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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 7
135th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Reported by House Families and Aging

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 \$37.5 million for FY 2024 and approximately \$18.5 million for FY 2025. This includes GRF appropriations in the Department of Development (DEV), the Ohio Department of Developmental Disabilities (ODODD), the Ohio Department of Health (ODH), the Ohio Department of Job and Family Services (ODJFS), and the Ohio Department of Mental Health and Addiction Services (OhioMHAS) 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 Development			
GRF	195419, Healthy Beginnings at Home	\$16,000,000	\$1,000,000
Department of Developmental Disabilities			
GRF	322421, Part C Early Intervention	\$2,000,000	\$0
Department of Health			
GRF	440416, Mothers and Children Safety Net Services	\$2,000,000	\$2,000,000
GRF	440459, Help Me Grow	\$5,000,000	\$3,000,000
GRF	440474, Infant Vitality	\$2,000,000	\$2,000,000

Operating Appropriations for FY 2024 and FY 2025			
Fund	Appropriation Line Item	FY 2024	FY 2025
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 Mental Health and Addiction Services			
GRF	336511, Early Childhood Mental Health Counselors and Consultation	\$6,000,000	\$6,000,000
Total		\$37,500,000	\$18,500,000

- The Ohio Department of Medicaid will incur costs due to several provisions of the bill. The primary cost increases expected from the bill's provisions would be service costs to provide doula services to pregnant Medicaid beneficiaries, and service costs to provide continuous health coverage to young children. These increased service costs would be a shared expense between the state and federal governments.
- The Board of Nursing (NUR) and the Department of Rehabilitation and Correction (DRC) will also realize costs regarding the doula provision. NUR to establish and regulate doula certification and to maintain a registry and DRC to operate the required doula program that provides services to inmates in a prison nursery program.

Detailed Analysis

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.

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 ODJFS and 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 ODH GRF line item 440459, 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 440459 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 440474, Infant Vitality, under ODH. 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 ODH 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.

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

Continuous Medicaid enrollment for young children

The bill requires the Medicaid Director to establish a Medicaid waiver component to provide continuous enrollment for Medicaid-eligible children from birth through age three. The bill specifies that a child who is eligible for Medicaid will remain eligible for the continuous eligibility until the earlier of (1) the end of a continuous 48-month period, or (2) the date the child exceeds age four. The bill exempts from the waiver a child who is deemed presumptively eligible for Medicaid, is eligible for alien emergency medical assistance, or is eligible for the refugee medical assistance program.

Fiscal impact

ODM will incur costs to institute the continuous coverage for young children. The magnitude of this impact will be dependent on the number of children who are eligible for this continuous coverage who would not have already been eligible for Medicaid coverage during this period under already existing eligibility criteria. For whatever young children who would not have been eligible for coverage for a portion of this time period, the extension of continuous coverage will increase coverage costs for these additional Medicaid beneficiaries. Assuming Ohio received federal approval for their waiver component to provide this continuous coverage, the federal government would likely reimburse about 64% of these costs.

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.

Medicaid Program cost savings report

The bill requires ODM to annually (1) conduct a cost savings study of the Medicaid Program and (2) prepare a report based on the study, recommending measures to reduce Medicaid Program costs, and submit the report to the Governor. Among other details, the report must include, beginning two years after the effective date of the bill, information on the doula coverage established by the bill. ODM will also be required to furnish to the Joint Medicaid Oversight Committee a copy of the data used in the development of the report.

Fiscal impact

The production of this study and report may lead to some administrative costs for the Department. If the results of the study and report lead to eventual changes, these changes could create cost savings for the Department.

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

The bill requires the Board of Nursing (NUR) to certify doulas and to establish a registry of certified doulas. The bill also establishes the Doula Advisory Board to advise the Board. NUR is required to adopt rules establishing standards and procedures relating to the issuance and renewal of certificates. These rules must include training requirements and certificate fees, as well as a waiver of those fees for applicants with a family income below 300% of the federal poverty line.

The bill also 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. Additionally, the bill establishes a program in ODM to cover doula services provided by a certified doula with a Medicaid provider agreement.

Fiscal impact

The bill's provisions will lead to costs for NUR, DRC, and ODM. NUR will incur administrative and possible information technology costs to certify doulas, establish a registry of certified doulas, and to provide the Doula Advisory Board with meeting space, staff services, and technical assistance. It is possible that NUR may realize an increase in fee revenues, which would be deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90).

DRC will incur costs to establish and continue the provision of doula services to inmates participating in a prison nursery program. As the bill sets a one-year period following the effective date of the legislation before the program begins operations, there will be a one-year period before DRC would begin to incur these service costs. 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.

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.

ODM will incur costs to establish and operate a program to cover doula services. Like the DRC program, the bill sets a one-year delay following the effective date of the legislation for the operation of the ODM program, so financial effects will be delayed by one year. Costs of the ODM coverage will depend on the utilization rate of doula services among pregnant women covered by Medicaid, as well as the reimbursement received for each birth. Currently, Medicaid covers approximately 70,000 Medicaid births per year. Other states have submitted Medicaid state plan amendments to the U.S. Centers for Medicare and Medicaid Services and received approval to allow for reimbursements for doula services.² Assuming Ohio also received approval, the federal government would likely reimburse about 64% of these costs. In addition, some studies have indicated that the use of a doula could result in better birth outcomes, such as fewer preterm and low birth weight infants, and reductions in cesarean sections. If this occurs, the state could realize a savings in associated costs.

As of the spring of 2023, doulas were not a covered state plan service for Ohio Medicaid. However, ODM has proposed to begin covering doula services under the Maternal Infant Support Program (MISP), and stated in their FY 2024-FY 2025 operating budget testimony that completing the implementation of this coverage was part of their policy objectives for the FY 2024-FY 2025 biennium. These plans may overlap with the proposed doula coverage of the bill, and it is possible this MISP doula coverage could be implemented earlier than the bill's program, depending on the bill's effective date and administrative decisions within the Department.

Ohio Department of Development

Healthy Beginnings at Home – appropriations

The bill appropriates \$16.0 million in FY 2024 and \$1.0 million in FY 2025 in GRF line item 195419, Healthy Beginnings at Home, under the Department of Development. Of this amount, \$15.0 million in FY 2024 must be used, in coordination with ODH, to support stable housing initiatives for pregnant mothers and to improve maternal and infant health outcomes. The remaining \$1.0 million in each fiscal year must be used to fund Move to Prosper efforts, which makes affordable rental housing available in neighborhoods that offer access to opportunities. 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.

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.

² According to various articles, a few states have passed legislation allowing for Medicaid reimbursement for doula services.

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 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

The bill grants the Ohio Commission on Fatherhood authority to make recommendations to the ODJFS Director concerning 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. Under the bill, ODJFS is authorized to provide TANF block grant funding to an entity that the Commission recommended and that has entered into an agreement with ODJFS to receive TANF funds. 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. The bill also requires the Commission to submit each report to the General Assembly.

Fiscal impact

The provision described above should not result in fiscal impacts. However, the bill requires ODH to use the \$3.0 million in funds appropriated by the bill in ODH GRF line item 440459, to also support expanding access to fatherhood programming in consultation with ODJFS.

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 ODH to use the \$3.0 million in funds appropriated by the bill in ODH GRF line item 440459, described above, to also support these efforts in consultation with ODJFS.

Ohio Department of Mental Health and Addiction Services

Early childhood mental health appropriations

The bill appropriates \$6.0 million in both FY 2024 and FY 2025 in GRF line item 336511, Early Childhood Mental Health Counselors and Consultation, under the Ohio Department of Mental Health and Addiction Services. The funds are to first be used for the development of online and other training tools, service and referral supports, and to evaluate program impact with a child care professional cohort. Any remaining amounts must be used to support early childhood mental health consulting, coaching, training, and mental health supports for child care assistant teachers and lead teachers.

Ohio Department of Developmental Disabilities

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 322421, Part C Early Intervention, under the Ohio Department of Developmental Disabilities (ODODD), 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.