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Office

H.B. 212
134th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Re-referred to House Finance

Primary Sponsors: Reps. Fraizer and Liston

Local Impact Statement Procedure Required: Yes

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Highlights

- The Ohio Department of Health could experience an increase in costs due to expanded eligibility under certain components of the Children with Medical Handicaps (CMH) Program; however, the bill appropriates \$500,000 in both FY 2022 and FY 2023 in GRF funding to help cover these additional costs.
- It is possible that some counties that are not currently being charged the maximum county share amount may realize an increase in costs due to CMH expanded eligibility. Costs will depend on the number of residents who are eligible as a result of the bill and costs associated with their treatment.

Detailed Analysis

CMH eligibility

The bill requires the Director of Health to increase the maximum age of participation in the Children with Medical Handicaps (CMH) Program by establishing eligibility requirements that progressively increase the maximum age of an individual that can be served by the program. Every year on the first day of July from 2022 to 2026, the Director's rules must increase the age limit by one year. The final increase, on July 1, 2026, allows individuals under the age of 26 to participate. There are three components of the CMH Program. This annual increase applies to the treatment and service coordination components, but not the diagnostic. The bill also appropriates \$500,000 in each fiscal year (FY 2022 and FY 2023) in GRF appropriation item 440505, Medically Handicapped Children.

Fiscal impact

Current law requires counties to pay assessments based on a proportion of the county's total general property tax duplicate, not to exceed one-tenth of an inside mill.¹ The Ohio Department of Health (ODH) bills each county up to this amount for CMH treatment services not covered by federal funds or Medicaid that were provided to children residing in the county. While the bill does not change the county share requirement, it is possible that counties that are not currently paying the maximum amount may be required to do so due to the expanded eligibility. Payments received from counties are deposited into the Medically Handicapped Children County Assessment Fund (Fund 6660); thus, this fund could receive additional revenue under these circumstances. Once revenues are collected from counties, these funds are used to pay for CMH services. In FY 2020, about \$19.5 million was collected in Fund 6660.

ODH could also incur costs to pay for treatment and service coordination services due to the expanded eligibility that is not otherwise covered by another source.² As mentioned above, the bill appropriates \$500,000 in each fiscal year in GRF funding to help cover such costs. In FY 2020, over 44,000 individuals received services under the treatment component of the program and approximately 3,300 individuals received hospital-based service coordination. It is unknown at this time how many of these individuals would continue to be eligible in each year under the bill's expansion.

Funding sources for the CMH Program include the above-mentioned county assessments, the federal Maternal and Child Health Block Grant Fund (Fund 3200), GRF, hospital audit settlements and third-party recovery payments paid to the Medically Handicapped Children Audit Settlement Fund (Fund 4770), and Medicaid reimbursements for administrative costs.

Background information

The CMH Program is a safety net program primarily for children and youth with special health care needs who meet medical and financial eligibility requirements. The program consists of three components for children and youth, including diagnostic and treatment services, as well as service coordination. Conditions include AIDS, hearing loss, cancer, juvenile arthritis, cerebral palsy, metabolic disorders, cleft lip/palate, severe vision disorders, cystic fibrosis, sickle cell disease, diabetes, spina bifida, scoliosis, congenital heart disease, hemophilia, and chronic lung disease. Other components under the program include those that provide certain assistance for adults with hemophilia or cystic fibrosis.

Diagnostic services

Under the diagnostic component of the program, children receive services for up to six months from CMH-approved providers to rule out or diagnose a special health care need or establish a plan of care. Examples of services are: tests and x-rays, visits to CMH-approved doctors, and up to five days in the hospital, etc. An individual must be under the age of 21, have a possible special health care need, and be an Ohio resident. There are no financial eligibility

¹ Mills are used to express property taxes. One mill is equal to one-tenth of one cent. Inside millage is millage levied without a vote.

² Providers must bill other insurance including Medicaid before they bill CMH for services. Additionally, CMH only pays for services related to the child's eligible condition.

requirements for this component. The bill excludes the diagnostic component of the program from the expanded eligibility.

Treatment services

Under the program, children receive services from CMH-approved providers for treatment of an eligible condition. To be eligible, the condition must be chronic, physically handicapping, and amenable to treatment. Not all conditions are eligible and medical and financial eligibility must be met. Income may not exceed 185% of the federal poverty line. However, the CMH treatment component offers a cost-share program to families who are denied benefits based on their income. Families become eligible after having spent down their income to CMH-eligible levels. Services that are provided include: visits to CMH-approved doctors; prescriptions; physical, occupational, and speech therapy visits; medical equipment and supplies; surgeries and hospitalizations; service coordination; special formula; and hearing aids; etc.

Service coordination

The service coordination component helps families locate and coordinate services for their child. Service coordination is provided by a hospital-based coordinator and a local public health nurse. The program is available for a limited number of diagnoses. To be eligible, a child must be under the care of a multi-disciplinary team at a center approved by CMH, be under the age of 21, and an Ohio resident. The program does not pay for medical services and does not require financial eligibility criteria.