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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**S.B. 138**  
**136<sup>th</sup> General Assembly**

## **Final Fiscal Note & Local Impact Statement**

[Click here for S.B. 138's Bill Analysis](#)

**Primary Sponsor:** Sen. Johnson

**Local Impact Statement Procedure Required:** No

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### **Highlights**

- The bill makes a number of changes to the law governing alcohol, drug addiction, and mental health services (ADAMHS) boards, some of which could impact board expenses. Most provisions would result in minimal or no additional costs. However, the provision clarifying that a board can use competitive bidding when entering into contracts could result in savings.
- The bill requires the Ohio Department of Mental Health and Addiction Services (OhioMHAS) to issue guidelines for ADAMHS boards to use to conduct fiscal audits, which could result in minimal costs.
- The bill requires OhioMHAS, in collaboration with ADAMHS boards and other stakeholders, to develop a data sharing and integration plan. OhioMHAS is currently working on developing these systems. Assuming the systems currently being developed meet the bill's requirements, there should be no additional costs.
- The bill makes operating a recovery housing residence without certification or accreditation a first degree misdemeanor. There could be court costs and potential court fees or fines if there are any violations.

### **Detailed Analysis**

The bill makes a number of changes to the law governing alcohol, drug addiction, and mental health services (ADAMHS) boards. It also specifies that violating certain recovery housing prohibitions is a first degree misdemeanor. These provisions are discussed in more detail below.

## **ADAMHS board provisions**

### **Duties**

Currently, each ADAMHS board must, at least annually, audit all programs, addiction services, mental health services, and recovery supports provided under contract with the board in accordance with rules adopted by the Auditor of State. Instead, the bill requires each ADAMHS board to conduct a fiscal audit at least annually of each community addiction services provider and community mental health services provider under contract with the board to provide certified services. The Ohio Department of Mental Health and Addiction Services (OhioMHAS) Director is required to issue guidelines by which each ADAMHS board will conduct these audits. OhioMHAS could realize administrative costs to issue guidelines and to review audits. ADAMHS boards already conduct annual audits, so there should be no impacts unless the OhioMHAS guidelines differ from the current Auditor of State rules.

Under the bill, each ADAMHS board must adopt a written policy regarding credit card accounts before holding a credit card account. This will result in minimal administrative costs if any boards do not already have a policy in place. The bill requires any ADAMHS board with a credit card account, but without a written policy, to adopt a policy within three months of the bill's effective date.

Under the bill, each ADAMHS board must inform persons seeking or receiving addiction services, mental health services, or recovery supports, as well as family members and caregivers of those individuals and the community in general, about available elements of the community-based continuum of care and facilitate the referral of persons to appropriate services and supports. Additionally, the bill specifies that the duty of an executive director of an ADAMHS board to conduct such studies and activities as may be necessary and practicable for the promotion of mental health, addiction services, and the prevention of mental illness, emotional disorders, and addiction includes developing and disseminating informational materials to educate the public about mental illness and addiction treatment and prevention and the availability of services and supports. If ADAMHS boards are not currently disseminating educational materials or informing the community about available services, there could be costs to do so.

### **Complaints in a residential facility**

Currently, if a community addiction or mental health services provider receives a complaint alleging abuse or neglect of specified individuals residing in a licensed residential facility, the provider must report the complaint to the ADAMHS board in which the residential facility is located. An ADAMHS board that receives such a complaint must report the complaint to the OhioMHAS Director. The ADAMHS board may enter the facility with or without the OhioMHAS Director, if the health and safety of a resident is in immediate danger and may take any necessary action to protect the resident. The ADAMHS board must immediately notify OhioMHAS regarding the board's actions. The bill modifies this provision by allowing a board to enter a facility if the resident is in danger (rather than in immediate danger as in current law). Additionally, the bill specifies that the reports regarding board actions must be promptly (rather than immediately as in current law) reported to OhioMHAS. If this increases the number of complaint investigations undertaken by an ADAMHS board, then board costs could increase.

## **Investigation procedure**

If an ADAMHS board receives a complaint from a resident of a different district, the bill requires that board to refer the complaint to the board of the district where the residential facility is located. The board where the facility is located is to investigate the complaint. This provision could shift investigative costs between boards if a board that originally received the complaint would have investigated instead of referring the complaint to the other district.

## **ADAMHS board contracts**

The bill requires that, when a board contracts with a community addiction services provider or community mental health services provider for services or supports, the contract must include terms that specify a process by which either party may terminate the contract before it is scheduled to expire, for any cause the party considers necessary for the early termination of the contract. The contract must also specify a process by which the other party may appeal the terminating party's decision regarding early termination. Additionally, the bill removes the current dispute resolution process required if a party to a contract with an ADAMHS board seeks not to renew a contract or to substantially change contract terms. It also reduces the time period by which a party to a contract must give written notice of its intent not to renew the contract. Lastly, the bill requires a contract to provide for the transition of care, relating to client services, for an additional 60 days under the terms of the current contract in certain circumstances. Any impacts will depend on the number of early terminations and the terms of these contracts.

The bill also clarifies that an ADAMHS board can choose to establish and use a process for selecting and entering into contracts on a competitive basis. Any fiscal impacts will depend on whether the board chooses to implement contracts on a competitive basis and the specifics of the contracts entered into.

## **Data sharing and integration plan**

The bill requires OhioMHAS, in collaboration with ADAMHS boards and other stakeholders, to develop a data sharing and integration plan, and outlines the requirements of this plan. OhioMHAS is currently working on data sharing and integration systems. Assuming the systems currently being developed meet the bill's requirements, there should be no additional costs.

## **Recovery housing provisions**

The bill establishes criminal penalties for operating a recovery housing residence without OhioMHAS certification or holding an accreditation or other credential from a credentialing agency authorized by OhioMHAS. There could be court costs and potential court fees or fines if there are any violations.