



**Sub. H.B. 299\***

124th General Assembly

(As Reported by S. Finance and Financial Institutions)

**Reps. Carey, Evans, Schmidt, Calvert, Hoops, Oakar, Webster, Allen, Fedor, Husted, Peterson, Widowfield, Barrett, Core, Faber, Grendell, Seitz, Cates, Coates, Clancy, Schneider, Womer Benjamin, Flowers, Metzger, Young, Otterman**

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**BILL SUMMARY**

- Eliminates requirements that the Treasurer of State annually pay PERS, STRS, SERS, and SHPRS the amount that each such retirement system certifies as the cost of ad hoc pension increases granted to members who retired before 1982.
- Provides that at least 50%, rather than 45%, of the amount of money awarded during a fiscal year from the Low- and Moderate-Income Housing Trust Fund has to be used for assistance in rural areas and small cities that are not eligible to be participating jurisdictions under the federal Home Investment Partnerships Act.
- Provides that no more than 5%, rather than 6%, of the money in the Low- and Moderate-Income Housing Trust Fund can be used for administration.
- Allows a county tuberculosis hospital that was operating on the effective date of Sub. S.B. 173 of the 123rd General Assembly (i.e., October 10, 2000) to continue to operate, notwithstanding that act's repeal of statutes related to county and district tuberculosis hospitals.

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\* *This analysis was prepared before the report of the Finance and Financial Institutions Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.*

- Permits a school district to use "local donated contributions" (including school district cash on hand) to offset its obligation to levy a tax of one-half mill for the maintenance of classroom facilities constructed under a state-assisted project.
- Provides that the deputy registrar service fee for issuing a duplicate or replacement identification card is \$2.75, rather than \$3.75, beginning July 1, 2001.
- Increases the fee that a deputy registrar may collect for issuing a temporary (30-day) license placard for a off-highway motorcycle or all-purpose vehicle to a dealer (not just a purchaser).
- Lowers the imputed occupancy rate (from 87% to 85%) used in calculating indirect care cost per diems the Medicaid program is to pay nursing facilities and intermediate care facilities for the mentally retarded in fiscal year 2003.
- Requires the Ohio Department of Job and Family Services to use money in the Nursing Facility Stabilization Fund to pay nursing facilities an amount equal to \$1.50 per Medicaid day for fiscal years 2002 and 2003.
- Extends the tax amnesty authorized by Am. Sub. H.B. 94 to delinquent taxpayers who pay an outstanding liability for school district income taxes.
- Declares an emergency.

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## **CONTENT AND OPERATION**

### **Elimination of state subsidies for ad hoc pension benefit increases granted to members who retired prior to 1982**

(R.C. 145.321, 145.326, 145.3210, 3307.693, 3307.695, 3307.698, 3309.371, 3309.376, 3309.3710, 5505.171, and 5505.173)

The main operating appropriations act, Am. Sub. H.B. 94, eliminated the General Revenue Fund appropriations for most retirement system subsidies. Therefore, Sub. H.B. 299 eliminates the requirements of existing law that the Public Employees Retirement System, State Teachers Retirement System, School Employees Retirement System, and State Highway Patrol Retirement System certify to the Treasurer of State, on or before August 1, 1980, 1981, or 1982 and

on or before every year thereafter, the hoc pension increases the retirement system granted in the preceding year to members.

**Low- and Moderate-Income Housing Trust Fund correction**

(R.C. 175.21)

The Conference Committee for Am. Sub. H.B. 94 adopted an amendment modifying provisions related to the Low- and Moderate-Income Housing Trust Fund. The amendment provided (1) that at least 50%, rather than 45%, of the amount of money awarded during any one fiscal year from the fund had to be used to make grants and loans for housing and housing assistance to families and individuals in rural areas and small cities that are not eligible to be participating jurisdictions under the federal HOME Investment Partnerships Act, and (2) that no more than 5%, rather than 6%, of the money in the fund could be used for administration. But the version of the bill that became law did not include these changes. The bill corrects this error.

**Continued operation of county tuberculosis hospitals**

(R.C. 339.19)

Sub. S.B. 173 of the 123rd General Assembly repealed statutes related to county and district tuberculosis hospitals, and in their place created a system of tuberculosis treatment through county or district tuberculosis control units. Testimony on S.B. 173 indicated that hospitals used exclusively for the treatment of tuberculosis no longer existed in the state.

The bill provides that notwithstanding S.B. 173's changes relative to the establishment, maintenance, and operation of county tuberculosis hospitals, a county tuberculosis hospital that was operating on S.B. 173's effective date (October 10, 2000) can continue to exist and operate as though the provisions of the County Tuberculosis Hospital Law were neither amended nor repealed and remain in full force and effect.

**"Local donated contribution" may be used for maintenance requirement**

(R.C. 3318.084)

Ordinarily, a district raises its portion of the cost of acquiring facilities under a state-assisted project with a voter-approved bond issue. However, current law also permits a district to generate some or all of its portion by dedicating for that purpose donations made to the district or other district-owned nonstate

revenues.<sup>1</sup> In addition to the requirement to raise its portion of the project cost, a district must levy a 23-year half-mill property tax or earmark the equivalent of certain other district taxes to pay for maintenance on the facilities constructed under any state-assisted project. The bill permits a district to also apply any "local donated contribution" toward a total or partial offset of its obligation to raise moneys for the maintenance of the facilities constructed with state assistance.

**Deputy registrar fee correction**

(R.C. 4507.52)

The Conference Committee report for Am. Sub. H.B. 94 of the 124th General Assembly provided that the service fee deputy registrars charge for issuing a duplicate or replacement identification card be increased from \$2.25 to \$2.75 beginning July 1, 2001. But the version of the bill that became law set the fee at \$3.75 beginning on that date. The bill corrects the error, providing that the deputy registrar's service fee for issuing a duplicate or replacement identification card is \$2.75 beginning July 1, 2001. A duplicate identification card is obtained if the original card is lost, destroyed, or mutilated, while a replacement card is obtained if the cardholder's name changes.

**Fee for a temporary license placard**

(R.C. 4519.10)

Am. Sub. H.B. 94 increased the fee that a deputy registrar may collect for issuing a temporary (30-day) license placard for an off-highway motorcycle or all-purpose vehicle to a purchaser from \$2.25 to \$2.75 beginning July 1, 2001, \$3.25 beginning January 1, 2003, and \$3.50 beginning January 1, 2004. The bill increases, by these same amounts, the fee that a deputy registrar may collect for issuing such a license placard to a dealer.

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<sup>1</sup> *The law defines this "local donated contribution" as either "moneys irrevocably donated or granted to a school district board by a source other than the state . . . [or any] irrevocable letter of credit issued on behalf of a school district or any cash a school district has on hand, including any year-end operating fund balances, that can be spent for classroom facilities."*

### **Imputed occupancy factor in determining facilities' Medicaid payment**

(Sections 3 and 4)

The biennial budget bill, Am. Sub. H.B. 94 of the 124th General Assembly, potentially reduces the Medicaid reimbursement to nursing facilities and intermediate care facilities for the mentally retarded for fiscal year 2003 by changing the imputed occupancy percentage used in calculating the per diem for indirect care costs. Under H.B. 94, indirect care per diems are to be determined by dividing the facility's actual, allowable costs in a cost reporting period by the greater of the facility's inpatient days for that period or the number of inpatient days the facility would have had during that period if its occupancy rate had been 87%, rather than 85% as provided in the Revised Code.<sup>2</sup>

The bill repeals this provision of H.B. 94 with the result that the imputed occupancy rate for indirect care costs for fiscal year 2003 will be lower (85% rather than 87%). A lower imputed occupancy rate results in a higher Medicaid reimbursement for facilities that have an occupancy rate lower than the imputed occupancy rate. This is because the occupancy rate is divided into a facility's costs, and the smaller the number divided into another number, the larger the result. A facility with an occupancy rate lower than 87% will receive a larger indirect care per diem for fiscal year 2003 under this bill than it would under H.B. 94.

### **Use of Nursing Facility Stabilization Fund**

(Sections 3 and 4)

The Ohio Department of Job and Family Services (ODJFS) is required to assess an annual franchise permit fee on each long-term care bed in a nursing home or hospital.<sup>3</sup> Until July 1, 2001, the amount of the fee is \$1 for each such bed a nursing home or hospital has multiplied by the number of days in the fiscal

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<sup>2</sup> *Inpatient days are all days during which a resident, regardless of payment source, occupies a bed that is included in the facility's Medicaid certified capacity. Therapeutic or hospital leave days are considered inpatient days proportionate to the percentage of the facility's per resident per day rate paid for those days.*

<sup>3</sup> *ODJFS is required to cease implementation of the franchise permit fee if the United States Health Care Financing Administration determines that it would be an impermissible health care related tax under federal Medicaid law. The long-term care beds subject to the fee are nursing home beds, Medicare-certified skilled nursing facility beds, Medicaid-certified nursing facility beds, and any hospital bed registered as a skilled nursing facility bed or long-term care bed or licensed as a nursing home bed.*

year for which the fee is assessed. The biennial budget bill, Am. Sub. H.B. 94 of the 124th General Assembly, increases the franchise permit fee for fiscal years 2002 and 2003 to \$3.30 per bed per day. The additional money generated from the increase, and 69.7% of the penalties related to the franchise permit fee, must be deposited into the Nursing Facility Stabilization Fund. ODJFS is to use money in the fund to make payments to nursing facilities (1) under the law governing Medicaid payments to nursing facilities and (2) to reimburse nursing facilities for the increase in the franchise permit fee.

The Governor vetoed a third use of the money in the Nursing Facility Stabilization Fund: to make payments to nursing facilities that pay the franchise permit fee in an amount equal to \$1.50 per Medicaid day to assist nursing facilities in paying reasonable Medicaid-related costs that are not adequately reimbursed under Medicaid. The bill restores this third use of the Nursing Facility Stabilization Fund with two changes. First, the \$1.50 per Medicaid day payment is to be paid to all nursing facilities, rather than just those that pay the franchise permit fee. Second, the bill provides that the purpose of the \$1.50 per Medicaid day payment is to enhance quality of care.

**Extension of tax amnesty to persons subject to the school district income tax**

(Section 6)

The bill extends the amnesty provision authorized in Am. Sub. H.B. 94 to delinquent school district income taxpayers by allowing them to pay an outstanding liability for school district income taxes without paying any of the associated penalties and without paying one-half of the accrued interest.

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	06-14-01	p. 666
Reported, H. Finance and Appropriations	06-20-01	p. 696
Passed House (96-0)	06-20-01	pp. 696-698
Reported, S. Finance & Financial Institutions	---	---

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