

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2000	FY 2001	FUTURE YEARS
Counties			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Permissive increase of up to \$3,000	Permissive annual increase of up to \$3,000

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- There are currently 37 county homes in Ohio with a total of 1,057 residential care beds. There are an additional 7 county homes under management contracts. These 7 homes currently have only Medicaid certified beds.
- Under current law, a facility must pay the annual Department of Health license and inspection fee of \$100 for each 50 residential care beds in the facility. Based upon the November 1999 county home census, if each of the 37 homes applied for licensure, total cost would be \$3,000. Eight facilities would pay \$200 and the remaining 29 would pay \$100 per year. These added costs are permissive based on whether the home chooses to seek licensure.
- According to information provided to DOH by the Ohio County Home Association, LBO believes that all county homes are currently in compliance with building and fire codes; a prerequisite to licensure. Since all homes are in compliance, there should be no additional compliance costs incurred by county homes which do seek licensure.

Detailed Fiscal Analysis

County Homes Profile

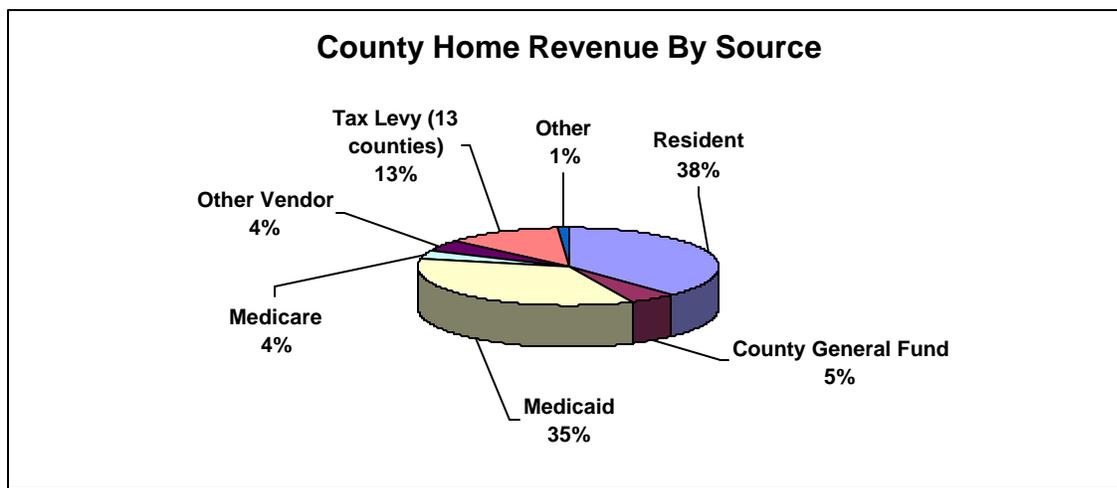
There are currently 37 county homes in Ohio with a total of 1,057 residential care beds. There are an additional 7 county homes under management contracts. These 7 homes currently have only Medicaid certified beds. Table 1 below lists the 37 county-operated county homes, with the number of residential care beds in each facility.

Under current law, county homes are ineligible to be licensed by the Department of Health (DOH) since they are not “persons, firms, partnerships, or corporations.” Only the preceding four entities may be licensed by DOH according to Attorney General’s Opinions 70-164 and 74-008. By law, only residents of facilities licensed by the Department of Health may apply for the Residential State Supplement (RSS) program, which is described in more detail below.

According to information provided by the Ohio County Home Association (OCHA), some county homes, due to cost increases outpacing revenues, face the possibility of closure. This bill would allow eligible residents of county homes to apply for, and receive, RSS grants, when slots become available. The OCHA estimates that approximately 600 of the 1,057 residential care bed occupants would meet the eligibility requirements of the RSS program.

Prior to licensure by the Department of Health, all county homes must meet current building and fire codes. According to information provided to DOH by the OCHA, LBO believes that all existing county homes are in compliance with the standards required by DOH. Therefore, aside from licensure fees, LBO assumes that there would be no additional costs incurred by county homes that become licensed as residential care facilities.

The following chart lists county home revenues by source, for 1998. This information, provided by the OCHA, is based on 34 homes reporting data.



Department of Health (DOH)

Under current law, the Department of Health certifies homes as defined by section 3721.01 of the Revised Code. DOH annually charges a licensing and inspection fee of \$100 for “each fifty persons or part thereof of a home’s licensed capacity.” This bill adds county homes to the definition of facilities that may be licensed by DOH. According to the November 1999 county home census information, LBO estimates that the Department will have a revenue gain of up to \$3,000 annually if each of the 37 county homes seeks certification. Table 1 lists the number of residential care beds at each county home and the amount that would be charged by DOH to certify that facility.

Table 1.

County Home	Residential Care Beds	DOH Certification Charge
Ashland	85	\$200
Ashtabula	0	\$0
Auglaize	0	\$0
Belmont	0	\$0
Butler	0	\$0
Carroll	45	\$100
Champaign	0	\$0
Crawford	45	\$100
Darke	88	\$200
Erie	0	\$0
Geauga	35	\$100
Greene	17	\$100

Guernsey	40	\$100
Hardin	0	\$0
Harrison	20	\$100
Henry (Country View)	40	\$100
Holmes	60	\$200
Lake	25	\$100
Logan	0	\$0
Lorain	14	\$100
Medina	65	\$200
Mercer	42	\$100
Montgomery	65	\$200
Muskingum	0	\$0
Ottawa	0	\$0
Perry	50	\$100
Portage	0	\$0
Putnam	0	\$0
Richland (Dayspring)	59	\$200
Sandusky	0	\$0
Shelby	0	\$0
Tuscarawas	86	\$200
Van Wert	16	\$100
Washington	100	\$200
Wayne	40	\$100
Williams	20	\$100
Wyandot	0	\$0
Total	1,057	\$3,000

Source: Ohio County Home Association

In addition to the added revenue, the Department would incur added expenses of up to \$57,000 per year to license and inspect county homes. According to DOH, the average cost of an inspection of a residential care facility is approximately \$1,250. If all 37 homes seek licensure, added inspection costs to DOH could total about \$46,000 per year. Additionally, the Department faces costs of \$300 per year per facility related to application processing. This expense would add another \$11,000 to total DOH costs arising as a result of this bill.

Residential State Supplement (RSS) Program

The following description of the RSS program is taken from LBO's Final Analysis of Am. Sub. H.B. 283 of the 123rd G.A.:

“The RSS program provides clients with a supplemental income that allows them to reside in a group home setting and receive a protective level of care. In FY 1999, there were approximately 2,750 recipients. More than half of the recipients are under age 60. In addition, more than half of the recipients suffer from some type of chronic mental illness.

The purpose of RSS is to provide cash assistance to aged, blind, or disabled adults who have increased financial burdens due to a medical condition. This condition, however, may not be severe enough to require institutionalization. Persons participating in the RSS program require a protected level of care. An RSS recipient is eligible for Medicaid services such as doctors' visits and prescriptions.

The budget act provides sufficient appropriations to maintain current RSS enrollment levels of 2,770 individuals during the next biennium. Specifically, the budget act appropriates [to the Department of Aging] \$12 million in GRF funds in FY 2000 and 13.6 million in GRF funds in FY 2001 for RSS. In addition, temporary law in the budget act sets aside up to \$2,385,000 in each fiscal year of the appropriation in line item 490-610, PASSPORT/Residential State Supplement, to fund the Residential State Supplement Program. That line item receives franchise fee revenue from a tax charged on private nursing home beds in the state.

RSS clients receive the supplemental payment directly and then pay the RSS providers themselves. In FY 1999, the monthly supplement was \$750 to \$850 depending on the particular kind of home or facility in which they live, of which the resident keeps at least \$50 each month for their personal care needs. The budget act appropriated and earmarked an additional \$800,000 in both FY 2000 and FY 2001 in GRF moneys to be used to increase RSS payments by at least \$24 per month in each fiscal year.”

The appropriation level and payment rates set in the biennial budget for RSS determine how many individuals can be served. This bill does not affect the available funds, therefore there would be no change in the total RSS expenditures. This simply expands the pool of eligible recipients and as slots become available, persons in county homes may receive payments which would in turn provide revenue to the homes.

□ *LBO staff: Jeffrey M. Rosa, Budget/Policy Analyst*

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