



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 483 of the 131st G.A.

Date: April 11, 2016

Status: As Introduced

Sponsor: Rep. Amstutz

Local Impact Statement Procedure Required: No

Contents: Modifies programs administered by the Department of Developmental Disabilities and makes an appropriation

State Fiscal Highlights

- The bill transfers the responsibility for implementing the state's Part C Early Intervention Services Program from the Ohio Department of Health (ODH) to the Ohio Department of Developmental Disabilities (ODODD). To support this, the bill transfers a total of \$25.1 million (\$11.1 million in general revenue funds and \$14.4 million in federal funds) in FY 2017 from ODH to ODODD.
- The bill makes appropriation adjustments within ODODD's budget related to targeted case management. These adjustments are to provide for a new reimbursement methodology that allows county boards of developmental disabilities to certify their expenditures through billing rather than by sending match dollars to ODODD.
- The bill requires ODODD to recoup certain amounts, including interest, if certain intermediate care facilities for individuals with intellectual disabilities (ICFs/IID) obtained approval to downsize by July 1, 2018, but fail to do so. The bill allows an ICF/IID to voluntarily pay the amount to be recouped. Any recoupments or repayments collected would be deposited to the General Revenue Fund.
- The bill permits ODODD to change the terms of an agreement if a county board or board of county commissioners closes or sells a community adult facility. ODODD could receive reimbursements related to the proceeds of a sale. However, ODODD is encouraging county boards and boards of county commissioners to instead use the proceeds of any sales for the acquisition of housing for individuals with disabilities.

Local Fiscal Highlights

- The bill requires ODODD to recoup certain amounts, including interest, if certain ICFs/IID obtained approval to downsize by July 1, 2018, but fail to do so. A county-operated ICF/IID could be subject to this requirement if it fails to downsize by this date. However, the Ohio Association of County Boards anticipates that county-operated ICFs/IID will meet downsize goals.
 - The bill requires a county board of developmental disabilities or board of county commissioners that sells a community adult facility under certain circumstances to either reimburse ODODD the proceeds of the sale up to the outstanding balance owed or to use the proceeds of the sale for the acquisition of housing for individuals with developmental disabilities. According to ODODD, it will encourage the funds to be used to obtain housing.
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Detailed Fiscal Analysis

Part C Early Intervention Services Program

The bill transfers from the Ohio Department of Health (ODH) to the Ohio Department of Developmental Disabilities (ODODD) the responsibility for implementing the state's Part C Early Intervention Services Program, through which eligible infants and toddlers receive early intervention services in accordance with federal law. The bill also makes conforming and technical changes associated with the program's transfer, including replacing the Help Me Grow Advisory Council with the Early Intervention Services Advisory Council and requiring ODODD (rather than the Director of Health) to fulfill certain duties when a child ceases receiving early intervention services and enrolls in a public school. The bill also requires ODODD to adopt rules that are necessary to implement the program.

The bill specifies that ODH employees assigned to the program on June 30, 2016 will transfer to ODODD and retain all benefits accrued on the date of the transfer. According to the departments, eight employees will transfer to ODODD.

Additionally, the bill designates ODODD as the "lead agency" responsible for the administration of funds provided for the program. Thus, the bill transfers a total of \$25.1 million in FY 2017 from ODH to ODODD. The table below shows the appropriation items impacted. The total net impact of the appropriation adjustments is \$0.

FY 2017 Appropriation Adjustments Related to Part C Early Intervention				
Agency	Fund	ALI	ALI Name	\$ Change FY 2017
ODH	GRF	440459	Help Me Grow	-\$11,109,909
ODH	3920	440618	Federal Public Health Programs	-\$14,000,000
DDD	GRF	322421	Early Intervention	\$11,109,909
DDD	3250	322612	Community Social Service Programs	\$14,000,000
All Funds Total Net Impact				\$0

According to both ODODD and ODH, this transfer will not impact services or local government program management relating to Part C Early Intervention. Funds for service coordination will continue to be provided to county family and children first councils, while funds for early intervention services will continue to be provided to county boards of developmental disabilities. The only change will be that state and federal funds for these activities will come from ODODD rather than ODH.

Targeted case management

The bill makes adjustments to certain appropriation items in FY 2017 relating to targeted case management. Additionally, the bill requires the Director of the Office of Budget and Management, on July 1, 2016, or as soon as possible thereafter, to transfer the cash balance in the Targeted Case Management Fund (Fund 5DJ0) to the Medicaid Waiver Fund (Fund 3G60). Fund 5DJ0 is abolished after this transfer. The Director is required to cancel existing encumbrances against appropriation items 322625 and 653625 and establish them against appropriation item 653639, Medicaid Waiver Services. The table below shows the appropriation adjustments by line item.

FY 2017 Appropriation Adjustments Related to Targeted Case Management				
Agency	Fund	ALI	ALI Name	\$ Change FY 2017
DDD	5DJ0	322625	Targeted Case Management Match	-\$43,000,000
DDD	5DJ0	653626	Targeted Case Management Services	-\$113,000,000
DDD	3G60	653639	Medicaid Waiver Services	\$70,000,000
Dedicated Purpose Funds Total				-\$156,000,000
Federal Funds Total				\$70,000,000
All Funds Total Net Impact				-\$86,000,000

Essentially these adjustments are taking place due to a recent change in reimbursement methodology. Under the previous reimbursement methodology, appropriation item 322625, Targeted Case Management Match, was used to transfer the nonfederal share of the cost of targeted case management services provided by county boards of developmental disabilities to the Ohio Department of Medicaid (ODM) in order to draw down the federal Medicaid reimbursement. Then, appropriation item 653626, Targeted Case Management Services, was used to disburse to county boards

both the county-paid nonfederal share plus the federal Medicaid reimbursement received. However, due to the change in reimbursement strategies, county boards are no longer required to send the nonfederal portion of funds to ODODD in order to draw down federal reimbursement. Instead, boards certify the expenditure has been made when billing. As a result, ODODD will use appropriation item 653639, Medicaid Waiver Services, to disburse the federal share to county boards. The appropriation to item 653639 is increased by \$70.0 million, while the appropriations to items 322652 and 653626 are decreased by a total of \$156.0 million because the county-paid nonfederal share will no longer flow through the state accounting system (either to be used to transfer to ODM to receive reimbursement or to disburse back to the counties). Thus, these appropriations are no longer necessary.

Recoupments and voluntary repayments from ICFs/IID failing to downsize

The bill requires, with an exception, ODODD to recoup a certain amount of efficiency incentive payments, including interest, from an intermediate care facility for individuals with intellectual disabilities (ICF/IID) in peer group 1 if the ICF/IID obtained approval to downsize not later than July 1, 2018, and fails to downsize by that date. The bill permits an ICF/IID to voluntarily repay the amount, excluding interest, that would otherwise be recouped. Under the bill, recoupments and repayments are deposited into the General Revenue Fund. ODODD is also required to adopt rules regarding recoupments and voluntary repayments.

According to ODODD, the total amount that could be available for recoupment or repayment is \$10.0 million per fiscal year. ODODD does not have an estimate regarding the number of ICFs/IID that may fail to downsize by July 1, 2018; but ODODD has stated that the maximum amount of recoupments or repayments it anticipates to be available could be 25% of this amount, or \$2.5 million per fiscal year. However, the amount actually collected would depend on this number and if all applicable ICFs/IID downsize, no recoupments or voluntary repayments would be collected. It is possible that some county-operated ICFs/IID could be subject to recoupment. However, the Ohio Association of County Boards believes that all county-operated ICFs/IID are on target to meet the goal by July 1, 2018. Any recoupments or voluntary repayments collected would be deposited into the General Revenue Fund. Lastly, there may be a potential minimal increase in administrative costs for ODODD to adopt rules regarding this provision.

Community adult facility

The bill permits the ODODD Director to change the terms of an agreement with a county board of developmental disabilities or a board of county commissioners regarding the closure of a community adult facility if certain conditions are met. Conditions include a commitment from the county board or board of county commissioners that if a facility is sold the board will either: (1) reimburse ODODD the

proceeds of the sale up to the outstanding balance owed under the agreement, or (2) use the proceeds of the sale for the acquisition of housing for individuals with disabilities.

ODODD could realize an increase in revenue from reimbursement, of up to the outstanding balance owed under an agreement, if a county board or board of county commissioners sells a community adult facility. However, ODODD is encouraging county boards and boards of county commissioners to instead use the proceeds of any sales for the acquisition of housing for individuals with disabilities.

Developmental disabilities personnel

The bill expands the list of health care services that qualified personnel are authorized to provide for certain individuals with developmental disabilities. The bill also requires ODODD to develop courses for personnel that provide training in the performance of those health care services.

The bill removes the performance of tube feeding from the list of services for which personnel must obtain a certificate from ODODD to perform. The bill removes a requirement that the Board of Nursing adopt rules necessary to govern nursing delegation as it applies to developmental disabilities personnel who perform tube feedings. The bill also removes a provision that allows the Board of Nursing to accept complaints from any person or government entity regarding the performance or qualifications of developmental disabilities personnel who perform tube feedings.

Additionally, the bill repeals a provision requiring ODODD to adopt rules establishing procedures for accepting complaints and conducting investigations regarding the administration of medication and performance of health-related activities by personnel. The bill permits ODODD to take disciplinary action for good cause against a certificate holder.

ODODD does not expect to experience an increase in costs to develop the above-mentioned training courses or to investigate and take disciplinary actions against certificate holders if good cause exists. However, there will be a minimal cost to revise the computer-based registry of certified personnel. According to the Ohio Association of County Boards, there could be potential minimal savings to county boards that provide adult services due to the removal of the nursing delegation requirement for certain services.

Automatic denial of a supported living certificate

The bill provides that a person or government entity's application to ODODD to provide Medicaid-funded supported living under a supported living certificate is automatically denied if ODM refuses to issue to the person or government entity a provider agreement authorizing the provision of Medicaid-funded supported living. There may be minimal administrative savings to ODODD related to this provision.

Cost reports for downsized, converted, and new ICFs/IID

The bill requires ICFs/IID to file an annual Medicaid cost report even though (1) the ICF/IID downsized, partially converted, or initially opened after the first day of October of a calendar year and (2) ODODD accepted another Medicaid cost report for the ICF/IID covering a certain period following the downsizing, partial conversion, or opening. ODODD does not anticipate any additional administrative costs related to this provision.

In-home care

The bill permits a family member of an individual with a developmental disability to authorize an unlicensed in-home care worker to administer nutrition and medication through gastronomy and jejunostomy tubes, metered dose inhaled medications, oxygen, insulin, and prescribed medications for the treatment of metabolic glycemc disorders. The bill also establishes additional conditions that must be met before a family member authorizes an unlicensed in-home care worker to perform a health care task.

Additionally, the bill requires a family member or a health care professional to be available to communicate with an unlicensed in-home care worker while the worker performs a health care task for an individual with a developmental disability.

According to ODODD, there should be no fiscal impact as a result of these provisions.