

# **LSC Greenbook**

**Analysis of the Enacted Budget**

## **Department of Developmental Disabilities**

*Maggie Priestas, Budget Analyst  
Legislative Service Commission*

*September 2009*

# TABLE OF CONTENTS

<b>OVERVIEW .....</b>	<b>1</b>
Agency Overview.....	1
Appropriation Overview .....	1
Funding Sources.....	2
<b>ANALYSIS OF ENACTED BUDGET .....</b>	<b>3</b>
<b>Introduction .....</b>	<b>3</b>
<b>Medicaid Waivers .....</b>	<b>5</b>
Medicaid Waiver Match (322416, 322604, 322624, and 322504) .....	5
Intensive Behavioral Needs (322632) .....	8
Medicaid Waiver – Federal (322639).....	8
<b>Developmental Centers and Residential Facilities .....</b>	<b>9</b>
ICF/MR Franchise Fee – Developmental Centers (322647).....	9
Developmental Center and Residential Facilities Operation Expenses (323321) .....	10
Developmental Center and Residential Operating Services (323609).....	10
Developmental Center and Residential Facility Services and Support (323605).....	11
Developmental Center Direct Care Support (323632) .....	11
<b>Community-Based Services .....</b>	<b>12</b>
Residential and Support Services (322413).....	12
Family Support Services (322451).....	13
County Board Subsidies (322501).....	13
Tax Equity (322503) .....	13
DD Council (320613).....	14
Community and Social Service Programs (322612) .....	14
CAFS Medicaid (322650).....	14
Supplemental Service Trust (322620).....	15
Targeted Case Management Match and Services (322625 and 322626) .....	15
<b>Administration .....</b>	<b>16</b>
Central Administration (320321) .....	16
Protective Services (320412).....	16
Lease – Rental Payments (320415).....	17
Provider Audit Refunds (322603).....	17
Operating and Services (320606).....	17
Capital Replacement Facilities (322629) .....	17
Program Fees (322627).....	18
Medicaid Repayment (322619).....	18
Medicaid Administration and Oversight (590622).....	18

**ATTACHMENT:**

Budget Spreadsheet by Line Item

# Department of Developmental Disabilities

- Funding of \$1.52 billion for FY 2010 and \$1.55 billion for FY 2011
- More than two-thirds of ODODD's budget is for waiver services

## OVERVIEW

### Agency Overview

The Department of Developmental Disabilities (ODODD; formerly known as the Department of Mental Retardation and Developmental Disabilities) is the primary state service agency for Ohioans with developmental disabilities. The Director of Developmental Disabilities is appointed by the Governor and oversees more than 3,300 employees.

ODODD provides services to approximately 1,500 individuals at ten regional developmental centers and more than 21,400 people through two home and community-based Medicaid waivers: Individual Options (IO) and Level One (L1).

ODODD also provides subsidies to, and oversight of, Ohio's 88 county developmental disability (DD) boards. County boards provide a variety of community-based services including residential support, early intervention, family support, adult vocational and employment services, and service and support administration. In FY 2009, more than 80,500 people received services through county board programs.

### Appropriation Overview

Fund Group	FY 2009*	FY 2010	% change	FY 2011	% change
General Revenue	\$332,851,464	\$303,388,137	(8.9%)	\$331,236,597	9.2%
General Services	\$834,912	\$922,176	10.5%	\$922,176	0.0%
State Special Revenue	\$248,303,989	\$250,863,367	1.0%	\$265,729,210	5.9%
Federal Special Revenue	\$753,114,250	\$969,244,674	28.7%	\$951,206,173	(1.9%)
<b>TOTAL</b>	<b>\$1,335,104,614</b>	<b>\$1,524,418,354</b>	<b>14.2%</b>	<b>\$1,549,094,156</b>	<b>1.6%</b>

\* FY 2009 amounts are actual expenditures.

As can be seen in the table above, funding for ODODD services comes from a mix of federal, state, and local sources. The budget provides a 14.2% increase in FY 2010 over the FY 2009 funding level, and a 1.6% increase in FY 2011 over the FY 2010 funding level.

### **Funding Sources**

A large portion of spending for ODODD is for Medicaid. Under the Medicaid Program, the federal government reimburses allowable expenditures based on a state's federal medical assistance percentage (FMAP). The United States Department of Health and Human Services Centers for Medicare and Medicaid determines the FMAP rate annually. For federal fiscal year (FFY) 2009, Ohio's FMAP rate is 62.14%. For the period of October 1, 2008 through December 31, 2010, Ohio will receive additional federal Medicaid reimbursement, also known as enhanced FMAP. During this period, the enhanced FMAP may vary quarterly based on Ohio's unemployment rate. Under the program, state and local funds are used to "draw down" federal funds at the FMAP rate. Thus, for every \$1 spent on Medicaid-eligible services, the federal government reimburses the state approximately \$.62. Administrative costs for 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.

## ANALYSIS OF ENACTED BUDGET

### Introduction

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

1. Medicaid Waivers;
2. Developmental Centers and Residential Facilities;
3. Community-Based Services; and
4. Administration.

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

<b>Table 2. Categorization of ODODD's Line Items</b>		
<b>Fund</b>	<b>ALI and Name</b>	<b>Category</b>
<b>General Revenue Fund Group</b>		
GRF 320321	Central Administration	4: Administration
GRF 320412	Protective Services	4: Administration
GRF 320415	Lease – Rental Payments	4: Administration
GRF 322413	Residential and Support Services	3: Community Services
GRF 322416	Medicaid Waiver – State Match	1: Medicaid Waivers
GRF 322451	Family Support Services	3: Community Services
GRF 322501	County Board Subsidies	3: Community Services
GRF 322503	Tax Equity	3: Community Services
GRF 322504	Martin Settlement	1: Medicaid Waivers
GRF 322647	ICF/MR Franchise Fee – Developmental Centers	2: Developmental Centers and Residential Facilities
GRF 323321	Developmental Centers and Residential Facilities Operation Expenses	2: Developmental Centers and Residential Facilities
<b>General Services Fund Group</b>		
4880 322603	Provider Audit Refunds	4: Administration
1520 323609	Developmental Center and Residential Operating Services	2: Developmental Centers and Residential Facilities
<b>Federal Special Revenue Fund Group</b>		
3A50 320613	DD Council	3: Community Services
3250 322612	Community and Social Service Programs	3: Community Services
3G60 322639	Medicaid Waiver – Federal	1: Medicaid Waivers
3M70 322650	CAFS Medicaid	3: Community Services
3A40 323605	Developmental Center and Residential Facility Services and Support	2: Developmental Centers and Residential Facilities
<b>State Special Revenue Fund Group</b>		
5GE0 320606	Operating and Services	4: Administration
2210 322620	Supplemental Service Trust	3: Community Services
4K80 322604	Medicaid Waiver – State Match	1: Medicaid Waivers
5CT0 322632	Intensive Behavioral Needs	1: Medicaid Waivers
5DJ0 322625	Targeted Case Management Match	3: Community Services
5DJ0 322626	Targeted Case Management Services	3: Community Services
5DK0 322629	Capital Replacement Facilities	4: Administration
5EV0 322627	Program Fees	4: Administration
5H00 322619	Medicaid Repayment	4: Administration
5Z10 322624	County Board Waiver Match	1: Medicaid Waivers
4890 323632	Developmental Center Direct Care Support	2: Developmental Centers and Residential Facilities
5S20 590622	Medicaid Administration and Oversight	4: Administration

## Medicaid Waivers

This category of appropriations includes the major sources of funding for Medicaid waivers. The following table shows the appropriations for this category.

<b>Table 3. Appropriations for Medicaid Waivers</b>				
<b>Fund</b>		<b>ALI and Name</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>General Revenue Fund</b>				
GRF	322416	Medicaid Waiver – State Match	\$76,940,156	\$96,995,649
GRF	322504	Martin Settlement	\$26,799,300	\$31,234,500
<b>General Revenue Fund Subtotal</b>			<b>\$103,739,456</b>	<b>\$128,230,149</b>
<b>Federal Special Revenue Fund Group</b>				
3G60	322639	Medicaid Waiver – Federal	\$759,888,829	\$745,540,748
<b>Federal Special Revenue Fund Group Subtotal</b>			<b>\$759,888,829</b>	<b>\$745,540,748</b>
<b>State Special Revenue Fund Group</b>				
4K80	322604	Medicaid Waiver – State Match	\$12,000,000	\$12,000,000
5CT0	322632	Intensive Behavioral Needs	\$1,000,000	\$1,000,000
5Z10	322624	County Board Waiver Match	\$158,648,955	\$169,754,424
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$171,648,955</b>	<b>\$182,754,424</b>
<b>Total Funding: Medicaid Waivers</b>			<b>\$1,035,277,240</b>	<b>\$1,056,525,321</b>

### Medicaid Waiver Match (322416, 322604, 322624, and 322504)

This group of line items provides the match for waiver services that the Medicaid Program requires in order to draw down the federal financial participation. Three of the line items provide state match dollars and one is county board match. ODODD administers two home and community-based Medicaid waivers: the Individual Options (IO) and the Level One (L1). The primary goal of these waivers is to enable people with mental retardation or other developmental disabilities to remain in their homes or community-based settings by providing them with cost-effective services and support to maximize their quality of life while also ensuring their health and safety. These services also aim to increase the individual's skills, competencies, and self-reliance. GRF line item 322416, Medicaid Waiver – State Match, and line item 322604, Medicaid Waiver – State Match, are both used to provide state dollars to pay the nonfederal share of the IO and L1 Medicaid waiver services. For line item 322416, the budget provides a 30% decrease in FY 2010 from the FY 2009 funding level and a 26% increase in FY 2011 over FY 2010. Revenue to support line item 322604 comes from quarterly payments that ODODD will receive from the Department of Job and Family Services from the collection of the Intermediate Care Facilities for the Mentally Retarded (ICF/MR) franchise fee. Line item 322604 is also part of the funding mechanism for conversion of ICF/MR beds to home and community-based services.

The budget provides a 34% increase in FY 2010 over the FY 2009 funding level and flat funding for FY 2011.

GRF line item 322504, Martin Settlement, provides state funding for home and community-based waivers in compliance with a federal class action law suit filed by the Ohio Legal Rights Service in 1989 that claimed undue segregation in institutions for individuals with developmental disabilities and waiting lists for people in need of services. The lawsuit sought integrated community residential services, specified that state programs should not discriminate against people with severe disabilities, and stated that integrated residential services should be developed. An agreement to settle the lawsuit was reached in 2006 and accepted by the court in March 2007. The result was the creation of 1,500 additional IO waiver slots. The budget provides a 66% increase in FY 2010 over the FY 2009 funding level and a 17% increase in FY 2011 over FY 2010. Appropriations in the previous biennium were enough to enroll the 600 required individuals in FY 2008 and the 900 required in FY 2009. The budget for the FY 2010-FY 2011 biennium will support all 1,500 waivers for each year of the biennium.

Line item 322624, County Board Waiver Match, is used to pay the county board's nonfederal share of Medicaid waiver expenditures. Revenues are payments received from county boards when a county board has exceeded its state allocation for the nonfederal share and must use local resources to pay their portion. The budget provides a 4% decrease in FY 2010 from the FY 2009 funding level and a 7% increase in FY 2011 over FY 2010.

### **Fiscal Sustainability Plan**

The budget includes a provision that requires the Director of Developmental Disabilities to submit a plan to the Director of Job and Family Services not later than December 31, 2009, with recommendations for actions to be taken addressing the fiscal sustainability of home and community-based services provided under Medicaid programs administered by ODODD. This provision specifies that any recommendations on modifying the methodology used in establishing provider payment rates may address wages and benefits of persons who provide direct care and training and supervision of those persons.

### **County DD Board Levy Failure**

The budget eliminates the requirement that ODODD adopt rules establishing a method of paying for extraordinary costs and ensure the availability of adequate funds in the event a county property tax levy for services for individuals with developmental disabilities fails and instead requires ODODD to adopt rules to establish, in the event such a levy fails, methods of paying for home and community-based services and reducing the number of individuals a county DD board would otherwise be required to ensure are enrolled in home and community-based services. This provision has



minimal administrative costs associated with the development of rules and a potential savings to county DD boards if the number of individuals required to be enrolled in waiver services is reduced.

### **County Share of Medicaid Home and Community-Based Services**

The budget also includes a provision that requires the Director of Developmental Disabilities to establish a methodology to be used in FY 2010 and FY 2011 to estimate the quarterly amount that each county board will pay of the nonfederal share of home and community-based waiver services for which the county board is responsible. The provision requires the Director to provide written notice of the amount owed by each county and allows the Director to withhold from a county board, that fails to make the full payment by the time it is due, the unpaid amount from one or more state subsidies that ODODD would otherwise provide to the county board.

### **Residential Facilities Development Plan Requirements**

The budget includes provisions establishing conditions under which ICFs/MR and nursing homes seeking residential facility licensure as an ICF/MR are not required to obtain approval of a development plan and states that ODODD is not responsible for paying the state share of a Medicaid claim for ICF/MR services if the ICF/MR obtained licensure as a residential facility without having to obtain approval of a development plan. The budget further specifies that an ICF/MR is not required to have received approval of a development plan to be eligible for Medicaid payments provided the initial or modified residential facility license was granted without obtaining approval of a development plan.

### **Nonfederal Share of New ICF/MR Beds**

The budget includes a provision that requires ODODD to transfer funds, by intrastate transfer voucher, to the Department of Job and Family Services to pay the nonfederal share of Medicaid costs for ICF/MR beds that obtain certification on or after July 1, 2009 and that require approval of a development plan. This provision stipulates that funds transferred by the Director of Developmental Disabilities for beds located in a county served by a county DD board that initiates or supports the beds' certification be funds that the Director has allocated to that county board unless the amount of the allocation is insufficient to pay the entire nonfederal share of the Medicaid costs for the beds, in which case the Director is to use as much of such funds allocated to other counties as needed to make up the difference. The budget requires that the Director use only funds appropriated to ODODD in GRF line item 322416, Medicaid Waiver – State Match, and GRF line item 322501, County Boards Subsidies, to pay the nonfederal share of Medicaid costs for ICF/MR beds.

**Intensive Behavioral Needs (322632)**

This line item is used to fund the Children with Intensive Behavioral Needs Program. Funding for this program in the FY 2010-FY 2011 biennium will be used to implement a new flexible, self-directed waiver that will serve 100 individuals. Self-direction of the waiver provides the individual with the freedom to select the package of services that best suits the individual's needs within a capped budget. ODODD intends to begin offering the flexible waiver in FY 2010. The budget appropriates \$1.0 million for FY 2010 and FY 2011.

**Medicaid Waiver – Federal (322639)**

This federally funded line item is used to pay home and community-based Medicaid waiver services. ODODD receives federal reimbursement for Medicaid waiver services and deposits it in the Medicaid Waiver Fund (Fund 3G60), which supports this line item. The federal government reimburses allowable expenditures based on a state's federal medical assistance percentage (FMAP). For federal fiscal year (FFY) 2009, Ohio's FMAP rate is 62.14%. Administrative costs for running Medicaid-related programs (as compared to costs associated with direct health care services) are generally reimbursed at 50%. For waiver services, both state and local funds are used as match. For the period of October 1, 2008 through December 31, 2010, Ohio will receive additional federal Medicaid reimbursement, also known as enhanced FMAP. During this period, the enhanced FMAP may vary quarterly based on Ohio's unemployment rate. The budget provides a 30% increase in FY 2010 over the FY 2009 funding level and a 2% decrease in FY 2011 from FY 2010.

## Developmental Centers and Residential Facilities

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

<b>Table 4. Appropriations for the Developmental Centers and Residential Facilities</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2010</b>	<b>FY 2011</b>
<b>General Revenue Fund</b>				
GRF	322647	ICF/MR Franchise Fee – Developmental Centers	\$5,953,391	\$7,146,609
GRF	323321	Developmental Centers and Residential Facilities Operation Expenses	\$72,091,333	\$79,364,778
<b>General Revenue Fund Subtotal</b>			<b>\$78,044,724</b>	<b>\$86,511,387</b>
<b>General Services Fund Group</b>				
1520	323609	Developmental Center and Residential Operating Services	\$912,176	\$912,176
<b>General Services Fund Group Subtotal</b>			<b>\$912,176</b>	<b>\$912,176</b>
<b>Federal Special Revenue Fund Group</b>				
3A40	323605	Developmental Center and Residential Facility Services and Support	\$167,503,941	\$162,857,712
<b>Federal Special Revenue Fund Group Subtotal</b>			<b>\$167,503,941</b>	<b>\$162,857,712</b>
<b>State Special Revenue Fund Group</b>				
4890	323632	Developmental Center Direct Care Support	\$15,395,774	\$15,395,684
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$15,395,774</b>	<b>\$15,395,684</b>
<b>Total Funding: Developmental Centers and Residential Facilities</b>			<b>\$261,856,615</b>	<b>\$265,676,959</b>

### ICF/MR Franchise Fee – Developmental Centers (322647)

This new GRF line item will be used to pay Intermediate Care Facilities for the Mentally Retarded (ICF/MR) franchise fees for developmental centers to the Department of Job and Family Services. ICFs/MR are facilities that provide services for individuals with developmental disabilities and other conditions. ICFs/MR differ from developmental centers in that they are private facility-based institutional long-term care facilities that lack the intensity of the 24-hour active treatment programs provided by developmental centers.

ICFs/MR are required to pay an annual franchise permit fee that is shared between ODODD and the Department of Job and Family Services for the Medicaid program and for home and community-based services for persons with developmental disabilities. The budget includes a provision that continued the franchise permit fee of \$11.98 until August 1, 2009 and increased the ICF/MR franchise permit fee from \$11.98

per bed per day to \$14.75 on August 1, 2009 until June 30, 2010. In FY 2011, the ICF/MR franchise permit fee will be reduced to \$13.55. The fee for each successive fiscal year will be the amount set for the previous fiscal year adjusted by a composite inflation factor. The budget states that 84.2% of the fee revenue in FY 2010 and 79.12% in FY 2011 and thereafter will be deposited into the Home and Community-Based Services Fund (Fund 4K80) with the remainder in each year being deposited into the Developmental Disabilities Operating and Services Fund (Fund 5GE0).

### **Developmental Center and Residential Facilities Operation Expenses (323321)**

This GRF line item is used to provide the state match for Medicaid expenses of ODODD's ten developmental centers. Developmental centers are primarily funded with GRF, federal Medicaid funds, and resident resources. The vast majority of developmental center residents are Medicaid-eligible. The budget provides a 24% decrease in FY 2010 from the FY 2009 funding level and a 10% increase in FY 2011 over FY 2010. The reduction in this line item reflects the expected enhanced FMAP revenue that will be deposited in line item 323605, Developmental Center and Residential Facility Services and Support, thereby requiring less GRF dollars to pay expenses.

The budget includes a provision that requires the Director of Developmental Disabilities to transfer cash to the Department of Job and Family Services, quarterly by intrastate transfer voucher, in an amount equal to the nonfederal share of Medicaid prescription drug claim costs paid for all developmental centers. ODODD uses this line item along with federally funded line item 323605, Developmental Center and Residential Facility Services and Support, to pay the nonfederal share of Medicaid prescription drug claim costs to the Department of Job and Family Services.

### **Developmental Center and Residential Operating Services (323609)**

This line item is used for expenses at ODODD's developmental centers. Revenues generated from things such as leasing land or space at a developmental center or service payments for some private residents, are deposited into the Miscellaneous Revenue Fund (Fund 1520), which supports this line item. Northwest Ohio and Southwest Ohio developmental centers have units dedicated to individuals who are hard to serve and not Medicaid-eligible. The budget provides an 11% increase in FY 2010 over the FY 2009 funding level and flat funding for FY 2011. The increased appropriation will be used to meet the payroll needs of the developmental centers that serve private pay individuals. The budget includes a provision that permits a developmental center to provide services to individuals with developmental disabilities who live in the community or to providers of services to such individuals and authorizes ODODD to develop a methodology for recovering all costs associated with the provision of these services. All recovered costs will be deposited into Fund 1520.

**Developmental Center and Residential Facility Services and Support (323605)**

This federally funded line item is used to pay operating expenses at ODODD's developmental centers. A large portion of ODODD's developmental center expenses are reimbursable under the Medicaid Program. For FFY 2009, Ohio's FMAP rate is 62.14%. Administrative costs for running Medicaid-related programs (as compared to costs associated with direct health care services) are generally reimbursed at 50%. For the period of October 1, 2008 through December 31, 2010, Ohio will receive additional federal Medicaid reimbursement, also known as enhanced FMAP. During this period, the enhanced FMAP may vary quarterly based on Ohio's unemployment rate. The budget provides a 31% increase in FY 2010 over the FY 2009 funding level and a 3% decrease in FY 2011 from FY 2010.

**Developmental Center Direct Care Support (323632)**

This line item is used to offset an individual's cost of care while in a developmental center. Revenues for the Developmental Disabilities Operating Fund (Fund 4890) are generated from client resources, such as Social Security, and any county funds received by ODODD from the county DD boards for active treatment. Seventy percent of the residents receive social security, of which a portion is turned over to the state to offset the cost of care. Social Security revenue averages \$580 per month per resident, or about \$8.3 million per year. The budget provides a 28% increase in FY 2010 over the FY 2009 funding level and flat funding for FY 2011.

## Community-Based Services

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

<b>Table 5. Appropriations for Community-Based Services</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2010</b>	<b>FY 2011</b>
<b>General Revenue Fund</b>				
GRF	322413	Residential and Support Services	\$5,854,555	\$4,854,555
GRF	322451	Family Support Services	\$6,591,953	\$6,591,953
GRF	322501	County Board Subsidies	\$66,986,448	\$62,259,252
GRF	322503	Tax Equity	\$14,000,000	\$14,000,000
<b>General Revenue Fund Subtotal</b>			<b>\$93,432,956</b>	<b>\$87,705,760</b>
<b>Federal Special Revenue Fund Group</b>				
3A50	320613	DD Council	\$2,891,473	\$2,963,760
3250	322612	Community and Social Service Programs	\$10,494,451	\$10,494,451
3M70	322650	CAFS Medicaid	\$28,465,980	\$29,349,502
<b>Federal Special Revenue Fund Group Subtotal</b>			<b>\$41,851,904</b>	<b>\$42,807,713</b>
<b>State Special Revenue Fund Group</b>				
2210	322620	Supplemental Service Trust	\$150,000	\$150,000
5DJ0	322625	Targeted Case Management Match	\$13,716,454	\$13,716,454
5DJ0	322626	Targeted Case Management Services	\$29,926,640	\$29,926,640
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$43,793,094</b>	<b>\$43,793,094</b>
<b>Total Funding: Community-Based Services</b>			<b>\$179,077,954</b>	<b>\$174,306,567</b>

### Residential and Support Services (322413)

This GRF line item is used to provide subsidies to county DD boards for residential and support services, to implement the requirements of the Sermak consent decree, and to provide a small amount of state match for the Individual Options (IO) waiver. (For more information on IO waivers, see "Medicaid Waiver Match" under the Medicaid Waivers category.)

The Sermak consent decree stems from a 1980 class action law suit filed by the Ohio Legal Rights Service (OLRS) alleging that individuals with mental retardation and developmental disabilities were being discharged from state-operated institutions to nursing facilities that were not certified to provide for their care. In March 2000, a settlement was reached that provided IO waivers and funding for specialized services and other needs such as evaluations and equipment. OLRs has worked to ensure that class members wanting to move from a nursing facility are placed in community settings with the appropriate service supports. Those who remained in nursing

facilities are being provided with specialized services. OLRs provides ongoing monitoring of the specialized service needs of the remaining class members in nursing facilities and monitoring of any new class members placed in nursing facilities from developmental centers. The budget provides a 3% increase in FY 2010 over the FY 2009 funding level and a 17% decrease in FY 2011.

### **Family Support Services (322451)**

This GRF line item provides funding for the family support subsidy. These subsidy dollars are provided to ensure the availability of supports so people may live as they choose while promoting their health, safety, and welfare. The dollars are intended to provide help and supports for the families of these individuals in reaching those goals. The supports provided are to enhance the quality of life for the entire family unit, and include: respite care, adaptive equipment, home modifications to accommodate the family member with a disability, special diets, and other services and items that are individualized to meet the needs of the family. In order to access these dollars, the family must be caring for the person with a developmental disability at home and the individual must be eligible for services through their local county DD board. The budget provides a 4% increase in FY 2010 over the FY 2009 funding level and flat funding in FY 2011.

### **County Board Subsidies (322501)**

This GRF line item is used to provide subsidy dollars to county DD boards to assist with administrative costs and costs of services provided by the board. The budget includes a provision that requires the Director of Developmental Disabilities, in consultation with the county boards, to develop a formula for allocating the appropriation in this line item to the county boards and requires that ODOOD distribute the subsidy to county boards in quarterly installments. This subsidy can be used for county board operating expenses, supported living services, service and support administration for county residents, and waiver match. The budget provides a 16% increase in FY 2010 over the FY 2009 funding level and a 7% decrease in FY 2011.

### **Tax Equity (322503)**

This GRF line item is used to provide tax equity to county DD boards. This funding helps equalize local tax levy revenues for tax-poor counties to ensure that adult services are available statewide and are not limited because of a county's inability to raise local levy funds. The budget provides flat funding at the FY 2009 level for FY 2010 and FY 2011. These dollars are disbursed in quarterly installments and are used for the purposes of paying the nonfederal share of Medicaid expenditures. The budget specifies that if the Director of Developmental Disabilities determines that sufficient appropriation is available, this line item will be used to pay each county board an amount equal to what was received in FY 2009. If the Director determines that the

appropriation is not sufficient, the amount provided will be proportionate to what each county received in FY 2009.

### **DD Council (320613)**

This federally funded line item supports the operational expenses for the Ohio Developmental Disabilities Council (ODDC), which is a planning and advocacy body committed to community inclusion for people with developmental disabilities. ODDC is part of a national network of state councils and consists of 25 members appointed by the Governor.

ODDC disburses federal funds through grants and contracts for the provision of services that are needed by, or are useful to, individuals with developmental disabilities living in the community. ODDC monitors progress with each project that receives grant funding. Progress is measured through site visits and quarterly reports from grantees. ODDC annually reports results of its activities to the Federal Administration on Developmental Disabilities. The budget provides a 10% increase in FY 2010 over the FY 2009 funding level and a 3% increase in FY 2011.

### **Community and Social Service Programs (322612)**

This federally funded line item contains Social Services Block Grant (Title XX) funds that are used for community-based services. Title XX funds are received by the Department of Job and Family Services, which keeps 72.5% and distributes the remainder; 14.5% goes to ODODD and 12.9% goes to the Department of Mental Health. States are given wide discretion in determining which services will be provided with these funds. These funds are used to supplement the costs associated with initiating and maintaining guardianships, trusteeships, and protectorships for certain individuals with developmental disabilities, and to provide grants for infants and families with disabilities living in the community. The fund that supports this line item also contains several other smaller federal grants. The budget provides an 8% increase in FY 2010 over the FY 2009 funding level and flat funding in FY 2011.

### **CAFS Medicaid (322650)**

This federally funded line item provides the funding mechanism for the Community Alternative Funding System (CAFS) Program as it continues to phase out. The CAFS Program was terminated at the end of FY 2005. Appropriations for FY 2010 and FY 2011 are for residual claiming that will occur during the biennium. Once all CAFS audits are complete, the Community Alternative Funding System Fund (Fund 3M70), from which this line item receives appropriations, will be eliminated. The budget provides a 5% decrease in FY 2010 from the FY 2009 funding level and a 3% increase in FY 2011.



**Supplemental Service Trust (322620)**

This line item is used for community-based services that are not allowable under Medicaid, such as reimbursements for attendance at recreational events, travel, vacations, sports, elective medical or dental care, gym memberships, etc. When an individual with a supplemental service trust dies, 50% of the remaining funds in the trust are paid to ODODD and deposited into the Supplemental Service Trust Fund (Fund 2210). ODODD then returns those dollars to the county DD board in the individual's county of origin. The annual revenue the fund receives depends on the number of individuals who hold such a trust at the time of death. For this line item, the budget appropriates \$150,000 for FY 2010 and FY 2011.

**Targeted Case Management Match and Services (322625 and 322626)**

Targeted case management refers to case management services that assist individuals with developmental disabilities in accessing the needed medical, social, educational, or other services. The 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. ODODD and the county boards monitor service providers to ensure that services are being provided in a manner consistent with standards established in state statute and administrative rule.

Line item 322625, Targeted Case Management Match, is used to pay to the Department of Job and Family Services the nonfederal share of targeted case management services received from county DD boards. The budget provides a 7% decrease in FY 2010 from the FY 2009 funding level and flat funding in FY 2011.

Line item 322626, Targeted Case Management Services, is used to reimburse county DD boards for the nonfederal portion of targeted case management services paid by the county board plus the federal reimbursement that ODODD receives from the Department of Job and Family Services. The budget provides a 19% decrease in FY 2010 from the FY 2009 funding level and flat funding in FY 2011.

The budget includes a provision that specifies that county boards are required to pay the nonfederal portion of targeted case management services to ODODD and requires the Director of Developmental Disabilities to withhold any amount owed from subsequent payments from any appropriation item or money otherwise due to the nonpaying county.

## Administration

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

<b>Table 6. Appropriations for Administration</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2010</b>	<b>FY 2011</b>
<b>General Revenue Fund</b>				
GRF	320321	Central Administration	\$4,662,675	\$4,662,675
GRF	320412	Protective Services	\$2,174,826	\$2,174,826
GRF	320415	Lease – Rental Payments	\$21,333,500	\$21,951,800
<b>General Revenue Fund Subtotal</b>			<b>\$28,171,001</b>	<b>\$28,789,301</b>
<b>General Services Fund Group</b>				
4880	322603	Provider Audit Refunds	\$10,000	\$10,000
<b>General Services Fund Group Subtotal</b>			<b>\$10,000</b>	<b>\$10,000</b>
<b>State Special Revenue Fund Group</b>				
5GE0	320606	Operating and Services	\$3,760,504	\$7,521,008
5DK0	322629	Capital Replacement Facilities	\$750,000	\$750,000
5EV0	322627	Program Fees	\$500,000	\$500,000
5H00	322619	Medicaid Repayment	\$15,000	\$15,000
5S20	590622	Medicaid Administration and Oversight	\$15,000,000	\$15,000,000
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$20,025,504</b>	<b>\$23,786,008</b>
<b>Total Funding: Administration</b>			<b>\$48,206,505</b>	<b>\$52,585,309</b>

### Central Administration (320321)

This GRF line item supports central office operating expenses and is used to carry out the necessary day-to-day operations of ODODD in support of its program activities. The budget provides an 18% decrease in FY 2010 from the FY 2009 funding level and flat funding in FY 2011.

The budget includes a provision that requires ODODD, along with eight other agencies and the Governor's Office, to participate in the Service Coordination Workgroup to develop procedures for coordinating services to individuals under age 21 and their families. The Workgroup is required to submit a report to the Governor, not later than July 31, 2009, with recommendations for implementing the procedures.

### Protective Services (320412)

This GRF line item is used to pay costs associated with guardianships, trusteeships, and protectorships for individuals with developmental disabilities. Protective services refer to the provision of services by a contract agency that performs the duties otherwise fulfilled by a guardian, trustee, or conservator. An individual

acting in this capacity provides guidance, service, and encouragement of the development of maximum self-reliance while also ensuring health and safety. ODODD contracts with Advocacy and Protective Services, Inc. (APSI), a nonprofit agency, for these services. The budget provides a 6% decrease in FY 2010 from the FY 2009 funding level and flat funding in FY 2011.

#### **Lease – Rental Payments (320415)**

This GRF line item is used to make debt service payments on bonds issued for long-term capital construction projects to the Public Facilities Commission. The Office of Budget and Management calculates the amount needed for each fiscal year to fulfill these obligations. The budget provides a 9% increase in FY 2010 over the FY 2009 funding level and a 3% increase in FY 2011.

#### **Provider Audit Refunds (322603)**

This line item is used to support central office administrative expenses. The moneys in the fund that support this line item are previously collected reimbursement of the state share of overpayments to providers following an audit. The budget provides a 20% increase in FY 2010 over the FY 2009 funding level and flat funding in FY 2011.

#### **Operating and Services (320606)**

This new line item will be used to support ODODD's operating and service expenses not related to developmental centers. The budget includes a franchise fee assessment for developmental centers. ODODD will pay the Department of Job and Family Services the fee with GRF line item 322647, ICF/MR Franchise Fee – Developmental Centers. The Department of Job and Family Services will then return a percentage of the overall fee to ODODD, which is to be deposited into the Operating and Services Fund (Fund 5GE0), which supports this line item. Beginning in FY 2012, ODODD will also receive federal reimbursement for the franchise fees, which will be deposited into the Medicaid-Medicare Fund (Fund 3A40). The budget provides \$3.8 million for FY 2010 and \$7.5 million for FY 2011.

#### **Capital Replacement Facilities (322629)**

This line item provides financial assistance to county DD boards or nonprofit agencies for the purchase or renovation of community housing for individuals with developmental disabilities. After 15 years, the state share of the loan is forgiven. However, the recipient of such assistance may apply for approval to sell the facility before the terms of the agreement expire for the purpose of acquiring a replacement facility to be used to provide services to the individuals it serves. After selling the facility, the local entity is required to return to ODODD a prorated amount of the state assistance based on the unexpired term of the agreement. The repayment of the

prorated state share of funding is deposited in the Capital Replacement Facilities Fund (Fund 5DK0), which supports this line item. Once a replacement facility is purchased, the funds may be returned to the county board to offset the cost of the purchase. However, if a replacement facility is not purchased, then the funds are used to support ODODD's community construction projects. The budget provides funding of \$750,000 in FY 2010 and FY 2011.

### **Program Fees (322627)**

This line item is used to fund the certification, registration, and renewal procedures required for employment with a county DD board and provides continuing education and professional training to county board employees. This line item is also used for operating the supported living provider certification program and for licensing and inspecting residential facilities. Fees paid to ODODD for employee certification and registration, licensing of residential facilities, and provider certification are deposited into the Program Fees Fund (Fund 5EV0), which supports this line item.

The budget provides funding of \$500,000 in FY 2010 and FY 2011. The funding level represents estimated revenue from a revised provider certification rule that ODODD is in the process of instituting. Under the new rule, a provider desiring to be certified must pay a fee based on the size of the provider; currently, ODODD does not charge for certification. These funds will be used to offset the payroll costs of ODODD certification staff.

### **Medicaid Repayment (322619)**

This line item is used to pay the Department of Job and Family Services the federal portion of collections of overpayments to Medicaid providers discovered during an audit. The budget provides funding of \$15,000 in FY 2010 and FY 2011. The Department of Job and Family Services plans to increase service utilization reviews which will likely identify a greater amount of overpayments to providers.

### **Medicaid Administration and Oversight (590622)**

This line item is used to fund the expenses of ODODD's administration and oversight of Medicaid services. Administrative and oversight services may include staff, systems, and other resources dedicated to eligibility determinations, training, fiscal management, claims processing, quality assurance, and other such duties identified by ODODD. The budget includes a provision which broadens the use of dollars by allowing ODODD to use this line item for Medicaid administrative costs in general rather than just the administrative and oversight costs of Medicaid case management services and ODODD-administered home and community-based Medicaid waiver services. County DD boards pay ODODD a 1.5% fee on the value of all Medicaid waiver-paid claims. Seventy percent of the fee revenue is deposited into the Administration and Oversight Fund (Fund 5S20), which supports this line item; the

Department of Job and Family Services receives the remaining 30%. The budget provides a 41% increase in FY 2010 over the FY 2009 funding level and flat funding in FY 2011. The increased funding is based on ODODD's expectation that waiver enrollment and the cost of services will increase over the FY 2010-FY 2011 biennium.

*DMR.docx / lb*

**FY 2010 - 2011 Final Appropriation Amounts**

**All Fund Groups**

<i>Line Item Detail by Agency</i>			<i>FY 2008</i>	<i>FY 2009</i>	<i>FY 2010 Appropriations</i>	<i>% Change FY09 - FY10</i>	<i>FY 2011 Appropriations</i>	<i>% Change FY10 - FY11</i>
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>					
<b>DMR Department of Developmental Disabilities</b>								
GRF	320321	Central Administration	\$ 8,756,804	\$ 5,705,691	\$ 4,662,675	-18.28%	\$ 4,662,675	0.00%
GRF	320412	Protective Services	\$ 2,736,476	\$ 2,311,961	\$ 2,174,826	-5.93%	\$ 2,174,826	0.00%
GRF	320415	Lease-Rental Payments	\$ 23,368,304	\$ 19,581,264	\$ 21,333,500	8.95%	\$ 21,951,800	2.90%
GRF	322413	Residential and Support Services	\$ 6,433,533	\$ 5,702,452	\$ 5,854,555	2.67%	\$ 4,854,555	-17.08%
GRF	322416	Medicaid Waiver - State Match	\$ 110,132,591	\$ 109,705,746	\$ 76,940,156	-29.87%	\$ 96,995,649	26.07%
GRF	322451	Family Support Services	\$ 6,938,898	\$ 6,314,397	\$ 6,591,953	4.40%	\$ 6,591,953	0.00%
GRF	322501	County Boards Subsidies	\$ 87,270,048	\$ 57,964,005	\$ 66,986,448	15.57%	\$ 62,259,252	-7.06%
GRF	322503	Tax Equity	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	0.00%	\$ 14,000,000	0.00%
GRF	322504	Martin Settlement	\$ 1,971,126	\$ 16,114,913	\$ 26,799,300	66.30%	\$ 31,234,500	16.55%
GRF	322647	ICF/MR Franchise Fee- Developmental Centers	\$0	\$0	\$ 5,953,391	N/A	\$ 7,146,609	20.04%
GRF	323321	Developmental Center and Residential Facilities Operation Expenses	\$ 103,969,500	\$ 95,451,035	\$ 72,091,333	-24.47%	\$ 79,364,778	10.09%
<b>General Revenue Fund Total</b>			<b>\$ 365,577,281</b>	<b>\$ 332,851,464</b>	<b>\$ 303,388,137</b>	<b>-8.85%</b>	<b>\$ 331,236,597</b>	<b>9.18%</b>
4B50	320640	Training and Service Development	\$ 4,902	\$ 1,078	\$ 0	-100.00%	\$ 0	N/A
4880	322603	Provider Audit Refunds	\$ 11,025	\$ 8,365	\$ 10,000	19.55%	\$ 10,000	0.00%
1520	323609	Developmental Center and Residential Operating Services	\$ 220,230	\$ 825,468	\$ 912,176	10.50%	\$ 912,176	0.00%
<b>General Services Fund Group Total</b>			<b>\$ 236,157</b>	<b>\$ 834,912</b>	<b>\$ 922,176</b>	<b>10.45%</b>	<b>\$ 922,176</b>	<b>0.00%</b>
3A40	320605	Administrative Support	\$ 157,820	\$ 0	\$ 0	N/A	\$ 0	N/A
3A50	320613	DD Council	\$ 1,808,143	\$ 2,634,183	\$ 2,891,473	9.77%	\$ 2,963,760	2.50%
3250	322608	Grants for Infants and Families with Disabilities	\$ 11,500	\$ 0	\$ 0	N/A	\$ 0	N/A
3250	322612	Community Social Service Programs	\$ 10,114,552	\$ 9,719,393	\$ 10,494,451	7.97%	\$ 10,494,451	0.00%
3A50	322613	DD Council Grants	\$ 644,157	\$ 41,780	\$ 0	N/A	\$ 0	N/A
3G60	322639	Medicaid Waiver - Federal	\$ 474,428,522	\$ 582,779,703	\$ 759,888,829	30.39%	\$ 745,540,748	-1.89%
3M70	322650	CAFS Medicaid	\$ 30,927,846	\$ 30,049,491	\$ 28,465,980	-5.27%	\$ 29,349,502	3.10%
3A40	323605	Developmental Center and Residential Facility Services and Support	\$ 125,736,838	\$ 127,889,701	\$ 167,503,941	30.98%	\$ 162,857,712	-2.77%
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 643,829,378</b>	<b>\$ 753,114,250</b>	<b>\$ 969,244,674</b>	<b>28.70%</b>	<b>\$ 951,206,173</b>	<b>-1.86%</b>

**FY 2010 - 2011 Final Appropriation Amounts**

**All Fund Groups**

<b>Line Item Detail by Agency</b>			<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010 Appropriations</b>	<b>% Change FY09 - FY10</b>	<b>FY 2011 Appropriations</b>	<b>% Change FY10 - FY11</b>
<b>DMR Department of Developmental Disabilities</b>								
5GE0	320606	Operating and Services	\$0	\$0	\$ 3,760,504	N/A	\$ 7,521,008	100.00%
2210	322620	Supplement Service Trust	\$ 45,302	\$ 0	\$ 150,000	N/A	\$ 150,000	0.00%
4K80	322604	Medicaid Waiver - State Match	\$ 14,978,800	\$ 8,975,546	\$ 12,000,000	33.70%	\$ 12,000,000	0.00%
5AT0	322631	Autism Transition Bridge	\$0	\$ 108,750	\$ 0	-100.00%	\$ 0	N/A
5CT0	322632	Intensive Behavioral Needs	\$0	\$0	\$ 1,000,000	N/A	\$ 1,000,000	0.00%
5DJ0	322625	Targeted Case Management Match	\$ 10,932,405	\$ 14,665,289	\$ 13,716,454	-6.47%	\$ 13,716,454	0.00%
5DJ0	322626	Targeted Case Management Services	\$ 33,532,674	\$ 36,720,609	\$ 29,926,640	-18.50%	\$ 29,926,640	0.00%
5DK0	322629	Capital Replacement Facilities	\$ 11,343	\$ 0	\$ 750,000	N/A	\$ 750,000	0.00%
5E00	322627	Program Fees	\$ 80	\$ 3,258	\$ 500,000	15,244.91%	\$ 500,000	0.00%
5H00	322619	Medicaid Repayment	\$ 11,343	\$ 5,092	\$ 15,000	194.58%	\$ 15,000	0.00%
5Z10	322624	County Board Waiver Match	\$ 122,103,928	\$ 165,164,896	\$ 158,648,995	-3.95%	\$ 169,754,424	7.00%
4890	323632	Developmental Center Direct Care Support	\$ 11,779,811	\$ 12,054,222	\$ 15,395,774	27.72%	\$ 15,395,684	0.00%
5S20	590622	Medicaid Administration & Oversight	\$ 7,731,518	\$ 10,606,327	\$ 15,000,000	41.43%	\$ 15,000,000	0.00%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 201,127,203</b>	<b>\$ 248,303,989</b>	<b>\$ 250,863,367</b>	<b>1.03%</b>	<b>\$ 265,729,210</b>	<b>5.93%</b>
<b>Department of Developmental Disabilities Total</b>			<b>\$ 1,210,770,018</b>	<b>\$ 1,335,104,614</b>	<b>\$ 1,524,418,354</b>	<b>14.18%</b>	<b>\$ 1,549,094,156</b>	<b>1.62%</b>