Department of Mental Retardation and Developmental Disabilities

House Human Services Subcommittee

Clay Weidner, Budget Analyst

Legislative Service Commission

March 20, 2003

LSC Redbook

for the

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TABLE OF CONTENTS

March 20, 2003

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

Department of Mental Retardation and Developmental Disabilities

- Added 4,000 new Individual Options waiver slots and received federal approval for 3,000 Level 1 waiver slots as part of Medicaid redesign
- Recommended funding will cause the closure of two developmental centers

OVERVIEW

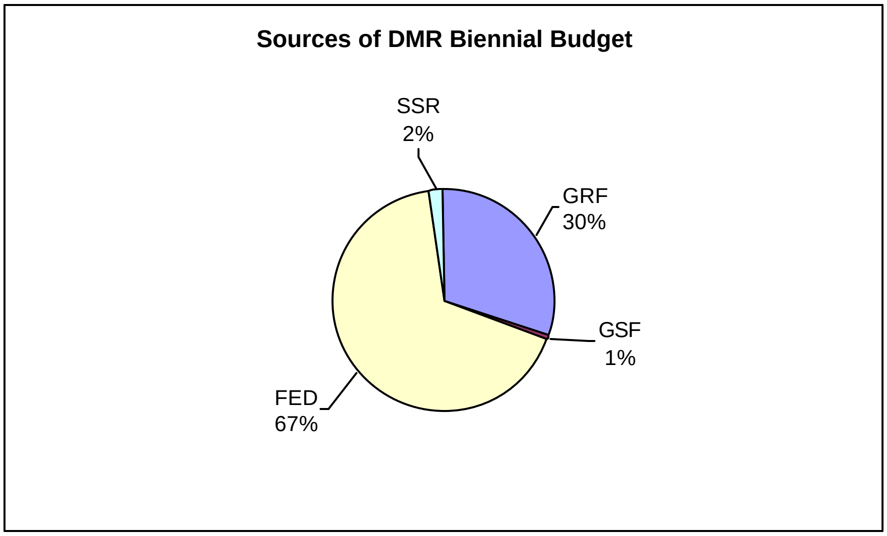
The Department of Mental Retardation and Developmental Disabilities (DMR) is the primary service agency for 61,000 Ohioans with mental retardation and other developmental disabilities (MR/DD). The Department provides services to 1,892 individuals at 12 developmental centers. Services are also provided to approximately 9,889 people through two home and community-based Medicaid service waivers (HCBS): Individual Options (IO) and Residential Facilities Waiver (RFW). There are currently about 16,000 Ohioans with MR/DD on county board waiting lists for waiver services. Additionally, approximately 7,400 individuals with MR/DD are living with caregivers over the age of 60. Of that total, approximately 2,300 are currently on county board waiting lists for waiver services. The Department estimates that the remaining 5,100 will be in need of emergency supports in the near future.

The Department also provides funding assistance to the 88 county boards of MR/DD in Ohio for residential and support services. These services include, but are not limited to, residential supports, early intervention and family supports, adult vocational and employment services, and service and support administration. Approximately 61,000 people receive support services through programs provided by the county boards of MR/DD. Residential supports offered by county boards serve more than 13,000 individuals with MR/DD.

Executive Recommendations

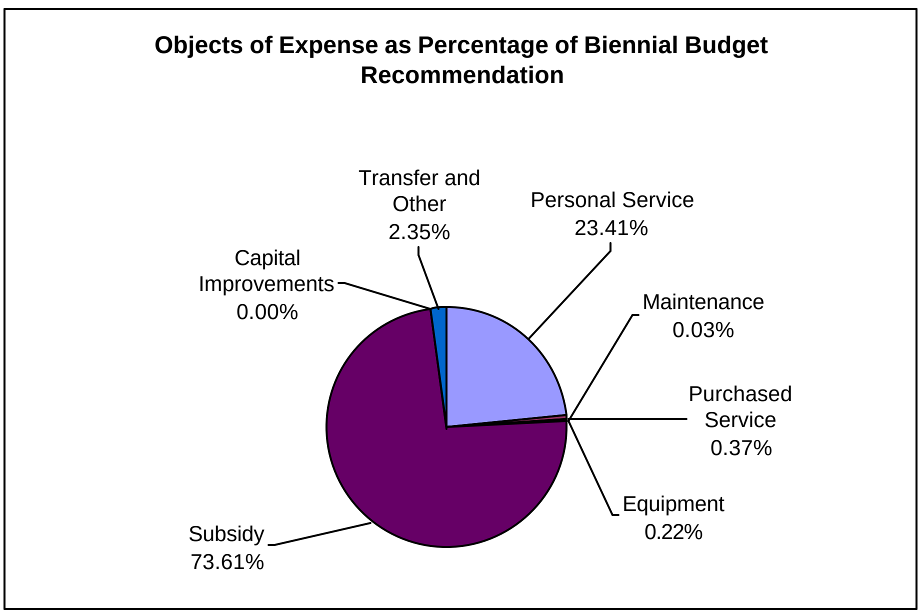
The executive budget proposal increases the Department's budget by 22.4% from FY 2003 estimates and 4.1% in FY 2005. The increase in funding for FY 2004 is largely attributable to a substantial increase in federal match money generated from Medicaid redesign. In FY 2004, total appropriations for DMR are $1,142,314,831. In FY 2005, this figure increases to $1,189,014,449. The portion of the agency's recommended budget levels that are GRF represent 30.6% of the total agency budget. The GRF portion of the DMR budget increases by 4.1% in FY 2004 over FY 2003 estimates. In FY 2005, this increase is 1.2% from FY 2004 recommended levels. The portion of the agency's recommended budget levels that are federal funds represent 67.0% of the total agency budget. The federal portion of the DMR budget increases by 34.5% from FY 2003 estimates. In FY 2005, this increase is 5.6% from FY 2004 recommended levels.

The following chart illustrates the various funding sources of the DMR biennial budget, as recommended by the Executive:



Objects of Expense

Approximately 75% of the Department's budget recommendation is for subsidies to local service providers and county boards of MR/DD. Recommended subsidy levels in FY 2004 total $811,380,586, an increase of 36.8% over FY 2003 estimates. The FY 2005 increase of 5.9% will bring this object of expense to $859,349,034. Expenses associated with personnel accounts for approximately 23% of the recommended biennial budget. In FY 2004, $258,080,936 will be spent in this area, an increase of 9.5% from FY 2003 estimates. This increases by 0.5% in FY 2005 to $259,420,930. Recommended purchased service levels for the biennium total $8,197,948, which represents less than 1.0% of the Executive's total recommendation.



Medicaid Redesign

Overview

With the passage of Am. Sub. H.B. 94 and Am. Sub. H.B. 405, both of the 124th General Assembly, the most far-reaching reforms of Ohio's MR/DD delivery system began. According to the Department, these changes are necessary to reduce the large residential services waiting lists (approximately 16,000), the inequity among county board services, high direct care staff turnover, to increase consumer choice, to comply with recent Supreme Court decisions (*Olmstead)*, and to bring Ohio's MR/DD services in compliance with Medicaid requirements. These reforms, collectively known as Medicaid redesign, are predicated on redirecting GRF and local levy dollars, which have historically funded most MR/DD programs, to maximize Federal Medical Assistance Participation (FMAP). Under the Medicaid program, the federal government reimburses allowable expenditures according to a state's FMAP rate. The FMAP rate for Ohio in FY 2003 is 58.83%. The Department refers to this process as "refinancing." Refinancing, consequently, frees state and local dollars that were previously used to pay 100% of the costs of services in certain programs. This allows HCBS waiver services to be expanded to those on county board waiting lists and in emergency situations (e.g., death of a caregiver). Formerly, a high percentage of state MR/DD spending was unmatched state and local money that funded Medicaid-reimbursable services. For example, in FY 2000, 31.0% of Ohio's total MR/DD spending was unmatched state and local funds, which ranked as the fourth highest percentage in the United States (behind California, Georgia, and Maryland).[1] The Department believes Medicaid redesign will bring this percentage down.

One fundamental goal of Medicaid redesign is to keep more individuals with MR/DD in their homes, as opposed to more costly institutional settings, by leveraging additional federal funds to expand Medicaid wavier slots. The Department believes that Medicaid redesign "will build a stable and more reliable service system." The DMR believes that the redesign will provide services for individuals with priority needs, improve health and safety measures, increase accountability, and emphasize consumer choice through a choice of providers.

Administrative Authority

County boards of MR/DD have much of the power in implementing Medicaid waivers in the redesign. County boards are designated as local Medicaid administrative authorities and are responsible for the following: recommending the approval or denial of waiver services, approving individual service plans, providing assistance in finding qualified providers, contracting with providers, monitoring quality assurance, protecting the health and safety of its clients, and providing the nonfederal share of HCBS waivers.

Medicaid Compliance

In July 1999, the Centers for Medicare and Medicaid Services (CMS) conducted an audit of the Residential Facility Waiver (RFW). The audit concluded that Ohio failed to comply with the Medicaid requirements of statewideness, reasonable access, and comparability services. A fundamental reason for the audit's conclusion was the disparity in property tax income among counties. Small counties or ones

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[1] Source: Braddock, David, Richard Hemp, Mary Rizzolo, Susan Parish, and Amy Pomeranz, 2002. *The State of the States in Developmental Disabilities: 2002 Study Summary*. Coleman Institute for Cognitive Disabilities and Department of Psychiatry: The University of Colorado. Available at: http://www.cu.edu/ColemanInstitute/stateofthestates/home.htm

with large amounts of nontaxable government land are unable to secure the needed level of local levy dollars that have historically funded most MR/DD programs and supports. Consequently, one of Medicaid redesign's focuses is decreasing the county-to-county disparity in per enrollee spending through tax equity payments. The Tax Equity program provides supplementary funding to county boards of MR/DD that raise less-than-average amounts of funding from local property taxes. In FYs 2001 and 2002, $19.5 million was distributed to 56 of Ohio's 88 counties. In FY 2003, $13 million was distributed.

Medicaid redesign focuses heavily on expanding the Tax Equity program. According to DMR, tax equity is a very important part of the redesign process, especially since local county boards are responsible for the nonfederal share of provided services. Without a sufficient mechanism to equalize the funding between counties, the Department believes that complying with the three requirements of Medicaid will be increasingly difficult.

More information on the Tax Equity program is included later in this analysis.

New Waiver System

The redesign calls for the implementation of a three-waiver system consisting of a Level 1 waiver, Level 2 wavier, and Level 3 waiver. The Level 1 waiver, for which the Department recently received federal approval, will have an individual cost cap of approximately $5,000. Match for the Level 1 waiver comes directly from the county board of MR/DD. The current IO waiver will be split into the Level 2 and Level 3 waivers. The Level 2 waiver will have an approximate cost floor of $5,001 and a cost cap of approximately $66,000. The Level 3 waiver will have an aggregate cost cap equaling the average cost of state institutionalization. The Level 3 waiver's aggregate cost cap means that a particular individual's cost may exceed the average cost of institutionalization, as long as the average of all enrollees does not exceed the waiver's cost cap. Eventually, the RFW will be phased out and its enrollees will be transferred to one of the three aforementioned waivers.

Progress

During the current biennium, the Department added 4,000 IO slots and received federal approval for 3,000 Level 1 slots. The new IO slots were distributed proportionately among Ohio's 88 counties. Of those 4,000 new IO waiver slots, approximately 3,400 are currently being used. The remaining 600 slots have been allocated to county boards. However, the county boards receiving the 600 slots have been unable to supply the necessary match. These county boards are having trouble supplying the match because the boards counted on Level 1 waiver refinancing to free up match money for additional IO waiver slots. As of this writing, the Level 1 waiver has not been implemented. If these county boards cannot provide the match within a reasonable period, the Department will take the slots away from them and distribute the slots to county boards that can provide the necessary match.

County boards enrolled 3,215 of the new 4,000 IO slots. Of those county-enrolled slots, 2,218 individuals have been refinanced from the GRF-funded Supported Living program. This represents approximately half of those individuals that county boards had planned to refinance. Additionally, 497 individuals have been moved from county board waiting lists to an IO waiver. Further expansion of IO slots will be needed for county boards to fully refinance supported living and use those funds to reduce county board waiting lists. However, further IO waiver expansion is being temporarily held by the Executive Branch Committee for Medicaid Redesign and Waiver Expansion. According to the Department, implementing the Level 1 waiver is the first priority since doing so would allow county boards to finish refinancing and free up match money for additional IO slots.

The 3,000 Level 1 slots will be filled over three years and enrollment is tentatively scheduled to begin in FY 2003. However, the Department, county boards of MR/DD, and other system stakeholders are currently negotiating on a set of administrative rules for the Level 1 waiver. To date, the groups have not reached agreement on a set of rules. Enrollment cannot begin until a set of rules is implemented.

The Level 2 and Level 3 waivers are not yet in place. The DMR expects further work on these waivers to occur later in the next biennium.

The transition of RFW enrollees was scheduled to begin in July 2003. However, the transition is on hold while the Department waits for legislation limiting the conversion of RFW licenses into Intermediate Care Facility for the Mentally Retarded licenses (ICF/MR). Under current law, a provider with an RFW license can convert it to an ICF/MR and receive a higher reimbursement rate. Intermediate Care Facilities for the Mentally Retarded are an entitlement pursuant to the state's Medicaid plan and, therefore, the Department has no control over growth or costs. If individuals began to transition off the RFW without legislation limiting the conversion, providers could continue to convert the RFW license to an ICF/MR. According to the Office of Budget and Management (OBM), the costs to the state's Medicaid program and to the Department would be extensive.

Permanent and temporary law changes in H.B. 95, as introduced, address the Department's desire to limit RFW conversions. The proposed language caps the number of ICFs/MR to reflect current capacity and requires DMR to pay the cost of any new or transitioned ICF/MR bed. According to the Department, these changes will allow DMR to control both costs and growth in the system.

Further discussion of the Executive's Medicaid initiatives is included later in this analysis.

Executive Recommendations

The executive recommendations include an appropriation in line item 322-416, Waiver State Match, of \$95,695,198 in FY 2004 and \$100,019,747 in FY 2005. The Executive recommends an appropriation in line item 322-501, County Board Subsidies, of \$31,795,691 in FY 2004, which represents a decrease of 28.8% from FY 2003 estimates, and level funding in FY 2005.

The executive recommendations will maintain current service levels. The recommendations will cover the GRF match necessary to accommodate the 4,000 new IO slots. County boards will be able to continue refinancing because of the increased tax equity appropriations. However, finishing the refinancing process is contingent on the timely implementation of the Level 1 waiver.

According to the Department, the reduced subsidy appropriations pose a serious problem to county boards of MR/DD. County boards rely on local tax levies for their primary source of funding. Levies are fixed for a set number of years. Consequently, the amount of money generated from a levy is fixed for that levy cycle. Some years ago, when the county boards determined the amount of local levy funds needed to serve the projected average daily memberships, the boards relied on the subsidy formula outlined in section 5126.12 of the Revised Code. Amended Substitute House Bill 94 included temporary language capping the subsidy formula at the lowest allowed by the law. Furthermore, if the appropriations did not fully fund the subsidy, Am. Sub. H.B. 94 allowed the funds to be prorated accordingly. The executive budget recommendations continue this temporary language.

This has had a tremendous impact on county board funding. According to the Department, the appropriation in line item 322-501, County Board Subsidies, fell \$4,985,467 short of meeting the subsidy in FY 2002 and \$15,794,913 short in FY 2003. The executive recommendations for FY 2004 fall \$18,245,232 short of meeting the subsidy and \$19,746,459 in FY 2005. As subsidies are reduced, it is up to the county boards to make up the difference. County boards have used moneys earmarked for waiver expansion and other redesign purposes to pay for current operating expenses. The Department states that this significantly slows Medicaid redesign and threatens service levels in many counties.

Tax Equity

During the current biennium, the tax equity formula was fundamentally changed. Amended Substitute House Bill 405 mandated that the Department form the Joint Council on MR/DD to study various issues related to the Tax Equity program. The Council's findings were reported to the Governor, President of the Senate, and the Speaker of the House of Representatives no later than February 1, 2002. The Council's report and new tax equalization formula were enacted in Am. Sub. S.B. 261.

As stated previously, the new formula is designed to provide supplementary funding to county boards of MR/DD that raise less-than-average amounts of funding from local property taxes, which have historically funded most MR/DD programs. If the formula is fully funded, it ensures that each county board has available the same amount per adult enrollee if it levied the statewide average millage for adult services funding. However, if appropriations are less than the total amount needed to raise all county boards up to the statewide average tax yield per adult enrollee, tax equity payments are prorated in proportion to the appropriations actually made as compared to the appropriations required to fully fund the formula. Tax equity funds can only be used to pay for the nonfederal share of Medicaid expenditures for adult enrollees.

The amount of a qualified county board's equity payment is contingent upon the board's local tax effort for adult services or "maintenance of effort." If a board's tax effort is equal or greater than the statewide average millage, then the board receives the total amount of the subsidy. However, if a board's local tax effort is less than the statewide average millage, its subsidy payment is prorated accordingly. For example, if a county board's local effort is 82% of the statewide average millage, then the board receives 82% of the subsidy payment.

The old tax equity formula based a county's per mill yield upon the county's voted millage and the tax revenue gained for the county board. Essentially, this was the actual amount of tax revenue received by the board for each mill levied. Subsidy disbursements would then be distributed to those counties that had low revenue yields per mill, per adult enrollee. In contrast, the new formula uses the statewide expenditure on adult MR/DD programs to estimate each county's share of the statewide expenditure based on potential tax revenue from the county's current taxable property value and the county's adult enrollment. Consequently, subsidies tend to go to counties that have lower taxable values, regardless of the current MR/DD tax revenue collected.

The new tax equity formula uses three sets of county data to determine the amount of the subsidy: taxable property value, local adult service costs, and adult enrollment. The taxable property value includes real property, tangible personal property, and public utility property. The local adult service costs are the amount expended by the county on MR/DD adult services less any state and federal reimbursements and subsidy allocations for adult services. The adult enrollment is the county board's average daily membership in adult services, excluding services provided to individuals served solely through service and support administration or family support services.

Executive Recommendations

The Executive recommends an appropriation in line item 322-503, Tax Equity, of $14 million in FY 2004, which represents a 7.7% increase over FY 2003 estimates, and $15 million in FY 2005, which represents a 7.1% increase over FY 2004 recommended appropriations. The executive recommendations will not fully fund the tax equity formula pursuant to section 5126.18 of the Revised Code. According to the Department, an additional $5.5 million in FY 2004 and $11.0 million in FY 2005 are needed to fully fund the formula.

According to the Department, the decrease in county board subsidies, coupled with the tax equity recommendations, significantly impact county boards. County boards are being forced to serve an increasing number of individuals with less than adequate funding. This has resulted in counties using refinanced moneys to shore up county board subsidy reductions. As a result, poorer counties are unable to expand waiver services or address waiting lists. According to the Department, this trend not only puts Medicaid compliance and redesign at great risk, but also jeopardizes current county board services.

Budget Reductions

During the current biennium, the Department faced significant challenges balancing the high demand for MR/DD services with GRF reductions of approximately $50 million ($15,681,276 in FY 2002 and $33,676,827 in FY 2003). The Department also lost significant amounts of federal Medicaid reimbursement because of these reductions. Despite internal cost-control efforts, the Department could not avoid passing some of the cuts to the MR/DD community. Programs such as family support services ($1,000,000 in FY 2003), county board subsidies ($657,000 in FY 2002 and $12,529,137 in FY 2003), protective services ($31,556 in FY 2002 and $45,065 in FY 2003), and residential and support services ($7,979,419 in FY 2002 and $14,849,995 in FY 2003) lost funding. This, in turn, caused some counties to use tax equity and supported living funds to replace reduced subsidies. The Department believes that more GRF reductions would further slow Medicaid redesign and have negative implications on the capacity of Ohio's MR/DD system.

Because of the budget reductions, the Department relied on cash balances to absorb most of the reductions. In FY 2001, DMR's ending cash balance was $41 million. For FY 2003, the Department estimates an ending cash balance of $21.5 million. By FY 2005, the Department projects a negative $9 million cash balance, which represents a 122% decrease from FY 2001 levels.

The Department receives from each county board a fee equal to 1% of the total value of all Medicaid-paid claims. The money generated from this fee is deposited in Fund 5S2 and appropriated through line item 590-622, Medicaid Administration & Oversight. The Department planned to use this money to phase-in Central Office staff, on an as needed basis, as the MR/DD system expanded. However, the budget reductions caused the Department to use a substantial portion of these funds to maintain current levels of service in the MR/DD community. Consequently, DMR has not been able to phase-in the number of Central Office staff needed to keep up with the expanding system. Central Office appropriations were reduced by $5,127,848 during the biennium.

Developmental Centers

Background

The Department's 12 developmental centers began the current biennium with a 4% reduction in GRF appropriations. The GRF reductions not only reduced state funding, but also reduced the receipt of federal matching funds, which represent approximately 52% of the developmental center's operating budget. According to the Department, GRF reductions put federal matching funds, which are central to the operation of the centers, at great risk.

To cut operating costs, each developmental center is in the process of reviewing in detail each job classification and that position's relevance to the daily mission of the center. As positions become vacant, those that are not central to the center's mission are left vacant. In FY 2003, this process saved approximately $11 million. The developmental centers further cut costs by reducing personal service contracts, reassigning capital funds to pressing community projects, eliminating the "innovative initiative" fund, and reducing the vehicle fleet.

Current Situation

The cost saving efforts of the Department have not offset the disparity between the developmental centers' revenues and expenditures. The GRF appropriations for developmental centers have increased by 3.97% from FY 1997 through FY 2005 (based on executive recommendations). Comparatively, the total operating expenditures for the developmental centers increased by 16.34% over the same period. Uncontrollable costs, such as dental and health insurance, workers' compensation, and collective bargaining agreements have significantly increased operating expenses for the developmental centers. Furthermore, the total per diem for all 12 Developmental Centers has risen above the Medicaid allowable per diem. This was not a problem in previous biennia because the Department had additional funding to make up the difference. However, because of recent rounds of budget reductions, the Department did not have any additional funding to cover the developmental centers' cost overruns. Consequently, the Department used cash reserves to make up the difference. As stated earlier, the Department's cash balance, which stood at $41 million in FY 2001, is projected to have a negative $9 million balance by FY 2005.

Executive Recommendations

The executive recommendations will not cover increased developmental center costs. As a result, the Department will close two developmental centers (Apple Creek and Springview), one at the end of the next biennium. The Springview Developmental Center, which serves 86 people and has 179 staff members, will close by June 30, 2005, and the Apple Creek Developmental Center, which has 181 residents and 381 staff members, will close by June 30, 2006.

Managing the Closings

The Department determined which developmental centers to close based on numerous factors. Springview and Apple Creek both have some of the highest costs per resident of all the developmental centers. Springview has the highest un-reimbursed Medicaid daily cost per resident and Apple Creek has the sixth highest. Another important consideration was proximity to other centers. Apple Creek is within one hour of four other facilities and Springview is within 40 miles of two other facilities.

The Department states that it is committed to managing the closings in the most convenient way possible for the affected residents. The Department will meet individually with each resident and their family or guardian to discuss the resident's options. If the individual would like to try a community placement, the Department will supply the state match for a waiver slot. If the resident wants to stay in a developmental center, DMR is committed to placing those individuals in the facility the resident chooses. The DMR is also concerned about displaced employees. The Department will try to coordinate vacancies at other developmental centers with those affected employees as much as possible. The Department proposes the creation of a committee to oversee the safe transition of displaced individuals. The DMR hopes to have parent groups, advocacy groups, and other system stakeholders on the committee.

House Bill 95, as introduced, requires DMR to reduce the number of residents for an ICF/MR by one whenever a resident is committed to a state-operated ICF/MR unless the facility admits a resident of a state-operated facility or another designated individual within 90 days. If the resident is not replaced, the Department of Job and Family Services is required to transfer the nonfederal share of Medicaid expenditures saved to DMR to cover the resident's care in the state-operated ICF/MR. House Bill 95, as introduced, mandates the same requirements for individuals moving from home and community-based services and supported living to a state-operated ICF/MR.

According to the Department, these provisions are vital if two developmental centers are going to be closed. The provision will allow the Department to control intake into the centers and limit the Department's fiscal liability.

Savings

The Department is unable to estimate the savings that will result from closing two developmental centers. Short-term costs will rise because of employee buyouts, early retirement, unemployment claims, and other transitional costs. Further, the Department will have to request and provide match for additional waiver slots to accommodate those who decide to move into community placements. The DMR is unable to predict how many individuals will choose to move to a community setting as of this writing. The Department estimates that the remaining developmental centers can accommodate a maximum of 161 additional individuals.

Martin v. Taft

The Department is currently in negotiations to settle the ongoing lawsuit *Martin v. Taft*. In 1989, the Ohio Legal Rights Service (OLRS) filed a federal class action lawsuit against Ohio claming undue segregation in MR/DD institutions and large waiting lists for people in need of services. According to OLRS, *Martin* seeks integrated community residential services, specifies that state programs should not discriminate against people with severe disabilities, and that integrated residential services be developed. The case has been through several rounds of court-ordered mediation and negotiations. However, a settlement has not been reached.

Temporary language in H.B. 95, as introduced, creates a new waiver enrollment priority category for up to 40 individuals in each fiscal year that reside in nursing facilities, are eligible for home and community-based services, and are willing and able to move. According to the Department, this is a good faith effort at settling the lawsuit. If an agreement cannot be reached, the Department opposes the creation of the new priority category.

CHOICES/Self-Determination Project

According to the Department, there are people in developmental centers that want to move into the community. However, with the *Martin* litigation still looming, the Department has been unable to specifically address these residents because doing so would jeopardize their position in the case. Nevertheless, the Department began a project, referred to as CHOICES or the Self-Determination Project, which allows individuals currently residing in a developmental center to leave for a community placement if they desire. The DMR has identified 49 IO waiver slots for the project. As of this writing, 27 individuals have enrolled on a waiver and have achieved their community choice option. The Department expects the remaining slots to be used by the end of FY 2003. As of this writing, only two people have returned to a developmental center after moving into the community. When this occurs, another resident desiring community placement is identified and fills the vacancy.

Medicaid Initiatives

The Executive recommends reimbursement rates for long-term care providers be held at FY 2003 levels throughout the next biennium. This applies to nursing facilities, Intermediate Care Facilities for the Mentally Retarded (ICFs/MR), and most home and community-based providers.

The Executive also recommends that the moratorium on the number of beds licensed by DMR be amended to reflect the current number of beds in the system. This reform will allow for the elimination of the ICF/MR entitlement system from the state Medicaid plan. The ICF/MR system can then be converted to a facility-based waiver with a new reimbursement methodology. The Executive recommends that the Department continue to provide state share funding for RFW beds that transition to ICF/MR beds and any new certified beds coming into the ICF/MR system.

This provision aligns the number of ICF/MR beds currently licensed by DMR with the number of beds being used in the system. The provision will allow the Department to control growth in the system and, consequently, limit the state's fiscal liability. Under current law, facilities licensed under the RFW can convert that license to an ICF/MR and receive higher reimbursement, which has much higher reimbursement rates. The Department has no control over this transition since ICF/MR care is an entitlement service as outlined in Ohio's Medicaid plan.

Licensure of Residential Facilities

On December 30, 2002, the Governor signed Sub. S.B. 191 of the 124th General Assembly. The Act revises and strengthens the law governing the licensure of MR/DD residential facilities, among other things. The law changes the licensure procedure so that an initial license is valid for up to one year and renewal licenses are valid for up to three years. The Department is authorized to establish fees for these licenses through the administrative rules process. The Department is currently in the process of establishing such rules.

The Act requires the Department to survey each facility at least once during the life of the license. Therefore, some facilities may only be surveyed once every three years under a renewal license. Formerly, the Department inspected all licensed facilities at least once a year. The law gives the Department the flexibility to concentrate inspections on poor performing facilities.

Under the law, if a facility is sanctioned, the Department may make public notification of the penalty. However, if a residential facility is sanctioned more than once over 18 months, the Department must make public notification.

As of August 2001, the Department licensed 1,372 residential facilities. Of these facilities, 1,180 are privately owned, 116 are owned by a county board of MR/DD, and 76 are owned by the Department.

MR/DD Victims of Crime Task Force

Recent departmental reviews and extensive news coverage uncovered a lack of coordination between the MR/DD system and the criminal justice system. To address these concerns, the Governor ordered the establishment of a task force to address the treatment of individuals with MR/DD within the criminal justice system. The resulting body, known as the MR/DD Victims of Crime Task Force, was thus created. The Task Force consists of 17 members that includes prosecutors, judges, coroners, victims' representatives, MR/DD professionals, and family members. The Task Force delivered its report to the Governor in December 2002. The Task Force recommends numerous changes to the Ohio Revised Code and Ohio Administrative Code so individuals with MR/DD can be better served within the criminal justice system. Companion legislation has been introduced in both chambers of the 125th General Assembly implementing the Task Force's recommendations.

Analysis of Executive Proposal

County MR/DD Board Services — Program Series 1

Purpose: The 88 county boards of MR/DD provide a wide array of services designed to support families and allow individuals to develop significant roles in their community. Activities include residential supports, early intervention and family support to education, ancillary services, and adult vocational and employment services. All of these services are tailored to meet individual need. Funds are allocated to county boards and may be matched with local tax levy dollars and federal reimbursement to provide the individual supports. Some services may overlap among programs because these services have different funding sources.

The following table shows the line items that are used to fund this program series, as well as the Executive's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
GRF	322-413	Residential and Support Services	$8,439,337	$8,450,787
GRF	322-416	Waiver State Match	$95,695,198	$100,019,747
GRF	322-417	Supported Living	$43,179,715	$43,179,715
GRF	322-451	Family Support Services	$6,975,870	$6,975,870
GRF	322-452	Service and Support Administration	$8,849,724	$8,849,724
GRF	322-501	County Boards Subsidies	$31,795,691	$31,795,691
GRF	322-503	Tax Equity	$14,000,000	$15,000,000
		GRF Subtotal	**$208,935,535**	**$214,271,534**
488	322-603	Residential Services Refund	$1,000,000	$1,000,000
3G6	322-639	Medicaid Waiver	$344,068,714	$373,772,814
3M7	322-650	CAFS Medicaid	$254,739,737	$267,668,087
4K8	322-604	Waiver-Match	$12,000,000	$12,000,000
5H0	322-619	Medicaid Repayment	$25,000	$25,000
5S2	590-622	Medicaid Administration and Oversight	$2,969,552	$2,969,552
Total funding: County MR/DD Board Services			**$823,738,538**	**$871,706,987**

Specific programs within the County MR/DD Board Services program series that this analysis will focus on include:

- ***Residential Facility Waiver (RFW) and Individual Options Waiver (IO)***
- ***Supported Living***
- ***Subsidies to County Boards of MR/DD***
- ***Service and Support Administration***
- ***Family Support Services***
- ***Early Intervention***
- ***Community Alternative Funding System (CAFS)***
- ***Tax Equity***
- ***Residential & Support Services***

Residential Facility (RFW) and Individual Options (IO) Waivers

Program Descriptions

Residential Facilities Waiver: The RFW is a home and community-based (HCBS) Medicaid waiver regulated by the Department. This waiver provides community-based residential services to individuals that cannot live independently. The RFW is an alternative to more costly congregate care institutionalization (ICF/MR). Individuals on the waiver are able to live in one of over 1,200 smaller homes licensed by the Department. RFW licensed homes are located in 72 of Ohio's 88 counties. The RFW currently serves 3,019 individuals with MR/DD. The average yearly per enrollee cost of the waiver was $37,774 in FY 2002. Services covered include adaptive/assistive equipment, supported employment, and homemaker/personal care.

This program was established in 1997 in accordance with the following laws: Code of Federal Regulations (CFR) 435.1009, Revised Code (R.C.) section 5123.19, and Ohio Administrative Code (OAC) 5123:1-2-12, 5123:1-2-14, 5123:2-3-02 through 5123:2-3-21.

Individual Options: The Individual Options waiver is a HCBS Medicaid waiver that provides federal financial reimbursement for certain Medicaid services for eligible persons residing in non-institutional settings. This waiver provides services to approximately 6,870 individuals with MR/DD. The average yearly per enrollee cost of the waiver was $37,181 in FY 2002. All 88 county boards of MR/DD have individuals enrolled in the IO waiver. Services covered include supported employment, adaptive/assistive equipment, environmental modifications, home-delivered meals, personal care, and transportation, among others. The individual pays costs associated with room and board (e.g., rent, utilities, food, etc.).

This program is established in 42 CFR 440.130(D), R.C. sections 5111.02, 5111.041, 5123.041, and OAC 5123:2-14-04.

Federal Medical Assistance Percentage (FMAP): State dollars for the RFW and IO waivers are matched with federal funds at the FMAP rate. In federal fiscal year (FFY) 2002, the matching rate for Ohio was 58.76%. Currently (FFY 2003), Ohio's FMAP is 58.83%. Estimates for FFY 2004 show Ohio's FMAP increasing to 59.23%. The Centers for Medicare and Medicaid Services sets the federal match rate annually based upon the economic factors of each state as it relates to the nation as a whole. For the past few years, this rate has been just below 60%.

Each county board is allocated a level of state funding, which in turn is used to match federal dollars. Consequently, decreases in state funding result in decreases in federal funding.

Average Cost Per Waiver Recipient: The following table lists the average cost per waiver recipient by calendar year (CY). The numbers in the table include both federal and state funding. According to the Department, the average cost for services in an ICF/MR is about $66,000 per year.

Calendar Year	Individual Options Waiver	Residential Facilities Waiver
1999	$35,518	$27,485
2000	$36,844	$29,042
2001	$39,112	$32,104
2002	$37,181	$37,774

Funding Source: GRF, FED

Line Items: 322-416, 322-604, 322-619, 322-639

Implication of the Executive Recommendation: The Executive recommends a GRF appropriation of $95,695,198 in line item 322-416, Waiver State Match, in FY 2004 and $100,019,747 in FY 2005. Federal funding in line item 322-639, Medicaid Waiver, increases 91% in FY 2004 over estimated FY 2003 disbursements to $344,068,714 and 8.6% in FY 2005 to $373,772,814.

According to the Department, the executive recommendations will provide for current service levels. The recommendations support the GRF match necessary to accommodate the 4,000 new IO slots. Further IO waiver expansion is on hold by the Executive Branch Committee on Medicaid Redesign.

Temporary Language: Temporary law establishes GRF line item 322-416, Waiver State Match. The services funded by this line item were formerly included in GRF line item 322-413, Residential and Support Services.

Temporary language also allows the Department to designate a portion of line item 322-416, Waiver State Match, to county boards with a greater need for residential and support services because of a low percentage of residential and support services development in comparison to the number of individuals with MR/DD in the county.

Temporary language in H.B. 95, As Introduced, also allows the Department to develop residential and support service programs that enable individuals with MR/DD to live in the community. The Department may use line items 322-413, Residential and Support Services; 322-416, Waiver State Match; or 322-417, Supported Living, to fund such programs. The Department may waive the support collection requirements of Chapter 5121. and section 5123.122 of the Revised Code for persons enrolled in programs pursuant to this section. The Department must adopt rules in accordance with Chapter 119. of the Revised Code or use existing rules to implement the programs.

Supported Living

Program Description: The Supported Living program provides individualized funding for persons to live in the community, in a residence of their choice, with support provided according to their choice and needs. These dollars pay for clothing, transportation, personal care, habilitation, training, and therapy services. Supported living funds allow individuals with MR/DD who need residential supports to continue to live at home while avoiding more costly residential services (e.g., waiver or institutionalization). The Supported Living program receives all of its funding from state and local moneys. County boards of MR/DD administer supported living funds. The individual is required to use personal resources to pay for rent, food, utilities, and other similar costs.

These funds are being refinanced as a result of Medicaid redesign. Accordingly, Supported Living funds are used directly to purchase residential supports for individuals with MR/DD and indirectly as match to purchase additional waiver slots for individuals on county board waiting lists and in emergency situations. As of December 2002, 2,218 individuals have moved from the Supported Living program to an IO waiver slot. This represents roughly half of those individuals county boards plan to refinance.

The program was established in 1989 by R.C. sections 5123.182, 5126.42, 5126.44 and OAC 5123:2-12-02, 5123:2-12-05.

Funding Source: GRF

Line Item: 322-417

Implication of the Executive Recommendation: Currently, 4,272 individuals receive services under the Supported Living program. According to the Department, beginning enrollment on the Level 1 waiver and expanding the number of IO waiver slots will allow county boards to continue Supported Living refinancing. This, then, will allow county boards to use Supported Living funds to expand waiver slots to reduce county board waiting lists.

The Executive recommends funding in GRF line item 322-417, Supported Living, of $43,179,715 in both fiscal years. The executive recommendations will provide for current service levels.

Temporary Language: Temporary language in the bill creates GRF line item 322-417, Supported Living. The services funded by this line item were formerly included in GRF line item 322-413, Residential and Support Services.

Temporary language in the bill also allows the Department to develop residential and support service programs that enable individuals with MR/DD to live in the community. The Department may use line items 322-413, Residential and Support Services; 322-416, Waiver State Match; or 322-417, Supported Living, to fund such programs. The Department may waive the support collection requirements of Chapter 5121. and section 5123.122 of the Revised Code for persons enrolled in programs pursuant to this section. The Department must adopt rules in accordance with Chapter 119. of the Revised Code or use existing rules to implement the programs.

Subsidies to County Boards of MR/DD

Program Description: This program distributes GRF state subsidies to the 88 county boards of MR/DD. County boards of MR/DD are mandated to provide early childhood services, supported home services, adult services, and special education programs. Early intervention services provide early diagnosis of developmental delays. Adult program services target community employment opportunities and work-training employment in sheltered work settings. Employment is available for adults who received special education while in public school and who otherwise are unable to achieve gainful employment. Transportation is provided for children and adults to attend county board programs. The programs and services funded by these subsidies served 7,545 children (birth through age two) and 33,368 adults (age 22 and older) in FY 2002.

Subsidies are distributed according to the formula set forth in section 5126.12 of the Revised Code. Under the Revised Code, the state subsidy is $950 for children under age three and between $1,000 and $1,500 for persons who are at least 16 years of age or older. The variance is based on whether or not the county board is eligible to bill for Medicaid reimbursement for the individual. Section 5126.12 of the Revised Code also requires county boards to report to the Department the average daily membership (ADM) figures for individuals receiving early childhood services, special education for children with handicaps, adult services for persons over age 16, and other programs in the county approved by the Department. Subsidy payments are combined with local levy funds to provide the 42% match for federal financial participation for the following services: CAFS therapy services, Skills Development Services for IO waiver enrollees, RFW waiver, Level 1 waiver, and active treatment for ICF/MR facilities. The federal money generated from skills development services is redirected to provide match through the Level 1 waiver to move those on county board waiting lists onto waivers.

Ohio's State Medicaid Plan allows county boards to be reimbursed for some of their programs. Local levy funds and state GRF together provide the match for federal reimbursement.

This program is governed by the following laws and rules: U.S. Public Law 97-35, R.C. sections 5126.04, 5126.12, 5119., 5101.46, 3323.01, and OAC 5119:3-01-03.

Title XX: In addition to state funding, county boards receive federal Title XX, or Social Service Block Grant, funding from the Department. Although U.S. Public Law 97-35 removed all federally mandated Title XX eligibility requirements in 1983, the General Assembly established specific eligibility requirements for individual Ohioans to receive Title XX services.

The Department of Job and Family Services receives Title XX funds from the federal government and transfers the money between three agencies: Department of Job and Family Services, Department of Mental Health, and DMR. The Department receives 14.57% of Title XX funds. The Department, in turn, distributes these funds to the county boards to support social services, e.g., counseling, daycare, education, training, supported employment, and protective services, among others.

The federal government has steadily decreased the amount of Title XX dollars to the states over time. In FY 1993, Title XX dollars for the Department totaled just under $17.7 million. By FY 2002, Title XX dollars had decreased by 41.3% to $10,387,361. The executive recommendations include a 0.7% decrease in FY 2004 over the FY 2003 allotment and an increase of 0.1% in FY 2005.

County boards replaced Title XX funds with local money whenever possible. County boards that cannot afford to do so have reduced Title XX services. The following table shows the number of individuals county boards planned to serve with Title XX funds.

Year	Individuals
1998	30,109
1999	30,109
2000	23,693
2001	23,693
2002	22,646

Funding Source: GRF

Line Item: 322-501

Implication of the Executive Recommendation: The Executive recommends funding in line item 322-501, County Boards Subsidies, of $31,795,691 in each fiscal year. The executive budget recommendations will not fully fund the subsidy formula outlined in section 5126.12 of the Revised Code. Temporary language provides for the appropriation in this line item to be prorated accordingly.

According to the Department, the reduced subsidy appropriated in line item 322-501, County Board Subsidies, poses a serious problem to county boards of MR/DD. County boards rely on local tax levies for their primary source of funding. Levies are fixed for a set amount of years. Consequently, the amount of money generated from a levy is fixed for that levy cycle. Some years ago, when the county boards determined the amount of local levy funds needed to maintain service levels, they relied on the subsidy formula outlined in section 5126.12 of the Revised Code to guide their requests. Since that time, county board subsidies appropriated through line item 322-501 have been significantly reduced, forcing many county boards to use funds earmarked for waiver expansion to maintain current service levels.

Fiscal Year 1999 was the last time appropriations fully funded the county board subsidy formula pursuant to O.R.C. 5126.12. In FY 2000, the appropriation fell $484,581 short of meeting the subsidy and $737,258 short in FY 2001. In FY 2002, Am. Sub. H.B. 94 imposed a cap on the subsidy, mandating that the Department allocate the lowest amount allowed by law. The Act also required subsidies to be prorated if the appropriations would not fully fund the subsidy formula. According to the Department, this had a serious effect on county boards. In FY 2002, the subsidy fell $4,985,467 short of meeting the subsidy and $15,794,913 short in FY 2003. The executive recommendations for FY 2004 falls $18,245,232 short of meeting the subsidy and $19,746,459 in FY 2005.

According to the Department, the consequences of the recommended funding are potentially serious. In recent years, the average daily membership of the county boards has been steadily increasing. County boards are serving an increasing number of individuals with a reduced amount of subsidy funding. When county board subsidies are reduced, it is up to the county boards to make up the difference. County boards, consequently, are using moneys earmarked for waiver expansion and other redesign purposes to pay for current operating expenses. This significantly slows Medicaid redesign and threatens service levels in many counties.

According to the Department, the executive recommendations will provide for current services levels. However, the Department believes that any future budget reductions would have serious impacts on county board service levels.

Please see the Additional Facts and Figures section of the redbook for information on the demographic make-up of the individuals receiving services from the county boards of MR/DD.

Temporary Language: Temporary language in the bill requires the Department to distribute subsidies to the limit of the lesser amount required by section 5126.12 of the Revised Code. If the appropriation is not sufficient to fully fund the subsidy, the Department must prorate the appropriation accordingly.

Temporary language allows the Department to use GRF line items 322-451, Family Support Services; 322-452, Service and Support Administration; or 322-501, County Boards Subsidies, to pay the nonfederal share of new ICF/MR certified beds if a county board of MR/DD initiates or supports the addition.

Service and Support Administration

Program Description: Pursuant to Am. Sub. H.B. 94 of the 124th General Assembly, DMR replaced traditional case management services with service and support administration. The Centers for Medicare and Medicaid Services' (CMS) audit of the Residential Facilities Waiver (RFW) concluded that Ohio "did not provide quality case management/service coordination." Consequently, the Department instituted many reforms to address CMS' concerns. Case managers were replaced by service and support administrators (SSA). The SSAs have specific responsibilities for directing their clients, which are as follows: assessing individual needs, developing Individual Service Plans (ISP), establishing individual budgets, assisting in choosing providers, coordinating ISP services, monitoring implementation of ISP services, amending ISP's, and assuring that the individual has a personal advocate. The individual SSA provides a single point of accountability at the local level for individuals with MR/DD and their families. The SSA is responsible for coordinating each individual's services across the MR/DD service delivery system. Waiver enrollees and anyone with MR/DD that is at least three years old is eligible for this service. Sixty thousand individuals with MR/DD were eligible to participate in this program as of October 2001.

Funding for the service and support administration program is a mix of GRF, local levy dollars, and federal financial participation. County boards are able to draw down federal dollars through targeted case management and provisions in Ohio's State Medicaid Plan.

The program was established in 1988 by U.S. Public Law 99-272, Sections 1915(g)(1) and (2), R.C. sections 5123.02, 5123.06, 5123.08, 5126.05, 5126.041, 5126.15, and OAC 5123:2-1-272, 5123:2-1-11.

Funding Source: GRF

Line Item: 322-452

Implication of the Executive Recommendation: The Executive recommends appropriations in line item 322-452, Service and Support Administration, of $8,849,724 in each year.

The executive recommendations will provide for current service levels. According to the Department, the recommendations will not change the current caseload ratios. Service and support administrators caseloads vary county to county. Some county boards report SSA to client ratios as high as 60:1. However, the Department received reports showing smaller caseload ratios (e.g., 35:1) in other counties.

Temporary Language: Temporary language in the bill specifies that wherever case management services are referred to in any document, contract, or law, the reference shall refer to service and support administration. Temporary language also requires the Department to adopt, amend, or rescind rules as necessary to reflect the change.

Temporary language allows the Department to use GRF line items 322-451, Family Support Services; 322-452, Service and Support Administration; or 322-501, County Boards Subsidies, to pay the nonfederal share of new ICF/MR certified beds if a county board of MR/DD initiates or supports the addition.

Family Support Services

Program Description: Established in 1984, the Family Support Services program funds respite services, home modifications, adaptive equipment, special diets, parent education/counseling, and other specialized supports to assist families in their efforts to care for family members with MR/DD. Often times, family support funds are the only support individuals on county board waiting lists receive. However, the small support the program gives families often enables the individual to continue to live at home. Over 12,000 families received services in FY 2002 at an average yearly cost of $575 per recipient. If a family is able, the family may be required to pay a prorated share of the expenses. Ohio Administrative Code section 5123-2-1-09 outlines a sliding fee scale for these types of cases.

The program is governed by R.C. sections 5126.08, 5126.11, 5126.12 and OAC 5123:2-1-09.

Funding Source: GRF

Line Item: 322-451

Implication of the Executive Recommendation: The recommendations will maintain current service levels. The Executive recommends flat funding in GRF line item 322-452, Family Support Services, of $6,975,870 for both fiscal years. With the flat funding recommended by the Executive, the number of individuals served under this program will remain constant.

Temporary Language: Temporary language allows the Department to use line items 322-451, Family Support Services; 322-452, Service and Support Administration; or 322-501, County Boards Subsidies, to pay the nonfederal share of new ICF/MR certified beds if a county board of MR/DD initiates or supports the addition.

Early Intervention

Program Description: The Early Intervention program is a collaborative initiative among the Ohio Department of Health (DOH), the lead agency in Ohio, DMR, and the U.S. Department of Education. These agencies assist in the provision of services across the state through targeted consultation and training in the areas of team functioning, effective communication, and mediation and facilitation to DOH's "Help Me Grow" program. Infants, birth through age two, who have or are at risk for developmental delays, receive such services as language stimulation and communication skills training, physical development, social-emotional development, cognitive development, and sensory development. The Department targets county boards of MR/DD with these funds since they are the largest providers of early intervention services in Ohio. In 2001, county boards served approximately 6,655 children and toddlers through this program.

The funding provides no direct service. The money is directed to support the needed personnel, training, consultation, and educational development to assure statewide compliance with Federal Part C of the Individuals with Disabilities Education Act and DOH's "Help Me Grow" program. In 1999, the federal Office of Special Education found Ohio to be out of compliance with many of Federal Part C's requirements.

Funding for this program is routed from the U.S. Department of Education, Office of Special Education Programs, to the Ohio Department of Health, to DMR. The amount of federal funding is based on a projected number of infants and toddlers with developmental disabilities or other delays.

The Early Intervention program was established in 1987 by U.S. Public Law 102-119 and OAC 5123:2-1-04.

Funding Source: FED

Line Item: 322-608

Implication of the Executive Recommendation: The executive recommendations provide for current service levels. As stated above, money is transferred from the federal Department of Education to the Department of Health to DMR. The level of services is determined by an interagency agreement between DOH and DMR and will remain constant in the next biennium.

Community Alternative Funds System (CAFS)

Program Description: The CAFS program provides federal Medicaid reimbursement, through Title XIX, to all 88 county boards of MR/DD, local school districts, and certified non-profit organizations for medical and support services provided to persons with MR/DD in certified habilitation centers. This is an optional state Medicaid plan service and serves as a mechanism for the reimbursement of costs associated with the provision of Medicaid-approved services delivered by habilitation centers. Reimbursement is also made to schools for the same services provided to Medicaid-eligible children. Reimbursable services include physician, speech-language pathology and audiology, physician and occupational therapies, skills development and supports, active treatment, and transportation, among others. Currently, individuals receiving adult services and supports are an enrollment priority for home and community-based services

(HCBS) waivers because of Medicaid redesign. The CAFS program serves over 100,000 Medicaid eligible individuals who receive habilitation services.

GRF dollars constitute only a portion of the match needed for federal reimbursement. County boards and school districts also rely heavily on local levy dollars to provide matching funds.

The CAFS program was established in 1989 for county boards of MR/DD under 42 CFR 440.130(d), R.C. section 5123.041, and OAC 5123:2-15. In 1992, schools became eligible for reimbursement.

Funding Source: GRF, FED

Line Item: 322-650

Implication of the Executive Recommendation: Tax-poor counties are at a distinct disadvantage in the CAFS program. These counties have less match money to provide CAFS services. According to the Department, the CAFS program will change to a fee-for-service model and some habilitation services will be incorporated into HCBS waivers. However, this will not result in any savings. In fact, this change could create additional costs as more individuals would be served under HCBS waivers. The Department of Job and Family Services is taking the lead in this initiative. DMR is not sure when this programmatic change will occur.

The executive recommendations provide for current service levels to be maintained. Executive recommended funding levels for this program provide appropriations in line item 322-650, CAFS Medicaid, of $254,739,737 in FY 2004 and $267,668,087 in FY 2005.

Tax Equity

Program Description: Under this program, funds are distributed to equalize local tax funds between all 88 counties. Tax equity funds subsidize the costs of county board services for adults age 22 or older. According to the Department, tax equity funding is necessary to ensure Ohio meets the Medicaid requirements of statewideness, reasonable access, and comparable services. Tax Equity funds are combined with local levy dollars to provide match for federal financial participation for the following services: CAFS therapy services, Skill Development Services (SDS) for IO enrollees, Residential Facilities waivers, Level 1 waivers, and active treatment for residents of ICF/MR facilities. The federal money generated from SDS is then redirected to provide match for the Level 1 waiver.

Tax equity disbursements are determined by a formula that takes the cost of services per adult enrollee minus state and federal revenue and compares that total to the statewide average tax millage (SAM) per adult enrollee. If a county board's average county yield is below the statewide average, the board receives a subsidy (SAM-county yield per adult enrollee X county adult enrollees = county total subsidy). However, county boards are required to maintain a local tax effort equal to the percent of the state appropriation needed to raise each county to the state average millage (amount appropriated divided by county subsidies), times the state average millage. If a county board does not maintain this amount, DMR can reduce its subsidy to equal the county board's tax effort. According to the Department, Ohio's economic condition is making it hard for smaller counties to obtain sufficient local levy dollars needed to support county board programs. As of October 2001, 30,260 adults with MR/DD were served by the allocation of Tax Equity funds.

Funding for county board services comes primarily from local tax dollars. County boards, under Ohio's Medicaid Plan, can generate federal reimbursement for some of the services they provide. Consequently, economically challenged counties are unable to neither provide adequate services to their citizens nor are the counties able to generate sufficient match for waiver enrollment.

The Tax Equity program is governed by R.C. section 5126.18.

Funding Source: GRF

Line Item: 322-503

Implication of the Executive Recommendation: The Executive recommends funding in GRF line item 322-503, Tax Equity, of $14,000,000 in FY 2004 and $15,000,000 in FY 2005. In FYs 2001 and 2002, the Department distributed a combined $19.5 million in tax equity payments. In FY 2003, DMR distributed $13 million. The increase over FY 2003 estimates will allow current service levels to be maintained. However, the executive recommendations will not fully fund the tax equity formula pursuant to section 5126.18 of the Revised Code. According to the Department, an additional $5.5 million in FY 2004 and $11 million in FY 2005 is needed to fully fund the formula.

According to the Department, the decrease in county board subsidies, coupled with the tax equity recommendations, significantly impact county boards. County board's are being forced to serve an increasing number of individuals with less than adequate funding. This has resulted in counties using refinanced moneys to shore up county board subsidy cuts. As a result, poorer counties are not able to expand waiver services or address residential services waiting lists. According to the Department, this trend not only puts Medicaid compliance and redesign at great risk, but also jeopardizes current county board services.

Residential & Support Services

Program Description: This program pays waiver match for *Sermak* class members, pays Cuyahoga and Lorain County for the closing of the Broadview Developmental Center, subsidizes a clothing allowance for individuals in private ICFs/MR, subsidizes room and board for individuals formerly on OBRA, funds the administration and respite care of individuals on an IO waiver, pays for psychological evaluations for any individual with MR/DD prior to admission into a nursing facility, and pays room and board for *Sermak* class members. These services are required to be provided. Payment of the psychological examination is the 25% match needed to receive 75% federal financial participation.

Sermak: Under the consent decree in *Sermak v. Ritchey*, c-2-80,220, United States District Court for the Southern District of Ohio, Eastern Division, residential options are available for those *Sermak* class members that were relocated from a nursing facility. Programming is provided for individuals choosing to remain in a nursing facility and accessible housing is provided for all class members who require said services. The Department uses state funds to draw down federal match to support IO waiver slots for *Sermak* class members.

Broadview Developmental Center: The DMR also makes payments to Cuyahoga and Lorain counties for accepting the residents of the Broadview Developmental Center when the facility was closed. The funds are used to support those placed in community settings and a clothing allowance for those in private ICF/MR facilities. The payment to Cuyahoga and Lorain counties is fixed per agreement.

Funding Source: GRF

Line item: 322-413

Implication of the Executive Recommendation: The Executive recommends funding in GRF line item 322-413, Residential and Support Services, of $8,439,337 in FY 2004 and $8,450,787 in FY 2005. The executive recommendations will provide for current service levels.

Temporary Language: Temporary language mandates that GRF line item 322-413, Residential and Support Services, be used for implementing the consent decree in *Sermak v. Manuel* and other Medicaid reimbursed programs other than home and community-based waiver services in an amount not to exceed $1,000,000 in each fiscal year.

Temporary language in the bill also allows the Department to develop residential and support service programs that enable individuals with MR/DD to live in the community. The Department may use GRF line items 322-413, Residential and Support Services; 322-416, Waiver State Match; or 322-417, Supported Living, to fund such programs. The Department may waive the support collection requirements of Chapter 5121. and section 5123.122 of the Revised Code for persons enrolled in programs pursuant to this section. The Department must adopt rules in accordance with Chapter 119. of the Revised Code or use existing rules to implement the programs.

Developmental Centers — Program Series 2

Purpose: The Department operates 12 developmental centers throughout the state, serving 1,895 individuals with MR/DD. Of those 1,895, 80% have a severe/profound range of retardation. Each center, as an ICF/MR facility, is Medicaid certified and 52% of the Center's operating budget comes from the federal government. The developmental centers serve individuals who require comprehensive program, medical, and residential services while providing a continuum of choice-driven opportunities to expand individual independence and capabilities.

The following table shows the line items that are used to fund this program series, as well as the Executive's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
GRF	323-321	Residential Facilities Operations	$103,402,750	$104,634,635
152	323-609	Residential Facilities Support	$912,177	$912,177
3A4	323-605	Residential Facilities Reimbursement	$128,736,729	$128,831,708
325	323-608	Federal Grants – Subsidies	$571,381	$582,809
325	323-617	Education Grants – Residential Facilities	$425,000	$425,000
489	323-632	Operating Expense	$12,125,628	$12,125,628
Total funding: Developmental Centers			**$246,173,665**	**$247,511,957**

Specific programs within the Developmental Centers program series that this analysis will focus on include:

Developmental Centers

Program Description: Ohio's 12 developmental centers are required to provide the following services: protection from harm, skills development, health care, behavior support, therapy, and residential support. Traditionally, the centers have also provided self-directed community transitions, consultation, and assistance. Each center is Medicaid certified, which signifies compliance with mandated federal government standards. The centers are located regionally throughout Ohio and are accessible to all 88 counties.

Chapters 5121. and 5123. of the Revised Code govern the practice of the Centers. Chapter 5101:3-3 of Ohio's Administrative Code regulates the Centers.

Funding Source: GRF, FED

Line Items: 323-321, 323-605, 323-632

Implication of the Executive Recommendation: The funding for the program series increases by 8.6% in FY 2004 over FY 2003 estimates and 0.5% in FY 2005. Line item 323-321, Residential Facilities Operations, is the only GRF line item funding this program series and is the main source of personnel expenditures. The Executive recommends an appropriation in this line item of $103,402,750 in FY 2004, which represents a 5.4% increase over FY 2003 estimates, and $104,634,635, which represents a 1.2% increase, in FY 2005.

The other main source of personnel expenses occurs in Federal Special Revenue line item 323-605, Residential Facilities Reimbursement, which increases by 12.4% in FY 2004 to $12,125,628. Level funding is recommended by the Executive for FY 2005.

The executive recommendations will not maintain current levels of service. The developmental centers are incurring increased personnel costs that cannot be controlled by the Department. Since FY 2000, workers' compensation expenditures have increased 79%, health insurance has increased 48%, and dental insurance has increased 8%. With the recommended funding, the Department will close two developmental centers. The Springview Developmental Center, which serves 86 people and employs 179 staff members, will be closed by June 30, 2005. The Apple Creek Developmental Center, which serves 181 residents and employs 381 staff members, will be closed by June 30, 2006.

The GRF appropriations for the developmental centers increased by 3.97% from FY 1997 through FY 2005 (based on executive recommendations). Comparatively, the total operating expenditures for the developmental centers have increased by 16.34% over the same period. Furthermore, the total per diem for all 12 developmental centers rose above the Medicaid allowable per diem. In previous biennia, this trend was not problematic since the Department had additional funding to make up the difference. However, because of recent rounds of budget reductions, the Department used cash reserves to make up the difference. As a result, the Department's cash balances have significantly decreased, putting a strain on Central Office operations. According to the Department, if these trends continue, DMR will have a negative $9 million cash balance in its non-GRF funds at the end of FY 2005.

The Department is unable to estimate the savings that will result from closing the two developmental centers. Short-term costs will rise because of employee buyouts, early retirement, unemployment claims, and other transitional costs. Further, the Department will have to request and provide match for additional waiver slots to accommodate those who decide to move into community placements. The Department is unable to predict how many individuals will choose to move to a community setting. The Department estimates that the remaining developmental centers can accommodate a maximum of 161 additional individuals.

The Department proposes the creation of a quality assurance oversight committee to oversee the safe transition of individuals into community settings or to other developmental centers. The DMR hopes to have parents groups, advocacy groups, and other system stakeholders on the committee.

For more information on the current census at the 12 developmental centers, please see the Additional Facts and Figures section of this Redbook.

Temporary Language: Temporary language in the bill allows the developmental centers to provide services to individuals with MR/DD living in the community or to providers of these services. The Department may develop a methodology for recovery of all costs associated with the provision of these services.

House Bill 95, As Introduced, requires DMR to reduce the number of residents for an ICF/MR by one whenever a resident is committed to a state-operated ICF/MR unless the facility admits a resident of a state-operated facility or another designated individual within 90 days. If the resident is not replaced, the Department of Job and Family Services is required to transfer the nonfederal share of Medicaid expenditures saved to DMR to cover the resident's care in the state-operated ICF/MR. House Bill 95 mandates the same requirements for individuals moving from home and community-based services and supported living to a state-operated ICF/MR.

According to the Department, these provisions are vital if two developmental centers are going to be closed. The provision will allow the Department to control intake into the centers and limit the Department's fiscal liability.

Program Supports | Program Series 3

Purpose: Program supports are designed to assist Ohio's MR/DD system through a variety of support functions from the provision of guardianships and job development to the coordination of intersystem collaboration in providing services to children. These programs are funded separately through the Department.

The following table shows the line items that are used to fund this program series, as well as the Executive's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
GRF	320-412	Protective Services	$1,911,471	$2,008,330
GRF	322-405	State Use Program	$268,792	$273,510
		GRF Subtotal	**$2,180,263**	**$2,228,840**
4B5	320-640	Conference/Training	$400,000	$400,000
4J6	322-645	Intersystem Services for Children	$3,300,000	$3,300,000
4U4	322-606	Community MR and DD Trust	$300,000	$300,000
4V1	322-611	Program Support	$610,000	$625,000
3A4	322-605	Community Program Support	$1,000,000	$1,000,000
3A4	322-610	Community Residential Support	$500,000	$500,000
3A5	320-613	DD Council Operating Expenses	$861,000	$861,000
3A5	322-613	DD Council Grants	$3,130,000	$3,130,000
325	320-634	Protective Services	$100,000	$100,000
325	322-608	Federal Grants – Operating Expenses	$2,023,587	$1,833,815
325	322-612	Social Service Block Grant	$10,319,346	$10,330,830
325	322-617	Education Grants – Operating	$75,500	$75,500
Total funding: Program Supports			**$24,799,676**	**$24,684,985**

Specific programs within the Program Supports program series that this analysis will focus on include:

- ***Protective Services***
- ***Family and Children First Council***
- ***Intersystem Services for Children***
- ***State Use Committee***
- ***Ohio Developmental Disabilities Planning Council***
- ***Foster Grandparent Services***
- ***Adult Basic Literacy Education Program***
- ***MR/DD Trust***

Protective Services

Program Description: Under this program, the Department contracts with Advocacy and Protective Service, Inc. (APSI), a non-profit agency, to provide a statewide system of protective services for persons with MR/DD who need such services. Advocacy and Protective Service, Inc., provides guardianships, limited guardianships, interim guardianships, financial management, and protector services. As of August 2002, 3,549 individuals received protective services, while 218 additional referrals were in the process of being reviewed. The number of individuals served as of August 2002 constitutes a 12.1% increase since April 1999. The Department estimates continued growth in this program because of the aging "baby boomer" generation that will soon be unable to care for their children with MR/DD. Furthermore, individuals with MR/DD are also living longer. Thus, APSI is experiencing a predictable number of yearly case referrals without a comparable loss of cases.

Ohio Revised Code sections 5123.012 and 5123.55 through 5123.59 govern the activities of this program.

Funding Source: GRF, FED

Line Items: 320-412, 320-634

Implication of the Executive Recommendation: The Executive recommends funding in GRF line item 320-412, Protective Services, of $1,911,471 in FY 2004, which represents a 34.5% increase over FY 2003 estimates and $2,008,330 in FY 2005, which represents a 5.1% increase over FY 2004. The DMR expects growth in this program of approximately 270 individuals in FY 2004 and 290 individuals in FY 2005. The Executive recommends increased funding to provide more guardianships for individuals with MR/DD. The Department will address the heavy caseload and high frequency of staff turnover with the executive recommendations.

Family and Children First Council

Program Description: The Family and Children First Council (FCF) supports the work of the Governor's FCF Cabinet Council. The Governor's FCF Council consists of the directors of various state agencies that provide support to multi-need children. All initiatives of the Council are funded through the participating state agencies. The DMR is responsible for administering intersystem funding for multi-need children.

Funding Source: GSF

Line Item: 322-611

Implication of the Executive Recommendation: The executive budget recommendation provides for current service levels to be maintained. The Executive recommends an appropriation of $610,000 in FY 2004 and $625,000 in FY 2005. The appropriation represents DMR's share of the Office's operating expenses.

Intersystem Services for Children

Program Description: Established in 1984 by section 121.37 of the Revised Code, the Intersystem Services for Children program coordinates services for children requiring help from more than one public agency. This prevents these children from suffering service lapses because of conflicting agency mandates. Intersystem funds are used to provide short-term supports of no more than 12 months to the child and respective family. The short-term support gives counties time to develop the necessary means to meet the child's long-term needs. Intersystem funds supported 574 children in calendar year 2002. The average cost per contract was $4,038.

In 2001, section 121.37 of the Revised Code, which governs the intersystem program, was amended to require each county to implement a service coordination process for dealing with "unruly" children. The goal of this legislation is to divert "unruly" children away from the juvenile court system. The Department believes that the Council will need to access intersystem funds more frequently because of this new mandate.

The DMR administers intersystem funds on behalf of the Governor's FCF Council. The local county Family and Children First Council submits referrals to DMR for the disbursement of intersystem funds. By doing so, the county Family and Children First Council certifies that the respective county does not have the resources to support the child.

Intersystem funds are initially transferred from the Ohio Department of Education (ODE) to DMR. Local agencies are required to provide at least a 50% match of the state funds to have a request approved. A budget is submitted with the funding request that stipulates the services and supports needed and the total cost of the services. State funds are then allocated based on the child's living situation. More state funds are authorized (50%) if the services support the child within the child's own home. Fewer funds are authorized (25%) if the child will be removed from the child's own home. The remainder of the funding must come from local match and is usually a result of pooled resources from the county Family and Children First Council.

Funding Source: GSF (transferred from ODE)

Line Item: 322-645

Implication of the Executive Recommendation: The executive budget recommendation provides for current service levels. In line item 322-645, Intersystem Services for Children, total funding, as recommended by the Executive, is $3,300,000 in FY 2004, which represents a 14.5% increase over FY 2003 estimates, and level funding in FY 2005. These funds are transferred from ODE and administered by DMR.

State Use Committee

Program Description: The State Use program was created in 1976 by sections 4115.31 through 4115.35 of the Revised Code and O.A.C. 4115-1-01 through 4115-7-11. The program provides a vehicle for government agencies to purchase products and services through one of more than 100 qualified nonprofit agencies that employ persons with severe disabilities. Mandatory sales of products and services to state agencies exceeded $30 million in FY 2001. The State Use Committee is responsible for determining the suitability of products and services for the state use program procurement list. Once placed on the procurement list, the purchase of these products and services is exempt from the competitive bidding process required by state, county, and local governments. The Committee aims to expand employment and vocational opportunities to individuals with MR/DD, who have an unemployment rate of approximately 70%. In FY 2001, there were over 3,653 persons with a severe disability employed in activities directly related to this program.

Funding for the State Use Committee is used to pay for the necessary staff for the facilitation, organization, and administration of the program. The central nonprofit agency for the State Use program is OIH, Inc. OIH, Inc. receives a commission based on the prices of goods and services sold. In FY 2001, OIH, Inc., received over $1.6 million in commission. The Committee recently negotiated with OIH, Inc., and reduced the commission rate, saving $250,000 per year.

During FY 2002, the State Use Committee conducted a survey of 61 employees to gauge the value of the program. The results showed that entitlement payments were reduced by $101,391, state and federal tax revenue increased by $35,378, and there was a net gain of $490,026 in wages paid.

Funding Source: GRF

Line Item: 322-405

Implication of the Executive Recommendation: The level recommended by the Executive will allow for continued service levels. The dollar amounts authorized by the Executive in line item 322-405, State Use Program, are $268,792 in FY 2004 and $273,510 in FY 2005. The Department requested funding for an additional staff member. However, the recommended levels of funding will not support this request.

Ohio Developmental Disabilities Planning Council

Program Description: The Ohio Developmental Disabilities Planning Council (DD Council), appointed by the Governor, serves as an advocate for all persons with developmental disabilities. Members are people with developmental disabilities, parents, guardians, representatives from state agencies, and nonprofit organizations that provide services to individuals with developmental disabilities. The activities the DD Council can participate in are governed by federal law. The Council emphasizes education and early intervention, quality assurance, childcare, health, employment, housing, transportation, recreation, and other community services.

Funding for the Council comes primarily from the Catalogue of Federal Domestic Assistance (CFDA 93.630). Of the amount funded, 70% must be in grants, while the remaining 30% can be used for operating cost. Of that 30%, the state is required to match it at 25% with either cash or through indirect cost. The Council customarily has used the maximum indirect cost before requiring a cash match.

United States Public Law 104-183, section 5123.35 of the Revised Code, and Executive Order 92-251 established and governs the activities of the program.

Funding Source: FED

Line Items: 320-613, 322-613

Implication of the Executive Recommendation: The executive recommendations will provide for current service levels to be maintained. The funding for the DD Council comes primarily from federal sources. State matching funds pay the rent for the Council's offices, expenses associated with meetings, in-state travel expenses, and an amount roughly equivalent to one FTE. Federal funds are used to pay for the salaries of ten staff, as well as maintenance and equipment (line item 320-613, DD Council Operating Expenses). Federal funds are also used for grant awards (line item 322-613, DD Council Grants).

The largest portion of the DD Council operating expenditures is located in line item 320-613, DD Council Operating Expenses. The Executive recommends an appropriation of $861,000 in FY 2004, which represents a 13.2% decrease over FY 2003 estimates, and level funding for FY 2005. The Executive recommends an appropriation in line item 322-613, DD Council Grants, of $3,130,000, which represents a 6.8% decrease over FY 2003 estimates, and level funding in FY 2005.

Foster Grandparent Services

Program Description: The Foster Grandparent program provides volunteer opportunities for lower-income senior citizens aged 60 years or older to assist children with mental retardation or developmental delays. At the same time, the program provides one-to-one supportive services for children who have special needs or who are disadvantaged. This program is part of the National Senior Service Corps. There is a national network of similarly structured volunteer organizations sponsored and operated by state and local governments throughout the United States.

Funds for this program come from a federal grant provided by the Corporation for National and Community Service. Only 90% of the program's operating budget can come from federal funds; therefore, a state match of 10% is necessary.

The program is provided in Ohio under the authority established in 1967 by U.S. Public Law 93-113, Title II, Part B, Section 211(a) and 45 CFR 1208.

Funding Source: FED

Line Items: 323-608, 322-608

Implication of the Executive Recommendation: Funds for this program are federal moneys that are matched with state GRF dollars. The executive recommendations provide for current service levels to be maintained.

Adult Basic Literacy Education Program (ABLE)

Program Description: The ABLE program provides literacy education to adults seeking to improve basic literacy/numeracy skills, enhance employability, learn to speak English as a second language, obtain a GED, or prepare for secondary education.

Funding Source: FED

Line Item: 322-617

Implication of the Executive Recommendation: Funding for this program is received from a federal grant and is administered by the Ohio Department of Education. The DMR receives a portion of the grant to implement literacy program resources at Ohio's 12 developmental centers. Funds received are used to pay employees at developmental centers and for administrative support. The executive recommendations provide for current service levels to be maintained.

MR/DD Trust Fund

Program Description: The MR/DD Trust Fund provides temporary assistance to pay the expenses of the Community Mental Retardation and Developmental Disabilities Trust Fund Advisory Board. The funds can be used for short-term interventions for individuals with MR/DD, emergency respite care, family resource services, supported living, staff training, short-term early childhood services, adult services, and case management when local levy funds are insufficient to meet the needs of the said services due to three or more levy failures within two years. The ultimate goal of the MR/DD Trust Fund is to provide funding for residential supports that may not be available because of funding windfalls.

Funding comes from unencumbered, unexpended GRF moneys left over at the end of every fiscal year. Only GRF moneys are eligible for transfer to the MR/DD Trust Fund.

The MR/DD Trust Fund was created by Revised Code section 5123.352 and is used in accordance with Chapter 5126. of the Revised Code

Funding Source: GSF

Line Item: 322-606

Implication of the Executive Recommendation: The executive recommendations provide for current service levels. The Executive recommends an appropriation in line item 322-606, Community MR and DD Trust, of $300,000 in FY 2004, which represents a 128.6% increase from FY 2003 estimates. The executive recommendations provide level funding for FY 2005. The increase in appropriations was granted to more closely align the appropriation with available cash.

Central Support — Program Series 4

Purpose: Central support provides administrative support services to the various program areas.

The following table shows the line items that are used to fund this program series, as well as the Executive's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
GRF	320-321	Central Administration	$9,174,390	$9,357,878
3A4	320-605	Administrative Support	$12,492,892	$12,492,892
Total funding: Central Support			**$21,667,282**	**$21,850,770**

Specific programs within the Central Support program series that this analysis will focus on include:

Central Support

Program Description: This program provides central administrative support to the non-institutional portions of the Department. The funds provide civil service payroll to employees who provide support services to the developmental centers and county boards of MR/DD. Labor requirements, collective bargaining wage increases, health care cost increases, eye and dental insurance increases, and workers' compensation are all major factors in the cost of central support.

Funding Source: GRF, FED

Line Items: 320-321, 320-605

Implication of the Executive Recommendation: As of this writing, the Department believes current service levels can be maintained. However, the recommended levels will put a significant strain on Central Office operations. According to the Department, Medicaid redesign is significantly increasing capacity in the MR/DD system. Along with this, budget reductions have caused the Department to absorb cuts in this program series as much as possible to avoid passing them on to the MR/DD community. Consequently, the Department delayed the phase-in of new staff and had to rely on remaining cash balances to pay increasing waiver costs and to shore up programs affected by GRF reductions.

The executive recommendations will not allow the Department to expand Central Office staff to the necessary levels to keep up with the expanding MR/DD system. The Department receives from each county board a fee equal to 1% of the total value of all Medicaid-paid claims. The money generated from this fee is deposited in Fund 5S2 and appropriated through line item 590-622, Medicaid Administration & Oversight. The DMR planned to use this money to phase-in Central Office staff, on an as needed basis, as the MR/DD system expanded. However, the budget reductions have caused the Department to use a substantial portion of these funds to maintain continued levels of service in the MR/DD community. Consequently, DMR has not been able to phase-in the number of Central Office staff needed to keep up with the expanding system. The Department expects Central Office staffing levels to remain constant for the most part throughout the next biennium.

Debt Service — Program Series 5

Purpose: This program covers debt service payments on bonds issued for long-term capital construction projects.

The following table shows the line item that is used to fund this program series, as well as the Executive's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
GRF	320-415	Lease-Rental Payments	$25,935,650	$23,206,750
Total funding: Debt Service			**$25,935,650**	**$23,206,750**

Specific programs within the Debt Service program series that this analysis will focus on include:

Debt Service

Program Description: This program covers debt service payments on bonds issued for long-term capital construction projects.

Funding Source: GRF

Line Item: 320-415

Implication of the Executive Recommendation: The executive recommendations provide for continued service levels in this program series.

ADDITIONAL FACTS AND FIGURES

Department of Mental Retardation and Developmental Disabilities Staffing Levels						
					Estimated	
Program Series/Division	**2000**	**2001**	**2002**	**2003***	**2004****	**2005****
Central Office	250	309	341	338	338	338
Developmental Centers	4,109	3,963	3,742	3,764		
Totals	4,359	4,272	4,083	4,102		

*Estimates as of September 2002.
**The Department is currently analyzing the impact that the closure of two developmental centers will have on future staffing levels. As of this writing, the Department could not accurately predict future staffing levels in the developmental centers because of this. The Department expects Central Office staff to remain essentially unchanged throughout the next biennium.

Developmental Centers Population Census

Developmental Center (County)	Census (as of 3/15/1999)	Census (as of 1/29/2001)	Census (as of 1/21/2003)
Apple Creek (Wayne)	193	189	181
Cambridge (Guernsey)	111	110	110
Columbus (Franklin)	150	149	147
Gallipolis (Gallia)	246	238	241
Montgomery (Montgomery)	104	104	100
Mt. Vernon (Knox)	255	241	224
Northwest Ohio (Lucas)	170	170	157
Southwest Ohio (Clermont)	117	111	107
Springview (Clark)	89	89	86
Tiffin (Seneca)	212	198	183
Warrensville (Cuyahoga)	244	252	240
Youngstown (Mahoning)	120	123	116
TOTAL	**2,011**	**1,974**	**1,892**

County Boards of MR/DD Demographic Information

The following table illustrates the age breakdown of individuals served by county boards. The figures are taken from information provided by the Department.

Ages	FY 2000	FY 2001
0-2	7,741	7,545
3-5	5,670	5,855
6-21	13,770	14,360
22-30	7,457	7,627
31-40	8,921	8,759
41-50	8,298	8,617
51-64	5,611	6,006
65+	2,320	2,359
TOTAL	**59,807**	**61,141**

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the Department's activities and spending decisions during the next biennium.

Permanent Law Provisions

Collection of Money Owed the State (R.C. section 5123.051)

This provision expands the Department's authority to collect money owed to the state. The provision allows the Department to enter into payment agreements with any person or governmental entity to collect the owed money. Under current law, the Department is only allowed to enter into such agreements with service and program providers.

The provision also changes the schedule of repayment in such agreements. Current law states that the money owed the state must be repaid in a period not to exceed one year. The provision changes this requirement, allowing the money owed the state to be paid back within a "reasonable period."

According to the Department, this provision expands DMR's authority to collect money owed to them. Currently, payment agreements can only be entered into with service and program providers. The Department must sue any other entity for payment. The Department does not believe this provision will have a significant fiscal impact. The Department believes that the provision gives them the flexibility to deal with these types of situations as they occur.

Rules for Licensing ICF/MRs (R.C. section 5123.19)

The bill permits DMR to adopt rules for licensing and regulating ICFs/MR. These rules may differ from those of other residential facilities.

The bill also mandates that DMR must reduce by one the number of residents for which a facility is licensed when a resident of that facility is committed to a state-operated ICF/MR. According to the Department, this will help control costs and growth of the system.

Cap on the Number of Residential Facility Beds (R.C. sections 5123.19, 5123.196, and 5123.197)

The bill repeals the current moratorium on new residential facility beds and establishes a permanent cap on the number of residential facility beds licensed by DMR. A license must be taken out of service as a residential facility bed if any bed in that facility converts to supported living. The number of certified beds must not exceed 10,838 minus the number of beds taken out of service on or after July 1, 2003. The DMR is not required to reduce the maximum number of beds by a bed taken out of service if it is determined that an individual with MR/DD who resided in the facility where the bed was located needs it. The Director of DMR is required to keep an up-to-date written record of the maximum number of residential facility beds.

This provision aligns the number of ICF/MR beds currently licensed by DMR with the number of beds currently being used in the system. The provision will allow the Department to control growth in the system and, consequently, limit their fiscal liability. Furthermore, the provision fits in with the executive budget's recommended facility-based reforms.

Transfer of Nonfederal Share for ICFs/MR (R.C. section 5123.196)

The bill requires DMR to reduce the number of residents for an ICF/MR by one whenever a resident is committed to a state-operated ICF/MR unless the facility admits a resident of a state-operated facility or another designated individual within 90 days. If the resident is not replaced, the Department of Job and Family Services is required to transfer the nonfederal share of Medicaid expenditures saved to DMR to cover the resident's care in the state-operated ICF/MR.

According to the Department, this provision is vital if two developmental centers are going to be closed. The provision will allow the Department to control intake and costs. The Department states that the provision will not necessarily prevent intake, but will increase flexibility and control costs.

Transfer of Nonfederal Share of Supported Living Services (R.C. section 5123.38)

The bill permits DMR to take the nonfederal share of the cost of supported living services from a county board of MR/DD to cover the cost of Medicaid services to individuals that receive supported living that are committed to state-operated facilities. This does not apply if the county board, within 90 days, commences funding of supported living services for an individual who has moved to the county from a state-operated ICF/MR or another eligible individual designated by the Department.

According to the Department, this provision is vital if two developmental centers are going to be closed. The provision will allow the Department to control intake and costs. The Department states that the provision will not necessarily prevent intake, but will increase flexibility and control costs.

Transfer of Nonfederal Share of Home and Community-Based Services (HCBS) (R.C. Section 5123.38)

The bill permits DMR to take the nonfederal share of the cost of HCBS services from a county board of MR/DD to cover the cost of Medicaid services to individuals committed to state-operated facilities. This does not apply if the county board, within 90 days, commences funding of HCBS services for an individual who has moved to the county from a state-operated ICF/MR or another eligible individual designated by the Department.

According to the Department, this provision is vital if two developmental centers are going to be closed. The provision will allow the Department to control intake and costs. The Department states that the provision will not necessarily prevent intake, but will increase flexibility and control costs.

Apprehension of MR/DD Institution Escapees (R.C. section 5123.801)

This provision removes a requirement mandating the managing officer of an MR/DD institution to take all proper measures to apprehend escaped residents and that the respective institution shall pay the cost of the person's return.

According to the Department, this provision is cleaning up language that the Department viewed as insensitive to developmental center residents. The language being amended implies that residents are "inmates" and held against their will. According to the Department, the county board and the facility will still be responsible for the cost of returning escaped residents to the institution.

Personal Items Provided when Leaving MR/DD Institutions (R.C. section 5123.851)

This provision allows an MR/DD facility to provide the personal items purchased in implementing a resident's habilitation plan to the resident upon discharge, no matter the funding source used to purchase the items. These personal items can include wheelchairs, assistive technology devices, medical devices, and clothing. Current law does not allow for the removal of such personal items.

According to the Department, this provision will allow a resident to take specialized equipment purchased in conjunction with the resident's habilitation plan, when the resident leaves an MR/DD institution. Currently, residents that leave an MR/DD institution cannot take such equipment. Thus, when the individual enters a community setting, the county board of MR/DD or program provider often has to replace the equipment. A spokesperson for DMR states that the equipment left behind at the MR/DD facility is often so specialized that it remains unused by the institution. The Department does not foresee any additional costs arising to replace equipment residents take with them.

Waiver Enrollment Priority (R.C. sections 5111.872 and 5126.042)

This provision establishes a new priority category for waiver enrollment for up to 40 individuals each year who currently reside in nursing facilities, are eligible for home and community-based services, and are willing and able to move into the community. Up to 40 qualified individuals will have priority over any other individual on a county board waiting list. The Department must adopt rules outlining the number of years that the priority category will be in effect, not to exceed five, and the date that the priority category will go into effect.

According to the Department, this provision is a good faith effort at settling the *Martin* lawsuit. If the *Martin* lawsuit cannot be settled, the Department is opposed to the new priority category.

Temporary Law Provisions

Lease-Rental Payments (Section 70.01)

Temporary law mandates appropriation line item 320-415, Lease-Rental Payments, be used to meet all required payments pursuant to leases and agreements made under section 154.20 of the Revised Code, but limited to the aggregate amount of $49,142,400.

Residential and Support Services (Section 70.02)

Appropriation line item 322-413, Residential and Support Services, is being split into separate line items for this biennium. Formerly, this line item funded the supported living program, the GRF share of two home and community-based Medicaid waivers, and various other residential supports. However, temporary law designates line item 322-413 for supports needed to fulfill the requirements of a consent decree in *Sermak v. Manuel* and earmarks up to $1,000,000 in each fiscal year for other Medicaid-reimbursed programs other than home and community-based waiver services that enable individuals with MR/DD to live in the community.

Waiver State Match (Section 70.02)

Appropriation line item 322-416, Waiver State Match, is a new line item that funds the GRF share of home and community-based waiver services and services contracted by county boards of MR/DD. The services provided by this line item were formerly included in line item 322-413, Residential and Support Services. Funds in this line item can be used to provide support to county boards that have a low percentage of residential and support service development when compared to the number of individuals with MR/DD living in the county.

Supported Living (Section 70.02)

General Revenue Fund line item 322-417, Supported Living, is a new line item that funds the Supported Living program. The services provided by this line item were formerly included in GRF line item 322-413, Residential and Support Services.

Other Residential and Support Service Programs (Section 70.02)

Temporary law allows the Department to develop residential and support service programs that enable individuals with MR/DD to live in the community. The Department may use appropriation line items 322-413, Residential and Support Services; 322-416, Waiver State Match; or 322-417, Supported Living, to fund such programs. The Department may waive the support collection requirements of Chapter 5121. and section 5123.122 of the Revised Code for persons enrolled in programs pursuant to this section. The Department must adopt rules in accordance with Chapter 119. of the Revised Code or use existing rules to implement such programs.

Family Support Services (Section 70.02)

The Department may assist individuals with MR/DD and their families who are living in the community with the funds appropriated in line item 322-451, Family Support Services.

Service and Support Administration (Section 70.02)

Appropriations in GRF line item 322-452, Service and Support Administration, will be allocated to county boards of MR/DD to provide service and support administration services and to assist in bringing state funding for service and support administrators within the level authorized in division (C) of section 5126.15 of the Revised Code. The Department can request Controlling Board approval to transfer any unobligated appropriation authority from other GRF line items to meet the statutory funding levels. Subject to funding in line item 322-452, Service and Support Administration, no county may receive less than its FY 1995 allocation.

Temporary language also replaces case management services, wherever it is referred to in any law, contract, or other document, with service and support administration.

Nonfederal Share of Additional ICF/MR Beds (Section 70.02)

The bill requires DMR to transfer specific funds to the Department of Job and Family Services (JFS) to pay the nonfederal share of the cost under Medicaid for newly certified ICF/MR beds. Temporary language allows the Department to use GRF line item 322-416, Waiver State Match, or line item 322-417, Supported Living, to pay the nonfederal share of new ICF/MR certified beds if a county board of MR/DD opposes the addition. The Department is allowed to use GRF line items 322-451, Family Support Services; 322-452, Service and Support Administration; or 322-501, County Boards Subsidies, to pay the nonfederal share of new ICF/MR certified beds if a county board of MR/DD initiates or supports the addition.

State Subsidies to MR/DD Boards (Section 70.02)

This provision eliminates language regarding the Tax Equity program, which is included in a new line item. The provision also requires that GRF line item 322-501, County Boards Subsidies, be distributed to county boards of MR/DD pursuant to section 5126.12 of the Revised Code to the limit of the lesser required by that section or, if the appropriation is less than the required subsidy, prorated to all county boards of MR/DD.

Tax Equity (Section 70.02)

General Revenue Fund line item 322-503, Tax Equity, will be used to fund the Tax Equity program pursuant to section 5126.18 of the Revised Code.

Intersystem Services for Children (Section 70.02)

Line item 322-645, Intersystem Services for Children, will be used to support direct grants to county Family and Children First Councils pursuant to section 121.37 of the Revised Code. The language states that the funds can be used as partial support payment and reimbursement for locally coordinated treatment plans for multi-need children. Five percent of the appropriation may be used for administrative purposes associated with the distribution of funds to county councils.

Waiver Match (Section 70.02)

The Department may use the appropriations in line item 322-604, Waiver-Match (Fund 4K8), as state matching funds for home and community-based Medicaid waivers.

Developmental Center Program to Develop a Model Billing for Service Rendered (Section 70.03)

Developmental centers may provide services to individuals with MR/DD living in the community or to providers of these services. Temporary language allows the Department to develop a methodology for recovery of all costs associated with the provision of these services.

Transfer of Funds for Developmental Center Pharmacy Programs (Section 70.04)

The Department is required to pay the Department of Job and Family Services the nonfederal share of Medicaid prescription drug claim costs for all developmental centers.

Executive Branch Committee on Medicaid Redesign and Expansion of MR/DD Services (Section 70.05)

Temporary law provides for the continuance of the Executive Branch Committee on Medicaid Redesign and Expansion of MR/DD Services. The Committee shall submit their final report to the Governor and directors of JFS and DMR. The Committee will cease to exist upon submission of the final report.

Requests Not Funded

The information provided below reflects the amount requested by the Department and what the Executive recommended for that request.

County MR/DD Board Services						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 322-413	$8,687,497	$8,439,337	($248,160)	$8,687,447	$8,450,787	($236,660)
GRF 322-416	$97,157,460	$95,695,198	($1,462,262)	$101,482,014	$100,019,747	($1,462,267)
GRF 322-417	$44,515,171	$43,179,715	($1,335,456)	$44,515,171	$43,179,715	($1,335,456)
GRF 322-451	$7,975,870	$6,975,870	($1,000,000)	$7,975,870	$6,975,870	($1,000,000)
GRF 322-452	$9,874,628	$8,849,724	($1,024,904)	$9,874,628	$8,849,724	($1,024,904)
GRF 322-501	$45,317,644	$31,795,691	($13,521,953)	$49,317,644	$31,795,691	($17,521,953)
GRF 322-503	$19,500,000	$14,000,000	($5,500,000)	$26,000,000	$15,000,000	($11,000,000)
TOTAL	**$233,028,270**	**$208,935,535**	**($24,092,735)**	**$247,852,774**	**$214,271,534**	**($33,581,240)**

For the most part, the Department will be able to maintain current services levels. The Department's goal when preparing the budget was to restore appropriations to FY 2003 levels. The executive recommendations will not do this, but the Department maintains that current service levels can be maintained in most programs.

The Department requested $97.1 million in FY 2004 and $101.4 million in FY 2005 in GRF line item 322-416, Waiver State Match. The executive recommendations include funding of $95.6 million in FY 2004 and $100 million in FY 2005. According to the Department, the recommended funding will support the GRF share of the new 4,000 IO waivers. However, the Department did request additional funding to enhance wages of direct care workers to reduce staff turnover and to recruit workers that are more qualified. The recommended funding will not allow for any increase in direct care wages in FY 2004 or FY 2005.

The Department requested $45.3 million in FY 2004 and $49.3 million in FY 2005 through GRF line item 322-501, County Boards Subsidies. The Department's request would have restored county board funding to the FY 2003 appropriation level. The executive recommendations included funding of $31.7 million in both FY 2004 and FY 2005. According to the Department, county boards will face significant challenges meeting the increasing demand for services with significantly reduced subsidy money. The Department fears that the reduced appropriation in GRF line item 322-501, County Board Subsidies, coupled with the tax equity appropriation, will force county boards to use refinanced money earmarked for waiver expansion to maintain current service levels. This would slow Medicaid redesign and have implications on Medicaid compliance.

The Department funds a tax equity program through GRF line item 322-503, Tax Equity, to help increase lower tax yield counties to the level of the state average yield per mill per resident. The Department requested $19.5 million in FY 2004 and $26 million in FY 2005. The executive recommendations will not fully fund the tax equalization formula and some tax-poor county boards may have to use other funding sources to shore up current services. If this occurs, the Department believes that Medicaid redesign will be impacted.

Developmental Centers						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 323-321	$105,605,560	$103,402,750	($2,202,810)	$122,073,965	$104,634,635	($17,439,330)

The executive recommendations will not allow for continued service levels in the Developmental Center program series. The Department requested $105.6 million in FY 2004 and $122 million in FY 2005. The executive recommendations include funding of $103.4 million in FY 2004 and $104.6 million in FY 2005. The decrease in appropriations will cause the closing of two developmental centers. The Springview Developmental Center will close by June 30, 2005 and the Apple Creek Developmental Center will close by June 30, 2006. Springview serves 86 people and has 179 staff members. Apple Creek has 181 residents and 381 staff members.

The Department is unable to estimate the extent of the savings from closing the two centers. Short-term costs will rise because of employee buyouts, early retirement, unemployment claims, and other transitional costs. Further, the Department will request and supply match for additional waiver slots to accommodate those who decide to move into the community. The Department is unable to estimate the number of individuals that will choose to move into the community. However, a recent assessment of statewide developmental center capacity showed that the centers could accommodate an additional 161 individuals. Thus, 106 developmental center residents will need to move into community homes to avoid overcrowding.

Program Supports						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 322-405	$324,685	$268,792	($55,893)	$324,685	$273,510	($51,175)
4J6 322-645	$5,000,000	$3,300,000	($1,700,000)	$5,000,000	$3,300,000	($1,700,000)
4U4 322-606	$400,000	$300,000	($100,000)	$400,000	$300,000	($100,000)
4V1 322-611	$2,000,000	$610,000	($1,390,000)	$2,000,000	$625,000	($1,375,000)
325 322-608	$2,374,950	$2,023,587	($351,363)	$1,482,452	$1,833,815	$351,363
TOTAL	**$10,099,635**	**$6,502,379**	**($3,597,256)**	**$9,207,137**	**$6,332,325**	**($2,874,812)**

For the most part, current service levels will be maintained in the Program Supports program series.

The Department requested $324,000 in both FY 2004 and FY 2005 in GRF line item 322-405, State Use Program. The executive recommendations include funding of $268,792 in FY 2004 and $273,510 in FY 2005. The additional appropriations would have funded an additional staff person that the Department will not be able to hire.

The Department requested $5 million in both FY 2004 and FY 2005 in line item 322-645, Intersystem Services for Children. The executive recommendations include funding of $3.3 million in both FY 2004 and FY 2005. These funds are transferred from the Department of Education. The Department only administers the program.

The Department requested $2 million in both FY 2004 and FY 2005 in line item 322-611, Program Support. The executive recommendations include funding of $610,000 in FY 2004 and $625,000 in FY 2005. This line item provides operating moneys for the Office of Family and Children First. The

DMR only provides fiscal oversight for this program. The executive recommendations provide DMR's portion for the Office.

Central Support						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 320-321	$11,361,253	$9,174,390	($2,186,863)	$12,019,083	$9,357,878	($2,661,205)

The executive recommendations provide for continued service levels in the Central Support program series. However, Medicaid redesign is increasing capacity in the MR/DD system. Because of budget reductions, the Department absorbed reductions in this program series to avoid passing them onto the MR/DD community as much as possible. Consequently, the Department delayed the phase-in of new staff and relied on remaining cash balances to pay increasing waiver costs and to shore up affected programs. As a result, the Department's cash balances are decreasing.

The executive recommendations will not allow the Department to expand staff to the necessary levels to keep up with the expanding MR/DD system. Although challenging, the Department believes they can manage with the recommended funding. However, any future budget reductions could force staffing and programmatic cutbacks.

General Revenue Fund

GRF 320-321 Central Administration

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$11,957,993	$11,663,996	$9,899,611	$8,994,500	**$9,174,390**	**$9,357,878**
	-2.5%	-15.1%	-9.1%	**2.0%**	**2.0%**

Source: GRF

Legal Basis: Section 75.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item supports expenses associated with payroll costs for central office.

GRF 320-411 Special Olympics

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$200,000	$200,000	$200,000	$0	**$0**	**$0**
	0.0%	0.0%	-100.0%	**N/A**	**N/A**

Source: GRF

Legal Basis: Discontinued Line Item (originally established by Am. Sub. H.B. 291 of the 115th G.A.)

Purpose: The funds in this line item supported the Ohio Special Olympics, Inc., which conducted Special Olympics programs for persons with MR/DD.

GRF 320-412 Protective Services

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$1,256,499	$1,316,437	$1,499,991	$1,420,658	**$1,911,471**	**$2,008,330**
	4.8%	13.9%	-5.3%	**34.5%**	**5.1%**

Source: GRF

Legal Basis: ORC 5123.56 (originally established as ORC 5119.86 by Am. Sub. H.B. 284 of the 109th G.A.; renumbered ORC 5123.56 by Am. Sub. H.B. 900 of the 113th G.A.)

Purpose: Moneys in this line item are used to pay all costs associated with guardianships, trusteeships, and protectorships for persons with MR/DD, pursuant to ORC 5123.56. The Department contracts with Advocacy and Protective Service, Inc. (APSI), a non-profit agency, for these services. Additional services are funded through the Federal Special Revenue Fund Group (line item 320-634, Protective Services).

GRF 320-415 Lease-Rental Payments

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$29,399,997	$27,565,340	$24,581,264	$26,275,300	**$25,935,650**	**$23,206,750**
	-6.2%	-10.8%	6.9%	**-1.3%**	**-10.5%**

Source: GRF

Legal Basis: Section 75.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This line item is used to make debt service payments on bonds issued for long-term capital construction projects.

GRF 322-405 State Use Program

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$151,387	$196,210	$242,004	$258,068	**$268,792**	**$273,510**
	29.6%	23.3%	6.6%	**4.2%**	**1.8%**

Source: GRF

Legal Basis: ORC 4115.31 to 4115.35 (originally established by Am. S.B. 430 of the 111th G.A.)

Purpose: Funds in this line item pay for the expenses of the State Use Committee. The Committee, established under ORC 4115.31 to 4115.35, approves suitable products and services which are provided by nonprofit workshops for people in Ohio with severe disabilities. These products and services are offered for sale to both state and local governments.

GRF 322-413 Residential and Support Services

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$126,127,410	$130,856,142	$137,669,440	$140,628,931	**$8,439,337**	**$8,450,787**
	3.7%	5.2%	2.1%	**-94.0%**	**0.1%**

Source: GRF

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This line item provides funds to implement the requirements of the agreement settling the consent decree in Sermak v. Manuel, for Medicaid-reimbursed programs other than the home and community-based waiver services that allow individuals with MR/DD to live in the community, to support former residents of the Broadview Developmental Center who moved to community settings in connection with the closing of the Center, provide clothing allowances to private consumers who reside in ICF/MR facilities, and to conduct Pre-Admission Screening and Review (PASARR) evaluations required by federal regulations.

H.B. 95 of the 125th G.A., as introduced, includes temporary language allowing the Department to use this line item to implement the requirements of the consent decree in Sermak v. Ritchey and for other Medicaid-reimbursed programs, in an amount not to exceed $1.0 million per fiscal year, that enable persons with MR/DD to live in the community.

Additional temporary language allows the Department to use this line item to develop residential and support services that enable individuals with MR/DD to live in the community. The Department can waive the support collection requirements of Chapter 5121. and section 5123.122 of the Revised Code for individuals enrolled in programs pursuant to this bill. The Department must adopt rules in accordance with Chapter 119. of the Revised Code or use existing rules to implement these programs.

GRF 322-414 Sermak Class Services

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$54,750	$37,015	$0	$0	**$0**	**$0**
	-32.4%		N/A	**N/A**	**N/A**

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This line item was used to implement the requirements of the consent decree in the case of Sermak vs. Manuel. These funds were used to pay for residential placement of the individuals who were part of the Sermak class action suit. Am. Sub. H.B. 283 of the 123rd G.A. reallocated funding for these activities to line item 322-413, Residential and Support Services.

GRF 322-416 Waiver State Match

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$0	$0	$0	$0	**$95,695,198**	**$100,019,747**
	N/A	N/A	N/A	**N/A**	**4.5%**

Source: GRF

Legal Basis: Proposed in the main operating appropriations bill of the 125th G.A.

Purpose: This line item funds the GRF share of two home and community-based Medicaid waivers--the Individual Options (IO) and the Residential Facilities Waiver (RFW). The IO waiver provides Medicaid services to persons in alternative settings to Intermediate Care Facilities for the Mentally Retarded (ICF/MR) or a nursing facility. The RFW supports individuals who live in smaller home settings as an alternative to larger congregate care facilities. This line item also funds services contracted by county boards of MR/DD.

H.B. 95 of the 125th G.A., as introduced, includes temporary language allowing the Department to use this line item to pay the nonfederal share of the cost of one or more new ICF/MR certified beds in a county where the county board does not support such development and if the Department is required to transfer funds of the Ohio Department of Job and Family Services to pay such nonfederal share pursuant to this bill.

The bill includes temporary language allowing the Department to designate a portion of this line item to county boards that have a greater need for residential and support services because of a low percentage of residential and support services development in comparison to the number of individuals with MR/DD in the county.

Additional temporary language allows the Department to use this line item to fund residential and support service programs that enable persons with MR/DD to live in the community. The Department may waive the support collection requirements of Chapter 5121. and section 5123.122 of the Revised Code for persons enrolled in community programs pursuant to this section. The Department must adopt rules under Chapter 119. of the Revised Code or use existing rules to implement these programs.

GRF 322-417 Supported Living

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$0	$0	$0	$0	**$43,179,715**	**$43,179,715**
	N/A	N/A	N/A	**N/A**	**0.0%**

Source: GRF

Legal Basis: Proposed in the main operating appropriations bill of the 125th G.A.

Purpose: This line item funds the Supported Living program. The Supported Living program provides direct subsidies to county boards of MR/DD to support community-based, residential services. This line item may be used to fund Supported Living services contracted by county boards.

H.B. 95 of the 125th G.A., as introduced, includes temporary language allowing this line item to pay the nonfederal share of the cost of one or more new Intermediate Care Facilities for the Mentally Retarded certified beds in counties where the county board does not support such additions and if the Department is required to transfer such nonfederal funds to the Ohio Department of Job and Family Services pursuant to this bill.

Additional temporary language allows the Department to use this line item to fund residential and support service programs that enable persons with MR/DD to live in the community. The bill waives the support collection requirements of Chapter 5121. and section 5123.122 of the Revised Code for individuals enrolled in community programs pursuant to the bill. The Department must adopt rules under Chapter 119. of the Revised Code or may use existing rules to implement these programs.

GRF 322-451 Family Support Services

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$7,705,342	$7,975,864	$7,975,870	$6,801,473	**$6,975,870**	**$6,975,870**
	3.5%	0.0%	-14.7%	**2.6%**	**0.0%**

Source: GRF

Legal Basis: ORC 5126.11 (originally established by Am. Sub. S.B. 21 of the 112th G.A.) and Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A.

Purpose: This line item funds a family support services program to provide assistance to persons with MR/DD and their families who are living in the community.

H.B. 95 of the 125th G.A., as introduced, includes temporary language allowing the Department to use this line item to pay the nonfederal share of the cost of one or more new Intermediate Care Facilities for the Mentally Retarded certified beds in a county where the county board of MR/DD does not support such additions and if the Department is required to transfer such funds to the Ohio Department of Job and Family Services pursuant to this bill.

GRF 322-452 Service and Support Administration

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$6,235,022	$6,384,663	$8,849,707	$8,628,481	**$8,849,724**	**$8,849,724**
	2.4%	38.6%	-2.5%	**2.6%**	**0.0%**

Source: GRF

Legal Basis: ORC 5126.15 (originally established by Sub. H.B. 403 of the 117th G.A.)

Purpose: This line item funds service and support administration activities throughout Ohio. The funds are allocated to county boards of MR/DD to provide service and support administration and to bring state funding for all approved service and support administrators to the level authorized in division C of section 5126.15 of the Revised Code. Subject to funding in this line item, no county may receive less than its allocation in FY 1995 for service and support administration.

H.B. 95 of the 125th G.A., as introduced, includes temporary language renaming Case Management Services as Service and Support Administration wherever case management services are referred to in any law, contract, or other document.

Additional temporary language authorizes the Department to use this line item to pay the nonfederal share fo the cost of one or more new Intermediate Care Facility for the Mentally Retarded certified beds in a county where the county board of MR/DD opposes such an addition and if the Department is required to transfer such funds to the Ohio Department of Job and Family Services pursuant to this bill.

GRF 322-501 County Boards Subsidies

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$45,766,039	$46,863,627	$49,708,303	$44,643,794	**$31,795,691**	**$31,795,691**
	2.4%	6.1%	-10.2%	**-28.8%**	**0.0%**

Source: GRF

Legal Basis: ORC 5126.12 (originally established as ORC 5127.03 by H.B. 1 of the 100th G.A.; renumbered as ORC 5126.07 by Am. Sub. H.B. 455 of the 111th G.A.; renumbered as ORC 5126.12 by Am. Sub. S.B. 160 of the 113th G.A.)

Purpose: Funds appropriated in this line item are used to subsidize the basic operating expenses of the state's 88 county boards of MR/DD. The operating subsidy is paid to a county board based upon the number of individuals enrolled in board programs, excluding children enrolled in approved special education units.

DMR shall distribute the funds in this line item to county boards of MR/DD for subsidies distributed pursuant to ORC 5126.12 to the limit of the lesser of the amount required by that section or the appropriation in line item 322-501 prorated to all county boards of MR/DD.

Temporary language allows the Department to use funds in this line item to pay the nonfederal share of the cost of one or more new Intermediate Care Facility for the Mentally Retarded certified beds if the county board opposes such an addition and if the Department is required to pay such funds to the Ohio Department of Job and Family Services pursuant to this bill.

GRF 322-503 Tax Equity

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$0	$0	$0	$0	**$14,000,000**	**$15,000,000**
	N/A	N/A	N/A	**N/A**	**7.1%**

Source: GRF

Legal Basis: Proposed in the main operating appropriations bill of the 125th G.A.

Purpose: Funds appropriated in this line item are used to fund the Tax Equalization program created under ORC 5126.18.

GRF 323-321 Residential Facilities Operations

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$104,019,997	$102,336,062	$100,499,356	$98,150,607	**$103,402,750**	**$104,634,635**
	-1.6%	-1.8%	-2.3%	**5.4%**	**1.2%**

Source: GRF

Legal Basis: Section 75.05 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item covers personnel expenditures at the 12 Developmental Centers. Additional funding for Developmental Centers payroll is located in line items 323-605, Residential Facilities Reimbursement; 323-608, Federal Grants - Subsidies, 323-617; Education Grants - Residential Facilities; and 323-632, Operating Expense. This line item was previously known as Developmental Centers Operations.

General Services Fund Group

152 323-609 Residential Facilities Support

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$26,747	$106,601	$606,527	$912,177	**$912,177**	**$912,177**
	298.6%	469.0%	50.4%	**0.0%**	**0.0%**

Source: GSF: Revenues from the sale of goods and services by Developmental Centers and special education subsidy moneys from the Ohio Department of Education

Legal Basis: Section 75.05 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by the Controlling Board in June 1980)

Purpose: These funds are used for maintenance and equipment expenses.

488 322-603 Residential Services Refund

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$441,510	$679,351	$928,265	$0	**$1,000,000**	**$1,000,000**
	53.9%	36.6%	-100.0%	**N/A**	**0.0%**

Source: GSF: Reimbursement moneys collected from Purchase of Service providers whose per diem rates, when audited, are found to be too high

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 298 of the 119th G.A.)

Purpose: The Department uses this line item to pay staff that audit service providers. Providers include individuals providing services under the old Purchase of Service program and the home and community-based Medicaid waivers.

4B5 320-640 Conference/Training

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$79,958	$195,121	$17,887	$8,652	**$400,000**	**$400,000**
	144.0%	-90.8%	-51.6%	**4523.2%**	**0.0%**

Source: GSF: Fees assessed to participants of various conference and training activities sponsored by DMR

Legal Basis: Section 75.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by the Controlling Board on November 20, 1989)

Purpose: The funds in this line item cover expenses associated with training.

4J6 322-607 Intersystems Services - Youth

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$0	$723,483	$1,809,528	$0	**$0**	**$0**
	N/A	150.1%	-100.0%	**N/A**	**N/A**

Source: GSF: Additional youth cluster funds from the Department of Job and Family Services for multi-need youth

Legal Basis: Discontinued line item (originally established by the Controlling Board on April 24, 2000)

Purpose: These funds were used to supplement local wrap-around programs for multi-need youth who were eligible for services from at least two Family and Children First Council agencies.

4J6 322-645 Intersystem Services for Children

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$2,727,186	$1,954,417	$1,409,197	$2,882,788	**$3,300,000**	**$3,300,000**
	-28.3%	-27.9%	104.6%	**14.5%**	**0.0%**

Source: GSF: Funds transferred from the Department of Education (GRF funding)

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: The funds in this line item are used to support direct grants to county Family and Children First Councils. The funds are to be used as partial support payment and reimbursement for locally coordinated treatment plans for multi-needs children that come to the attention of the Family and Children First Cabinet Council. DMR may use up to 5% of the appropriation in this lien item for administrative expenses associated with the distribution of funds to the county councils.

4U4 322-606 Community MR and DD Trust

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$0	$0	$0	$131,250	**$300,000**	**$300,000**
	N/A	N/A	N/A	**128.6%**	**0.0%**

Source: GSF: Moneys not spent, with the exception of debt service, at the end of the fiscal year in the Department's budget. If this amount exceeds $20 million, the Controlling Board must approve the transfer.

Legal Basis: ORC 5123.352 (originally established by Am. Sub. S.B. 21 of the 120th G.A.)

Purpose: The Department uses this line item to support unique community training programs. Under the Revised Code, the Department is allowed to transfer all unspent and unencumbered GRF appropriations, other than those in line item 320-415, Lease-Rental Payments, into the Community MR and DD Trust Fund (Fund 4U4).

4V1 322-611 Program Support

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$0	$634,540	$981,854	$2,000,000	**$610,000**	**$625,000**
	N/A	54.7%	103.7%	**-69.5%**	**2.5%**

Source: GSF: Small federal grants for Respite Care

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by the Controlling Board in 1995)

Purpose: This subsidy line item is used to provide operating moneys for Family and Children First.

4V1 322-615 Ohio's Self-Determination Project

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$73,134	$23,033	$0	$0	**$0**	**$0**
	-68.5%		N/A	**N/A**	**N/A**

Source: GSF: Grant dollars from the Robert Wood Johnson Foundation for a Self-Determination pilot project

Legal Basis: Discontinued line item (originally established by the Controlling Board on September 8, 1997)

Purpose: The funds in this line item covered the costs associated with the Self-Determination Project. This three-year demonstration program in four counties (Delaware, Knox, Lucas, and Marion) attempted to demonstrate that long-term care to persons with MR/DD could be both more efficient, and achieve greater consumer satisfaction if the person was provided the opportunity to identify the services and supports most needed, and was then given control of the use of funds authorized for the purposes of providing such services and supports. The three-year Robert Wood Johnson Foundation grant expired on January 31, 2000.

Federal Special Revenue Fund Group

325 320-634 Protective Services

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$407,740	$386,810	$150,000	$150,000	**$100,000**	**$100,000**
	-5.1%	-61.2%	0.0%	**-33.3%**	**0.0%**

Source: FED: Part of the federal Title XX funds the DMR received from the Ohio Department of Job and Family Services

Legal Basis: ORC 5123.56 (originally established as ORC 5119.86 by Am. Sub. H.B. 284 of the 109th G.A.; renumbered ORC 5123.56 by Am. Sub. H.B. 900 of the 113th G.A.)

Purpose: This line item pays the costs associated with initiating and maintaining guardianships, trusteeships, and protectorships for mentally retarded and developmentally disabled clients, pursuant to ORC 5123.56. The Department contracted with Advocacy and Protective Services, Inc. (APSI), a non-profit agency, for these services. Additional protective services funding is contained in GRF line item 320-412, Protective Services.

325 322-608 Federal Grants - Operating Expenses

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$387,737	$606,912	$1,065,281	$1,360,000	**$2,023,587**	**$1,833,815**
	56.5%	75.5%	27.7%	**48.8%**	**-9.4%**

Source: FED: CFDA 84.181, Grants for Infants and Families with Disabilities

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by H.B. 204 of the 113th G.A.)

Purpose: Grants and contract moneys for programs for the mentally retarded living in the community.

325 322-612 Social Service Block Grant

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$10,475,030	$10,026,326	$9,982,234	$11,500,000	**$10,319,346**	**$10,330,830**
	-4.3%	-0.4%	15.2%	**-10.3%**	**0.1%**

Source: FED: CFDA 93.667, Social Services Block Grant (Title XX moneys are originally received by the Ohio Department of Job and Family Services (JFS), the state's designated recipient of these federal moneys; JFS then passes these funds along to DMR, which in turn distributes them to communities through this line item)

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by the Controlling Board on April 25, 1980)

Purpose: Title XX funds are used by public and private community organizations, such as county MR/DD boards, to implement and maintain community-based social service programs for the mentally retarded.

325 322-617 Education Grants - Operating

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$67,844	$107,632	$8,439	$115,000	**$75,500**	**$75,500**
	58.6%	-92.2%	1262.8%	**-34.3%**	**0.0%**

Source: FED: CFDA 84.002, Adult Basic and Literacy Education (Adult Education and Family Literacy Act, Chapter 2, Pub. L. 105-220, U.C.S. 1201 et seq.)

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by H.B. 204 of the 113th G.A.)

Purpose: Moneys are subgranted to DMR by the Ohio Department of Education. Funds in this line item are used to hire teachers, purchase education materials, and expand the educational opportunities for adults with MR/DD to focus on basic literacy skills.

325 323-608 Federal Grants - Subsidies

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$326,120	$322,571	$333,764	$536,000	**$571,381**	**$582,809**
	-1.1%	3.5%	60.6%	**6.6%**	**2.0%**

Source: FED: CFDA 94.011, Foster Grandparent Program

Legal Basis: Section 75.05 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by H.B. 204 of the 113th G.A.)

Purpose: The funds are used to serve mentally retarded individuals residing in state Developmental Centers.

325 323-617 Education Grants - Residential Facilities

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$364,256	$348,400	$356,298	$411,000	**$425,000**	**$425,000**
	-4.4%	2.3%	15.4%	**3.4%**	**0.0%**

Source: FED: CFDA 84.002, Adult Basic and Literacy Education (Adult Education and Family Literacy Act, Chapter 2, Pub. L. 105-220, U.S.C. 1201 et seq.)

Legal Basis: Section 75.05 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by H.B. 204 of the 113th G.A.)

Purpose: To ensure enrollment in basic literacy will be available to persons who reside in Developmental Centers, as well as those who choose to live in the community. These funds are also used to ensure that successful outcomes are achieved primarily in obtaining and retaining employment and in learning basic reading skills to function independently.

3A4 320-605 Administrative Support

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$3,690,193	$6,595,895	$3,863,732	$12,492,892	**$12,492,892**	**$12,492,892**
	78.7%	-41.4%	223.3%	**0.0%**	**0.0%**

Source: FED: CFDA 93.778, Medical Assistance Program

Legal Basis: Section 75.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by H.B. 204 of the 113th G.A.)

Purpose: Used to fund new computer projects.

3A4 322-605 Community Program Support

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$975,929	$737,258	$657,994	$890,000	**$1,000,000**	**$1,000,000**
	-24.5%	-10.8%	35.3%	**12.4%**	**0.0%**

Source: FED: CFDA 93.778, Medical Assistance Program (receives transfers from 323-605, Administrative Support, which are then reallocated for other purposes, usually for emergency situations)

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by H.B. 204 of the 113th G.A.)

Purpose: In the past, it has been used for emergencies. For example, it was used to pay Purchase of Service providers for the care of persons with MR/DD when there was a shortfall in funding. Am. Sub. H.B. 215 of the 122nd G.A. split the funding for these activities into 322-605, Community Program Support, and 322-610, Community Residential Support.

3A4 322-610 Community Residential Support

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$205,568	$0	$0	$0	**$500,000**	**$500,000**
		N/A	N/A	**N/A**	**0.0%**

Source: FED: CFDA 93.778, Medical Assistance Program (receives transfers from 323-605, Medicaid Reimbursement, which are then reallocated for other purposes, usually for emergency situations)

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: In the past, it has been used for emergencies. For example, it was used to pay Purchase of Service providers for the care of persons with MR/DD when there was a shortfall in funding. Am. Sub. H.B. 215 of the 122nd G.A. split the funding for these activities into 322-605, Community Program Support and 322-610, Community Residential Support.

3A4 323-605 Residential Facilities Reimbursement

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$111,342,408	$103,416,121	$106,580,994	$114,539,884	**$128,736,729**	**$128,831,708**
	-7.1%	3.1%	7.5%	**12.4%**	**0.1%**

Source: FED: CFDA 93.778, Medical Assistance Program (receives Medicaid reimbursement for state dollars spent on the care of mentally retarded individuals at the state developmental centers. The federal government reimburses the state for approximately 59 percent of the costs of all Medicaid-eligible services paid for with state funds)

Legal Basis: Section 75.05 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 291 of the 115th G.A.)

Purpose: The funds are used to pay operating expenses, primarily personal services, at the 12 Developmental Centers.

3A5 320-613 DD Council Operating Expenses

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$784,360	$775,662	$905,322	$992,486	**$861,000**	**$861,000**
	-1.1%	16.7%	9.6%	**-13.2%**	**0.0%**

Source: FED: Various case management and community subgrants under the Developmental Disabilities Assistance Act

Legal Basis: Section 75.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by the Controlling Board on April 25, 1980)

Purpose: This line item is used to pay all operating expenses for the Developmental Disabilities (DD) Council.

3A5 322-613 DD Council Grants

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$2,191,189	$1,959,852	$2,153,524	$3,358,290	**$3,130,000**	**$3,130,000**
	-10.6%	9.9%	55.9%	**-6.8%**	**0.0%**

Source: FED: CFDA 93.630, Developmental Disabilities Basic Support and Advocacy Grants

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by the Controlling Board on April 25, 1980)

Purpose: This line item funds grants issued by the DD Council to serve individuals with MR/DD living in the community, based on parameters outlined in the Developmental Disabilities Assistance Act.

3G6 322-639 Medicaid Waiver

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$110,055,768	$120,725,093	$145,491,897	$180,039,948	**$344,068,714**	**$373,772,814**
	9.7%	20.5%	23.7%	**91.1%**	**8.6%**

Source: FED: CFDA 93.778, Medical Assistance Program (federal Medicaid matching funds - the grant ID number from the Catalog of Federal Domestic Assistance is 13.714 (Title XIX, Medical Assistance); federal reimbursement for the Individual Options Medicaid Waiver program)

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by the Controlling Board on January 26, 1990)

Purpose: To implement the home and community-based Medicaid programs, as well as services required by the federally mandated Nursing Home Reform Act contained in the Omnibus Budget Reconciliation Act of 1987, P.L. 100-203 (OBRA). Activities such as rehabilitative services, physical therapy, occupational therapy, and transportation are provided.

3M7 322-650 CAFS Medicaid

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$136,333,534	$160,018,753	$191,543,590	$237,807,365	**$254,739,737**	**$267,668,087**
	17.4%	19.7%	24.2%	**7.1%**	**5.1%**

Source: FED: CFDA 93.778, Medical Assistance Program (federal Medicaid reimbursement)

Legal Basis: ORC 5111.041 (originally established by Am. Sub. H.B. 694 of the 114th G.A.)

Purpose: The Department bills Medicaid for services provided through the Community Alternative Funding System Medicaid program at certified habilitation centers (county MR/DD boards, school districts, and Head Start programs which participate in the CAFS program). The Department then distributes the federal Medicaid reimbursement to the county MR/DD boards, school districts, and Head Start programs which participate in the CAFS program.

State Special Revenue Fund Group

489 323-632 Operating Expense

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$8,002,205	$7,997,918	$11,465,025	$12,125,628	**$12,125,628**	**$12,125,628**
	-0.1%	43.4%	5.8%	**0.0%**	**0.0%**

Source: SSR: An offset charge assessed against the resources of clients residing in the department's developmental centers, and payments from the client's liable relatives and insurers

Legal Basis: ORC 5121.03 (originally established by H.B. 1 of the 100th G.A.)

Purpose: These moneys contribute to the cost of care of these clients. In practice, the funds are used to offset operating expenses at the developmental centers.

4K8 322-604 Waiver-Match

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$10,882,620	$17,095,213	$13,183,009	$14,039,133	**$12,000,000**	**$12,000,000**
	57.1%	-22.9%	6.5%	**-14.5%**	**0.0%**

Source: SSR: ICF/MR bed tax assessment revenues transferred from the Department of Job and Family Services

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: Funds in this line item provide non-federal match to support the home and community-based Medicaid waiver programs.

5H0 322-619 Medicaid Repayment

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$0	$115	$0	$0	**$25,000**	**$25,000**
	N/A		N/A	**N/A**	**0.0%**

Source: SSR: ISTV's from the Department of Job and Family Services related to Medicaid audit reimbursements

Legal Basis: Section 75.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by the Controlling Board on November 17, 1997)

Purpose: For individuals receiving services under a home and community-based Medicaid waiver (i.e., IO and RFW), the county board of MR/DD works with the individual to determine a plan of services. The service provider is supposed to follow the plan of action outlined by the county board. To ensure compliance, the Department audits the Medicaid service providers to ensure that the Department is not billed for unauthorized services. If, for example, the audit determined that seven days of homemaker assistance was provided instead of five days as outlined in the service plan, the provider must repay the excess reimbursement. These funds are initially sent to the Department of Job and Family Services, which then transfers the funds back to DMR via an ISTV and these funds are placed into Fund 5H0.

5S2 590-622 Medicaid Administration & Oversight

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
$0	$0	$0	$2,969,552	**$2,969,552**	**$2,969,552**
	N/A	N/A	N/A	**0.0%**	**0.0%**

Source: SSR: Funds collected from the 1% fee charged to all county boards of MR/DD on the total of Medicaid paid claims for service and support services and home and community based services.

Legal Basis: ORC 5123.0412 (B)

Purpose: The fees deposited in this fund can be used for the administrative and oversight costs of habilitation center services, Medicaid case management services, county board technical support, and home and community based services that a county board monitors and develops or contracts to provide. The administrative and oversight costs include staff, systems, and other resources dedicated to eligibility determinations, training, fiscal management, claims processing, quality assurance, and other such duties the Department identifies. The fees collected under this fund are divided among the DMR and the Ohio Department of Job and Family Services by an interagency agreement.

LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

Fund	ALI	ALI Title	2002	Estimated 2003	Executive 2004	% Change 2003 to 2004	Executive 2005	% Change 2004 to 2005
DMR Mental Retardation and Developmental Disabilities, Department of								
GRF	320-321	Central Administration	$ 9,899,611	$8,994,500	$ 9,174,390	2.0%	$ 9,357,878	2.0%
GRF	320-411	Special Olympics	$ 200,000	$0	$ 0	N/A	$ 0	N/A
GRF	320-412	Protective Services	$ 1,499,991	$1,420,658	$ 1,911,471	34.5%	$ 2,008,330	5.1%
GRF	320-415	Lease-Rental Payments	$ 24,581,264	$26,275,300	$ 25,935,650	-1.3%	$ 23,206,750	-10.5%
GRF	322-405	State Use Program	$ 242,004	$258,068	$ 268,792	4.2%	$ 273,510	1.8%
GRF	322-413	Residential and Support Services	$ 137,669,440	$140,628,931	$ 8,439,337	-94.0%	$ 8,450,787	0.1%
GRF	322-416	Waiver State Match	----	$0	$ 95,695,198	N/A	$ 100,019,747	4.5%
GRF	322-417	Supported Living	----	$0	$ 43,179,715	N/A	$ 43,179,715	0.0%
GRF	322-451	Family Support Services	$ 7,975,870	$6,801,473	$ 6,975,870	2.6%	$ 6,975,870	0.0%
GRF	322-452	Service and Support Administration	$ 8,849,707	$8,628,481	$ 8,849,724	2.6%	$ 8,849,724	0.0%
GRF	322-501	County Boards Subsidies	$ 49,708,303	$44,643,794	$ 31,795,691	-28.8%	$ 31,795,691	0.0%
GRF	322-503	Tax Equity	----	$0	$ 14,000,000	N/A	$ 15,000,000	7.1%
GRF	323-321	Residential Facilities Operations	$ 100,499,356	$98,150,607	$ 103,402,750	5.4%	$ 104,634,635	1.2%
General Revenue Fund Total			**$ 341,125,545**	**$ 335,801,812**	**$ 349,628,588**	**4.1%**	**$ 353,752,637**	**1.2%**
152	323-609	Residential Facilities Support	$ 606,527	$912,177	$ 912,177	0.0%	$ 912,177	0.0%
488	322-603	Residential Services Refund	$ 928,265	$0	$ 1,000,000	N/A	$ 1,000,000	0.0%
4B5	320-640	Conference/Training	$ 17,887	$8,652	$ 400,000	4,523.2%	$ 400,000	0.0%
4J6	322-607	Intersystems Services - Youth	$ 1,809,528	$0	$ 0	N/A	$ 0	N/A
4J6	322-645	Intersystem Services for Children	$ 1,409,197	$2,882,788	$ 3,300,000	14.5%	$ 3,300,000	0.0%
4U4	322-606	Community MR and DD Trust	----	$131,250	$ 300,000	128.6%	$ 300,000	0.0%
4V1	322-611	Program Support	$ 981,854	$2,000,000	$ 610,000	-69.5%	$ 625,000	2.5%
General Services Fund Group Total			**$ 5,753,258**	**$ 5,934,867**	**$ 6,522,177**	**9.9%**	**$ 6,537,177**	**0.2%**
325	320-634	Protective Services	$ 150,000	$150,000	$ 100,000	-33.3%	$ 100,000	0.0%
325	322-608	Federal Grants - Operating Expenses	$ 1,065,281	$1,360,000	$ 2,023,587	48.8%	$ 1,833,815	-9.4%
325	322-612	Social Service Block Grant	$ 9,982,234	$11,500,000	$ 10,319,346	-10.3%	$ 10,330,830	0.1%
325	322-617	Education Grants - Operating	$ 8,439	$115,000	$ 75,500	-34.3%	$ 75,500	0.0%
325	323-608	Federal Grants - Subsidies	$ 333,764	$536,000	$ 571,381	6.6%	$ 582,809	2.0%

LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

Fund	ALI	ALI Title	2002	Estimated 2003	Executive 2004	% Change 2003 to 2004	Executive 2005	% Change 2004 to 2005
DMR	***Mental Retardation and Developmental Disabilities, Department of***							
325	323-617	Education Grants - Residential Facilities	$ 356,298	$411,000	$ 425,000	3.4%	$ 425,000	0.0%
3A4	320-605	Administrative Support	$ 3,863,732	$12,492,892	$ 12,492,892	0.0%	$ 12,492,892	0.0%
3A4	322-605	Community Program Support	$ 657,994	$890,000	$ 1,000,000	12.4%	$ 1,000,000	0.0%
3A4	322-610	Community Residential Support	----	$0	$ 500,000	N/A	$ 500,000	0.0%
3A4	323-605	Residential Facilities Reimbursement	$ 106,580,994	$114,539,884	$ 128,736,729	12.4%	$ 128,831,708	0.1%
3A5	320-613	DD Council Operating Expenses	$ 905,322	$992,486	$ 861,000	-13.2%	$ 861,000	0.0%
3A5	322-613	DD Council Grants	$ 2,153,524	$3,358,290	$ 3,130,000	-6.8%	$ 3,130,000	0.0%
3G6	322-639	Medicaid Waiver	$ 145,491,897	$180,039,948	$ 344,068,714	91.1%	$ 373,772,814	8.6%
3M7	322-650	CAFS Medicaid	$ 191,543,590	$237,807,365	$ 254,739,737	7.1%	$ 267,668,087	5.1%
Federal Special Revenue Fund Group Total			**$ 463,093,069**	**$ 564,192,865**	**$ 759,043,886**	**34.5%**	**$ 801,604,455**	**5.6%**
489	323-632	Operating Expense	$ 11,465,025	$12,125,628	$ 12,125,628	0.0%	$ 12,125,628	0.0%
4K8	322-604	Waiver-Match	$ 13,183,009	$14,039,133	$ 12,000,000	-14.5%	$ 12,000,000	0.0%
5H0	322-619	Medicaid Repayment	----	$0	$ 25,000	N/A	$ 25,000	0.0%
5S2	590-622	Medicaid Administration & Oversight	----	$2,969,552	$ 2,969,552	0.0%	$ 2,969,552	0.0%
State Special Revenue Fund Group Total			**$ 24,648,033**	**$ 29,134,313**	**$ 27,120,180**	**-6.9%**	**$ 27,120,180**	**0.0%**
Total All Budget Fund Groups			***$ 834,619,905***	***$ 935,063,857***	***$ 1,142,314,831***	***22.2%***	***$ 1,189,014,449***	***4.1%***