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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 465  
135<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 465's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsor:** Rep. Carruthers

**Local Impact Statement Procedure Required:** Yes

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### Highlights

- The Ohio Department of Developmental Disabilities (ODODD) may experience minimal administrative costs associated with (1) adopting rules, or (2) developing and maintaining consent forms for residents in the state's developmental centers to install and use electronic monitoring devices in residents' rooms.
- The bill requires the Ohio Department of Medicaid (ODM) to establish a Medicaid waiver that provides home- and community-based services (HCBS) to individuals with developmental disabilities (DD) who need a level of care required for admission to intermediate care facilities for individuals with intellectual disabilities (ICFs/IID) or enrollment in home- and community-based services. The state would experience a savings with each of the ICF/IID residents who instead enrolled in the new waiver. However, if the waiver attracted more participation from Ohio residents currently unserved by ODODD, or if it drew enrollees from lower cost waivers, state Medicaid costs would increase.
- ODM and ODODD would see increased administrative costs with establishing and administering a Medicaid waiver component for HCBS for individuals with DD.
- County boards of DD could potentially see increased costs if the new waiver increased Medicaid costs and ODODD does not pay for the entire nonfederal share of the increased costs. The county boards of DD are responsible for the nonfederal match of waiver costs that the state does not pay.

## Detailed Analysis

### Electronic monitoring

The bill permits an intermediate care facility for individuals with intellectual disabilities (ICF/IID) resident to electronically monitor the residential room in the facility. The resident (or that resident's guardian or attorney in fact) would complete a form developed by the ICF/IID providers and bear all the costs of installation and operation of equipment except for the electricity used. Under the bill, an ICF/IID provider may prescribe a form for use by a resident or a resident's guardian or attorney in fact seeking to authorize the installation and use of an electronic monitoring device in the resident's room. Furthermore, the bill permits an ICF/IID provider to post a notice in a conspicuous place at the entrance to a resident's room that contains an electronic device stating that an electronic monitoring device is in use in that room. Additionally, the bill permits the Ohio Department of Developmental Disabilities (ODODD) Director to adopt rules as necessary to implement the bill's provisions.

The bill specifies that all costs except electricity are to be borne by the resident. There will be an increase in administrative activity for ICFs/IID providers, including the state's developmental centers, which are licensed and certified ICFs, such as creating and maintaining the consent form, as well as posting a notice stating that an electronic monitoring device is in use in a particular room. ODODD may experience minimal administrative costs for adopting rules, and for any costs that fall to developmental centers in their role as ICFs/IID.

### Medicaid waiver creation

The bill requires the Ohio Department of Medicaid (ODM) to establish a Medicaid waiver that provides home- and community-based services (HCBS) to individuals with developmental disabilities (DD). The bill also requires that the waiver be available to individuals who have a developmental disabilities level of care determination from ODODD, indicating the individual needs a level of care required for admission to an ICF/IID or enrollment in home- and community-based services. Additionally, the new waiver will provide a monthly lump sum payment to parents or other family caregivers of waiver participants for providing home- and community-based services to the waiver participant. The bill specifies that the lump sum payment equals 90% of the total per-Medicaid day rate for the ICFs/IID.

The new waiver would join Ohio's three current DD waivers containing HCBS components: Level One, Individual Options, and Self-Empowered Life Funding (SELF). These waivers have about 46,000 enrollees, and each waiver has significantly different average costs, ranging from under \$9,000 per year (Level One) to over \$83,000 per year (Individual Options). Creating a new waiver incurs administrative costs. Currently about 4,500 people reside in ICFs/IID, with an average cost of approximately \$168,000 per year.

The net fiscal effect of the new waiver is unclear. The state would experience a savings with each ICF/IID resident who instead enrolled in the new waiver. However, if the waiver attracted more participation from Ohio residents currently unserved by ODODD, or if it drew enrollees from lower cost waivers, state costs would increase.

Medicaid is a joint federal/state-funded program. Currently, the regular federal reimbursement for Medicaid service expenses in Ohio is at around 64%, with the state paying the remaining 36%. Under current law, the division of the state share of Medicaid expense for

ODODD HCBS waivers is divided between ODODD and county boards of DD according to agreements between the ODODD Director and county boards.<sup>1</sup> If the new waiver is not covered by such an agreement, and if Medicaid costs increase as outlined above, the higher costs could potentially fall on county boards of DD. The bill is silent on this issue.

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<sup>1</sup> R.C. 5123.048 and 5126.0510.