

LSC Greenbook

Analysis of the Enacted Budget

Department of Developmental Disabilities

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Legislative Service Commission

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ATTACHMENT:

Budget Spreadsheet By Line Item

Department of Developmental Disabilities

- Funding increase of 14.2% in FY 2012 and 9.9% in FY 2013
- Over 90% of funding for Medicaid expenditures
- Funding assumes reduction of 180 beds in state developmental centers by the end of FY 2013

OVERVIEW

Agency Overview

The Ohio Department of Developmental Disabilities (ODODD) is the primary state service agency for Ohioans with developmental disabilities (DD). The Director of ODODD is appointed by the Governor and oversees more than 3,100 employees.

ODODD provides services to about 22,870 disabled individuals through two home and community-based Medicaid waivers (Individual Options and Level One) and to about 1,300 severely disabled individuals at ten regional developmental centers throughout the state. In addition, ODODD provides subsidies to, and oversight of, Ohio's 88 county DD boards. County boards provide a variety of community-based services including residential support, early intervention, family support, adult vocational and employment services, and service and support administration. In FY 2010, 85,775 people received services through county boards.

Appropriation Overview

The budget provides appropriations of \$1.78 billion in FY 2012, a 14.2% increase over FY 2011, and \$1.96 billion in FY 2013, a 9.9% increase over FY 2012. The overall increase is mainly due to projected increases in Medicaid waiver program enrollments over the biennium.

Fund Group	FY 2011*	FY 2012	% Change	FY 2013	% Change
General Revenue	\$322,581,254	\$303,865,155	-5.8%	\$305,572,581	0.6%
General Services	\$1,197,900	\$3,414,317	185.0%	\$3,414,317	0.0%
Federal Special Revenue	\$998,376,402	\$1,100,540,864	10.2%	\$1,208,246,858	9.8%
State Special Revenue	\$237,673,134	\$372,876,703	56.9%	\$440,422,006	18.1%
TOTAL	\$1,559,828,690	\$1,780,697,039	14.2%	\$1,957,655,762	9.9%

*FY 2011 figures represent actual expenditures.

Federal funds account for the largest portion (61.8%) of ODODD's budget. Federal funds are primarily federal Medicaid reimbursement for expenditures for services provided to Medicaid recipients. ODODD receives federal Medicaid reimbursement for expenditures for home and community-based waiver services, services provided in developmental centers, and for targeted case management services.

State Special Revenue (SSR) funds account for the next largest share of appropriations at 21.7%. SSR funds mainly include the following:

- Funds from county boards to pay a portion of the nonfederal share for waiver programs and targeted case management services;
- Dollars that ODODD returns to the boards for targeted case management after the federal share is received;
- Developmental center residents' unearned incomes, which are received by the state and used toward residents' cost of care; and
- Revenue from a portion of a fee that county DD boards pay to both ODODD and ODJFS based on the value of Medicaid waiver claims paid by the board.

GRF dollars account for the next largest share (16.3%) of ODODD's budget. Most GRF dollars are used as the state share for Medicaid waiver services and developmental center services to Medicaid-eligibles. ODODD also uses GRF dollars to distribute subsidies to county DD boards. General Services funds account for 0.2% of ODODD's budget and include revenue generated from leasing land or space at a developmental center or service payments for some private residents.

Key Medicaid Provisions

Transfer of Medicaid Services

The budget transfers responsibility of two Medicaid services from ODJFS to ODODD: administration of the Transitions DD Waiver Program and paying for private ICF/MR services under Medicaid. The budget grants OBM the authority to reduce any of ODJFS's line items to fund these programs if necessary.

Transitions DD Waiver Program

The budget requires ODJFS to contract with ODODD to administer the Transitions DD Waiver. Under Transitions DD, individuals with developmental disabilities receive home and community-based services in lieu of living in an institutional setting. Services include nursing, personal care assistance, skilled therapy, home modifications, home-delivered meals, adult day health care, respite care, supplemental transportation, and emergency response systems. The budget requires the Director of OBM to establish line items that will be used to fund the Transitions DD program, and requires OBM and ODJFS to approve the appropriations associated with these line items.

Payment for Private ICF/MR Services

The budget requires ODJFS to contract with ODODD to assume responsibility for making monthly payments to private ICF/MR facilities for Medicaid recipients that receive services in those facilities. ICF/MR facilities provide 24-hour personal care, habilitation, developmental, and supportive health services to individuals with developmental disabilities whose primary need is for developmental services and who have a recurring but intermittent need for skilled nursing services. As with Transitions DD, the Director of OBM must establish line items to be used for the program, and OBM and ODJFS must approve the appropriations for those line items.

Goals for non-institutional settings

The budget requires ODODD, along with ODJFS and the Department of Aging, to strive to meet the following criteria by June 30, 2013, for Medicaid recipients in need of long-term care services: (1) have at least 50% of those recipients who are 60 years of age or older utilize long-term services that are not institution-based, and (2) have at least 60% of those recipients under the age of 60 who have cognitive or physical disabilities utilize long-term services that are not institution-based.

ANALYSIS OF ENACTED BUDGET

Introduction

This section provides an analysis of each line item in ODODD's budget. In this analysis, ODODD's line items are grouped into four major categories. For each category a table is provided listing the appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation. The four categories used in this analysis are as follows:

1. Community-based Medicaid Services;
2. Developmental Centers and Residential Facilities;
3. County Subsidies and Grants; and
4. Administration.

To aid the reader in finding each item in the analysis, the table below shows the category in which each appropriation has been placed, listing the line items in order within their respective fund groups and funds. This is the same order the line items appear in the budget bill.

Table 2. Categorization of ODODD's Line Items			
Fund	ALI and Name		Category
General Revenue Fund Group			
GRF 320321	Central Administration		4: Administration
GRF 320412	Protective Services		4: Administration
GRF 320415	Lease – Rental Payments		4: Administration
GRF 322407	Medicaid State Match		1: Community-based Medicaid Services
GRF 322451	Family Support Services		3: County Subsidies and Grants
GRF 322501	County Board Subsidies		3: County Subsidies and Grants
GRF 322503	Tax Equity		3: County Subsidies and Grants
General Services Fund Group			
1520 323609	Developmental Center and Residential Operating Services		2: Developmental Centers and Residential Facilities
Federal Special Revenue Fund Group			
3A50 320613	DD Council		3: County Subsidies and Grants
3250 322612	Community Social Service Programs		3: County Subsidies and Grants
3DZ0 322648	Enhanced Medicaid – Federal		1: Community-based Medicaid Services
3G60 322639	Medicaid Waiver – Federal		1: Community-based Medicaid Services
3M70 322650	CAFS Medicaid		1: Community-based Medicaid Services
3A40 323605	Developmental Center and Residential Facility Services and Support		2: Developmental Centers and Residential Facilities
State Special Revenue Fund Group			
5GE0 320606	Operating and Services		4: Administration
2210 322620	Supplemental Service Trust		3: County Subsidies and Grants
4K80 322604	Medicaid Waiver – State Match		1: Community-based Medicaid Services
5CT0 322632	Intensive Behavioral Needs		1: Community-based Medicaid Services
5DJ0 322625	Targeted Case Management Match		1: Community-based Medicaid Services
5DJ0 322626	Targeted Case Management Services		1: Community-based Medicaid Services
5DK0 322629	Capital Replacement Facilities		4: Administration
5EV0 322627	Program Fees		4: Administration
5H00 322619	Medicaid Repayment		4: Administration
5JX0 322651	Interagency Workgroup – Autism		3: County Subsidies and Grants
5Z10 322624	County Board Waiver Match		1: Community-based Medicaid Services
4890 323632	Developmental Center Direct Care Support		2: Developmental Centers and Residential Facilities
5S20 590622	Medicaid Administration and Oversight		4: Administration

Community-based Medicaid Services

This category of appropriations includes the major sources of funding for Community-based Medicaid services. This mainly includes funding for two Medicaid waivers and targeted case management services. The following table shows the appropriations for this category.

Table 3. Appropriations for Community-based Medicaid Services				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund				
GRF	322407	Medicaid State Match	\$218,034,162	\$214,902,506
General Revenue Fund Subtotal			\$218,034,162	\$214,902,506
Federal Special Revenue Fund Group				
3DZ0	322648	Enhanced Medicaid – Federal	\$10,000,000	\$0
3G60	322639	Medicaid Waiver – Federal	\$866,566,007	\$985,566,007
3M70	322650	CAFS Medicaid	\$29,349,502	\$29,349,502
Federal Special Revenue Fund Group Subtotal			\$905,915,509	\$1,014,915,509
State Special Revenue Fund Group				
4K80	322604	Medicaid Waiver – State Match	\$12,000,000	\$12,000,000
5CT0	322632	Intensive Behavioral Needs	\$1,000,000	\$1,000,000
5DJ0	322625	Targeted Case Management Match	\$21,000,000	\$24,000,000
5DJ0	322626	Targeted Case Management Services	\$57,307,357	\$66,000,000
5Z10	322624	County Board Waiver Match	\$235,000,000	\$290,000,000
State Special Revenue Fund Group Subtotal			\$326,307,357	\$393,000,000
Total Funding: Community-based Medicaid Services			\$1,450,257,028	\$1,622,818,015

Medicaid Waivers

ODODD administers two home and community-based Medicaid waivers: the Individual Options (IO) and the Level One (L1). The primary goal of these waivers is to enable people with developmental disabilities to remain in their homes or community-based settings by providing them with cost-effective services and support to maximize their quality of life while also ensuring their health and safety.

Given the budget provisions, ODODD estimates that 16,879 individuals in FY 2012 and 17,579 individuals in FY 2013 will receive IO waiver services on average per month, and 11,075 individuals in FY 2012 and 12,875 individuals in FY 2013 will receive L1 waiver services on average per month.

Medicaid Waiver Match (322407, 322604, 322624, and 322632)

These four line items are used to provide the nonfederal share for the IO and L1 Medicaid waiver programs as well as for the new Self-Empowered Life Funding (SELF) waiver. Appropriations for these line items are supported by separate revenue streams:

- Line item 322407, Medicaid State Match, is supported by GRF dollars;
- Line item 322604, Medicaid Waiver – State Match, is supported by a portion of revenue received from the ICF/MR franchise fee;
- Line item 322624, County Board Waiver Match, is supported by county board funds; and
- Line item 322632, Intensive Behavioral Needs, is supported by a portion of revenue received from ICF/MR franchise fees from FY 2008 and FY 2009.

Expenditures from these line items draw down federal Medicaid reimbursement, which is deposited into the Medicaid Waiver Fund (Fund 3G60) and expended from federal line item 322639, Medicaid Waiver – Federal.

Medicaid State Match (322407)

This new GRF line item will be used to pay the state share for Medicaid expenditures for home and community-based waiver programs and for services to developmental center residents enrolled in Medicaid. Prior to the budget, ODODD used four GRF line items to make these payments. Three were used for waiver programs (322416, Medicaid Waiver – State Match; 322504, Martin Settlement; and, 322413, Residential Support Services), and one was used for services to developmental center residents (323321, Developmental Center and Residential Facilities Operation Expenses). The budget discontinues these line items and appropriates the amounts that were used for Medicaid, which was essentially the full amount of line items 322416, 322504, and 323321, and a small part of line item 322413 – into GRF line item 322407, Medicaid State Match. The table below lists expenditures from the four discontinued line items in FY 2010 and FY 2011, and appropriations for line item 322407 for FY 2012 and FY 2013.

Line Item	FY 2010	FY 2011	FY 2012	FY 2013
322416	\$76,954,696	\$96,994,902	--	--
322504	\$22,302,785	\$24,559,058	--	--
322413*	\$254,326	\$244,222	--	--
323321	\$69,591,624	\$78,886,836	--	--
322407	--	--	\$218,034,162	\$214,902,506
Total	\$169,103,431	\$200,685,018	\$218,034,162	\$214,902,506

*The amounts for line item 322413 represent only Medicaid spending.

For new GRF line item 322407, Medicaid State Match, the budget provides an 8.6% increase in FY 2012 over FY 2011 from the four line items that were previously used for Medicaid. In FY 2013, the budget provides a 1.4% decrease from FY 2012. According to ODODD, the appropriations are planned for the following uses, as shown in the table below.

Purpose	FY 2011*	FY 2012	% Change	FY 2013	% Change
Home and Community-based Waivers	\$121,798,182	\$148,661,946	22.1%	\$151,795,722	2.1%
IO and L1 General	\$96,994,902	\$112,661,946	16.2%	\$115,795,722	2.8%
Martin Settlement (IO)	\$24,559,058	\$35,500,000	44.5%	\$35,500,000	0.0%
Sermak Settlement (IO)	\$244,222	\$500,000	104.7%	\$500,000	0.0%
Developmental Centers	\$78,886,836	\$69,372,216	-12.1%	\$63,106,784	-9.0%
Total Appropriations	\$200,685,018	\$218,034,162	8.6%	\$214,902,506	-1.4%

*FY 2011 figures represent actual expenditures.

A temporary law provision in the budget specifies that the new line item must be used for multiple purposes: home and community-based waiver services, the nonfederal share of new certified beds in ICFs/MR (as a cash transfer to ODJFS), developmental centers and residential facilities, other programs identified by the director, and to implement the requirements of the Martin and Sermak settlements. According to ODODD, expenditures based on the Martin and Sermak settlements will continue to be tracked separately from other expenditures made from this line item.

Martin Settlement

In 1989 the Ohio Legal Rights Service (OLRS) filed a federal class action law suit that claimed undue segregation in institutions for individuals with DD and waiting lists for people in need of services. The lawsuit sought integrated community residential services, specified that state programs should not discriminate against people with severe disabilities, and stated that integrated residential services should be developed. An agreement to settle the lawsuit was reached in 2006 and accepted by the court in March 2007. The result was the creation of 1,500 additional IO waiver slots to be filled by June 30, 2009. H.B. 119 of the 127th General Assembly appropriated GRF funding to enroll 600 individuals in FY 2008 and 900 individuals in FY 2009. H.B. 1 of the 128th General Assembly included GRF funding for all 1,500 waiver slots for the biennium. According to ODODD, the budget for the FY 2012-FY 2013 biennium will support the requirements of the Martin Settlement. The budget repeals R.C. 126.04, which requires that funds used to meet the requirements of the Martin Settlement be appropriated in a separate line item.

Sermak Settlement

The Sermak Settlement stems from a 1980 class action law suit filed by OLRS alleging that individuals with developmental disabilities were being discharged from state-operated institutions to nursing facilities that were not certified to provide for their care. In March 2000, a settlement was reached that provided IO waiver slots and funding for specialized services, evaluations, and equipment. OLRS has worked to ensure that class members wanting to move from a nursing facility are placed in community settings with the appropriate service supports; those who remained in nursing facilities are being provided with specialized services. OLRS provides ongoing monitoring of the specialized service needs of the remaining class members in nursing facilities and monitoring of any new class members placed in nursing facilities from developmental centers. According to ODODD, the budget for the FY 2012-FY 2013 biennium will support the requirements of the Sermak Settlement.

Medicaid Waiver – State Match (322604)

For this line item, the budget provides \$12 million for FY 2012 and FY 2013, a 22.6% decrease from FY 2011. Revenue to support this line item comes from a portion of revenue from the ICF/MR franchise fee. The ICF/MR fee is paid by private and public ICFs/MR to ODJFS on a quarterly basis. Fee revenue is deposited into the ICF/MR Bed Assessments Fund (Fund 4K10) used by ODJFS. The budget allows ODJFS to transfer cash from Fund 4K10 to the Home and Community-based Services Fund (Fund 4K80) used by ODODD through an intrastate transfer voucher on a quarterly basis, or on another schedule agreed to by both agencies. An exact dollar amount is not specified, only that both agencies must agree on the amount. ODODD expects to receive \$12 million in each fiscal year of the upcoming biennium, which is consistent with previous years.

County Board Waiver Match (322624)

For this line item, the budget provides \$235 million in FY 2012, a 84.4% increase over FY 2011 and \$290 million in FY 2013, a 23.4% increase over FY 2012. This line item is supported by payments received from county boards when a county board has exceeded its state allocation of GRF dollars (from line item 322407) for the nonfederal share of Medicaid claims and must use local resources to pay their portion. The increase in appropriations in each fiscal year is due to the projected increase in IO waiver enrollment and to the anticipated launch of the Self-Empowered Life Funding (SELF) waiver.

The budget requires the Director of ODODD to establish a methodology to be used in FY 2012 and FY 2013 to estimate the quarterly amount that each county board will pay of the nonfederal share of home and community-based waiver services for which the county board is responsible. The provision also requires the Director to

provide written notice of the amount owed by each county. County boards may use subsidy dollars received from ODODD or local levy dollars to meet their requirement.

SELF Waiver

Previously referred to as either the New Futures waiver or the Flexible Support waiver, the SELF waiver is designed to serve about 100 individuals under 22 years old with intensive behavioral needs and about 1,000 adults with developmental disabilities to help them live in the community. The cost caps will be \$25,000 per year for those under 22 years old and \$40,000 per year for adults. ODODD plans to use appropriations in this line item for the state share of Medicaid expenditures for the adults in the program. The state share for individuals under 22 years old will be paid out of line item 322632, Intensive Behavioral Needs.

Intensive Behavioral Needs (322632)

This line item will be used to provide the state share of Medicaid costs for individuals under 22 years old enrolled in the new SELF waiver. Individuals in this waiver program may select the package of services that best suits the individual's needs within a capped budget of \$25,000 per year. ODODD expects to serve about 100 individuals under 22 years old with intensive behavioral needs through this waiver. The budget provides appropriations of \$1 million for FY 2012 and FY 2013. The budget also lifts the age limit set in statute to allow individuals to remain on the waiver until they turn 22 years old; the previous age limit was 21. ODODD expects enrollment to begin July 2011, with state share costs of about \$900,000 in each fiscal year.

Funding for this program was originally established in H.B. 562 of the 127th General Assembly. H.B. 562 required 5.72% of ICF/MR franchise fees collected be deposited into the Children with Intensive Behavioral Needs Program Fund (Fund 5CT0) and further specified that funds would be used for programs established by ODODD for individuals under 21 years of age who have intensive behavioral needs. This funding stream was discontinued in FY 2010 and FY 2011. According to ODODD, there are no other funding streams for this line item in the next biennium. ODODD will use the fund balance accumulated in FY 2008 and FY 2009 for this program.

Medicaid Waiver – Federal (322639)

This federally funded line item is used to pay for home and community-based Medicaid waiver services and administration of those services. The line item is supported by federal reimbursement for Medicaid expenditures made for waiver services. The federal government reimburses allowable expenditures based on a state's FMAP. Under the program, state and local funds are used to "draw down" federal funds at the FMAP rate, which is determined annually by the federal government. For FFY 2012, Ohio's FMAP rate is 64.15% (for every \$1 spent on Medicaid-eligible services, the federal government reimburses the state approximately \$0.64). Administrative costs for Medicaid programs are generally reimbursed at 50%. The budget provides

\$866.6 million in FY 2012, a 16.9% increase over FY 2011 and \$985.6 million in FY 2013, a 13.7% increase over FY 2012. The increases are to accommodate estimated increases in waiver enrollees over the next biennium.

Enhanced Medicaid Federal (322648)

This federally funded line item is used to pay for home and community-based Medicaid waiver services, developmental center services to Medicaid recipients, and targeted case management services. The line item is supported by additional federal Medicaid reimbursement received under ARRA. Most of the additional federal dollars were received and expended in FY 2010 and FY 2011. The state will receive the final additional reimbursement in the first quarter of FY 2012 based on expenditures from the previous quarter. The budget appropriates \$10 million in FY 2012.

Targeted Case Management Match and Services (322625 and 322626)

Line item 322625, Targeted Case Management Match, is used to pay ODJFS the nonfederal share of targeted case management services provided by county DD boards. The budget provides \$21 million for FY 2012, a 61% increase over FY 2011 and \$24 million in FY 2013, a 14.3% increase over FY 2012. Line item 322626, Targeted Case Management Services, is used to return to county DD boards the nonfederal portion of targeted case management services paid by the county board as well as the federal Medicaid reimbursement received for providing targeted case management services. Federal reimbursement is received by ODJFS, transferred to ODODD, and then disbursed to county DD boards through this line item. The budget provides \$57.3 million in FY 2012, a 32.2% increase over FY 2011 and \$66 million in FY 2013, a 15.2% increase over FY 2012.

Targeted case management refers to case management services that assist individuals with developmental disabilities in accessing the needed medical, social, educational, or other services. The program assists individuals in accessing the necessary services and supports that increase an individual's skills, competencies, and self-reliance through the development of an individualized service plan. ODODD and the county boards monitor service providers to ensure that services are being provided in a manner consistent with standards established in statute and administrative rules.

The budget requires county boards to pay the nonfederal portion of targeted case management services to ODODD. The budget allows ODODD and ODJFS to enter into an interagency agreement for ODODD to transfer cash from the Targeted Case Management Fund (Fund 5DJ0) to the Medicaid Program Support Fund (Fund 5C90), used by ODJFS, using an intrastate transfer voucher to pay the nonfederal portion of targeted case management services.

CAFS Medicaid (322650)

This federally funded line item provides the funding mechanism for the Community Alternative Funding System (CAFS) Program as it continues to phase out. The CAFS Program was terminated at the end of FY 2005. Appropriations for FY 2012 and FY 2013 are for residual claiming that will occur during the biennium. Once all CAFS audits are complete, the Community Alternative Funding System Fund (Fund 3M70), which supports appropriations for this line item, will be eliminated. The budget provides appropriations of \$29.3 million in FY 2012 and FY 2013.

Developmental Centers and Residential Facilities

This category of appropriations includes the major sources of funding for developmental centers and residential facilities. The table below shows the appropriations for this category.

Table 6. Appropriations for Developmental Centers and Residential Facilities				
Fund		ALI and Name	FY 2012	FY 2013
General Services Fund Group				
1520	323609	Developmental Center and Residential Operating Services	\$3,414,317	\$3,414,317
Federal Special Revenue Fund Group				
3A40	323605	Developmental Center and Residential Facility Services and Support	\$180,266,029	\$179,384,881
State Special Revenue Fund Group				
4890	323632	Developmental Center Direct Care Support	\$16,497,170	\$16,497,169
Total Funding: Developmental Centers and Residential Facilities			\$200,177,516	\$199,296,367

In addition to these line items, about \$69.4 million in FY 2012 and \$63.1 million in FY 2013 from line item 322407, Medicaid State Match, will be used to provide state match for Medicaid expenses at ODODD's ten developmental centers. That line item is included in the Community-based Medicaid Services section of this analysis, as it will mainly be used for the state match for Medicaid waiver services.

Developmental Center and Residential Operating Services (323609)

This line item is used for expenses at ODODD's developmental centers. The budget provides \$3.4 million for FY 2012 and FY 2013. This line item is supported by the Miscellaneous Revenue Fund (Fund 1520), which receives revenue generated from leasing land or space at a developmental center or service payments for some private residents ("private" means that the residential care for these residents is paid by the county DD board).

Developmental Center and Residential Facility Services and Support (323605)

This federally funded line item is used to pay operating expenses at state developmental centers and is supported by federal reimbursement for Medicaid expenditures made for developmental center residents. A large portion of ODODD's developmental center expenses are reimbursable under Medicaid, as the vast majority of developmental center residents are Medicaid-eligible. The budget provides \$180.3 million in FY 2012, a 77.2% increase over FY 2011 and \$179.4 million in FY 2013, a 0.5% decrease from FY 2012.

This line item is also used by ODODD to pay the ICF/MR franchise fee to ODJFS. ICFs/MR (public and private) are required to pay an annual franchise permit fee based on the number of beds in the facility. In the last biennium, these payments were made

out of GRF line item 322647, ICF/MR Franchise Fee – Developmental Centers. The budget discontinues that GRF line item and uses federal dollars received from Medicaid reimbursement to make the franchise fee payments to ODJFS. In FY 2010 and FY 2011, expenditures from line item 322647 for the franchise fee totaled \$5.5 million and \$7 million, respectively. ODODD estimates franchise fee costs of \$8.2 million in FY 2012 and \$8.4 million in FY 2013, based on the fee rates specified in the budget. The budget sets the fee at \$17.99 per bed per day in FY 2012 and at \$18.32 in FY 2013.

ODODD receives a portion of the total collected franchise fees based on statutory percentages, as well as an additional amount authorized under a temporary law provision in the budget. The amount received under statute is deposited into the Operating and Services Fund (Fund 5GE0) and expended from line item 320606, Operating and Services, for administration activities. The amount received under the temporary law provision (Section 309.35.60) is deposited into the Home and Community-based Services Fund (Fund 4K80) and expended from line item 322604, Medicaid Waiver – State Match, for waiver services.

Developmental Center Direct Care Support (323632)

This line item is used to offset an individual's cost of care while in a developmental center. The budget provides \$16.5 million in FY 2012 and FY 2013, a 25.6% increase over FY 2011. The line item is supported by revenues from client resources, such as Social Security, or payments made by the county for a person not eligible for Medicaid. About 70% of residents receive Social Security, of which a portion is turned over to the state to offset the cost of care. Social Security revenue averages \$580 per month per resident, or about \$8.3 million per year. (The remaining 30% of the residents receive Supplemental Security Income (SSI), which has a minimal \$30 payment if the recipient is institutionalized in a Medicaid-funded facility. The state does not take any portion of SSI.)

County Subsidies and Grants

This category of appropriations includes the major sources of funding for community-based services provided by the county DD boards. The following table shows the appropriations for this category.

Table 7. Appropriations for County Subsidies and Grants				
Fund		ALI and Name	FY 2012	FY 2013
General Revenue Fund				
GRF	322451	Family Support Services	\$5,932,758	\$5,932,758
GRF	322501	County Board Subsidies	\$40,906,365	\$44,449,280
GRF	322503	Tax Equity	\$14,000,000	\$14,000,000
General Revenue Fund Subtotal			\$60,839,123	\$64,382,038
Federal Special Revenue Fund Group				
3A50	320613	DD Council	\$3,341,572	\$3,341,572
3250	322612	Community and Social Service Programs	\$11,017,754	\$10,604,896
Federal Special Revenue Fund Group Subtotal			\$14,359,326	\$13,946,468
State Special Revenue Fund Group				
2210	322620	Supplemental Service Trust	\$150,000	\$150,000
5JX0	322651	Interagency Workgroup-Autism	\$45,000	\$45,000
State Special Revenue Fund Group Subtotal			\$195,000	\$195,000
Total Funding: County Subsidies and Grants			\$75,393,449	\$78,523,506

Family Support Services (322451)

This GRF line item provides funding for the family support subsidy. The budget provides \$5.9 million for FY 2012 and FY 2013, a 10% decrease from FY 2011. Subsidy dollars are provided to ensure the availability of support so people may live as they choose while promoting their health, safety, and welfare. Supports include respite care, adaptive equipment, special diets, and home modifications to accommodate the family member with a disability, and other services and items that are individualized to meet the needs of the family. In order to access these dollars, the family must be caring for the person with developmental disabilities at home and the individual must be eligible for services through their local county DD board.

County Boards Subsidies (322501)

This GRF line item is used to provide subsidy dollars to county DD boards to assist with the costs of services and administration provided by the board. This subsidy can be used for county board operating expenses, supported living services, service and support administration for county residents, and waiver match. The budget provides \$40.9 million for FY 2012, a 34.3% decrease from FY 2011 and \$44.4 million for FY 2013, an 8.7% increase over FY 2012. According to ODODD, the level of funding will affect

county boards differently depending on their other funding streams and level of services.

The budget specifies that this line item must be used for the following purposes:

1. A quarterly subsidy to county developmental disability boards according to a formula developed by the Director in consultation with county boards for early childhood services and adult services, supported living, and service and support administration;
2. Funding for residential and support services to enable individuals with developmental disabilities to live in the community; and
3. Funding for county boards of developmental disabilities to address economic hardship and promote efficient operations.

The first purpose relates to the Supported Living Program and Service and Support Administration subsidies. Since FY 2008, these subsidies have been funded from this line item. The second purpose allows counties to expend funds for residential supports, which in previous budgets was included in line item 322413, Residential and Support Services; the budget discontinues this line item. The third purpose allows for overall flexibility in expending subsidy dollars.

Supported Living

The Supported Living Program enables individuals with developmental disabilities to live in community settings. Each supported living recipient, with the assistance of family or other advocates, designs the service package necessary for support in the individual's setting of choice. The goal is to maximize individuals' potential for independence and self-determination. Services may be provided in the home of the individual, who lives on their own, or in the family home in which the individual resides. Supported living service providers are certified by ODODD.

Service and Support Administration

Service and Support Administration (SSA), formerly called "case management," must be provided by each county board to each county resident with developmental disabilities age three years or older and to each individual receiving home and community-based Medicaid waiver services. SSA is a process that includes linking individuals and families to needed services and supports in eligibility determination and assessment, individual service plan development and revision, service access and placement, assistance in provider selection, service coordination, monitoring and individual quality assurance, and crisis intervention.

Residential and Support Services

Line item 322501 also includes funding for miscellaneous residential support subsidies. These subsidies allow county boards to meet the ongoing needs of individuals affected by specific events, such as the closing of a developmental center. In

previous budgets these subsidies were included in line item 322413, Residential and Support Services, which is discontinued in the budget. Line item 322413 also included about \$250,000 to provide a small amount of state match for the Individual Options (IO) waiver under the requirements of the Sermak consent decree. This funding has been moved to new GRF line item 322407, Medicaid State Match. In FY 2010, residential support subsidies totaled \$5.4 million, of which \$4.3 million (80%) was expended for individuals affected by the closing of the Broadview Developmental Center in Cuyahoga County in 1992.

Flexible Funding Pools

The budget includes permissive language allowing county boards to transfer portions of funds received from line item 322501 to a flexible funding pool. The bill allows county family and children first councils to establish and operate a flexible funding pool to assure access to needed services by families, children, and older adults in need of protective services. County DD boards must collaborate with their county's family and children first council when transferring funds to this pool. These pools are authorized in a temporary law provision in the section of the budget for the Department of Mental Health (Section 337.30.70).

Tax Equity (322503)

This GRF line item is used to provide tax equity subsidies to county DD boards. These subsidies help equalize local tax levy revenues for tax-poor counties to ensure that adult services are available statewide and are not limited because of a county's inability to raise local levy funds. The budget provides flat funding at the FY 2011 level of \$14 million for FY 2012 and FY 2013. ODODD will be able to maintain current levels of support for the county DD boards provided through this line item. These dollars are disbursed in quarterly installments and are used by county boards to pay the nonfederal share of Medicaid expenditures.

Tax Equity Formula

The budget revises the tax equity formula in the Revised Code to more accurately account for a county's per capita tax capacity. According to ODODD, this new formula will better allocate funds to counties with the greatest need. The formula was developed in conjuncture with the Ohio Association of County Boards Serving Persons with Developmental Disabilities. The formula will be implemented over four years to facilitate a gradual transition. However, a section of temporary law allows ODODD to notwithstanding the tax equity formula and permits the Director of ODODD to provide funds to county boards that experience economic hardship or to promote operational efficiencies.

DD Council (320613)

This federally funded line item supports the operational expenses for the Ohio Developmental Disabilities Council (ODDC), which is a planning and advocacy body committed to community inclusion for people with developmental disabilities. The budget provides \$3.3 million for FY 2012 and FY 2013, a 13.5% increase over FY 2011. This increase is due to an increase in federal funding for this program.

ODDC is part of a national network of state councils and consists of 25 members appointed by the Governor. Members are people with developmental disabilities, parents and guardians of people with developmental disabilities, and representatives from concerned state agencies, nonprofit organizations, and agencies that provide services to people with developmental disabilities. Members serve in a voluntary capacity. ODDC operates through six committees and relies on professional support staff to handle the day-to-day operations, administration, planning, advocacy, and project monitoring.

ODDC receives federal funding for innovative advocacy, capacity building, and systems change activities. These activities are designed to contribute to a coordinated system of services, supports, and other assistance that is centered around and driven by individuals with developmental disabilities and their families. ODODD is responsible for receiving, accounting for, and disbursing funds in accordance with Ohio's federally required state plan. Ohio's state plan addresses federal areas of interest including education and early intervention, quality assurance, child care, health, employment, housing, transportation, recreation, and other services available or offered to individuals in the community. ODODD is also required by statute (R.C. 5123.35) to provide assurances and administrative support services as a condition of receiving federal assistance.

ODDC disburses federal funds through grants and contracts for the provision of services that are needed by, or are useful to, individuals with developmental disabilities living in the community. ODDC monitors progress with each project that receives grant funding. Progress is measured through site visits and quarterly reports from grantees. ODDC annually reports results of its activities to the Federal Administration on Developmental Disabilities.

Community and Social Service Programs (322612)

This federally funded line item is used to fund community-based services from the federal Social Services Block Grant received under Title XX as well as other smaller federal grants. The budget appropriates \$11 million for FY 2012, an 11.6% increase over FY 2011 and \$10.6 million for FY 2013, a 3.8% decrease from FY 2012.

The Social Services Block Grant is a capped entitlement program that helps states provide a wide array of social services. The amount of the block grant allocated to each state is on the basis of population, and Ohio generally receives about \$64 million per

year. This amount is received by ODJFS, which retains 72.5% of the grant and distributes 14.57% to ODODD and 12.93% to the Department of Mental Health. Based on these percentages, which are set in statute, ODODD receives about \$9.3 million each year. ODODD uses block grant funds to provide grants to families with disabilities living in the community.

Other smaller federal grants expended from this line item include the Early Intervention Grant (about \$300,000 each year) and the Medicaid Infrastructure Grant (about \$569,000 each year).

Supplemental Service Trust (322620)

This line item is used for community-based services that are not allowable under Medicaid, such as reimbursements for attendance at recreational events, travel, vacations, sports, elective medical or dental care, gym memberships, etc. When an individual with a supplemental service trust dies, 50% of the remaining funds in the trust are paid to ODODD and deposited into the Supplemental Service Trust Fund (Fund 2210), which supports this line item. ODODD then returns those dollars to the county DD board in the individual's county of origin. The annual revenue the fund receives depends on the number of individuals who hold such a trust at the time of death. The budget provides appropriations of \$150,000 for FY 2012 and FY 2013.

Interagency Workgroup-Autism (322651)

This new line item will be used to support the Interagency Workgroup on Autism. The budget allows the Director of ODODD to establish this workgroup in order to improve the coordination of the state's efforts to address the needs of individuals with autism spectrum disorders and their families. The budget provides appropriations of \$45,000 for FY 2012 and FY 2013. According to ODODD, appropriations will be used to pay for contracts to produce and distribute information related to autism and other developmental disabilities. The budget also establishes the Interagency Workgroup on Autism Fund (Fund 5JX0) in the state treasury, which supports this line item. Members of the workgroup may contribute to the fund to support workgroup activities.

Administration

This category of appropriations includes the major sources of funding for ODODD's operational and administrative expenses. The following table shows the appropriations for this category.

Table 8. Appropriations for Administration				
Fund		ALI and Name	FY 2012	FY 2013
General Revenue Fund				
GRF	320321	Central Administration	\$4,422,794	\$4,422,794
GRF	320412	Protective Services	\$2,174,826	\$1,957,343
GRF	320415	Lease – Rental Payments	\$18,394,250	\$19,907,900
General Revenue Fund Subtotal			\$24,991,870	\$26,288,037
State Special Revenue Fund Group				
5GE0	320606	Operating and Services	\$7,406,609	\$7,407,297
5DK0	322629	Capital Replacement Facilities	\$750,000	\$750,000
5EV0	322627	Program Fees	\$685,000	\$685,000
5H00	322619	Medicaid Repayment	\$160,000	\$160,000
5S20	590622	Medicaid Administration and Oversight	\$20,875,567	\$21,727,540
State Special Revenue Fund Group Subtotal			\$29,877,176	\$30,729,837
Total Funding: Administration			\$54,869,046	\$57,017,874

Central Administration (320321)

This GRF line item supports central office operating expenses and is used to carry out the necessary day-to-day operations of ODODD in support of its program activities. Funds are used for staffing, maintenance, supplies, and equipment needed to carry out ODODD's mission and ensure compliance with state and federal laws. The budget provides \$4.4 million for FY 2012 and FY 2013, a 4.3% decrease from FY 2011.

Protective Services (320412)

This GRF line item is used to pay costs associated with guardianships, trusteeships, and protectorships for individuals with developmental disabilities. Protective services refer to the provision of services by a contract agency that performs the duties otherwise fulfilled by a guardian, trustee, or conservator. An individual acting in this capacity provides guidance, service, and encouragement of the development of maximum self-reliance while also ensuring health and safety. Individuals receiving these services must undergo a comprehensive evaluation that includes psychological and medical exams, as well as a social history. ODODD contracts with Advocacy and Protective Services, Inc., a nonprofit agency, for these services. The budget provides \$2.2 million for FY 2012, a 2.7% decrease from FY 2011 and \$2 million for FY 2013, a 10% decrease from FY 2012.

Lease – Rental Payments (320415)

This GRF line item is used to make debt service payments on bonds issued for long-term capital construction projects. The Office of Budget and Management calculates the amount needed for each fiscal year to fulfill these obligations. The budget provides \$18.4 million for FY 2012, an 11% decrease from FY 2011 and \$19.9 million for FY 2013, an 8.2% increase over FY 2012.

Operating and Services (320606)

This line item is used to support ODODD's operating and service expenses in the central office (not related to developmental centers). The budget provides \$7.4 million for FY 2012 and FY 2013, a 24% increase from FY 2011. Funding for this line item is supported by a portion of ICF/MR franchise fee revenue.

Both private ICFs/MR and state developmental centers are required to pay ICF/MR franchise fees. Fees are paid to ODJFS. Of the total revenue raised, ODJFS will retain 81.77% in FY 2012 and 82.2% in FY 2013 (these were established by the budget and set in statute), and ODODD will receive the remainder. The amount received by ODODD is deposited into the fund that supports this line item. The table below shows estimated franchise fee revenues and the percentages established in the budget that will be received by each agency in each fiscal year.

Fiscal Year	Estimated Revenue	ODJFS		ODODD	
		Percentage	Fund 4K10	Percentage	Fund 5GE0
FY 2012	\$44,762,913	81.77%	\$36,602,634	18.23%	\$8,160,279
FY 2013	\$47,431,904	82.20%	\$38,989,025	17.80%	\$8,442,879

Capital Replacement Facilities (322629)

This line item provides financial assistance to county DD boards or nonprofit agencies for the purchase or renovation of community housing for individuals with DD. After 15 years, the state share of the loan is forgiven. However, the recipient of such assistance may apply for approval to sell the facility before the terms of the agreement expire for the purpose of acquiring a replacement facility to be used to provide services to individuals it serves. After selling the facility, the local entity is required to return to ODODD a prorated amount of the state assistance based on the unexpired term of the agreement. The repayment of the prorated state share of funding is deposited in the Capital Replacement Facilities Fund (Fund 5DK0), which supports this line item. Once a replacement facility is purchased, the funds may be returned to the county board to offset the cost of the purchase. However, if a replacement facility is not purchased, then the funds are used to support ODODD's community construction projects. The budget provides \$750,000 in FY 2012 and FY 2013.

Program Fees (322627)

This line item is used for multiple purposes: (1) the certification, registration, and renewal procedures required for employment with a county DD board, (2) continuing education and professional training provided to county board employees, (3) the supported living provider certification program, and (4) licensing and inspecting residential facilities. The line item is supported by fees paid to ODODD for employee certification and registration, licensing of residential facilities, and provider certification (based on the size of the provider). The budget provides \$685,000 in FY 2012 and FY 2013, a 1.1% increase over FY 2011.

Medicaid Repayment (322619)

This line item is used to pay ODJFS the federal portion of collections of overpayments to Medicaid providers discovered during an audit. The budget provides \$160,000 in FY 2012 and FY 2013.

Medicaid Administration and Oversight (590622)

This line item is used to fund administration and oversight for all Medicaid services. Administrative and oversight services include eligibility determinations, training, fiscal management, claims processing, and quality assurance. The budget provides \$20.9 million in FY 2012, a 13% increase over FY 2011 and \$21.7 million in FY 2013, a 4.1% increase over FY 2012.

This line item is supported by a fee collected from county DD boards on the value of all Medicaid-paid claims for home and community-based services. The budget reduces the fee from 1.5% to 1.25%. ODODD estimates revenues of \$14.5 million in FY 2012 and \$16.4 million in FY 2013. In past years, ODODD has usually retained about 70% of fee revenue, which was deposited into the fund that supports this line item. The remaining 30% was then transferred to ODJFS through an interagency agreement.

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FY 2012 - FY 2013 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	FY 2011	Appropriations FY 2012	FY 2011 to FY 2012 % Change	Appropriations FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: Enacted					
DDD Department of Developmental Disabilities								
GRF	320321	Central Administration	\$ 4,433,485	\$ 4,621,744	\$ 4,422,794	-4.30%	\$ 4,422,794	0.00%
GRF	320412	Protective Services	\$ 2,361,587	\$ 2,234,724	\$ 2,174,826	-2.68%	\$ 1,957,343	-10.00%
GRF	320415	Lease-Rental Payments	\$ 20,085,292	\$ 20,668,016	\$ 18,394,250	-11.00%	\$ 19,907,900	8.23%
GRF	322407	Medicaid State Match	\$ 0	\$ 0	\$ 218,034,162	N/A	\$ 214,902,506	-1.44%
GRF	322413	Residential and Support Services	\$ 5,779,427	\$ 4,753,037	\$ 0	-100.00%	\$ 0	N/A
GRF	322416	Medicaid Waiver - State Match	\$ 76,954,696	\$ 96,995,747	\$ 0	-100.00%	\$ 0	N/A
GRF	322451	Family Support Services	\$ 6,591,953	\$ 6,591,953	\$ 5,932,758	-10.00%	\$ 5,932,758	0.00%
GRF	322501	County Boards Subsidies	\$ 66,986,448	\$ 62,259,252	\$ 40,906,365	-34.30%	\$ 44,449,280	8.66%
GRF	322503	Tax Equity	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	0.00%	\$ 14,000,000	0.00%
GRF	322504	Martin Settlement	\$ 22,302,785	\$ 24,559,058	\$ 0	-100.00%	\$ 0	N/A
GRF	322647	ICF/MR Franchise Fee - Developmental Centers	\$ 5,475,805	\$ 7,010,887	\$ 0	-100.00%	\$ 0	N/A
GRF	323321	Developmental Center and Residential Facilities Operation Expenses	\$ 69,591,624	\$ 78,886,836	\$ 0	-100.00%	\$ 0	N/A
General Revenue Fund Total			\$ 294,563,102	\$ 322,581,254	\$ 303,865,155	-5.80%	\$ 305,572,581	0.56%
4880	322603	Provider Audit Refunds	\$ 4,722	\$ 10,000	\$ 0	-100.00%	\$ 0	N/A
1520	323609	Developmental Center and Residential Operating Services	\$ 2,397,141	\$ 1,187,900	\$ 3,414,317	187.42%	\$ 3,414,317	0.00%
General Services Fund Group Total			\$ 2,401,863	\$ 1,197,900	\$ 3,414,317	185.03%	\$ 3,414,317	0.00%
3A50	320613	DD Council	\$ 2,919,339	\$ 2,945,508	\$ 3,341,572	13.45%	\$ 3,341,572	0.00%
3250	322612	Community Social Service Programs	\$ 10,214,038	\$ 9,875,739	\$ 11,017,754	11.56%	\$ 10,604,896	-3.75%
3DZ0	322648	Enhanced Medicaid - Federal	\$ 93,874,270	\$ 129,825,345	\$ 10,000,000	-92.30%	\$ 0	-100.00%
3G60	322639	Medicaid Waiver - Federal	\$ 738,621,788	\$ 741,460,889	\$ 866,566,007	16.87%	\$ 985,566,007	13.73%
3M70	322650	CAFS Medicaid	\$ 6,639,803	\$ 12,552,854	\$ 29,349,502	133.81%	\$ 29,349,502	0.00%
3A40	323605	Developmental Center and Residential Facility Services and Support	\$ 118,772,095	\$ 101,716,068	\$ 180,266,029	77.22%	\$ 179,384,881	-0.49%
Federal Special Revenue Fund Group Total			\$ 971,041,334	\$ 998,376,402	\$ 1,100,540,864	10.23%	\$ 1,208,246,858	9.79%
5GE0	320606	Operating and Services	\$ 236,469	\$ 5,971,340	\$ 7,406,609	24.04%	\$ 7,407,297	0.01%
2210	322620	Supplement Service Trust	\$ 0	\$ 0	\$ 150,000	N/A	\$ 150,000	0.00%
4K80	322604	Medicaid Waiver - State Match	\$ 12,817,391	\$ 15,510,495	\$ 12,000,000	-22.63%	\$ 12,000,000	0.00%

FY 2012 - FY 2013 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency					Appropriations	FY 2011 to FY 2012	Appropriations	FY 2012 to FY 2013
			FY 2010	FY 2011	FY 2012	% Change	FY 2013	% Change
DDD Department of Developmental Disabilities								
5CT0	322632	Intensive Behavioral Needs	\$0	\$0	\$ 1,000,000	N/A	\$ 1,000,000	0.00%
5DJ0	322625	Targeted Case Management Match	\$ 11,517,877	\$ 13,045,723	\$ 21,000,000	60.97%	\$ 24,000,000	14.29%
5DJ0	322626	Targeted Case Management Services	\$ 41,439,242	\$ 43,339,629	\$ 57,307,357	32.23%	\$ 66,000,000	15.17%
5DK0	322629	Capital Replacement Facilities	\$ 44,531	\$ 58,309	\$ 750,000	1,186.25%	\$ 750,000	0.00%
5E00	322627	Program Fees	\$ 266,885	\$ 677,874	\$ 685,000	1.05%	\$ 685,000	0.00%
5H00	322619	Medicaid Repayment	\$ 149,999	\$ 43,204	\$ 160,000	270.33%	\$ 160,000	0.00%
5JX0	322651	Interagency Workgoup- Autism	\$0	\$0	\$ 45,000	N/A	\$ 45,000	0.00%
5Z10	322624	County Board Waiver Match	\$ 131,101,347	\$ 127,416,127	\$ 235,000,000	84.44%	\$ 290,000,000	23.40%
4890	323632	Developmental Center Direct Care Support	\$ 14,736,586	\$ 13,132,163	\$ 16,497,170	25.62%	\$ 16,497,169	0.00%
5S20	590622	Medicaid Administration & Oversight	\$ 16,692,065	\$ 18,478,270	\$ 20,875,567	12.97%	\$ 21,727,540	4.08%
State Special Revenue Fund Group Total			\$ 229,002,392	\$ 237,673,134	\$ 372,876,703	56.89%	\$ 440,422,006	18.11%
Department of Developmental Disabilities Total			\$ 1,497,008,692	\$ 1,559,828,691	\$ 1,780,697,039	14.16%	\$ 1,957,655,762	9.94%