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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 7
135th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Passed by the House

Primary Sponsors: Reps. White and Humphrey

Local Impact Statement Procedure Required: No

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Highlights

Operating appropriations

H.B. 7 contains new operating appropriations of approximately \$20.5 million for FY 2024 and approximately \$14.5 million for FY 2025. This includes GRF appropriations in the Ohio Department of Health (ODH), the Ohio Department of Job and Family Services (ODJFS), and the Ohio Department of Children and Youth (ODCY) for various health and human services programs. These appropriations are detailed in the following table and further discussed below.

Operating Appropriations for FY 2024 and FY 2025			
Fund	Appropriation Line Item	FY 2024	FY 2025
Department of Health			
GRF	440416, Mothers and Children Safety Net Services	\$2,000,000	\$2,000,000
GRF	440484, Public Health Technology Innovation	\$500,000	\$500,000
GRF	440485, Health Program Support	\$1,000,000	\$1,000,000
Department of Job and Family Services			
GRF	600566, Resiliency Grant Pilot Program	\$3,000,000	\$3,000,000
Department of Children and Youth			
GRF	830402, Healthy Beginnings at Home	\$5,000,000	\$3,000,000
GRF	830403, Help Me Grow	\$5,000,000	\$3,000,000

Operating Appropriations for FY 2024 and FY 2025			
Fund	Appropriation Line Item	FY 2024	FY 2025
GRF	830404, Infant Vitality	\$2,000,000	\$2,000,000
GRF	830405, Part C Early Intervention	\$2,000,000	\$0
Total		\$20,500,000	\$14,500,000

- The Ohio Department of Medicaid (ODM) will incur costs to update and evaluate Medicaid’s coverage of evidence-based mental health and dyadic family therapy services, to develop associated policy and billing guidance. ODM will have minimal costs to conduct a study regarding the reimbursement of evidence-based peer-to-peer programming that supports infant vitality.
- The Department of Rehabilitation and Correction (DRC) will realize costs to operate the required doula program that provides services to inmates in a prison nursery program.

Coverage for hearing aids

- Requiring that all health benefit plans provide coverage for (1) the cost, up to \$2,500 per hearing aid, every 48 months for a covered person under 22 years of age and (2) all related services would minimally increase costs to the state to provide health benefits to employees and their dependents.
- The requirement would increase costs to local governments to provide health benefits to employees and their dependents, by up to \$1.3 million statewide in the first year for counties, municipalities, and townships, and by up to \$1.7 million for school districts statewide in the first year. Any local government that already provides the required coverage would experience no cost increase. These estimates are unavoidably rough, and actual costs could be lower or higher.
- After the initial year, the average annual costs would be roughly one-fourth of the aforementioned amounts because the bill requires the coverage only once in every 48 months.

Detailed Analysis

Ohio Department of Children and Youth provisions

Healthy Beginnings at Home – appropriations

The bill appropriates \$5.0 million in FY 2024 and \$3.0 million in FY 2025 in GRF line item 830402, Healthy Beginnings at Home, under ODCY. This funding must be used, in coordination with the Ohio Department of Health (ODH), to support stable housing initiatives for pregnant mothers and to improve maternal and infant health outcomes. Within one year of the bill’s effective date, the Department is required to submit a report to the General Assembly detailing specified program information.

Help Me Grow

The bill requires, rather than authorizes as under current law, ODH to enter into interagency agreements with one or more state agencies to implement, coordinate, and maximize federal reimbursement for the Help Me Grow Program. The bill supplements Help Me Grow's existing central intake and referral system, by requiring ODH to establish and regularly evaluate a comprehensive screening and connection program to support the coordination of home visiting services across the state. ODH is also required to streamline the system to ensure families and children receive services from home visiting programs using evidence-based or evidence-informed models and that are appropriate to their level of needs. After referring a family to a home visiting services provider, the system operator shall notify ODH. ODH is required to request the independent contractor engaged to create and maintain student data verification codes to assign a data verification code to the referred family's child. ODH may use the code to evaluate the effectiveness of home visiting services received by the family's child and any outcomes for the child.

The bill also specifies families at risk of participating in the child welfare systems as priority recipients of home visiting services under Help Me Grow. Under the bill, ODH is required to specify entities that demonstrate the use of evidence-based home visiting models as eligible providers of home visiting services and to evaluate on a regular basis their effectiveness in serving families at risk of participating in the child welfare system. Additionally, the bill authorizes the ODH Director to permit providers of home visiting services to supplement their services with those available online or through other electronic means and requires ODH to regularly evaluate their effectiveness.

ODH is required to include in its existing annual report on data received from providers an evaluation addressing the number of families and children served, the number and type of services provided, and health and developmental outcomes for participating families and children. Additionally, ODH is required to include in its report an analysis of the impact of providers that demonstrate the use of evidence-based home visiting models and of online services. The report must be submitted to the General Assembly. ODH is additionally required to regularly identify the challenges to Help Me Grow participation that families in rural and Appalachian communities experience and to recommend strategies to improve their participation. ODH, in collaboration with the Ohio Department of Job and Family Services (ODJFS) and the Ohio Department of Medicaid (ODM), is required to develop strategies to increase the workforce capacity of home visiting service providers and parenting support professionals.

Fiscal impact

The bill appropriates \$3.0 million in both FY 2024 and FY 2025 in ODCY GRF line item 830403, Help Me Grow, for several of these purposes. An additional \$2.0 million in FY 2024 (for a total of \$5.0 million in ALI 830403 in FY 2024) is required to be used for home visiting services and to screen infants who were born at low birth weights and between the gestational ages of 28 to 38 weeks to determine if the infant could benefit from receiving Part C Early Intervention services. The bill reappropriates the available balance of this \$2.0 million allocation at the end of FY 2024 to FY 2025 to be used for the same purposes.

Infant vitality supports and appropriations

The bill appropriates \$2.0 million in both FY 2024 and FY 2025 in GRF line item 830404, Infant Vitality, under ODCY. Of this amount, \$1.0 million in each fiscal year must be used to fund Centering Pregnancy services and similar evidence-based and evidence-informed group pregnancy education programs and targeted outreach to at-risk pregnant mothers and mothers of infants in areas of the state where there are gaps in such services, as determined by the ODCY Director. The remaining \$1.0 million in each fiscal year must be used to establish a community-based grant program to expand access to infant vitality supports.

Part C Early Intervention

The bill requires the Part C Early Intervention Services Program rules to (1) deem an infant born before 28 weeks of gestational age eligible for program services without other required conditions and (2) provide to an infant born between 28 and 38 weeks of gestational age home visiting services that include developmental screening and, if appropriate based on the results of the screening, a referral for Part C Early Intervention program services. The bill also requires ODODD, in its existing annual report, to include specified information regarding the state's Part C Early Intervention Services Program and requires each report to be submitted to the General Assembly.

Fiscal impact

The bill appropriates \$2.0 million in FY 2024 in GRF line item 830405, Part C Early Intervention, under ODCY, to provide early intervention services to infants born before 28 weeks of gestational age and infants born between 28 and 38 weeks of gestational age who are referred for services. The bill reappropriates any available balance of these funds at the end of FY 2024 for the same purpose in FY 2025. The Ohio Department of Developmental Disabilities (ODODD) may incur costs to include certain information in its existing annual report.

Ohio Department of Health provisions

WIC enrollment

The bill requires the Ohio Department of Health (ODH) to evaluate and invest in strategies to create an integrated eligibility determination application for both the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and the Supplemental Nutrition Assistance Program (SNAP). Additionally, the bill requires ODH to investigate and determine the feasibility of incorporating the following changes to WIC enrollment and benefit distribution processes: (1) incorporating all available federal waivers, including a waiver permitting the use of telephone and video calls to complete WIC enrollment, (2) pursuing multi-program enrollment through Ohio Benefits, (3) allowing for adjunctive eligibility for WIC applicants who show proof of enrollment in SNAP, Ohio Works First, or Medicaid, (4) enabling automatic online loading of benefits to WIC nutrition cards, (5) offering online shopping with WIC nutrition cards, and (6) exploring other ways to improve access to WIC and remove administrative burdens. The bill requires ODH to submit a report to the General Assembly within six months of the bill's effective date, detailing the results of its investigation.

Fiscal impact

The bill appropriates \$2.0 million in both FY 2024 and FY 2025 in ODH GRF line item 440416, Mothers and Children Safety Net Services, to support these efforts. The creation of

an integrated eligibility application for WIC and SNAP could increase enrollment. WIC and SNAP benefits are paid by the federal government. It may also reduce some administrative costs. Administrative costs for WIC are fully federally funded. However, the federal government pays 50% of the state's administrative costs for SNAP. The Ohio Department of Job and Family Services (ODJFS) and local governments pay the other 50%. Thus, ODJFS and local governments could realize some administrative savings.

Medical legal partnership grant program

The bill requires ODH to establish a program to award grants to legal service organizations and medical providers that partner together to identify pregnant women, mothers, and children in need of legal services and to provide them with those services. Additionally, each legal assistance organization and medical provider partnership is required to monitor health outcomes for those receiving legal services under the partnership and to report those outcomes to ODH on a regular basis. The report must include an evaluation of the grant program that addresses the number served, the number and type of services provided, and any health and developmental outcomes for participants.

Fiscal impact

The bill appropriates \$1.0 million in both FY 2024 and FY 2025 in ODH GRF line item 440485, Health Program Support, to be used for grant awards.

Pregnancy and postpartum mobile application

The bill requires ODH, in collaboration with the Ohio Department of Medicaid (ODM), to issue a request for proposals for the creation of a mobile application that provides information and resources to pregnant and postpartum women in Ohio who are eligible for Medicaid. The bill also requires ODH, on the dates both one and two years after the effective date, to submit a report to the General Assembly summarizing specified data.

Fiscal impact

The bill appropriates \$500,000 in both FY 2024 and FY 2025 in ODH GRF line item 440484, Public Health Technology Innovation, to be used for the creation of the mobile application.

Ohio Department of Medicaid

Medicaid mental health

The bill requires the Medicaid Director to evaluate and update the Medicaid Program's coverage of evidence-based mental health and dyadic family therapy services for young children and their caregivers, to improve outcomes from birth to age five. The bill also requires the evaluation and updates to address mental health screening for mothers and young children and include follow-up for family dyadic therapies and other child mental health services for those with identified risk. The Medicaid Director is required to develop policy and billing guidance for Medicaid providers to improve the use of mental health and dyadic family therapy services and the consistency of early childhood screenings in primary care settings, and to encourage use of specified diagnosis tools and billing codes.

Fiscal impact

Requirements for the Medicaid Director to develop policy and billing guidance may lead to administrative costs. If the policy and guidance leads to increased billing for Medicaid services, the Department may experience increased costs in the long term.

Infant vitality supports and appropriations

The bill requires ODM to conduct a study regarding the reimbursement of evidence-based peer-to-peer programming that supports infant vitality.

Fiscal impact

ODM may realize an increase in costs to conduct the study.

Provisions impacting ODM and other agencies

Doula services

H.B. 7 establishes a program in the Department of Rehabilitation and Correction (DRC) for certified doulas to provide doula services to inmates participating in a prison nursery program.

Fiscal impact

DRC will incur costs to establish and continue the provision of doula services to inmates participating in a prison nursery program. Operating costs of this program will depend on the number of inmates participating in any prison nursery program. The number of inmates participating in a prison nursery program annually is likely to be under 20. From the start of DRC's nursery program – Achieving Baby Care Success¹ – in 2001 through November 2018, 300 inmates have participated in the program, or about 17 per year. Costs will further depend on the number of eligible prison nursery program participants who chose to receive doula services under the program.

Ohio Department of Job and Family Services

Head Start and Step Up to Quality

The bill requires ODJFS to periodically review Head Start program performance standards and National Association for the Education of Young Children (NAEYC) accreditation standards and determine which Step Up to Quality (SUTQ) ratings tier corresponds with minimum Head Start and NAEYC standards. The bill also requires ODJFS to rate each licensed child daycare center and family daycare home operating or under contract to provide a Head Start or Early Head Start program in the Step Up to Quality tier that ODJFS has determined corresponds with minimum Head Start or NAEYC standards.

Fiscal impact

ODJFS will realize costs to review these standards and to rate impacted entities accordingly. However, according to the Ohio Head Start Association, Inc., this provision could eventually reduce administrative costs to both ODJFS and to those licensed child daycare centers or family daycare homes operating or under contract to provide a Head Start or Early Head Start

¹ To be eligible to participate in DRC's nursery program, an inmate must not (1) have been convicted of a violent crime, (2) have a history with child services, and (3) have a sentence of more than 36 months.

program. These impacted facilities would be rated in the appropriate Step Up to Quality tier due to their accreditation, so there could be reductions in administrative work required to apply for an SUTQ rating and for ODJFS to rate them. Any other impacts will depend on a facility's current ranking versus the ranking that ODJFS determines corresponds to the Head Start or NAEYC standards.

Resiliency Grant Pilot Program

The bill requires ODJFS to establish a pilot program to assist in the development of quality, comprehensive child care programs like Early Head Start across the state, with an emphasis on communities experiencing both high infant mortality rates and limited access to child care for families at risk of being part of the child welfare system. As part of the program, ODJFS is required to award resiliency grants to support new or enhanced child care programs for the foregoing communities, children, and families, including programs offering wraparound services, mental health supports, and therapeutic classrooms to assist in overcoming barriers and achieving family stability. ODJFS is required to evaluate the program on a periodic basis and address specified information.

Fiscal impact

The bill appropriates \$3.0 million in both FY 2024 and FY 2025 in ODJFS GRF line item 600566, Resiliency Grant Pilot Program, to fund the program.

Ohio Commission on Fatherhood

In its existing annual report, the bill requires the Ohio Commission on Fatherhood to evaluate the number of fathers and children served and the number of types of additional services provided as a result of the recommendations required under H.B. 33 regarding the funding, approval, and implementation of fatherhood programs meeting at least one of the four purposes of the federal Temporary Assistance for Needy Families (TANF) block grant. The bill also requires the Commission to submit each report to the General Assembly.

Fiscal impact

There may be costs to compile and provide the additional information in the annual report.

Parenting education programs

The bill requires ODJFS, in collaboration with other state departments, to develop strategies for state entities to use in (1) informing parents, caregivers, and child care providers about evidence-based parenting education programs, including the Positive Parenting Program, also known as Triple P, and (2) promoting such programs' benefits, including their parenting, caregiving, and educational resources.

Fiscal impact

The bill requires ODCY to use the \$3.0 million in funds appropriated by the bill in ODCY GRF line item 830403, described above, to also support these efforts in consultation with ODJFS.

Coverage for hearing aids

The bill requires health benefit plans to provide coverage for the cost of both of the following: (1) one hearing aid per hearing-impaired ear up to \$2,500² every 48 months for a covered person under 22 years of age who is verified as being deaf or hearing impaired by a licensed audiologist or by an otolaryngologist or other licensed physician, and (2) all related services prescribed by an otolaryngologist or recommended by a licensed audiologist and dispensed by a licensed audiologist, a licensed hearing aid dealer or fitter, or an otolaryngologist. The bill specifies that a health plan issuer is not required to pay a claim for the cost of a hearing aid, if less than 48 months prior to the date of the claim, the covered person received the required coverage from any health benefit plan.

Under current law, no mandated health benefits legislation enacted by the General Assembly may be applied to sickness and accident or other health benefits policies, contracts, plans, or other arrangements until the Superintendent of Insurance determines that the provision can be applied fully and equally in all respects to employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA) and employee benefit plans established or modified by the state or any political subdivision of the state. The bill includes a provision that exempts its requirements from this restriction.

The required coverage applies to all health benefit plans, as defined in section 3922.01 of the Revised Code, and includes a nonfederal government health plan delivered, issued for delivery, modified, or renewed on or after the bill's effective date.

Fiscal effect

According to a Department of Administrative Services (DAS) official, the state's health benefit plans are currently providing more generous coverage for hearing aids than is required under the bill. The official also indicated that if there is any additional cost to the state's plans, it would be minimal. The state's health benefit plans are more generous in the sense that the state plans do not limit the coverage to the first \$2,500 of the cost of a hearing aid, and the benefit is available to a covered individual every year rather than once every 48 months. But the state's plans do require copayments that appear not to be permitted under the bill, so there would likely be some cost.³ The costs of state employees' health benefits are paid out of the State Employee Health Benefit Fund (Fund 8080). Fund 8080 is funded by employer contributions derived from the GRF and various state funds and state employee payroll deductions.

On the other hand, the required coverage would increase costs to local governments to provide health benefits to employees and their dependents, though any political subdivision that already complies with the bill's requirements would experience no cost increase. Based on the

² The bill specifically allows a covered person to choose a higher priced hearing aid, so long as the person pays the difference in cost.

³ Under the state's health benefit plans, hearing aid benefits for accident, congenital illness, or injury are covered at 80% after deductible for network providers and at 60% after deductible for non-network providers with no age limit or lifetime maximum, in each plan year. Hearing aid benefits for natural hearing loss are covered at 50% after deductible for both network and non-network providers, with a \$1,000 lifetime maximum. In addition, hearing examinations are covered through age 21 at 100% for network providers, and at 60% after deductible and a \$30 copay for non-network providers.

assumptions below, the estimated statewide costs to counties, municipalities, and townships would be up to \$1.3 million in the first year; after the initial year, the average annual costs would be lower, ranging up to \$330,000, because the coverage is not required every year. The estimated statewide costs to school districts would be up to \$1.7 million in the first year; similarly, after the initial year, the average annual costs would range up to \$430,000.

The number of individuals under 22 years of age and residing in Ohio who have been diagnosed with hearing loss, and therefore might require a hearing aid, is undetermined. Nationwide data and statistics from various sources, including from the Centers for Disease Control and Prevention (CDC) and National Institute on Deafness and Other Communication Disorders (NIDCD),⁴ do not specifically present the prevalence of hearing loss for individuals under 22 years old, or the number of such individuals. However, according to data derived from the 2018-2022 American Community Survey (ACS) Public Use Microdata Sample for Ohio, as prepared by the U.S. Census Bureau, there are approximately 18,578 individuals in Ohio who are under 22 years of age and have hearing difficulty; the estimated ACS number represents about 0.6% of Ohioans aged zero to 21 years.⁵ Only some of these individuals would be covered by a health benefit plan provided by a government employer. In 2022, approximately 58.1% of Ohioans received their health insurance coverage through their employer, based on data from the 2022 ACS. In addition, based on Nonagricultural Wage and Salary Employment in Ohio, 2023, published by the Ohio Department of Job and Family Services (ODJFS), 3.1% of the Ohio nonfarm workforce was employed by state government, 4.0% were employed by local government (not including those employed by an educational institution or a local government hospital), and 5.1% were employed in local government education.

Assuming that 58.1% of the estimated 18,578 individuals with hearing difficulty receive coverage through an employer's health plan, then the number of individuals with such coverage is roughly 10,794. If these individuals are covered by governmental plans in proportion to the overall employment of Ohioans reported by ODJFS above, the number of such individuals that are covered by a state health plan is estimated to be about 332, the number that are covered by a health plan sponsored by a county, municipality, or township is estimated to be about 432, and the number covered by a school district-sponsored health plan is estimated to be about 555.

Based on an analysis by the California Health Benefits Review Program for Assembly Bill 598,⁶ the overall prevalence rate for adolescents aged 12 to 19 with unilateral and bilateral hearing loss was 3.5%. The study also indicates that "Children may . . . require either one or two hearing aids Nationwide, hearing loss in one ear (unilateral) occurs in about 2.7% of adolescents aged 12 to 19 while hearing loss in both ears (bilateral) is less common at 0.8% of adolescents" Assuming the estimated 10,794 individuals above have the same proportions of

⁴ According to [CDC Data and Statistics About Hearing Loss in Children in the United States](#), the prevalence rate for children between three and 17 years of age is six per 1,000 children, the prevalence rate for children 12 to 19 years of age is 15.2%, and the prevalence rate of babies is 1.8 per 1,000 babies screened.

⁵ According to ACS data, the estimated number of Ohioans aged zero to 21 during that period was 3,260,145.

⁶ Page 3 of *Abbreviated Analysis of California Senate Bill 635 Hearing Aids*, a report to the 2023-2024 California State Legislature, June 9, 2023. A copy of the analysis is available [here](#).

unilateral and bilateral hearing loss as the analysis, about 8,311 of such individuals would require one hearing aid while the remaining 2,483 would require two hearing aids. Subject to the bill's \$2,500 limit per hearing-impaired ear per 48 months, the estimated total costs to the state to provide the required coverage for these individuals would range up to \$1.0 million in the first year, but most of this cost is already covered under the state's existing plan. For local government employers, the statewide estimated costs would be up to roughly \$1.3 million the first year for counties, municipalities, and townships, and up to roughly \$1.7 million for school districts. In general, the costs of hearing aids range "from about \$1,500 to more than a few thousand dollars each. Professional fees, remote controls, hearing aid accessories and other hearing aid options may cost extra."⁷ Actual costs to public employers would likely be lower than these amounts if some of their plans already included the same hearing aids coverage as under the bill, but LBO cannot rule out that they would be higher. Actual costs would depend on the number of individuals covered by such public employers, the number of hearing aids required by each eligible person, and other costs related to hearing aid services.

The nature of costs for local governments depends on whether the particular entity is self-insured, in which case the entity would itself pay the claim (most likely by way of a contracting claims processor), or provides health benefits via an insurance policy. According to data derived from the 2023 Health Insurance Report,⁸ published by the State Employment Relations Board, 447 or about 22% of public employees' health insurance plans are fully insured by outside health plan issuers; thus these plans would be subject to any increase in premiums to cover additional costs related to the bill's requirement.⁹ The remaining 1,546 of public employees' health insurance plans (78%) are self-insured plans; so the majority of public employee benefit plans would pay the costs of medical claims directly.

The bill may increase the Department of Insurance's administrative costs related to regulation of insurers under its purview. Any such costs would be paid from the Department of Insurance Operating Fund (Fund 5540). The bill may also increase the Speech and Hearing Professionals Board's administrative cost to adopt professional standards related to permit compliance with the bill's provisions. Any increase in such cost would be paid from the Board's line item 123609, Operating Expenses.¹⁰

The bill's provisions do not apply to the state Medicaid Program and so there is no cost to the Medicaid Program. Under Ohio Administrative Code Rule 5160-10-11, Medicaid is currently required to provide coverage for a hearing aid if it is medically necessary.

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⁷ [Hearing aids: How to choose the right one](#), posted on the Mayo Clinic's website.

⁸ A copy of the report is available [here](#).

⁹ According to the [American Speech-Language-Hearing Association \(ASHA\)](#) website (visited May 28, 2024), 25 states require some type of hearing aids coverage. The bill's required hearing aids coverage is fairly similar to the required coverage in Massachusetts, North Carolina, and Georgia. Actuarial assessments of the bills enacting the coverage requirements in those states generally found that insurance premiums would increase by less than 0.01% due to their respective requirements. References to the studies are available upon request.

¹⁰ The Board is funded by fees and does not receive any GRF funding.