Greenbook

LBO Analysis of Enacted Budget

Ohio Department of Medicaid

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Appropriation Spreadsheet

LBO Greenbook

Ohio Department of Medicaid

Quick look…

- Medicaid is a joint federal-state program that provides health insurance coverage to approximately 3.5 million low-income Ohioans, including over 1.3 million children.
- At an annual spending of $36.13 billion in combined federal and state dollars in FY 2023, Medicaid is the largest single state program and accounts for nearly 5% of Ohio's economy.
  - Medicaid is the largest spending area of the combined state and federal GRF budget and the second largest area (behind K-12 education) in the state-only GRF budget.
- The Ohio Department of Medicaid (ODM) administers Ohio Medicaid with the assistance of the Ohio Department of Developmental Disabilities (DODD), six other state agencies, and various local partners.
  - About 99% of all-funds expenditures for Ohio Medicaid are disbursed by ODM and DODD.
  - 100% of all-funds Medicaid service expenditures are disbursed by ODM and DODD. The other six agencies incur only administrative spending.
- The COVID-19 pandemic has had significant impacts for the Medicaid Program. The program experienced increases in caseloads, and federal legislation awarded increased federal Medicaid funding for many services.
- During 2023, the enhanced federal Medicaid funding due to the pandemic is being gradually phased out as Medicaid returns to conducting regular eligibility redeterminations.

All-Funds Medicaid*	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
Agency				
ODM	$31,297,827,809	$32,292,272,853	$35,930,052,898	$39,085,492,169
DODD	$3,449,405,276	$3,518,858,630	$4,494,761,102	$5,059,376,147
Job and Family Services	$257,259,345	$265,608,547	$323,140,026	$328,306,397
Health	$33,719,631	$35,265,593	$41,504,000	$41,639,000
Aging	$8,497,269	$12,517,215	$16,990,000	$10,082,000
Mental Health and Addiction Services	$3,562,954	$4,556,070	$5,618,000	$5,650,000
Pharmacy Board	$2,060,497	$1,557,257	$1,884,000	$1,885,000
Education	$447,759	$430,615	$575,000	$577,000
Grand Total	$35,052,780,541	$36,131,066,780	$40,814,525,026	$44,533,007,713
ODM Share	89.3%	89.4%	88.0%	87.8%
DODD Share	9.8%	9.7%	11.0%	11.4%
Expense Type				
Services	$34,070,610,752	$35,118,031,503	$39,502,152,800	$43,260,709,016
Administration	$982,169,788	$1,013,035,277	$1,312,372,226	$1,272,298,697
Grand Total	$35,052,780,541	$36,131,066,780	$40,814,525,026	$44,533,007,713
Services Share	97.2%	97.2%	96.8%	97.1%
Administration Share	2.8%	2.8%	3.2%	2.9%

*To avoid double counting, the appropriation for line item 651655, Medicaid Interagency Pass-Through, is not included in the Department of Medicaid total. Item 651655 is used to disburse federal reimbursements to other agencies for Medicaid administrative expenses.

All-Agency All-Funds*	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
	Amount ($ in millions)							
GRF – State	$5,003.4	$5,208.6	$4,885.6	$5,356.1	$5,188.1	$5,485.9	$6,957.2	$8,034.5
GRF – Federal	$9,479.1	$9,844.3	$10,586.3	$12,738.2	$11,891.2	$12,997.8	$13,517.1	$15,281.9
GRF – Total	$14,482.5	$15,052.8	$15,471.8	$18,094.4	$17,079.3	$18,483.7	$20,474.2	$23,316.4
Non-GRF – State	$3,357.1	$3,284.3	$3,569.3	$3,158.6	$4,118.5	$4,137.9	$5,434.7	$5,652.4
Non-GRF – Federal	$8,503.0	$8,426.9	$9,191.2	$10,489.7	$13,854.9	$13,509.4	$14,905.6	$15,564.2
Grand Total	**$26,342.7**	**$26,764.0**	**$28,232.4**	**$31,742.8**	**$35,052.8**	**$36,131.1**	**$40,814.5**	**$44,533.0**
Annual % Change	**--**	**1.6%**	**5.5%**	**12.4%**	**10.4%**	**3.1%**	**13.0%**	**9.1%**
	Share							
GRF – State	19.0%	19.5%	17.3%	16.9%	14.8%	15.2%	17.0%	18.0%
GRF – Federal	36.0%	36.8%	37.5%	40.1%	33.9%	36.0%	33.1%	34.3%
Non-GRF – State	12.7%	12.3%	12.6%	10.0%	11.7%	11.5%	13.3%	12.7%
Non-GRF – Federal	32.3%	31.5%	32.6%	33.0%	39.5%	37.4%	36.5%	34.9%
Grand Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Total GRF Share	**55.0%**	**56.2%**	**54.8%**	**57.0%**	**48.7%**	**51.2%**	**50.2%**	**52.4%**
Total Federal Share	**68.3%**	**68.3%**	**70.1%**	**73.2%**	**73.4%**	**73.4%**	**69.6%**	**69.3%**

*To avoid double counting, the appropriation for line item 651655, Medicaid Interagency Pass-Through, is not included.

Medicaid Program overview

Medicaid is a publicly funded health insurance program for low-income individuals. It is a federal-state joint program administered by the states and funded with federal, state, and, in some states like Ohio, local revenues. The federal government establishes and monitors certain requirements concerning funding, eligibility standards, and quality and scope of medical services. In Ohio, Medicaid covers approximately 3.5 million low-income adults, children, pregnant women, seniors, and individuals with disabilities each year. Ohio Medicaid is the largest health insurer in the state. It is also the largest single state program with annual spending of more than $36.13 billion in combined federal and state dollars in FY 2023. Medicaid accounts for almost 5% of Ohio's economy. Medicaid services are an entitlement for those who meet eligibility requirements, meaning that if an individual is eligible for the program, then they are guaranteed the benefits and the state is obligated to pay for them.

Another federal-state joint health care program, which has been implemented as a Medicaid expansion in Ohio, is the State Children's Health Insurance Program (SCHIP). This program provides health care coverage for children in low- and moderate-income families who are ineligible for Medicaid but cannot afford private insurance.

Ohio's Medicaid Program is among the largest in the nation. It includes coverage for the following:

- More than 1.3 million children, from birth to age 18;
- More than 35,000 children in foster care;
- More than 250,000 senior citizens over the age of 65;
- More than 40,000 individuals residing in nursing facilities; and
- More than 105,000 individuals on home and community-based waivers.

The federal government requires each state to designate a "single state agency" to administer its Medicaid Program. The Ohio Department of Medicaid (ODM) is the single state agency for Ohio under the federal regulation. As Ohio's single state agency, ODM must retain oversight and administrative control of the Ohio Medicaid Program and assure the federal Centers for Medicare and Medicaid Services (CMS) that federally set standards are maintained. Federal law allows a state's single agency to contract with other public and private entities to manage aspects of the program. ODM administers the program with the assistance of other state agencies, county departments of job and family services, county boards of developmental disabilities, and area agencies on aging. ODM contracts with the following state agencies to administer various Ohio Medicaid programs through interagency agreements:

- Ohio Department of Developmental Disabilities (DODD);
- Ohio Department of Job and Family Services (ODJFS);
- Ohio Department of Health (ODH);
- Ohio Department of Mental Health and Addiction Services (OhioMHAS);
- Ohio Department of Aging (ODA);

- Ohio Department of Education (ODE); and
- Ohio Board of Pharmacy.

DODD provides services to disabled individuals through home and community-based Medicaid waiver programs. DODD also provides services to severely disabled individuals at eight regional developmental centers throughout the state and pays private intermediate care facilities for Medicaid services provided to individuals with intellectual or other developmental disabilities. In addition, DODD provides subsidies to, and oversight of, Ohio's 88 county developmental disabilities (DD) boards. County boards arrange for more than 95,000 adults and children to receive comprehensive services, which include residential support, early intervention, and family support.

ODJFS provides funding to county departments of job and family services (CDJFSs) to administer Medicaid at the local level and to provide certain transportation services to Medicaid enrollees. Local administrative activities mainly include caseworkers processing eligibility determinations. CDJFSs arrange for various transportation services to be provided to Medicaid enrollees.

ODH works with CMS and functions as Ohio's state survey agency for the certification of Medicare and Medicaid health care providers. In this role, ODH, among other things, surveys and certifies facilities, such as long-term care and residential care facilities and hospitals, participating in the Medicaid Program to ensure compliance with state and federal rules and regulations. DODD certifies intermediate care facilities for individuals with intellectual disabilities (ICFs/IID) beds. Certification is required for a provider to receive reimbursement from Medicaid.

OhioMHAS works with local boards to ensure the provision of mental health services. Ohio has 50 community behavioral health boards, which serve all 88 counties. The boards are responsible for planning, monitoring, and evaluating the service delivery system within their geographic areas. The local boards contract with local service providers to deliver mental health services in the community.

ODA administers Medicaid programs such as the Pre-Admission Screening System Providing Options and Resources Today (PASSPORT) Medicaid waiver, the Assisted Living Medicaid waiver, and the Program for All-Inclusive Care for the Elderly (PACE).

ODE administers the Medicaid Schools Program, which provides districts with reimbursement for services provided to Medicaid-eligible students and reimburses ODE for the cost of administering the program. These costs include technical assistance and program monitoring to verify federal program mandates and assure program compliance and accountability.

The State Board of Pharmacy uses Medicaid funds for the Ohio Automated Rx Reporting System (OARRS) Integration Initiative, an effort under the State Medicaid Health Information Technology Plan to integrate OARRS directly into electronic medical records and pharmacy dispensing systems across the state. The goal of this initiative is to provide health care providers with information regarding a patient's controlled substance prescription history, support clinician interventions for patients with high-risk behaviors, and reduce the number of patients who present at multiple prescriber sites to obtain controlled substances.

ODM contracts with CDJFSs to perform eligibility determination and enrollment. Most of these activities are done utilizing an integrated eligibility system, Ohio Benefits, which was implemented on October 1, 2013. Ohio Benefits replaced the old eligibility system known as the Client Registry Information System-Enhanced (CRIS-E). ODM provides technical assistance to counties and assists them to implement eligibility policy.

The enacted budget provides a total appropriation for the Medicaid Program of $40.81 billion in FY 2024, a 13.0% increase over FY 2023's actual spending of $36.13 billion, and $44.53 billion in FY 2025, a 9.1% increase over FY 2024. The breakdowns can be found on page 1 of this publication. Table 1 below shows the appropriations for Medicaid funding for all agencies by fund group.

Table 1. Medicaid Budget Sources by Fund Group for All Agencies*

Fund Group	FY 2023	FY 2024	FY 2025
General Revenue Fund	$18,483,730,168	$20,474,209,000	$23,316,362,000
Federal Share	*$12,997,809,609*	*$13,517,054,600*	*$15,281,873,000*
State Share	*$5,485,920,559*	*$6,957,154,400*	*$8,034,489,000*
Dedicated Purpose Fund	$4,121,401,066	$5,393,702,296	$5,611,426,016
Federal Fund	$13,509,424,123	$14,905,613,730	$15,564,219,697
Internal Service Activity Fund	$14,318,934	$31,000,000	$31,000,000
Holding Account Fund	$2,192,489	$10,000,000	$10,000,000
Total	**$36,131,066,780**	**$40,814,525,026**	**$44,533,007,713**

*To avoid double counting, the appropriation for line item 651655, Medicaid Interagency Pass-Through, is not included.

For the FY 2024-FY 2025 biennium, GRF appropriations account for the largest portion (51.3%) of the appropriated funding for the Medicaid Program. About 65.8% of the GRF funding is federal Medicaid reimbursement. Federal funds account for the next largest share of funding at 35.7%. Federal funds include primarily federal reimbursements for Medicaid services and administrative activities that are not deposited into the GRF.

Dedicated Purpose Funds account for 12.9% of the appropriated funding. Sources of these funds mainly include the following:

- Revenue generated from the managed care franchise fee;
- Revenue generated from hospital assessments;
- Revenue generated from nursing home and hospital long-term care unit franchise permit fees;
- Revenue generated from the ICFs/IID franchise permit fee;
- Prescription drug rebate revenue; and
- Recoveries from third-party liabilities.

Federal reimbursement

Table 2 below shows the FMAP received or anticipated to be received by quarter for FY 2020 through FY 2025. The regular FMAP is the amount each state typically receives for providing Medicaid services. It is calculated each year for each state and is based on the state's per-capita income. States with higher per-capita incomes will have lower FMAPs and vice versa. An enhanced FMAP (eFMAP) is provided for certain services, including services provided under SCHIP. Under SCHIP, each state is given an allotment of federal funds. Subject to the availability of funds from the state's allotment, the eFMAP is used to determine the federal share of the cost of SCHIP. Each state's eFMAP is calculated by reducing the state's share under the regular FMAP by 30%. States receive a higher FMAP for services provided to the Group VIII population. Calendar year 2019 was the final year of the Group VIII FMAP gradually decreasing to a permanent level of 90%. Thus, the first two quarters of FY 2020 in the table below show the calendar year 2019 Group VIII FMAP of 93%, before the Group VIII FMAP goes to its permanent level of 90%.

The federal Families First Coronavirus Response Act (FFCRA), enacted in March 2020, provides for a temporary increase in FMAP of 6.2 percentage points for certain expenditures incurred after January 1, 2020. Ohio is eligible for this FMAP increase conditional on meeting the five conditions set in the FFCRA, which are to: (1) maintain eligibility standards or procedures that are no more restrictive than those in place on January 1, 2020, (2) not charge premiums that exceed those in place on January 1, 2020, (3) provide testing, services, and treatments including vaccines, specialized equipment, and therapies related to COVID-19 without cost-sharing requirements, (4) provide continuous coverage to individuals enrolled onto the program during the emergency period, and (5) not require local political subdivisions to pay a greater portion of the nonfederal share of expenditures than was required on March 11, 2020. As Ohio has met these five requirements, the state has been receiving increased federal reimbursement for most Medicaid services since the beginning of 2020.

In December 2022, Congress passed the Consolidated Appropriations Act, 2023 (CAA). Among its many provisions, the CAA provides for a gradual unwinding of both the increased FMAP and the continuous coverage provision. On March 31, 2023, the CAA ended the continuous coverage requirement. In accordance with previously issued guidance from the Centers for Medicare and Medicaid Services (CMS), states will have up to 14 months to fully resume routine eligibility and enrollment processes.

The CAA also phases down the increased FMAP over the last nine months of 2023, provided the state meets certain disenrollment requirements. The scheduled phase-down is included in the FMAP table below for quarter 4 of FY 2023 and quarters 1 and 2 of FY 2024. The CAA includes penalty reductions in the FMAP if states do not meet new Medicaid reporting requirements effective April 1, 2023.

Table 2. Federal Match Rates, FY 2020 Quarter 1-FY 2025 Quarter 1*

Fiscal Year	FY Qtr.	Regular FMAP	SCHIP	FFCRA FMAP	FFCRA SCHIP	Group VIII
2020	1	63.09%	97.16%	N/A	N/A	93.00%
2020	2	63.02%	85.61%	N/A	N/A	93.00%

Table 2. Federal Match Rates, FY 2020 Quarter 1-FY 2025 Quarter 1*						
Fiscal Year	**FY Qtr.**	**Regular FMAP**	**SCHIP**	**FFCRA FMAP**	**FFCRA SCHIP**	**Group VIII**
2020	3	63.02%	85.61%	69.22%	89.95%	90.00%
2020	4	63.02%	85.61%	69.22%	89.95%	90.00%
2021	1	63.02%	85.61%	69.22%	89.95%	90.00%
2021	2	63.63%	74.54%	69.83%	78.88%	90.00%
2021	3	63.63%	74.54%	69.83%	78.88%	90.00%
2021	4	63.63%	74.54%	69.83%	78.88%	90.00%
2022	1	63.63%	74.54%	69.83%	78.88%	90.00%
2022	2	64.10%	74.87%	70.30%	79.21%	90.00%
2022	3	64.10%	74.87%	70.30%	79.21%	90.00%
2022	4	64.10%	74.87%	70.30%	79.21%	90.00%
2023	1	64.10%	74.87%	70.30%	79.21%	90.00%
2023	2	63.58%	74.51%	69.78%	78.85%	90.00%
2023	3	63.58%	74.51%	69.78%	78.85%	90.00%
2023	4	63.58%	74.51%	68.58%	78.01%	90.00%
2024	1	63.58%	74.51%	66.08%	76.26%	90.00%
2024	2	64.30%	75.01%	65.80%	76.06%	90.00%
2024	3	64.30%	75.01%	N/A	N/A	90.00%
2024	4	64.30%	75.01%	N/A	N/A	90.00%
2025	1	64.30%	75.01%	N/A	N/A	90.00%

*All references to FY refer to state fiscal year.

ODM budget recommendation summary

Appropriations

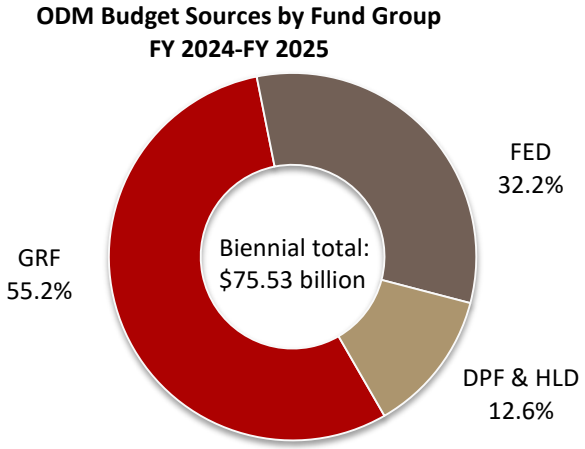
Appropriations by fund group

The budget provides a total appropriation for ODM of $36.19 billion in FY 2024 and $39.34 billion in FY 2025. Table 3 and the chart below show the enacted appropriations by fund group.

Table 3. Appropriations by Fund Group for ODM*

Fund Group	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
General Revenue Fund (GRF)	$16,315,536,808	$17,752,497,414	$19,496,474,000	$22,184,605,000
Federal Share	*$11,891,207,699*	*$12,997,809,609*	*$13,517,054,600*	*$15,281,873,000*
State Share	*$4,424,329,109*	*$4,754,687,806*	*$5,979,419,400*	*$6,902,732,000*
Dedicated Purpose Fund (DPF)	$3,665,031,498	$3,646,274,348	$4,652,038,696	$4,878,446,891
Federal Fund (FED)	$11,401,501,059	$11,042,036,047	$12,029,689,202	$12,270,589,278
Holding Account Fund (HLD)	$6,027,012	$2,192,489	$10,000,000	$10,000,000
Total	$31,388,096,376	$32,443,000,298	$36,188,201,898	$39,343,641,169
% Change	--	3.4%	11.5%	8.7%
GRF % Change	--	8.8%	9.8%	13.8%

*The appropriation for line item 651655, Medicaid Interagency Pass-Through, is included in the Department of Medicaid's total. Again, item 651655 is used to disburse federal reimbursements to other agencies for Medicaid administrative expenses. In the "**Medicaid Program overview**" section, which details all agency Medicaid spending, this is not included to avoid double counting.



As shown in the chart above, appropriations from the GRF make up a majority of the funding for ODM for the biennium at 55.2%. The GRF appropriations include the Medicare Part D

clawback payments,[1] and the state share for Medicaid expenditures. The GRF appropriations also include federal grant amounts (federal reimbursement) for Medicaid service expenditures.

The Federal Fund Group accounts for the next largest portion of the funding for ODM at 32.2%, which includes federal reimbursement for Medicaid payments for both service and administrative expenditures. The Dedicated Purpose Fund Group and Holding Account Fund Group together account for 12.6%, with the Holding Account Fund Group individually accounting for less than 0.03%.

Major policies for the FY 2024-FY 2025 biennium

The enacted FY 2024-FY 2025 biennial budget includes policy focuses on several main areas of Medicaid policy and coverage, as well as smaller programs and objectives. Priority areas include (1) rate increases for Medicaid providers, (2) rate increases for nursing facilities (NF), (3) program or coverage expansions, (4) new reporting requirement, and (5) completing the full implementation of the Next Generation of Managed Care Program, which includes the continuation of the OhioRISE Program and Single Pharmacy Benefit Manager (SPBM). Further discussion of these policies can be found in the following paragraphs.

Rate increases for Medicaid providers

The enacted budget includes funding for provider rate increases, which ODM states will assist in combatting the workforce shortages facing many types of Medicaid health care providers. H.B. 33 makes changes to statutes regarding provider rates and provider payment. Some of the specific language earmarking funds for rate and reimbursement increases was vetoed by the Governor; however, as is explained in more detail in "**Vetoed provisions**," the funding in H.B. 33 was maintained for these provider rate increases for federally qualified health centers (FQHCs) and FQHC look-alikes, vision services, eye services, direct care services, assisted living payment rates, and ambulance transportation payment rates. Provider rate increases not vetoed by the Governor are listed below. H.B. 33:

1. Specifies that the Medicaid payment rate for certain neonatal and newborn services must be at least 75% of the Medicare payment rate for the services, rather than equaling 75% of the Medicare payment rate;
2. Permits ODM to establish Medicaid payment rates for community behavioral health services provided during FY 2024 and FY 2025 that exceed authorized rates paid for the services under the Medicare Program.

Nursing facility reimbursement changes

H.B. 33 makes the following changes to the nursing facility reimbursement:

1. Regarding Medicaid day payment rate formula, the bill:

[1] The clawback is a monthly payment made by each state to the federal Medicare Program. The amount of each state's payment roughly reflects the expenditures of its own funds that the state would have made if it continued to pay for outpatient prescription drugs through Medicaid on behalf of dual-eligibles.

a. Specifies that facility costs are to be measured from the calendar year immediately before the start of the fiscal year in which a rebasing is conducted, and also excludes ancillary and support costs from redetermination under rebasing;

b. Eliminates a $1.79 deduction from the formula's base rate;

c. Increases the payment rate for new nursing facilities;

d. Removes the inflationary adjustment to the ancillary and support costs and direct care cost centers;

e. Modifies the calculation of direct care costs to use the 70th percentile;

f. Adds formula components for low occupancy nursing facilities that receive a low occupancy deduction as determined by ODM.

2. Regarding quality incentive payment, the bill:

a. Extends quality incentive payments indefinitely, rather than ending the payments after FY 2023;

b. Adds three additional quality metrics beginning in FY 2025, and an additional metric for adjusted total nurse staffing hours per resident per day;

c. Adds an occupancy metric for 7.5 points in FY 2024 and 3 points in FY 2025;

d. Eliminates exclusions from the quality incentive payment for certain facilities;

e. Requires a nursing facility's quality points to be recalculated for the second half of each fiscal year, except for the occupancy metric;

f. Adds to the calculation of the total amount to be spent on quality incentive payments an additional component based on 60% of the amount the facility's direct care costs changed as a result of applicable rebasing;

g. Caps the add-on to the total amount to be spent at $125 million each fiscal year (it was $25 million in FY 2022 and $125 million in FY 2023);

h. Grants certain operators of a new nursing facility or, under certain circumstances, a facility that undergoes a change in operator a quality incentive payment.

3. H.B. 33 establishes a private room per-day payment rate of $30 for services provided to residents in private rooms of nursing facilities and permits ODM to increase the rate in subsequent fiscal years. The bill allows ODM to deny an application for private rooms, such as in the event that approval would cause projected expenditures for private room incentive payments to exceed $40 million in FY 2024 and $160 million in FY 2025 or subsequent fiscal years.

4. H.B. 33 modifies current law requiring the ODM Director to establish an alternative purchasing model for services provided by discrete units of nursing facilities to Medicaid recipients with specialized health care needs by prohibiting the Director from approving an application for a discrete unit that provides ventilator services if the facility is listed on Table A or Table D of the Special Focus Facility list or is designated as having a one-star

overall rating. The bill also provides that the payment rate for such a unit is to be calculated based on the standard formula and not on the alternative purchasing model.

Program or coverage expansions

H.B. 33 includes certain program or coverage expansions listed below. The bill:

1. Requires the Medicaid Program to cover the optional eligibility group consisting of certain workers with disabilities;
2. Requires ODM to seek approval to provide continuous Medicaid enrollment for Medicaid-eligible children from birth through age three;
3. Requires the ODM Director to seek federal approval, by July 1, 2024, to expand the Integrated Care Delivery System (known as "MyCare Ohio"), or its successor program, to all Ohio counties;
4. Requires the ODM Director to apply for a new Medicaid work requirement waiver in February 2025;
5. Requires ODM, in collaboration with ODJFS, to establish a program to assist individuals enrolled in the Medicaid Program in securing meaningful employment;
6. Authorizes the ODM Director to create a physician directed payment program for Medicaid managed care organization directed payments to nonpublic hospitals for physician services for Medicaid enrollees, only to the extent that local funds are available for the nonfederal share of the costs; also requires the program to advance the maternal and child health goals established in ODM's quality strategy required by federal law;
7. Requires the ODM Director to establish a hospital directed payment program for directed payments to nonprofit hospitals in Hamilton County that are affiliated with a public medical school and that have a Level 1 trauma center, only to the extent that local funds are available for the nonfederal share of the costs;
8. Requires the Medicaid Program to cover remote ultrasounds and remote fetal nonstress tests and requires ODM to adopt rules to implement this coverage requirement;
9. Requires the Medicaid Program to cover medically necessary pasteurized donor human milk and human milk fortifiers for inpatient and home use in specified circumstances;
10. Requires the ODM Director to work with CMS to add lodging as an available administrative service for families with children who have special health care needs;
11. Earmarks $4.5 million in FY 2024 in Fund 5DL0 ALI 651639, Medicaid Services – Recoveries, to be used by the Fairfield Board of County Commissioners to address urgent medical issues facing the residents of Fairfield County.

New reporting requirements

Provisions of the enacted budget modify reporting and disclosure requirements for ODM. Among these changes are provisions which specify that ODM annually write a report recommending cost savings under the Medicaid Program, and that ODM annually detail reforms which are required under continuing law which the Department has recently implemented.

The budget creates requirements pertaining to the Medicaid Caseload and Expenditure Forecast report which the ODM Director, in collaboration with the Office of Budget and Management (OBM) Director, will be required to submit as part of biennial budget estimates. The new provisions specify that this report must include pieces of data and analysis of Medicaid historical expenditures, projected future expenditures, historical caseloads, and projected future caseloads. The report will further have to describe whether each of the sets of data used in the report's creation are proposed, estimated, or actual data.

Completing implementation of Next Generation Managed Care Program

A long-running project of ODM has been to modernize and improve Medicaid managed care. Two important components of this new managed care program were the OhioRISE (Ohio Resilience through Integrated Systems and Excellence) Program and the SPBM. OhioRISE is a multi-year endeavor which serves children and youth with complex behavioral health needs. OhioRISE was launched in the summer of 2022 and continuing and increasing enrollment will be an important component of the Next Generation Managed Care (NGMC) Program during the FY 2024-FY 2025 biennium. SPBM was launched in October 2022, and will continue to be utilized as the Medicaid Program's SPBM as part of the NGMC Program. An additional component of this program is ODM's Provider Network Management Module, which has decreased administrative requirements for Medicaid providers, and helps to simplify the process of provider certification.

Vetoed provisions

The Governor vetoed or partially vetoed several provisions impacting ODM. These provisions are discussed below.

Rate increase for FQHCs and FQHC look-alikes

The Governor vetoed an earmark of $10,390,000 in FY 2024 and $20,780,000 in FY 2025 to increase payment rates to federally qualified health centers (FQHCs) and FQHC look-alikes for all services beginning on January 1, 2024. The Governor's veto did not impact any of the appropriation increases to fund this increase, but rather vetoed the specific language setting the earmark amounts. The Governor's Veto Message states that ODM will support and implement the increase, but that the specific language and earmarking would hinder the efforts of the Department to do so.

Rate increase for vision and eye services

The Governor vetoed an earmark of $1,260,000 in FY 2024 and $2,720,000 in FY 2025 to increase payment rates to providers providing vision services and medically billed eye care to Medicaid recipients. The Governor's veto did not impact any of the appropriation increases to fund this increase, but rather vetoed the specific language setting the earmark amounts. The Governor's Veto Message states that ODM will support and implement the increase, but that the specific language and earmarking would hinder the efforts of the Department to do so.

Rate increase for dental services

The Governor vetoed an earmark of $103,744,375 in FY 2024 and $207,588,751 in FY 2025 to increase payment rates to providers providing dental services to Medicaid recipients. The Governor's veto did not impact any of the appropriation increases to fund this increase, but rather vetoed the specific language setting the earmark amounts. The Governor's Veto Message states that ODM will support and implement the increase, but that the specific language and earmarking would hinder the efforts of the Department to do so.

Direct care payment rates

The Governor partially vetoed a provision pertaining to direct care payment rates which set specific dollar values for hourly wages for direct care workers. While the Governor's veto did not impact the appropriation increases or earmark to fund this increase, the partial veto removed the specifications of $17 an hour in FY 2024 and $18 an hour in FY 2025. The Governor's Veto Message states that ODM will support and implement the increase, but that the specific language would hinder the efforts of the Department to do so.

Medicaid assisted living program payment rates

The Governor partially vetoed provisions pertaining to assisted living program payment rates which set minimum amounts for the rates, and authorized a critical access payment rate for facilities which met specified criteria. The Governor's veto did not impact any of the appropriation increases to fund this increase, and the Governor's Veto Message states that ODM will support and implement the rate increases, but that the specific language would hinder the efforts of the Department to do so.

Doula services

The Governor partially vetoed provisions pertaining to Medicaid coverage of doula services which stated the program would be a five-year program and which set reporting requirements on the program. The Governor's Veto Message states that his administration and ODM plan to regulate the practice of doulas and require Medicaid coverage of doula services, but these specific provisions would be duplicative and impede the efforts of the Department to do so.

Medicaid payment rates for ambulance transportation

The Governor vetoed an earmark of $54,575,000 in FY 2024 and $104,200,000 in FY 2025 to increase Medicaid reimbursement for ambulance transportation services. The Governor's veto did not impact any of the appropriation increases to fund this increase, but rather vetoed the specific language setting the earmark amounts. The Governor's Veto Message states that ODM will support and implement the reimbursement increase, but that the specific language and earmarking would hinder the efforts of the Department to do so.

Presumptive eligibility reform

The Governor partially vetoed provisions pertaining to presumptive eligibility reform for Medicaid entities or providers. The vetoed provisions stated that any entity or provider which exceeded a presumptive eligibility error rate of 7.5% in six or more months in a two-year period would be disqualified from making presumptive eligibility determinations for a five-year period. The Governor's Veto Message states that his administration is supportive of the ongoing efforts made by ODM to decrease error rates in presumptive eligibility determinations, but that the specific vetoed provisions would be in violation of federal law and would cause financial burden for hospitals and other critical access organizations.

Lockable and tamper-evident containers

The Governor partially vetoed provisions pertaining to lockable and tamper-evident containers for prescription medications, by vetoing provisions which would have made specific standards for the drugs and dispensing methods for this program. The Governor's Veto Message states that ODM will support and implement the lockable container program, but that the specific provisions were overly prescriptive and would hinder the efforts of the Department to do so.

Analysis of FY 2024-FY 2025 budget

This section provides an analysis of the enacted budget's funding for each appropriation line item (ALI) in ODM's budget. For organizational purposes, these ALIs are grouped into three major categories based on their funding purposes. The analysis for an ALI with a lower category or subcategory designation will appear before that for an ALI with a higher category or subcategory designation. That is, the analysis for an ALI with a category designation of C1:8 will appear before the analysis for an ALI with a category designation of C2:1 and the analysis for an ALI with a category designation of C1:3 will appear before the analysis for an ALI with a category designation of C1:8.

To aid the reader in locating each ALI in the analysis, the following table shows the category in which each ALI has been placed, listing the ALIs in order within their respective fund groups and funds. This is the same order the ALIs appear in the MCD section of the budget bill.

In the analysis, each appropriation item's expenditures for FY 2023 and appropriations for FY 2024 and FY 2025 are listed in a table. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation. If the appropriation is earmarked, the earmarks are listed and described.

Categorization of ODM's Appropriation Line Items for Analysis of FY 2024-FY 2025 Budget				
Fund	**ALI**	**ALI Name**		**Category**
General Revenue Fund Group				
GRF	651425	Medicaid Program Support – State	2	Medicaid Administration
GRF	651525	Medicaid Health Care Services	1	Medicaid Services
GRF	651526	Medicare Part D	1	Medicaid Services
Dedicated Purpose Fund Group				
4E30	651605	Resident Protection Fund	2	Medicaid Administration
5AN0	651686	Care Innovation and Community Improvement Program	1	Medicaid Services
5DL0	651639	Medicaid Services – Recoveries	1	Medicaid Services
5DL0	651685	Medicaid Recoveries – Program Support	2	Medicaid Administration
5DL0	651690	Multi-System Youth Custody Relinquishment	1	Medicaid Services
5FX0	651638	Medicaid Services – Payment Withholding	1	Medicaid Services
5GF0	651656	Medicaid Services – Hospital Franchise Fee	1	Medicaid Services
5HC8	651698	MCD Home and Community Based Services	1	Medicaid Services
5R20	651608	Medicaid Services – Long Term	1	Medicaid Services
5TN0	651684	Medicaid Services – HIC Fee	1	Medicaid Services
5XY0	651694	Improvements for Priority Populations	1	Medicaid Services
6510	651649	Medicaid Services – Hospital Care Assurance Program	1	Medicaid Services
Holding Account Fund Group				
R055	651644	Refunds and Reconciliation	1	Medicaid Services

Categorization of ODM's Appropriation Line Items for Analysis of FY 2024-FY 2025 Budget				
Fund	ALI	ALI Name		Category
Federal Fund Group				
3ER0	651603	Medicaid Health and Transformation Technology	2	Medicaid Administration
3F00	651623	Medicaid Services – Federal	1	Medicaid Services
3F00	651624	Medicaid Program Support – Federal	2	Medicaid Administration
3FA0	651680	Health Care Grants – Federal	2	Medicaid Administration
3G50	651655	Medicaid Interagency Pass Through	3	Transfers
3HC8	651699	MCD Home and Community Based Services – Federal	1	Medicaid Services

Category 1: Medicaid Services

This category of appropriations provides funds for all Medicaid services, including payments for Medicaid providers, prescription drugs, long-term care services, as well as managed care capitation payments.

C1:1: Medicaid Health Care Services (ALI 651525)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 651525, Medicaid Health Care Services		$17,141,079,073	$18,675,614,000	$21,284,967,000
	% change	--	9.0%	14.0%

This GRF line item is used to reimburse health care providers for covered services to Medicaid recipients and to make managed care capitation payments. The federal earnings on the payments made from this line item are deposited as revenue into the GRF. Spending within this line item generally can be placed into one of several major service categories: managed care plans, nursing facilities (NFs), hospital services, behavioral health, aging waivers, prescription drugs, physician services, Home Care waivers, and all other care.

The funding levels for this line item are based on many factors, but principally include the FY 2024-FY 2025 biennium's expenditure forecast and various policies mentioned above in the "**Major policies for the FY 2024-FY 2025 biennium**" section.

C1:2: Medicare Part D (ALI 651526)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 651526, Medicare Part D		$473,067,801	$645,860,000	$724,638,000
	% change	--	36.5%	12.2%

This GRF line item is used for the phased-down state contribution, otherwise known as the clawback payment, under the Medicare Part D requirements contained in the federal

Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003. The clawback is a monthly payment made by each state to the federal Medicare Program. The amount of each state's payment roughly reflects the expenditures of its own funds that the state would have made if it continued to pay for outpatient prescription drugs through Medicaid on behalf of dual-eligibles (individuals eligible for both Medicare and Medicaid).

H.B. 33 allows the OBM Director to transfer the state share of appropriations between GRF line item 651525 and this item.

The clawback payment has been affected by the 6.2 percentage point increase in the FMAP, and therefore the expenditure was lower in FY 2023. The funding level for line item 651526 will return to its normal growth during the biennium as premiums increase.

C1:3: Care Innovation and Community Improvement Program (ALI 651686)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5AN0 ALI 651686, Care Innovation and Community Improvement Program	$70,342,829	$77,673,500	$86,650,700
% change	--	10.4%	11.6%

This line item is used to provide funding for the state share of the Care Innovation and Community Improvement Program (CICIP). Funding for this line item comes from the Care Innovation and Community Improvement Program Fund (Fund 5AN0). Any nonprofit hospital affiliated with a state university or public hospital agency may participate in the program if the agency operates a hospital that has a Medicaid provider agreement. Under the program, each participating agency receives supplemental payments under the Medicaid Program for physician and other professional services that are covered by Medicaid. However, the participating agency is responsible for the state share of costs. The funding level for this line item is driven by the participating hospital and their corresponding community innovation and improvement programs.

C1:4: Medicaid Services – Recoveries (ALI 651639)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5DL0 ALI 651639, Medicaid Services – Recoveries	$614,999,594	$994,117,800	$1,170,317,800
% change	--	61.7%	17.7%

This line item is used by ODM to pay for Medicaid services and support. The Health Care/ Medicaid Support and Recoveries Fund (Fund 5DL0) provides funding for this line item. The appropriations for this line item are based on the availability of Fund 5DL0 and the executive's decision to use the ending cash balance in FY 2023 from this fund to reduce GRF state share in line item 651525.

The major revenue sources for Fund 5DL0 are prescription drug rebates, Institutions for Mental Diseases Disproportionate Share (IMD DSH), third-party liability, hospital settlements, and other recoveries. The drug rebate revenue is shared by the state and the federal government based on the FMAP. As the FMAP increases, the state share of the drug rebate revenue decreases. Because of the 6.2 percentage point increase in the FMAP, the revenue deposited to Fund 5DL0 was lower in FY 2023 but is expected to increase for both FY 2024 and FY 2025. In addition to the conclusion of enhanced federal FMAP, other factors such as the implementation of an SPBM contribute to increases to Fund 5DL0. The use of an SPBM increases rebates ODM receives for prescription drugs. These increases in revenue in turn increases available expenditures from this line item.

C1:5: Multi-System Youth Custody Relinquishment (ALI 651690)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5DL0 ALI 651690, Multi-System Youth Custody Relinquishment		$23,900,288	$26,250,000	$27,562,500
	% change	--	9.8%	5.0%

This line item was created by H.B. 166 of the 133rd General Assembly with the line item name Multi-System Youth Innovation and support, and the name is changed to Multi-System Youth Custody Relinquishment by H.B. 33. The line item is used to fund programs that serve youth involved with multiple governmental agencies and other innovative approaches that support health care access or result in long-term savings to the state, and prevent custody relinquishment of multi-system children and youth. Funding to support Fund 5DL0 comes from a variety of sources including prescription drug rebates, IMD DSH, third-party liability, hospital settlements, and other recoveries. Appropriation levels for this line item are increased over the biennium due to greater demand with the implementation of the OhioRISE Program.

C1:6: Medicaid Services – Payment Withholding (ALI 651638)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5FX0 ALI 651638, Medicaid Services – Payment Withholding		$4,777,490	$12,000,000	$12,000,000
	% change	--	151.2%	0.0%

This line item is used for provider payments that are withheld from providers that change ownership. It is used to transfer the withheld funds to the appropriate fund used by ODM at final resolution. The funds are withheld and temporarily deposited into the Exiting Operator Fund (Fund 5FX0) until all potential amounts due to ODM or the provider reach final resolution. Funding levels are based on the executive's projected revenues and expenditures.

C1:7: Medicaid Services – Hospital Franchise Fee (ALI 651656)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5GF0 ALI 651656, Medicaid Services – Hospital Franchise Fee	$1,342,762,463	$1,631,571,167	$1,723,365,065
% change	--	21.5%	5.6%

This line item is used to support Hospital Franchise Fee (HFF) programs and provides offsets to Medicaid GRF spending.[2] The source of funds for this line item is the revenue generated from a hospital assessment. Assessment revenue is deposited into the Hospital Assessment Fund (Fund 5GF0). The assessment is based on a percentage of total facility costs and is collected over the course of three payments during each year.

The assessment rates for each program year (October 1 through September 30) are established in administrative rules.[3] For the program year ending in 2019, the rate was 2.65%. For the program year ending in 2020, the rate was approximately 3.20%. The rate was 3.36 and 3.53 percentage points for FY 2022 and FY 2023, respectively. However, the administrative rule also allows ODM to decrease or increase the assessment rate needed to run the current program year.[4] ODM obtained Controlling Board approval of $400.0 million in appropriation increase each year in FY 2022 and FY 2023 for ALI 651656 to make additional COVID relief payments to hospitals. To finance this relief payment, ODM increased the HFF assessment rate by 1.3 percentage points. Adding the additional 1.3 percentage points brings the rates to 4.66 and 4.83 for FY 2022 and FY 2023, respectively.

The federal match for expenditures from this line item is made from line item 651623, Medicaid Services – Federal.

C1:8: MCD Home and Community Based Services (ALI 651698)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5HC8 ALI 651698, MCD Home and Community Based Services	$0	$86,027,329	$67,374,876
% change	--	N/A	-21.7%

This line item is used to provide the state share of home and community based service (HCBS) rate increases planned for the biennium. During FY 2024, these HCBS rate increases are funded primarily from the American Rescue Plan Act of 2021 (ARPA). There was no expenditure

[2] Ohio Administrative Code (O.A.C.) 5160-2-30.

[3] The program year for the Hospital Franchise Fee Program begins the first day of October of a calendar year and ending on the 30th day of September of the following calendar year.

[4] O.A.C. 5160-2-30(B)(4).

during FY 2023 due to ODM funding HCBS rates from other sources. ODM plans to fund HCBS increases fully from this line item during FY 2024, and during FY 2025, ODM plans to split funding of HCBS rate increases between this line item and Medicaid GRF spending, which is the primary cause of appropriations decreases in FY 2025.

C1:9: Medicaid Services – Long Term (ALI 651608)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5R20 ALI 651608, Medicaid Services – Long Term	$374,494,225	$415,000,000	$415,000,000
% change	--	10.8%	0.0%

This line item is used to make Medicaid payments to nursing facilities. The source of funds for this line item is the franchise fee payments from nursing facilities and long-term care units in hospitals. Ohio Medicaid is required to assess an annual franchise permit fee on each long-term care bed in a nursing home or hospital. The assessment amount is calculated each year at the maximum percentage allowed by federal law (not to exceed 6% of the total estimated net patient revenue). The franchise fee payments are deposited into the Nursing Home Franchise Permit Fee Fund (Fund 5R20).

H.B. 33 expands the allowable use of Fund 5R20 to include the following: (1) funding to expand the state ombudsman long-term care program and resident and family surveys at ODA, (2) funding the addition of surveyors at ODH, and (3) funding quality and consumer information resources.

The funding level reflects the executive's projection of the franchise fee revenue.

C1:10: Medicaid Services – HIC Fee (ALI 651684)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5TN0 ALI 651684, Medicaid Services – HIC Fee	$951,000,000	$1,063,227,900	$1,138,441,200
% change	--	11.8%	7.1%

This line item is used to reimburse health care providers for covered services to Medicaid recipients. Funding for line item 651684 comes from the Health Insuring Corporation Class Franchise Fee Fund (Fund 5TN0). Revenues are collected from the tax on all health insuring corporation (HIC) plans. The tax rate ranges from $26 to $56 per Medicaid member month and $1 to $2 per non-Medicaid member month. Revenue assumptions are based on projected member months. The federal match for expenditures from this line item is made from line item 651623, Medicaid Services – Federal. The funding levels reflect the executive's projected revenue and the executive's decision to use the ending cash balance in FY 2023 from Fund 5TN0 to reduce GRF state share in line item 651525.

C1:11: Improvements for Priority Populations (ALI 651694)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5XY0 ALI 651694, Improvements for Priority Populations		$1,776,528	$10,500,000	$10,500,000
	% change	--	491.0%	0.0%

This line item is used to fund the state share of the Ohio Invests in Improvements for Priority Populations Program, which was created by H.B. 110 of the 134th General Assembly. The program provides directed payments for inpatient and outpatient hospital services provided to Medicaid recipients enrolled in a Medicaid managed care plan and receiving care at state university-owned hospitals with less than 300 beds.

H.B. 33 specifies that if receipts credited into the Hospital Directed Payment Program Fund (Fund 5XY0) exceed the amounts appropriated in this line item, the Medicaid Director may request the OBM Director to authorize additional expenditures from this line item. If any of these additional expenditures are authorized, the budget requires the OBM Director to adjust the corresponding federal appropriation line item, 651623, Medicaid Services – Federal, accordingly.

C1:12: Medicaid Services – Hospital Care Assurance Program (ALI 651649)

Fund/ALI		FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
6510 ALI 651649, Medicaid Services – Hospital Care Assurance Program		$203,815,650	$244,642,100	$136,707,750
	% change	--	20.0%	-44.1%

This line item is to fund the state share of the Hospital Care Assurance Program (HCAP). The source of revenue for Fund 6510 is HCAP assessments from Ohio hospitals. Shortly after assessment revenue is received, it is disbursed back to hospitals using the HCAP formula. The federal share of HCAP expenditures is funded through federal line item 651623, Medicaid Services – Federal.

The increase in the funding level in FY 2024 is due to an expected higher HCAP assessment due to lower federal participation. The decline in the funding level in FY 2025 is due to reduced payments for HCAP. Under the Affordable Care Act (ACA) and other federal legislation, payments for HCAP are reduced during FY 2025. Reductions which had been scheduled to begin earlier have been postponed by assorted federal legislation.

C1:13: Refunds and Reconciliation (ALI 651644)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
R055 ALI 651644, Refunds and Reconciliation	$2,192,489	$10,000,000	$10,000,000
% change	--	356.1%	0.0%

Revenue to the Refunds and Reconciliation Fund (Fund R055) is from checks received by ODM whose disposition cannot be determined at the time of receipt. Upon determination of the appropriate fund into which the check should have been deposited, a disbursement is made from this line item to the appropriate fund.

C1:14: Medicaid Services – Federal (ALI 651623)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
3F00 ALI 651623, Medicaid Services – Federal	$10,496,930,742	$11,106,604,990	$11,394,044,212
% change	--	5.8%	2.6%

This line item provides the federal share for certain Medicaid expenditures. Major activities in this line item include the federal share of nursing facility, hospital, prescription drug expenditures, and general Medicaid services. The primary source of revenue for Fund 3F00 is federal Medicaid reimbursement; however, it also includes Health Care Financing Research, Demonstrations, and Evaluations grants, as well as the federal share of drug rebates. In addition, the federal share of both the Hospital Franchise Fee Program and the Hospital Care Assurance Program (HCAP) is expended through this line item.

Many factors influence spending in this federal line item, including Medicaid caseloads, as well as the 6.2 percentage point increase in the FMAP which was received for most of FY 2023 and has been received for several years previously.

C1:15: MCD Home and Community Based Services – Federal (ALI 651699)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
3HC8 ALI 651699, MCD Home and Community Based Services – Federal	$0	$122,897,812	$121,350,266
% change	--	N/A	-1.3%

This line item provides the federal share of appropriations made in Fund 5HC8 line item 651698. As is the case for line item 651698, appropriations from this line item will be used to fund HCBS rate increases in each year of the biennium.

Category 2: Medicaid Administration

This category of appropriations provides funds for the administration of Medicaid programs.

C2:1: Medicaid Program Support – State (ALI 651425)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
GRF ALI 651425, Medicaid Program Support – State	$137,100,541	$175,000,000	$175,000,000
% change	--	27.6%	0.0%

This GRF line item is used to fund ODM's operating expenses. This line item provides the state share GRF for payroll, purchased personal services, conference fees, maintenance, and equipment, etc. The associated federal match is appropriated in line item 651624, Medicaid Program Support – Federal.

During the FY 2022-FY 2023 biennium, ODM shifted to an SPBM for Medicaid managed care plans, Gainwell Technologies. The administrative costs associated with the SPBM were shifted from GRF line item 651525, Medicaid Health Plans, to this line item. Prior to the SPBM implementation, pharmacy benefit management costs were included in managed care capitation rates, which is primarily paid out of line item 651525.

C2:2: Resident Protection Fund (ALI 651605)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
4E30 ALI 651605, Resident Protection Fund	$3,773,878	$5,028,600	$5,026,600
% change	--	33.3%	0.0%

This line item is used to pay the costs of relocating residents to other facilities, maintaining or operating a facility pending correction of deficiencies or closure, and reimbursing residents for the loss of money managed by a facility. The source of funding for this line item is from fine revenues collected from facilities in which the Ohio Department of Health finds deficiencies. The fines collected are deposited into the Resident Protection Fund (Fund 4E30). Some of the funds deposited into this fund are transferred to the Department of Aging and used for ombudsmen-related activities. Ombudsmen advocate for people receiving home care, assisted living, and nursing home care and help resolve complaints about services.

C2:3: Medicaid Recoveries – Program Support (ALI 651685)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
5DL0 ALI 651685, Medicaid Recoveries – Program Support	$54,631,404	$86,000,300	$85,500,400
% change	--	57.4%	-0.6%

This line item is used to pay costs associated with the administration of Medicaid. The line item also supports the state share of operational and initial building costs for the Ohio Medicaid Enterprise System provider network management module, centralized credentialing, single pharmacy benefit manager, fiscal intermediary, and children's initiatives programs. Revenues from a variety of sources including prescription drug rebates, Institutions for Mental Diseases Disproportionate Share (IMD DSH), third-party liability, hospital settlements, and other recoveries are deposited into the Health Care/Medicaid Support and Recoveries Fund (Fund 5DL0) to support this line item.

C2:4: Medicaid Health and Transformation Technology (ALI 651603)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
3ER0 ALI 651603, Medicaid Health and Transformation Technology	$953,297	$787,100	$795,500
% change	--	-17.4%	1.1%

This line item was previously used for provider electronic health record (EHR) incentives and administrative costs related to the Health Information Technology (HIT) grant. EHR incentives were provided by CMS to health care providers to encourage their use of EHR technology in ways that can improve patient care. These programs have ended and are being phased out during the biennium. Minimal appropriations for the biennium are provided for in case there are any audit accounting adjustments for the concluded programs.

C2:5: Medicaid Program Support – Federal (ALI 651624)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
3F00 ALI 651624, Medicaid Program Support – Federal	$393,424,563	$538,250,300	$493,250,300
% change	--	36.8%	-8.4%

This line item is used for the Medicaid federal share of administrative costs. This line item may also be used to support various contracts. The state share for these activities is primarily provided from GRF line item 651425, Medicaid Program Support – State.

In the past, expenditures for pharmacy benefit management were previously expended out of GRF line item 651525 as part of the managed care capitation rates. The federal reimbursement for spending from line item 651525 is deposited into the GRF as federal share and expended as such. As part of the move to an SPBM, ODM is now paying for these services out of GRF line item 651425. Federal reimbursements for services paid from line item 651425 are received in FED Fund 3F00 line item 651624.

C2:6: Health Care Grants – Federal (ALI 651680)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
3FA0 ALI 651680, Health Care Grants – Federal	$0	$3,000,000	$3,000,000
% change	--	N/A	0.0%

This line item funds Medicaid Program initiatives stemming from the Affordable Care Act (ACA). The funding level is based on the revenue received for various federal grants.

Category 3: Transfers

C3:1: Medicaid Interagency Pass Through (ALI 651655)

Fund/ALI	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
3G50 ALI 651655, Medicaid Interagency Pass Through	$150,727,445	$258,149,000	$258,149,000
% change	--	71.3%	0.0%

This line item is used to disburse federal reimbursement to other agencies for Medicaid-related expenditures they have made. Funding for this line item is through the Interagency Reimbursement Fund (Fund 3G50). The departments of Aging, Developmental Disabilities, Education, Health, Job and Family Services, and Mental Health and Addiction Services, and the State Board of Pharmacy assist ODM in administering certain Medicaid programs/services and receive federal reimbursements for doing so.

MCD/lb

FY 2024 - FY 2025 Final Appropriations

All Fund Groups

Line Item Detail by Agency

Report For: Main Operating Appropriations Bill **Version: As Enacted**

MCD Department of Medicaid

			FY 2022	FY 2023	Appropriations FY 2024	FY 2023 to FY 2024 % Change	Appropriations FY 2025	FY 2024 to FY 2025 % Change
GRF	651425	Medicaid Program Support-State	$ 147,319,873	$ 137,100,541	$ 175,000,000	27.64%	$ 175,000,000	0.00%
GRF	651426	Positive Education Program Connections	$ 2,500,000	$ 0	$ 0	N/A	$ 0	N/A
		Medicaid Health Care Services-State	$ 3,819,289,131	$ 4,143,269,464	$ 5,158,559,400	24.50%	$ 6,003,094,000	16.37%
		Medicaid Health Care Services-Federal	$ 11,891,207,699	$ 12,997,809,609	$ 13,517,054,600	3.99%	$ 15,281,873,000	13.06%
GRF	651525	Medicaid Health Care Services - Total	$ 15,710,496,830	$ 17,141,079,073	$ 18,675,614,000	8.95%	$ 21,284,967,000	13.97%
GRF	651526	Medicare Part D	$ 453,970,105	$ 473,067,801	$ 645,860,000	36.53%	$ 724,638,000	12.20%
GRF	651529	Brigid's Path Pilot	$ 1,000,000	$ 1,000,000	$ 0	-100.00%	$ 0	N/A
GRF	651533	Food Farmacy Pilot Project	$ 250,000	$ 250,000	$ 0	-100.00%	$ 0	N/A
	GRF - State		$ 4,424,329,109	$ 4,754,687,806	$ 5,979,419,400	25.76%	$ 6,902,732,000	15.44%
	GRF - Federal		$ 11,891,207,699	$ 12,997,809,609	$ 13,517,054,600	3.99%	$ 15,281,873,000	13.06%
	General Revenue Fund Total		**$ 16,315,536,808**	**$ 17,752,497,415**	**$ 19,496,474,000**	**9.82%**	**$ 22,184,605,000**	**13.79%**
4E30	651605	Resident Protection Fund	$ 2,170,325	$ 3,773,878	$ 5,028,600	33.25%	$ 5,026,600	-0.04%
5AN0	651686	Care Innovation and Community Improvement Program	$ 73,943,660	$ 70,342,829	$ 77,673,500	10.42%	$ 86,650,700	11.56%
5DL0	651639	Medicaid Services-Recoveries	$ 552,473,558	$ 614,999,594	$ 994,117,800	61.65%	$ 1,170,317,800	17.72%
5DL0	651685	Medicaid Recoveries-Program Support	$ 48,188,199	$ 54,631,404	$ 86,000,300	57.42%	$ 85,500,400	-0.58%
5DL0	651690	Multi-system Youth Custody Relinquishment	$ 19,769,955	$ 23,900,288	$ 26,250,000	9.83%	$ 27,562,500	5.00%
5FX0	651638	Medicaid Services-Payment Withholding	$ 7,150,122	$ 4,777,490	$ 12,000,000	151.18%	$ 12,000,000	0.00%
5GF0	651656	Medicaid Services - Hospital Franchise Fee	$ 1,261,497,903	$ 1,342,762,463	$ 1,631,571,167	21.51%	$ 1,723,365,065	5.63%
5HC8	651698	MCD Home and Community Based Services	$ 80,026,234	$ 0	$ 86,027,329	N/A	$ 67,374,876	-21.68%
5R20	651608	Medicaid Services-Long Term	$ 414,593,493	$ 374,494,225	$ 415,000,000	10.82%	$ 415,000,000	0.00%
5TN0	651684	Medicaid Services-HIC Fee	$ 991,000,000	$ 951,000,000	$ 1,063,227,900	11.80%	$ 1,138,441,200	7.07%
5XY0	651694	Improvements for Priority Populations	$ 7,273,987	$ 1,776,528	$ 10,500,000	491.04%	$ 10,500,000	0.00%
6510	651649	Medicaid Services-Hospital Care Assurance Program	$ 206,944,061	$ 203,815,650	$ 244,642,100	20.03%	$ 136,707,750	-44.12%
	Dedicated Purpose Fund Group Total		**$ 3,665,031,498**	**$ 3,646,274,348**	**$ 4,652,038,696**	**27.58%**	**$ 4,878,446,891**	**4.87%**
R055	651644	Refunds and Reconciliation	$ 6,027,012	$ 2,192,489	$ 10,000,000	356.10%	$ 10,000,000	0.00%
	Holding Account Fund Group Total		**$ 6,027,012**	**$ 2,192,489**	**$ 10,000,000**	**356.10%**	**$ 10,000,000**	**0.00%**
3ER0	651603	Medicaid and Health Transformation Technology	$ 4,650,038	$ 953,297	$ 787,100	-17.43%	$ 795,500	1.07%
3F00	651623	Medicaid Services-Federal	$ 10,702,090,291	$ 10,496,930,742	$ 11,106,604,990	5.81%	$ 11,394,044,212	2.59%

Line Item Detail by Agency			FY 2022	FY 2023	Appropriations FY 2024	FY 2023 to FY 2024 % Change	Appropriations FY 2025	FY 2024 to FY 2025 % Change
MCD Department of Medicaid								
3F00	651624	Medicaid Program Support - Federal	$ 374,316,534	$ 393,424,563	$ 538,250,300	36.81%	$ 493,250,300	-8.36%
3FA0	651680	Health Care Grants-Federal	$ 0	$ 0	$ 3,000,000	N/A	$ 3,000,000	0.00%
3G50	651655	Medicaid Interagency Pass Through	$ 90,268,567	$ 150,727,445	$ 258,149,000	71.27%	$ 258,149,000	0.00%
3HC8	651699	MCD Home and Community Based Services - Federal	$ 230,175,629	$ 0	$ 122,897,812	N/A	$ 121,350,266	-1.26%
Federal Fund Group Total			**$ 11,401,501,059**	**$ 11,042,036,047**	**$ 12,029,689,202**	**8.94%**	**$ 12,270,589,278**	**2.00%**
Department of Medicaid Total			**$ 31,388,096,376**	**$ 32,443,000,299**	**$ 36,188,201,898**	**11.54%**	**$ 39,343,641,169**	**8.72%**