MCO KEY TALKING POINTS

- **Now is not the time to leave counties behind.** In the absence of a revenue replacement mechanism, counties would have to reduce or eliminate funding for programs that invest in economic growth and exacerbate the growing pressure on important systems like criminal justice, public safety, and child protection. The demand on these services is only growing in the wake of the opiate epidemic.

- Explain what budget cuts you anticipate having to impose if the lost revenue is not replaced. Also, highlight any impacts on your economic development efforts.

- Pursuing an increase in the HIC franchise fee would notjeopardize Ohio’s current waiver. In the event that the request to reset the fee is not approved, our existing waiver would remain in place. The original waiver met the criteria necessary for automatic approval and would continue to meet those criteria.

- The Seitz/Dolan amendment directs the state to take a **stair-step approach** in talking with CMS for approval to reset the proposed HIC franchise fees. It instructs the Medicaid Director to first ask CMS if Ohio’s franchise fee can be increased, and if the Director receives a favorable response, then the Director shall request formal approval.

- Remind them that the SFY 18/19 Executive Budget fully replaces lost revenue to the state through a new proposed franchise fee on MCO’s, but only provides counties and transit authorities a one-time allocation to be spread out over 2 payments. Counties seek parity with the state in terms of a revenue stream replacement. Do not leave counties behind.

- **Indicate that you SUPPORT the Dolan/Seitz amendment to provide fiscal stability for the state’s county partners.**

- **Urge support for overriding the Governor’s veto.**

Finally, CCAO understands there have been discussions regarding the additional revenue that this provision would generate and who would be responsible for reimbursing the Medicaid managed care organizations for their new rate. Under federal law, Medicaid managed care plans must be paid a rate sufficient to cover medical expenses plus administrative costs, including taxes. Any payment to Medicaid managed care plans is part federal dollars and part non-federal dollars. We now know that the legislature and the Administration may have reached an understanding that the non-federal portion of the additional dollars needed to pay the managed care plans will come from the money designated for counties and transit authorities. If this understanding comes to fruition, locals will receive 68 - 69% of what they received in the past, rather than complete replacement.