



MEDICAID COMMITTEE

WITNESS FORM

Today's Date: 5/13/2015

Name: Gary Smith

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Representing: Licking County Board of Developmental Disabilities

Testifying on bill number: HB64

Testifying as: Proponent
 Opponent
 Interested Party

Are you a registered lobbyist? YES NO

Are you submitting written testimony? YES NO

Comments: _____

H.B. 64 Budget Testimony, FY 2016 – 2017
Gary Smith, Director of Finance and Operations
Licking County Board of Developmental Disabilities
May 14, 2015

Chairman Burke, Ranking Member Cafaro, and Members of the Senate Medicaid Committee, my name is Gary Smith and I am the Director of Finance and Operations for the Licking County Board of Developmental Disabilities. I also serve on the Business Managers Organization of County Boards of Developmental Disabilities. *I am here today to testify to the impact that the elimination of Tangible Personal Property Tax (TPPT) reimbursement funds would have on people with developmental disabilities.*

As you may already know, the “as introduced” version of HB64 authorized the Ohio Department of Developmental Disabilities (DODD) to create new Medicaid waivers so that more people can live and work in the community. Unfortunately, HB64 also includes a phase-out of TPPT reimbursement funds to county boards of DD that would significantly diminish the impact of these new waivers. I am concerned that the ability to move Ohio’s DD system forward will be neutralized by the TPPT phase-out.

Ohio’s DD system is currently in a state of great flux as we try to comply with new federal mandates on home and community-based services. Removing resources at this critical juncture will have a negative impact on the DD system and put services to Ohioans with developmental disabilities at risk. As introduced, the TPPT phase-out will lead to 77 county boards of DD losing \$35 million each year, with 12 county boards of DD losing all of their TPPT in the current fiscal year and with a total loss to the DD system of \$40.5 million over the biennium.

In cooperation with DODD, county boards of DD have been drawing down federal Medicaid dollars to support Ohio’s various waiver programs. However, the elimination of the TPPT reimbursement will reduce our ability to bring federal dollars back to Ohio. The county boards of DD already provide approximately \$235 million dollars of local levy funds to draw down approximately \$393 million dollars of federal funds. The loss of TPPT reimbursement will impact on the ability of county boards of DD to draw down federal funds, and thus have an impact on people who rely on these funds for survival.

More concerning is the timeframe for which this phase-out will impact Ohio’s DD system. This impacts us this fiscal year. It’s easy to see that the phase-out timeline is aggressive and would not allow for responsible financial planning. For county boards of DD to begin replacing TPPT through local levies, they would need to be on November 2015 ballot. Unfortunately, the ballot deadline is August 5, 2015—just 36 days after the beginning of the biennium. Even if county boards were able to make that short timeline, they would have just three months to educate voters and pass the levy.

Given all of the negative consequences the TPPT phase-out would have on county boards of DD and the 92,000 people we serve, I humbly ask that you consider people with developmental disabilities in your community and create a stable financial environment by

ensuring the county boards of DD continue to have these funds available for use as Medicaid matching funds.

We are asking the Senate to ensure that the loss TPPT reimbursement funds do not impact services to people with developmental disabilities in this biennium. To achieve this goal, we are humbly asking that you consider a proposal to ensure access to the \$40.5 million of TPPT reimbursement funds being lost in this biennium. We believe that putting these funds into the DODD Medicaid Services line item so that they can be available to local county boards of DD for Medicaid match will mitigate the impact to individuals served by boards throughout the state.

Thank you. I welcome any questions you may have.