

## Ohio Medicaid Controlling Board Request

- **Ohio’s 2018-2019 budget (HB 49) requires special Controlling Board approval for Medicaid to spend \$2 billion of its two-year budget.** The Medicaid director must get approval from the Controlling Board to release \$264 million in 2018 and \$311 million in 2019 to pay for the costs of the Medicaid program. These state funds are used to draw down federal funds that together equal \$900 million in 2018 and \$1.1 billion in 2019 (Table 1).
- **These funds are necessary for Medicaid to continue paying providers.** Without these funds, Ohio Medicaid would have to cut provider payments 16 percent effective January 1 in order to keep Ohio’s budget in balance. Those cuts would include home health, behavioral health, doctors, hospitals and others – all types of providers except nursing homes, which the legislature protected from any rate reduction. Alternatively, if the funds are not released or the rates are not reduced, then Medicaid is projected to run out of money in May 2018 and be unable to pay all providers, including nursing homes.
- **Ohio Medicaid will seek Controlling Board approval on October 30.** Ohio Medicaid sets managed care plan rates in November for January 1 to June 30, 2018. In order for Medicaid to have the financial certainty it requires to operate, as well as to provide that certainty for any provider doing business with Medicaid, on October 30, 2017, the Medicaid director is requesting that Controlling Board approve the release of these funds.

**Table 1. Health and Human Services Fund (in millions)**

Sources of funds	SFY 2018			SFY 2019		
	HHS Fund	Federal Match	Total	HHS Fund	Federal Match	Total
State General Revenue Funds (GRF)	\$42	\$101	\$143	\$49	\$119	\$168
Pharmacy Rebates (5DL0)	\$26	\$63	\$89	\$35	\$84	\$118
Managed Care Plan tax revenue (5TN0)	\$196	\$474	\$670	\$227	\$547	\$774
<b>TOTAL</b>	<b>\$264</b>	<b>\$638</b>	<b>\$902</b>	<b>\$311</b>	<b>\$750</b>	<b>\$1,060</b>

Note: Over the next two years, the federal medical assistance percentage (FMAP) for the traditional Medicaid program will range from 62.3 to 63.1 and the enhanced FMAP for the expansion group will range from 93.0 to 95.0, resulting in a blended FMAP of 70.7 percent on average over the biennium.

**Amended Substitute House Bill 49 (132nd Ohio General Assembly) on pages 3144-3145.**

**SECTION 333.33. CASH TRANSFERS TO THE HEALTH AND HUMAN SERVICES FUND**

On July 1, 2017, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$41,840,600 cash from the General Revenue Fund to the Health and Human Services Fund. Upon Controlling Board authorization of expenditures under division (B) of the section of this act titled "HEALTH AND HUMAN SERVICES FUND CONTINUED" during fiscal year 2018, the Director of Budget and Management may transfer up to \$26,309,868 cash from the Support and Recoveries Fund (Fund 5DL0), and up to \$196,226,296 cash from the HIC Class Franchise Fee Fund (Fund 5TN0) to the Health and Human Services Fund.

On July 1, 2018, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$49,320,340 cash from the General Revenue Fund to the Health and Human Services Fund. Upon Controlling Board authorization of expenditures under division (B) of the section of this act titled "HEALTH AND HUMAN SERVICES FUND CONTINUED" during fiscal year 2019, the Director of Budget and Management may transfer up to \$34,667,668 cash from the Support and Recoveries Fund (Fund 5DL0), and up to \$226,841,369 cash from the HIC Class Franchise Fee Fund (Fund 5TN0) to the Health and Human Services Fund.

**SECTION 333.34. HEALTH AND HUMAN SERVICES FUND CONTINUED**

(A) The Health and Human Services Fund created under Section 751.40 of Am. Sub. H.B. 64 of the 131st General Assembly shall continue to exist during the 2018-2019 fiscal biennium.

(B) The Medicaid Director may request the Controlling Board to authorize expenditure from the Health and Human Services Fund in an amount necessary to pay for the costs of the Medicaid program during the 2018-2019 fiscal biennium. The Controlling Board may authorize the expenditure if the United States Congress has not amended on or after the effective date of this section section 1905(y) of the "Social Security Act," 42 U.S.C. 1396d(y), in a manner that reduces the federal medical assistance percentage for newly eligible individuals described in section 1902(a)(10)(A)(i)(VIII) of the "Social Security Act," 42 U.S.C. 1396a(a)(10)(A)(i)(VIII).