

Up to the Minute

OACBHA UPDATE

February 6, 2008

BUDGET CUTS ANNOUNCED

Last Thursday, Governor Ted Strickland announced more than \$730 million in budgetary adjustments to counter an expected drop in tax revenue through July 2009, the end of the current biennium. A controversial state-run keno game for bars and other venues is expected to boost Ohio Lottery profits by \$73 million on the revenue side, but most of the shortfall would be made up in significant employee reductions and other agency spending cuts. By utilizing a number of options, including early retirement incentives, State staff will be reduced by between 1,500 – 2,700. No tax or fee hikes, or use of the state's \$1 billion "rainy day" account is in the plan. Thanks to cuts being absorbed by ODMH and ODADAS, there will be no direct dollar cuts to the community behavioral health system.

ODADAS IMPACT

Budget Reduction Target: \$2.75 million in FY 2008 and \$1.13 Million in FY 2009

- ODADAS will reduce administrative costs in central office by \$2.5 million in FY 2008 by placing controls on staff travel, equipment purchases and other administrative functions.
- ODADAS intends to reorganize, restructure or consolidate operations in order to realize cost savings and operate successfully within reduced appropriation levels. Anticipated staff reductions of 6-12 positions through attrition, vacancies that will remain unfilled, early retirement incentive plans, abolishments and other reductions.

ODMH IMPACT

Budget Reduction Target: \$9.1 million in FY 2008 and \$22.6 million in FY 2009

- ODMH intends to close Dayton and Cambridge psychiatric hospitals and the consolidation of other hospital administrative functions. Units will be opened in the Columbus, Athens, Toledo and Cincinnati locations to offer capacity for patients.
- ODMH plans to reduce Central Office staff by approximately 20%, along with a control on unfilled positions. Central Office will also cut equipment and contract spending by 20%.
- The agency is expected to reorganize, restructure, or consolidate operations and reduce positions through attrition, vacancies that will remain unfilled, early retirement incentive, and other reductions.

To view a complete summary visit <http://www.ohio.gov/news/2008/jan.stm>.

EQUAL ACCESS BILL RECEIVES FIRST HEARING

Representative Ted Celeste provided sponsor testimony this week on H.B. 384, the Equal Access Bill. This bipartisan legislation would prohibit discrimination in health care policies by requiring coverage for the diagnosis and treatment of mental illnesses and substance abuse or addiction conditions. Representative Celeste explained it as the natural next step from last year's limited mental health parity and emphasized that the bill also contains the same provision that exempts insurers if their costs increase by more than one percent per year. To view the sponsor testimony please visit: <https://secure.digital-community.com/english/oacbha.org/includes/downloads/hb384sponsor.pdf?PHPSESSID=f0a8d43800cb15de0b197794c711a631>

STRICKLAND DELIVERS 2008 STATE OF THE STATE ADDRESS

Governor Strickland today proposed a \$1.7 billion bond-funded jobs stimulus package, suggested a plan to expand university access, and other educational reforms. To view the address in its entirety, visit <http://www.ohio.gov/news/#020608>.

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