Ohio Alliance Of Recovery Providers

House Bill 96
Interested Party Testimony
Senate Finance Committee
May 27, 2025

Chairman Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and members of the Senate Finance Committee, thank you for the opportunity to offer comments on House Bill 96, the main operating budget. My name is Brian Bailys, I am the CEO of Thrive Peer Recovery Services, but today I am representing the Ohio Alliance of Recovery Providers (OARP) for which I serve as President.

OARP is a statewide organization of addiction treatment providers, certified by the Ohio Department of Mental Health and Addiction Services, and our members work to increase access to treatment and develop a recovery-oriented system of care for all Ohioans. Today, I would like to touch on two parts of House Bill 96 and let you know where our members stand.

Medicaid Provider Reimbursement – Community Behavioral Health Services (ALI 651525)

In the as-introduced version of the budget, Governor DeWine, Director Corcoran, and the Department of Medicaid continued the reimbursement investments that were included in the previous budget (HB 33) for many providers across the state, including those in behavioral health, and those investments were maintained and held harmless. However, the House cut line item 651525 ("Medicaid Health Care Services") by -$20,962,037 in fiscal year 2026 and -$49,750,464 in fiscal year 2027. This line item reimburses health care providers for covered services to Medicaid recipients which includes services provided through managed care organizations, fee-for-service care, and long-term care. If these cuts are enacted, then Medicaid will be forced to cut reimbursement rates, and that would be extremely harmful to behavioral health services.

Without adequate funding, we cannot treat the number of Ohioans coming to us for services. Many residential treatment providers are operating at 50% to 75% capacity because they are unable to attract sufficient staff to expand care. The increased reimbursement rates we saw in HB 33 for behavioral health services were nothing short of imperative, but they barely covered the inflationary increases that providers have seen in the last few years. Any cuts would prevent us from increasing salaries for our employees in an effort to compete with market-wide wage growth. Please know that the behavioral health workforce is very diverse – we employ psychiatrists, nurses, counselors, social workers, case managers, residential staff, and peer supporters to name a few – and these are credentialed professionals with bachelor's and master's degrees. We also employ many non-credentialed employees who are just as critical to the success of our clients' outcomes. The investments made in the last budget must be maintained in this budget, and we need your help to do that. **OARP respectfully requests that the**

funding in line item 651525 be restored to $20,232,492,970 in fiscal year 2026 and $21,770,643,885 in fiscal year 2027. Maintaining these funds will help providers offer vital services at a greater capacity; incentivize more workers to pursue careers in the community behavioral health system; retain and invest in the staff we currently have; and most importantly, it will allow providers to care for all those who need our services.

FMAP Trigger Language for Group VIII Population (OBMCD32)

I know you have likely heard much of the discourse around the trigger language included in HB 96 requiring Medicaid to immediately terminate health care for members of the expansion eligibility group (Group VIII) if the federal government sets the federal medical assistance percentage below 90%. Please know that OARP's members appreciate the effort you put into crafting a reasonable, responsible, and balanced budget, and we know federal budgetary decisions are largely out of Ohio's hands. But in order to make informed decisions, please permit me to explain how automatically terminating the expansion population will affect behavioral health providers and those we serve.

People with serious mental illnesses, substance use disorders, or co-occurring conditions rely heavily on Medicaid, and Ohio could be forced to limit what behavioral health services are covered (i.e. counseling, inpatient care, medication assisted treatment, etc.). Rural communities and underserved areas would likely be the hardest hit due to fewer alternative options. With fewer resources across the state, waitlists for services will grow, and we know this because our providers already have waitlists. Cuts could lead to lower reimbursement rates discouraging providers from accepting Medicaid patients. With lower reimbursement rates, providers will be unable to retain and hire the staff necessary to meet service demands, and this of course would impact Ohioans with commercial insurance or Medicare too. Those in the expansion population who are no longer able to receive services might be forced to turn to emergency rooms or they may find themselves incarcerated in our jails and prisons, all of which are very costly alternatives for taxpayers.

Federal Medicaid cuts will significantly impact behavioral health services in all states, mostly because Medicaid is the best and largest payer for mental and behavioral health services in the U.S. This is especially true in states that have expanded coverage like Ohio did to individuals earning up to 138% of the federal poverty level. At the time, that expanded health care coverage to roughly 275,000 Ohioans, today that number is closer to 770,000 people. If at some point Congress does cut Medicaid funding, we believe Ohio should have a choice to make up some or all of the funding gap, cut services, or find a solution in between. Without knowing all of the circumstances at that time, including how deep the cuts are, how many people could be impacted, or how much of the cuts Ohio could make up itself, it is worrisome that the trigger language would automatically make that choice for us. More than ever, Ohio needs a robust, reliable, and accessible behavioral health system, as such, **OARP respectfully requests your support of amendment SC1883 (attached to my testimony) which would make the Medicaid trigger language optional as opposed to required.** We know you are in a tough bind, and the uncertainty of what Congress will do is very real. But it seems unnecessary to force a decision now, when no one can possibly know all the factors that may or may not someday be involved.

On behalf of the Ohio Alliance of Recovery Providers, thank you for your time and consideration of these important matters. I am happy to answer any questions you may have for me.

SC1883

Am. Sub. H. B. No. 96
As Passed by the House
OBMCD32, MCDCD58

_____ moved to amend as follows:

In line 111210, delete "shall do both of the following:"

In line 111211, delete "(1) Immediately" and insert "may"

In line 111213, delete "(2) Not" and insert "(B) If the department elects to discontinue medical assistance under division (A) of this section, the department shall, not"; delete "the change"

In line 111214, delete "to the federal medical assistance percentage" and insert "its decision"

In line 111219, delete "change" and insert "decision"

In line 111220, delete "(B)(1)" and insert "(C)(1)"; delete "(B)(2)" and insert "(C)(2)"

In line 111221, delete "(A)(2)" and insert "(B)"

In line 111227, delete "change" and insert "decision"; delete "the federal" and insert "discontinue"

In line 111228, delete "percentage described"; after "in" insert "accordance with"

In line 111230, delete "(A)(2)" and insert "(B)"

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In line 134844, delete "individuals"

In line 134845, delete "enrolled in Medicaid on the basis of being enrolled in"; after "the" insert "Department of Medicaid elects to discontinue medical assistance for members of the"

In line 134846, delete "are no longer eligible to be"

In line 134847, delete "enrolled in the Medicaid program"

In line 134848, delete "of Medicaid"

The motion was _____ agreed to.

SYNOPSIS

Medical assistance for the expansion eligibility group (Group VIII)

R.C. 5163.04; Section 333.360

Permits, rather than requires, ODM to discontinue medical assistance for members of Group VIII if the FMAP for the group is set below 90%.

Specifies that House-added provisions related to actions that ODM must take if the FMAP for Group VIII is set below 90% (certifying Group VIII expenditures and implementing a transition plan for Group VIII enrollees) apply only if ODM elects to discontinue medical assistance for the group.