



Department of
Developmental Disabilities

Office of the Director

John R. Kasich, Governor
John L. Martin, Director

House Committee on Finance and Appropriations
Health and Human Services Subcommittee
Testimony of Director John L. Martin
Ohio Department of Developmental Disabilities
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Chairman Romanchuck, Ranking Member Sykes, and members of the Health and Human Services Subcommittee, my name is John Martin. As Director for the Department of Developmental Disabilities (DODD), I am pleased to present Governor Kasich's Executive Budget recommendations for fiscal years 2018 and 2019.

I want to begin this afternoon by thanking my colleagues in Governor Kasich's cabinet, in particular OHT Director Greg Moody and OBM Director Tim Keen. The budget before you is possible because of their guidance and support. Additionally, my co-workers at the department, who have spent many hours working on this budget, are deserving of recognition. They are knowledgeable and dedicated employees. I am grateful for their continued assistance. The department's budget cannot be successful without the support of our partners; county boards of developmental disabilities, private providers, and state and local advocacy organizations have all provided valuable suggestions. Most importantly, I want to thank the families and individuals the department serves. Their advocacy guides the department's decision making and their input is the foundation upon which our budget recommendations are made.

Before I describe the recommendations for fiscal years 2018 and 2019, a brief overview of how services and supports are funded may prove useful. Developmental disability services and supports are funded through a unique combination of local, state, and federal dollars. In Ohio, county boards, and the local dollars they generate, play a substantial role. With the passage of House Bill 94 in 2001, local dollars were made available to leverage federal funds, enabling significant growth in the amount of resources available for Home and Community-Based Service (HCBS) waivers.

Budget Recommendations

The Executive Budget continues to prioritize funding for individuals with developmental disabilities, investing \$122

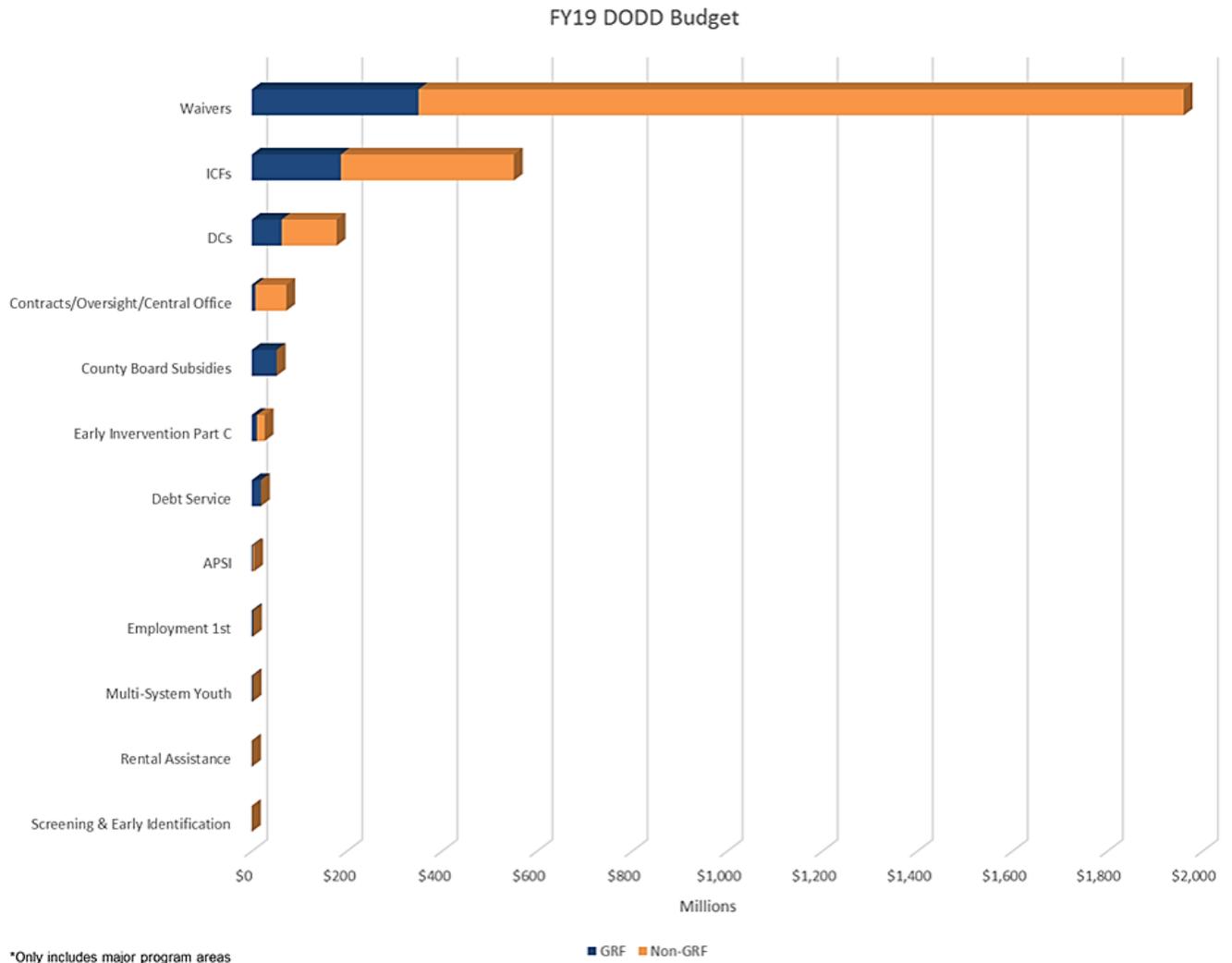
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million (state and federal) over the next two years to further increase opportunities for individuals to receive services in the community, and provide additional support for Intermediate Care Facilities (ICFs) to meet the needs of residents with the most complex needs.

The chart below provides an overview of the department's budget for state fiscal year 2019.



Home and Community-Based Services

The Executive Budget builds on transformational gains made in the last budget, and makes additional investments in programs that support individuals who want to live and work in the community. It invests an additional \$22.4 million (\$8.5 million

state share) in waiver services in 2018 and \$76.8 million (\$29.2 million state share) in waiver services in 2019.

- ***Increases options for individuals who prefer a waiver setting.*** The Executive Budget continues funding to support 1,100 Individual Options (IO) waivers that were created in the last budget for individuals who prefer a waiver setting over living in an ICF, and adds approximately **300 new IO waivers** in 2019. Final waiver numbers will be adjusted based on demand. This provision costs \$14.7 million (\$5.6 million state share) in 2019.
- ***Increases options for individuals on a waiting list for community services.*** Thanks mainly to the availability of local tax dollars, Ohio has been able to continue to enroll individuals in HCBS waivers, even through the great recession. As a result, Ohio has enrolled approximately 2,000 additional waivers per year. Despite these gains, the capacity of the local systems to add waivers is not infinite. More than 40,000 Ohioans remain on waiting lists; 22,000 have a current need for service, and 8,000 live with an aging caregiver. The Executive Budget retains funding for 1,800 IO and Self Empowered Life Funding (SELF) waivers that were created in the last budget for individuals on waiting lists, and adds approximately **700 new IO waivers** and approximately **300 new SELF waivers** to further reduce waiting lists. Final waiver numbers will be adjusted based on demand. This provision costs \$3.8 million (\$1.4 million state share) in 2018 and \$26.8 million (\$10.2 million state share) in 2019.
- ***Increases waiver reimbursement to cover complex care needs.*** Individuals who are dependent in all areas of daily living require a workforce that is stable and well trained to meet their everyday needs and maximize their quality of life. The Executive Budget incentivizes providers to serve these complex individuals. This provision costs \$10.8 million (\$4.1 million state share) in 2018 and \$12.9 million (\$4.9 million state share) in 2019.
- ***Increases wages for direct support staff.*** DODD depends on direct service staff to provide support to individuals in the developmental disabilities system. Providers face increasing challenges to recruit and retain staff. The

longevity of staff is critical to providing quality services, enabling individuals to work, live, and fully engage in their communities. Direct support staff with two years of experience and up to 60 hours of training will be eligible to receive up to a six percent wage increase. This provision costs \$12.9 million (\$4.9 million state share) in 2019.

- **Ensure safety in delegated nursing.** Funding will be made available to pay a registered nurse to conduct assessments, provide training, and consult with direct support staff performing health related tasks delegated by a nurse.
- **Expands cost-saving opportunities for shared living.** Shared Living is a cost-effective and stable alternative to 24-hour shift staffing. The Executive Budget aligns the rates of the two existing Shared Living services. While this change adds costs to this budget, it provides long-term savings by creating a rate structure that encourages the use of Shared Living services, rather than relying on costlier staffing models. This provision costs \$7.9 million (\$3.0 million state share) in 2018 and \$9.5 million (\$3.6 million state share) in 2019.
- **Expand technology to support community living.** DODD is expanding the use of technology to reduce reliance on direct care staff. Ohio was one of the first states to gain approval from the Centers for Medicare and Medicaid Services for the use of remote monitoring in Medicaid waiver programs. For the past few years, developmental disability providers have been experimenting with remote monitoring technologies. Currently, 170 individuals with a developmental disability rely on remote monitoring technology, and anecdotal reports indicate the use of remote monitoring has resulted in reduced costs and greater satisfaction from both a health and safety and quality of life perspective. DODD plans to increase the use of remote monitoring to 600 individuals within two years with support from a \$500,000 grant from the Ohio Department of Higher Education.
- **Fund two programs for youth with complex needs.** In 2016, DODD entered into a grant agreement with a private provider

to address growing concerns about youth with complex needs served by multiple state systems, and the need to improve outcomes for those youth and avoid out of state placement, institutionalization in state facilities, and custody relinquishment. The Executive Budget allows the department to add an additional provider to serve children with complex needs. This provision provides \$2.0 million each year of the biennium in non-Medicaid State Share.

- ***Employment First Initiative.*** On March 19th, 18 days from now, Governor Kasich's Employment First Initiative will be five years old. Since that time, we have seen a 25% increase in integrated employment, and over 1,000 people have gotten jobs through our partnerships with Opportunities for Ohioans with Disabilities.

Private Intermediate Care Facilities

The ICF reimbursement system is over 20 years old and in need of restructuring. The Ohio General Assembly recognized this need and required DODD to form a stakeholder workgroup and to enlist the help of a third party expert to modernize the system. After consulting with the workgroup, the department made the following changes:

- ***Replacing the current Individual Assessment Form and "trigger-question" grouping methodology with a more objective Developmental Disabilities Profile and cumulative score grouping methodology.*** ICFs are reimbursed largely, although not exclusively, on the acuity of the individuals the ICF serves. Acuity is determined through an assessment process. The current assessment process groups individuals based on "trigger-questions" which can cause a potentially imprecise picture of an individual's care needs. The new grouping methodology is based on a cumulative score and provides a more holistic view of an individual's needs, making reimbursement less volatile for providers. Because the Developmental Disabilities Profile is also used to determine waiver funding ranges, there will be better cohesion in reimbursement between the two funding models as more individuals transition to home and community-based services.

- **Expanding the current peer group structure from three to five categories based on the size of the ICF to better align cost structures in direct and indirect categories of reimbursement.** Changes allow DODD to more equitably pay providers with similar cost structures.
- **Implementing a fair rental value methodology to replace the current cost-based capital reimbursement payment system.** The current capital reimbursement system doesn't encourage renovation or up-keep of facilities. Changes mean a higher rate to providers who invest in their facilities to maintain quality environments.
- **Collecting data necessary to implement a quality incentive payment program in the next biennium.** DODD will work with providers to collect thirteen quality measures which will promote quality of life and care. Reimbursement for performance on these measures will begin in July of 2019.
 - ICF reimbursement redesign will increase the ICF reimbursement rate 2.5 percent in 2019. This provision costs \$13.5 million (\$5.1 million state share) in 2019.
- **The Executive Budget also increases ICF reimbursement to cover complex care needs.** For the past four years, DODD has provided an add-on so that children on ventilators could be served in an ICF. The Executive Budget removes the age requirement so ICFs can continue to serve these children when they become adults. This provision costs 2.7 million (\$1.0 million state share) in 2018 and 2.7 million (\$1.0 million state share) in 2019.

Conclusion

I'll end my comments by thanking each of you, the entire General Assembly, and Governor John Kasich for the historic investment made in individuals with developmental disabilities last operating budget. That funding allowed the department to increase the number of individuals served, expand opportunities for community participation, strengthen the direct care workforce, and modernize the ICF program. The proposal before you allows us to continue this vital work.

On behalf of the developmental disabilities community, thank you again for your leadership and support of those the department serves.

I welcome your questions.