



STATEHOUSE REPORT

Published by: County Commissioners Association of Ohio

209 East State Street • Columbus, Ohio 43215-4309
Phone: 614-221-5627 • Fax: 614-221-6986 • www.ccao.org

May 19, 2017

Update: Medicaid managed care organization sales tax replacement revenue

As we continue to meet with members of the Senate on this important issue, we are receiving mixed responses. While there is an understanding of the issue and a willingness to look at it, some members are interpreting the addition of funds to hold counties and transit authorities harmless as a tax increase over what is currently in the budget. It is critical that you continue to have one-on-one conversations with your senator(s) to tell them what this revenue means for your county and reiterate that we are not looking for additional revenue. We are only seeking to replace what we have been receiving – roughly \$207 million per year.



Meanwhile, leaders in the House are continuing to look for ways to solve this revenue shortfall for counties and transit authorities. Representative Seitz held an interested parties meeting on Thursday that included Reps. Smith, Edwards and Greenspan as well as Senator Dolan. Also in attendance were representatives from the Ohio Department of Medicaid, Office of Health Transformation, Office of Budget and Management, the Ohio Association of Health Plans, the Ohio Public Transit Association and CCAO.

Rep. Seitz complimented CCAO for our commitment to finding a solution that would not only address the sales tax loss to state and local governments, but also passes the

federal tests required for these types of taxes and fees. CCAO has been consulting with several Medicaid experts in Columbus and D.C. to come up with a plan that would be viable.

We have offered two solutions:

1. Require the Director of Budget and Management for the state to determine an amount by which the Administration's proposed Health Insuring Corporation (HIC) franchise fee is to be increased for the purpose of generating the amount necessary (\$17,250,000 per month or \$207,000,000 per year) to hold counties and transit authorities harmless from the discontinuation of the Medicaid MCO sales tax in SFY 2017, the last year during which Medicaid MCO sales taxes are to be collected.
2. Expand the state sales tax base to include non-Medicaid Health Insuring Corporations (HIC) in addition to the Medicaid HICs that are already subject to the state sales tax. This option would include some reductions in other taxes paid by non-Medicaid HICs to lessen the impact.

Both solutions would be calibrated to only bring in what counties and transit authorities are currently receiving, roughly \$207 million.

As you can imagine, many concerns were expressed by the various interests at the table. The Administration was clear that they supported the proposal that is currently in the budget bill (HB49), and they do not support permanent replacement of this revenue for counties. They also noted that there were simpler and more direct funding mechanisms that could be directed to counties to address this revenue loss.

Rep. Seitz was sympathetic to the Administration's perspective on permanent replacement, but thought that counties deserved a better transition than what is currently proposed (a one-time allocation that ranges from approximately three months to a year or more of the foregone revenue). Seitz recommended a plan that would allow counties a 5 or 6 year timeframe to adjust to the loss.

The health plans voiced strong concerns about the effect that an increase in fees or taxes paid by the health insuring corporations would have on the costs of healthcare and the small businesses who have to account for those costs.

Seitz encouraged cooperation between all the parties and asked the Administration to work with CCAO to determine what action needed to be taken to move a new solution forward.

The solution recommended by Rep. Seitz would:

- Target 2019 for implementation
- Raise roughly what the counties and transit authorities were receiving in 2016
- Be distributed in the same manner as the sales tax was generated
- Cover a period of 5 or 6 years

CCAO is continuing to meet with Senators to underscore how serious this issue is for every county, but **your voice** will have an even greater impact. Please continue to talk to your senator(s) and tell them this revenue must be replaced. Their county partners are not only providing essential services to their constituents, but you're also fighting an opiate epidemic that is placing pressure on almost every county system. It's critical that they make fiscal stability for counties a priority in this budget.

Meeting required with your Board of Elections to identify your county's election equipment needs

Last week the Secretary of State issued [ADVISORY 2017-04](#) to all county board of elections directing them to hold meeting with their county commissioners or county council prior to June 1st to discuss the county's need for new voting equipment. The County Commissioners Association of Ohio (CCAO) and the Ohio Association of Elections Officials (OAE) joint committee on elections administration recommended to the Secretary that a meeting of this type be held and fully supports the Secretary's Advisory.

As you are aware, the joint committee has been working together for several years seeking to plan for the replacement of all of Ohio's voting equipment. When talking to members of the General Assembly and the Administration about this issue, we are continually asked the same question: What will be the cost? This meeting is a critical step in helping us answer that question for the General Assembly and the Administration.

We are seeking to incorporate language in the current state budget bill (HB 49) that prescribes the plan that will be followed for acquisition of the new voting equipment and may provide some seed money for the



program. Because the budget bill needs to be adopted before July 1st, it is critically important for the Secretary to provide a state-wide cost estimate to the General Assembly and Administration as soon as possible. Therefore, it is imperative that your board of elections and county council respond to the Secretary with their “Statement of Need” as outlined in the Advisory absolutely no later than June 13, 2017.

Please be aware that the information you provide on your “Statement of Need” form in no way obligates your county to purchase any equipment nor does it commit your county to any particular vendor or system. This information is being collected to provide a good faith estimate to the Administration and General Assembly of the total cost for replacing Ohio’ voting equipment.

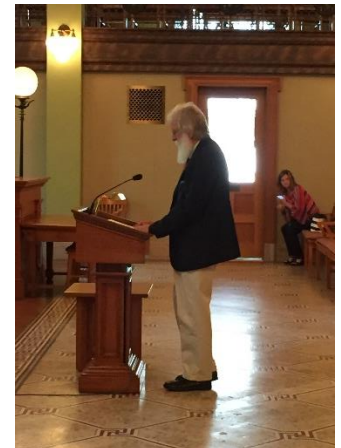
Your committed participation and timely report to the Secretary, we believe, will have a direct impact upon our ability to establish a program and secure the necessary state funding to implement that program to maintain the integrity of Ohio’s elections process well into the future.

Commissioners testify before the Senate



[Bubb testimony](#)

Two commissioners testified this week before the Senate Finance Health and Medicaid Subcommittee. Commissioner Tim Bubb from Licking County testified on the impact the opiate epidemic is having on the child protection system, and Union County Commissioner Steve Stolte testified on how the opiate epidemic is affecting the jails. Stolte also urged the Senate to continue to work on a plan that would address the loss of Medicaid managed care sales tax revenue. You can read their testimony by clicking the links below.



[Stolte testimony](#)

Commissioners also testified this week in support of HB 105, sponsored by Representatives Jack Cera and Brian Hill, which would limit the amount of revenue that may be credited to the Oil and Gas Well Fund and to allocate funds in excess of that amount to local governments, fire departments, and a grant program to encourage compressed natural gas as a motor vehicle fuel.

The bill is designed to provide revenue to help support local infrastructure projects and economic development. The bill would limit revenue credited to the Oil and Gas Well Fund and allocate the excess to support local governments. Belmont County



[Thomas Testimony](#)



Commissioner Mark Thomas and Guernsey County Commissioner Dave Wilson appeared before the committee while Monroe County Commissioner Carl Davis submitted written testimony to the committee.

[Wilson Testimony](#)



[Davis Testimony](#)

BWC budget passes the House

The House on Wednesday approved the Bureau of Workers' Compensation's two-year budget. The \$566.5 million measure ([HB27](#)) that was approved in a 65-29 vote will fund the agency for the next two years. A particular point of contention was a provision that would bar illegal aliens from workers' compensation coverage, but in the end the provision remained in the bill. Language regarding changes to the Public Employees Risk Reduction Program (PERRP) also remained in the bill. CCAO has been monitoring the changes which do the following:

- Eliminates the ability of a public employer to apply to the Administrator for an exemption from the PERRP.
- Provides coverage under PERRP to firefighters, emergency medical technicians, and certain county and municipal correction officers.
- Requires the Administrator to adopt rules concerning standards and procedures for an effective safety partnership agreement program for public employers and employees that promotes voluntary compliance with PERRP.
- Specifies that the Administrator or Administrator's designee must make scheduled inspections (rather than inspections) and requires inspections and investigations to be conducted in accordance with the Administrator's rules adopted under continuing law.
- Eliminates current law's requirement that a safety violation notice provided to a public employer include the initial notice the Administrator receives of the violation.

Although these changes expand PERRPs purview to include some correction officers (those who aren't peace officers), it appears the effect of this change will not have a significant impact on county jails because PERRP already oversees all other jail

employees. CCAO will continue to study these changes and gather info on any negative implications they could have as the bill moves over to the Senate.

If you have questions, please contact CCAO staff member, Kate Neithammer at 614-220-7996.

Bills Introduced



SB 154

OPIOID ADDICTION ([SCHIAVONI, J.](#), [YUKO, K.](#))

To provide for the prevention and treatment of opioid addiction, to make an appropriation, and to declare an emergency.

HB 218

PARK DISTRICTS ([SEITZ, B.](#))

To expand a probate court's powers and duties with regard to a park district.

HB 221

WATER SEWER PROJECTS ([HOLMES, G.](#))

To expressly include, as eligible projects under the State Capital Improvements Program administered by the Ohio Public Works Commission, water and sewer laterals located on private property.

HB 222

VOTER ID ([GREENSPAN, D.](#))

To specify that a concealed handgun license qualifies as photo identification for voting purposes.

HB 225

OIL GAS WELLS ([THOMPSON, A.](#))

To allow a landowner to report an idle and orphaned well or abandoned well, to require the Chief of the Division of Oil and Gas Resources Management to inspect and classify such a well, to require the Chief to begin plugging a well classified as distressed-high priority within a specified time period, and to authorize an income tax deduction for reimbursements paid by the state to a landowner for costs incurred to plug an idle or orphaned well.

HB 228

GUN LAWS ([JOHNSON, T.](#), [LATOURETTE, S.](#))

To assign to the prosecution the burden of disproving a self-defense or related claim, to expand the locations at which a person has no duty to retreat before using force under both civil and criminal

law, and to modify the Concealed Handgun Licensing Law regarding a licensee's duty to keep the licensee's hands in plain sight, the penalties for illegally carrying a concealed firearm or improperly handling firearms in a motor vehicle, and the posting of warning signs regarding the possession of weapons on specified premises.

Hearing Schedule



TUESDAY, MAY 23

Senate Finance: General Government & Agency Review Sub.

(Chr. [Jordan, K.](#), (614) 466-8086), Finance Hearing Rm., 9:00 am

- Invited budget testimony from Development Services Agency, Ohio Consumers' Counsel, Department of Rehabilitation and Correction, Ohio Civil Rights Commission, State Barber Board, Ohio Commission on Hispanic and Latino Affairs and public testimony Public Testimony

House Economic Development, Commerce & Labor

(Chr. [Young, R.](#), (614) 644-6074), Rm. 017, 1:30 pm

HB 128

BUILDING INSPECTIONS (ROEGNER, K.)

To permit a general contractor or owner of specified buildings to enter into a contract with a third-party private inspector or a certified building department for building inspection and to make other changes relating to building inspections. --3rd Hearing-Opponent

House Federalism & Interstate Relations

(Chr. [Roegner, K.](#), (614) 466-1177), Rm. 115, 4:00 pm

HB 201

CONCEALED WEAPONS (HOOD, R., BRINKMAN, T.)

To allow a concealed handgun licensee to carry concealed all firearms other than dangerous ordnance or firearms prohibited by state or federal law; to repeal the requirement that a licensee stopped for a law enforcement purpose promptly inform an approaching officer if the licensee is carrying a firearm and provide for expungement of convictions based on a violation of the requirement; and to provide that a person age 21 or older and not prohibited by federal law from possessing or receiving a firearm does not need a concealed handgun license in order to carry a concealed firearm and is subject to the same laws regarding concealed firearm carrying as a licensee. --2nd Hearing-Proponent

HB 142

CONCEALED WEAPONS (WIGGAM, S.)

To eliminate the requirement that a concealed handgun licensee notify a law enforcement officer that the licensee is carrying a concealed handgun when stopped. --3rd Hearing-All testimony

WEDNESDAY, MAY 24

Senate Rules & Reference

(Chr. [Obhof, L.](#), [\(614\) 466-7505](#)), Majority Conf. Rm., 11:00 am

Senate Session

(Chr. [Obhof, L.](#), [\(614\) 466-4900](#)), Senate Chamber, 1:30 pm

House Session

(Chr. [Rosenberger, C.](#), [\(614\) 466-3357](#)), House Chamber, 1:30 pm

House Armed Services, Veterans Affairs & Homeland Security

(Chr. [Johnson, T.](#), [\(614\) 466-2124](#)), Rm. 116, 4:00 pm or after session

HB 192

VETERAN COMMISSIONS (MILLER, A., ANIELSKI, M.)

To permit county veterans service commissions to elect to add two members to the commission, one who is a veteran who served in Operation Enduring Freedom or Operation Iraqi Freedom, or subsequently in those theaters of operation, and one who is a military spouse. --1st Hearing-Sponsor