

# **Department of Mental Retardation and Developmental Disabilities**

**House Human Services Subcommittee**

*Stephanie Suer, Budget Analyst  
Legislative Service Commission*

*April 11, 2007*

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# LSC Redbook

## for the

### Department of Mental Retardation and Developmental Disabilities

**House Human Services Subcommittee**

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- Catalog of Budget Line Items
- LSC Budget Spreadsheet By Line Item

*April 11, 2005*

# Department of Mental Retardation and Developmental Disabilities

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- The executive recommends \$1,173,831,084 in FY 2008 and \$1,252,695,175 in FY 2009
- More than 15,000 Ohioans receive services through ODMR/DD's waiver programs

## OVERVIEW

The Ohio Department of Mental Retardation and Developmental Disabilities (ODMR/DD) is the primary state service agency for Ohioans with mental retardation or other developmental disabilities (mr/dd). The Department's mission is to provide for the ". . . continuous improvement of the quality of life for Ohio's citizens with developmental disabilities and their families." The Director of the Department is appointed by the Governor and oversees more than 3,700 employees and an annual budget of about \$1.2 billion.

The Department provides services to approximately 1,600 individuals at ten regional developmental centers and more than 15,000 people through two home and community-based Medicaid waivers: Individual Options (IO) and Level 1 (L1).

The Department also provides subsidies to Ohio's 88 county boards of mr/dd. County boards provide a variety of community-based services including residential support, early intervention, family support, adult vocational and employment services, and service and support administration. In fiscal year (FY) 2006, approximately 74,500 people received services through county board programs.

The Department's budget is organized into four program series: Community Services, State Operated Services, Central Administration, and Debt Service.

The executive recommended funding is \$1.17 billion in FY 2008 and \$1.25 billion in FY 2009.

## System Funding

### Overview

Funding for Ohio mr/dd services comes from a mix of federal, state, and local sources. Under the Medicaid program, the federal government reimburses allowable expenditures according to a state's federal medical assistance percentage (FMAP). For federal fiscal year (FFY) 2007, Ohio's FMAP rate is 59.66%. Under the program, state and local funds are used to "draw down" federal funds at the FMAP rate. Thus, for every \$1.00 spent on services allowable under Medicaid, the federal government reimburses the state approximately \$0.60. The Centers for Medicare and Medicaid Services (CMS) in the United States Department of Health and Human Services annually sets the FMAP rate. Administrative

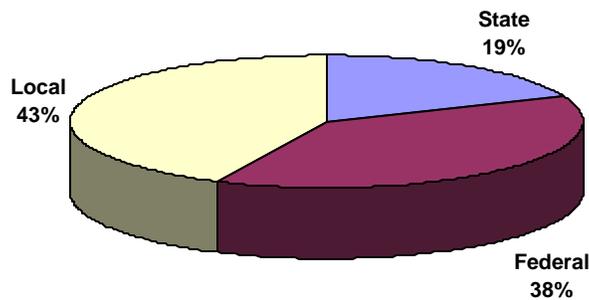
costs related to running Medicaid-related programs (as compared to costs associated with direct health care services) are generally reimbursed at 50%.

For services provided at developmental centers, state dollars are used to match federal dollars at the FMAP rate. For community services, both state and local funds are used as match.

### **Sources of Total MR/DD Expenditures**

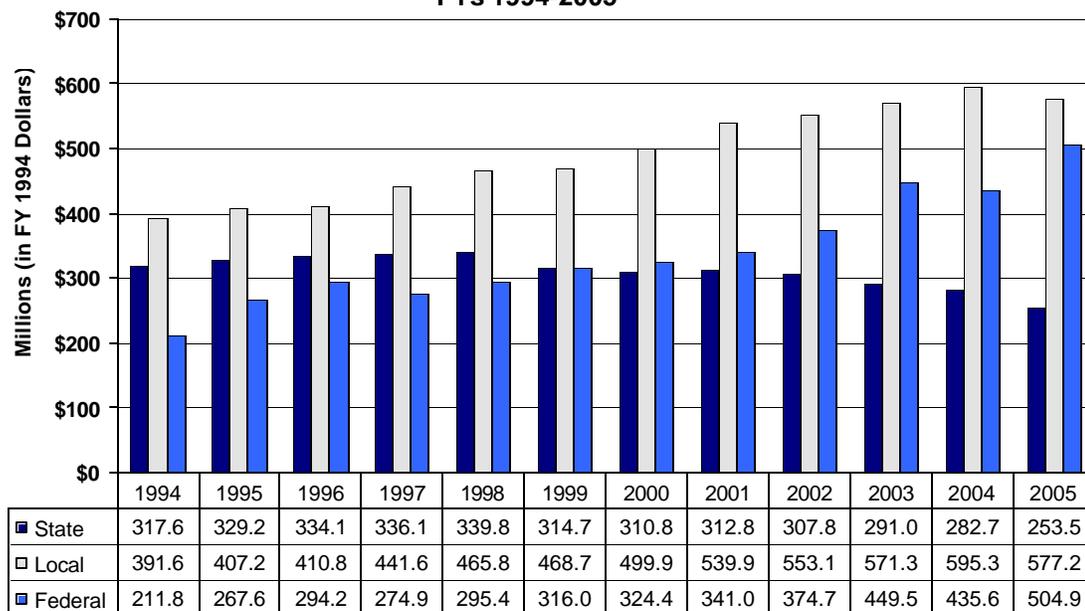
Chart 1 below shows the sources of total expenditures for mr/dd services. According to the Department, in FY 2005 approximately \$1.9 billion was spent on mr/dd services in Ohio. Local sources made up the largest source of expenditures, approximately 43% of total mr/dd spending (\$821.6 million). The next largest funding source was federal funds, which accounted for approximately 38% of total mr/dd expenditures (\$718.8 million). State funds made up the smallest portion of total mr/dd expenditures. The state spent approximately \$360.9 million on mr/dd services in FY 2005, approximately 19% of total mr/dd expenditures.

**Chart 1**  
**Sources of Total MR/DD Expenditures**  
**FY 2005**



Since FY 1994, total funding for mr/dd services has increased approximately 41.1% (\$921.1 million to \$1.3 billion) when adjusted for inflation.<sup>1</sup> Chart 2 below shows mr/dd expenditures from each funding source between FY 1994 and FY 2005. These figures have been adjusted for inflation and are displayed in FY 1994 dollars (real).

**Chart 2**  
**Sources of Total MR/DD Expenditures**  
**FYs 1994-2005**



Since FY 1994, real expenditures of local and federal funds have increased, while real expenditures of state funds have decreased. Local sources of funding were the primary source of mr/dd expenditures over this time period, annually accounting for approximately 43% of total mr/dd expenditures. Furthermore, the proportion of total mr/dd spending that is local funds has stayed relatively unchanged, despite an approximately 47.4% increase in expenditures. For example, in FY 1994, local funds made up 42.5% of total spending. In FY 2004 local funds were 45% of total spending, and in FY 2005 they were 43.2% of total spending. This has occurred because of extensive growth in real federal expenditures and decreases in real state expenditures.

Real federal expenditures have increased 138.4% (\$211.8 million to \$504.9 million) since FY 1994. Furthermore, the percentage of total mr/dd spending that is federal funds has increased from 23% in FY 1994 to 37.8% in FY 2005. This increase is largely attributable to Medicaid Redesign. One of the primary objectives of Medicaid Redesign is to increase the number of individuals served by Medicaid waivers by leveraging the financial resources of local county boards of mr/dd. This process, known as "refinancing," has allowed counties to use current local resources as waiver match for individuals currently receiving services fully funded by local dollars. The significant increase in federal dollars shows that refinancing has been very successful at maximizing the use of state and local dollars.

<sup>1</sup> The JPG chained price index for government purchases of goods and services, which is generated by the U.S. Bureau of Economic Analysis, was used to adjust for inflation. The numbers presented in the chart and in parentheses are the real expenditures expressed in FY 1994 dollars.

The closure of the Community Alternative Funding System (CAFS) will likely decrease the amount of federal reimbursement received by some county boards of mr/dd and local school districts. However, most of the services funded by CAFS have been replaced by other funding mechanisms. The Department does not expect the federal percentage of total expenditures to change significantly.

The final source of total spending is state funds. As Chart 2 above shows, real state expenditures have decreased 20.2% between FY 1994 and FY 2005 (\$317.6 million to \$253.5 million). In FY 1994, state funds made up approximately 34.5% of total spending. However, this percentage decreased to approximately 19% in FY 2005. Reasons for the reduction in real state expenditures include smaller debt service obligations and decreases in developmental center expenditures.

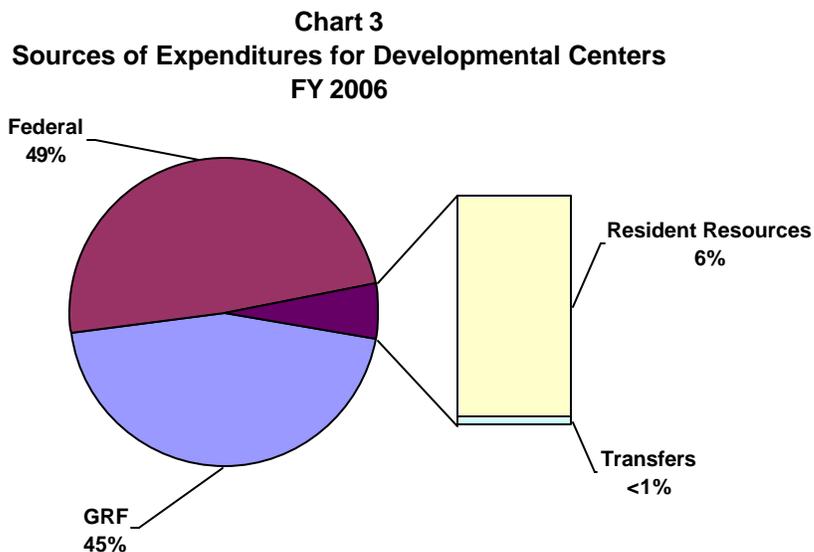
Please see *Sources of ODMR/DD Budget - FYs 1994-2006* in the Budget Trend Analysis section for a more detailed fund group analysis of state and federal MR/DD spending.

### Residential Services (Developmental Centers)

State-operated institutions, known as developmental centers, are funded primarily by state General Revenue Fund (GRF) dollars and federal Medicaid reimbursement. Resident resources account for a small percentage of developmental center funding. According to the Department, approximately 78% of developmental center residents receive Social Security payments, which average \$685.20 per month. The remaining 22% are eligible for Supplemental Security Income, or other benefits, which do not provide a monthly payment to institutionalized beneficiaries.

In FY 2006, the Department spent approximately \$217.6 million on developmental centers. As Chart 3 below shows, GRF dollars constituted approximately 45% of developmental center expenditures in FY 2006. The Department spent approximately \$107.3 million in federal funds on developmental centers, approximately 49% of total expenditures. Resident resources accounted for approximately 6% (\$12.0 million) of developmental center spending.

For more information, see *Developmental Centers* in the *Budget Issues* section below.



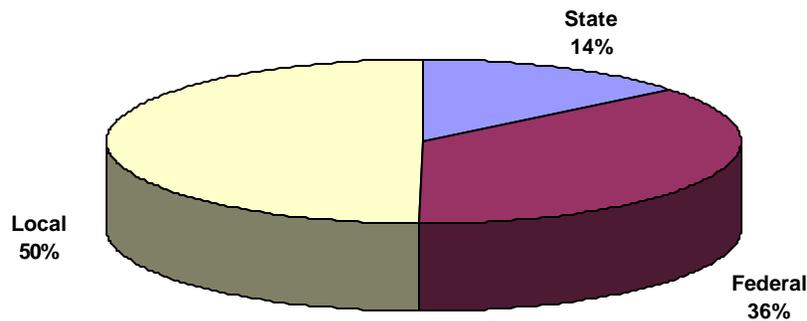
## Community Services

The ODMR/DD is responsible for providing the regulatory oversight of Ohio's 88 county boards of mr/dd.

County boards are responsible for providing the nonfederal share of home and community-based Medicaid waiver costs. County boards are also responsible for recommending the approval or denial of waiver services, approving and developing individual service plans, providing assistance in finding qualified providers, contracting with providers, monitoring quality assurance, and protecting the health and safety of their clients.

County boards rely on state subsidy and local levy dollars to fund the required services and supports. These funds are subsequently combined to match federal dollars at the FMAP rate (approximately 60% reimbursement). Chart 4 below shows the sources of funding for community services in FY 2005. In FY 2005, local funds accounted for approximately 50% of community services spending, totaling \$821.6 million. Federal funds represented approximately 36% of community services spending (\$600.0 million), while state funds constituted approximately 14% (\$233.9 million).

**Chart 4**  
**Sources of Expenditures for Community Services**  
**FY 2005**

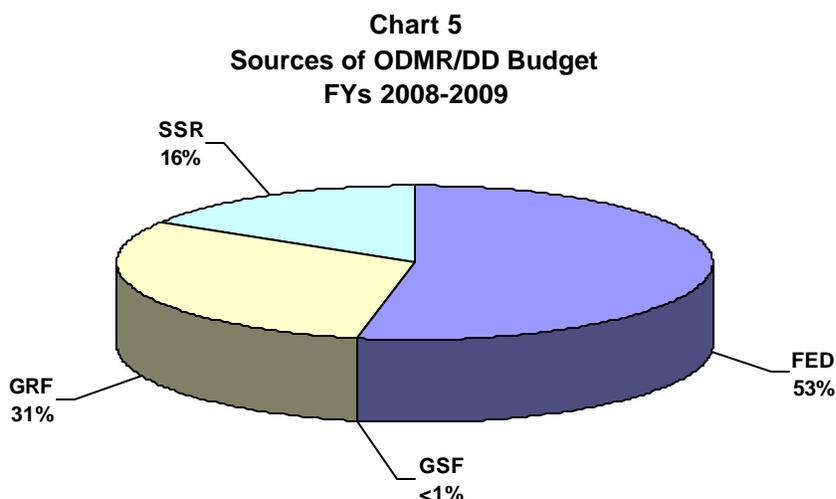


## Executive Recommendations

In FY 2008, the executive recommends a total budget of \$1.17 billion for ODMR/DD, a 4.6% decrease from FY 2007 estimates. In FY 2009, this figure increases to \$1.3 billion, a 6.7% increase from FY 2008 recommendations.

### Sources of Recommended ODMR/DD Budget – FYs 2008-2009

Chart 5 below illustrates the various funding sources of the Department's recommended biennial budget.



For FY 2008, GRF appropriations total \$369.7 million, an increase of 4.2% over FY 2007 estimates. For FY 2009, GRF appropriations increase by 5.3% to \$389.3 million. In total, GRF funds make up approximately 31% of the Department's recommended budget. For the most part, excluding extra funds received as part of the *Martin* Settlement, the executive recommendations provide for level GRF funding.

For FY 2008, Federal Special Revenue (FED) appropriations total \$610.8 million, a 10.7% decrease from FY 2007 estimates. For FY 2009, federal appropriations total \$658.1 million, an increase of 7.7%. In total, federal funds represent approximately 53% of the Department's recommended budget.

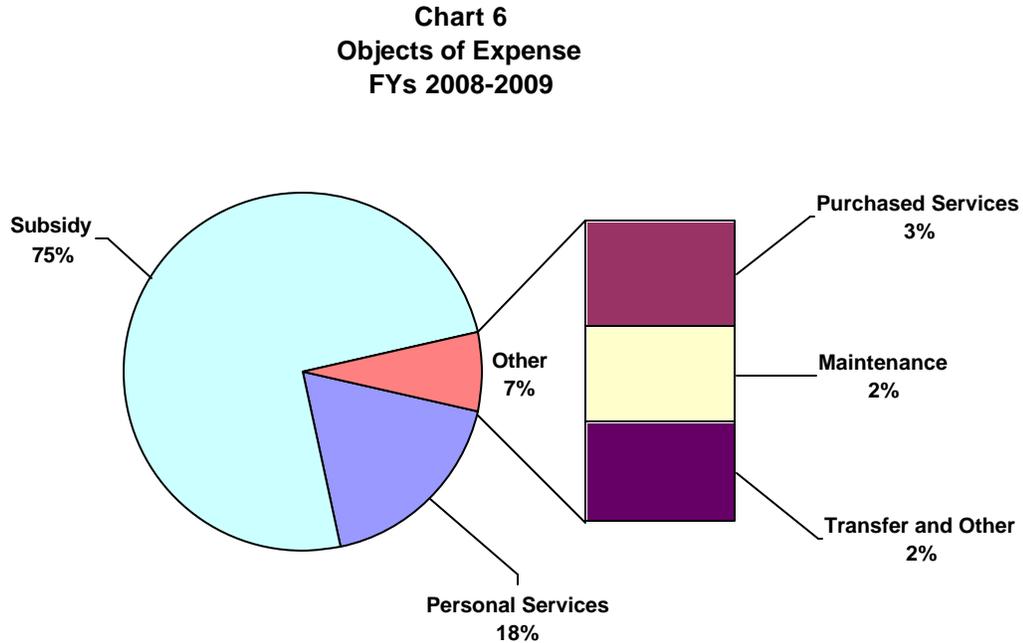
For FY 2008, State Special Revenue (SSR) appropriations total \$192.4 million, an increase of approximately 1% from FY 2007 estimates. For FY 2009, SSR appropriations total \$204.3 million, an increase of approximately 6.2% from FY 2008 recommendations. In total, SSR appropriations represent approximately 16% of the Department's recommended budget.

For FY 2008, General Services Fund (GSF) appropriations total \$1.0 million, a decrease of approximately 19.7% from FY 2007 estimates. For FY 2009, GSF appropriations are flat funded. In total, GSF appropriations represent less than 1% of the Department's recommended budget.

See the *Analysis of Executive Proposal* section for a programmatic analysis of the executive proposal.

## Recommended Objects of Expense – FYs 2008-2009

Chart 6 below illustrates the designated objects of expense for the Department's recommended biennial budget.

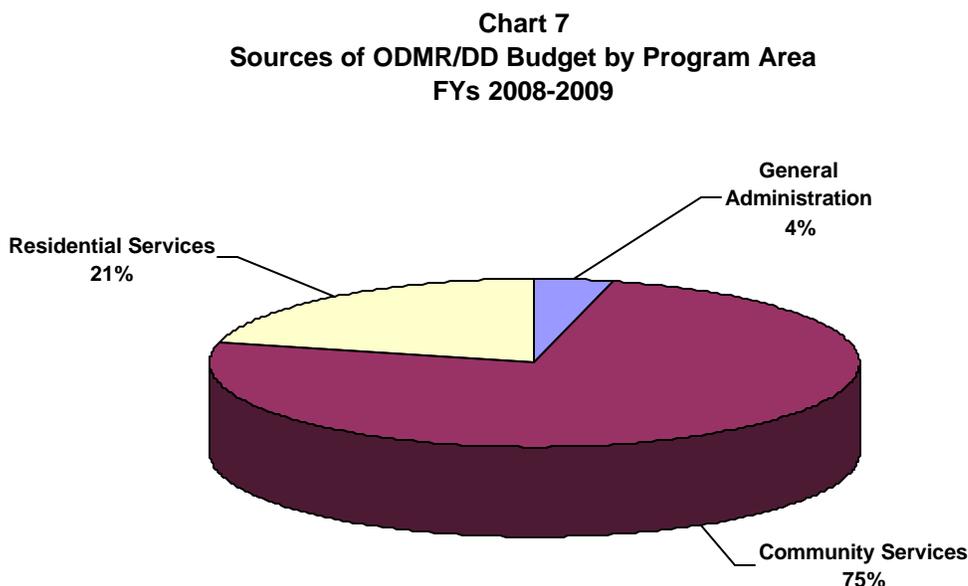


Approximately 75% of the Department's budget recommendation is for subsidies to local service providers and county boards of mr/dd. Recommended subsidy levels in FY 2008 total \$870.1 million, an increase of 3.6% over FY 2007 estimates. In FY 2009, recommended subsidy levels total \$939.7 million, an increase of 8% from FY 2008 recommendations.

Personal services accounts for approximately 18% of the Department's recommended budget. In FY 2008, \$211.7 million will be spent in this area, an increase of 11.4% from FY 2007 estimates. This increases by 5.3% in FY 2009 to \$223.0 million.

## Total Recommended Budget by Program Area – FYs 2008-2009

The Department has three main program areas, as designated by the Office of Budget and Management: Community Services (COM), Residential Services (RES), and General Administration (GEN). Chart 7 below shows the Department's recommended biennial budget by these three program areas.



## Budget Trend Analysis

### Sources of ODMR/DD Budget – FYs 1994-2006

Between FYs 1994-2006, the Department's budget has increased approximately 52.8% (\$515.6 million to \$787.6 million) when adjusted for inflation (real).<sup>2</sup> Chart 8 below shows the sources of the Department's budget since FY 1994. These figures have been adjusted for inflation and are shown in FY 1994 dollars (real).

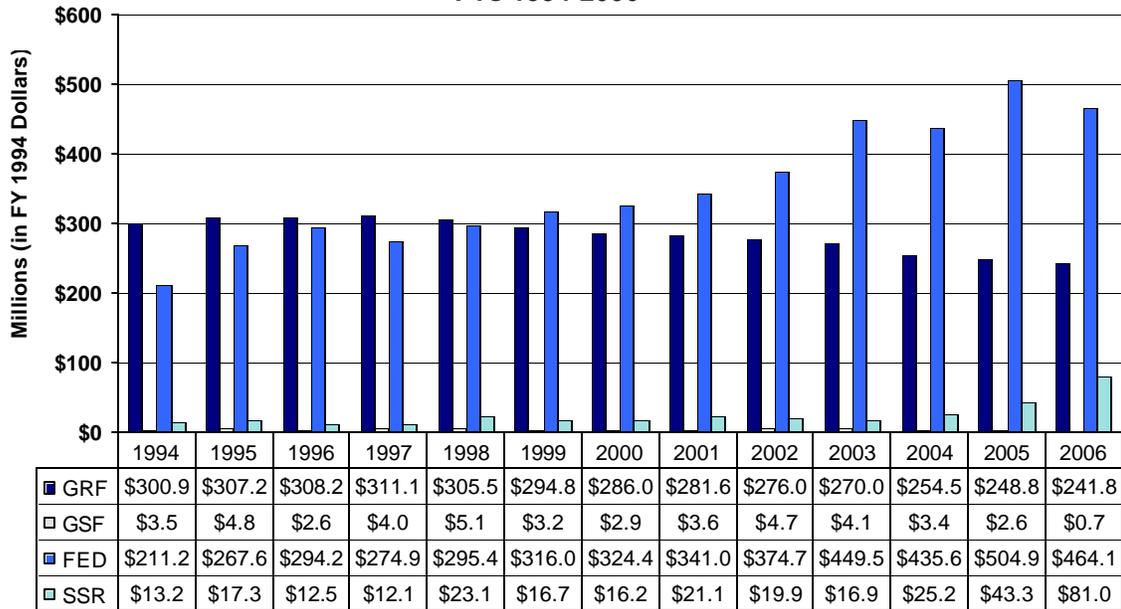
Since FY 1994, real expenditures of federal funds have increased, while real expenditures of state funds have decreased. Real federal expenditures have increased 118.4% (\$211.2 million to \$464.1 million). Real state expenditures have also increased, although only slightly 1.9% (\$317.6 million to \$323.5 million). The increase in real federal expenditures is particularly interesting when compared with the 19.6% decrease in real GRF expenditures. Since most state funds are used for Medicaid-eligible expenses, the state receives federal Medicaid reimbursement for these expenditures. Thus, one might expect real federal expenditures to decrease proportionally to real state expenditures. However, since FY 1994, federal expenditures have increased significantly, while state expenditures have decreased. The

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<sup>2</sup> The JPG chained price index for government purchases of goods and services, which is generated by the U.S. Bureau of Economic Analysis, was used to adjust for inflation. The numbers presented are the real expenditures expressed in FY 1994 dollars.

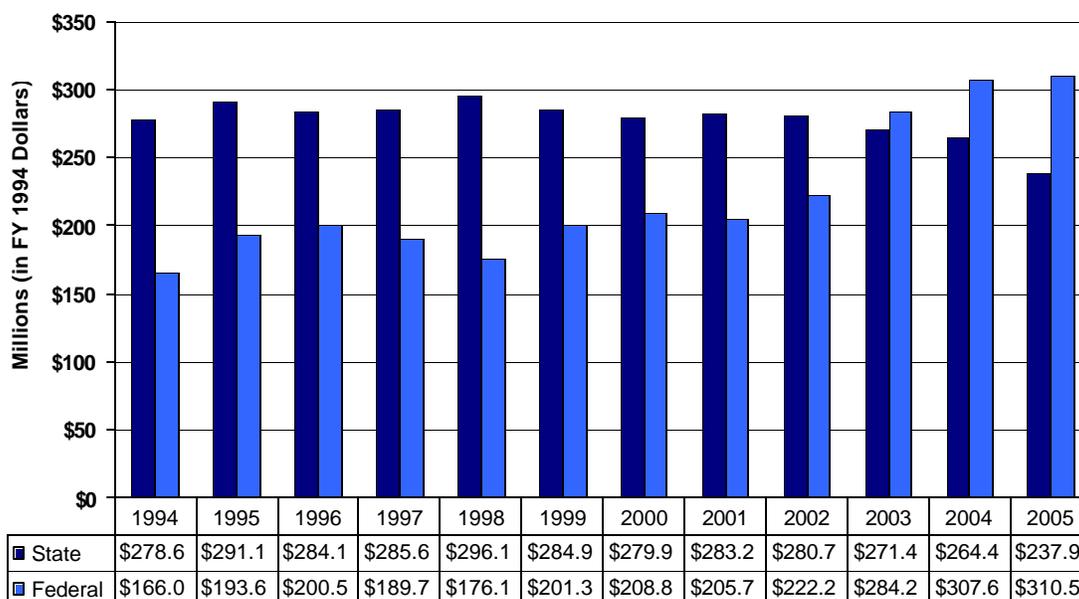
sharp decrease in GSF funds is also notable. Between FY 1994 and FY 2006, GSF funding has decreased 80.0% (\$3.5 million to \$0.7 million).

**Chart 8**  
**Sources of ODMR/DD Budget**  
**FYs 1994-2006**



Furthermore, if real state and federal expenditures are adjusted to account for decreases in debt service payments and increases in the CAFS program, a different picture emerges. Chart 9 below shows real state expenditures without debt service payments and real federal expenditures without CAFS expenditures since FY 1994.<sup>3</sup>

**Chart 9  
Sources of ODMR/DD Budget  
FYs 1994-2005**



Since FY 1994, real state expenditures decreased 14.6% when excluding debt service payments (\$278.6 million to \$237.9 million). The Department makes debt service payments on bonds issued for long-term capital projects. The funds are disbursed through GRF line item 320-415, Lease-Rental Payments. Real state expenditures in this line item have decreased 57.6% since FY 1994 (\$38.9 million to \$16.5 million).

Real federal expenditures increased 87% from FY 1994 to FY 2005 (from \$166.0 million to \$310.5 million) after excluding CAFS expenditures. Under the CAFS program, county boards and participating school districts paid the nonfederal matching funds required to draw down Medicaid reimbursement. Traditionally, ODMR/DD did not fund the CAFS program.<sup>4</sup> The Department's primary fiscal role was to distribute the earned federal reimbursement to the appropriate local entity. However, the distribution of federal reimbursement was reflected in the Department's budget. The Department distributed CAFS reimbursement through federal line item 322-650, CAFS Medicaid. The CAFS program was closed as of June 30, 2005. The final claims are now being reconciled. The Department requested, and the executive recommended, \$4,123,713 in 2008 and \$0 in 2009.

<sup>3</sup> Chart 9 shows real state expenditures without GRF line item 320-415, Lease-Rental Payments, and real federal expenditures without federal line item 322-650, CAFS Medicaid.

<sup>4</sup> However, the Department did pay the match for private providers, which grew significantly since FY 1999. In FY 2004, the Department paid \$5.1 million in match.

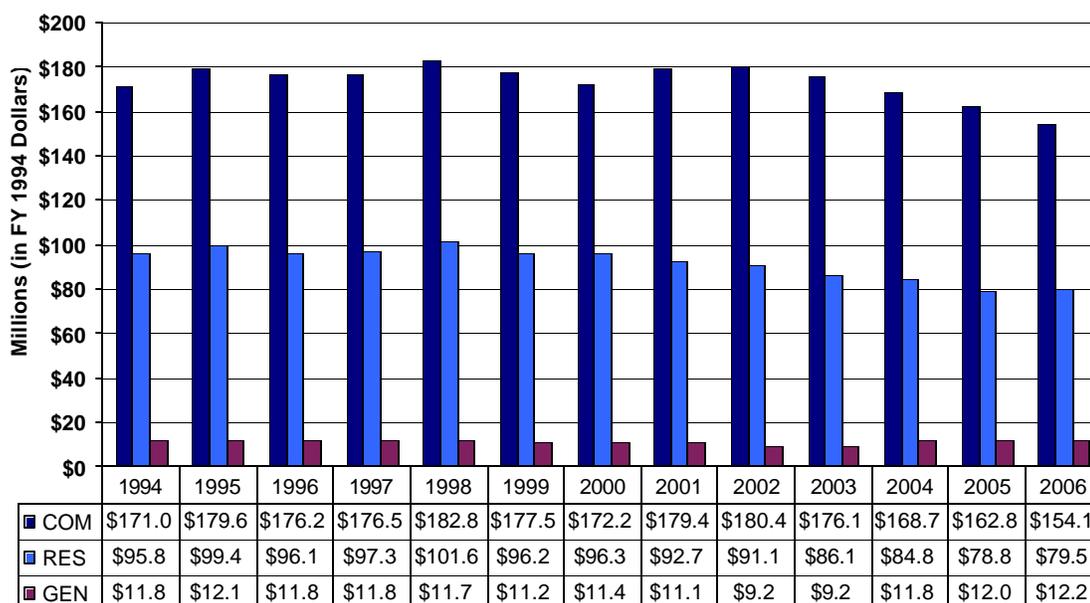
In summary, after excluding debt service from real state expenditures and CAFS from real federal expenditures, real state expenditures decreased 14.6% (\$278.6 million to \$237.9 million), while real federal expenditures increased 87% (\$166.0 million to \$310.5 million). The increase in real federal expenditures, despite relatively flat state expenditures, can be attributed to increases in the utilization of Medicaid waivers and "refinancing." Refinancing refers to the process of moving individuals from state and local funding sources to Medicaid waivers, which receive federal Medicaid reimbursement. The ultimate goal of refinancing is to maximize federal Medicaid reimbursement for eligible individuals using existing state and local resources. Refinancing is a key tenet of Medicaid Redesign, which the Department initiated in FY 2001.

For more information, see *Community Services* in the following section and *Medicaid Redesign* in the *Budget Issues* section.

### Total Budget by Program Area – FYs 1994-2006

Chart 10 below shows real state expenditures for each program area since FY 1994.<sup>5</sup> These numbers have been adjusted for inflation and are expressed in FY 1994 dollars (real).

**Chart 10**  
**Real State Expenditures by Program Area**  
**FYs 1994-2006**



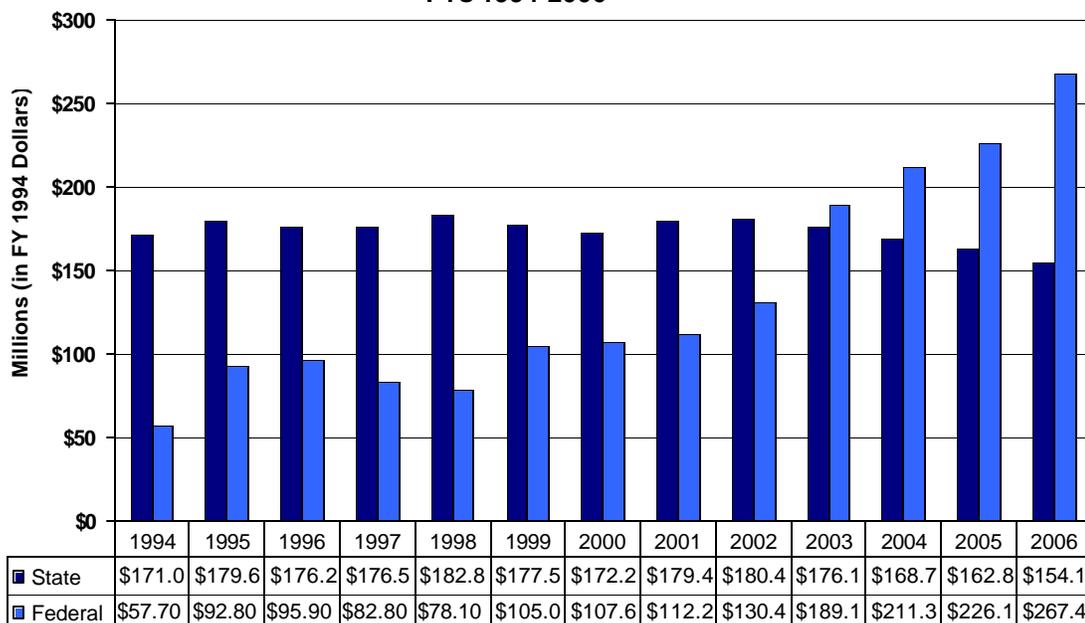
Since FY 1994, two program areas have seen reduced real state expenditures. Between FY 2004 and FY 2006, real state expenditures for community services (COM) have decreased 9.9% (\$171.0 million to \$154.1 million). Real state expenditures on residential services decreased 17% in this time period (\$95.8 million to \$79.5 million).

<sup>5</sup> The JPG chained price index for government purchases of goods and services, which is generated by the U.S. Bureau of Economic Analysis, was used to adjust for inflation. The numbers presented are the real expenditures expressed in FY 1994 dollars.

## Community Services

Just as real state expenditures (in total) have decreased since FY 1994, real state expenditures on community services have decreased as well. Chart 11 below shows real community services spending since FY 1994. These numbers have been adjusted for inflation and are expressed in FY 1994 dollars (real).

**Chart 11**  
**Real Community Services Expenditures**  
**FYs 1994-2006**



Since FY 1994, real state expenditures on community services have decreased approximately 9.9% (\$171 million to \$154.1 million). However, real federal expenditures<sup>6</sup> on community services increased significantly. Between FYs 2004 and 2006, real federal expenditures increased 363.4% (\$57.7 million to \$267.4 million). Beginning in FY 2001, the Department substantially increased the utilization and quantity of Medicaid waivers as part of Medicaid Redesign. As discussed above, one aspect of the redesign redirects eligible individuals from services paid entirely by state and local resources to Medicaid waivers. By "refinancing" these individuals, existing state and local resources generate approximately 60% in additional federal revenue.

Since FY 2001, when Medicaid Redesign began, the total number of individuals on Medicaid waivers has increased 98.3% (5,527 to 15,541 in FY 2005). During this time, real federal expenditures increased 138.3% (\$112.2 million to \$267.4 million), approximately 17.4% annually. Conversely, real state expenditures actually decreased 14.1% (\$179.4 million to \$154.1 million) during this time period. This illustrates the significant impact of local refinancing. As existing local resources are reallocated, more revenue is generated in the mr/dd system. For more information, see *Medicaid Redesign* in the *Budget Issues* section.

<sup>6</sup> Does not include CAFS expenditures.

## Waivers

ODMR/DD administers two home and community-based Medicaid waivers: the Individual Options and the Level 1. The primary outcome of this program is to provide home and community-based services and support to individuals with mental retardation or other developmental disabilities that: (1) are cost effective, (2) allow individuals to live in community-based settings, (3) increase an individual's skills, competencies, and self-reliance, (4) ensure an individual's health and safety, and (5) maximize an individual's overall quality of life to the greatest extent possible. Individuals on Medicaid waivers, in the aggregate, are not allowed to exceed the average cost of care in an intermediate care facility for the mentally retarded (ICF/MR).

### Individual Options (IO) Waiver

The Department has seen a significant increase in the number of slots in the Individual Options (IO) waiver.<sup>7</sup> To receive IO waiver services, an individual must be eligible for Medicaid and have an ICF/MR Level of Care approved by the Department of Job and Family Services (ODJFS). Authorized IO waiver services include the following: homemaker/personal care, transportation, nutrition, social work, home-delivered meals, respite, day habilitation, supported employment, and specialized medical, adaptive, assistive equipment, and supplies.

In FY 1992, 469 individuals were enrolled on an IO waiver. Between FYs 1993-1996, the number enrolled on IO waivers grew to 2,512. In FY 1997, the 276 slots available for the Omnibus Budget Reconciliation Act (OBRA) waiver, a federally mandated waiver designed to prevent individuals with mr/dd from inappropriate placement in nursing homes, was folded into the IO waiver. This allowed the IO waiver to serve approximately 2,790 individuals. Expansions of the IO waiver in FY 2001 (500 slots), FY 2002 (500 slots), and FY 2003 (4,000 slots) further increased enrollment. In FY 2004, approximately 7,650 individuals were enrolled on an IO waiver. As of October 2006, the IO waiver was serving approximately 11,700 people.

### Level 1 (L1) Waiver

The Department implemented another Medicaid waiver, the Level 1 waiver, in FY 2003. The Level 1 waiver is designed for individuals who live in their home and need a lower level of support. Authorized L1 waiver services include homemaker/personal care, transportation, supported employment, and specialized medical, adaptive, assistive equipment, and supplies. The Level 1 waiver has a \$5,000 annual cost cap for homemaker/personal care, institutional respite, informal respite, and transportation. The Level 1 waiver has a \$6,000 cost cap for personal emergency response systems, specialized medical equipment and supplies, and environmental modifications. The Level 1 waiver has an \$8,000 cost cap for emergency assistance.

This waiver served 181 individuals in FY 2003 and 342 in FY 2004. As of October 2006, the L1 waiver was serving approximately 4,000 individuals.

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<sup>7</sup> The federal government restricts the number of Medicaid waiver slots. The state must get federal approval for any expansion in slots.

### **Independence Plus Waiver**

The Department is continuing to work with individuals, families, county boards, and other interested parties to develop an Independence Plus waiver option for approximately 200 individuals receiving services in Ohio's mr/dd system. Independence Plus is a self-directed home and community-based waiver that will enable individuals to have more direct input regarding the service and budget planning for their waiver-related services and supports. Planning has been under way for several years with the support of a federal Independence Plus grant and the Department is currently discussing a waiver concept with the Centers for Medicare and Medicaid Services (CMS). If approved by CMS, the nonfederal share of these waivers would be locally funded and thus no GRF resources are being requested for this waiver initiative.

### **Money Follows the Person**

The Department is also exploring the "Money Follows the Person" waiver grant with assistance from the Ohio departments of Job and Family Services, Aging, Mental Health, and Drug and Alcohol Addiction Services. This grant would allow individuals living in nursing facilities or ICFs/MR, who want to move into the community to receive a set of non-traditional services not currently available through existing waivers.

### **County Boards**

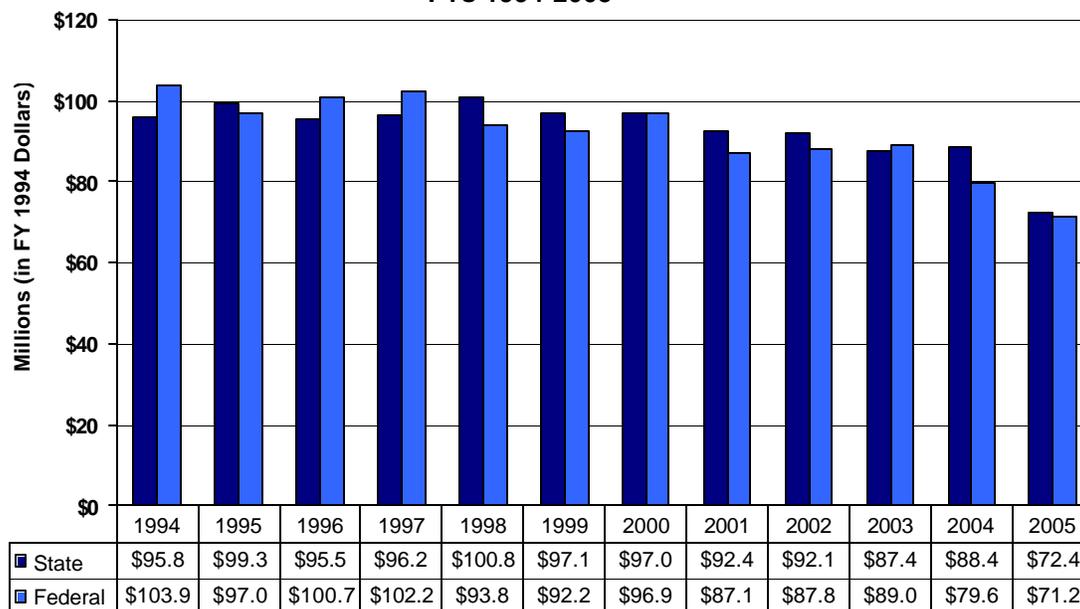
Local county boards of mr/dd continue to face increasing demand for services as the population to be served grows in terms of both numbers, and specific services needed. The number of people with mr/dd served in the system increased from 50,912 in FY 1997 to 74,452 in FY 2006, a 46.2% increase.

Furthermore, according to the Department, as the primary caregivers (parents and family) of individuals with mr/dd grow older, the need for mr/dd services provided by the county boards, will increase even more. According to Ohio Department of Development research, the percentage of Ohioans age 65 or older will increase 13% to 20% by 2030. As the "baby-boomer" generation grows older, greater demands will likely be put on county boards of mr/dd to provide additional services to individuals that are primarily supported by their families.

## Residential Services (Developmental Centers)

As discussed above, reductions in real expenditures on developmental centers are the driving force behind the decrease in total state expenditures. Chart 12 below shows real developmental center spending since FY 1994. These numbers are adjusted for inflation and expressed in FY 1994 dollars (real).

**Chart 12**  
**Real Developmental Center Expenditures**  
**FYs 1994-2005**



As Chart 12 above shows, real state expenditures on developmental centers decreased 24.4% (\$95.8 million to \$72.4 million) since FY 1994. Similarly, real federal expenditures decreased 31.5% (\$103.9 million to \$71.2 million). During this time, the number of individuals in developmental centers also decreased 17.8% (2,024 to 1,663). Thus, one would expect a somewhat proportional reduction in total operating expenditures as the developmental center population decreases.

On average, federal expenditures make up approximately 51% of developmental center funding. However, this percentage fluctuates slightly because some developmental center costs are not reimbursable under Medicaid. For example, courts sometimes probate individuals into a developmental center even when that individual is not Medicaid eligible. Thus, the state is responsible for 100% of that individual's costs. The Department estimates that approximately 1% of total developmental center costs are nonreimbursable. This number fluctuates annually depending on individual circumstances.

Resident resources, which are reflected in the real state expenditure, annually average approximately 4% of developmental center expenditures. State dollars make up the remainder of developmental center funding, approximately 45%.

## General Administration

Since FY 1994, ODMR/DD's administration expenses have increased. Between FYs 1994 and 2006, there has been an 8.6% increase in real general administration expenditures (\$16.3 million to \$17.7 million). Chart 13 below shows real general administration<sup>8</sup> spending since FY 1994. These numbers have been adjusted for inflation and are expressed in FY 1994 dollars (real).

**Chart 13**  
**Real General Administration Expenditures**  
**FYs 1994-2006**



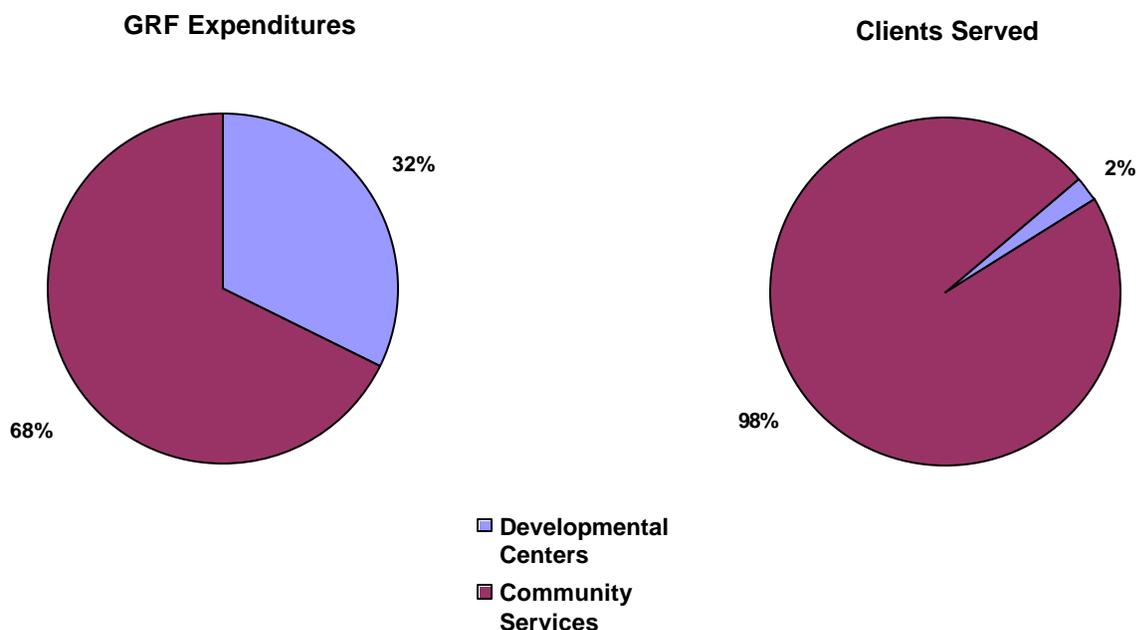
Real state general administration expenditures have increased 3.4% (\$11.8 million to \$12.2 million) since FY 1994. Comparatively, real federal general administration expenditures increased 22.2% (\$4.5 million to \$5.5 million) during this time period. In some years, federal funds from 3G6, Medicaid Waiver – Federal, and 3M7, CAFS Medicaid, were used for administrative expenses. This may account for the variations in expenditures in this program area.

<sup>8</sup> Does not include debt service payments.

## GRF Expenditures and Clients Served

Chart 14 below shows expenditures for community services and developmental centers as the percentage of total GRF expenditures and as a percentage of the total mr/dd population served for FY 2006.

**Chart 14**  
**GRF Expenditures and Clients Served**  
**FY 2006**



In FY 2006, developmental center expenditures accounted for approximately 32% (\$104.6 million) of GRF spending, but approximately 2% of the population served. In comparison, community services accounted for 68% (\$219.7 million) of GRF expenditures, but approximately 98% of individuals served. Furthermore, the number of individuals served in each setting has changed dramatically over time. The number of individuals served by county boards has increased 71.7% since FY 1994 (43,090 to 74,000). Comparatively, the number residing in developmental centers has decreased 12.3% (2,204 to 1,775) during the same time period.

## Developmental Centers

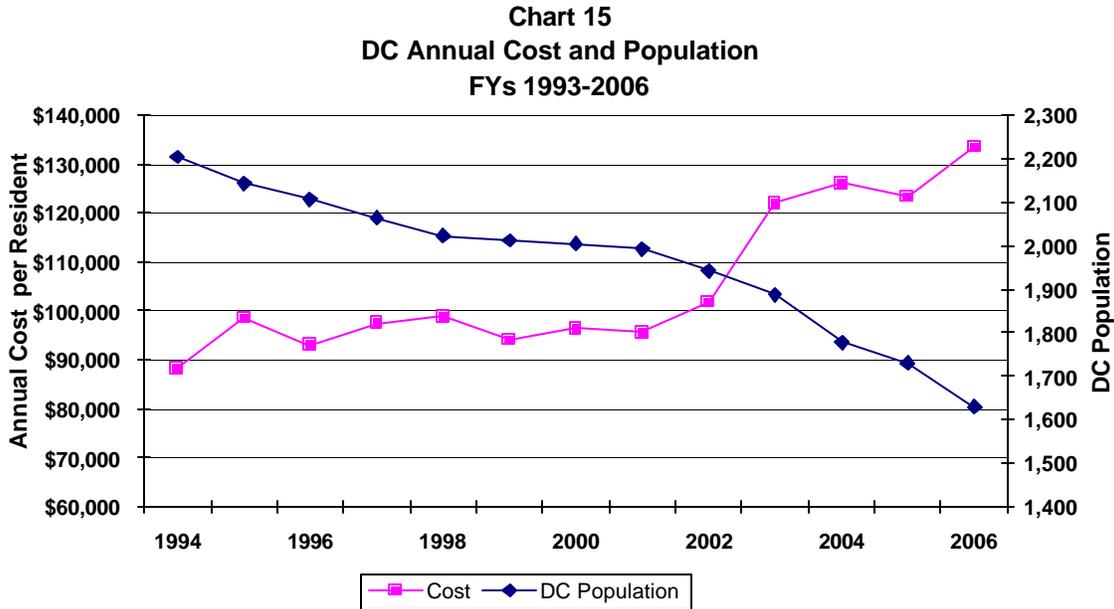
### Background

Ohio currently operates ten state developmental centers, which are located regionally throughout Ohio and are accessible to all 88 counties. The developmental centers serve approximately 1,600 individuals with mr/dd. Individuals served in the developmental centers require comprehensive program, medical, and residential services including skills development, behavior support, and therapy. Each developmental center is Medicaid-certified as an ICF/MR, which signifies compliance with federal standards.

In the last 25 years, Ohio has closed five developmental centers: Orient in 1984, Cleveland in 1988, Broadview in 1992, Springview in 2005, and Apple Creek in 2006.

## Developmental Center Costs

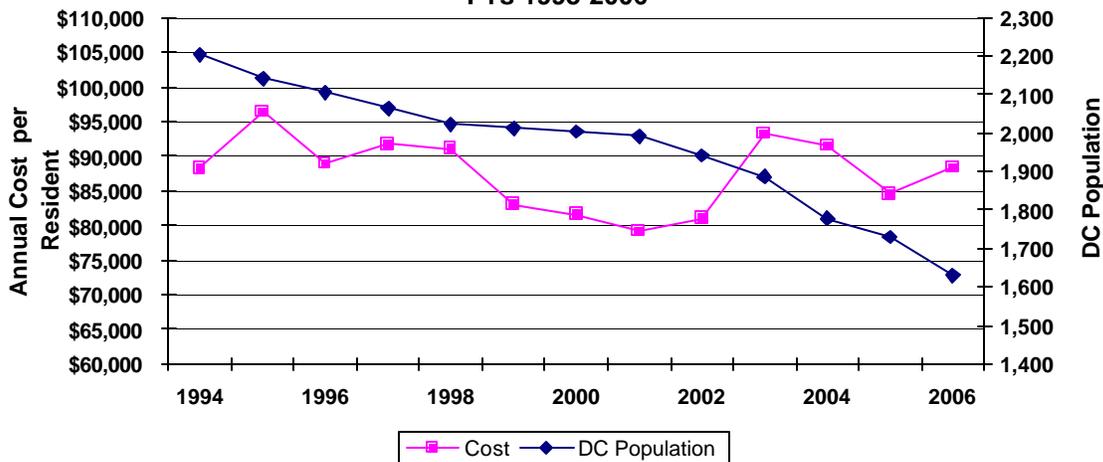
Chart 15 below shows the average annual cost of state institutional care in Ohio and the number of residents in developmental centers.



Since FY 1994, the average annual cost per resident increased 51.2% (\$88,330 to \$133,876), while the number of residents decreased 26.0% (2,204 to 1,630). Chart 15 above shows that per resident costs are increasing as the number of residents is decreasing. However, when the average annual cost per resident is adjusted for inflation<sup>9</sup> to account for increases in personnel costs, a different pattern emerges. Chart 16 below shows the inflation-adjusted (real) annual cost per resident and the number of residents from FYs 1994 to 2006.

<sup>9</sup> To adjust for inflation, the JPGSLCWSS Chained price index for state and local personnel costs, which is generated by the U.S. Bureau of Economic Analysis, was used. This index was used because personnel expenditures account for the majority of developmental center costs (approximately 85%).

Chart 16  
DC Annual Cost (Real) and Population  
FYs 1993-2006



In FY 2001, the developmental centers conducted a reassessment that reduced payroll costs by approximately \$11.7 million. As the population in the centers declines, staffing needs are continually reevaluated. In addition, the developmental centers have begun to share staff to reduce payroll costs. Since FY 1994, the real cost per resident in state institutions decreased 0.1% (\$88,330 to \$88,378) when adjusted for inflation. In comparison, the number of residents decreased 26.0% (2,204 to 1,630) during this time period.

However, even after adjusting for inflation, the percent decrease in population still outpaced the percent decrease in cost per resident. There are a couple of possible explanations for this trend. First, institutions have a fixed level of maintenance costs that are unlikely to be significantly affected by the number of residents in the institution. Moving small numbers of individuals from a developmental center may not result in significant cost reductions until staffing can be reduced and/or residential buildings/wings can be closed. Furthermore, as buildings age, more money is needed for repairs and renovations. These costs are largely independent of the number of residents in the developmental center.

Second, wages in state-operated institutions are generally higher than nonstate institutions. A study completed in 2003<sup>10</sup> reported that the average wages for direct service providers in state-operated institutions was \$11.67 per hour. Nationally, the average reported wage for all direct service providers working for nonstate residential service agencies was \$8.68 per hour.

Another explanation of this trend, however, is that recent data reveals that the developmental center population is becoming more involved behaviorally, have mental health diagnoses, and are higher functioning (prone to more dangerous behaviors to community). Thus, although the population is decreasing, the individuals now being served by these facilities are in need of increased observation, behavior management, and intensive staff training.

<sup>10</sup> Polister, B., Lakin, K.C., and Prouty, R. (2003). Wages of Direct Support Professionals Serving Persons with Intellectual and Developmental Disabilities: A Survey of State Agencies and Private Residential Provider Trade Associations. *Policy Research Brief* (University of Minnesota: Minneapolis, Institute on Community Integration).

For example, in Ohio, in the five-year period of 1995-2000, there were 383 admissions to developmental centers: 75% were between 22-50 years of age, 59% were moderate-mildly retarded, and 72% were dually diagnosed and had formal behavior problems. In the next five-year period, 2001-2005, there were 501 admissions to developmental centers: 71% were between 22-50 and 14% were 21 years old or younger, 70% were moderate-mildly retarded, and 81% were dually diagnosed and had behavior problems. Finally, of the current population in the developmental centers, many of whom are long-term residents, 56% are between the ages of 22-50, 74% are severe-profoundly retarded, 68% have behavior problems, and 72% are dually diagnosed. Thus, as residents of developmental centers move into community settings, the individuals remaining may be the ones with the most intensive service needs and, thus, higher costs.

## **Closings**

On February 5, 2003, the Department announced the closure of Springview and Apple Creek developmental centers at the end of FY 2005 and 2006, respectively. At the time of the closure announcement, Springview Developmental Center served 86 people and had 170 staff, while Apple Creek Developmental Center had 181 residents and 381 staff.

Revised Code section 5123.032 (as enacted by S.B. 178 of the 125th General Assembly) requires the Legislative Service Commission to conduct an independent study of the developmental centers of the Department and the Department's operation of the centers when the Governor announces the closing of a developmental center. The report that was issued for the Springview and Apple Creek closures can be accessed at <http://www.lsc.state.oh.us/legreports/mrdd.pdf>.

## **Status of the Closures**

The closure of two developmental centers by February 2006 resulted in 248 placements. As part of the Department's commitment to a supportive transition plan, each individual receives follow-up twice in the first 90 days after moving and annually thereafter for three years. As of May 31, 2006, 778 follow-ups have been conducted and the majority of individuals have or are adjusting to their new homes very well. For those who are experiencing difficulty, additional support, referrals, or technical assistance is provided.

The Department estimates that the closure of these two facilities saved approximately \$17.0 million over the last biennium. In 2005, Springview Developmental Center was sold to Clark County authorized by the Land Conveyance Bill, S.B. 147. The Governor signed the deed in October 2005. While the Department still owns the Apple Creek property, there is a Lease/Purchase Agreement with the Village of Apple Creek and East Union Township. The Village and the Township are maintaining the facility and no operating expenses are expected for the Department. DAS continues to coordinate efforts with the Village and Township to finalize the sale.

## **The Future of Developmental Centers**

The population at Ohio developmental centers continues to decline. With the closures during the last biennium and the available community options, enrollment has been declining at a higher rate since 2003. On January 31, 2006, the Ohio Department of Mental Retardation and Developmental Disabilities released an independent study on the future role and function of state-run developmental centers in Ohio. Incident Management Services conducted the study, titled "The Future Roles of Ohio's Developmental

Centers in the Continuum of Care."<sup>11</sup> One of IMS' key recommendations was that ODMR/DD should plan to operate fewer developmental centers in the future.

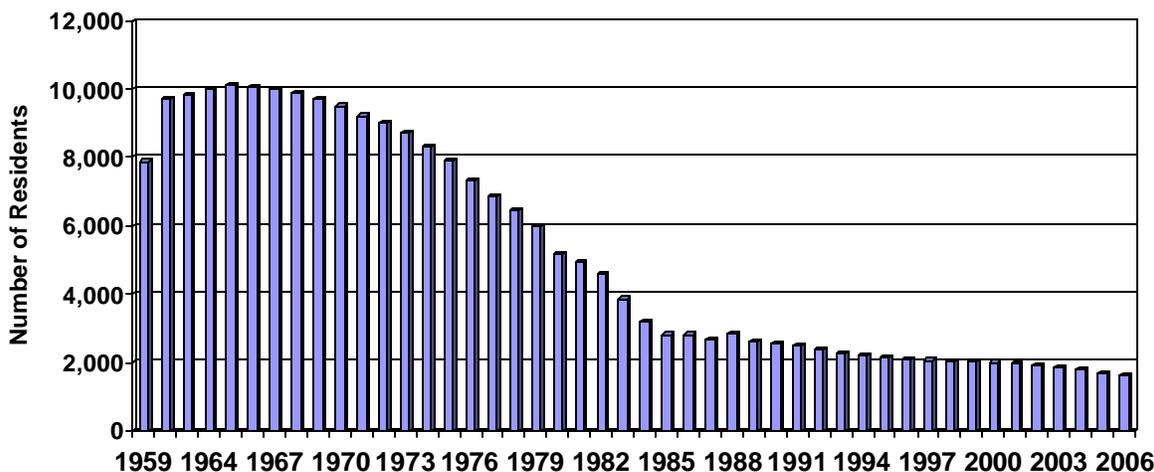
The trend of declining populations is also most likely influenced by a change in the national consciousness that advocates moving away from institutionalization and toward integration into the community, self-determination, and the availability of a wide range of community options. As a result of these trends, the role of developmental centers within Ohio's MR/DD system has changed. Developmental centers focus their efforts toward the provision of specialized services and residential care for clients with complex medical, behavioral, and other specialized needs. Program emphasis is placed on the provision of services for those who are dually diagnosed with severe behavior problems and the mentally retarded criminal offender. In addition, representatives from ODMR/DD see developmental centers in the future performing a variety of community functions beyond the current traditional residential services.

The IMS study also recommended (1) expanding regional resource support to local communities and providers, (2) developing regional task forces to explore how to collaboratively provide services to groups of special populations that are difficult to serve, and (3) continuing to develop placements for individuals who desire a noncongregate care setting. The Department has formulated a strategic plan that addresses these recommendations and others. Currently, ODMR/DD believes the future role of the centers will be determined by the demand for services.

The changing role of developmental centers can be seen by the following trends:

- (1) The decreasing number of individuals in developmental centers (Chart 17);

**Chart 17**  
**Developmental Center Population**  
**FYs 1957-2006**



<sup>11</sup> Full text of this report can be found on ODMR/DD's web site, [www.odmrdd.state.oh.us](http://www.odmrdd.state.oh.us)

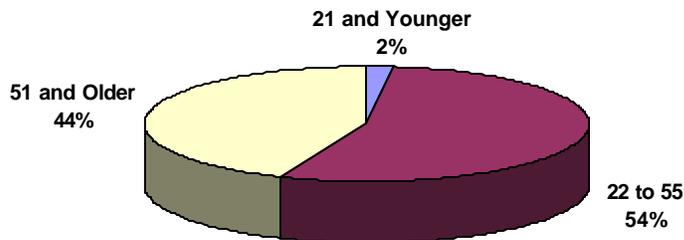
(2) The number of individuals leaving developmental centers exceeds the number entering them (Table 5);

<b>Table 5 Admissions, Discharges, and Deaths FYs 2000-2005</b>				
Fiscal Year	Admissions	Discharges	Deaths	Net change*
2000	103	84	37	(18)
2001	113	89	29	(5)
2002	97	119	38	(60)
2003	108	148	44	(84)
2004	138	183	56	(101)
2005	146	196	42	(92)

\*Admissions minus the sum of discharges and deaths.

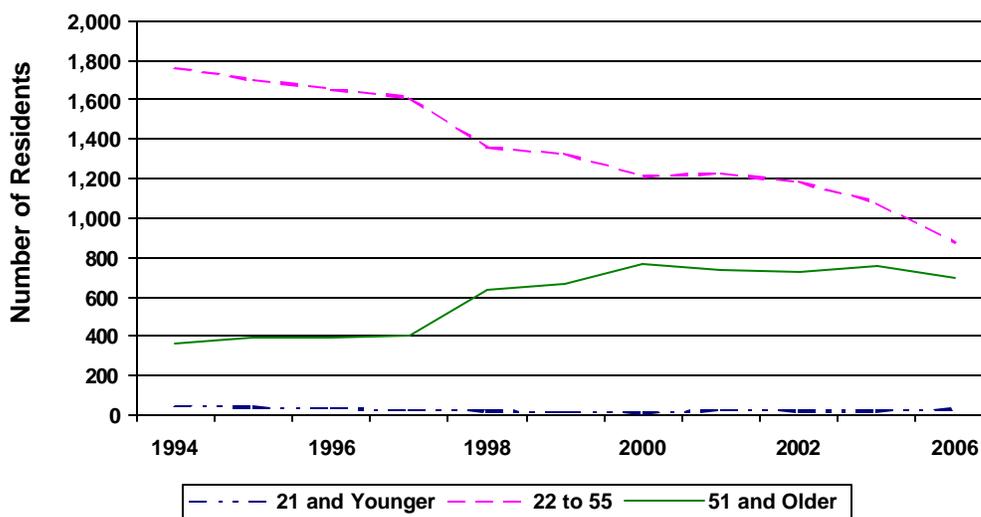
(3) The majority of developmental center residents are 22 or older (Chart 18);

**Chart 18  
Age Ranges for DC Population  
FY 2007**



(4) The percentage of individuals over the age of 55 has consistently increased over time, while the percentage of individuals between ages 22 and 55 has continually decreased (Chart 19).

**Chart 19**  
**Developmental Center Population by Age**  
**FYs 1991-2006**



Collectively, the data illustrates that the developmental center population is decreasing, getting older, and not being replaced by younger individuals.

## Implications of the End of the CAFS Program

There were three main types of CAFS providers: county boards of mental retardation and developmental disabilities, public school districts, and some private providers. All CAFS providers had to be certified by the Ohio Department of Mental Retardation and Developmental Disabilities.

Services provided through the CAFS program can be broken down into four main components: (1) active treatment for individuals in ICFs/MR, (2) skills development and supports for individuals receiving support on a Medicaid waiver, (3) professional services, and (4) transportation. The following discussion will focus on the impact of the CAFS termination on CAFS services and on public entities.

### Effect on CAFS Services

#### Active Treatment

The CAFS program provided federal reimbursement for active treatment services supplied to individuals residing in ICFs/MR. Active treatment, also called day services or skills development, refers to services that teach an individual the daily living skills necessary to live a more independent life. Some of the required training includes dressing, grooming, feeding, communication, basic home care, money management, self-medication administration, and pre-vocational training. In order to participate in the ICF/MR program, the federal government requires that individuals receive 24-hour active treatment services. As a result, these services have continued without interruption.

## **Skills Development**

The CAFS program provided federal reimbursement for skills development services for adults enrolled on Medicaid waivers. Skills development services are the same as active treatment services. The only difference is that active treatment is provided to adults residing in ICFs/MR and skills development is provided to adults receiving Medicaid waiver services. Recipients who were enrolled on Home and Community Based Service (HCBS) waivers have been able to receive the skills development and support service (now called "Day Habilitation") through certified waiver providers.

## **Professional Services**

The CAFS program provided federal reimbursement for professional services provided to Medicaid-eligible individuals. CAFS professional services include physical therapy, occupational therapy, speech therapy, audiology, psychology, nursing, nutrition, physician services, and social work/counseling. Eligibility rules prohibit providers from using CAFS to bill Medicaid for professional services rendered to individuals residing in an ICF/MR or enrolled on a Medicaid waiver. Thus, the individuals who were affected by the elimination of CAFS professional services were those that were neither residents of ICFs/MR or enrollees on Medicaid waivers.

Recipients can now access counseling/social work and occupational therapy services through a physician or outpatient hospital if medically necessary. Nursing, physical therapy, and speech/audiology services are available to recipients through a Medicaid fee-for-service clinic, home health provider, or outpatient hospital if medically necessary. Psychology services can be accessed through a Medicaid fee-for-service clinic, community mental health center, independent practicing psychologist (for individuals under age 21), and outpatient hospital if medically necessary.

## **Transportation**

The CAFS program also provided federal reimbursement for transportation costs associated with the provision of CAFS services. Transportation services have continued to be covered for individuals residing in ICFs/MR and enrolled on waivers.

## **Effect on Participating Schools**

The federal Individuals with Disabilities Education Act (IDEA) requires public schools to provide all eligible children with disabilities a free and appropriate education in the least restrictive environment. The Act requires schools to develop individualized education programs (IEP) for each child. The IEPs outline the specific education and related services needed by the individual. Schools are legally liable to provide the services included on the IEP, which may or may not be eligible for Medicaid reimbursement, at no cost to eligible students. The CAFS program allowed schools to receive federal reimbursement for the provision of required IDEA services to Medicaid-eligible children. Participating schools also receive Medicaid administrative reimbursement for duties directly supporting efforts to identify and enroll individuals into Medicaid and directly supporting the provision of medical services covered under the state Medicaid plan. The primary CAFS service provided in school settings was professional services (e.g., speech therapy, physical therapy, etc.). These services are now provided by the Department of Education.

## **Effect on County Boards of MR/DD**

County boards of mr/dd were the largest providers of CAFS services. As discussed above, federal reimbursement will be maintained for most of the former CAFS services currently provided by county boards, which include skills development and active treatment. The biggest impact to county

boards stemming from the loss of CAFS funding has been the shift from cost-based to fee-for-service reimbursement. The CAFS program was reimbursed based on actual costs, whereas the various alternative sources of funding are reimbursed based on specific fees for each service. Thus, depending on the difference between current actual costs and the fee-for-service, the county board may be receiving significantly less reimbursement under the fee-for-service reimbursement system.

### **Effect on ODMR/DD**

For the most part, county boards and local school districts funded the nonfederal share of CAFS services. However, the Department experienced significant growth in match obligations to private providers of CAFS services over previous biennia. Between FYs 1999 and 2004, ODMR/DD's match obligations grew 9,007% from \$56,000 to \$5.1 million. The termination of the CAFS program eliminated the Department's match obligations.

## **Medicaid Redesign**

### **Overview**

In July 1999, CMS audited the Residential Facilities Waiver (RFW). The audit concluded that Ohio failed to comply with the Medicaid requirements of statewide access, reasonable access, and comparability of services in their Medicaid waiver program. With the passage of Am. Sub. H.B. 94 and Am. Sub. H.B. 405, both of the 124th General Assembly (FY 2001), 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, the inequity among county board services, high direct care staff turnover, to increase consumer choice, to comply with Supreme Court decisions (*Olmstead*), and to bring Ohio's mr/dd services in compliance with Medicaid requirements.

One key tenet of these reforms, collectively known as Medicaid Redesign, is predicated on redirecting individuals to Medicaid waivers who receive services paid fully by GRF and/or local levy dollars. The Department refers to this process as "refinancing." Thus, as individuals are moved for services funded solely by state and local dollars (e.g., Supported Living, Family Support Services, etc.) to funding sources that receive federal reimbursement (waiver services), funds are freed (approximately 60% of the costs) and can be used elsewhere in the mr/dd system. The released state and local dollars, then, may be used to expand Medicaid waiver services. The Department views the refinancing reforms as a success, thus far. Between FYs 2002-2006, the number of individuals served by Medicaid waivers has increased by 194%, from 5,278 to 15,541. Additionally, the amount of local resources spent on waivers has increased by 540%, from \$16.4 million to \$104.8 million.

### **Residential Facilities Waiver**

In FY 1998, the Department received federal approval for a new Medicaid waiver for individuals living in Purchase of Service (POS) group homes. This waiver, the Residential Facilities Waiver (RFW), allowed the Department to receive federal Medicaid reimbursement for the costs associated with the operations of these group homes. As part of Medicaid Redesign, the RFW was phased out and its enrollees were transferred to one of the three aforementioned waivers. When federal approval of the RFW ended in 2005, all RFW enrollees were transferred to the IO Waiver.

## Current Status

### Refinancing

Formerly, a high percentage of state mr/dd spending was unmatched state and local money that funded Medicaid-reimbursable services. For example, in FY 2002, 32% of Ohio's total mr/dd spending was unmatched state and local funds, which ranked as the highest percentage in the U.S.<sup>12</sup>

Approximately 3,360 individuals have been "refinanced" from state and local funding sources to IO waivers. The costs of these individuals' services now generate federal Medicaid reimbursement, whereas their former funding sources did not. Additionally, 1,900 individuals now receive IO waiver services that formerly did not receive residential services. In total, approximately 5,425 individuals have been enrolled on Medicaid waivers because of the redesign.

Between FYs 2002 and 2006, the total number of individuals on Medicaid waivers has increased 194% (5,278 to 15,541). During this time, federal expenditures<sup>13</sup> increased 129.1% (\$134.2 million to \$263.3 million), when adjusted for inflation (real).<sup>14</sup> Conversely, real state expenditures actually decreased 1.5% (\$213.6 million to \$210.3 million) during this time period. This illustrates the significant impact of local refinancing. As existing local resources are reallocated, more revenue is generated in the mr/dd system. According to the Department, in FY 2004 approximately 39% of all waiver matching funds came from county boards of mr/dd from either their GRF subsidy allocations (97%) or local levy funds (3%).

The Department recently implemented the Level 1 waiver. In FY 2003, approximately 180 individuals received Level 1 services. This number increased to 342 in FY 2004. In FY 2005, the L1 waiver served 1,109, and in FY 2006 the number increased again to 3,444 individuals.

### Health and Safety Assurances

The Department has implemented many health and safety reforms to address the issues uncovered by extensive news coverage and departmental reviews. Some of these reforms include the implementation of the Major Unusual Incident (MUI) tracking system; changes to state statute pertaining to medication administration, county board accreditation, and licensure of residential facilities; implementation of the MR/DD Employee Abuser Registry; creation of the Mortality Review Committee; and implementation of the MR/DD Victims of Crime Task Force.

In 2005 there were approximately 20,000 MUI investigations. County board investigative agents conducted most of these investigations. Furthermore, ODMR/DD conducted 70 conflict investigations and reviewed all substantiated cases of abuse, neglect, misappropriation, failure to report, and prohibited sexual relations. The MUI Unit conducted 103 site visits to county boards, developmental centers, and providers to assess their health and safety assurance systems. The MUI Unit handled 145 hotline calls and handled over 7,000 technical assistance calls from providers and county boards.

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<sup>12</sup> Source: Braddock, David, Richard Hemp, Mary Rizzolo, and Amy Pomeranz-Essley, 2004. *The State of the States in Developmental Disabilities*: Coleman Institute for Cognitive Disabilities and Department of Psychiatry: The University of Colorado. Available at: <http://www.cu.edu/ColemanInstitute/stateofthestates/home.htm>

<sup>13</sup> This excludes CAFS expenditures.

<sup>14</sup> The JPI chained price index for government purchases of goods and services, which is generated by the U.S. Bureau of Economic Analysis, was used to adjust for inflation. The numbers presented are the real expenditures expressed in FY 2001 dollars.

## **Waiver Reimbursement Methodology – Paused**

Another key component of Medicaid Redesign was the implementation of a new waiver reimbursement system. The reimbursement system was necessary to respond to criticisms from the federal government concerning the variation in waiver provider rates between counties and, in some cases, even within counties. ODMR/DD and the Ohio Department of Jobs and Family Services (ODJFS) are attempting to establish a waiver reimbursement methodology that eliminates the inconsistency of rate setting across the state for Medicaid waiver services. The fee schedule is designed to: (1) assure fees are consistent with efficiency, economy, and quality of care, (2) consider the intensity of consumer resource need, (3) recognize variation in different geographic areas regarding the resources necessary to assure the health and welfare of consumers, and (4) recognize variations in environmental supports available to consumers.

The transition to the new system was supposed to be completed by June 30, 2007. However, due to the multitude of outstanding issues with the new system, the Department has suggested that county boards of mr/dd temporarily pause the transition. The pause is considered only temporary at this point and the Department believes the suspension will not reverse progress made to date. Working with staff from ODJFS, ODMR/DD plans to offer a detailed proposal to the federal government soon. This will include a new timeline proposal. The federal government must approve any and all changes to the existing system. The pause of the waiver transition will end July 1, 2007. Through February 2007, approximately 5,421 individuals, or 51%, have transitioned to the new reimbursement system.

The new funding of waiver services is based on the administration of the Ohio Developmental Disabilities Profile (ODDP). ODDP is an assessment tool in which a standardized score is derived based on the service needs of the individual. ODDP links the assessment of the individual to a funding range. When completed statewide, ODDP allows similarly situated individuals to access comparable waiver services throughout Ohio. An Individual Service Plan (ISP) is then developed. The ISP process identifies the actual services needed by the individual and develops a budget based on the ODDP funding range.

The new provider rates will be applied universally to all current or new waiver enrollees. The Department, in consultation with ODJFS and a private consulting firm, generated the new rates by prorating the highest provider rates down and the lowest provider rates up. Thus, the net effect on providers will be the difference between their current rate and the new rate. Providers with current rates higher than the new rate will see a reduction in payment. Providers with rates lower than the new rate will see an increase in payment.

The new reimbursement methodology will affect county boards of mr/dd. However, the extent of the impact will depend on each individual county board. Some county boards may incur increased waiver match obligations, as provider rates will increase. In contrast, other county boards may see decreased waiver match obligations, as provider rates decrease. The net effect on each county board will depend on the difference between current provider rates and the new rates.

## **ICFs/MR**

Intermediate care facility for people with mental retardation (ICF/MR) services are an optional Medicaid benefit but is on Ohio's Medicaid state plan. Section 1905(d) of the Social Security Act created this benefit to fund "Institutions" (four or more beds) for people with mental retardation or other related conditions, and specifies that these institutions must provide "active treatment," which means an aggressive, consistent program of specialized and generic training, treatment, and health services.

The ICF/MR program was established in 1971 when legislation was enacted which provided for federal financial participation (FFP) for ICFs/MR as an optional Medicaid service. Congressional authorization for ICF/MR services as a state plan option under Medicaid allowed states to receive federal matching funds for institutional services that had been funded with state or local government money.

To qualify for Medicaid reimbursement, ICFs/MR must be certified and comply with federal standards in eight areas, including management, client protections, facility staffing, active treatment services, client behavior, facility practices, health care services, physical environment, and dietetic services.

## **Reform**

During the last biennium, Am. Sub. H.B. 66 included a provision that enabled ICF/MR providers to voluntarily convert up to 200 ICF/MR beds to community-based Medicaid waivers statewide. In so doing, the participating providers would relinquish the ability to provide ICF/MR services for the number of participating beds and instead become providers of waiver services. Individuals who reside in the participating ICFs/MR could elect to either: (1) enroll in a Medicaid waiver and receive services from that provider or a different provider, or (2) transfer to another ICF/MR. The provision allows ODJFS to contract with ODMR/DD for the administration of the ICF/MR Medicaid waiver. The waiver was estimated to be cost neutral but appropriations and cash transfers were expected to occur between ODJFS and ODMR/DD in order to provide appropriate waiver services to individuals.

H.B. 66 required that an advisory council be formed to provide insight into the development of the waiver and any related state plan changes. This council was chaired by a member of the Senate and included families, providers, advocates, state officials, and county boards of mr/dd. The group met regularly throughout the biennium and determined that the proscriptive details of the statute as written were inconsistent with what the federal government was willing to approve, and ultimately recognized that a different technical track could be taken in order to realize the same goal of voluntary conversion of ICFs/MR to waiver. Proposed legislative changes are offered in H.B. 119 under the ODJFS section in order to support this direction.

## **Martin Settlement**

In 1989, Ohio Legal Rights Service (OLRS) filed a federal class action lawsuit against Ohio claiming undue segregation in institutions for individuals with mr/dd and large waiting lists for people in need of services. According to OLRS, the *Martin* lawsuit (originally *Martin v. Celeste*, then *Martin v. Voinovich*, *Martin v. Taft*, *Martin v. Strickland*) seeks integrated community residential services, specifies that state programs should not discriminate against people with severe disabilities, and states that integrated residential services should be developed.

During the course of the 18-year lawsuit, public policy philosophies concerning mental retardation and developmental disabilities have begun to change direction. A year after the lawsuit was filed, in 1990, Congress passed and enacted the Americans with Disabilities Act (ADA), which prohibited discrimination of individuals based on their disability. In 1999, using the ADA as their foundation, the U.S. Supreme Court ruled in *Olmstead v. L.C.* that individuals with disabilities had a right to live in a community-based setting if their treatment professional determined that placement in the community was appropriate and the individual had a desire to move. The decision did provide for states to limit community placement based on available resources.

During the past eight years, options for services and supports provided in community-based settings expanded for Ohioans. Home and Community-Based Services waivers such as the Individual

Options (IO), Level One, and Transitions waivers were serving approximately 17,000 individuals with disabilities in 2006.

However, because resources remain limited, there are still long waiting lists for many of these community-based services. The limited availability makes enrollment in a developmental center or ICF/MR the only option for some.

In October of 2006, a tentative settlement was reached in the federal class action case of *Martin v. Strickland*. The proposed agreement will result in state funding for home and community based services over the next two state fiscal years for 1,500 additional individuals who are currently in an institution and choose to move, or who will be at risk of being institutionalized but who would choose to be served in a community setting. If the funding is approved, ODMR/DD will be responsible for allocating 600 waiver slots in FY 2008 and 900 slots in FY 2009. In each fiscal year, at least 100 of the waiver slots will have to be made available to individuals residing in ICFs/MR and 40 of the waiver slots will have to go to individuals residing in nursing facilities. The remaining waiver slots will be allocated to county boards of mr/dd to serve individuals currently on waiting lists for waiver services.

In addition, the agreement will result in the release to county boards of mental retardation and developmental disabilities of \$4.2 million of state capital funds for housing development for the class. The settlement also calls for surveys of those residing in ICFs/MR and NFs (nursing facility) to assist in evaluating the need for additional community-based services. Of these funds, \$299,600 of the capital funds will be required to be allocated to the Residential Handicap Accessibility Project. These funds are used to renovate and upgrade existing housing.

## FACTS AND FIGURES

Department of Mental Retardation and Developmental Disabilities						
Staffing Levels						
Program Series/Division	2004	2005	2006	2007	Estimated	
					2008	2009
Central Administration	337	322	320	288	288	288
Developmental Centers	3,759	3,652	3,492	3,386	3,386	3,386
<b>Totals</b>	<b>4,096</b>	<b>3,974</b>	<b>3,812</b>	<b>3,674</b>	<b>3,674</b>	<b>3,674</b>

Source: Ohio Department of Mental Retardation and Developmental Disabilities

In early calendar year 2006, the central office conducted a reassessment of its staff that resulted in the elimination of 64 positions (a decrease of approximately 19%) and payroll savings of an estimated \$1.6 million in FY 2008 and \$1.7 million in FY 2009. Staffing levels for FY 2004 through 2006 reflect filled positions at a certain point in time and FY 2007 through 2009 reflect budgeted full-time equivalents (FTEs).

## MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009

The following table provides a comprehensive presentation of the executive's recommendations for each of the agency's line items and the programs each line item supports. Please note that some line items may provide funding for multiple program series and/or programs. See the Analysis of Executive Proposal section for more information on specific program funding.

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI		FY 2008	FY 2009
<b>General Revenue Fund</b>				
GRF	320-321	<b>Operating Expenses</b>	<b>\$9,638,610</b>	<b>\$9,638,610</b>
		<i>Program Series 3: Central Administration</i>	\$9,638,610	\$9,638,610
		Program 3.01 Central Administration	\$9,638,610	\$9,638,610
GRF	320-412	<b>Protective Services</b>	<b>\$2,792,322</b>	<b>\$2,792,322</b>
		<i>Program Series 1: Community Services</i>	\$2,792,322	\$2,792,322
		Program 1.03 Quality Assurance	\$2,792,322	\$2,792,322
GRF	320-415	<b>Lease-Rental Payments</b>	<b>\$23,767,400</b>	<b>\$20,504,500</b>
		<i>Program Series 4: Debt Service</i>	\$23,767,400	\$20,504,500
		Program 4.01 Debt Service	\$23,767,400	\$20,504,500
GRF	322-413	<b>Residential and Support Services</b>	<b>\$6,753,881</b>	<b>\$6,753,881</b>
		<i>Program Series 1: Community Services</i>	\$6,753,881	\$6,753,881
		Program 1.01: Medicaid Waivers	\$920,000	\$920,000
		Program 1.02: Community Subsidies	\$5,833,881	\$5,833,881
GRF	322-416	<b>Medicaid Waiver - State Match</b>	<b>\$113,692,413</b>	<b>\$113,692,413</b>
		<i>Program Series 1: Community Services</i>	\$113,692,413	\$113,692,413
		Program 1.01: Medicaid Waivers	\$113,692,413	\$113,692,413
GRF	322-501	<b>County Boards Subsidies</b>	<b>\$90,067,913</b>	<b>\$90,067,913</b>
		<i>Program Series 1: Community Services</i>	\$90,067,913	\$90,067,913
		Program 1.02 Community Subsidies	\$90,067,913	\$90,067,913
GRF	322-503	<b>Tax Equity</b>	<b>\$14,000,000</b>	<b>\$14,000,000</b>
		<i>Program Series 1: Community Services</i>	\$14,000,000	\$14,000,000
		Program 1.02 Community Subsidies	\$14,000,000	\$14,000,000
GRF	322-504	<b>Martin Settlement</b>	<b>\$6,159,766</b>	<b>\$29,036,451</b>
		<i>Program Series 1: Community Services</i>	\$6,159,766	\$29,036,451
		Program 01.01: Medicaid Waivers	\$6,159,766	\$29,036,451
GRF	323-321	<b>Developmental Center and Residential Facilities Operation Expenses</b>	<b>\$102,796,851</b>	<b>\$102,796,851</b>
		<i>Program Series 2: State Operated Services</i>	\$102,796,851	\$102,796,851
		Program 2.01 Developmental Centers	\$102,796,851	\$102,796,851
<b>General Revenue Fund Subtotal</b>			<b>\$369,669,156</b>	<b>\$389,282,941</b>
<b>General Services Fund Group</b>				
152	323-609	<b>Developmental Center and Residential Operating Services</b>	<b>\$912,177</b>	<b>\$912,177</b>
		<i>Program Series 2: State Operated Services</i>	\$812,177	\$812,177
		Program 2.01 Developmental Centers	\$812,177	\$812,177
		<i>Program Series 3: Central Administration</i>	\$100,000	\$100,000
		Program 3.01 Central Administration	\$100,000	\$100,000
4B5	320-640	<b>Training and Service Development</b>	<b>\$100,000</b>	<b>\$100,000</b>

<b>Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program</b>				
<b>Fund</b>	<b>ALI</b>		<b>FY 2008</b>	<b>FY 2009</b>
		<u>Program Series 1: Community Services</u>	\$50,000	\$50,000
		Program 1.03 Quality Assurance	\$50,000	\$50,000
		<u>Program Series 2: State Operated Services</u>	\$50,000	\$50,000
		Program 2.01 Developmental Centers	\$50,000	\$50,000
<b>488</b>	<b>322-603</b>	<b>Provider Audit Refunds</b>	<b>\$10,000</b>	<b>\$10,000</b>
		<u>Program Series 3: Central Administration</u>	\$10,000	\$10,000
		Program 3.01 Central Administration	\$10,000	\$10,000
<b>General Services Fund Subtotal</b>			<b>\$1,022,177</b>	<b>\$1,022,177</b>
<b>Federal Special Revenue Fund Group</b>				
<b>3A4</b>	<b>323-605</b>	<b>Developmental Center and Residential Facility Services and Support</b>	<b>\$136,299,536</b>	<b>\$137,555,308</b>
		<u>Program Series 1: Community Services</u>	\$11,293,953	\$600,730
		Program 1.03 Quality Assurance	\$11,051,389	\$355,250
		Program 1.04 Grants	\$242,564	\$245,480
		<u>Program Series 2: State Operated Services</u>	\$119,813,177	\$130,557,767
		Program 2.01 Developmental Centers	\$119,360,818	\$130,085,610
		Program 2.02 Facilities Development and Management	\$452,359	\$472,157
		<u>Program Series 3: Central Administration</u>	\$5,192,406	\$6,396,811
		Program 3.01 Central Administration	\$5,192,406	\$6,396,811
<b>3A5</b>	<b>320-613</b>	<b>DD Council Grants</b>	<b>\$2,705,004</b>	<b>\$2,743,630</b>
		<u>Program Series 1: Community Services</u>	\$2,705,004	\$2,743,630
		Program 1.04 Grants	\$2,705,004	\$2,743,630
<b>3G6</b>	<b>322-639</b>	<b>Medicaid Waiver - Federal</b>	<b>\$456,311,171</b>	<b>\$506,618,829</b>
		<u>Program Series 1: Community Services</u>	\$455,456,984	\$506,220,978
		Program 01.01: Medicaid Waivers	\$445,878,461	\$496,031,119
		Program 1.03 Quality Assurance	\$9,578,523	\$10,189,859
		<u>Program Series 3: Central Administration</u>	\$854,187	\$397,851
		Program 3.01 Central Administration	\$854,187	\$397,851
<b>3M7</b>	<b>322-650</b>	<b>CAFS Medicaid</b>	<b>\$4,278,713</b>	<b>\$0</b>
		<u>Program Series 1: Community Services</u>	\$4,123,713	\$0
		Program 1.03 Quality Assurance	\$4,123,713	\$0
		<u>Program Series 3: Central Administration</u>	\$155,000	\$0
		Program 3.01 Central Administration	\$155,000	\$0
<b>325</b>	<b>322-612</b>	<b>Community Social Service Programs</b>	<b>\$11,186,114</b>	<b>\$11,164,639</b>
		<u>Program Series 1: Community Services</u>	\$100,000	\$100,000
		Program 1.03 Quality Assurance	\$100,000	\$100,000
		<u>Program Series 1: Community Services</u>	\$11,086,114	\$11,064,639
		Program 1.03 Quality Assurance	\$11,086,114	\$11,064,639
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$610,780,538</b>	<b>\$658,082,406</b>
<b>State Special Revenue Fund Group</b>				
<b>221</b>	<b>322-620</b>	<b>Supplemental Service Trust</b>	<b>\$150,000</b>	<b>\$150,000</b>
		<u>Program Series 1: Community Services</u>	\$150,000	\$150,000
		Program 1.02 Community Subsidies	\$150,000	\$150,000
<b>4K8</b>	<b>322-604</b>	<b>Medicaid Waiver State Match</b>	<b>\$12,000,000</b>	<b>\$12,000,000</b>
		<u>Program Series 1: Community Services</u>	\$12,000,000	\$12,000,000
		Program 01.01: Medicaid Waivers	\$12,000,000	\$12,000,000

<b>Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program</b>				
<b>Fund</b>	<b>ALI</b>		<b>FY 2008</b>	<b>FY 2009</b>
<b>489</b>	<b>323-632</b>	<b>Developmental Center Direct Care Support</b>	<b>\$14,543,764</b>	<b>\$14,671,616</b>
		<u>Program Series 2: State Operated Services</u>	\$14,543,764	\$14,671,616
		Program 2.01 Developmental Centers	\$14,543,764	\$14,671,616
<b>5H0</b>	<b>322-619</b>	<b>Medicaid Repayment</b>	<b>\$10,000</b>	<b>\$10,000</b>
		<u>Program Series 3: Central Administration</u>	\$10,000	\$10,000
		Program 3.01 Central Administration	\$10,000	\$10,000
<b>5S2</b>	<b>590-622</b>	<b>Medicaid Administration &amp; Oversight</b>	<b>\$11,003,855</b>	<b>\$11,472,335</b>
		<u>Program Series 1: Community Services</u>	\$2,581,052	\$2,385,670
		Program 1.03 Quality Assurance	\$2,581,052	\$2,385,670
		<u>Program Series 3: Central Administration</u>	\$8,422,803	\$9,086,665
		Program 3.01 Central Administration	\$8,422,803	\$9,086,665
<b>5Z1</b>	<b>322-624</b>	<b>County Board Waiver Match</b>	<b>\$116,000,000</b>	<b>\$126,000,000</b>
		<u>Program Series 1: Community Services</u>	\$116,000,000	\$126,000,000
		Program 01.01: Medicaid Waivers	\$116,000,000	\$126,000,000
<b>5DJ</b>	<b>322-625</b>	<b>Targeted Case Management Match</b>	<b>\$11,082,857</b>	<b>\$11,470,757</b>
		<u>Program Series 1: Community Services</u>	\$11,082,857	\$11,470,757
		Program 1.03 Quality Assurance	\$11,082,857	\$11,470,757
<b>5DJ</b>	<b>322-626</b>	<b>Targeted Case Management Services</b>	<b>\$27,548,737</b>	<b>\$28,512,943</b>
		<u>Program Series 1: Community Services</u>	\$27,548,737	\$28,512,943
		Program 1.03 Quality Assurance	\$27,548,737	\$28,512,943
<b>5EV</b>	<b>322-627</b>	<b>Program Fees</b>	<b>\$20,000</b>	<b>\$20,000</b>
		<u>Program Series 1: Community Services</u>	\$20,000	\$20,000
		Program 1.03 Quality Assurance	\$20,000	\$20,000
<b>State Special Revenue Fund Subtotal</b>			<b>\$192,359,213</b>	<b>\$204,307,651</b>
<b>Department of Mental Retardation and Developmental Disabilities Total Funding</b>			<b>\$1,173,831,084</b>	<b>\$1,252,695,175</b>

## ANALYSIS OF EXECUTIVE PROPOSAL

### Program Series

### 1: Community Services

**Purpose:** This program series contains programs that are designed to provide community-based support that will enable individuals with mr/dd to reside in the community.

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

Fund	ALI	Title	FY 2008	FY 2009
<b>General Revenue Fund</b>				
GRF	320-412	Protective Services	\$2,792,322	\$2,792,322
GRF	322-413	Residential and Support Services	\$6,753,881	\$6,753,881
GRF	322-416	Medicaid Waiver – State Match	\$113,692,413	\$113,692,413
GRF	322-501	County Boards Subsidies	\$90,067,913	\$90,067,913
GRF	322-503	Tax Equity	\$14,000,000	\$14,000,000
GRF	322-504	Martin Settlement	\$6,159,766	\$29,036,451
<b>General Revenue Fund Subtotal</b>			<b>\$233,466,295</b>	<b>\$256,342,980</b>
<b>State Special Revenue Fund</b>				
221	322-620	Supplemental Service Trust	\$150,000	\$150,000
4K8	322-604	Medicaid Waiver – State Match	\$12,000,000	\$12,000,000
5EV	322-627	Program Fees	\$20,000	\$20,000
5DJ	322-625	Targeted Case Management Match	\$11,082,857	\$11,470,757
5DJ	322-626	Targeted Case Management Services	\$27,548,737	\$28,512,943
5S2	590-622*	Medicaid Administration and Oversight	\$2,581,052	\$2,385,670
5Z1	322-624	County Board Waiver Match	\$116,000,000	\$116,000,000
<b>State Special Revenue Fund Subtotal</b>			<b>\$169,382,646</b>	<b>\$180,539,370</b>
<b>General Services Fund</b>				
4B5	320-640*	Training and Service Development	\$50,000	\$50,000
<b>General Services Fund Subtotal</b>			<b>\$50,000</b>	<b>\$50,000</b>
<b>Federal Special Revenue Fund</b>				
3A4	323-605	DC and Residential Facility Services and Support	\$11,293,953	\$600,730
3G6	322-639*	Medicaid Waiver – Federal	\$455,456,984	\$506,220,978
3M7	322-650*	CAFS Medicaid	\$4,123,713	\$0
325	322-612	Community Service Programs and Grants	\$11,186,114	\$100,000
3A5	320-613	DD Council	\$2,705,004	\$2,743,630
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$484,765,768</b>	<b>\$520,729,977</b>
<b>Total Funding: Community Services</b>			<b>\$887,664,709</b>	<b>\$957,662,327</b>

\* Amount does not reflect total appropriation because the line item is used to fund other program series.

This analysis focuses on the following specific programs within the Community Services program series:

- **Program 1.01: Medicaid Waivers**
- **Program 1.02: Community Subsidies**
- **Program 1.03: Quality Assurance**
- **Program 1.04: Grants**

## **Medicaid Waivers**

**Program Description:** DMR administers two home and community-based Medicaid waivers. They are Individual Options (IO) and the Level One (L1). The primary outcome of this program is to provide home and community-based services and support to individuals with mental retardation or other developmental disabilities (mr/dd) that are cost effective, allow individuals to live in community-based settings, increase an individual's skills, competencies, and self-reliance, ensure an individual's health and safety, and maximize an individual's overall quality of life to the greatest extent possible.

The IO waiver is a home and community-based Medicaid waiver that provides federal reimbursement for certain Medicaid services for eligible persons residing in noninstitutional settings. Services covered on the IO waiver include supported employment, specialized medical and adaptive/assistive equipment, environmental modifications, home-delivered meals, homemaker/personal care, respite care, and transportation. The individual pays costs associated with room and board (e.g., rent, utilities, food, etc.).

The Level 1 waiver is a home and community-based Medicaid waiver that provides federal reimbursement for certain Medicaid services for individuals who live in the community. Individuals on this waiver must have a network of friends, neighbors, or family that can safely and effectively provide the necessary care at no cost to the system. The Level 1 waiver has a \$5,000 annual cost cap for homemaker/personal care, institutional respite, informal respite, and transportation. The Level 1 waiver has a \$6,000 cost cap over a three-year period for personal emergency response systems, specialized medical equipment and supplies, and environmental modifications. The Level 1 waiver has an \$8,000 cost cap over a three-year period for emergency assistance.

The Level 1 waiver was implemented as part of the Medicaid redesign initiative. Medicaid eligible individuals with mr/dd who receive low-level support from programs entirely funded by GRF and local levy funds (e.g., Supported Living) are directed to the Level 1 waiver to maximize federal reimbursement.

**Funding Source and Line Items:** The following table shows the line items that are used to fund the Medicaid Waiver program, as well as the Governor's recommended funding levels.

<b>Fund</b>	<b>ALI</b>	<b>Title</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>General Revenue Fund</b>				
GRF	322-413	Residential and Support Services	\$920,000	\$920,000
GRF	322-416	Medicaid Waiver State Match	\$113,692,413	\$113,692,413
GRF	322-504	Martin Settlement	\$6,159,766	\$29,036,451
<b>General Revenue Fund Subtotal</b>			<b>\$120,772,179</b>	<b>\$143,648,864</b>
<b>State Special Revenue Fund</b>				
5Z1	322-604	Medicaid Waiver State Match	\$12,000,000	\$12,000,000
4K8	322-624	County Board Waiver Match	\$116,000,000	\$126,000,000
<b>State Special Revenue Fund Subtotal</b>			<b>\$128,000,000</b>	<b>\$138,000,000</b>
<b>Federal Special Revenue Fund</b>				
3G6	322-639*	Medicaid Waiver – Federal	\$445,878,461	\$496,031,119
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$445,878,461</b>	<b>\$496,031,119</b>
<b>Total Funding: Medicaid Waivers</b>			<b>\$694,650,640</b>	<b>\$777,679,983</b>

\* Amount does not reflect total appropriation because the line item is used to fund other programs.

**Implication of Executive Recommendation:** The executive's recommendation will provide funding for the IO waiver serving approximately 11,800 individuals, provide funding for the Level 1 waiver serving approximately 4,650 individuals, and provide funding for an additional 1,500 IO Waiver slots in compliance with the *Martin Settlement*.

## Community Subsidies

**Program Description:** The Community Subsidies program contains the various state subsidies provided by ODMR/DD. Most of these subsidies are provided to county boards of mr/dd to assist the boards with the cost of administering and providing services and supports, as required by state statute. The following describes the major sub-programs contained in the Community Subsidies program.

**Country Boards Operating Subsidy.** This program provides a subsidy to county boards of mr/dd to support some of the administrative costs of providing the mandated services that county boards of mr/dd are required to provide. These services include adult and early childhood services, supportive home services, education, and habilitation services. County boards that are certified as providers are eligible for this subsidy.

**Supported Living Subsidy.** The primary goal of this program is to provide cost-effective services and supports to individuals with mr/dd that allow them to remain in their own homes while avoiding more costly institutionalization. Supported living services may include the cost of home accessibility adaptations, assistive equipment, room and board subsidies, and/or support staff.

**Family Support Services Subsidy.** The primary goal of this program is to reduce and prevent more costly residential care by providing funding/services to families to help keep individuals with mr/dd in their family home. Services provided by this program may include respite care; family counseling, training, and education; adaptive equipment; and home modifications.

**Service and Support Administration (SSA).** This program provides a subsidy to county boards of mr/dd to support the administrative costs associated with the boards' role as the single point of entry in the mr/dd system. SSAs are also responsible for developing individual service plans.

**Tax Equity.** This subsidy provides funding to help equalize local tax levy revenues for tax-poor counties to ensure that adult services are available statewide and are not limited because of the inability to raise sufficient local levy funds. Tax Equity payments may only be used for services provided to adults. In FY 2005, 61 counties received Tax Equity payments.

**Miscellaneous Residential Supports.** The primary goal of this program is to continue to fund commitments made to county boards for their assistance in addressing the specific needs of certain individuals at various times when the ODMR/DD was obligated to do so.

**Funding Source and Line Items:** The following table shows the line items that are used to fund the Community Subsidies program, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
<b>General Revenue Fund</b>				
GRF	322-413	Residential and Support Services	\$5,833,881	\$5,833,881
GRF	322-501	County Boards Subsidies	\$90,067,913	\$90,067,913
GRF	322-503	Tax Equity	\$14,000,000	\$14,000,000
<b>General Revenue Fund Subtotal</b>			<b>\$109,901,794</b>	<b>\$109,901,794</b>
<b>State Special Revenue Fund</b>				
221	322-620	Supplement Service Trust	\$150,000	\$150,000
<b>State Special Revenue Fund Subtotal</b>			<b>\$150,000</b>	<b>\$150,000</b>
<b>Total Funding: Community Subsidies</b>			<b>\$110,051,794</b>	<b>\$110,051,794</b>

**Implication of Executive Recommendation:** The executive recommendation will continue current subsidy funding to the 88 county boards of mr/dd to serve 76,000 individuals.

New law removes from the Revised Code a requirement that ODMR/DD make a general purpose subsidy and subsidies for family support services, service and support administration, and supported living to county boards of mr/dd. New temporary law also includes an earmark for FY 2008 and FY 2009 that requires ODMR/DD to pay each county board of mr/dd an amount that is equal to the amount the boards received in FY 2007 under the general purpose (former line item 322-501), family support services (former line item 322-451), service and support administration (former line item 322-452), and supported living subsidies (former line item 322-417).

## Quality Assurance

**Program Description:** The Quality Assurance program is made up of various subprograms, all of which have the objective of assuring the health and safety of individuals with mr/dd that receive services and that the services yield quality results. The primary mechanisms for ensuring quality is through the: (1) monitoring and investigation of Major Unusual Incidents (MUIs), (2) certification of providers of services, including county board accreditation, (3) licensure of residential facilities, (4) the provision of guardianships, financial management, and protector services for individuals with mr/dd, and (5) Targeted Case Management.

**Major Unusual Incidents.** MUI staff is responsible for managing the Abuser Registry, conducting conflict investigations, conducting certification training for county board investigative agents, providing training and technical assistance on health and safety issues, managing ODMR/DD's hotline, and conducting compliance activities for county boards of mr/dd and service providers concerning their respective "protection from harm" systems.

**Initial Certification of Service Providers.** State statute and administrative rules outline the initial certification standards for HCBS and non-HCBS service providers. ODMR/DD certification staff review applications from individuals and agency providers to determine if the applicant meets applicable requirements to be issued certification. Staff produce semi-annual and annual reports based on the compliance reviews and the data is shared with providers, county boards, and families of service recipients. When trends are detected, ODMR/DD provides guidance to service providers to ensure compliance with certification standards.

**Review of Licensed and Certified Providers.** The licensure of residential facilities is the primary way in which ODMR/DD continually monitors the qualifications of residential providers. State statute and administrative rule outline the licensure standards for residential facilities. On a regular basis, ODMR/DD licensure staff conducts on-site reviews of residential facilities and their respective program services to ensure compliance with all applicable licensure standards. When deficiencies are found, providers are required to submit plans of correction, which are then verified by ODMR/DD. Staff produce semi-annual and annual reports based on the on-site reviews and the data is shared with providers, county boards, and families of service recipients. When trends are detected, ODMR/DD provides guidance to service providers to ensure compliance with licensure standards.

**Accreditation of County Boards of MR/DD.** Similar to the review of private providers, ODMR/DD conducts periodic, comprehensive reviews of county boards to ensure compliance with applicable federal and state requirements.

**Protective Services.** Since 1983, ODMR/DD has contracted with Advocacy and Protective Services, Inc. (APSI), a nonprofit corporation, for the provision of protective services. As discussed above, APSI provides guardianships, limited guardianships, trustee (financial management), and protector services to individuals with mr/dd. The local probate court has ruled that each individual receiving protective services from APSI lacks the ability to manage their personal finances or to advocate on their own behalf.

**Targeted Case Management.** Targeted Case Management services assist individuals with mr/dd in accessing needed medical, social, and/or educational services. The goal of this program is to assist consumers in accessing the necessary services and supports that increase an individual's skills, competencies, and self-reliance through the development of an individualized service plan (ISP).

**Funding Source and Line Items:** The following table shows the line items that are used to fund the Quality Assurance program, as well as the Governor's recommended funding levels.

<b>Fund</b>	<b>ALI</b>	<b>Title</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>General Revenue Fund</b>				
GRF	320-412	Protective Services	\$2,792,322	\$2,792,322
<b>General Revenue Fund Subtotal</b>			<b>\$2,792,322</b>	<b>\$2,792,322</b>
<b>State Special Revenue Fund</b>				
5S2	590-622*	Medicaid Administration and Oversight	\$2,581,052	\$2,385,670
5DJ	322-625	Targeted Case Management Match	\$11,082,857	\$11,470,757
5DJ	322-626	Targeted Case Management Services	\$27,548,737	\$28,512,943
5EV	322-627	Program Fees	\$20,000	\$20,000
<b>State Special Revenue Fund Subtotal</b>			<b>\$41,232,646</b>	<b>\$42,389,370</b>
<b>General Services Fund</b>				
4B5	320-640	Training and Service Development	\$50,000	\$50,000
<b>General Services Fund Subtotal</b>			<b>\$50,000</b>	<b>\$50,000</b>
<b>Federal Special Revenue Fund</b>				
3A4	323-605	Developmental Center and Residential Facility Services and Support	\$11,051,389	\$355,250
3G6	322-639	Medicaid Waiver – Federal	\$9,578,523	\$10,189,859
3M7	322-650*	CAFS Medicaid	\$4,123,713	\$0
325	322-612	Community Service Programs and Grants	\$100,000	\$100,000
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$24,853,625</b>	<b>\$10,645,109</b>
<b>Total Funding: Quality Assurance</b>			<b>\$68,928,593</b>	<b>\$55,876,801</b>

\* Amount does not reflect total appropriation because the line item is used to fund other program series.

**Implication of Executive Recommendation:** The executive recommendation will allow for current service levels to be maintained.

The Centers for Medicare and Medicaid Services (CMS) found the CAFS program to be out of compliance with federal Medicaid requirements pertaining to comparability of services, free choice of provider, and overall service eligibility. The CAFS program ended effective July 1, 2005. Line item 322-650 includes an appropriation to pay final audit findings pertaining to the CAFS program.

## Grants

**Program Description:** The following describes the major subprograms contained in the Grants program:

**Foster Grandparent Program.** The Foster Grandparent program provides volunteer opportunities for lower income senior citizens aged 60 years or older to assist children with mr/dd. At the same time, the program provides one-on-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. This program provides supportive services to approximately 660 children with special needs (located in nine counties) from 125 foster grandparents.

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

**Title XX.** A total of 92 county boards, councils of government (COGs), and other nonprofit, human services agencies provide individualized services such as counseling, day care for adults and children, education and training, employment, health-related and home health services, protective services for adults, recreational services, and transportation offered through the county boards to individuals with mr/dd.

**Early Intervention.** Program staff actively work with county boards to provide training and technical assistance to ensure compliance with existing state and federal laws and rules governing early intervention services.

**Real Choice Systems Grant: Independence Plus.** The grant coordinator works with stakeholders, ODJFS, and CMS to design a waiver that includes features that do not currently exist in Ohio and is responsive to the Olmstead settlement.

**Real Choice Systems Grant: Quality Initiatives.** Through the participation of five demonstration counties, the program team seeks input from individuals, families, and system stakeholders to be incorporated into improved quality of system services and delivery.

**Ohio Developmental Disabilities Council.** Using federal pass-through funds, this program grants funding to organizations aimed at expanding innovative approaches for supporting individuals with disabilities, educating policymakers about the needs and abilities of such persons, assisting developmentally disabled individuals with self-determination, employment, outreach, and training.

**Funding Source and Line Items:** The following table shows the line items that are used to fund the Grants program, as well as the Governor's recommended funding levels.

<b>Fund</b>	<b>ALI</b>	<b>Title</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Federal Special Revenue Fund</b>				
3A4	323-605	Developmental Center and Residential Facility Services and Support	\$242,564	\$245,480
3A5	320-613	Developmental Disabilities Council	\$2,705,004	\$2,743,630
325	322-612	Community Service Program and Grants	\$11,086,114	\$11,064,639
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$14,033,682</b>	<b>\$14,053,749</b>
<b>Total Funding: Grants</b>			<b>\$14,033,682</b>	<b>\$14,053,749</b>

**Implication of Executive Recommendation:** The executive recommendation will continue to provide services at current levels.

**Program Series**

**2: State Operated Services**

*Purpose:* This program series contains the Developmental Centers program and the planning, budgeting, and project controls for state and community facilities.

The following table shows the line items that are used to fund the Education and Related Services program series, as well as the Governor's recommended funding levels.

<b>Fund</b>	<b>ALI</b>	<b>Title</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>General Revenue Fund</b>				
GRF	323-321	DC and Residential Facility Operating Expenses	\$102,796,851	\$102,796,851
<b>General Revenue Fund Subtotal</b>			<b>\$102,796,851</b>	<b>\$102,796,851</b>
<b>State Special Revenue Fund</b>				
489	323-632	DC Direct Care Support	\$14,543,764	\$14,671,616
<b>State Special Revenue Fund Subtotal</b>			<b>\$14,543,764</b>	<b>\$14,671,616</b>
<b>General Services Fund</b>				
152	323-609*	Developmental Center and Residential Operating Services	\$812,177	\$812,177
4B5	320-640*	Training and Service Development	\$50,000	\$50,000
<b>General Services Fund Subtotal</b>			<b>\$862,177</b>	<b>\$862,177</b>
<b>Federal Special Revenue Fund</b>				
3A4	323-605*	DC and Residential Facility Operating Expenses	\$119,813,177	\$130,557,767
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$119,813,177</b>	<b>\$130,557,767</b>
<b>Total Funding: State Operated Services</b>			<b>\$238,015,969</b>	<b>\$248,888,411</b>

\* Amount does not reflect total appropriation because the line item is used to fund other program series.

This analysis focuses on the following specific programs within the State Operated Services program series:

- **Program 2.01: Developmental Centers**
- **Program 2.02: Facilities Development and Management**

**Developmental Centers**

*Program Description:* This program provides safe, habilitative environments and residence for individuals with significant mental retardation and other challenging behaviors and/or conditions. In addition, the programs are designed to return these individuals, when stabilized, to less intensive living environments within their local communities. Specific services provided to those residing within the developmental centers include:

*Protection from Harm.* Each individual must be free from abuse and neglect. They have rights protected by federal law and these rights must be enforced. They must also receive a level of supervision required to ensure they are safe and healthy. This requirement includes direct care staffing 24 hours a day, 7 days a week.

*Skills Development.* Under the federal regulations, individuals who reside in the centers must receive a continuous program of aggressive active treatment, which includes training in

basic skills such as dressing, grooming, feeding, communication, and basic home care. Other required training includes (but is not limited to) money management, behavior management, self-medication administration, and prevocational training. These programs must be developed based on a comprehensive functional assessment, by a team of professionals and paraprofessionals, which includes the individual and his or her guardian.

**Health Care.** Individuals receive the health care services necessary to obtain and maintain their optimum level of health and well-being. Physician, nursing, and dental services are provided, as well as any other specialist needs. This often includes neurology, podiatry, and psychiatry. Federal regulations require specific nursing and physician services to meet individual needs.

**Behavior Support.** The majority of residents have maladaptive behaviors that prevent them from living in the community and are the cause for most court-ordered admissions. Programs to reduce or modify these maladaptive behaviors are required by law, and are necessary to aid the residents to return to the community. Licensed psychologists and psychology assistants must assist in developing the plan and training the staff to provide these services.

**Therapy.** Ancillary services promote the individual's development and prevent further disabling conditions, thus giving the individual greater independence. Key therapy interventions include occupational therapy, physical therapy, and speech/language/hearing services.

**Residential Support.** The amenities of daily life (e.g., food service, housekeeping, laundry, grounds keeping, and maintenance services) are made possible by support staff.

**Funding Source and Line Items:** The following table shows the line items that are used to fund the Developmental Centers program, as well as the Governor's recommended funding levels.

<b>Fund</b>	<b>ALI</b>	<b>Title</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>General Revenue Fund</b>				
GRF	323-321	Developmental Center and Residential Facilities Operating Expenses	\$102,796,851	\$102,796,851
<b>General Revenue Fund Subtotal</b>			<b>\$102,796,851</b>	<b>\$102,796,851</b>
<b>State Special Revenue Fund</b>				
489	323-632	Developmental Center Direct Care Support	\$14,543,764	\$14,671,616
<b>State Special Revenue Fund Subtotal</b>			<b>\$14,543,764</b>	<b>\$14,671,616</b>
<b>General Services Fund</b>				
152	323-609*	Developmental Center and Residential Operating Services	\$812,177	\$812,177
4B5	320-640*	Training and Service Development	\$50,000	\$50,000
<b>General Services Fund Subtotal</b>			<b>\$862,177</b>	<b>\$862,177</b>
<b>Federal Special Revenue Fund</b>				
3A4	322-605	DC and Residential Facility Services and Support	\$119,360,818	\$130,085,610
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$119,360,818</b>	<b>\$130,085,610</b>
<b>Total Funding: Developmental Centers</b>			<b>\$237,563,610</b>	<b>\$248,416,254</b>

\* Amount does not reflect total appropriation because the line item is used to fund other program series.

**Implication of Executive Recommendation:** The recommended funding level will allow current program and certification levels to be maintained. There are no new programs or expectations at the developmental centers planned at this time.

**Facilities Development and Management**

**Program Description:** This program provides project management for various state and community facilities needed for the effective delivery of appropriate services. These include the purchase or renovation of community housing for individuals with mr/dd, development of Early Childhood and Family Centers and Adult Workshops, renovations for increased handicap accessibility, and maintenance of the ten developmental centers.

**Funding Source and Line Items:** The following table shows the line items that are used to fund the Facilities Development and Management program, as well as the Governor's recommended funding levels.

<b>Fund</b>	<b>ALI</b>	<b>Title</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Federal Special Revenue Fund</b>				
3A4	322-605	DC and Residential Facility Services and Support	\$452,359	\$472,157
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$452,359</b>	<b>\$472,157</b>
<b>Total Funding: Facilities Development and Management</b>			<b>\$452,359</b>	<b>\$472,157</b>

**Implication of Executive Recommendation:** The executive budget recommendation will oversee the ongoing capital maintenance of ten developmental centers; manage the construction and renovation of Early Childhood and Family Centers, as well as Adult Workshops and home accessibility modifications; and manage the renovation, construction, and purchase of approximately 144 houses for individuals with mr/dd.

**Program Series**

**3: Central Administration**

**Purpose:** The role of Central Administration is to provide the Department with the necessary infrastructural support to successfully carry out its mission.

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

<b>Fund</b>	<b>ALI</b>	<b>Title</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>General Revenue Fund</b>				
GRF	320-321	Central Administration	\$9,638,610	\$9,638,610
<b>General Revenue Fund Subtotal</b>			<b>\$9,638,610</b>	<b>\$9,638,610</b>
<b>State Special Revenue Fund</b>				
5HO	322-619	Medicaid Repayment	\$10,000	\$10,000
5S2	590-622*	Medicaid Administration and Oversight	\$8,422,803	\$9,086,665
<b>State Special Revenue Fund Subtotal</b>			<b>\$8,432,803</b>	<b>\$9,096,665</b>
<b>General Services Fund</b>				
152	323-609*	DC and Residential Operating Services	\$100,000	\$100,000
488	322-603	Provider Audit Refunds	\$10,000	\$10,000
<b>General Services Fund Subtotal</b>			<b>\$110,000</b>	<b>\$110,000</b>
<b>Federal Special Revenue Fund</b>				
3A4	323-605*	DC and Residential Facility Services and Support	\$5,192,406	\$6,396,811
3G6	322-639*	Medicaid Waiver - Federal	\$854,187	\$397,851
3M7	322-650*	CAFS Medicaid	\$155,000	\$0
<b>Federal Special Revenue Fund Subtotal</b>			<b>\$6,201,593</b>	<b>\$6,794,662</b>
<b>Total Funding: Central Administration</b>			<b>\$24,383,006</b>	<b>\$25,639,937</b>

\* Amount does not reflect total appropriation because the line item is used to fund other program series.

This analysis focuses on the following specific programs within the Central Administration program series:

■ **Program 3.01: Central Administration**

**Central Administration**

**Program Description:** Central Administration is responsible for discharging the necessary day-to-day operations of the Department in support of its program activities. The divisions included in Central Administration are: the Director's office, Human Resources, Information Systems, Fiscal Administration, Audit, Medicaid Policy Development and Administration, and Legal.

**Funding Source and Line Items:** There is only one program in this program series. The table above shows the line items that are used to fund the Central Administration program, as well as the Governor's recommended funding levels.

**Implication of Executive Recommendation:** The executive recommendation will provide funding for fiscal administration, audit services, Medicaid policy development, waiver administration, IT

services, and legal services for the Department of Mental Retardation and Developmental Disabilities; and fund Central Administration program's 165 staff members.

**Program Series**

**4: Debt Service**

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

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

Fund	ALI	Title	FY 2008	FY 2009
<b>General Revenue Fund</b>				
GRF	320-415	Lease-Rental Payments	\$23,767,400	\$20,504,500
<b>General Revenue Fund Subtotal</b>			<b>\$23,767,400</b>	<b>\$20,504,500</b>
<b>Total Funding: Debt Service</b>			<b>\$23,767,400</b>	<b>\$20,504,500</b>

This analysis focuses on the following specific programs within the Debt Service program series:

■ **Program 4.01: Debt Service**

**Debt Service**

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

**Funding Source and Line Items:** There is only one program in this program series. The table above shows the line items that are used to fund the Debt Service program, as well as the Governor's recommended funding levels.

**Implication of Executive Recommendation:** The executive recommendation will continue the principal and interest payments on capital expenditures on DMR-owned facilities.

## PERMANENT AND TEMPORARY LAW PROVISIONS

### Permanent Law Provisions

**Home and community-based services (R.C. 5123.16 (repealed) and 5123.045).** Provides that a person or government entity must be certified to provide supported living or licensed as a residential facility, rather than certified to provide home and community-based services or licensed as a residential facility, to be eligible to receive payment for providing home and community-based services.

Eliminates current law governing certification of home and community-based services providers.

Establishes a new certification process for supported living.

**Supported living certificate (R.C. 5123.16 (new), 5123.16 (repealed), 5123.161, 5123.163, 5123.165, 5123.167, 5123.168, 5123.169, 5123.211, 5126.431, and 5126.45).** Provides that a person or government entity must be certified to provide supported living or licensed as a residential facility, to be eligible to receive payment for providing home and community-based services.

Repeals current law governing certification of home and community-based services providers.

Establishes a new certification process for supported living.

**Residential facility licensure (R.C. 5123.19).** Requires that the Director of MR/DD send a copy of a letter regarding the initiation of license revocation proceedings against a residential facility to the county mr/dd board and that the county mr/dd board send a copy of the letter to each resident who receives services from the residential facility.

Requires a hearing examiner to file a report and recommendations regarding the revocation of a residential facility license not later than ten days after the last of (1) the close of the hearing, (2) if a transcript of the proceedings is ordered, the hearing examiner receives the transcript, or (3) if post-hearing briefs are timely filed, the hearing examiner receives the briefs.

**Waiting period for certificate and license holders (R.C. 5123.167 and 5123.19).** Provides that an applicant for a supported living certificate or residential facility license, certificate holder, or license holder, and a related party of the applicant, certificate holder, or license holder must wait one year after the date the Director of MR/DD refuses to issue or renew the certificate or license.

Places a five-year suspension on any supported living certificate holder or residential facility license holder whose certificate or license is revoked, or a related party of the certificate holder or license holder, from re-applying for a certificate or license.

**Program fee fund (R.C. 5123.033, 5123.169, and 5123.19).** Provides for the fees that the Department of Mental Retardation and Developmental Disabilities collects in certifying providers of supported living, licensing residential facilities, and certifying and registering employees of county boards of mental retardation and developmental disabilities to be deposited into a new fund called the Program Fee Fund.

**Notice of disciplinary action (R.C. 5123.0414 and 5123.51).** Specifies when certain individuals and entities are deemed to have received notice of disciplinary action the Department of MR/DD intends to take.

**Notice of change of address (R.C. 5123.0415).** Requires that individuals seeking or holding certain licenses, certificates, or evidences of registration from the Department of MR/DD notify the Department of a change of address.

**Residential and Respite Care (R.C. 127.16, 5123.051, and 5123.199 (repealed)).** Eliminates the authority of the Department of MR/DD to enter into a contract to: (1) provide residential services in an intermediate care facility for the mentally retarded (ICF/MR) to an individual who meets the criteria for admission to such a facility but is ineligible for Medicaid due to unliquidated assets subject to final probation, (2) provide respite care services in an ICF/MR, (3) provide residential services in a facility that has applied for, but not received, certification as an ICF/MR if a good faith effort is being made to bring the facility into compliance with the certification requirements, or (4) reimburse an ICF/MR for costs not otherwise reimbursed under the Medicaid program for clothing for individuals with mr/dd.

**County mr/dd board subsidies (R.C. 5126.057, 5126.11, 5126.12, 5126.15, and 5125.44).** Removes the requirement that the Department of Mental Retardation and Developmental Disabilities (ODMR/DD) make a general-purpose subsidy and subsidies for family support services, service and support administration, and supported living to county boards of mental retardation and developmental disabilities (county mr/dd boards) in ongoing law.

Includes an earmark for FYs 2008 and 2009 that requires the Department to use certain funds appropriated to the Department to pay each county mr/dd board an amount that is equal to the amount the boards received in FY 2007 under the general purpose, family support services, service and support administration, and supported living subsidies.

**Tax equity payments (R.C. 5126.18).** The Department is required under current law to provide for payment to each county mr/dd board the amount by which the statewide yield per enrollee exceeds the county yield per enrollee multiplied by the adult services enrollment provided to individuals with mr/dd who are at least 22 years of age, subject to certain reductions. The bill does not change the payment, but does refer to services provided to an individual with mr/dd who is "eligible" rather than to an individual "who is at least 22 years of age."

**County mr/dd boards arranging supported living (R.C. 5126.40, 5123.16 (new), 5123.169, 5123.182 (repealed), 5126.41, 5126.42, 5126.43, 5126.431 (repealed), 5126.45, 5126.451 (repealed), and 5126.47).** Requires the Director of MR/DD to adopt rules that establish the extent to which a county mr/dd board may provide supported living.

**County mr/dd board service contracts (R.C. 5126.035 (repealed), 5126.036 (repealed), 5123.043, 5126.038, 5126.055, and 5126.06).** Repeals law governing service contracts between a county board of mental retardation and developmental disabilities (county mr/dd board) and a service provider, including the law governing mediation and arbitration procedures regarding service contracts.

Eliminates a county board's authority to contract with providers of Medicaid home and community-based services.

**Priority waiting lists for home and community-based services (R.C. 5126.042).** Authorizes a county mr/dd board, through the next biennium, to give priority for services to no more than 400 individuals under age 22 who have service needs of an unusual scope or intensity due to a mental or physical condition.

Authorizes a county mr/dd board to continue to use, until December 31, 2009, criteria specified in rules to determine, when two or more individuals qualify for priority on a waiting list for home and community-based services, the order in which the individuals will be given priority.

**County mr/dd board reporting requirements (R.C. 5126.12).** Changes the date a county mr/dd board must submit an itemized report of income and operating expenditures to April 13 (from March 13).

Eliminates a county mr/dd board requirement to submit a report on the total annual cost per enrollee for operation of programs and services operated by the county in the preceding year.

### **Temporary Law Provisions**

**Lease-Rental Payments (Section 337.20.10 of the bill).** Temporary law mandates that line item 320-415, Lease-Rental Payments, shall be used to meet all payments at the time they are required to be made during the period from July 1, 2007, to June 30, 2009, by the Department of Mental Retardation and Developmental Disabilities under leases and agreements made under section 154.20 of the Revised Code.

**Residential and Support Services (Section 337.30.10 of the bill).** Temporary law designates a portion of appropriation item 322-413, Residential and Support Services, for Sermak Class Services used to implement the requirements of the agreement settling the condecree in *Sermak v. Manuel*, Case No. c-2-80-220, United States District Court for the Southern District of Ohio, Eastern Division. Similar language was included in the last budget act.

**Other Residential and Support Service Programs (Section 337.30.20 of the bill).** Temporary law specifies that the Department of Mental Retardation and Developmental Disabilities may develop residential and support service programs funded by appropriation item 322-413, Residential and Support Services; and appropriation item 322-416, Medicaid Waiver – State Match, and the appropriation for supported living in appropriation item 322-501, County Board Subsidy, that enable persons with mental retardation and developmental disabilities to live in the community. The Department may waive the support collection requirements of those statutes for persons in community programs developed by the Department under this section. The Department shall adopt rules under Chapter 119. of the Revised Code or may use existing rules for the implementation of these programs. Similar language was included in the last budget act.

**Medicaid Waiver – State Match (GRF) (Section 337.30.30 of the bill).** The purposes for which the foregoing appropriation item 322-416, Medicaid Waiver – State Match, shall be used to include the following: (a) home and community-based waiver services under Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended, (b) services contracted by county boards of mental retardation and developmental disabilities, (c) 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 mental retardation and developmental disabilities does not initiate or support the development or certification of such beds, if the Director of Mental Retardation and Developmental Disabilities is required by this act to transfer to the Director of Job and Family Services funds to pay such nonfederal share. The Department of Mental Retardation and Developmental Disabilities may designate a portion of appropriation item 322-416, Medicaid Waiver – State Match, to county boards of mental retardation and developmental disabilities that have greater need for various residential and support services because of a low percentage of residential and support services development in comparison to the number of individuals with mental retardation or developmental disabilities in the county. Similar language was included in the last budget act.

**State Subsidy to County MR/DD Boards (Section 337.30.40 of the bill).** Temporary law requires that GRF line item 322-501, County Boards' Subsidies, be distributed to county boards of mr/dd under section 51.26 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. The Department may also use funds in GRF line item 322-501, County Boards Subsidies, to pay the nonfederal share of the cost of one or more new ICF/MR beds in a county where the county board initiates or supports the development of such beds. Similar language was included in the last budget act.

**Medicaid Waiver – State Match (Fund 4K8) (Section 337.30.50 of the bill).** Temporary law designates item 322-604, Medicaid Waiver – State Match (Fund 4K8), as state matching funds for the home and community-based waivers. Similar language was included in the last budget act.

**Targeted case management services (Section 337.30.60 of the bill).** Temporary law requires county mr/dd boards to pay the nonfederal portion of targeted case management costs to the Department of MR/DD.

Temporary language also permits the departments of MR/DD and Job and Family Services to enter into an interagency agreement requiring the Department of MR/DD to pay the Department of Job and Family Services the nonfederal portion of the cost of targeted case management services paid by county mr/dd boards and the Department of Job and Family Services to pay the total cost of targeted case management claims.

**Transfer to Program Fee Fund (Section 337.30.70 of the bill).** Temporary language specifies that on July 1, 2007, or as soon as possible thereafter, the Director of Mental Retardation and Developmental Disabilities shall certify to the Director of Budget and Management the amount of cash that has been deposited into Fund 4B5, Conference/Training, pursuant to sections 5123.19 and 5126.25 of the Revised Code, less the amount that has been expended from Fund 4B5 to operate the Certification and Registration program established under section 5126.25 of the Revised Code and to license and inspect residential facilities as outlined in section 5123.19 of the Revised Code. The certified amount shall not include amounts deposited into Fund 4B5 for training and conferences conducted by the Department of Mental Retardation and Developmental Disabilities. Upon receipt of the certification, the Director of Budget and Management shall transfer cash equal to the amount certified and all associated liabilities and obligations to Fund 5EV, Program Fee Fund, in the Department of Mental Retardation and Developmental Disabilities.

**Developmental Center Billing for Services (Section 337.30.80 of the bill).** Temporary language states that Developmental centers of the Department of Mental Retardation and Developmental Disabilities may provide services to persons with mental retardation or developmental disabilities living in the community or to providers of services to these persons. The Department may develop a method for recovery of all costs associated with the provisions of these services. Similar language was included in the last budget act.

**Transfer of Funds for Developmental Center Pharmacy Programs (Section 337.40.10 of the bill).** Temporary law requires the Department to pay the Department of Job and Family Services quarterly the nonfederal share of Medicaid prescription drug claim costs for all developmental centers. Similar language was included in the last budget act.

**Nonfederal Match for Active Treatment Services (Section 337.40.40 of the bill).** Any county funds received by the Department from county boards for active treatment shall be deposited in Fund 489, Mental Retardation Operating.

***Nonfederal Share of New ICF/MR Beds (Section 337.40.30 of the bill).*** Temporary law requires the Department to transfer specific funds to ODJFS to pay the nonfederal share of the cost under Medicaid for newly certified ICF/MR beds. The bill allows the Department to use GRF line items 322-416, Medicaid Waiver – State Match, or 322-417, Supported Living, to pay the nonfederal share of new ICF/MR certified beds if a county board 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. Similar language was included in the last budget act.

## REQUESTS NOT FUNDED

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

Medicaid Waiver – State Match						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
GRF 322-416	\$120,958,941	\$113,692,413	(\$7,266,528)	\$143,835,626	\$113,692,413	(\$30,143,213)
<b>TOTALS</b>	<b>\$120,958,941</b>	<b>\$113,692,413</b>	<b>(\$7,266,528)</b>	<b>\$143,835,626</b>	<b>\$113,692,413</b>	<b>(\$30,143,213)</b>

This line item is used to support ODMR/DD's Medicaid waiver programs: the Individual Options (IO) and the Level One (L1). The majority of the requested amount was to comply with the Martin v. Taft lawsuit settlement agreement. The decision was made to create a separate line item for this issue.

Martin Settlement						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
GRF 322-504	\$0	\$6,159,766	\$6,159,766	\$0	\$29,036,451	\$29,036,451
<b>TOTALS</b>	<b>\$</b>	<b>\$6,159,766</b>	<b>\$6,159,766</b>	<b>\$</b>	<b>\$29,036,451</b>	<b>\$29,036,451</b>

This line item has been created expressly to comply with the *Martin v. Taft* lawsuit settlement agreement. This provides the state share of funding for 600 IO waiver slots in FY 2008 and 900 additional slots in FY 2009.

County Boards Subsidies						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
GRF 322-501	\$90,893,715	\$90,067,913	(\$825,802)	\$92,132,417	\$90,067,913	(\$2,064,504)
<b>TOTALS</b>	<b>\$90,893,715</b>	<b>\$90,067,913</b>	<b>(\$825,802)</b>	<b>\$92,132,417</b>	<b>\$90,067,913</b>	<b>(\$2,064,504)</b>

This subsidy supports some of the administrative costs of providing the mandated services that county boards of mr/dd are required to provide. The Department made a primary request of \$90,067,913 in both FYs 2008 and 2009. In FY 2008, they made a supplemental request of \$825,802 and in FY 2009, they made a supplemental request of \$2,064,504. This extended request did not receive recommended funding from the executive. The additional funds were to be used to hire additional Service and Support Administrators to handle the increased caseloads as a result of complying with the *Martin Settlement*.

Community MR/DD Trust						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
4U4 322-606	\$50,000	\$0	(\$50,000)	\$50,000	\$0	(\$50,000)
<b>TOTALS</b>	<b>\$50,000</b>	<b>\$0</b>	<b>(\$50,000)</b>	<b>\$50,000</b>	<b>\$0</b>	<b>(\$50,000)</b>

The Department requested \$50,000 in spending authority in the 4U4 Fund for FY 2008. The executive did not fund the request. The 4U4 Fund has more than a \$50,000 cash balance. As a result of the executive's recommendation not to fund this line item, the Department plans to go to the Controlling Board if additional spending authority is needed in FY 2008.

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## General Revenue Fund

### GRF 320-321 Central Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$9,036,650	\$9,285,061	\$9,378,560	\$9,357,874	<b>\$9,638,610</b>	<b>\$9,638,610</b>
	2.7%	1.0%	-0.2%	<b>3.0%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** Section 209.09.03 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

**Purpose:** This line item supports central office operating expenses.

### GRF 320-412 Protective Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,919,257	\$2,008,330	\$2,463,000	\$2,463,000	<b>\$2,792,322</b>	<b>\$2,792,322</b>
	4.6%	22.6%	0.0%	<b>13.4%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** ORC 5123.56; Section 209.09.03 of Am. Sub. H.B. 66 of the 126th G.A. (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:** These funds are used to pay costs associated with guardianships, trusteeships, and protectorships for persons with MR/DD. The Department contracts with Advocacy and Protective Service, Inc. (APSI), a non-profit agency, for these services.

### GRF 320-415 Lease-Rental Payments

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$24,102,718	\$22,380,819	\$22,340,731	\$23,833,600	<b>\$23,767,400</b>	<b>\$20,504,500</b>
	-7.1%	-0.2%	6.7%	<b>-0.3%</b>	<b>-13.7%</b>

**Source:** GRF

**Legal Basis:** Section 209.09.03 of Am. Sub. H.B. 66 of the 126th 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**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$261,700	\$257,112	\$14,791	\$0	\$0	\$0
	-1.8%	-94.2%			

**Source:** GRF

**Legal Basis:** ORC 4115.31 through 4115.35; Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. S.B. 430 of the 111th G.A.)

**Purpose:** These funds are used to pay the expenses of the State Use Committee. The Committee approves suitable products and services that are provided by non-profit workshops that employ individuals with severe disabilities.

Am. Sub. H.B. 66 transfers the State Use program from the Department of Mental Retardation and Developmental Disabilities to the Department of Administrative Services (DAS).

**GRF 322-413 Residential and Support Services**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$7,746,079	\$7,702,390	\$6,890,156	\$7,423,021	\$6,753,881	\$6,753,881
	-0.6%	-10.5%	7.7%	-9.0%	0.0%

**Source:** GRF

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

**Purpose:** These funds are used to implement the requirements of the Sermak consent decree. Am. Sub. H.B. 66 includes temporary language allowing the Department to use this line item to implement the requirements of the consent decree in the Sermak case.

**GRF 322-416 Waiver State Match**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$90,590,348	\$99,190,711	\$106,181,843	\$107,192,413	\$113,692,413	\$113,692,413
	9.5%	7.0%	1.0%	6.1%	0.0%

**Source:** GRF

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 95 of the 125th G.A.)

**Purpose:** These funds provide state funding for the Individual Options (IO) and Level 1 home and community-based Medicaid waivers.

Am. Sub. H.B. 66 requires that this line item be used for the following:

- (1) home and community-based waiver services;
- (2) services contracted by county boards of MR/DD;
- (3) 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 to the Ohio Department of Job and Family Services to pay such nonfederal share.

Am. Sub. H.B. 66 allows the Department to designate a portion of the appropriation in this line item to county boards of MR/DD 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.

Am. Sub. H.B. 66 earmarks \$9,850,000 in each fiscal year to be distributed to county boards of MR/DD to support existing Medicaid waivers related to Medicaid activities provided for in a county board's plan. Up to \$3,000,000 of this earmark in each fiscal year may be used to implement day-to-day program management services and up to \$4,200,000 in each fiscal year may be used to implement the program and health and welfare requirements of ORC 5126.054.

Am. Sub. H.B. 66 earmarks \$2,650,000 in fiscal years 2006 and 2007 to recruit and retain direct care staff.

Am. Sub. H.B. 66 requires the Department to use the fiscal year 2005 methodology to determine each residential facilities waiver and individual options waiver provider's allocation for fiscal years 2006 and 2007.

Am. Sub. H.B. 66 allows the Department to use this line item to develop residential and support service programs that enable persons with MR/DD to live in the community.

**GRF 322-417 Supported Living**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$47,488,680	\$42,591,071	\$43,303,208	\$43,160,198	\$0	\$0
	-10.3%	1.7%	-0.3%		

**Source:** GRF

**Legal Basis:** ORC 5126.40 through 5126.47; Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 95 of the 125th G.A.)

**Purpose:** These funds are used for the Supported Living program. The Supported Living program provides direct subsidies to county boards of MR/DD to support community-based, residential services.

Am. Sub. H.B. 66 includes temporary language allowing this line item to be used for supported living services or 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.

Am. Sub. H.B. 66 allows the Department to use this line item to develop residential and support service programs that enable persons with MR/DD to live in the community.

**GRF 322-451 Family Support Services**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$5,711,492	\$8,018,972	\$6,836,353	\$6,938,898	\$0	\$0
	40.4%	-14.7%	1.5%		

**Source:** GRF

**Legal Basis:** ORC 5126.11; Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. S.B. 21 of the 112th G.A.)

**Purpose:** These funds support the Family Support Services program to provide assistance to persons with MR/DD and their families who are living in the community.

Am. Sub. H.B. 66 includes temporary language allowing the Department to use this line item to provide assistance to persons with MR/DD and their families who are living in the community or 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 initiates or supports such additions and if the Department is required to transfer such funds to the Ohio Department of Job and Family Services.

**GRF 322-452 Service and Support Administration**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$8,761,227	\$8,672,724	\$8,672,730	\$8,672,730	\$0	\$0
	-1.0%	0.0%	0.0%		

**Source:** GRF

**Legal Basis:** ORC 5126.15; Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Sub. H.B. 403 of the 117th G.A.)

**Purpose:** These funds support service and support administration activities throughout Ohio. These funds are allocated to county boards of MR/DD to bring state funding for all approved service and support administrators to the level authorized in ORC 5126.15(C). Subject to funding in this line item, no county may receive less than its allocation in FY 1995 for service and support administration.

Am. Sub. H.B. 66 includes temporary language renaming "Case Management Services" as "Service and Support Administration" wherever referred to in any law, contract, or other document.

Am. Sub. H.B. 66 authorizes the Department to use 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 in a county where the county board of MR/DD initiates or supports such an addition and if the Department is required to transfer such funds to the Ohio Department of Job and Family Services.

**GRF 322-501 County Boards Subsidies**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$31,176,572	\$35,927,589	\$31,337,721	\$31,296,087	\$90,067,913	\$90,067,913
	15.2%	-12.8%	-0.1%	187.8%	0.0%

**Source:** GRF

**Legal Basis:** ORC 5126.12; Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (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:** ALIs 322-417, 322-451, and 322-452 have been combined with this line item.

These funds are used to subsidize the basic operating expenses of the state's 88 county boards of MR/DD.

Am. Sub. H.B. 66 requires the Department, if sufficient funds are available, to use this line item to pay each county board of MR/DD an amount that is equal to the amount such board received in FY 2005. If the Department determines that there are not sufficient funds available to do this, the Department must pay each county board a amount that is proportionate to the amount such county board received in FY 2005. For FY 2007, the Department shall pay to each county board an amount that is determined by an allocation formula to be developed by the Department that considers all applicable factors in section 5126.12 of the Revised Code.

Am. Sub. H.B. 66 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 initiates or supports such an addition and if the Department is required to pay such funds to the Ohio Department of Job and Family Services.

Am. Sub. H.B. 66 allows county boards of MR/DD to pledge funds from this line item to cover the cost of providing the nonfederal match for active treatment services that the county provides to residents of the Department's developmental centers. The bill authorizes the Department to transfer these pledges and any other funds received by county boards for active treatment services to Fund 489, Mental Retardation Operating.

**GRF 322-503 Tax Equity**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$13,650,615	\$14,981,203	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000
	9.7%	-6.5%	0.0%	0.0%	0.0%

**Source:** GRF

**Legal Basis:** ORC 5126.18; Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established in Am. Sub. H.B. 95 of the 125th G.A.)

**Purpose:** These funds are used to fund the Tax Equalization program created under ORC 5126.18. This program helps to equalize funding among county boards of MR/DD by providing additional funding to tax-poor county boards.

**GRF 322-504 Martin Settlement**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$0	\$6,159,766	\$29,036,451
				N/A	371.4%

**Source:** GRF

**Legal Basis:** Section 337.30 of H.B. 119 of the 127th G.A., as proposed

**Purpose:** These funds provide state funding for home and community-based waivers in compliance with the Martin Settlement.

**GRF 323-321 Developmental Center and Residential Facilities Operation Expenses**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$103,582,397	\$103,092,781	\$104,561,813	\$100,457,600	\$102,796,851	\$102,796,851
	-0.5%	1.4%	-3.9%	2.3%	0.0%

**Source:** GRF

**Legal Basis:** Section 209.09.18 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

**Purpose:** These funds support the Department's developmental centers.

**General Services Fund Group**

**152 323-609 Developmental Center and Residential Operating Services**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$863,048	\$727,055	\$466,412	\$912,177	\$912,177	\$912,177
	-15.8%	-35.8%	95.6%	0.0%	0.0%

**Source:** GSF: Revenues from the sale of goods and services by developmental centers.

**Legal Basis:** Section 209.09.18 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in June 1980)

**Purpose:** These funds are used for expenses at the Department's developmental centers.

**488 322-603 Provider Audit Refunds**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$212,509	\$0	\$10,000	\$10,000	\$10,000
			N/A	0.0%	0.0%

**Source:** GSF: Reimbursement collected from providers following an audit

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 298 of the 119th G.A.)

**Purpose:** These funds support central office administrative expenses.

**4B5 320-640 Training and Service Development**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$21,888	\$4,669	\$35,861	\$300,000	\$100,000	\$100,000
	-78.7%	668.1%	736.6%	-66.7%	0.0%

**Source:** GSF: Fees assessed to participants of various conference and training activities

**Legal Basis:** Section 209.09.03 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on November 20, 1989)

**Purpose:** These funds are used for training expenses.

**4J6 322-645 Intersystem Services for Children**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,201,032	\$2,316,897	\$461,663	\$0	\$0	\$0
	-27.6%	-80.1%			

**Source:** GSF: Funds transferred from the Ohio Department of Education

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

**Purpose:** These funds were used to support direct grants to county Family and Children First Councils. This program is being transferred to the Ohio Department of Mental Health.

Am. Sub. H.B. 66 transfers the administrative duties and funding of the Ohio Family and Children First Cabinet Council, including the Intersystem Services for Children program, to the Ohio Department of Mental Health (ODMH). All initiatives of the OFCF are funded through the participating state agencies and come from a variety of funding sources. According to ODMR/DD, the program will serve the same population and will be a better alignment of services for children in need.

Am. Sub. H.B. 66 requires the Department to certify the remaining cash balance in Fund 4J6, Youth Cluster, to the Office of Budget and Management (OBM). Upon certification, OBM must transfer that amount to the GRF and increase ODMH line item 335-404, Behavioral Health Services-Children, by the same amount. When this transfer is completed, Fund 4J6 shall be abolished.

**4U4 322-606 Community MR and DD Trust**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$50,000	\$0	\$0
			N/A		

**Source:** GSF: GRF funds not spent, with the exception of debt service, at the end of the fiscal year

**Legal Basis:** ORC 5123.352; ORC 5126.19; Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. S.B. 21 of the 120th G.A.)

**Purpose:** These funds are used to provide temporary funding to county boards of MR/DD to support behavioral or short-term interventions, emergency respite care services, family support services, supported living, staff training, early childhood services, or contracts with providers of residential services to maintain persons with MR/DD in their programs and avoid institutionalization.

The Department must certify all unspent and unencumbered GRF appropriations, other than those in line item 320-415, Lease-Rental Payments. At the end of a fiscal year, the Office of Budget and Management may transfer up to the certified amount of unspent money into the Community MR and DD Trust Fund (Fund 4U4). If this amount exceeds \$20 million, the Controlling Board must approve the transfer.

**4V1 322-611 Family and Children First**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$510,218	\$471,844	\$33,082	\$0	\$0	\$0
	-7.5%	-93.0%			

**Source:** GSF: Transfers from various state agencies

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in 1995)

**Purpose:** These funds are used to provide operating support for the Family and Children First Council.

Am. Sub. H.B. 66 transfers the administrative duties and funding of the Ohio Family and Children First Cabinet Council (OFCF) to the Ohio Department of Mental Health (ODMH). All initiatives of the OFCF are funded through the participating state agencies and come from a variety of funding sources. According to ODMR/DD, the program will serve the same population and will be a better alignment of services for children in need.

Am. Sub. H.B. 66 requires the Department to certify the remaining cash balance in Fund 4V1, Miscellaneous Use, to the Office of Budget and Management (OBM). Upon certification, OBM must transfer that amount and reestablish encumbrances in ODMH, Fund 232, Family and Children First Administration Fund. When this transfer is completed, Fund 4V1 shall be abolished.

## Federal Special Revenue Fund Group

### 325 320-634 Protective Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$0
	0.0%	0.0%	0.0%		

**Source:** FED: Title XX funds the Department receives from the Ohio Department of Job and Family Services

**Legal Basis:** ORC 5123.56; Section 209.09.03 of Am. Sub. H.B. 66 of the 126th G.A. (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:** These funds supplement the costs associated with initiating and maintaining guardianships, trusteeships, and protectorships for certain mentally retarded and developmentally disabled clients, pursuant to ORC 5123.56. Title XX funds are originally received by the Ohio Department of Job and Family Services (ODJFS). ODJFS then passes a portion of these funds to ODMR/DD.

### 325 322-608 Grants for Infants and Families with Disabilities

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$683,746	\$1,579,824	\$933,790	\$1,763,165	\$0	\$0
	131.1%	-40.9%	88.8%		

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

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by H.B. 204 of the 113th G.A.)

**Purpose:** These funds provide grants for infants and families with disabilities living in the community.

### 325 322-612 Community Social Service Programs

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$12,385,961	\$9,640,795	\$9,281,654	\$11,500,000	\$11,186,114	\$11,164,639
	-22.2%	-3.7%	23.9%	-2.7%	-0.2%

**Source:** FED: CFDA 93.667, Social Services Block Grant

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on April 25, 1980)

**Purpose:** ALIs 320-634, 322-608, and 323-608 have been combined with this line item.

These funds are used for community-based services. Title XX funds are originally received by the Ohio Department of Job and Family Services (ODJFS). ODJFS then passes a portion of these funds to ODMR/DD.

**325 322-617 Education Grants - Operating**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$4,820	\$0	\$0	\$0	\$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:** Discontinued line item (originally established by H.B. 204 of the 113th G.A.)

**Purpose:** These funds were used to hire teachers, purchase education materials, and expand the educational opportunities for adults with MR/DD to focus on basic literacy skills. The Department is no longer a sub-recipient of these funds.

**325 323-608 Foster Grandparent Program**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$426,428	\$379,964	\$365,452	\$575,000	\$0	\$0
	-10.9%	-3.8%	57.3%		

**Source:** FED: CFDA 94.011, Foster Grandparent Program

**Legal Basis:** Section 209.09.18 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by H.B. 204 of the 113th G.A.)

**Purpose:** These funds are used to support the Foster Grandparent Program.

**325 323-617 Education Grants - Residential Facilities**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$282,912	\$0	\$0	\$0	\$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:** Discontinued line item (originally established by H.B. 204 of the 113th G.A.)

**Purpose:** These funds were used to ensure that successful outcomes are achieved primarily in obtaining and retaining employment and in learning basic reading skills to function independently. The Department is no longer a sub-recipient of these funds.

**3A4 320-605 Administrative Support**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$9,105,888	\$10,052,740	\$7,082,409	\$13,492,892	\$0	\$0
	10.4%	-29.5%	90.5%		

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

**Legal Basis:** Section 209.09.03 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by H.B. 204 of the 113th G.A.)

**Purpose:** These funds support central office administrative expenses.

**3A4 322-605 Community Program Support**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$359,860	\$1,603,977	\$0	\$1,500,000	\$0	\$0
	345.7%				

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

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by H.B. 204 of the 113th G.A.)

**Purpose:** In the past, these funds have been used for emergencies.

**3A4 323-605 Developmental Center and Residential Facility Services and Support**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$102,480,028	\$108,736,198	\$109,114,542	\$120,000,001	\$136,299,536	\$137,555,308
	6.1%	0.3%	10.0%	13.6%	0.9%

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

**Legal Basis:** Section 209.09.18 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 291 of the 115th G.A.)

**Purpose:** ALIs 320-605, 322-605 have been combined with this line item.

These funds are used to pay operating expenses at the Department's developmental centers.

**3A5 320-613 DD Council**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$841,359	\$832,884	\$858,093	\$895,440	\$2,705,004	\$2,743,630
	-1.0%	3.0%	4.4%	202.1%	1.4%

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

**Legal Basis:** Section 209.09.03 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on April 25, 1980)

**Purpose:** ALI 322-613 was combined with this line item.

These funds pay the operating expenses for the Ohio Developmental Disabilities Council.

**3A5 322-613 DD Council Grants**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,138,403	\$2,335,564	\$1,858,097	\$3,204,240	\$0	\$0
	9.2%	-20.4%	72.4%		

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

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on April 25, 1980)

**Purpose:** These funds provide grants issued by the Ohio Developmental Disabilities 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 - Federal**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$270,052,678	\$306,701,920	\$381,771,189	\$427,272,813	\$456,311,171	\$506,618,829
	13.6%	24.5%	11.9%	6.8%	11.0%

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

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on January 26, 1990)

**Purpose:** These funds are used to implement home and community-based Medicaid programs. Funds in this line item represent federal reimbursement received from Medicaid waiver services.

**3M7 322-650 CAFS Medicaid**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$189,898,794	\$276,798,470	\$171,979,188	\$103,773,730	\$4,278,713	\$0
	45.8%	-37.9%	-39.7%	-95.9%	

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

**Legal Basis:** ORC 5111.041; Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 694 of the 114th G.A.)

**Purpose:** These funds provide federal matching funds for the Community Alternative Funding System (CAFS) program. The CAFS program was terminated at the end of FY 2005. Appropriations in FY 2006 and FY 2007 are for residual claiming that will occur during the biennium.

## State Special Revenue Fund Group

### 221 322-620 Supplement Service Trust

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$125,375	\$0	\$150,000	\$150,000	\$150,000
			N/A	0.0%	0.0%

**Source:** SSR: Funds recovered from a supplemental services trust upon the death of a beneficiary

**Legal Basis:** ORC 1339.51; Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A.

**Purpose:** These funds are used for community-based services that are not Medicaid eligible, such as reimbursements for attendance in recreational events, travel, vacations, sports, elective medical or dental care, gym memberships, etc. When an individual with a supplemental service trust dies, 50% of the remaining funds are returned to the county board of MR/DD in the individual's county of origin. The funds are then used to fund services that are not Medicaid reimbursable for individuals without trusts.

### 489 323-632 Developmental Center Direct Care Support

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$10,222,586	\$8,163,898	\$12,035,511	\$15,625,627	\$14,543,764	\$14,671,616
	-20.1%	47.4%	29.8%	-6.9%	0.9%

**Source:** SSR: Client resources of individuals residing in developmental centers

**Legal Basis:** ORC 5121.03; Section 209.09.18 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by H.B. 1 of the 100th G.A.)

**Purpose:** These funds are used to offset the individual's cost of care in a developmental center.

### 4K8 322-604 Waiver-Match

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$18,972,244	\$11,433,571	\$9,182,059	\$12,000,000	\$12,000,000	\$12,000,000
	-39.7%	-19.7%	30.7%	0.0%	0.0%

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

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

**Purpose:** These funds must be used to support home and community-based Medicaid waivers.

**5EV 322-627 Program Fees**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$0	\$20,000	\$20,000
				N/A	0.0%

**Source:** SSR: Fees paid to the department for employee certification and registration, licensing of residential facilities, and provider certification.

**Legal Basis:** Section 337.30.70 of H.B. 119 of the 127th G.A., as proposed.

**Purpose:** The Program Fee fund shall be used insofar as its moneys are available for the expenses of: (1) operating the certification and registration program established under Section 5126.025 of the Revised Code and for providing continuing training to county board employees; (2) operating the provider certification program established under Section 5123.16 of the Revised Code; (3) licensing and inspecting residential facilities as outlined in Section 5123.19 of the Revised Code

**5H0 322-619 Medicaid Repayment**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$25,000	\$10,000	\$10,000
			N/A	-60.0%	0.0%

**Source:** SSR: Medicaid audit reimbursements received from the Department of Job and Family Services

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on November 17, 1997)

**Purpose:** These funds support central office administrative expenses.

**5S2 590-622 Medicaid Administration & Oversight**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$4,983,474	\$5,722,591	\$6,105,525	\$8,000,000	\$11,003,855	\$11,472,335
	14.8%	6.7%	31.0%	37.5%	4.3%

**Source:** SSR: Funds collected from the 1.5% fee charged to all county boards of MR/DD on the total of Medicaid paid claims.

**Legal Basis:** ORC 5123.0412 (B); Section 209.09.03 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on October 15, 2001)

**Purpose:** These funds can be used for the administrative and oversight costs Medicaid service and support administration 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 deposited in this fund are divided among the Department and the Ohio Department of Job and Family Services by an interagency agreement.

**5Z1 322-624 County Board Waiver Match**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$17,265,859	\$36,237,917	\$91,958,465	\$116,000,000	\$116,000,000	\$126,000,000
	109.9%	153.8%	26.1%	0.0%	8.6%

**Source:** SSR: Funds pledged from county boards of MR/DD to cover state waiver match obligations

**Legal Basis:** Section 209.09.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by the Controlling Board on August 18, 2003)

**Purpose:** These funds are received from county boards of MR/DD and are used to cover the non-federal share of Medicaid waiver expenditures.

**5DJ 322-625 Targeted Case Management Match**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$20,280,000	\$11,082,857	\$11,470,757
			N/A	-45.4%	3.5%

**Source:** SSR: Funds are received from county boards of MR/DD

**Legal Basis:** Section 337.30 of H.B. 119 of the 127th G.A., as proposed

**Purpose:** These funds are received from county boards of MR/DD and are used to cover the non-federal portion of the cost of Targeted Case Management Services.

**5DJ 322-626 Targeted Case Management Services**

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$18,351,594	\$27,548,737	\$28,512,943
			N/A	50.1%	3.5%

**Source:** SSR: According to H.B. 530, the nonfederal portion is paid by ODMR/DD with funds received from JFS Fund 5C9, Medicaid Program Support.

**Legal Basis:** Section 337.30.60 of H.B. 119 of the 127th G.A., as proposed.

**Purpose:** These funds are used to reimburse county boards of MR/DD for Targeted Case Management Services.

## LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
<b>DMR Mental Retardation and Developmental Disabilities, Department of</b>								
GRF	320-321	Central Administration	\$ 9,378,560	\$9,357,874	\$ 9,638,610	3.0%	\$ 9,638,610	0.0%
GRF	320-412	Protective Services	\$ 2,463,000	\$2,463,000	\$ 2,792,322	13.4%	\$ 2,792,322	0.0%
GRF	320-415	Lease-Rental Payments	\$ 22,340,731	\$23,833,600	\$ 23,767,400	-0.3%	\$ 20,504,500	-13.7%
GRF	322-405	State Use Program	\$ 14,791	\$0	\$ 0	N/A	\$ 0	N/A
GRF	322-413	Residential and Support Services	\$ 6,890,156	\$7,423,021	\$ 6,753,881	-9.0%	\$ 6,753,881	0.0%
GRF	322-416	Waiver State Match	\$ 106,181,843	\$107,192,413	\$ 113,692,413	6.1%	\$ 113,692,413	0.0%
GRF	322-417	Supported Living	\$ 43,303,208	\$43,160,198	\$ 0	-100.0%	\$ 0	N/A
GRF	322-451	Family Support Services	\$ 6,836,353	\$6,938,898	\$ 0	-100.0%	\$ 0	N/A
GRF	322-452	Service and Support Administration	\$ 8,672,730	\$8,672,730	\$ 0	-100.0%	\$ 0	N/A
GRF	322-501	County Boards Subsidies	\$ 31,337,721	\$31,296,087	\$ 90,067,913	187.8%	\$ 90,067,913	0.0%
GRF	322-503	Tax Equity	\$ 14,000,000	\$14,000,000	\$ 14,000,000	0.0%	\$ 14,000,000	0.0%
GRF	322-504	Martin Settlement	---	---	\$ 6,159,766	N/A	\$ 29,036,451	371.4%
GRF	323-321	Developmental Center and Residential Facilities Operation Expenses	\$ 104,561,813	\$100,457,600	\$ 102,796,851	2.3%	\$ 102,796,851	0.0%
<b>General Revenue Fund Total</b>			<b>\$ 355,980,904</b>	<b>\$ 354,795,421</b>	<b>\$ 369,669,156</b>	<b>4.2%</b>	<b>\$ 389,282,941</b>	<b>5.3%</b>
152	323-609	Developmental Center and Residential Operating Services	\$ 466,412	\$912,177	\$ 912,177	0.0%	\$ 912,177	0.0%
488	322-603	Provider Audit Refunds	---	\$10,000	\$ 10,000	0.0%	\$ 10,000	0.0%
4B5	320-640	Training and Service Development	\$ 35,861	\$300,000	\$ 100,000	-66.7%	\$ 100,000	0.0%
4J6	322-645	Intersystem Services for Children	\$ 461,663	\$0	\$ 0	N/A	\$ 0	N/A
4U4	322-606	Community MR and DD Trust	---	\$50,000	\$ 0	-100.0%	\$ 0	N/A
4V1	322-611	Family and Children First	\$ 33,082	\$0	\$ 0	N/A	\$ 0	N/A
<b>General Services Fund Group Total</b>			<b>\$ 997,019</b>	<b>\$ 1,272,177</b>	<b>\$ 1,022,177</b>	<b>-19.7%</b>	<b>\$ 1,022,177</b>	<b>0.0%</b>
325	320-634	Protective Services	\$ 100,000	\$100,000	\$ 0	-100.0%	\$ 0	N/A
325	322-608	Grants for Infants and Families with Disabilities	\$ 933,790	\$1,763,165	\$ 0	-100.0%	\$ 0	N/A
325	322-612	Community Social Service Programs	\$ 9,281,654	\$11,500,000	\$ 11,186,114	-2.7%	\$ 11,164,639	-0.2%
325	323-608	Foster Grandparent Program	\$ 365,452	\$575,000	\$ 0	-100.0%	\$ 0	N/A
3A4	320-605	Administrative Support	\$ 7,082,409	\$13,492,892	\$ 0	-100.0%	\$ 0	N/A

## LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2006</i>	<i>Estimated 2007</i>	<i>Executive 2008</i>	<i>% Change 2007 to 2008</i>	<i>Executive 2009</i>	<i>% Change 2008 to 2009</i>
<b><i>DMR Mental Retardation and Developmental Disabilities, Department of</i></b>								
3A4	322-605	Community Program Support	\$ 0	\$1,500,000	\$ 0	-100.0%	\$ 0	N/A
3A4	323-605	Developmental Center and Residential Facility Services and Support	\$ 109,114,542	\$120,000,001	\$ 136,299,536	13.6%	\$ 137,555,308	0.9%
3A5	320-613	DD Council	\$ 858,093	\$895,440	\$ 2,705,004	202.1%	\$ 2,743,630	1.4%
3A5	322-613	DD Council Grants	\$ 1,858,097	\$3,204,240	\$ 0	-100.0%	\$ 0	N/A
3G6	322-639	Medicaid Waiver - Federal	\$ 381,771,189	\$427,272,813	\$ 456,311,171	6.8%	\$ 506,618,829	11.0%
3M7	322-650	CAFS Medicaid	\$ 171,979,188	\$103,773,730	\$ 4,278,713	-95.9%	\$ 0	-100.0%
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 683,344,412</b>	<b>\$ 684,077,281</b>	<b>\$ 610,780,538</b>	<b>-10.7%</b>	<b>\$ 658,082,406</b>	<b>7.7%</b>
221	322-620	Supplement Service Trust	----	\$150,000	\$ 150,000	0.0%	\$ 150,000	0.0%
489	323-632	Developmental Center Direct Care Support	\$ 12,035,511	\$15,625,627	\$ 14,543,764	-6.9%	\$ 14,671,616	0.9%
4K8	322-604	Waiver-Match	\$ 9,182,059	\$12,000,000	\$ 12,000,000	0.0%	\$ 12,000,000	0.0%
5EV	322-627	Program Fees	----		\$ 20,000	N/A	\$ 20,000	0.0%
5H0	322-619	Medicaid Repayment	----	\$25,000	\$ 10,000	-60.0%	\$ 10,000	0.0%
5S2	590-622	Medicaid Administration & Oversight	\$ 6,105,525	\$8,000,000	\$ 11,003,855	37.5%	\$ 11,472,335	4.3%
5Z1	322-624	County Board Waiver Match	\$ 91,958,465	\$116,000,000	\$ 116,000,000	0.0%	\$ 126,000,000	8.6%
5DJ	322-625	Targeted Case Management Match	----	\$20,280,000	\$ 11,082,857	-45.4%	\$ 11,470,757	3.5%
5DJ	322-626	Targeted Case Management Services	----	\$18,351,594	\$ 27,548,737	50.1%	\$ 28,512,943	3.5%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 119,281,559</b>	<b>\$ 190,432,221</b>	<b>\$ 192,359,213</b>	<b>1.0%</b>	<b>\$ 204,307,651</b>	<b>6.2%</b>
<b><i>Total All Budget Fund Groups</i></b>			<b>\$ 1,159,603,894</b>	<b>\$ 1,230,577,100</b>	<b>\$ 1,173,831,084</b>	<b>-4.6%</b>	<b>\$ 1,252,695,175</b>	<b>6.7%</b>