specifies that certain insurance policies issued from January 1, 2015 to January 1, 2018 are not required to provide continuing coverage for eligible employees and their dependents.

This is a significant change for employees of small businesses that do not qualify for the federal COBRA protections. Ohio's mini COBRA laws have given employees of small business and their dependents the ability to purchase continuing coverage for up to 12 months after loss of eligibility.

This program has provided many individuals and families access to continuing health care coverage during periods of transition and allowed them to have uninterrupted continuity of care using their existing network of providers.

The existence of the Exchange and the ability to purchase individual policies does not adequately replace this program because a policy purchased on the Exchange will not necessarily be as generous, affordable, or include access to the same network of providers.

In such a situation, Ohioans should be given the opportunity to choose whether to purchase continuing coverage or to purchase coverage on the Exchange. I would encourage the Committee to retain this option for eligible Ohioans.

Insurance coverage for dependent children

Ohio has more a generous age eligibility than the ACA for dependents to remain on their parent's health policies or plans. Current Ohio law allows dependents to remain on their parent's plans until age 28, while the ACA only provides the option until age 26. Ohio also has somewhat stricter requirements of which dependents qualify for continuing coverage.

HB 511 would change Ohio law to age 26 to become consistent with the ACA.

In our current economy, thousands of young adults are working in jobs without health benefits so they remain on their parent's policies. Maintaining the age 28 policy for Ohio will help these young adults and their families manage their health care more effectively and economically. Maintaining our current limit at age 28 would give Ohioans a little more cushion and in this economy, many families need all the cushion they can get.

In many cases, there would be no cost to maintain these dependents on the existing health insurance policy because the family is already purchasing dependent coverage for other children and/or a spouse, so changing the age cap from 28 to 26 would require Ohioans or their families to purchase health insurance to cover what is now covered – that is, it would take money away from Ohio families that could be used for other important needs such as food, clothing or shelter.

I cannot think of any good reason to change the state age cap for this program just to be consistent with the ACA. I hope that this Committee will eliminate this change from the bill.

Thank you for the opportunity to provide this testimony.

I would be happy to answer any questions you have now, or at a later time.

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