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# **2018-2019 House Budget: Ohio Departments of Health, Aging, Developmental Disabilities, Job and Family Services, & Mental Health and Addiction Services**

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## **Introduction**

Governor Kasich introduced his final two-year budget proposal in late January and it soon made its way over to the Ohio House of Representatives for several weeks of deliberation. With the news that revenues were continuing to come in below estimates, to the tune of needing to reduce spending by \$800 million in the budget<sup>1</sup>, debates became even more difficult as decisions needed to be made. The House passed its version of the budget very early in May, while the Senate was already in the midst of Finance Committee hearings in order to understand the its complexities, with passage likely in early June.. This edition of *State Budgeting Matters* examines the differences between the Governor’s budget and the version passed by the Ohio House in several health and human services agencies.

## **Ohio Department of Health**

### *Lead-safe residential units*

The provision for the Ohio Department of Health (ODH) and the Ohio Department of Medicaid (ODM) to leverage \$5 million per year in federal Children’s Health Insurance Program (CHIP) funding for lead abatement in properties where children reside remains in the budget. This will be available to property owners and families living at or below 250 percent of the federal poverty level, with priority given to residences where at least one child under six or a pregnant woman lives. Also remaining is the creation of a lead-safe housing registry. This public registry would be available for anyone seeking housing and allows landlords to registry their properties as compliant with lead-safe practices. Of the \$5 million in leveraged CHIP funding, \$200,000 per year would be spent on the registry.

An entirely new provision included in the House budget limits local authority as it relates to lead abatement. The House addition says that the state, acting through ODH, has the “sole and exclusive” authority to regulate lead abatement activities in Ohio. This would include the licensing of lead abatement professionals.<sup>2</sup> If it remains in the final version of the budget, this provision would impact the changes made by the City of Toledo in order to address lead contamination and similar efforts underway in other cities like Cleveland.<sup>3</sup>

### *Efforts to combat infant mortality*

In addition to existing funding from ODM, the Administration enhances dedicated state resources in the Ohio Department of Health’s budget in the amount of \$7.1 million each fiscal year to combat infant mortality, a \$3 million per year increase from last biennium. Many line items in the House-passed budget received a 1.5 percent cut in an effort to reduce overall

spending per the new revenue projections. The infant vitality line item within ODH's budget was victim to this 1.5 percent cut resulting in a reduction of \$106,750 per year.<sup>4</sup>

#### *Tobacco use prevention and cessation*

In further attempts to reduce overall spending, the House budget applies significant cuts to tobacco use prevention and cessation. The GRF line item for tobacco prevention and cessation is cut by 75 percent from the as introduced to the House-passed budget. This brings the total annual funding to \$1 million, down from the proposed \$4 million per year.<sup>5</sup>

#### *Bureau for Children with Medical Handicaps (BCMh) program*

The Administration proposed 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. BCMh is entirely housed at ODH, but the Administration had proposed to move much of the program to ODM, while making other significant eligibility and case management changes. The House rejected all proposed changes to BCMh and maintains this program in its current form. This required an additional \$3 million to be added to the line item that funds this program in 2018 and in 2019. Leadership in the Ohio House acknowledged the structural issues within the program and vowed to study it further, in order to create sustainability.

#### *Local health districts*

As the deadline for local health districts (LHDs) to achieve public health accreditation nears, the Administration's proposed budget increased funding to the line item that provides state funding to LHDs. The House version of the budget scaled back these increases, but it is not yet clear how this reduction could impact the funds distributed to the LHDs that are or become accredited over the next two years.

#### *HIV Treatment and Prevention*

The Administration's budget included a reduction to the dedicated GRF line-item for HIV/AIDS Treatment and Prevention from the last biennium. The reason for this is built on a shift to prevention-based services in 2018 and 2019. Formerly, the line item was split between treatment and prevention, with more resources dedicated to treatment. Despite the decrease in the overall line item, the GRF amount dedicated entirely to prevention was actually an increase for programming. The House budget made a sizable reduction to this line item by nearly 20 percent, bringing the total annual funding down to \$2.5 million for HIV prevention in 2018, compared to \$3.1 million in the Administration's proposal.<sup>6</sup>

With the change in how treatment and prevention are funded, 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).

Under the proposed budget, all HIV/AIDS treatment programming will be sustained in 2018 and 2019. The House-passed budget also reduced this line-item, but since this is funded by pharmaceutical rebates, the reduction has the effect of reducing ODH’s appropriation authority and thereby limiting its ability to respond to needs. This line item was reduced by \$3.5 million (about 17 percent) in 2018 and \$2.5 million (12.5 percent) in 2019. The House budget also reduced appropriation authority for the line item where several federal public health grants are deposited, including the Ryan White Part B dollars.<sup>7</sup>

**Shift in Funding for HIV/AIDS Prevention and Treatment (in millions)**

| Line Item | Program                             | FY 2016 | Estimates FY 2017 | Introduced 2018 | House Passed 2018 | Introduced 2019 | House Passed 2019 |
|-----------|-------------------------------------|---------|-------------------|-----------------|-------------------|-----------------|-------------------|
| 440444    | AIDS Prevention and Treatment       | \$4.1   | \$4.7             | \$3.1           | \$2.5             | \$4.1           | \$3.5             |
| 440609    | HIV Care and Miscellaneous Expenses | \$11.7  | \$15              | \$21            | \$17.5            | \$20            | \$17.5            |

Table 1: Ohio Legislative Service Commission, Ohio Department of Health Redbook and Budget in Detail- As Passed by the House

**Ohio Department of Aging**

The Ohio Department of Aging (ODA) saw significant decreases to its budget as the executive budget made its way through the House. Slight reductions in specific line items contribute to a significant overall decrease in funding for services to a growing population of older Ohioans.

*Ombudsman Supports*

The executive budget provided a 64 percent increase to the Ombudsman Support line item. The House-passed version of the budget scaled that increase back, to 26.8 percent.<sup>8</sup> Even with the decrease, the House-passed version of the budget is still a slight increase from the FY 2017 estimates of \$1.25 million to \$1.5 million in FY 2018 and FY 2019.

Additional decreases in the Health Care Grants line item will contribute to less supports for the state Ombudsman program. The executive’s initial increases of \$500,000 in each fiscal year would have assisted Ohio’s increasing older population as individuals navigate the state’s community-based and dual eligibility waivers.<sup>9</sup> The current version of the budget decreases these funds by 60 percent in each FY.

*Senior Community Services Block Grant*

The house cut 1.5 percent in the Senior Service Block Grant in each FY from \$7.1 million to \$6.9 million. The Senior Services Block Grant has seen drastic cuts over the past fifteen years, as referenced in prior editions of the *State Budgeting Matters*.<sup>10</sup> These deeper cuts will likely reduce seniors’ access to community-based services such as nutrition supports, transportation and

additional provisions that allow seniors the ability to remain in their homes and in the community, longer.

#### *Senior Nutrition*

In addition to the nutrition supports the Senior Community Services Block Grant provides, there are three other line items in the ODA budget that support nutrition services. The House-passed version of the budget cut the National Senior Services Corps line item by 1.5 percent over the biennium. Both the Federal Aging Grants and the Federal Independence Services line items remain the same as in the executive version of the budget.

The House-passed version of the budget cut funding to the Ohio Association of Foodbanks by \$1 million over the biennium at \$500,000 in each fiscal year. The as-introduced version had left funding flat in this category. Restoring funding for the Ohio Association of Foodbanks through the TANF State Maintenance of Effort line item will allow services to continue for the 18.5 percent of food bank recipients who are seniors.

#### *Assisted Living Changes*

The current version of the budget removes a provision which would allow the director of ODA to make changes to Assisted Living services via rule. Instead, the House-passed version of the budget creates a workgroup to identify barriers to enrollment in the Assisted Living Program. In addition, the House charged the workgroup with looking at community-based services that are similar to Assisted Living services that may exist in ODA currently or could be administered in a new program.<sup>11</sup>

Additionally, the House prohibited new rates for the Assisted Living Program, which would represent an increase of \$34.9 million in FY 2019.<sup>12</sup>

#### *Personal Care Aide Restrictions*

The House added provisions that would prohibit the Department's planned changes to restructure the Medicaid rates for personal care aide services. The House-passed version of the budget prevents the rates from exceeding the rates as they remain on June 30, 2017, which would have seen an additional increase of \$8.6 million in FY 2019.<sup>13</sup>

## **The Department of Developmental Disabilities**

#### *Waivers*

The Department of Developmental Disabilities (DODD) endured significant changes as it made its way through the Ohio House, including the administration's proposal to add additional waivers slots for the population served by the Department. Initially, the increased funding for the expansion of waivers was entirely removed by the House. However, the addition of House omnibus amendment incorporated marginal increases, but not to the levels of the bill's introduced amount. The potential \$122 million in additional state and federal dollars included in the executive budget would have funded an additional 1,300 state-financed home and community based service (HCBS) waivers.<sup>14</sup> The DODD director expressed a desire, when

questioned by the Ohio Senate Finance Health and Medicaid Subcommittee, to continue substantial increases for state HCBS waivers as the budget moves through the Senate and into conference committee. The Medicaid Services line item contains the funding for the departments new initiatives from the as introduced version of the budget; the reduction by the House will force the director to make decisions on where to spend the decreased amount of funding.

#### *Waiting Lists*

The House-passed version of the budget makes revisions to the current law regarding waiting lists. As of 2013, over 40,000 Ohioans remained on the waiting lists<sup>15</sup>, leaving little understanding of the services and needs these individuals have. The changes in the current version of the budget restructure how county boards place individuals on waiting lists. Additionally, the director is granted the authority to adopt rules in relation to how individuals are placed on and off of county waiting lists and how individuals are enrolled in the various types of waiver programs.<sup>16</sup>

#### *Help Me Grow*

The changes in the House-passed version of the budget separately distinguish two functions of the Help Me Grow Program by agency. House Bill 483 (131<sup>st</sup> General Assembly) clearly distinguished DODD, rather than the Department of Health, as the lead agency to oversee the program.<sup>17</sup> The changes in the current version of the budget confuse, if not remove, the clear distinctions made in the previous General Assembly.

#### *Staffing Supports*

The executive version of the budget created wage increases for direct care support staff and providers. The increase would have assisted meeting the needs of individuals with disabilities and providers who struggle with frequent staff turnover which leads to disruption in care for individuals with disabilities. Many times the individuals impacted the most are those with the most significant needs. The staffing supports were removed by the House-passed budget. In recent testimony before the Senate Finance Health and Medicaid Subcommittee the director explained that this remains a top priority for the department as the budget continues through the legislative process.

#### *ICF/IID Rates*

The department's plans for adopting new reimbursement methodology in FY 2019 were halted by the House-passed version of the budget. Modifications to the rate formula were expected to cost the state \$5.1 million in the final year of the biennium.<sup>18</sup> The executive budget would have reconvened a workgroup to assist with the rate transitions, but this provision was removed by the House.

### **The Department of Job and Family Services**

The House made sizable changes to the Ohio Department of Job and Family Services (ODJFS) budget, including large investments made in Child Protective Services to meet the increased demands of children entering protective services due to the opiate epidemic.

Minimal changes were made to some of the Administration's most innovative projects, such as Step Up to Quality, Foster Care, and the Comprehensive Case Management and Employment Program. The House added a requirement that the in-demand jobs list produced by the state include an additional analysis of jobs in the state that pay a rate of 125 percent or more of the federal minimum wage. This is a thought-provoking addition as the legislature weighs work requirements for individuals receiving Medicaid.

#### *Child Protective Services*

The House added \$10 Million in each FY from the TANF line item for Kinship Care to alleviate the burden on families throughout the state who are taking in larger numbers of children due to the opiate epidemic. Kinship Care allows families the ability to access funding to assist with financial demands, such as daycare, associated with taking in a child who can no longer safely remain at home with their parent.

Additional House provisions provide funding for Family and Children Services. An additional \$8.8 million were added to provide \$100,000 to each County JFS. This funding assists with the 28 percent of children taken into custody in 2015 whose parents are using opiates.<sup>19</sup> This needed addition comes at a time when many counties are feeling challenged with the large increase of children in custody given fewer resources.

\$150,000 in each fiscal year were added to the House-passed version of the budget for children's crisis care facilities. These facilities address children's immediate needs when they are removed from an unsafe living environment. Among the infants in care, 70 percent are there due to their parents' opiate addiction.<sup>20</sup>

#### *Healthier Buckeye program*

Few changes were made in the House-passed version of the budget as it relates to additional funding for the Healthier Buckeye program. However, the House included a provision that extends the use of funds that have already been allocated to local Healthier Buckeye Councils throughout the state. Something similar to this provision was added to the state transportation budget earlier this year. A provision was added in the House that would allow the state Healthier Buckeye Council to remain intact, allowing for further conversations regarding the future of the program.

#### *Adult Protective Services*

The House-passed version of the budget increases Adult Protective Services (APS) funding by \$250,000 in each fiscal year. This change is an additional 9.5 percent from the introduced version of the budget, providing much needed services to counties as they struggle to ensure the safety and security of the 2.5 million individuals age 60 and over living within the state.<sup>21</sup>

Language was added to the House-passed version of the budget to create modifications to the APS laws as they are currently written. House Bill 64, the previous budget, added additional

allocations to be made by ODJFS to each local county JFS and created an information system. Multiple pieces of legislation have been introduced to the General Assembly over the past decade, with little progress to updating statute.

The language included in the House-passed version of the budget would codify the Attorney General's Elder Abuse Commission, and would allow the commission to continue through administration changes. The House also removed the requirement that CDJFS prepare a memorandum of understanding establishing procedures to be followed by local officials in cases of elder abuse, neglect, and exploitation.

Additional language proposals were made around various definition changes, requirements that ODJFS develop and make available educational materials for individuals who are mandatory reporters, and expanding mandatory reporters to include individuals in the financial sector. As the budget bill moves into the Senate, there are conversations that the additional language may be pulled to allow the General Assembly to work through the legislation separate from other budget provisions.

### **Mental Health and Addiction Services**

As had been discussed for weeks leading up to the passage of the House's version of the budget, there is a significant investment in behavioral health-related services to address the growing needs around the state's opiate crisis and individuals living with mental illness. The funding totals \$170.6 million over the biennium, spread across multiple agencies and initiatives. The funding is referred to as Ohio HOPES (Heroin, Opioids, Prevention, Education, Safety). The House shared that the funding is spread across four main areas: workforce, prevention, mental health, and treatment. A recent [blog post](#) from Community Solutions lays out what is included in the HOPES agenda.

#### *Behavioral health redesign*

The House-passed budget made changes to the timeline for the behavioral health redesign efforts underway through the Ohio Departments of Medicaid and Mental Health and Addiction Services. The House budget delays implementation of the redesign by six months. The coding changes and the addition of certain services to the behavioral health service package is delayed from July 1, 2017 to January 1, 2018. Additionally, the carve-in of behavioral health services to Medicaid managed care is delayed from January 1, 2018 to July 1, 2018.

### **Next Steps**

Substitute Bill 49 is currently moving through the Ohio Senate. It remains to be seen where all of these changes to the health and human services provisions will end up. Revenue estimates will continue to be updated, potentially providing the legislature an even more challenging end to budget deliberations.

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<sup>1</sup> Kasler, Karen. "Announcement That Budget Will Be Trimmed By \$800 Million Raises Questions About What Will Get Cut." <http://statenews.org/post/announcement-budget-will-be-trimmed-800-million-raises-questions-about-what-will-get-cut>. April 17, 2017.

<sup>2</sup> Ohio Legislative Service Commission, Comparison Document, Department of Health pg. 16, <http://www.lsc.ohio.gov/fiscal/comparedoc132/hp/doh.pdf>

<sup>3</sup> Namigadde, Adora. "Cities Speak Out Against Ohio Proposal That Would Ban Local Lead Safety Measures." <http://radio.wosu.org/post/cities-speak-out-against-ohio-proposal-would-ban-local-lead-safety-measures>. May 15, 2017.

<sup>4</sup> Ohio Legislative Service Commission, Budget in Detail, Department of Health pg. 39-41, <http://www.lsc.ohio.gov/fiscal/bid132/budgetindetail-hb49-hp.pdf>

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Ohio Legislative Service Commission, Budget in Detail, Department of Aging pg. 11, <http://www.lsc.ohio.gov/fiscal/bid132/budgetindetail-hb49-hp.pdf>

<sup>9</sup> Ohio Legislative Service Commission, Budget in Detail, Department of Aging pg. 11 <http://www.lsc.ohio.gov/fiscal/bid132/budgetindetail-hb49-hp.pdf>

<sup>10</sup> Britton, Tara Lusheck, Brie "2018-2019, State Budget, As Introduced: Ohio Departments of Job and Family Services, Mental Health and Addiction Services, and Aging", www.communitysolutions.com (web log), April, 2017. Accessed May 16, 2017.

[http://www.communitysolutions.com/assets/docs/State\\_Budgeting\\_Matters/2017\\_2019/sbmv13n3-%20odjfs%20mhas%20aging%20final%20draft\\_brittonlusheck\\_04102017.pdf](http://www.communitysolutions.com/assets/docs/State_Budgeting_Matters/2017_2019/sbmv13n3-%20odjfs%20mhas%20aging%20final%20draft_brittonlusheck_04102017.pdf)

<sup>11</sup> Ohio Legislative Service Commission, Ohio Department of Aging Comparison Document, pg. 10 <http://www.lsc.ohio.gov/fiscal/comparedoc132/hp/age.pdf>

<sup>12</sup> Ohio Legislative Service Commission, Ohio Department of Aging Comparison Document, pg. 11 <http://www.lsc.ohio.gov/fiscal/comparedoc132/hp/age.pdf>

<sup>13</sup> Ohio Legislative Service Commission, Ohio Department of Aging Comparison Document, pg. 18 <http://www.lsc.ohio.gov/fiscal/comparedoc132/hp/age.pdf>

<sup>14</sup> Ohio Office of Budget and Management, Budget Highlights, [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>15</sup> The Ohio Department of Aging, Waiting List Fact Sheet, March 15, 2016 <http://dodd.ohio.gov/OurFuture/Documents/WaitingListFactSheet.pdf>

<sup>16</sup> Ohio Legislative Service Commission, The Department of Developmental Disabilities Comparison Document, Pg. 5, <http://www.lsc.ohio.gov/fiscal/comparedoc132/hp/ddd.pdf>

<sup>17</sup> Ohio Legislative Service Commission, House Bill 483 Analysis, pg. 19-20 <https://www.legislature.ohio.gov/download?key=5673&format=pdf>

<sup>18</sup> Ohio Legislative Service Commission, The Department of Developmental Disabilities Comparison Document, Pg. 14-16, <http://www.lsc.ohio.gov/fiscal/comparedoc132/hp/ddd.pdf>

<sup>19</sup> The Public Children Services Association-Ohio, Opioid Infographic, <http://www.pcsao.org/pdf/factbook/2017/OPIOIDS.pdf>

<sup>20</sup> The Ohio Department of Job and Family Services Directors Association, Testimony before the Ohio House Finance Committee, April 27, 2017. [file:///C:/Users/blusheck/Downloads/JoelPotts\\_04.27.17%20\(1\).pdf](file:///C:/Users/blusheck/Downloads/JoelPotts_04.27.17%20(1).pdf) .

<sup>21</sup> Hannah. Ohio Capital Connection. May 15, 2017 . <http://www.hannah.com/DesktopDefaultPublic.aspx?type=hns&id=206405>