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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

Synopsis of Senate Floor Amendment

H.B. 481 of the 133rd General Assembly

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Distribution of local CARES Act revenue

- Appropriates \$350 million of funding allocated to the state from the federal “Coronavirus Aid, Relief, and Economic Security Act” (CARES Act) to counties, municipalities, and townships to fund their necessary COVID-19 pandemic-related expenses.
- Excludes local governments that receive direct federal funding under the CARES Act from receiving this distribution.
- Distributes funds based on the proportion of Local Government Fund revenue allocated to subdivisions in 2019.
- Requires a subdivision, before receiving a payment, to adopt a resolution affirming that the subdivision will spend it only on pandemic-related expenses as required under the CARES Act.
- Requires local funds unspent as of October 15, 2020, to be redistributed to local governments that have spent their full allocation.
- Requires subdivisions to return unspent CARES Act funds to the state by December 28, 2020.
- Declares an emergency.

Capital reappropriations

- Makes capital reappropriations for the biennium ending June 30, 2022, (that is, for FY 2021 and FY 2022).

State employee pay freeze

- Allows the OBM Director to request the DAS Director to order a freeze on certain state employee salary increases and pay supplements during the pay periods that include July 1, 2020, through June 30, 2021.

- Permits the Secretary of State, the Auditor of State, the Treasurer of State, and the Attorney General to give notice to the DAS Director and apply the pay freeze to the office's employees.
- Exempts special hazard salary adjustments related to COVID-19 submitted to the DAS Director in accordance with continuing law.
- Permits, under continuing law, the Governor to issue any necessary orders to the DAS Director to implement personnel actions.

Local government cost savings programs

- Authorizes a county, township, or municipal corporation to establish a mandatory cost savings program for its exempt employees because of a fiscal emergency or lack of work due to COVID-19, which may include a loss of pay or loss of holiday pay.
- Requires each exempt employee to participate in the cost savings program for up to 160 hours, as determined by the appointing authority, in state FY 2021.
- Requires an appointing authority that establishes a mandatory cost savings program to issue guidelines on how it will implement the cost savings program.

Medicaid rates for nursing facility services

- Eliminates the market basket index and budget reduction adjustment factor used in determining a nursing facility's per Medicaid day payment rates.
- Repeals law stating the General Assembly's intent to specify the budget reduction adjustment factor for each state fiscal year and that the budget reduction adjustment factor is zero for a state fiscal year if the General Assembly fails to do so.
- Increases appropriation item, Medicaid Health Care Services, by \$3.2 million (\$1.2 million state share) in FY 2021.

Nursing facility quality incentive payments

- Specifies that FY 2021 is the last year that nursing facilities will receive a quality incentive payment.
- Eliminates references to calculating the quality incentive payment for the second half of FY 2020.
- Specifies that a nursing facility's quality incentive payment for FY 2021 is based in part on its points under CMS's five-star quality rating system for certain quality metrics, based on the most recent four-quarter average data available in Nursing Home Compare in May of 2020.
- Revises the method by which a nursing facility's licensed occupancy percentage is determined for the purpose of determining whether it qualifies for a quality incentive payment.

- Clarifies that, for FY 2021, a nursing facility is not disqualified from earning a quality incentive payment for either of the following reasons:
 - Because its licensed occupancy percentage is below 80% if the facility was initially certified for Medicaid participation on or after January 1, 2019.
 - Based on occupancy percentage, if one or more beds were unable to be used during calendar year 2019 due to causes beyond the reasonable control of a facility operator, or the facility underwent renovations that meet specified requirements.
- Prohibits a nursing facility from receiving a quality incentive payment for state FY 2021 if it obtains its initial Medicaid provider agreement or undergoes a change of operator during calendar year 2019 or state FY 2021.
- For FY 2021, increases the amount to be spent on quality incentive payments by adjusting one factor used to determine the total amount to be spent on quality incentive payments to 5.2% (from 2.4%) of the nursing facilities' base rate for nursing facility services.

CAT exclusion for debt forgiven under CARES Act

- Exempts paycheck protection loan amounts forgiven under the CARES Act from the commercial activity tax.