

**HISTORICAL PERSPECTIVES, RATIONALE, AND BUDGETARY RECOMMENDATIONS FOR
OHIO'S MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES SYSTEM**

**EXISTING BUDGETARY GROWTH WITH INFLATION,
INFRASTRUCTURE REPAIRS
MEDICAID WAIVER EXPANSION OF 13,000 WAIVER SLOTS
FEDERAL, STATE, AND LOCAL FUNDING PROJECTIONS
AND BUDGETARY OUTCOMES**

FISCAL YEARS 2002-2003, 2004-2005, AND 2006-2007

DEVELOPED AND ENDORSED BY A COALITION OF THE FOLLOWING ORGANIZATIONS:

**ADVOCACY AND PROTECTIVE SERVICES
THE ARC-OHIO
THE OHIO DEVELOPMENTAL DISABILITIES COUNCIL
THE OHIO ASSOCIATION OF COUNTY BOARDS OF MR/DD
THE OHIO SUPERINTENDENTS OF COUNTY BOARDS OF MR/DD
OHIO CHAPTER AMERICAN ASSOCIATION ON MR
OHIO LEGAL RIGHTS SERVICES
OHIO LEAGUE FOR MR
CEREBRAL PALSY ASSOCIATION OF OHIO
THE OHIO SUPPORTED LIVING ASSOCIATION
PEOPLE FIRST OF OHIO
OHIO PROVIDER RESOURCE ASSOCIATION**

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FISCAL YEARS 2002-2003, 2004-2005, AND 2006-2007**

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OVERVIEW OF PURPOSES

To provide 7,000 Individuals on Waiting Lists Residential Supports within an Expansion of Medicaid Waivers including those living with aging caretakers, leveraging of up to 4,000 individuals on supported living to Medicaid waivers, to provide up to 2,000 individuals residing in ICF:MRs enrollment on Medicaid waivers for Olmstead downsizing, and to provide a Medicaid Family Resources waiver to support families with individuals living in their homes

To provide essential repairs to the Infrastructure for Ohio's Mental Retardation and Developmental Disabilities system necessary for Medicaid compliance, responsive to the needs of individuals with MR/DD awaiting residential supports, and assuring the system can attract and retain quality personnel

To provide predictable, ongoing inflationary increases to the budget of the Ohio Department of MR/DD comparable to other similar agencies and departments within state government

To access appropriately Medicaid Federal Financial Participation that is available to the State of Ohio for services and supports to Ohioans waiting for services so the state does not have to fund all of these necessary services with scarce state dollars.

OHIO'S MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES SYSTEM

HISTORICAL PERSPECTIVES FROM THE LATE 1980'S AND 1990'S ON THE NEED FOR STATE FUNDING INCREASES IN FISCAL YEARS 2002-2007

In the late 1980's, some significant events occurred within Ohio's Mental Retardation and Developmental Disabilities system which have had an impact on the system in Calendar Year 2000. The state made the choice in the late eighties to vigorously pursue Federal financial participation under Medicaid both in the Community Alternative Funding System and within waiver programs. The message was sent to both county Boards of MR/DD and private service providers that if Ohio's MR/DD system was to receive new funding it could do so by pursuing federal initiatives or local property tax increases. In comparison to calendar year 1990, by 1998, federal revenues for community services including residential and day programs provided under authority of county MR/DD boards including contracts with private providers had increased by approximately \$200 million. State funding increased by about \$119.6 million. Meanwhile, county MR/DD boards expanded local property taxes by over \$255 million in this period.

This growth in funding was caused by several significant events. In 1986, Senate Bill 322 was enacted in response to many issues within residential services in Ohio. County MR/DD boards were mandated to provide case management services including service coordination, crisis intervention, quality assurance and remediation of major unusual incidents. In 1990, H.B. 403 was enacted that mandates county MR/DD boards to investigate cases of abuse, neglect, and exploitation of adults with MR/DD. State funding for this mandate remains at \$7.0 million and counties have had to rely on a combination of federal and local monies for necessary expansion.

In 1989 within H.B. 257, county MR/DD boards were authorized to administer supported living services whereby individuals with MR/DD are afforded the right to choose appropriate services based on need, who will provide services, where they will live and with whom they will live. County MR/DD boards contracted with private entities to provide the necessary supports on behalf of individuals with MR/DD. The supported living program today provides supports for about 4,500 individuals and is funded with \$45 million of state monies and \$70 million of local money. However, approximately half of the individuals in the program and half of the state money came from conversions from group homes that occurred prior to 1995. The state also implemented a Medicaid waiver in 1991 called the Individual Options waiver which provides supports to approximately 2,100 individuals under a supported living program model. This program is funded primarily with approximately \$32 million of state support and about \$45 million of federal funding. In 1997, the state decided to refinance group homes through a Medicaid waiver. Since its inception, funding for the purchase of service system of state contracts with private providers for group homes was inadequately funded. With the initiation of waiver services in 1997-99,

residential providers realized about \$40 million of increased monies from Medicaid federal financial participation. Deducting for conversions and refinancing, the net result of this expansion of supports is that approximately 4,400 individuals previously unserved in residential supports have been served and most of these individuals have been provided services prior to 1993. In spite of this increase in services and supports, waiting lists continue to grow for individuals needing residential support services and who are unserved. Over the last seven years the state has provided little additional funding for residential support expansion.

In 1989, Ohio like many other states enacted a new Nurse Practices Act which clearly delineated the responsibilities and authorities of nurses. These law changes made many things that might have been done by non-nursing personnel in the past now the domain solely of nurses such as administration of medications and the performance of certain nursing tasks. The statutory changes had a significant impact on Ohio's MR/DD system as many employees who were not nurses were traditionally performing some of these functions. In 1992, Ohio enacted for county MR/DD boards and entities under contract with county MR/DD boards a delegation of nursing statute which allows registered nurses the authority to delegate performance of certain nursing tasks including passage of medications to trained, unlicensed personnel. To date, no funding has been provided to fund the expansion of nursing personnel caused by the change in Ohio's Nurse Practice Act. Critical to this need is within Medicaid waiver services and supported living provided by residential providers

In 1990, the Ohio General Assembly passed legislation authorizing a change in definition of developmental disabilities from a categorical to a functional definition. It was predicted by advocates at the time that enrollment could increase by as many as 25,000 individuals. Enrollment in county MR/DD boards in 1990 was 32,000 individuals. By 2000, enrollment has increased to over 56,000 individuals, an increase in enrollment of approximately 24,000 individuals and seventy five percent (75%).

In 1994, the state enacted legislation within the biennial budget allowing the state to provide increased funding to tax poor county MR/DD boards so that they could compete fairly with counties who realize an average or above average yield on taxes per enrollee. While the legislation allows state funding at \$12 million per year, the state has only provided \$1.5 million of state funding for this initiative. Currently there is an average yield of approximately \$4,200 on a mill levy per individual but the poorest county in the state only receives about \$1,000 on one mill while the highest county receives about \$8,000.

Within Tables One and Two are comparative data on the state budget. In Table One is a comparison of Fiscal Year 1990 with 2000, which shows Ohio's budget has increased by approximately \$9 billion, a sixty-eight percent increase. Since 1990, the budget for the Ohio Department of MR/DD has increased only thirty one percent (31%). If the ODMRDD budget would have expanded at the same

rate as the state budget an additional \$94.5 million of state monies would have been realized. As evidenced within Table Two, most state agencies comparable to the Ohio Department of MR/DD got budgetary increases near the rate of state budget growth.

Many of the issues in Ohio's MR/DD system can only be solved effectively by an increase in state revenues. Because of the huge disparity between counties on property taxes, pledging local resources against Medicaid only serves to widen the gap between counties. There are many infrastructure problems that need to be addressed such as 1) direct care staff wages for private providers of waiver and supported living programs, 2) funding for program managers within waiver and supported living programs, 3) increased funding for service and support administration for service coordination, quality assurance, and MUI investigations, 4) funding to assist providers in implementing delegated nursing, and 5) funding to reduce the disparity in tax yield between the lowest and highest county boards on a one mill levy. With the proposed funding increases, many of these issues would be lessened and an improved capability to meeting individual needs would be obtained with compliance with applicable state and federal regulations.

The budgetary recommendations in Tables Three (Fiscal Years 2002-2003) and Four (Fiscal Years 2002-2007) that follow are the result of careful study of the issues in Ohio's MR/DD system and ways to effectively repair the infrastructure within this system essential to compliance with federal and state regulations and reopen expansion of supports under Medicaid waivers to over 7,000 individuals with MR/DD on waiting lists for such supports and who remain unserved. The recommendations maintain a partnership between the Ohio Department of MR/DD and county MR/DD boards through utilization of both increases in state and local matching funds. With the adoption of our recommendations, federal funds currently being lost to the State of Ohio will be realized and Ohio will be able to budget more than \$500 million of its state monies for other purposes.

TABLE ONE
A COMPARISON OF INCREASES IN THE STATE OF OHIO BUDGET VERSUS THE OHIO DEPARTMENT OF MR/DD
FISCAL YEARS 1990 TO 2001

Percentage of State Budget increases in terms of General Revenue Funds
Source: State of Ohio Executive Budget Requests Fiscal Years 1993-2001

Year	State General Revenue Funds	Percentage Increase	ODMRDD General Revenue Funds Actual	Percentage Increase	Percent of State GRF	ODMRDD Budget At Rate of State Increase	Additional ODMRDD Revenue At State Increase
	Actual	Previous Year	Funds Actual	Previous Year	of State GRF	Increase	At State Increase
1990	\$11,585,700,000		\$259,627,826		2.24%	\$259,627,826	0
1991	\$12,501,100,000	7.90%	\$282,915,011	8.97%	2.26%	\$280,141,331	(\$2,773,680)
1992	\$13,169,000,000	5.34%	\$276,289,383	-2.34%	2.10%	\$295,108,525	\$18,819,142
1993	\$13,600,200,000	3.27%	\$295,383,455	6.91%	2.17%	\$304,771,430	\$9,387,975
1994	\$14,433,200,000	6.12%	\$300,882,408	1.86%	2.08%	\$323,438,406	\$22,555,998
1995	\$14,978,600,000	3.78%	\$315,240,746	4.77%	2.10%	\$335,660,457	\$20,419,711
1996	\$15,858,100,000	5.87%	\$322,856,356	2.42%	2.04%	\$355,369,466	\$32,513,110
1997	\$16,404,000,000	3.44%	\$330,969,000	2.51%	2.02%	\$367,602,722	\$36,633,722
1998	\$17,087,000,000	4.16%	\$331,245,000	0.08%	1.94%	\$382,908,298	\$51,663,298
1999	\$18,332,100,000	7.29%	\$335,825,000	1.38%	1.83%	\$410,810,160	\$74,985,160
2000	\$19,454,800,000	6.12%	\$341,404,000	1.66%	1.75%	\$435,969,120	\$94,565,120
2001	\$20,528,500,000	5.52%	\$344,546,000	0.92%	1.68%	\$460,030,022	\$115,484,022
	Percentage 2001/1990	77.19%		32.71%			77.19%

TABLE TWO
THE OHIO ASSOCIATION OF COUNTY BOARDS OF MR/DD
A COMPARISON OF STATE GENERAL REVENUE FUND GROWTH
BETWEEN THE OHIO DEPARTMENT OF MR/DD AND COMPARABLE AGENCIES
FISCAL YEARS 1990 AND 2000

AGENCY	FISCAL YEAR 1990	% OF STATE 1990	FISCAL YEAR 2000	% OF STATE 2000	GROWTH PERCENTAGE
STATE OF OHIO	\$11,585,700,000		\$19,454,800,000		67.92%
AGING	\$33,276,183	N/A	\$92,850,000	N/A	179.03%
EDUCATION	\$2,889,632,884	24.94%	\$5,012,106,000	25.76%	73.45%
HEALTH	\$42,498,760	0.37%	\$84,103,000	0.43%	97.90%
HUMAN SERVICES	\$4,321,141,818	37.30%	\$7,005,247,000	36.01%	62.12%
ALCOHOL AND DRUG ABUSE	\$19,832,566	0.17%	\$32,485,000	0.17%	63.80%
MENTAL HEALTH	\$376,813,258	3.25%	\$506,789,000	2.60%	34.49%
MR/DD	\$259,627,826	2.24%	\$341,404,000	1.75%	31.50%

**BUDGETARY RECOMMENDATIONS FOR
OHIO'S MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES SYSTEM
FISCAL YEARS 2002-2007 TO SERVE INDIVIDUALS ON WAITING LISTS FOR RESIDENTIAL SUPPORTS,
INFRASTRUCTURE REPAIRS, AND EXISTING BUDGET INFLATIONARY INCREASES**

I. IMMEDIATE NEED FOR RESIDENTIAL SUPPORT SERVICES TO AN ADDITIONAL 1,200 INDIVIDUALS WITH MR/DD WHO ARE ON WAITING LISTS

Since 1993, the State of Ohio has provided very little new state funding to serve individuals with MR/DD who desire to live in places of their choice and obtain necessary residential supports. Ohio needs to add 13,000 Individual Options waivers to serve individuals unserved and are on waiting lists or who could be more appropriately served under this Medicaid waiver from other residential settings. The proposed expansion should take place over the next six years and must be coordinated with essential infrastructure repairs that are needed to ensure that the system can effectively accommodate the expansion and do so in compliance with federal and state regulations.

County MR/DD boards have at least \$100 million of state and local resources that can be pledged as match to draw down up to \$150 million of federal resources which will allow 6,000 individuals to be served over four years. This leveraging substantially reduces the amount of new state general revenue funds required.

In Fiscal Year 2001 within the provisions, the State of Ohio has allocated \$4.5 million for waiver services and should be able to accommodate approximately 500 individuals for Medicaid Individual Options waiver services from applicable waiting lists. There is still a serious need to expand services beyond this number by at least another 1,200 individuals immediately to accommodate additional individuals on waiting lists. The critical, immediate issue is for the State of Ohio to ask the Health Care Financing Administration for the additional 1,200 enrollment numbers needed to allow the leveraging of these monies in Fiscal Year 2001. If the State of Ohio determines it does not wish to petition HCFA for these additional enrollment numbers, the State of Ohio must provide state General Revenue Funds in Fiscal Year 2001 to serve an additional 1,200 individuals at a cost of \$42,000 each, (\$50.5 million) monies to be used for the full cost of such residential support services until such time as the request to HCFA can be made and federal monies appropriately leveraged.

II. BUDGETARY REQUEST FOR FISCAL YEARS 2002-2003 TABLE THREE

There are three budgetary requirements that need to be addressed within the next biennium budget, namely inflationary increases for the current budget, repair of Ohio's MR/DD systems infrastructure, and expansion of residential supports to individuals with MR/DD unserved and waiting for services. Within Table Three is the coalition request for Fiscal Years 2002-2003. The existing budget of \$344 million needs to have inflationary increases of no less than 2.5 percent per year for the existing service delivery system including early intervention and adult services, service and support administration, residential, waiver and supported living services, central office administration, and the operation of state developmental centers. Line 1 of the budget reflects \$8.6 million and \$17.4 million for these inflationary increases maintains the status quo of existing services.

As evidenced by the recent Medicaid waiver audits in Ohio and in other states across the nation, there is a tremendous need to address the infrastructure within Ohio's MR/DD system. Other states such as Pennsylvania have already responded with multi-million dollar approved budgetary increases to address such systemic issues as:

- 1) ensuring approximately 430 professional managers are available within private entities providing Medicaid waiver and supported living services and supports comparable to what is required within intermediate care facilities for MR and county MR/DD boards line 2 with \$5.7 million in FY 2002 and \$11.4 million in FY 2003;
- 2) wage increases for direct care staff to allow providers to attract and retain quality personnel, line 3 with \$15.0 million in FY 2002 and \$28.4 million in FY 2003;
- 3) providing monies for registered nurses and training for private providers to comply with Ohio's Nurse Practice Act and other alternatives, line 4 with \$5.0 million in FY 2002 and \$5.1 million in FY 2003;
- 4) expansion of service and support administration within local county MR/DD boards for service coordination, quality assurance, and investigation of instances of abuse, neglect, and exploitation of individuals with MR/DD as required by S.B. 322 (1986) and H.B. 403 (1990), line 5 with \$10.0 million in FY 2002 and \$10.25 million in FY 2003;
- 5) reducing the disparity between county MR/DD boards on property tax yield so that monies are available as match for the Community Alternative Funding System so that the Medicaid principles of statewideness and comparability of services regardless of county of residence are maintained and the current law enacted in 1994 is funded for tax poor counties, line 6 with \$5.35 million in FY 2002 and \$ 10.7 million in FY 2003;
- 6) providing funding for new state regulatory requirements such as the reformed behavior management rule to ensure state funding for new state mandates required for Medicaid compliance line 7 with \$4.5 million in FY 2002 and \$ 4.6 million in FY 2003;.

The total state general revenue fund needs within the fiscal year 2002 and 2003 biennial budget for repair of the infrastructure of Ohio's MR/DD system is \$45.4 million in FY 2002 and \$70.5 million in FY 2003. These budgetary increases are necessary to ensure Medicaid compliance ensuring the maintenance of over \$200 million of federal funding. The monies for infrastructure repairs are also

needed to ensure that services and supports to over 56,000 Ohioans with MR/DD are provided according to the needs of the individuals in a safe, healthy manner and provide quality outcomes that enhance the individuals lives no matter where they live. The monies also ensure that the system can effectively support an expansion of supports to individuals with MR/DD currently awaiting supported living and Medicaid waiver services.

Since 1993, there has been little expansion of in-home and out of home residential supports to individuals with MR/DD awaiting such services. There are over 4,000 individuals age 40 and older who still reside with parents and family who are aging. There are over 20,000 individuals with MR/DD age 18 and over residing with families. These families continue to care for their sons and daughters and siblings saving the state millions of dollars. Within simple math calculations, the families of individuals age 40 and over have saved Ohio at least \$5.0 billion with in home care paid by the families fully at an average annual cost of \$25,000 times an average of 50 years times 4,000 individuals. Based on historic allocations of residential services within ICF:MRs, group homes, and waivers that oftentimes were based on factors other than need within a locale, there is serious skewing of available places for people to live across Ohio's counties from 3 percent in the lowest county to over 70 percent in the highest. This factor creates great disparity in the capability of counties to provide reasonable and responsive services to individuals with MR/DD needing appropriate care. Also, the families who cannot be accommodated within any residential support expansion must be assured reasonable allowances for family resources and supports to assist them in maintaining their family member with MR/DD in their homes. The family resource program initiated in 1983 has had little budgetary increases and has not been responsive to the burgeoning need for such supports.

Within the Fiscal Year 2002 and 2003 biennium budget request the following requests are expansion of services and supports to individuals to live appropriately within the community as follows:

1. There is an increase for family support Line 8 in the amounts of \$3.0 million in FY 2002 and \$6.0 million for FY 2003 to provide increased support for families maintaining an adult with MR/DD in their home without benefit of any other state or federal funding for such in-home care.
2. Line 9 provides an allocation of state monies in the amount of \$16,800 per individual as match for an increase of 600 waivers slots each year to county MR/DD boards who have less than 33 percent residential development in their county. The budgetary requirements would be \$19.9 million in FY 2002 and \$40.3 million in FY 2003.
3. By applying for a new targeted waiver, Ohio can utilize up to \$45 million of state supported living monies and over \$70 million of county MR/DD board monies as match to leverage up to 4,000 individuals with MR/DD currently on supported living under the new Medicaid waiver and provide additional funding for up to 2,000 individuals with MR/DD who are residentially unserved and living at home with aging caretakers. This initiative has no budgetary requirements within this request except appropriate state staffing to facilitate this expansion and the enrollment requirements. The budget contemplates Medicaid waiver expansion of 2,000 individuals in Fiscal Years 2001 through 2003 under this new waiver initiative.

The total required funds of the state within Waiver Expansion is \$19.9 million in Fiscal Year 2002 and \$40.3 million in Fiscal Year 2003.

The total request of state general revenue funds for inflationary increases to the budget of the Ohio Department of MR/DD, infrastructure repairs to Ohio's MR/DD system, and Medicaid waiver expansion is \$74 million in FY 2002 and \$128 million in FY 2003.

Within the request for additional state monies is a pledge of county MR/DD boards to maintain continuing local property tax effort and to provide additional support of \$10 million in FY 2002 and \$10.125 million in FY 2003 for service and support administration Line 14 and \$19.9 million in FY 2002 and \$33.2 million as matching monies for increased CAFS services Line 15. The total pledged dollars from counties for the two year budget in addition to monies already committed as match is \$29.9 million in FY 2002 and \$40.3 million in FY 2003.

If the budgetary recommendations are approved, the state can realize additional Federal funding participation under Medicaid approaching \$215 million in FY 2002 and \$334.5 million in FY 2003. The following lines items compare to state and county budget lines items:

Line 16 is correlated to Line 2 for residential program managers;

Line 17 is correlated to Line 3 funding for residential direct care wages;

Line 18 is correlated to Line 4 for delegated nursing services;

Line 19 is correlated to Line 5 State funding and Line 14 County MR/DD funding for Service and Support Administration;

Line 20 is correlated to Line 6 for tax equity as match for CAFS for tax poor county MR/DD boards;

Line 21 is correlated to Line 8 and would be the Federal funds generated under a new Medicaid waiver targeted for limited family resource and support services to adults living at home with family and who are unserved residentially, through waivers, or supported living.

Line 22 is correlated with Line 9 and is the monies generated for Medicaid Individual Options waiver services for residentially under-developed county MR/DD boards;

Line 23 is a future budget initiative in FY 2004-2007 for Medicaid waiver expansion with a shared partnership between the state and county MR/DD boards to provide match for 3,800 individuals over a three year phase-in. It has no budgetary requirement in FY 2002-2003;

Line 24 is the Federal funds generated through leveraging of existing state and local monies for 2,000 individuals per year from 2001 through 2003 (up to 4,000 individuals with MR/DD served under supported living and 2,000 individuals age 40 and over living at home with aging caretakers and unserved residentially, on waivers, or in supported living);

Line 25 are the monies generated on CAFS for skill development for approximately 2,600 new individuals enrolled on waivers in FY 2002 and FY 2003.

III. BUDGETARY REQUEST FOR FISCAL YEARS 2002-2007 TABLE FOUR

Table Four continues the inflation to the existing budget at 2.5% per year and maintains the repairs to the infrastructure and provides inflationary increase at 2.5 % per year. It also continues initiatives to expand Medicaid waiver services for appropriate services and supports to up to 7,000 persons currently unserved residentially, Medicaid waivers, or supported living. It also provides for the leveraging on Medicaid waivers of up to 4,000 individuals with MR/DD currently served under supported living. Contained within our request is also a targeted waiver for Olmstead downsizing of up to 2,000 individuals with MR/DD served in intermediate care facilities for MR operated by county MR/DD boards and other residential providers. This initiative uses existing state and federal monies with transfers from ICF:MR to Medicaid waiver funding lines required.

In Fiscal Year 2007, the required state funding of \$217 million for the exiting budget inflation, infrastructure repairs, and Medicaid waiver expansion coupled with county MR/DD board matching monies of \$123 million yields a predicted Federal Financial Participation from Medicaid of over \$553 million. This budget request compares with the \$850 million increase in funding approved over a five year period for mental retardation and developmental disability services in the Commonwealth of Pennsylvania.

IV. OUTCOMES WITH BUDGETARY IMPROVEMENTS BY FISCAL YEAR 2007

The members of this coalition believe the budgetary recommendations that are made within this document are justified and necessary to resolve a range of systemic issues and years of inadequate funding by the State of Ohio for services and supports to over 56,000 Ohioans with MR/DD and their families. Failure to enact these necessary changes may lead to serious problems for Ohio effecting Medicaid compliance, attracting and retaining quality staff to our system, and serving many people who are desperate and reaching critical, emergency situations especially those individuals living with aging caretakers. Other states have acted responsibly and we are requesting responsible actions by Governor Bob Taft and his administration in addressing these problems in the FY 2002 and 2003 state budget and in the budgets of the following two biennia. We also need Governor Taft to issue a directive to eliminate the freeze on requests to the Health Care Financing Administration for Medicaid waiver expansion. When responsible actions have been taken to address these needs, we believe the following outcomes will be realized and we pledge our full cooperation in this endeavor:

1. 7,000 individuals with MR/DD currently on waiting lists and unserved will be afforded services and supports to live and be served based on their choice including 4,000 sons and daughters age 40 and older of elderly caretakers.
2. 4,000 individuals with MR/DD will be moved to waivers for leveraging of federal monies allowing the billing of Medicaid active treatment to help pay day program expenditures for them. At least 2,000 individuals currently residing in public and private ICF:MRs will be afforded the opportunity to reside in settings and supports of their choice in a less restrictive environment.
3. The distribution of residential services across counties by FY 2004 will be less severe moving from 3% to 33% in the lowest counties in FY 2001.

4. Providers of waiver and supported living will be afforded funding to hire professional, certificated staff to coordinate plan implementation, provide oversight for paraprofessional staff implementing plans of care, provide ongoing technical assistance and training to staff in best practices and appropriate ways to serve individuals with MR/DD.
5. Providers of waiver and supported living will be afforded increased assistance for direct care wages to attract and retain quality personnel.
6. County MR/DD boards will have additional staff for service and support administration, major unusual incident investigation functions, and quality assurance and enhancement.
7. Tax poor county MR/DD boards will be given increased funding as match for CAFS to lessen the problems with comparability of services between counties that are tax wealthy and tax poor.
8. Family support services can be expanded to serve more individuals living at home with their families and provide ongoing assistance until the individuals can be accommodated within residential support services under a Medicaid waiver or other funding initiative.
9. Through state funding increases of \$217 million and county MR/DD board local monies of \$123.0 million, federal funding of \$550 million will be realized by Fiscal Year 2007 allowing the state to budget \$550 million of state general revenue funds for other state purposes other than MR/DD.
10. The budget recommendations are comparable to initiatives in many other states across the nation as systems are restructured and repaired and services are expanded to meet the needs of expanding enrollments in MR/DD services nationwide.

The coalition of representatives of individuals with MR/DD, their families, county MR/DD boards, and private providers of services and supports fully support all of the requests contained within this document as necessary and justified meeting system repair and service expansion. One part of the proposal is not a higher priority than other parts and we will vigorously oppose efforts to divide our coalition by requests to prioritize one need as higher than another. The financial neglect of our system has taken years to aggregate and the solutions are both complicated and complex. One need is not more important than another within our system. There are no easy solutions and our efforts here have been responsibly deliberated and considered. We are not making a frivolous or exorbitant request but one that compares favorably to our neighboring state, the Commonwealth of Pennsylvania, a state that has an MR/DD system with many similarities to Ohio's system. We remain committed to meeting with the Taft administration to explain our budgetary recommendations and work for their inclusion within the budgetary recommendations of the Governor early next year to the Ohio General Assembly within the FY 2002-2003 biennial budget.

**STATE AND FEDERAL BUDGET PROJECTIONS FOR
OHIO'S MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES SYSTEM
FISCAL YEARS 2001-2007
INTERPRETIVE SUMMARY BY LINE**

Inflationary Increases

1. Initial budget of \$344 million in Fiscal Year 2001 with annual inflation of the previous year by 2.5%.

Infrastructure Repairs

2. Permits phase in of 437.5 professional program managers certificated at \$36,000 plus \$7,200 benefits at fifty percent in FY 2002 and the full amount in FY 2003 with inflation thereafter of 2.5% per year.

3. Residential Direct care wages phased in with full funding in FY 2003 allowing a \$2.25 per hr wage increase for direct care staff with annual inflation of 2.5% each year thereafter.

4. Delegated Nursing funding at \$5.0 million in FY 2002 for nurse staffing and training and annual increase of 2.5% thereafter.

5. Service and Support Administration at \$10 million in FY 2002 with annual inflation thereafter of 2.5% per year. Permits approximately 1,162 service and support administrators at an average of \$43,200 to be hired with local matching funds. Line 12 provides for local matching monies of \$10 million.

6. Tax Equity is phased in accordance with existing law at .5 mills in FY 2002 and 1.0 mill in FY 2003 permitting tax poor counties to have at least \$4,200 per individual for matching monies for professional and active treatment services under the Community Alternative Funding System (CAFS).

7. Permits funding for Behavior Management clinicians to implement the reformed Behavior Management rule.

Subtotal Infrastructure Sum of Lines 2-7.

State Match for Medicaid Waiver Expansion

8. Increases Family Support dedicated to individuals with MR/DD not served residentially or on supported living for family support assistance.

9. Waiver Expansion Underdeveloped Counties FY 2001 is \$4.5 million under H.B. 403 that provides \$16,800 of state funding for 271 Medicaid waivers. In FY 2002-2004, the request is for 400 additional waivers per year at \$16,800 with allowance for 2.5% annual inflation through FY 2007. Provides a grand total of 1,471 new waivers for county MR/DD boards having less than 33% residential development in their county.

10 . General Waiver Expansion begins in FY 2005 through FY 2007 and permits 3,800 waivers for unserved individuals on waiting lists at \$20,790 with fifty-fifty split of state and local matching monies and inflation increases of 2.5% per year.

Subtotal Waiver Expansion is the Sum of Lines 8,9 and 10.

11. New State General Revenue Funds is the sum of Subtotals for Inflation, Infrastructure, and Waiver Expansion.
12. Total State General Revenue Funds is the existing budget of \$344 million plus all new GRF monies by year.

Local County MR/DD Board Matching Monies

13. Local matching monies for general waiver expansion in FY 2005 through 2007 in accordance with Line 8.
14. Local matching monies for service and support administration in accordance with Line 5.
15. Local matching monies for Community Alternative Funding Services monies.

Federal Financial Participation Based on State ODMRDD and County MR/DD Board matching monies

16. Residential program managers reflects the anticipated federal monies generated based on proportion of eligibility for Medicaid versus non-Medicaid monies based on Line 2 in State budget.
17. Residential Direct Care wages reflects the anticipated federal monies generated based on proportion of eligibility for Medicaid versus non-Medicaid monies based on Line 3 in State budget.
18. Delegated nursing reflects the anticipated federal monies generated based on proportion of eligibility for Medicaid versus non-Medicaid monies based on Line 4 in State budget.
19. Service and Support Administration reflects the Medicaid Community Alternative Funding System (CAFS) Targeted Case Management monies generated on state and local matching monies of \$20 million within Lines 5 and 14.
20. Tax Equity reflects the Medicaid Community Alternative Funding System (CAFS) monies generated on state matching monies within Line 6.
21. Provides federal monies for a Respite Care waiver for approximately 8,000 individuals at \$3,000 per year time limited until the individuals are placed on a permanent waiver for residential supports.
22. Underdeveloped Counties Waiver Expansion is the federal monies generated based on the assumptions in Line 9.
23. General Waiver Expansion is the federal monies generated based on the assumptions in Line 10.
24. SL Leveraging uses \$100 million of state and local monies to serve 4,000 existing individuals from supported living with an ICF:MR level of Care and leverages additional monies for 2,000 individuals unserved currently on waiting lists from FY 2001 through FY 2004.
25. CAFS Active Treatment provides \$7,500 for the phase in of CAFS active treatment for approximately 11,000 individuals with MR/DD currently not on waivers and not served in an ICF:MR.
26. Total Federal funding is the sum of Lines 16 through 25 for each applicable year.

- The 2,000 waivers for Olmstead downsizing are not included in this proposal as state and federal monies already are being used to serve these individuals and the monies should transfer from the ICF:MR setting to be utilized within the waiver program.
- The inflationary increases and the allowance for \$50,000 per waiver in FY 2005 through FY 2007 should reasonably allow expansion of staffing to meet needs in all applicable areas within the infrastructure.

TABLE THREE
OHIO'S MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES SYSTEM
PROJECTIONS OF STATE AND FEDERAL REVENUE NEEDS FOR WAIVER EXPANSION AND
INFRASTRUCTURE REPAIRS WITH INFLATIONARY INCREASE OF EXISTING AND NEW BUDGETS AT 2.5% PER YEAR
FISCAL YEARS 2002-2003

Line Item			FY 2001	FY 2002	FY 2003
		STATE GENERAL REVENUE FUNDS			
1	All GRF	Current Budget w Inflation	\$344,000,000	\$352,600,000	\$361,415,000
		Subtotal Inflation		\$8,600,000	\$17,415,000
		Infrastructure Repairs			
2	322-413	Residential Program Managers		\$5,700,000	\$11,400,000
3	322-413	Residential Direct Care Wage		\$15,000,000	\$28,400,000
4	322-413	Delegated Nursing		\$5,000,000	\$5,125,000
5	322-402	Service and Support Adm. *-a		\$10,000,000	\$10,250,000
6	322-501	Tax Equity		\$5,350,000	\$10,700,000
7		Beh Mgt Rule Requirements		\$4,500,000	\$4,612,500
	SUBTOTAL	Subtotal Infrastructure		\$45,550,000	\$70,487,500
		Waiver Expansion			
8	322-453	Family Support		\$3,000,000	\$6,000,000
9	322-413	Underdeveloped Counties	\$4,500,000	\$16,950,000	\$34,323,750
10	322-413	General Waiver Expansion *-b	\$0	\$0	\$0
	SUBTOTAL	Subtotal Waiver Expansion	\$4,500,000	\$19,950,000	\$40,323,750
11		NEW STATE GENERAL REVENUE FUNDS	\$4,500,000	\$74,100,000	\$128,226,250
12		TOTAL STATE GRF	\$348,500,000	\$418,100,000	\$472,226,250
13	LOCAL	* Local Matching Monies for Waivers	\$0	\$0	\$0
14	LOCAL	* Local Matching Monies For Service/Support Adm.		\$10,000,000	\$10,250,000
15	LOCAL	* Local Matching Monies For CAFS	\$12,122,755	\$19,910,224	\$33,219,345
	SUBTOTAL	Subtotal Local Monies	\$12,122,755	\$29,910,224	\$43,469,345
		FEDERAL FUNDS GENERATED			
		Infrastructure Repairs			
16	FEDERAL	Residential Program Managers		\$8,008,514	\$16,017,027
17	FEDERAL	Residential Direct Care Wage		\$9,900,000	\$20,300,000
18	FEDERAL	Delegated Nursing		\$5,000,000	\$5,125,000
19	FEDERAL	Service/Support Adm.		\$28,100,048	\$28,802,549
20	FEDERAL	Tax Equity		\$7,516,763	\$15,033,526
		Waiver Expansion			
21	FEDERAL	Respite Waiver		\$10,000,000	\$10,250,000
22	FEDERAL	Underdeveloped Counties	600/yr	\$6,322,511	\$23,814,791
23	FEDERAL	General Waiver Expansion	1,266/yr	\$0	\$0
24	FEDERAL	SL Leveraging	2,000/YR	\$46,832,000	\$94,834,800
25	FEDERAL	CAFS Active Treatment		\$17,032,500	\$27,973,912
26		TOTAL FEDERAL FUNDING	\$70,187,011	\$215,148,828	\$334,463,984

TABLE FOUR
OHIO'S MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES SYSTEM
PROJECTIONS OF STATE AND FEDERAL REVENUE NEEDS FOR WAIVER EXPANSION AND
INFRASTRUCTURE REPAIRS WITH INFLATIONARY INCREASE OF EXISTING AND NEW BUDGETS AT 2.5% PER YEAR
FISCAL YEARS 2001-2007

Line Item			FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
		STATE GENERAL REVENUE FUNDS							
1	All GRF	Current Budget w Inflation	\$344,000,000	\$352,600,000	\$361,415,000	\$370,450,375	\$379,711,634	\$389,204,425	\$398,934,536
		Subtotal Inflation		\$8,600,000	\$17,415,000	\$26,450,375	\$35,711,634	\$45,204,425	\$54,934,536
		Infrastructure Repairs							
2	322-413	Residential Program Managers		\$5,700,000	\$11,400,000	\$11,685,000	\$11,977,125	\$12,276,553	\$12,583,467
3	322-413	Residential Direct Care Wage		\$15,000,000	\$28,400,000	\$29,110,000	\$29,837,750	\$30,583,694	\$31,348,286
4	322-413	Delegated Nursing		\$5,000,000	\$5,125,000	\$5,253,125	\$5,384,453	\$5,519,064	\$5,657,041
5	322-402	Service and Support Adm. *-a		\$10,000,000	\$10,250,000	\$10,506,250	\$10,768,906	\$11,038,129	\$11,314,082
6	322-501	Tax Equity		\$5,350,000	\$10,700,000	\$10,967,500	\$11,241,688	\$11,522,730	\$11,810,798
7		Beh Mgt Rule Requirements		\$4,500,000	\$4,612,500	\$4,727,812	\$4,846,008	\$4,967,158	\$5,091,337
	SUBTOTAL	Subtotal Infrastructure		\$45,550,000	\$70,487,500	\$72,249,688	\$74,055,930	\$75,907,328	\$77,805,011
		Waiver Expansion							
8	322-453	Family Support		\$3,000,000	\$6,000,000	\$6,150,000	\$6,303,750	\$6,461,344	\$6,622,877
9	322-413	Underdeveloped Counties	\$4,500,000	\$16,950,000	\$34,323,750	\$35,181,844	\$36,061,390	\$36,962,925	\$37,886,998
10	322-413	General Waiver Expansion *-b	\$0	\$0	\$0	\$0	\$13,166,667	\$26,662,500	\$40,495,730
	SUBTOTAL	Subtotal Waiver Expansion	\$4,500,000	\$19,950,000	\$40,323,750	\$41,331,844	\$55,531,807	\$70,086,769	\$85,005,605
11		NEW STATE GENERAL REVENUE FUNDS	\$4,500,000	\$74,100,000	\$128,226,250	\$140,031,906	\$165,299,371	\$191,198,522	\$217,745,152
12		TOTAL STATE GRF	\$348,500,000	\$418,100,000	\$472,226,250	\$484,031,906	\$509,299,371	\$535,198,522	\$561,745,152
13	LOCAL	* Local Matching Monies for Waivers	\$0	\$0	\$0	\$0	\$13,166,667	\$26,662,500	\$40,495,730
14	LOCAL	* Local Matching Monies For Service/Support Adm.		\$10,000,000	\$10,250,000	\$10,506,250	\$10,768,906	\$11,038,129	\$11,314,082
15	LOCAL	* Local Matching Monies For CAFS	\$12,122,755	\$19,910,224	\$33,219,345	\$46,861,195	\$54,790,721	\$62,918,484	\$71,249,442
	SUBTOTAL	Subtotal Local Monies	\$12,122,755	\$29,910,224	\$43,469,345	\$57,367,445	\$78,726,293	\$100,619,113	\$123,059,254
		FEDERAL FUNDS GENERATED							
		Infrastructure Repairs							
16	FEDERAL	Residential Program Managers		\$8,008,514	\$16,017,027	\$16,417,453	\$16,827,889	\$17,248,587	\$17,679,801
17	FEDERAL	Residential Direct Care Wage		\$9,900,000	\$20,300,000	\$40,899,620	\$41,922,111	\$42,970,163	\$44,044,417
18	FEDERAL	Delegated Nursing		\$5,000,000	\$5,125,000	\$5,253,125	\$5,384,453	\$5,519,064	\$5,657,041
19	FEDERAL	Service/Support Adm.		\$28,100,048	\$28,802,549	\$29,522,613	\$30,260,678	\$31,017,195	\$31,792,625
20	FEDERAL	Tax Equity		\$7,516,763	\$15,033,526	\$15,409,364	\$15,794,598	\$16,189,463	\$16,594,199
		Waiver Expansion							
21	FEDERAL	Respite Waiver		\$10,000,000	\$10,250,000	\$10,506,250	\$10,768,906	\$11,038,129	\$11,314,082
22	FEDERAL	Underdeveloped Counties	600/yr	\$6,322,511	\$23,814,791	\$48,224,951	\$49,430,575	\$50,666,339	\$51,932,998
23	FEDERAL	General Waiver Expansion	1,266/yr	\$0	\$0	\$0	\$0	\$36,998,397	\$74,921,754
24	FEDERAL	SL Leveraging	2,000/YR	\$46,832,000	\$94,834,800	\$144,037,670	\$147,638,612	\$151,329,577	\$155,112,816
25	FEDERAL	CAFS Active Treatment		\$17,032,500	\$27,973,912	\$46,673,260	\$65,840,092	\$76,981,094	\$88,400,621
26		TOTAL FEDERAL FUNDING	\$70,187,011	\$215,148,828	\$334,463,984	\$380,917,704	\$436,934,043	\$494,350,792	\$553,202,959