As Introduced

130th General Assembly Regular Session 2013-2014

S. B. No. 166

Senator Cafaro

Cosponsors: Senators Schiavoni, Turner, Skindell, Sawyer, Kearney, Smith, Brown, Tavares, Gentile

A BILL

То	amend sections 5162.01, 5162.20, 5165.15, and	1
	5167.01, to enact sections 103.41, 103.411,	2
	103.412, 103.413, 5162.70, 5162.71, 5163.04,	3
	5164.16, 5164.882, 5164.94, 5167.15, and 6301.15,	4
	and to repeal sections 101.39 and 101.391 of the	5
	Revised Code to revise the law governing the	6
	Medicaid program, to create the Joint Medicaid	7
	Oversight Committee, to abolish the Joint	8
	Legislative Committee on Health Care Oversight and	9
	the Joint Legislative Committee on Medicaid	10
	Technology and Reform, and to make appropriations.	11

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 5162.01, 5162.20, 5165.15, and	12
5167.01 be amended and sections 103.41, 103.411, 103.412, 103.413,	13
5162.70, 5162.71, 5163.04, 5164.16, 5164.882, 5164.94, 5167.15,	14
and 6301.15 of the Revised Code be enacted to read as follows:	15
Sec. 103.41. (A) In this section:	16
"Rule" includes a new rule or the amendment or rescission of	17
an existing rule. If a state agency revises a proposed rule, the	18

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revised rule is a "rule" for purposes of this section.	19
"Workforce development activity" has the same meaning as in	20
section 6301.01 of the Revised Code.	21
(B) On the same day that a state agency files a rule under	22
division (D) of section 111.15 or division (H) of section 119.03	23
of the Revised Code, the state agency also shall file a copy of	24
the rule with the joint medicaid oversight committee if the rule	25
concerns either of the following:	26
(1) The administration of, eligibility requirements for,	27
services covered by, service delivery methods of, or other aspects	28
of the medicaid program;	29
(2) A workforce development activity that could reasonably be	30
expected to impact medicaid recipients.	31
(C) The joint medicaid oversight committee, not later than	32
thirty days after it receives the original version of a proposed	33
rule or not later than fifteen days after it receives a revised	34
version of a proposed rule, shall review the rule and determine	35
whether the rule is likely to improve the administration of the	36
medicaid program or the ability of medicaid recipients to achieve	37
greater financial independence. The committee, based on its	38
determination, shall form an opinion whether it views the rule	39
favorably, unfavorably, or neutrally. The committee shall prepare	40
a memorandum that states the committee's opinion and includes a	41
concise explanation of the committee's reasoning that supports its	42
opinion. The committee promptly shall transmit a copy of the rule	43
and the memorandum to the state agency and joint committee on	44
agency rule review.	45
The committee may give notice of and conduct a public hearing	46
in the course of its review of a rule.	47
Sec. 103.411. (A) As used in this section, "medicaid waiver"	48

means the authority, granted by the United States department of	49
health and human services, for the medicaid director to implement,	50
and receive federal financial participation for, a component of	51
the medicaid program for which federal financial participation is	52
not available without the waiver. "Medicaid waiver" includes all	53
of the following:	54
(1) A waiver for the medicaid program issued under section	55
1115, 1115A, or 1915 of the "Social Security Act," 42 U.S.C. 1315,	56
1315a, or 1396n, or any other federal statute;	57
(2) An amendment to a medicaid waiver; (3) An application for	58
renewal, with or without changes, of an existing medicaid waiver.	59
(B) Before the medicaid director submits a request for a	60
medicaid waiver to the United States department of health and	61
human services, the director shall submit a copy of the requested	62
medicaid waiver to the joint medicaid oversight committee. The	63
committee may recommend that the director revise a medicaid waiver	64
request.	65
Sec. 103.412. There is a joint medicaid oversight committee.	66
The committee is comprised of ten members. The president of the	67
senate and the speaker of the house of representatives each shall	68
appoint five members to the committee from their respective	69
houses, three of whom are members of the majority party and two of	70
whom are members of the minority party. Vacancies on the committee	71
shall be filled in the same manner as the original appointment.	72
In odd-numbered years, the president shall designate the	73
chairperson of the committee from among the senate members of the	74
committee. In even-numbered years, the speaker shall designate the	75
chairperson of the committee from among the house members of the	76
committee. In odd-numbered years, the speaker shall designate one	77
of the minority members from the house as ranking minority member.	78

The chairperson of the committee may administer oaths to

witnesses appearing before the committee.

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Sec. 103.413. The joint medicaid oversight committee shall	109
conduct a continuing study of the medicaid program and workforce	110
development activities related to the medicaid program.	111
The committee may plan, advertise, organize, and conduct	112
forums, conferences, and other meetings at which representatives	113
of state agencies and other individuals having expertise in the	114
medicaid program and workforce development activities may	115
participate to increase knowledge and understanding of, and to	116
develop and propose improvements in, the medicaid program and	117
workforce development activities. The director of job and family	118
services shall submit to the committee relevant statistics on	119
workforce development activities to assist the committee.	120
The committee may prepare and issue reports on its continuing	121
studies. The committee may solicit written comments on, and may	122
conduct public hearings at which persons may offer verbal comments	123
on, drafts of its reports.	124
The committee may recommend improvements in rules affecting	125
the medicaid program and workforce development activities related	126
to the medicaid program, and may recommend legislation for	127
improvement of statutes regarding those issues.	128
Sec. 5162.01. (A) As used in the Revised Code:	129
(1) "Medicaid" and "medicaid program" mean the program of	130
medical assistance established by Title XIX of the "Social	131
Security Act, " 42 U.S.C. 1396 et seq., including any medical	132
assistance provided under the medicaid state plan or a federal	133
medicaid waiver granted by the United States secretary of health	134
and human services.	135
(2) "Medicare" and "medicare program" mean the federal health	136
insurance program established by Title XVIII of the "Social	137
Security Act, " 42 U.S.C. 1395 et seq.	138

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(B) As used in this chapter:	139
(1) "CPI inflation rate" means the inflation rate as	140
specified in the consumer price index for all urban consumers as	141
published by the United States bureau of labor statistics.	142
(2) "Dual eligible individual" has the same meaning as in	143
section 5160.01 of the Revised Code.	144
$\frac{(2)}{(3)}$ "Federal financial participation" has the same meaning	145
as in section 5160.01 of the Revised Code.	146
$\frac{(3)}{(4)}$ "Federal poverty line" means the official poverty line	147
defined by the United States office of management and budget based	148
on the most recent data available from the United States bureau of	149
the census and revised by the United States secretary of health	150
and human services pursuant to the "Omnibus Budget Reconciliation	151
Act of 1981, section 673(2), 42 U.S.C. 9902(2).	152
$\frac{(4)}{(5)}$ "Healthy start component" means the component of the	153
medicaid program that covers pregnant women and children and is	154
identified in rules adopted under section 5162.02 of the Revised	155
Code as the healthy start component.	156
$\frac{(5)(6)}{(6)}$ "ICF/IID" has the same meaning as in section 5124.01	157
of the Revised Code.	158
$\frac{(6)}{(7)}$ "Medicaid managed care organization" has the same	159
meaning as in section 5167.01 of the Revised Code.	160
$\frac{(7)(8)}{(8)}$ "Medicaid provider" has the same meaning as in section	161
5164.01 of the Revised Code.	162
$\frac{(8)}{(9)}$ "Medicaid services" has the same meaning as in section	163
5164.01 of the Revised Code.	164
(9)(10) "Medicaid transition population" means both of the	165
following:	166
(a) Medicaid recipients whose countable family incomes are	167
within the top twenty-five percentage points of the income	168

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unpaid copayment.	229
(C) Except as provided in division (F) of this section, no	230
provider shall waive a medicaid recipient's obligation to pay the	231
provider a copayment.	232
(D) No provider or drug manufacturer, including the	233
manufacturer's representative, employee, independent contractor,	234
or agent, shall pay any copayment on behalf of a medicaid	235
recipient.	236
(E) If it is the routine business practice of a provider to	237
refuse service to any individual who owes an outstanding debt to	238
the provider, the provider may consider an unpaid copayment	239
imposed by the cost-sharing requirements as an outstanding debt	240
and may refuse service to a medicaid recipient who owes the	241
provider an outstanding debt. If the provider intends to refuse	242
service to a medicaid recipient who owes the provider an	243
outstanding debt, the provider shall notify the recipient of the	244
provider's intent to refuse service.	245
(F) In the case of a provider that is a hospital, the	246
cost-sharing program shall permit the hospital to take action to	247
collect a copayment by providing, at the time services are	248
rendered to a medicaid recipient, notice that a copayment may be	249
owed. If the hospital provides the notice and chooses not to take	250
any further action to pursue collection of the copayment, the	251
prohibition against waiving copayments specified in division (C)	252
of this section does not apply.	253
(G) The department of medicaid may collaborate with a state	254
agency that is administering, pursuant to a contract entered into	255
under section 5162.35 of the Revised Code, one or more components,	256
or one or more aspects of a component, of the medicaid program as	257
necessary for the state agency to apply the cost-sharing	258

requirements to the components or aspects of a component that the

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(iii) Utilize incentives;	289
(iv) Are led by peers.	290
(b) The identification and elimination of medicaid	291
eligibility requirements that are barriers to achieving greater	292
financial independence.	293
(4) Provide medicaid recipients with information about the	294
actual costs of medicaid services and the amounts the medicaid	295
program pays for the services so that recipients are able to use	296
this information when choosing medicaid providers;	297
(5) Reduce the number of times that medicaid recipients are	298
readmitted to hospitals or utilize emergency department services	299
when the readmissions or utilizations are avoidable;	300
(6) Reduce a nursing facility's medicaid payment rate if its	301
residents utilize hospital emergency department services at higher	302
than average rates;	303
(7) Reduce a nursing facility's medicaid payment rate if its	304
residents who are dual eliqible individuals have higher than	305
average hospital admission rates;	306
(8) Establish standards for medicaid managed care	307
organizations to promote compliance with primary care requirements	308
applicable to medicaid recipients for whom the organizations	309
provide, or arrange for the provision of, medicaid services;	310
(9) Provide for medicaid managed care organizations to	311
receive, beginning not later than December 31, 2014, medicaid	312
payments based on reductions in medicaid costs that they help	313
achieve;	314
(10) Require managed care organizations, as a condition of	315
becoming medicaid managed care organizations, to do both of the	316
<pre>following:</pre>	317
(a) Obtain accreditation from the national committee for	318

quality assurance or another accrediting organization the director	319
determines has accreditation standards that are similar to the	320
national committee for quality assurance's accreditation	321
standards;	322
(b) Utilize the healthcare effectiveness data and information	323
set established by the national committee for quality assurance or	324
a similar performance measuring tool that the director determines	325
is similar to the healthcare effectiveness data and information	326
set.	327
(11) Gather data about the medicaid transition population's	328
utilization of workforce development activities administered by	329
the department of job and family services to determine all of the	330
<u>following:</u>	331
(a) The length of time they utilize the activities;	332
(b) When their employment status changes;	333
(c) The events that cause them to cease to be eligible for	334
medicaid.	335
(B) The reforms implemented under this section shall, without	336
making the medicaid program's eligibility requirements more	337
restrictive, reduce the relative number of individuals enrolled in	338
the medicaid program who have the greatest potential to obtain the	339
income and resources that would enable them to cease enrollment in	340
medicaid and instead obtain health care coverage through	341
employer-sponsored health insurance or the health insurance	342
marketplace.	343
(C) Each quarter, the medicaid director shall transmit the	344
data gathered under the reform implemented pursuant to division	345
(A)(11) of this section to the joint medicaid oversight committee.	346
The director also shall submit an annual report to the committee	347
regarding the findings made from the data.	348

Sec. 5162.71. The medicaid director shall implement within	349
the medicaid program systems that have the goal of reducing both	350
of the following:	351
(A) Health disparities among medicaid recipients who are	352
members of minority populations;	353
(B) The incidence among medicaid recipients of alcoholism,	354
drug addiction, tobacco use, and abuse of other substances the	355
director specifies in rules adopted under section 5162.02 of the	356
Revised Code.	357
Sec. 5163.04. The medicaid program shall not cover the group	358
described in the "Social Security Act," section	359
1902(a)(10)(A)(i)(VIII), 42 U.S.C. 1396a(a)(10)(A)(i)(VIII),	360
unless the federal medical assistance percentage for expenditures	361
for medicaid services provided to the group is at least the amount	362
specified in the "Social Security Act," section 1905(y), 42 U.S.C.	363
1396d(y), as of March 30, 2010. If the medicaid program covers the	364
group and the federal medical assistance percentage for such	365
expenditures is reduced below the amount so specified, the	366
medicaid program shall cease to cover the group. Notwithstanding	367
section 5160.31 of the Revised Code, an individual's disenrollment	368
from the medicaid program is not subject to appeal under that	369
section when the disenrollment is the result of the medicaid	370
program ceasing to cover the individual's group under this	371
section.	372
Sec. 5164.16. As used in this section, "telemedicine" means	373
the delivery of a medicaid service to a medicaid recipient through	374
the use of an interactive, electronic communication device that	375
enables the medicaid provider to communicate in an audible or	376
visual manner, or both manners, with the medicaid recipient or	377
another medicaid provider of the medicaid recipient from a site	378

(3) The per medicaid day payment rate for direct care costs	408
determined for the nursing facility under section 5165.19 of the	409
Revised Code;	410
(4) The per medicaid day payment rate for tax costs	411
determined for the nursing facility under section 5165.21 of the	412
Revised Code;	413
(5) If the nursing facility qualifies as a critical access	414
nursing facility, the nursing facility's critical access incentive	415
payment paid under section 5165.23 of the Revised Code;	416
(6) The quality incentive payment paid to the nursing	417
facility under section 5165.25 of the Revised Code.	418
(B) In addition to paying a nursing facility provider the	419
nursing facility's total rate determined under division (A) of	420
this section for a fiscal year, the department shall pay the	421
provider a quality bonus under section 5165.26 of the Revised Code	422
for that fiscal year if the provider's nursing facility is a	423
qualifying nursing facility, as defined in that section, for that	424
fiscal year. The quality bonus shall not be part of the total	425
rate.	426
Sec. 5167.01. As used in this chapter:	427
(A) "Controlled substance" has the same meaning as in section	428
3719.01 of the Revised Code.	429
(B) "Dual eligible individual" has the same meaning as in	430
section 5160.01 of the Revised Code.	431
(C) "Emergency services" has the same meaning as in the	432
"Social Security Act," section 1932(b)(2), 42 U.S.C.	433
1396u-2(b)(2).	434
(D) "Home and community-based services medicaid waiver	435
component" has the same meaning as in section 5166.01 of the	436
Revised Code.	437

(E) "Medicaid managed care organization" means a managed care	438
organization under contract with the department of medicaid	439
pursuant to section 5167.10 of the Revised Code.	440
purbuant to beetfoil 5107.10 of the Revibed code.	110
(F) "Medicaid transition population" has the same meaning as	441
in section 5162.01 of the Revised Code.	442
"Medicaid waiver component" has the same meaning as in	443
section 5166.01 of the Revised Code.	444
(G) "Nursing facility" has the same meaning as in section	445
5165.01 of the Revised Code.	446
$\frac{\mathrm{(H)}}{\mathrm{(H)}}$ "Prescribed drug" has the same meaning as in section	447
5164.01 of the Revised Code.	448
(I) "Provider" means any person or government entity that	449
furnishes services to a medicaid recipient enrolled in a medicaid	450
managed care organization, regardless of whether the person or	451
entity has a provider agreement.	452
energy has a provider agreement.	132
(J) "Provider agreement" has the same meaning as in section	453
5164.01 of the Revised Code.	454
"Workforce development activity" has the same meaning as in	455
section 6301.01 of the Revised Code.	456
Sec. 5167.15. (A) Each contract the department of medicaid	457
enters into with a managed care organization under section 5167.10	458
of the Revised Code shall require the managed care organization to	459
provide, or arrange for the provision of, case management services	460
to all medicaid recipients who enroll in the managed care	461
organization and are part of the medicaid transition population.	462
The case management services shall include all of the following:	463
(1) A clinical assessment of the recipient to determine	464
whether the recipient has a medical or other condition to which	465
both of the following apply:	466
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(a) The condition may impede the recipient's ability to gain	467
or maintain employment or improve the recipient's employment	468
situation;	469
(b) The condition may be reasonably remediated through	470
medical, mental health, or substance abuse treatment.	471
(2) A care plan for the recipient that includes services	472
designed to address the barriers to self-sufficiency that the	473
recipient has been identified as having;	474
(3) Referrals to employment-related programs that will assist	475
the recipient in gaining access to, and maintaining, optimal	476
employment, including the following programs:	477
(a) On-the-job training programs;	478
(b) Workforce investment activities;	479
(c) Programs that enable individuals seeking employment to	480
find employment opportunities listed on internet web sites;	481
(d) Other programs administered by the department of job and	482
family services or the opportunities for Ohioans with disabilities	483
agency.	484
(4) Referrals from employment-related programs that are	485
administered by the department of job and family services, the	486
opportunities for Ohioans with disabilities agency, or workforce	487
investment boards and provide services designed to treat any	488
medical or other problems the recipient has that hinder the	489
recipient's ability to gain or maintain employment or improve the	490
recipient's employment situation.	491
(B) The department of job and family services shall provide	492
workforce investment boards any technical guidance the boards need	493
for the purpose of the referrals made under division (B)(4) of	494
this section.	495

Sec. 6301.15. The director of job and family services shall	497
implement reforms to workforce development activities that do both	498
of the following:	499
(A) Reduce the relative number of individuals who need	500
medicaid that is achieved in a manner that utilizes all of the	501
<u>following:</u>	502
(1) Programs that have been demonstrated to be effective and	503
have one or more of the following features:	504
(a) Have low costs;	505
(b) Utilize volunteers;	506
(c) Utilize incentives;	507
(d) Are led by peers.	508
(2) Educational and training opportunities;	509
(3) Employment opportunities;	510
(4) Other initiatives the director considers appropriate.	511
(B) Enhance the relationship between educational facilities,	512
workforce development activities, and employers.	513
Section 2. That existing sections 5162.01, 5162.20, 5165.15,	514
and 5167.01 of the Revised Code are hereby repealed.	515
Section 3. That sections 101.39 and 101.391 of the Revised	516
Code are repealed.	517
Section 4. The Joint Medicaid Oversight Committee shall	518
prepare a report with recommendations for legislation regarding	519
Medicaid payment rates for Medicaid services. The goal of the	520
recommendations shall be to provide the Medicaid Director	521
statutory authority to implement innovative methodologies for	522

setting Medicaid payment rates that limit the growth in Medicaid	523
costs and protect, and establish guiding principles for, Medicaid	524
providers and recipients. The Medicaid Director shall assist the	525
Committee with the report. The Committee shall submit the report	526
to the General Assembly in accordance with section 101.68 of the	527
Revised Code not later than January 1, 2014.	528
Section 5. (A) As used in this section, "Medicaid transition	529
population" has the same meaning as in section 5162.01 of the	530
Revised Code.	531
(B) The Joint Medicaid Oversight Committee shall prepare a	532
report with recommendations for legislation that would create a	533
comprehensive pilot program under which peer mentors assist	534
Medicaid recipients who are part of the Medicaid transition	535
population, and the families of such recipients, to develop and	536
implement plans for overcoming barriers to both achieving greater	537
financial independence and successfully accessing employment	538
opportunities. The recommendations shall provide for the pilot	539
program to have all of the following features:	540
(1) A mechanism under which local, nonprofit community	541
organizations compete to participate in the pilot program in a	542
manner that is similar to the manner in which entities compete to	543
serve as navigators under a grant program established by an	544
Exchange under the "Patient Protection and Affordable Care Act,"	545
section 1311(i), 42 U.S.C. 18031(i);	546
(2) Requirements for the local, nonprofit community	547
organizations participating in the pilot program to do both of the	548
following:	549
(a) Provide for individuals who are to serve as peer mentors	550
under the pilot program to be trained in a uniform manner across	551

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the state on at least both of the following:

(i) Workforce development activity eligibility requirements	553
and opportunities;	554
(ii) Methods for peer mentors to work with Medicaid	555
recipients who are part of the Medicaid transition population and	556
the families of such recipients in culturally competent ways.	557
(b) Make the trained peer mentors available to work with	558
Medicaid recipients who are part of the Medicaid transition	559
population and the families of such recipients.	560
(C) The Committee's report shall recommend that the pilot	561
program do all of the following:	562
(1) Begin operation not later than January 1, 2015;	563
(2) Continue operation for not less than six months;	564
(3) Be operated in urban, suburban, and rural counties;	565
(4) Provide for the Medicaid Director to submit to the	566
General Assembly, in accordance with section 101.68 of the Revised	567
Code, recommendations for adjustments that should be made before	568
the pilot program is expanded statewide.	569
(D) The Committee shall submit the report to the General	570
Assembly in accordance with section 101.68 of the Revised Code not	571
later than June 30, 2014.	572
Section 6. (A) The Joint Medicaid Oversight Committee shall	573
prepare a report regarding all of the following:	574
(1) The appropriate roles of the different types of health	575
care professionals in the Medicaid program and different service	576
delivery systems within the Medicaid program;	577
(2) Regulatory models for all health care professionals who	578
must obtain a license, certificate, or other form of approval from	579
the state to practice in this state;	580
(3) Other issues regarding health care professionals that the	581

Appropriations

Committee considers appropriate for the report.	582
(B) The Executive Director of the Governor's Office of Health	583
Transformation, Medicaid Director, Director of Mental Health and	584
Addiction Services, Director of Health, Director of Aging, and	585
Director of Developmental Disabilities shall assist the Committee	586
with the report. The Committee may request that members of the	587
public and interested parties with expertise in the issue of	588
health care professionals also assist the Committee with the	589
report. The Committee shall submit the report to the General	590
Assembly in accordance with section 101.68 of the Revised Code not	591
later than March 1, 2014.	592
Section 7. All items in this section are hereby appropriated	593
as designated out of any moneys in the state treasury to the	594
credit of the designated fund. For all appropriations made in this	595
act, those in the first column are for fiscal year 2014 and those	596
in the second column are for fiscal year 2015. The appropriations	597
made in this act are in addition to any other appropriations made	598
for the FY 2014-FY 2015 biennium.	599
Appropriations	
JMO JOINT MEDICAID OVERSIGHT COMMITTEE	600
General Revenue Fund	601
GRF 048321 Operating Expenses \$ 350,000 \$ 500,000	602
TOTAL GRF General Revenue Fund \$ 350,000 \$ 500,000	603
TOTAL ALL BUDGET FUND GROUPS \$ 350,000 \$ 500,000	604
OPERATING EXPENSES	605
The foregoing appropriation item 048321, Operating Expenses,	606
shall be used to support expenses related to the Joint Medicaid	607
Oversight Committee established in section 103.412 of the Revised	608
Code.	609