

As Introduced

**126th General Assembly
Regular Session
2005-2006**

H. B. No. 471

Representatives Garrison, Healy

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A BILL

To enact sections 5101.91, 5101.911, 5101.912, 1
5101.913, 5101.914, and 5101.915 of the Revised 2
Code to require certain employers in this state 3
who do not provide a specified amount of health 4
care coverage to their employees to make 5
contributions to a fund to be used to supplement 6
this state's share of Medicaid costs. 7

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

Section 1. That sections 5101.91, 5101.911, 5101.912, 8
5101.913, 5101.914, and 5101.915 of the Revised Code be enacted to 9
read as follows: 10

Sec. 5101.91. As used in sections 5101.91 to 5101.915 of the 11
Revised Code: 12

(A) "Employee" means an individual, having part-time or 13
full-time employment status, who is directly employed by an 14
employer. "Employee" includes an individual employed by an 15
employer for any portion of a calendar year. 16

(B) "Employer" has the same meaning as in section 3401 of the 17
Internal Revenue Code, except "employer" does not include the 18
federal government; the state; any agency or instrumentality of 19
the federal government or the state; or any municipal corporation, 20

county, township, school district, or other political subdivision 21
of the state or any agency or instrumentality of a political 22
subdivision. 23

(C) "Health insurance costs" means amounts paid by an 24
employer to provide health care or health insurance benefits to 25
employees, including, but not limited to, amounts paid for medical 26
care as defined in section 213 of the Internal Revenue Code, 27
vision care, prescription drugs, and contributions made by the 28
employer to medical savings accounts. "Health insurance costs" 29
includes only such amounts as are deductible in computing the 30
taxable income of a for-profit business under the Internal Revenue 31
Code. 32

(D) "Nonprofit employer" means an employer that is exempt 33
from federal income taxation under section 501(c)(3) of the 34
Internal Revenue Code. 35

(E) "Qualifying wages" means the total amount of wages, as 36
defined in section 3401 of the Internal Revenue Code, paid by an 37
employer to an employee during a calendar year, except that 38
"qualifying wages" does not include either of the following: 39

(1) That amount by which the total amount of wages paid by an 40
employer to an employee during a calendar year exceeds the median 41
household income for this state as determined by the most recently 42
available figures from the United States census bureau; 43

(2) Any wages paid by an employer to an employee while the 44
employee is enrolled in, or is eligible for, medicare. 45

Sec. 5101.911. (A)(1) Beginning January 1, 2007, every 46
nonprofit employer located in this state that, as of the first day 47
of a calendar year, employs thirty thousand or more employees in 48
this state and that, in the second preceding calendar year, did 49
not incur total health insurance costs equal to at least six per 50

cent of the total amount of qualifying wages paid to employees in
this state during that second preceding calendar year, shall remit
to the director of job and family services an amount equal to the
difference between:

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(a) Six per cent of the total amount of qualifying wages paid
by the nonprofit employer to employees in this state during the
second preceding calendar year; and

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(b) The amount the nonprofit employer expended on health
insurance costs during the second preceding calendar year.

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(2) Beginning January 1, 2007, every employer located in this
state other than a nonprofit employer that, as of the first day of
a calendar year, employs thirty thousand or more employees in this
state and that, in the second preceding calendar year, did not
incur total health insurance costs equal to at least eight per
cent of the total amount of qualifying wages paid to employees in
this state during that second preceding calendar year, shall remit
to the director of job and family services an amount equal to the
difference between:

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(a) Eight per cent of the total amount of qualifying wages
paid by the employer to employees in this state during the second
preceding calendar year; and

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(b) The amount the employer expended on health insurance
costs during the second preceding calendar year.

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(B) Any amount required to be paid by a nonprofit employer or
other employer under this section shall be paid by the employer
and shall not be deducted from the wages or other remuneration
paid by that employer to its employees.

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(C) Any amount required to be paid by an employer under this
section shall be paid in conjunction with the employer's filing of
the report required under section 5101.912 of the Revised Code.

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Sec. 5101.912. (A) Beginning in 2007 and for each calendar year thereafter, every employer, including every nonprofit employer, that, as of the first day of a calendar year employs thirty thousand or more employees in this state, shall file a report with the director of job and family services that specifies all of the following:

(1) The total number of employees that were employed by the employer in this state during the second preceding calendar year, itemized according to whether the employees were full-time employees or part-time employees;

(2) The total amount of qualifying wages paid by the employer to those employees during the second preceding calendar year;

(3) The total amount of health insurance costs incurred by the employer during the second preceding calendar year;

(4) The manner in which the employer defines full-time and part-time employment status;

(5) The total number of employees employed by the employer in this state who were eligible to receive health insurance benefits from the employer during the second preceding calendar year, itemized according to whether the employees were full-time employees or part-time employees;

(6) The total number of employees employed by the employer in this state on behalf of whom the employer incurred health insurance costs during the second preceding calendar year, itemized according to whether the employees were full-time employees or part-time employees;

(7) The source of health insurance benefits for those employees employed by the employer in this state who were eligible for, but did not receive, health insurance benefits from the employer;

(8) Any other information required by the director. 111

(B) The report required under this section shall be filed on 112
or before the thirty-first day of January. The report shall be 113
filed in the form and manner prescribed by the director and shall 114
be signed by the chief executive officer of the employer filing 115
the report or, if the employer does not have a chief executive 116
officer, shall be signed by another individual who performs for 117
the employer functions substantially similar to those performed by 118
a chief executive officer. 119

(C) Every employer filing a report under this section shall 120
certify to the director, in affidavit form subject to the penalty 121
for perjury, both of the following: 122

(1) The report was reviewed by the individual whose signature 123
appears on the report. 124

(2) To the best of that individual's knowledge, information, 125
and belief, all of the information contained in the report is true 126
and accurate. 127

(D)(1) The report required under this section shall be 128
accompanied by payment of any amount required to be paid by the 129
employer under section 5101.911 of the Revised Code. 130

(2) Payments received by the director under this section 131
shall be credited to the fair share health care fund created in 132
section 5101.915 of the Revised Code. 133

(E)(1) An employer that fails to file the report required 134
under this section on or before the thirty-first day of January of 135
the calendar year in which it is due shall pay a fine of two 136
hundred fifty dollars for each day that the report is not timely 137
filed. 138

(2) An employer that fails to remit the payment required 139
under section 5101.911 of the Revised Code on or before the 140

thirty-first day of January of the calendar year in which payment 141
is due shall pay a fine of two hundred fifty thousand dollars. 142

(3) Fines collected under divisions (E)(1) and (2) of this 143
section shall be credited to the fair share health care fund. 144

Sec. 5101.913. The director of job and family services, under 145
Chapter 119. of the Revised Code, shall adopt rules that are 146
necessary for the director to successfully and efficiently 147
discharge the director's duties under sections 5101.91 to 5101.915 148
of the Revised Code. As part of the rules, the director shall 149
establish all of the following: 150

(A) The form and manner in which employers shall file reports 151
under section 5101.912 of the Revised Code; 152

(B) Any information to be included in reports filed under 153
section 5101.912 of the Revised Code in addition to the 154
information required to be included in those reports under 155
division (A) of that section; 156

(C) Guidelines for imposing and collecting fines imposed 157
under division (E) of section 5101.912 of the Revised Code; 158

(D) The manner in which employers may remit to the director 159
payments required under section 5101.911 of the Revised Code; 160

(E) Procedures for verifying which employers in this state 161
are required to file reports under section 5101.912 of the Revised 162
Code by virtue of having thirty thousand or more employees as of 163
the first day of a calendar year. 164

Sec. 5101.914. Beginning in 2007, on or before the fifteenth 165
day of March of each year, the director of job and family services 166
shall file with the governor, the president and minority leader of 167
the senate, and the speaker and minority leader of the house of 168
representatives a written report that does all of the following: 169

(A) Identifies every employer that, in the immediately 170
preceding January, filed a report under section 5101.912 of the 171
Revised Code; 172

(B) Identifies every employer that, in the immediately 173
preceding January, was required to file a report under section 174
5101.912 of the Revised Code but failed to do so; 175

(C) Summarizes all of the information included by each 176
employer in reports filed under section 5101.912 of the Revised 177
Code. 178

Sec. 5101.915. There is hereby created in the state treasury 179
the fair share health care fund. The fund shall consist of moneys 180
received by the director of job and family services from employers 181
making payments pursuant to sections 5101.911 and 5101.912 of the 182
Revised Code; fines collected from employers pursuant to division 183
(E) of section 5101.912 of the Revised Code; and any grants, 184
gifts, or other contributions of money received by the director 185
for deposit in the fund. All investment earnings on the cash 186
balance in the fund shall be credited to the fund. All moneys in 187
the fund shall be used for the exclusive purpose of supplementing 188
this state's share of medicaid costs under Chapter 5111. of the 189
Revised Code. 190