



# Ohio Children's Alliance

*Leading change for child and family service providers*

House Finance Committee

April 3, 2025

Interested Party Testimony: HB 96

## Ohio Children's Alliance HB 96 Testimony

Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the House Finance Committee, thank you for the opportunity to offer testimony on House Bill 96, the executive budget proposal for state fiscal years 2026–2027.

My name is Mark Mecum, CEO of the Ohio Children's Alliance. For 13 years, I have led this statewide nonprofit advocacy organization, which has been instrumental in developing and improving Ohio's system of care for children and families for over 50 years. Our focus is on child welfare and behavioral health, working through partnerships with our network of 90 community-based organizations as well as advocacy coalitions, funders, and state agencies.

The Ohio Children's Alliance was proud of the House's as-introduced vision for H.B. 96, the biennial budget. That version strategically invested in behavioral health and human services to support stronger families and a robust workforce. The substitute version of H.B. 96, introduced yesterday, maintains several of these critical investments—particularly in foster care and multi-system youth—which reflect a meaningful commitment to empowering kids and families.

However, we are deeply concerned about two policy provisions in the substitute bill that could dramatically interfere with the Governor and Legislature's goals related to children, families, and communities.

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### Foster Care Rates: Protect Flexibility, Support Sustainability with HC1935

First, Sub. H.B. 96 proposes a radical change to how Ohio's \$400 million foster care program is contracted and paid for to local agencies. While the language may appear to promote consistency, it introduces unnecessary bureaucracy and would have several unintended consequences:

- It undermines our "home rule" system by changing the framework for counties to negotiate rates that reflect local needs and cost structures.
- It imposes a top-down pricing model that could set rates below the cost of care—particularly in rural counties or regions serving high-needs youth.
- It destabilizes the provider market by creating a new layer of regulation without solving the underlying cost drivers.

**There are ample opportunities for increased accountability and administrative alignment on this topic. However, this proposal has not been vetted, communicated to stakeholders, nor explained to the hundreds of local agencies or thousands of Ohio caregivers who would be directly impacted. Considering this would be the most**

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**significant reform to foster care in over twenty years, it is imperative to include the input of family caregivers and local agencies before decisions are made.**

The current system already uses detailed cost reports (OAC 5101:2-47-23), publishes annual max reimbursement rates (OAC 5101:2-47-19), and negotiates contracts that allow for rate flexibility based on child complexity. A one-size-fits-all rate card established without stakeholder input does not improve transparency—it eliminates the flexibility that counties and providers rely on to care for kids with the most serious needs.

**Ultimately, we are deeply concerned that the proposal would erode the capacity of foster care services in Ohio, worsen the current child placement crisis, and lead to higher costs to taxpayers.**

**For these reasons, we strongly support Amendment HC1935**, which replaces the foster care payment proposal with a legislator-led workgroup designed to develop thoughtful, fiscally responsible solutions that:

- Protect local control and support capacity-building;
- Maximize federal reimbursement of foster care services;
- And produce a “win-win” solution that adds accountability, decreases cost, and improves child outcomes.

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## **Medicaid Eligibility Language: Revert to the Governor’s Version**

**Second, Sub. H.B. 96 adds a new cost-cutting measure to the Medicaid program that would have serious unintended effects.** The bill proposes to cap each Medicaid service rate at an amount not to exceed the median in the commercial health insurance market.

For some sectors of health care, it is necessary and strategic for Medicaid to pay above this level—particularly in behavioral health. Medicaid is often the highest and most reliable payer for children, adolescents, and families with complex needs.

Unlike many other health services, commercial insurers reimburse behavioral health services at significantly lower rates than Medicaid—especially for intensive or community-based services. A 2019 Milliman analysis found that behavioral health office visits were reimbursed at 24% to 40% less than comparable medical visits by commercial plans.

**It is not practical to equate community-based services, which are delivered to a population with complex needs, to the commercial market.** If rates backslide for these providers, the consequences will be immediate and severe:

- Behavioral health capacity will quickly erode;
- Services will no longer be offered;
- Worsened outcomes will drive higher costs across systems—including juvenile justice, child welfare, and hospitals.

**At a time when Ohio is fighting the opioid crisis, the youth mental health crisis, and more, we must invest in cost-effective community-based services—not backslide.**

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**Therefore, it is critical that community behavioral health services (certified by OhioMHAS) are excluded from this cost-cutting strategy.**

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### **In Closing**

This budget presents an opportunity to strengthen Ohio's system of care for children. But doing so requires protecting the sustainability of our provider network and making sound, data-driven reforms.

**We respectfully urge you to support Amendment HC1935 and to restore the Governor's version of Medicaid reimbursement language.** Thank you for the opportunity to testify. I'd be happy to answer any questions.

Thank you,

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