

Kevin Bacon

3rd Ohio Senate District

Committees:

Civil Justice – Chair
Insurance – Vice Chair
Criminal Justice
Finance-Higher Ed Subcommittee
Financial Institutions
Public Utilities
Transportation, Commerce and Labor



Peggy Lehner

6th Ohio Senate District

Committees:

Education-Chair
Health and Human Services- Vice Chair
Criminal Justice
Finance-Education Subcommittee
Medicaid

Sponsor Testimony

Senate Bill 94

Wednesday March 25th 2015

Senators Kevin Bacon and Peggy Lehner

Senate Medicaid Committee

Chairman Burke, Vice Chairman Manning, Ranking Member Cafaro and members of the Senate Medicaid Committee, thank you for the opportunity to bring Senate Bill 94 before you.

In the mid 1970's, the federal government mandated the inclusion of special education students into the public schools with a promise to pay a portion of the mandated expense. In 1992, after years without any financial support, Medicaid established the Medicaid in Education program. This program was designed to help fiscally strapped school districts, providing the first federal financial support to local schools districts as they meet the federal special education inclusion mandate. When enacted, S.B. 94 will make significant improvements to Ohio's Medicaid in Education program and provide a financial windfall for nearly every school district in Ohio, **without** any additional state or local resource match.

Ohio currently operates a Medicaid to Schools (also referred to as Medicaid in Education) program in which the federal government reimburses schools districts for a handful of special education services (i.e. speech therapy, occupational therapy, counseling, and audiology). These reimbursements provide valuable financial support to our cash strapped

school districts. Currently, Ohio schools are being reimbursed about \$50 million per year, but much more can, and should be done.

Over thirty other states have laws which allow reimbursement for more special education services. This legislation would increase the list of services Ohio schools may be reimbursed for to include the following three services: personal care services, delegated nursing, and transportation.

Nationally these three service categories account for 70% of all federally reimbursed Medicaid in Education services. The time is now for Ohio to include these services among the services we allow local school districts to seek partial reimbursement.

Conservative estimates indicate Ohio schools could recover over \$200 million per year of money they are already spending as they struggle to meet the financial demands of special education program services.

What's more, the bill before you includes an administrative grant of 7% of all reimbursements from the federal government, to be split between the Ohio Departments of Education and Medicaid to cover the administrative cost of implementation. Should the program grow to exceed \$300 million per year, these two state departments would have over \$10 million each in order to hire the staff needed to implement, administer, and audit the program. This oversight will ensure that our program is run with fiscal responsibility and integrity for years to come.

We want to stress what SB94 does not do:

- It does not establish or increase a local match by the state of Ohio or the local school district;

- It does not increase - by even one student - the number of students on an IEP or Medicaid;
- It does not incentivize schools to increase IEPs or the number of students receiving special education services.

Here is a brief recap of what the bill does do:

- Increases reimbursement potential for local schools bringing Ohio's cumulative local reimbursements from \$50 to over \$250 million per year;
- Provides critical financial assistance to the two state agencies tasked with implementing and auditing the program to ensure continuity in reporting and statewide integrity;
- Will dramatically reduce the amount of time local districts have to wait to receive their reimbursed funds by providing more administrative personnel, requiring the state to issue an operational policy manual, and requiring schools to pursue automated case management tools.

It is significant to note that the Ohio Department of Education and Medicaid have accepted our invitation to work together to help perfect the bill. As a result, we plan to submit a sub bill that will require an online state cost report system.

Chairman Burke, Vice Chairman Manning, Ranking Member Cafaro and members of the committee, once again, thank you for the opportunity to bring Senate Bill 94 before you and we would be happy to answer any questions the committee may have at this time.