



**Senate Finance General Government and Agency Review Subcommittee
Testimony May 23, 2017 on Sub. HB 49 – Biennial Budget**

Ron Amstutz, Wayne County Commissioner

Medicaid Managed Care Organization (MCO) sales tax loss for counties and transit authorities

Chair Jordan, Vice Chair O'Brien, and Subcommittee members, I'm Wayne County Commissioner Ron Amstutz and I come before you and on behalf of the County Commissioners Association of Ohio. I appreciate the opportunity to testify today as you work to craft the Senate's version of the next biennial budget plan.

We have known for some time, first informally, and then by directive from the federal Center for Medicare and Medicaid Services (CMS), that Ohio cannot continue the method by which we have been applying state and local sales taxes on the premiums of Medicaid Managed Care Organizations (MCO's).

It is on that issue that I stand before you today. We appreciate the interest and participation by both House and Senate members toward developing and deploying an alternative path to the one offered in the introduced version of HB 49 – one that will achieve a stable path forward for both the state and we, your county partners. However, we are still looking for adoption of an amendment that achieves that goal.

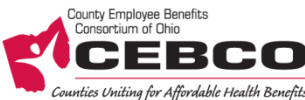
The goal is simple in some ways -- finding a path forward that keeps both state and county parties whole.

Even so, we all know that writing a workable policy has complications from competing pressures. These include: complying with federal design requirements, plus satisfying the desire to achieve a result that is at or below current revenues compared to the method you are replacing, and the desire to achieve a policy package that is palatable to the Senate, the House and the Administration as the policy-makers.



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In Wayne County, an average-sized county of around 115,000 population with a relatively strong economy, our general fund revenues dipped like everyone's in the last recession and then began to gradually recover. So from 2007 through 2015 our total revenue growth across eight full years was a net total of one percent. Last year was a better recovery year so that our nine-year net growth has been 3.6 percent. And we have the same revenue storm clouds over us thus far in this calendar year that the state -- meaning the Senate -- is currently facing. We have zero sales tax growth this calendar year over the same period last year.

Our county cannot afford to lose the estimated \$800,000 in sales tax revenue that is projected not many months from now under the budget proposal as it rests today in your hands. Such a loss would put us below what our revenues were nine years ago. A substantial number of lower wealth counties would be hurt even more severely.

Again, thank you for allowing us to raise this key budget issue. We are asking you to help retain strength in what is a primary arm of state government in delivering state-directed services to our communities.

I would be happy to answer questions.