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# **2018-2019 State Budget, As Introduced: Ohio Departments of Health and Developmental Disabilities**

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### Introduction

Governor Kasich introduced his final two-year budget proposal in late January. The governor's proposals run the gamut from revivals of previous tax proposals to advancing strategies to increase value and quality in health and human services. The budget contains the funding proposals for state fiscal years (SFY) 2018 and 2019, but also lays out the policy priorities for the coming years. This edition of *State Budgeting Matters* details proposals in the Ohio departments of Developmental Disabilities and Health budgets, as introduced.

### Something to Keep in Mind While Examining Budget Line Items: GRF and Non-GRF Source of Funding

Careful examiners of the state budget may notice reductions in some general revenue fund (GRF), or solely state funded, line items across many agencies in this budget. For this particular budget, the administration made an effort to closely examine all available funding sources that could be used for any given program. In some cases, the examination led to the ability to use underspending in non-GRF sources for things that previously were funded with GRF. The governor has referred to this as "digging the change out of the couch," in essence, making sure that any underspent funds are used before GRF. An example of this will be described in more detail within the Ohio Department of Health (ODH) budget for HIV/AIDS Treatment and Prevention. This is important to note, because what may look like a reduction on the GRF side, may not impact programming, because the dollars could be made up from non-GRF sources. This is more evident on a line-item basis, but Table 1 shows some shifting between GRF and Non-GRF.

**Table 1: General Revenue Fund (GRF) and Non-GRF Funding by Agency**

Agency	Source	SFY 2016 Actuals	Estimate SFY 2017	Introduced SFY 2018	Introduced SFY 2019
Job and Family Services	GRF	\$785,670,950	\$806,358,814	\$810,609,700	\$761,921,884
	Non-GRF	\$2,185,093,963	\$2,166,268,074	\$2,550,583,631	\$2,547,097,378
Developmental Disabilities	GRF	\$586,430,936	\$660,028,498	\$681,589,583	\$700,693,483
	Non-GRF	\$1,934,544,562	\$2,098,976,971	\$2,224,079,942	\$2,319,145,620
Mental Health and Addiction Services	GRF	\$378,322,569	\$396,852,090	\$400,576,744	\$410,224,008
	Non-GRF	\$206,790,819	\$289,431,234	\$290,220,888	\$284,320,888
Health	GRF	\$84,477,028	\$83,127,888	\$79,803,089	\$81,303,089
	Non-GRF	\$480,745,388	\$543,124,824	\$558,625,707	\$558,610,399

Aging	GRF	\$15,474,929	\$15,801,468	\$15,551,468	\$15,551,468
	Non-GRF	\$67,117,833	\$75,501,760	\$77,700,640	\$77,700,640

Source: LSC Budget in Detail, Budget As Introduced

## Ohio Department of Health

### *State Health Improvement Plan (SHIP)*

In early 2017, the State of Ohio released its State Health Improvement Plan (SHIP), which is an actionable plan to improve health and control health care spending. The identified SHIP priorities are maternal and infant health, mental health and addiction, and chronic disease. Each priority area has identified outcome objectives and evidence-based strategies. This plan is the lens through which the administration's health priorities are viewed for the entire budget.

### *Lead-safe residential units*

ODH and the Ohio Department of Medicaid (ODM) seek to leverage \$5 million per year in federal Children's Health Insurance Program (CHIP) funding for lead abatement in properties where children reside. This will be available to property owners and families living at or below 250 percent of the federal poverty level, and priority will be given to residences where at least one child under six or a pregnant woman lives.

The proposed budget also includes a lead-safe housing registry. According to the ODH director's testimony before the House Finance Subcommittee on Health and Human Services, this program would allow landlords of pre-1978 houses to certify that they are in compliance with lead-safe practices and list the residence in a registry. This registry would be searchable by people seeking housing. Of the \$5 million in leveraged CHIP funding, \$200,000 per year would be spent on the registry.

### *Efforts to combat infant mortality*

The Administration continues its commitment to combat the state's high rate of infant mortality. Dedicated state funding in the Ohio Department of Health's budget is \$7.1 million each fiscal year, a \$3 million per year increase from last biennium (there is also funding within the Department of Medicaid's budget dedicated to reducing infant mortality). This increased amount in the ODH budget is specified for:

- Several pilot sites in at-risk communities to address infant mortality (\$1.85 million per year),
- Six Centering Pregnancy sites, two of which will focus on opioid-addicted pregnant women (\$700,000 per year),
- State Health Improvement Plan activities focused on reducing preterm births, low birthweights, and infant mortality (\$326,000 per year), and
- Safe sleep initiatives (\$128,000 per year).

The remaining line-item amount is used for evidence-based population health strategies that reduce the infant mortality rate, including efforts to increase safe birth spacing, newborn screening, community engagement, and tobacco cessation, among others.

Additional funding is dedicated to reducing infant mortality in the Commission on Minority Health’s budget in the amount of \$1 million per year. This funding is directed to six community-based organizations to establish or continue pathways community HUB programs that aim to reduce infant mortality in areas of the state with the highest rates.

In addition to budget initiatives related to infant mortality, [Senate Bill 332](#) (131<sup>st</sup> General Assembly) was signed by the governor in early 2017 and will take effect on April 6, 2017. This bill further promotes practices that reduce infant mortality by putting most of the recommendations of the Commission on Infant Mortality into law.

*Changes to Bureau for Children with Medical Handicaps (BCMh) program*

The administration is proposing significant changes to the Bureau for Children with Medical Handicaps (BCMh) program. The BCMh program provides diagnostic, treatment, and coordination services for children with complex, activity-limiting, specified conditions. BCMh is a payer of last resort, meaning it serves as a payer for uninsured children and a gap-filler for insured children for services that are not covered or are not fully covered by insurance. Currently, BCMh is entirely housed at ODH. This program, according to the Office of Health Transformation (OHT), has a complex eligibility system that has essentially eliminated any financial eligibility guidelines, meaning that families at various income levels can gain access to the program.<sup>1</sup> BCMh currently has a projected \$11 million liability. The funding situation, as well as other structural issues in the BCMh program, were identified in a [report released](#) by the Joint Medicaid Oversight Committee (JMOC) in late 2015, although the report’s recommendations hinged on answering some key questions related to what is leading to families seeking this state support despite having access to insurance.

The administration’s proposed changes include:

- Grandfathering in the current non-Medicaid eligible program participants at ODH until they reach age 21 or have medical or financial eligibility changes,
- Establishing a safety net program, Children with Medical Handicaps, within the Ohio Department of Medicaid that will cover services beginning January 1, 2018 to anyone who applies and enrolls on or after July 1, 2017 and is below 225 percent of the federal poverty level,
- Ensuring that all Medicaid eligible children are enrolled through Medicaid and receive the services they need,
- Continuing to provide coverage through Medicaid for treatment for adults with cystic fibrosis or hemophilia who are currently connected the Adult BCMh program.

**Table 2: Number of Clients who Received Services through BCMh, FY 2016**

Category of Service	SFY 2016 Clients
Diagnostic Services	~11,500
Treatment Services	~40,000
Service Coordination	~3,300

Source: Ohio Department of Health Redbook, Ohio Legislative Service Commission

To estimate the impact on future program enrollees (not including enrollees who are Medicaid eligible), OHT estimates that around 80 percent of remaining program participants would remain eligible under the proposed changes.<sup>2</sup> OHT has issued a [Frequently Asked Questions](#) document in response to inquiries about changes to this program.

#### *Local health districts*

As the deadline for local health districts (LHDs) to achieve public health accreditation nears, the state is making adjustments to the line item that is dedicated to funding LHDs. In 2018, the line item increases from \$823,061 in 2017 to \$2 million, and to \$2.5 million in 2019. This line item provides additional subsidy to local health departments that have already obtained accreditation. Beginning in July, 2017, the 14 health districts that are already accredited will receive the additional subsidy. Up to \$1.4 million in additional subsidy is available for up to 27 accredited districts in FY 2018 and up to \$1.9 million for up to 36 accredited districts in FY 2019.<sup>3</sup> All local health districts are required to be accredited by 2020 in order to continue to receive state subsidy.

#### *Drug overdose fatality review commission*

While most programming related to combatting the opiate crisis in Ohio resides in the departments of Mental Health and Addiction Services and Medicaid, a proposal for communities to establish drug fatality review commissions is in the ODH budget. The budget gives the option to counties or regions to establish such commissions to “better understand circumstances surrounding drug overdose deaths to help them target local resources in preventing overdoses and saving lives.”<sup>4</sup>

The ODH budget also includes \$1 million each year to provide naloxone kits through the Project D.A.W.N (Deaths Avoided with Naloxone) program.

#### *HIV Treatment and Prevention*

Funding in the ODH budget for HIV/AIDS Treatment and Prevention is a good example of a shift in GRF dollars that does not result in a cut to the program. The dedicated GRF line-item for HIV/AIDS Treatment and Prevention is reduced from the last biennium, but there is more to the story. The explanation for this shift is that the GRF line-item will be solely used for prevention in 2018 and 2019. Formerly, the line item was split between treatment and prevention, with more dedicated to treatment. Despite the decrease in the line item, the GRF amount dedicated entirely to prevention is actually an increase for this programming. In 2017, approximately \$1.65 million was dedicated to prevention, out of the total amount allocated for both prevention and treatment.<sup>5</sup> In 2018, the proposed amount for prevention is over \$3 million and in 2019, it is \$4 million. The state dollars that fund HIV/AIDS treatment will be funded by pharmaceutical rebates that the state receives from purchasing HIV/AIDS medications for individuals enrolled in the Ryan White Part B program. These rebates are housed in a different line-item (HIV Care and Miscellaneous Expenses). All HIV/AIDS treatment programming will be sustained in 2018 and 2019.

**Table 3: Shift in Funding for HIV/AIDS Prevention and Treatment**

Line Item	Program	FY 2016	Estimates FY 2017	Introduced 2018	Introduced 2019
440444	AIDS Prevention and Treatment	\$ 4,072,237	\$ 4,673,852	\$ 3,089,621	\$ 4,089,621
440609	HIV Care and Miscellaneous Expenses	\$ 11,665,521	\$ 15,000,000	\$ 21,000,000	\$ 20,000,000

Source: Ohio Legislative Service Commission, Ohio Department of Health Redbook

### Ohio Department of Developmental Disabilities

The Ohio Department of Developmental Disabilities (DODD) provides programming and services to Ohioans with developmental disabilities (DD). These programs and services vary based on the needs of individuals and their desired outcomes.

#### *Changes Proposed in the Budget*

##### Waivers

The introduced budget continues many initiatives introduced in previous budgets with further expansion of community living options through waivers and additional programs. The DODD budget request recommends increased funding for FY 2018. The administration recommends \$2.91 billion in appropriations—a 5.3 percent increase over FY 2017—and in FY 2019, the administration recommends \$3.02 billion, increasing FY 2018 recommendations by 3.9 percent.<sup>6</sup> The bulk of the increase comes from the addition of waivers to continue the state’s momentum from the last state budget, House Bill 64, by adding additional home and community-based waivers. The addition of some 1,300 waivers—700 individual option waivers, 300 SELF, and 300 exit waivers—will cost a total of \$22.4 million (\$8.5 million state share) in FY 2018 and \$76.8 million (\$29.2 million) in FY 2019.<sup>7</sup> Waivers are viewed as a cost-effective alternative to care for individuals with complex needs who would like to stay in the community and out of residential facilities.

**Table 4: DD Waiver Enrollment and Costs**

Waiver	Enrollees*	Expenditures**	Cost per Enrollee
Individual Option	19,145	\$1,320,310,171	\$68,964
Level One	14,374	\$151,082,045	\$10,511
Transitions DD	2,004	\$46,634,595	\$23,271
SELF	579	\$7,545,817	\$13,032
<b>Total</b>	<b>36,102</b>	<b>\$1,525,572,629</b>	<b>\$42,257</b>

\*Average monthly number

\*\*Local match for county board day services and targeted case management is not included.

Source: Ohio Legislative Service Commission, Department of Developmental Disabilities Redbook

The four different types of home and community-based waivers available for individuals with disabilities are:

- Individual Option (IO) Waiver is the most utilized of the state's four home and community-based DD waivers. The IO waiver covers a broad array of services, such as homemaker care, home-delivered meals, adult family living, medical and adaptive supplies, and much more. The services and supports utilized with the IO Waiver assist some of Ohio's most disabled individuals to remain out of institutionalized care in a community-based setting. The IO waiver does not have a cap.
- Level One (L1) Waiver assists individuals who need minimum amounts of services and supports to remain out of institutional settings. The L1 waiver has the lowest cost per enrollee.
- Transitions Developmental Disabilities (TDD) Waiver is a step down from the IO waiver. Assisting individuals with many of the same services, the TDD waiver offers aid to those with not as great of a need. This waiver is in the process of being phased out.
- Self-Empowerment Life Funding (SELF) Waiver is a more flexible waiver option, giving individuals the ability to "direct where and how they receive services."<sup>8</sup> SELF Waiver recipients make up the lowest number of all four waiver groups.

### *Additional DODD Proposals*

#### **Staffing Supports**

A significant number of individuals with disabilities rely on trained staff to assist them with varying degrees of needs. It is important that the staff who assist people with disabilities maintain familiarity with their patients. When staff is frequently rotated, it creates a disruption in care for these individuals, in addition to undue stress and anxiety over strangers providing varying levels of intimate care. House Bill 49 creates wage increases for direct care support staff and providers who work with some of Ohio's most vulnerable individuals to assist with high staff turnover rates. Direct care support staff would be eligible to receive a wage increase after two years of experience and additional training. Furthermore, the introduced budget creates a position for a registered nurse to conduct assessments, provide training, and consult with direct support staff performing health-related tasks delegated by a nurse.<sup>9</sup>

#### **Ohio Shared Living**

In addition to other alternatives to move individuals out of residential settings, the executive budget proposes additional funding to support shared living. Shared living allows families of individuals with disabilities to bill as providers in exchange for caring for individuals in their homes rather than a residential facility. This similarly cuts down the amount of care staff needed and assists in the stress many individuals with disabilities face with frequent staff turnaround.

### **ICF Reimbursements**

The as-introduced budget moves to modernize ICF reimbursement system and increase the rate by 2.5 percent.<sup>10</sup> This change will allow individuals to remain on ventilators in ICFs after they become adults.

### **Remote Monitoring Technology**

In addition to the numerous other community-based programs, the budget seeks to further expand remote monitoring technology. Remote monitoring technology gives staff the ability to monitor individuals in their homes through cameras, door alarms, and other technology.<sup>11</sup> The proposed budget increases remote monitoring technology from the current 170 individuals to 600 individuals in two years.<sup>12</sup>

### **Conclusion**

As the budget moves through the House Finance Subcommittee and back over to the House Finance Committee, many stakeholders will weigh into the process. The House version of the budget will include many changes compared to the governor's As-Introduced budget. Future editions of *State Budgeting Matters* will examine these changes and the potential impact they will have on health and human services.

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<sup>1</sup> Governor's Office of Health Transformation, Building a Sustainable Program for Children with Medical Handicaps, <http://www.healthtransformation.ohio.gov/LinkClick.aspx?fileticket=xWC36j7BkMU%3d&tabid=136>

<sup>2</sup> Ibid.

<sup>3</sup> Ohio Legislative Service Commission, Ohio Department of Health Redbook. <http://www.lsc.ohio.gov/fiscal/redbooks132/doh.pdf>. P. 11

<sup>44</sup> Richard Hodges, Director of the Ohio Department of Health, Testimony before House Finance Subcommittee on Health and Human Services. March 2, 2017.

<sup>5</sup> Ibid.

<sup>6</sup> Redbook, Department of Developmental Disabilities, Ohio Legislative Service Commission, 2017, Accessed March 6, 2017. <http://www.lsc.ohio.gov/fiscal/redbooks132/ddd.pdf> pg. 2

<sup>7</sup> Budget Highlights, Ohio Office of Budget and Management, [http://www.obm.ohio.gov/Budget/operating/doc/fy-18-19/FY18-19\\_Budget\\_Recommendations.pdf](http://www.obm.ohio.gov/Budget/operating/doc/fy-18-19/FY18-19_Budget_Recommendations.pdf) pg. D-201

<sup>8</sup> Redbook, Department of Developmental Disabilities, Ohio Legislative Service Commission, 2017, Accessed March 6, 2017. <http://www.lsc.ohio.gov/fiscal/redbooks132/ddd.pdf> pg. 6

<sup>9</sup> Testimony before Ohio House Finance Subcommittee on Health and Human Services, Ohio Department of Developmental Disabilities, John L. Martin, Director, March 1, 2017. [file:///C:/Users/blusheck/Downloads/Testimony\\_of\\_John\\_L.\\_Martin\\_Department\\_of\\_Developmental\\_Disabilities-3.01.17.pdf](file:///C:/Users/blusheck/Downloads/Testimony_of_John_L._Martin_Department_of_Developmental_Disabilities-3.01.17.pdf)

<sup>10</sup> Ohio Office of Health Transformation, *Provide Choices in Ohio's Developmental Disabilities*, January 30, 2017. System <http://www.healthtransformation.ohio.gov/LinkClick.aspx?fileticket=onzGY28CBuQ%3d&tabid=254> pg. 4

<sup>11</sup> Ohio Department of Developmental Disabilities, *Pipeline Newsletter*, January 2014. [http://dodd.ohio.gov/Pipeline/Documents/January%202014%20\(new%20format\).pdf](http://dodd.ohio.gov/Pipeline/Documents/January%202014%20(new%20format).pdf)

<sup>12</sup> Testimony before Ohio House Finance Subcommittee on Health and Human Services, Ohio Department of Developmental Disabilities, John L. Martin, Director, March 1, 2017. [file:///C:/Users/blusheck/Downloads/Testimony\\_of\\_John\\_L.\\_Martin\\_Department\\_of\\_Developmental\\_Disabilities-3.01.17.pdf](file:///C:/Users/blusheck/Downloads/Testimony_of_John_L._Martin_Department_of_Developmental_Disabilities-3.01.17.pdf)

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