



Ohio Revised Code

Section 340.036 Authority of board to contract for services and supports.

Effective: March 30, 2026

Legislation: House Bill 96 (GA 136), Senate Bill 138 (GA 136)

(A) Subject to division (B) of this section and rules adopted by the director of behavioral health after consultation with relevant constituencies as required by division (A)(10) of section 5119.21 of the Revised Code, each board of alcohol, drug addiction, and mental health services shall provide for the continuum of care pursuant to section 340.032 of the Revised Code by entering into contracts with all of the following:

- (1) Public and private facilities for the operation of facility services;
- (2) Community addiction services providers for addiction services and recovery supports;
- (3) Community mental health services providers for mental health services and recovery supports.

(B) No board shall do any of the following:

- (1) Contract with a residential facility required to be licensed under section 5119.34 of the Revised Code unless the facility is so licensed;
- (2) Contract with a community addiction services provider or community mental health services provider for certifiable services and supports unless the certifiable services and supports are certified under section 5119.36 of the Revised Code;
- (3) Contract with a community addiction services provider or community mental health services provider for recovery supports that are required by the director to meet quality criteria or core competencies unless the recovery supports meet the criteria or competencies.

(C) When a board contracts with a community addiction services provider or community mental health services provider for addiction services, mental health services, or recovery supports, all of the following apply:



- (1) The board shall consider both of the following:
 - (a) The cost effectiveness and quality of the provider's services and supports;
 - (b) Continuity of care.
- (2) The board may review cost elements specific to the provider's services and supports under contract with the board.
- (3) The board may establish, in a way that is most effective and efficient in meeting local needs, a utilization review process as part of the contract.
- (4) The board may contract with a government entity, for-profit entity, or nonprofit entity. Any such entity may be faith-based.
- (5) The contract shall include terms that specify a process by which either contracting party may terminate the contract before it is scheduled to expire, with at least thirty days' notice, for any cause the party considers necessary for the early termination of the contract. The process shall include procedures under which the party subject to the early termination decision may appeal that decision to the terminating party's governing board.
- (6) The contract shall provide for the transition of care, when applicable to client services, for an additional sixty days under the terms of the current contract, in both of the following circumstances:
 - (a) If notice is provided that the contract will be terminated early as permitted under the terms of the contract pursuant to division (C)(5) of this section;
 - (b) If the contract is not entered into for a subsequent term pursuant to division (D) of this section.
- (D) If a party to a contract entered into under this section intends not to enter into a contract for a subsequent term, the other party shall be given written notice at least sixty days before the expiration date of the current contract. If neither party provides such notice, a subsequent contract shall be



entered into upon successful negotiation of contract terms.

(E) Section 307.86 of the Revised Code does not apply to contracts entered into under this section, but a board of alcohol, drug addiction, and mental health services may choose to use a competitive selection process to enter into contracts for services and supports. The board's selection determinations shall allow for compliance with the notice requirements of divisions (C)(5) and (D) of this section. Any competitive selection process used under this section shall prohibit conflicts of interest and shall include the following elements:

- (1) Notice of opportunity for submission of applications for contracts;
- (2) Eligibility criteria for applicants;
- (3) Consideration of the scope of services and supports proposed by applicants;
- (4) Selection criteria;
- (5) Timelines for application submission and the award of contracts.

The Legislative Service Commission presents the text of this section as a composite of the section as amended by multiple acts of the General Assembly. This presentation recognizes the principle stated in R.C. 1.52(B) that amendments are to be harmonized if reasonably capable of simultaneous operation.