STATEHOUSE REPORT

Published by: County Commissioners Association of Ohio

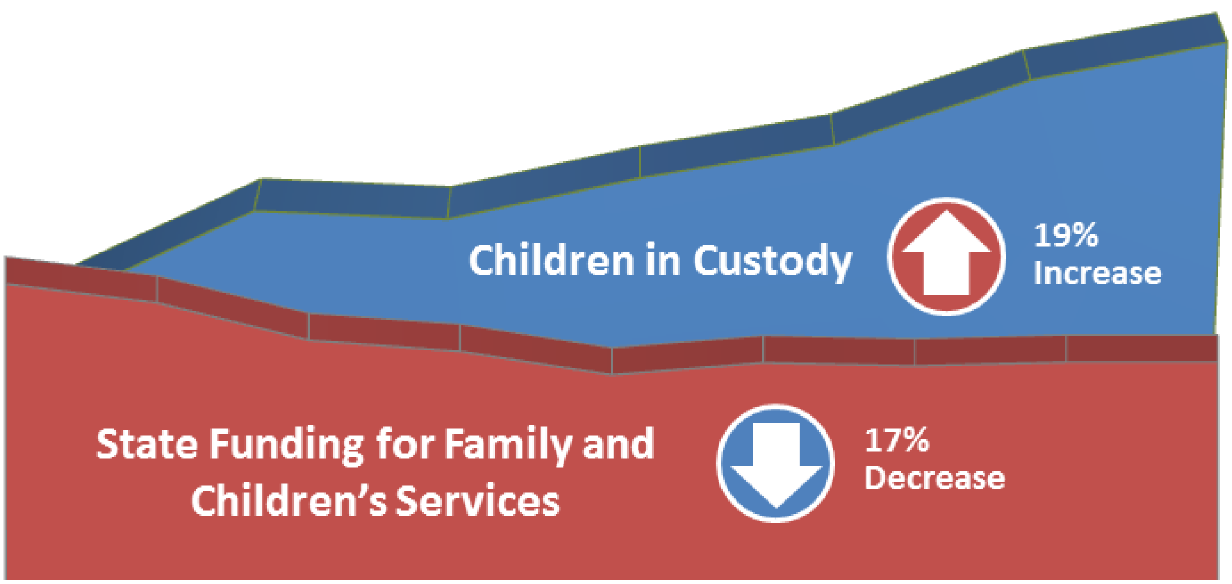
209 East State Street • Columbus, Ohio 43215-4309
Phone: 614-221-5627 • Fax: 614-221-6986 • www.ccao.org

August 26, 2016

Health & Human Services committee discusses child protective challenges

CCAO's Health and Human Services committee met this week to discuss their portion of the legislative platform. The meeting began with a discussion of the child protection system and the challenges that the opiate epidemic is causing.

Angela Sausser, Executive Director of the Public Children Services Association of Ohio (PCSAO) told the group that the number of child protective cases are going up. She shared new data from PCSAO that showed a 19% increase in cases, along with a corresponding 17% decrease in state funding. These cases are more complicated and they involve kids who are in care longer because their parents are battling addiction. Even if reunification is possible, many times these parents relapse and the children come back into the system. Sausser also talked about the needs of multi-system youth and explained how they are seeing a lot of older children with intense mental health needs.



All in all, Ohio currently has 14,000 kids in out of home care and 7000 foster homes. Recruiting more foster parents is a crucial piece of the puzzle if we are going to be able to protect children from abuse and neglect.

250,000 + child abuse/neglect calls to children services in 2015.

Another piece of the puzzle is workforce. Opiate cases are particularly traumatic for everyone involved, including child protective caseworkers. Sausser said that the system is seeing an even higher rate of turnover because of this.

Joel Potts, Executive Director of the Ohio Job and Family Services Directors Association, updated the committee on what his members are seeing. County JFS Directors are noticing an uptick in child protection cases as well, with many reporting that they have doubled their child protection cases. Potts stated that he often hears about the need for more foster care placements, as well as more case workers.

$45 million/year in placement costs for children with parents addicted to opiates in 2013.

The group also touched on the challenges counties face when they have a child who must be placed out of their county or even out of state. Child protection workers must visit those children at least once a month and federal rules do not allow another worker from that county or state to perform this task. The time and cost associated with this can quickly become overwhelming to a county's budget.

The Health and Human Services committee will meet again via conference call on September 23rd to discuss how the issues of opiate addiction and child protective services should be highlighted in our 2017-2018 legislative platform. CCAO members are encouraged to participate and offer input on this important part of our platform.

If you have any questions please contact CCAO Policy Analyst Kate Neithammer at 614-220-7996.

Springfield News Sun reports impact of MCO sales tax loss on Clark County

The latest in a series of articles on the Medicaid Managed Care Organization (MCO) sales tax loss focused on the loss of sales tax dollars to Clark County:

http://m.springfieldnewssun.com/news/news/local-govt-politics/federal-change-will-cost-clark-county-3-million/nsJYt/.

According to the news story and state tax records, Clark County collected about $3.2 million in Medicaid MCO sales taxes in 2015, which is equivalent to 12.8 percent of all sales taxes distributed to Clark County in that calendar year.

The story quotes Commissioner Rick Lohnes as saying that the Clark County Commissioners are preparing to cut the county general fund budget by about three percent in CY 2017 and another four percent in CY 2018. Commissioner Lohnes said, "It's manageable, but not everybody is going to get as much as they have in the past. I hope our representatives and our governor are trying to do something about it, but I don't know if they can."

The loss of the Medicaid MCO sales tax would have cost counties approximately $150 million in CY 2015, or about 7.5 percent on a statewide basis. The amount of revenue that is projected to be lost by counties varies depending upon the number of people in each county that is receiving Medicaid MCO services. The percentage loss for counties varies from 1.8 percent up to 24.9 percent of total sales tax collections. According to the Department of Taxation, sales are sitused at the county location of the enrollee for whom the Medicaid MCO receives a premium payment.

The Centers for Medicare and Medicaid Services (CMS) advised state Medicaid Directors that "taxing a subset of health care providers at the same rate as a statewide sales tax" is subject to the definition of a health care related tax and not permissible. Further, CMS gave states "until the end of the next regular legislative session" to comply, which for Ohio is June 30, 2017.

In addition to addressing a combined county and transit tax loss of approximately $200 million per year in forgone sales tax dollars for counties and regional transit authorities that levy the sales tax, the state will also lose roughly $558 million in SFY 2018 and $578 million in SFY 2019 from their share of forgone sales tax revenues to the state general revenue fund. The third piece of the puzzle is the existing Medicaid MCO sales tax is being used to provide approximately $300 million in state Medicaid matching dollars to draw down federal Medicaid dollars in each of SFY 2018 and SFY 2019. So, this means the state must find another tax source to provide state matching dollars for Federal Medicaid dollars.

For additional information on this topic, please contact either Brad Cole or Kate Nitehammer at bcole@ccao.org or knitehammer@ccao.org respectively.

Now is the time to touch base with your state legislators

As the county fair season starts to wrap up, we want to encourage you to make time to talk to your legislators about the key issues we're facing. Take advantage of opportunities to bring up the legislative priorities that were highlighted by our membership, which have been distilled down to these easy "talking points." Use them to help set up a comfortable dialog about these topics and where we stand. Be sure to also thank your legislators for several key appropriations they included in the state budget bill that support our counties.

While the elimination of the Medicaid Managed Care Sales tax has taken center stage, here are some additional issues we hope you can have a meaningful conversation about with your representatives.

Voting Equipment – state funding to replace the current voting equipment purchased under HAVA that is reaching the end of its useful life.

Preserving the County Sales Tax Base – The county sales tax is the number 1 source of revenue for counties. CCAO opposes HB 343 exempting employment services from the sales tax and any other bill that would exempt items from the sales tax.

Opiate Epidemic – Counties' resources are being significantly impacted as we fight the opiate epidemic. Comprehensive strategies and adequate resources to implement those strategies are need at the county level.

Infrastructure Funding – Counties don't have the resources to address our aging infrastructure. We ask support for HB 528 which provides additional permissive motor vehicle license fees and the allocation of additional public works bonding capacity to provide grants to fund water and sewer projects.

If you'd like more information on any of the topics, don't hesitate to contact any of our policy staff at 614-221-5627.

Bills Introduced

SB 348	**UTILITY RESALES** (**Bacon, K.**) To regulate the reselling of public utility service. Am. 4781.401, 5311.082, 5321.061, 5325.01, 5325.02, 5325.021, 5325.04, 5325.05, 5325.06, 5325.07, 5325.08, 5325.081, 5325.09, 5325.10, 5325.13, 5325.14, 5325.15, 5325.17, and 5325.18
HB 591	**SPECIAL ELECTIONS** (**Pelanda, D.**) To eliminate the requirement of holding a special election to fill a vacancy in a party nomination for the office of representative to Congress under certain circumstances. Am. 3513.301 and 3513.312
HB 592	**INVESTMENT COMPANIES** (**Merrin, D.**) To subject small business investment companies to the commercial activity tax rather than the financial institutions tax. Am. 5726.01