

DD Waiver Budget Proposal

Goals:

1. Provide statutory authority for the Department of Developmental Disabilities to implement a formula, to be specified in rules, to update waiver rates on an ongoing basis without the need for further legislative intervention.
2. Fill the gap between the most recent rate increases (July 1, 2024) and implementation of the new formula (January 1, 2028) with percentage increases.
3. Address children with intensive behavioral health needs [placeholder].

Details:

- Permanent statutory authority in the Revised Code for adoption of the necessary rules. Also would require a waiver amendment.
- Start with existing rates for waiver services.
- Authorize DODD to work with stakeholders to develop rules specifying a tool for collecting data on cost changes and a method for analyzing the data to determine the percentage change to take effect annually beginning January 1, 2028.
 - Cost changes would be for the previous calendar year compared to the year before. For example, the January 1, 2028, adjustment would be based on comparing costs for CY 2025 and 2026.
 - Providers would need to submit the tool by July 1 of the following year.
 - The tool would be completed by a representative sample of waiver providers. To be statistically valid, around 300 providers would be needed.
 - Data collection would not be a cost report. Instead, it should create as little administrative burden for providers as possible, focusing on a small number of defined buckets of costs that all providers could track and that align with CMS access rule reporting requirements.
- The rules would specify that DODD gathers the data and analyzes it to determine a single update percentage for all of the waiver rates, to be applied beginning January 1 of each year.
- The first update using the formula would not be until January 1, 2028, outside the upcoming biennium, so the budget also would include appropriations and legislative intent language for percentage rate increases to take effect January 1, 2026, and January 1, 2027.

- These increases would be proposed for the interim period, during the upcoming biennium:
 - 4.7% for January 1, 2026, rates (actual/projected CPI increase for the second half of CY 2023 and all of 2024).
 - 1.9% for January 1, 2027 (projected CPI increase for CY 2025).
- The proposal should include funding for DODD's administrative costs to collect and analyze the data.
- [Placeholder for specific proposal on children with behavioral health needs.]

ICF Budget Proposal

Goal:

- Address key reimbursement pain points that could limit access to ICF services.
- These pain points include potential restrictions on operation of the ICF formula, inadequate ceilings for equipment, and inadequate access to pediatric ventilator services.

Details:

- No caps, rollbacks, or other restrictive mechanisms in the budget that would limit operation of the statutory ICF payment formula.
- Continue the professional workforce development payment for FY 2026 at 10.405% of direct care costs.
- Increase statutory equipment ceilings to \$8.50, \$11.05, \$13.60, and \$15.30.
- Open limited amount of additional capacity for pediatric vents in ICFs to provide access for children in otherwise served in hospitals. This issue may be resolvable outside the budget process.