

**HAMILTON COUNTY TAX LEVY REVIEW COMMITTEE  
INDIGENT CARE LEVY SUBCOMMITTEE  
138 EAST COURT STREET, ROOM 603  
CINCINNATI, OHIO 45202**

June 21, 2022

Hamilton County Board of Commissioners  
Hon. Stephanie Summerow Dumas, President  
Hon. Alicia Reese, Vice-president  
Hon. Denise Dreihaus  
138 E. Court Street Room 603  
Cincinnati, OH 45202

**Re: 2022 Indigent Care Levy Recommendations**

Dear Commissioners:

The Hamilton County Tax Levy Review Committee (“TLRC”), under the chairmanship of Gwen McFarlin, appointed a subcommittee to review the 2022 Health and Hospitalization - Indigent Care Levy. This subcommittee is chaired by Jeanette Hargreaves and includes TLRC members Gwen McFarlin and Robert Furnier. The subcommittee’s work would not have been possible without the outstanding assistance of Lisa Webb, Assistant County Administrator. The subcommittee also was assisted by Public Consulting Group (“PCG”), whose consultants met with many of the service providers to review their operations and use of levy funds and then provided recommendations to the TLRC.

The Indigent Care Levy (“the Levy”) has been in place since May 1966 to provide health care services to the indigent population of Hamilton County. The Levy initially supported one hospital, University of Cincinnati Medical Center (“UCMC”) (formerly known as Cincinnati General Hospital). In 1976, Cincinnati Children’s Hospital Medical Center (“CCHMC”) was added to the Levy. Over time, non-hospital government and community agencies that provide medical care to the indigent population have been added to the Levy. Currently, slightly less than half of the Levy revenue is directed to UCMC and CCHMC while the rest is directed to other programs.

As part of its evaluation, the subcommittee met with agencies currently funded by the Levy. Additionally, the subcommittee met with PCG consultants and agency representatives and reviewed the Hamilton County Indigent Care Levy Assessment, May 20, 2022, prepared by PCG<sup>1</sup>.

All non-hospital funding requests are requests for community health services and are subject to competitive bid. An agency making a particular request is not necessarily the agency that will be selected to provide the community program recommended.

PCG consultants reviewed all levy funded programs and requests for new funding. Rather than summarize the review of all programs in detail and the consultants' findings in this letter, the subcommittee refers you to PCG's assessment<sup>2</sup>.

## **I. Challenges to the Indigent Care Levy**

Assuming no changes to current conditions, the anticipated revenues from the Indigent Care Levy appear to be sufficient to meet the expected expenditures over the next levy cycle. However, the Levy and the agencies it funds are facing challenges that will impact the agencies' abilities to serve the indigent population of Hamilton County and impact the Levy's ability to fund those services.

The COVID-19 pandemic impacted the entire Hamilton County community, but especially its most vulnerable members. The agencies that provide services under the Levy rose to the occasion and delivered creative and life-saving assistance to our indigent population, including medical care, mental health support, testing, vaccines, housing options, and many other forms of assistance. The agencies leveraged every dollar they received from the Levy and aggressively sought federal and other available funding sources. But as the pandemic moves to its next stage, many of those funding sources will be discontinued. During the pandemic, federal officials instituted a Public Health Emergency ("PHE"). The PHE established a continuous Medicaid enrollment requirement that prohibited states from disenrolling Medicaid participants unless they left the state or asked to be disenrolled. It is expected that the PHE will end in the coming months, and the resumption of Medicaid eligibility redetermination and disenrollment will lead to coverage disruptions and losses. The agencies funded by the Levy expect that many of the clients they currently serve will lose Medicaid coverage temporarily or permanently, which will shift the cost of caring for those individuals onto local funding sources (*i.e.*, the Levy). At the same time, the agencies are anticipating a greater demand for services as the full physical and mental toll of the pandemic begins to emerge. To address these anticipated needs, several agencies have requested

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<sup>1</sup> PCG's Hamilton County Indigent Care Levy Assessment can be found at [https://www.hamiltoncountyohio.gov/government/open\\_hamilton\\_county/projects/tax\\_levy\\_review\\_committee/t\\_1\\_r\\_c\\_reports](https://www.hamiltoncountyohio.gov/government/open_hamilton_county/projects/tax_levy_review_committee/t_1_r_c_reports)

<sup>2</sup> See footnote 1.

funding increases. Specific increases are addressed in detail in the Recommendations section of this letter.

Another challenge facing the Levy involves funding for the Hamilton County Sheriff's Health Care Services ("Sheriff's Health Care") and Health Care Staffing ("Sheriff's Staffing"). For many years, the Levy has been the main funding source for the provision of legally mandated medical care required for inmates of the Hamilton County Justice Center. As with medical costs in general, the cost of the Sheriff's Health Care and Sheriff's Staffing has increased every year. This presents a challenge where, as in the case of the Levy, the revenue stream for funding such costs does not increase at the same rate. This has created a challenge for the Levy and an urgent need to address the issue. A more detailed discussion is included in the Recommendations section of this letter.

## **II. Agencies Funded by the Levy**

### **University of Cincinnati Medical Center**

UCMC is the largest non-pediatric hospital in Hamilton County. It is a not-for-profit, academic medical center with 558 registered inpatient beds. UCMC operates the region's only level one adult trauma center and burn center and serves over 440,000 patients per year.

### **Cincinnati Children's Hospital Medical Center**

CCHMC is a full service, not-for-profit pediatric academic medical center with 670 registered inpatient beds including 110 dedicated mental health beds and is the only level one trauma center for children in the region. In FY2021, CCHMC had 28,000 admissions, 125,000 emergency and urgent care visits, 1.3 million outpatient visits, and approximately 30,000 pediatric dental visits.

### **Hamilton County Sheriff's Office**

The cost of medical care for inmates of the Hamilton County Justice Center is funded by the Levy. Medical services for inmates are provided pursuant to a contract with NaphCare which includes medical personnel, supplies, and other costs associated with the delivery of medical care. An additional cost funded by the Levy is for the correctional officers required to staff the medical units and medical pods and to transport inmates to various outside medical facilities for care.

### **Mental Health Recovery Services Board ("MHRSB")**

The MHRSB serves as Hamilton County's authority on planning, funding, managing, and evaluating behavioral health care pursuant to Ohio Revised Code section 340 *et seq.* In this role, MHRSB contracts with a network of nonprofit agencies to provide substance abuse services to the indigent population in Hamilton County. It is important to note that substance abuse services are not allowable expenses within the Mental Health levy (also under review this year).

### **Hamilton County Public Health**

Hamilton County has three programs funded by the Levy: the Tuberculosis (“TB”) Control Clinic, the SAFE Program, and the Oral Care Initiative. The TB Control Clinic is a state-mandated program that provides TB treatment services as well as skin tests for employment and immigration services. The SAFE Program is a community-based framework to reduce the negative consequences of drug use by providing stigma-free access to harm reduction services, supplies and testing. The Oral Care Initiative works to decrease oral health disparities.

### **Probation - Alternative Interventions for Women (“AIW”)<sup>3</sup>**

Through the Court Clinic, AIW provides a continuum of early identification, assessment, care coordination, and treatment for non-violent, court-involved individuals who have co-occurring mental health and substance abuse disorders.

### **St. Vincent de Paul Charitable Pharmacy**

The Charitable Pharmacy is a last resort safety net for those who have no other way to access their prescription medications. The pharmacy provides, at no cost, prescription medications, medication management and education, and health screenings and medical home placement with an on-site nurse practitioner.

### **Strategies to End Homelessness**

Strategies to End Homelessness leads a coordinated community effort with a goal to end homelessness in Greater Cincinnati through implementation of the Homeless to Home plan adopted by the City of Cincinnati and the Hamilton County Board of County Commissioners. Levy funds support health care services operations within the five shelters in the Homeless to Homes Shelter Collaborative.

### **HERCincinnati – Off the Streets<sup>4</sup>**

OTS is a residential, evidence-based program serving the needs of women with histories of sex trafficking and exploitation. The program has a capacity of 24 women which live in the OTS safehouse with an average stay of 30 days to 18 months

### **Hamilton County Probate Court**

The Probate Court oversees the civil commitment process of persons alleged to be mentally ill or intellectually disabled and who require involuntary psychiatric treatment. The Levy funds attorney

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<sup>3</sup> During the Levy review, it was noted that the demographics of the population served by AIW and Off the Streets was heavily Caucasian and minority populations appear to be underserved. This was a concern to the TLRC and the agencies involved. While the agencies offered possible theories as to the underrepresentation of minority populations, the actual cause of the underrepresentation is unclear. An analysis to identify the root cause of the discrepancy is outside the scope of the TLRC’s review process and should, perhaps, be addressed by a county entity with more oversight authority.

fees for client representation, doctor fees for medical evaluation, sheriff fees for transportation, associated Probate Court staff, and court fees.

### **III. Recommendations (Appendix A)**

#### **Recommendation 1: The Levy should be placed on the November 2022 ballot at the current millage rate.**

Assuming no changes to current conditions, the anticipated revenues from the Levy over the next cycle (2023-2027) appear to be sufficient to meet the expected expenditures over the next levy cycle. Accordingly, it is the recommendation that the Levy be placed on the November 2022 ballot at the current millage rate of 4.07 mills. However, as fully explained in the recommendations to follow, the TLRC is recommending changes to the allocation of the funds between agencies, including the introduction of a cost containment plan for Sheriff's Health Care and Sheriff's Staffing.

#### **Recommendation 2: Implement Memorandums of Understanding (MOUs) with county agencies and other organizations that do not have a levy-related contract for consistency across the Levy.**

The structure of the Levy is unique. It involves multiple agencies, both county and non-county. Some agencies have levy-related contracts and others do not. Agencies joined the Levy at different times and under different circumstances. As a result, the requirements for contracting, compliance, and reporting are not consistent across agencies. This lack of consistency has led to potentially underutilized funds and a lack of clarity on the allowable use of funds within programs. Accordingly, the TLRC is recommending the development of Memorandums of Understanding (MOUs) for any agency that does not have a levy-related contract. Additionally, levy-related MOUs and contracts should include the following

- County agency providing the program,
- Overview of the program to be funded,
- Determination of levy eligibility for the program/clients served,
- A five-year funding plan for the program,
- A policy on uses of unspent program budgets (including handling of prior year encumbrances), and
- Annual reporting requirements for the program including:
  - Annual expenses and revenues by line item and program area,
  - Listing of subcontracted agencies funded including contract amounts and actual expenses to date and projected, and
  - Program outcomes.

- Measures to be developed and included in the MOU document could include, number clients served, demographics, recidivism rate, length of participation.

### **Recommendation 3: Implement a cost containment plan for the Sheriff's Inmate Health Care Contract and Inmate Health Care Staffing.**

In both the 2014 and 2017 recommendations regarding the Levy, the TLRC raised concerns regarding the dizzying pace of funding increases for both Sheriff's Health Care and Sheriff's Staffing. From 2015-2021, costs increased rapidly (costs for 2020 were lower due to use of CARES funding during the COVID pandemic):

	2015	2016	2017	2018	2019	2020	2021
Sheriff's Health Care	7,290,813	7,082,385	6,463,846	6,712,578	8,156,256	7,878,871	8,094,032
Sheriff's Staffing	4,695,663	5,462,525	5,623,897	5,530,595	6,127,432	3,793,283	6,998,579

Costs for 2023-27 are expected to continue to increase:

	2023	2024	2025	2026	2027
Sheriff's Health Care	8,000,000	8,220,000	8,500,000	8,720,000	9,095,910
Sheriff's Staffing	7,176,134	7,534,941	7,911,688	8,307,272	8,722,636

As a result of this unchecked growth, Sheriff's Health Care and Sheriff's Staffing consumes a larger percentage of levy revenue every year. By 2027, if nothing is done to contain costs, the Sheriff's Health Care and Sheriff's Staffing combined expenditures will be larger than those of UCMC and CCHMC combined. As discussed in both the TLRC's 2014 and 2017 recommendations, such growth precludes spending Levy funds on other needed programs and services. Additionally, Sheriff's Health Care and Sheriff's Staffing are legally mandated services and, therefore, must be funded regardless of whether the Levy does or does not pass. Including Sheriff Health Care and Sheriff's Staffing in the Levy puts the County at financial risk in the event the Levy does not pass because the County still would be required to fund the programs.

With these risks in mind, the TLRC asked the Sheriff's Office assistance in identifying possible causes of the growth in costs. The majority of the cost for Sheriff's Health Care is established in the NaphCare contract and is fixed within the terms of the contract award and therefore, not within the control of the Sheriff's Office. Consequently, the TLRC focused its attention on the Sheriff's Staffing costs. With the help of representatives from the Sheriff's Office, the TLRC embarked on an analysis of the staffing expenditures.

When Sheriff's Staffing was added to the Levy, it was structured so that the Levy paid for 66 FTE, which covered the officers assigned to the medical unit and medical pods and those involved

in the transport of inmates to outside medical facilities. Specific officers are assigned to one of those staffing positions, and the Levy funds the regular salary, overtime, and benefits associated with a specific officer. An analysis of the Sheriff's Staffing budget identified overtime as a potential driver of the increased cost of Sheriff's Staffing.

In the last five years, the cost of overtime funded by the Levy has increase 319%. With the help of representatives from the Sheriff's Office, the TLRC determined that the rapid increase may be related to how Sheriff's Staffing is structured. As explained, Levy funding follows individual officers assigned to a Levy-funded medical position. If a Levy-funded officer works overtime in another area of the jail, the cost of that overtime is charged to the Levy regardless of whether the overtime is worked in a medical unit or non-medical area. Likewise, if an officer in a non-Levy position works overtime in a medical unit, the overtime is not funded by the Levy. In a perfect world, the overtime worked by a Levy-funded officer and a non-Levy-funded officer would balance out, but given the current structure, it is unknown if that is the case.

To address the problem, the Sheriff's Office has proposed that overtime going forward will be coded as medical or non-medical, with only medical overtime costs being charged to the Levy fund. The TLRC supports this proposal and recommends that the Sheriff's Office institute this coding of medical overtime in order to have a clearer understanding of Sheriff's Staffing at the next Levy review. Even if medical overtime coding began immediately, it is unclear whether overtime coding, in and of itself, will significantly reduce the cost of Sheriff's Staffing. In order to achieve the necessary reduction in Sheriff's Staffing, the TLRC recommends that funding for overtime be completely removed from the Levy and be funded by another source.

Even with the elimination of funding for overtime, the Sheriff's Health Care and Sheriff's Staffing will continue to grow at an unsustainable rate for the Levy to absorb. Therefore, the TLRC additionally recommends that funding for Sheriff's Health Care and Sheriff's Staffing combined be capped at 38% of the Levy expenditures, and expenditures in excess of this 38% cap be funded by another source.

In sum, the TLRC strongly recommends that:

- The Sheriff's Office begin coding overtime for a better understanding of overtime allocation,
- Funding for overtime in Sheriff's Staffing be removed from the Levy, and
- Funding for Sheriff's Health Care and Sheriff's Staffing be capped at 38% of Levy expenditures.

**Recommendation 4: Additional funding requests from requesting agencies should be approved.**

- **Public Health: Tuberculosis Control** – \$40,000 increase

The services provided under the tuberculosis control program are mandated by the state. Since 2014, levy funding for this program as decreased by 10.42%. At the same time medication and staffing costs have increased. Specifically, the cost for the multi-drug-resistant medication required for treatment is expected to increase significantly over the next 12 months, an increase that is expected to be exacerbated by a worsening drug shortage. For these reasons, the TLRC is strongly recommending that the increased funding request should be approved.

- **Public Health: SAFE Program** – \$50,000 increase

In 2018, Hamilton County Public Health assumed the Syringe Service Program from UCMC and began running the HCPH Narcan Distribution program in 2019. Since 2018, HIV cases in Hamilton County have decreased even as regional cases have increased. Much of the program's funding comes from local, state, and federal grants, but syringes cannot be funded by those grants. Accordingly, the Levy is currently the sole funder of the county's syringes. Additionally, the program's supply of NARCAN is funded by the Levy. The program has grown by adding an additional site and an additional day of the week. The requested increase will help fund that growth. The TLRC is strongly recommending that the increased funding request should be approved.

- **St. Vincent de Paul Charitable Pharmacy** – \$50,000 increase

The Charitable Pharmacy continues to punch above its weight by providing free prescriptions and other medical management services to the non-insured and under-insured. Since the last levy cycle, the Charitable Pharmacy has expanded its service by providing an on-site Nurse Practitioner that serves has a medical home for many of its clients, and it has increased its hours of operation at its two locations. Between 2019-2021, there has been a 55% increase in the number of residents served and a 58% increase in its hours of operation. Every \$1 of levy funding for this program leverages \$59 in free pharmaceuticals for Hamilton County residents. The TLRC strongly recommends that the \$50,000 funding increase be approved to help fund the increased service being provided by this invaluable agency.

- **Strategies to End Homelessness** - \$200,000 increase

Strategies to End Homelessness was greatly impacted by the COVID-19 pandemic as they had to transition clients from congregate shelters to hotels/motels. While funding from federal sources was vital to this endeavor, the costs per bed night significantly increased. Even without the impact of the pandemic, shelter expenses continue to greatly exceed the



Levy funding. Additionally, there is an expectation that the shelter population will increase significantly in the next year as the effects of the pandemic continue to be felt by the community. Levy funding was reduced by \$200,000 in 2018 in across-the-board cuts; the TLRC is strongly recommending that the funding be restored for the next levy cycle.

- **Probate Court - \$140,000**

For several years, the Probate Court has approached the TLRC and other potential funding sources for the funds to hire a second Guardianship investigator to care for the medical and financial needs of those deemed incompetent under Ohio law. The Guardianship investigator assures that those under guardianships receive appropriate medical care and have their basic needs met. There is currently only one Guardianship investigator to serve the approximately 500 new filings per year. There has been a dire need for a second investigator for several years. In its assessment, PCG believes that providing funding for a second investigator would meet the requirements for funding under the Levy by meeting both the indigent criteria and the resident criteria. For these reasons, the TLRC is strongly recommending that the increased funding request should be approved.

**Recommendation 5: Hamilton County Public Health's Oral Care Initiative funding should be reduced by \$30,000 per year until unspent levy funds from the 2017-2022 cycle are depleted.**

Funding for the Hamilton County Public Health's Oral Care Initiative was added to the Levy in 2017. It has taken time for the program to develop, and this development was further hampered by the COVID-19 pandemic. Additionally, leadership of the program is in transition. As a result of these difficulties, a portion of the funding granted in the last levy cycle remains unspent. Based on discussions with the agency, it appears that the program will be growing with an emphasis on collaborating with UCMC on its dental initiatives. While the program is in transition, the TLRC is recommending that the program's funding be decreased by \$30,000 per year until the unspent funds from the 2017-2022 cycle are depleted. This program has the full support of the TLRC, and we look forward to hearing about its new direction at the mid-cycle review.

**Recommendation 6: MHSRB should release approximately \$1.3 million in encumbered funds received from the Levy in 2018.**

Due to a substantial lag time involving Medicaid payments and agencies' invoicing practices, MHSRB often has encumbered funds from prior Levy years in its budget. Normally, these funds are not unduly excessive. In 2018, however, MHSRB received several federal grants, which increased the amount of its 2018 encumbered funds to approximately \$1.3 million. Given the passage of time, it is unlikely that those funds will be depleted by 2018 expenditures.

Accordingly, the TLRC strongly recommends that MHSRB release the funds back to the Levy so that they can be used for other Levy expenditures. In order to avoid such a situation in the future, the TLRC is recommending the institution of MOUs that include a Levy-wide policy regarding unspent funds (see Recommendation 2).

**Recommendation 7: Authorize Hamilton County Probation to fund Alternative Interventions for Men out of its current AIW Levy funding.**

In addition to the AIW program, Hamilton County Probation has Alternative Interventions for Men (“AIM”), a less intensive program with similar goals as AIW. Probation has requested that it be allowed to use some of its Levy funding on the AIM program. The TLRC recommends this change as it will not require any increase in funding and is merely a reallocation of funds.

**Recommendation 8: Replace the Net Community Benefit test as a requirement for UCMC and CCHMC under their Levy contract and replace it with a benchmark of a proportion of total expenses as reported on Schedule H of IRS Form 990.**

In order to comply with their levy contracts, UCMC and CCHMC must meet a Net Community Benefit test. Both UCMC and CCHMC regularly exceed this test requirement by millions of dollars, to the point where the requirement does not provide a meaningful evaluation of UCMC’s and CCHMC’s performance under their contracts. PCG has recommended that this requirement be replaced by a more meaningful benchmark and has suggested a benchmark of a proportion of total expenses as reported on Schedule H of IRS Form 990. The TLRC strongly agrees with this recommendation. Compliance with the Net Community Benefit test does not provide the TLRC with any meaningful information to evaluate the hospitals’ performance under the contracts; thus, the TLRC strongly recommends this change in benchmarks.

This subcommittee appreciates the opportunity to serve the citizens of Hamilton County, and we thank the hospitals and all of the agencies spending time and resources to assist us in our review.

Sincerely,

Indigent Care Subcommittee  
Jeanette Hargreaves, Chair  
Robert Furnier  
Gwen McFarlin

## APPENDIX A

### TLRC Recommended Levy Plan

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>LEVY PLAN</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Beginning carryover</b>	<b>6,376,973</b>	<b>6,717,333</b>	<b>6,948,411</b>	<b>6,904,381</b>	<b>6,639,243</b>
<b>REVENUES (Total)</b>	<b>40,416,306</b>	<b>40,621,212</b>	<b>40,826,118</b>	<b>41,031,024</b>	<b>41,235,929</b>
Tax Levy	40,116,306	40,321,212	40,526,118	40,731,024	40,935,929
Sheriff's Revenue	300,000	300,000	300,000	300,000	300,000
Transfer from GF	-	-	-	-	-
Other	-	-	-	-	-
<b>EXPENDITURES (Total)</b>	<b>40,075,946</b>	<b>40,390,134</b>	<b>40,870,148</b>	<b>41,296,163</b>	<b>41,984,267</b>
University Hospital	13,410,000	13,410,000	13,410,000	13,410,000	13,410,000
Childrens Hospital	4,230,000	4,230,000	4,230,000	4,230,000	4,230,000
Sheriff - Inmate Health Care Contracts	8,000,000	8,220,000	8,500,000	8,720,000	9,095,910
Sheriff - Inmate Health Care Staffing	6,472,946	6,667,134	6,867,148	7,073,163	7,285,357
Mental Health and Recovery Services Board	2,580,000	2,580,000	2,580,000	2,580,000	2,580,000
Public Health - TB Control	888,000	888,000	888,000	888,000	888,000
Public Health - Safe Program	200,000	200,000	200,000	200,000	200,000
Public Health - Oral Care Initiative	85,000	85,000	85,000	85,000	85,000
Probation - Alternative Interventions for Women/Men	425,000	425,000	425,000	425,000	425,000
Charitable Pharmacy	200,000	200,000	200,000	200,000	200,000
Homeless Medical Facility Coordination	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Off the Streets	65,000	65,000	65,000	65,000	65,000
Probate Court Medical	790,000	790,000	790,000	790,000	790,000
Auditor and Treasurer Fees	550,000	550,000	550,000	550,000	550,000
Administration and Indirect Cost	180,000	80,000	80,000	80,000	180,000
<b>Ending Carryover</b>	<b>6,717,333</b>	<b>6,948,411</b>	<b>6,904,381</b>	<b>6,639,243</b>	<b>5,890,904</b>