



TRANSFORMING OHIO FOR GROWTH

Streamline. Improve. Reduce.

Final Report on Health and Human Services Reforms in the Mid-Biennium Review

Transforming Health Care and Creating a Healthy and Productive Workforce

Last year, the Kasich Administration enacted extensive reforms to improve overall health-system performance. The Administration is currently implementing these reforms, but in some cases, the system itself is a barrier to improvement. Our focus in the Mid-Biennium Review (MBR) is to eliminate these barriers within the Departments of Job and Family Services (ODJFS), Health (ODH), Mental Health (ODMH), Alcohol and Drug Addiction Services (ODADAS), Developmental Disabilities (DODD) and Aging and the Rehabilitation Services Commission (RSC), improving services for our customers, providing better value for taxpayers and offering employers a vibrant workforce.

ELIMINATE BARRIERS TO INNOVATION

Open the door to new and innovative ways of doing business to make service delivery more efficient and effective.

- ☑ **Simplify eligibility determination systems.** Current eligibility processes for health and human services in Ohio are fragmented, overly complex and rely on outdated technology. For example, Ohio uses more than 150 categories and two separate processes to determine Medicaid eligibility. This results in duplication, inefficiency and excessive cost for state and local governments to operate Medicaid and other health and human service eligibility programs. HB 487 clarifies that the authority granted in HB 153 to OHT to simplify eligibility systems extends to eligibility systems for federal and state health and human services programs other than Medicaid.
- ☑ **Accelerate the adoption of electronic health information exchange.** Current state privacy law in some cases applies standards for information sharing that are inconsistent with the federal law, impeding electronic health information exchange (HIE). Information sharing through HIEs will improve health outcomes for individuals and lay the foundation for price and quality transparency. HB 487 harmonizes state law with the standards adopted in the federal HIPAA privacy rule with respect to individual access to protected health information, proper safekeeping of protected health information and the use and disclosure of protected health information.

- ☑ **Protect individuals in home- and community-based services.** The Administration has identified gaps and inconsistencies in statutes and regulations governing criminal background checks and disqualifying criminal convictions for workers providing home health and waiver transportation services under the Medicaid program. HB 487 language and subsequent changes to administrative rules will close these gaps to protect individuals receiving home-and community-based services from harm.
- ☑ **Enhance statewide data sharing through agencies without walls.** Ohio's health and human services policy, spending and administration are split across multiple state agency jurisdictions. State agencies must enter into cumbersome agreements just to share basic data that is needed to inform decisions and implement program improvements. HB 487 authorizes the sharing of data, personnel, funding, and other operating resources among designated state agencies in support of cross-agency work for health transformation purposes, in accordance with the requirements of federal law. The language will facilitate the seamless and efficient implementation of health transformation activities.
- ☑ **Increase county JFS efficiency through shared services.** HB 225 created a pilot project to allow three specified county departments of job and family services (JFS) to merge into a joint county JFS department and share services and reduce costs. HB 487 expands the pilot program to allow all counties in Ohio to take advantage of this opportunity for shared services and create more efficient local JFS structures.
- ☑ **Clarify legal representation for long-term care ombudsmen.** Federal law requires Ohio to provide legal representation to the long-term care ombudsman, and the Attorney General has been providing representation without statutory authority. HB 487 provides statutory authority for the AG to provide this service, ensuring equal representation to all ombudsmen and saving the program and department money from outside fees.
- ☑ **Align Assisted Living Waiver requirements.** HB 153 made it easier for individuals to access the Assisted Living Waiver by removing residency requirements prior to waiver enrollment. HB 487 cleans up the code section for the Assisted Living Waiver by removing the residency requirement to Home First, mirroring changes in HB 153.
- ☑ **Simplify the transfer of funds from DODD to counties.** Currently, a county board of developmental disabilities that is a member of a regional council of government (COG) can direct DODD to send funds allocated to the county to the COG rather than the county board, even though the department's contractual relationship is with the board. HB 487 eliminates this option, simplifying administrative bookkeeping for the department while maintaining the option for local county boards to provide funding to the COGs. The change cuts down on department administrative expense and retains local flexibility.
- ☑ **Empower Ohioans with developmental disabilities.** Current law only permits developmentally disabled individuals with capacity or those with a guardian to make decisions about the receipt of services. Modifications through HB 487 chart a middle ground, allowing individuals to retain control over their own lives with the assistance of a family member. These changes support individual decision making and avoid the appointment of a guardian when a less-restrictive alternative is available.
- ☑ **Update Certificate of Need.** The current Certificate of Need (CON) statute is unclear, confusing and contains outdated provisions. HB 487 updates the CON statute to reflect current practice, eliminates terminology and provisions that are no longer relevant, and

clarifies and reorganizes provisions to eliminate confusion. The language clarifies that the CON law is only applicable to long-term care, not hospitals and acute-care facilities. The departments of Health, Aging and Medicaid and the three nursing facility associations have reviewed and agreed to the language.

- ☑ **Improve ODJFS report efficiency.** HB 487 eliminates the requirement that ODJFS prepare a voluminous report that is not used, allowing ODJFS resources to be spent on more productive, efficient and effective activities.
- ☑ **Act on erroneous OWF payments.** HB 487 expands ODJFS authority for setting rules for county job and family service agencies to collect erroneous Ohio Works First overpayments, increasing flexibility and efficiency in collections.
- ☑ **Align Title XX reporting.** HB 487 aligns Title XX reporting requirements with the federal requirements for submitting an annual state plan and reporting on a federal fiscal year as opposed to a state fiscal year.
- ☑ **Collection of Vital Statistics Fees:** Currently, there is no consistent invoicing system for the collection of vital statistics fees for certified copies of birth records, certifications of birth, and copies of death records. This causes a loss of revenue to the Children’s Trust Fund and the Family Violence Prevention Fund. Through language included in HB 487, ODH will collect the fees through their invoicing process, which will increase efficiency and speed in the receipt of revenue.
- ☑ **Align apprenticeship with federal law.** The U.S. Department of Labor (DOL) and ODJFS work in partnership to administer a modern and flexible regulatory framework for registered apprenticeship programs. Recent DOL guidance identified areas that were not in alignment with federal law. SB 316 makes changes to ORC 4139 to uniformly define a "council office" and defines duties of council staff charged with independently administering the program. The changes conform to the federal guidance and will have no cost to the department or apprenticeship constituents.
- ☑ **Amend child-care administrator requirements.** SB 316 requires child-care administrators at the point of employment to have at least a high school diploma and a menu of education or work experience.

IMPROVE PROGRAM PERFORMANCE

Enhance program performance to create better health outcomes for individuals and provide employers with a healthier workforce.

- ☑ **Improve job opportunities for people with developmental disabilities.** Ohio must continue to increase meaningful employment outcomes for individuals with developmental disabilities. Nationally, 40 percent of developmentally disabled individuals live below the poverty line compared with 14 percent of working-age adults. SB 316 makes changes in the law that will make meaningful community employment the preferred option for individuals in Ohio. Ohio’s Employment First Initiative includes the creation of a new task force that will align state policies and procedures with the needs of individuals and businesses. The initiative will increase employment opportunities for individuals with a developmental disability.

- Elevate Medicaid.** An amendment to HB 487 will streamline administrative processes for both ODJFS and Ohio Medicaid by formalizing current operating procedures and clarifying in statute the authority of the Medicaid director. The language clarifies that the director of the Office of Medical Assistance (Ohio Medicaid) is appointed by the Governor and has clear, cabinet-level operational authority for Medicaid and the Children’s Health Insurance Program.
- Target regional "hot spots" in mental health service capacity.** Ohio’s behavioral health system must invest in projects that provide the biggest impact for individuals who need services. ODMH has initiated a new funding approach that targets “hot spots” in the system and rewards innovation and collaboration at the local level. The department will use \$3 million in additional resources to fund community mental health services that will create better outcomes through collaboration and coordinated care for high-cost and difficult-to-serve populations. This consumer-focused approach has earned the support of advocates representing consumers and families.
- Fight addiction to opiates and other drugs.** During the Mid-Biennium Review, the Kasich Administration worked closely with key stakeholders to identify and target specific “hot spots” related to addiction treatment. As a result of this review, more than \$17 million in additional state and federal funding was made available for addiction treatment services in communities throughout the state. When combined with the impact of Medicaid elevation in HB 153, which freed up millions of local levy dollars that boards can now use to provide services to people who are uninsured and indigent, the net impact to local boards is an increase of more than \$12 million for non-Medicaid services in SFY 2013.
- Pay for performance in hospitals.** The Administration worked closely with hospitals during the budget process to adopt payment reforms for Medicaid inpatient hospital reimbursement. HB 487 expands this effort by linking some of the funds in the hospital reimbursement pool to meeting or exceeding new quality benchmarks. This pay-for-performance initiative will ensure that available funds are distributed to hospitals and promote better health outcomes for individuals in hospital settings.
- Improve access to critical nursing facilities.** During deliberations on HB 153, the Administration worked with the General Assembly to develop a mechanism to ensure appropriate access to nursing facilities with low vacancy rates and high Medicaid utilization in poor communities. Language was not included in the bill because it could not be finalized prior to enactment of HB 153. HB 487 completes this work and creates a mechanism to direct additional funds to facilities located in federally designated empowerment zones.
- Expand access to home- and community-based services.** The current definition of a residential treatment facility within the HOME Choice Program limits the number of children who are able to be served in a community setting, which is frustrating to many families. By expanding the definition of facilities that can take part in the program, an additional 200 children per year will have the ability to transition into a community setting. HB 487 also includes operational improvements for the Money Follows the Person Program and Ohio Access Success Project.
- Protect vulnerable individuals with developmental disabilities.** DODD's abuser registry tracks individuals who have been convicted of harming individuals with developmental disabilities. Current law requires DODD to hold a separate hearing to place an individual on

its abuser registry, even if the individual has already been convicted of a criminal offense based on a higher evidentiary standard than what is required for placement on the registry. HB 487 permits DODD to place an individual on the registry based on facts and evidence used in the criminal case, saving time and resources, improving safety for individuals and maintaining due process for offenders.

- ☑ **Rebalance Ohio's ICF program.** HB 153 began the process of rebalancing Ohio's intermediate care facility (ICF) program by consolidating the licensure of ICF facilities at DODD. HB 487 completes this process by eliminating duplicative licensure requirements, increasing the number of ICF beds that can be converted into home- and community-based services and creating an incentive to convert ICF beds into Individual Options Medicaid Waiver services. The change eliminates administrative inefficiencies, duplicative monitoring processes and excessive regulation for the state and for private industry.
- ☑ **Modernize burdensome DD employment requirements.** Current employment law is overly burdensome on county board employees, who are required to give 30 days-notice prior to terminating an employment contract. A separate provision requires county boards to extend an employment contract by one year if a 90 day termination notice is not given. HB 487 repeals both requirements in order to make hiring practices more fair and efficient for boards and employees. HB 487 also allows county boards to certify their own employees, increasing efficiency and local control.
- ☑ **End unnecessary DD fees.** Current law requires county boards of developmental disabilities to pay a 1.25% Medicaid administrative fee on services provided through the Transitions Waiver, even though the boards do not provide matching funding for that waiver. HB 487 exempts county boards from paying this fee, freeing them from an unnecessary expense.
- ☑ **Transfer oversight of the Patient Centered Medical Home Education Advisory Group to ODH.** The Patient Centered Medical Home Education Advisory Group (EAG) was created in HB 198 (128th GA) for the purpose of implementing and administering the Patient Centered Medical Home pilot project. EAG is currently managed by the Ohio Academy of Family Physicians (OAFP), but OAFP does not have the resources to manage this initiative. HB 487 transitions this program to ODH to ensure the successful implementation of the pilot project.
- ☑ **Transfer oversight for manufactured home parks.** HB 487 transfers authority for the Manufactured Home Parks Program from ODH to the Manufactured Homes Commission. The commission would be responsible for the licensing and inspection activities of the parks if local public health departments exercise their right of first refusal to perform these activities. The change is supported by all interested parties and ensures proper oversight and administration of this program.
- ☑ **Ensure confidentiality of Ohio Violent Death Reporting System (OVDRS).** OVDRS provides a comprehensive data source about the circumstances that surround violent deaths. Information regarding violent deaths can be personal, sensitive and confidential. HB 487 ensures that identifiable data will remain confidential and cannot be released under a public records request or subpoena. Ensuring the information remains confidential is crucial to the success and effectiveness of the system.
- ☑ **Eliminate duplicative public health regulation.** Ohio's Public Health Council (PHC) pre-dates the creation of the Joint Committee on Agency Rule Review (JCARR) and now constitutes a

duplicative and burdensome step in the ODH rule-making process. Eliminating PHC streamlines the rule-making process at ODH, bringing it in line with the processes at other state agencies, and ensures that ODH can be more flexible and responsive to the needs of constituents, including businesses. The bill replaces the Public Health Council with the Public Health Advisory Board, which will provide expert advice and recommendations to the ODH Director on rules and other issues.

- ☑ **Enhance gambling addiction treatment planning.** Approximately 300,000 Ohio adults and adolescents currently meet the criteria for gambling addiction, and research shows that the risk of compulsive gambling increases the closer an individual lives to gaming facilities. ODADAS will add gambling addiction to the alcohol/drug addiction service plan. The Advisory Council on Alcohol and Drug Addiction Services is also expanded to include the Casino Control, Lottery and Racing Commissions and add an individual in recovery from gambling addiction. (HB 487)
- ☑ **Clarify responsibilities and increase flexibility in vocational rehabilitation.** Current law does not clearly define responsibility for the day-to-day operations of the Vocational Rehabilitation Program. HB 487 clarifies that the law vests the authority and responsibility under the RSC director, making agency operations more efficient. HB 487 also gives RSC increased spending flexibility so the agency can direct funding to vocational rehabilitation services that are in the most demand and reduce waiting lists.
- ☑ **Revise procedures for distribution of ODH brochures.** Under current law, ODH must produce information related to pregnancy services and fetal development (informed consent brochures) and distribute as many copies of the brochures as providers request. HB 487 requires ODH to make the brochures available on-line and provide one copy of the informed consent brochure to providers for them to copy. This change saves the department approximately \$10,000 per year (GRF).
- ☑ **Protect children through Differential Response.** Differential Response, an alternative approach to investigating reports of child abuse and neglect, was adopted as state policy in HB 153 and is being rolled out statewide. HB 487 transferred funds from SFY 2012 to SFY 2013 within a single ODJFS line item to speed implementation of this project in all 88 counties. This item did not require an appropriation because the funds in this line are on reserve and already allocated to a GRF line item.
- ☑ **Implement additional safeguards for ECC.** Ohio Electronic Child Care (ECC) has been implemented statewide, and ODJFS is responsible for payments and payment validation to organizations that provide publicly funded child-care services. HB 487 gives ODJFS clear authority to pursue collection of overpayments and sanction against providers that are found to be using Ohio ECC inappropriately.
- ☑ **Streamline and improve adult care facility regulations.** HB 153 transferred responsibility for the regulation of adult care facilities (ACFs) from ODH to ODMH. ACFs are important tools in ODMH's strategy to increase the quality and availability of housing for individuals with mental illness. HB 487 language improves ODMH's regulatory practices by streamlining requirements for licensure and aligning the practice with other facilities the department licenses. The result will be improved practices for the state and better relationships with ACF partners.

- ☑ **Strengthen regulation of Type B child-care providers.** Through language in SB 316, Ohio will transition from a certification process to a state-issued license for Type B family child-care providers. This action allows Ohio to include all provider types in the state regulatory system and share consistent information with families regarding the licensing compliance history of all provider types. Ohio proposed this action in the state's Race to the Top application.
- ☑ **Improve child care quality.** The Race to the Top Early Learning Challenge Grant requires Ohio to create a mechanism to track resource allocations and successful programs. SB 316 allows the state to create and track data related to Ohio's publicly funded child-care program and Ohio's Quality Rating and Improvement System. By improving how data is shared, Ohio will direct Race to the Top funds to programs of value and ensure that young children receive quality services that prepare them for school.
- ☑ **Expand Step up to Quality.** Ohio's Race to the Top Early Learning Challenge grant application and the Governor's Executive Order 2011-21K required all publicly-funded early childhood programs to be reviewed for quality based on common program standards. SB 316 ensures that all publicly funded programs are reviewed by ODE and ODFJS.

MAKE TECHNICAL AND OTHER BUDGET CORRECTIONS

Improve operations and increase efficiency.

- ☑ **Clarify limits on Aging programs.** HB 487 replaces "three months" with "90 days," to be more precise regarding certain state-funded program eligibility requirements.
- ☑ **Improve fiscal transparency at DODD developmental centers.** HB 487 allows DODD to directly invoice county boards when an individual who lives in the community is probated to a state-run developmental center. This bookkeeping clarification will increase administrative efficiency and improve fiscal transparency.
- ☑ **Reduce administrative complexity in the DODD system.** As a condition of employment, DODD is required to certify county board staff. The department's involvement in the process adds an unnecessary level of administrative complexity. HB 487 allows county boards to certify their own employees, fostering safety and local control.
- ☑ **Preserve DD patient records.** HB 487 allows the transfer of master patient index cards to the Ohio Historical Society, and allows master patient index cards of a deceased patient to be released to the closest living relative upon request.
- ☑ **Increase efficiency at DODD.** HB 487 repeals a provision that requires county boards to recommend private providers of residential services to the general public.
- ☑ **Clean up ODMH and DODD forensic language.** HB 487 makes technical corrections to HB 153, including (1) clarifying language that allows a forensic examiner to offer an opinion regarding services to be offered to an individual charged with a nonviolent misdemeanor who is found mentally ill or developmentally disabled; (2) fixing statutory changes previously made regarding the commitment of individuals found not guilty for reason of insanity or incapable of standing trial to ODMH state hospital facilities; and (3) reverting (where appropriate) the phrase "developmentally disabled" to "mentally retarded" to conform with case law that differentiates the two terms.

- ☑ **Improve dispute mediation between MH boards and providers.** HB 487 allows the director of ODMH, upon notification of a dispute between boards and providers, to require that the parties participate in mediation.
- ☑ **Update fees.** HB 487 revises penalties for late payment of Bureau of Radiation Protection invoices from 2-5 times the invoiced amount to a maximum of 10%.
- ☑ **Correct nursing home franchise fee statute.** HB 487 corrects the nursing facility franchise fee statutes to avoid nursing facilities overpaying and Medicaid subsequently having to refund the overpayment.
- ☑ **Transfer excess funds.** HB 487 transfers eligibility verification service revenue that exceeds the amount required for eligibility verification (\$750,000) into the Health Care Compliance Fund.
- ☑ **Correct budget language regarding health plans.** HB 487 makes a technical, agreed-to correction from HB 153 regarding a health plan's request for a chapter 119 hearing.
- ☑ **Eliminate unnecessary ODJFS reports.** HB 487 modifies and streamlines outdated reporting requirements regarding cost containment efforts by ODJFS, and requires the department to report efforts twice a year to the legislature.
- ☑ **Make technical corrections to the nursing home reimbursement formula.** HB 487 deletes obsolete statutes and makes technical corrections to the nursing facility reimbursement formula to clarify that wheelchairs and transportation are part of the direct care calculation and that leave days are properly counted in the annual cost report for a nursing facility's inpatient days.
- ☑ **Reduce regulatory burden on nursing homes.** HB 487 aligns state rules with the federal requirement for one full-time social worker at a long-term care facility of 120 beds or more.
- ☑ **Implement an operational improvement at RSC.** HB 487 changes RSC's third-party arrangement model contract language to allow for 30-day terminations without cause with public or private entities.
- ☑ **Clean up ODMH conveyance language.** HB 487 provides a more precise description of the already-approved land conveyance from ODMH to MetroHealth for purposes of a land survey.