

## Advocates for Ohio's Future

Testimony to the Ohio House of Representatives Finance Committee HB 96, Main Operating Budget FY2026-FY2027 March 13, 2025

Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the House Finance Committee, thank you for the opportunity to provide written testimony on the as-introduced state budget. My name is Sarah Hudacek and I am the Coalition Manager of Advocates for Ohio's Future. Advocates for Ohio's Future (AOF) is a nonprofit, nonpartisan coalition of state and local health and human services policy, advocacy and provider organizations that strive to strengthen families and communities through health, human services, and early care & education.

## Supporting Kids & Families

AOF is supportive of multiple provisions in the as-introduced budget, including the much-needed investments in work supports for families with kids, such as the proposed refundable Child Tax Credit, which would provide eligible working families up to \$1,000 per child, and the combined expansion of Publicly Funded Child Care initial eligibility to 160 percent of the Federal Poverty Level (FPL) and the continuation of the Child Care Choice Voucher program to serve families up to 200 percent FPL.

## Investments in Health & Human Services Programs and Systems

AOF was founded 15 years ago with the recognition that Ohioans don't live their lives in siloes and that unaddressed needs will follow a person throughout their life span. A person facing food insecurity, for example, might also be facing housing insecurity. Needs are often not isolated to one area of life. Our public policy and funding choices should reflect the interconnectedness of health and human services and invest in systems that can truly wrap around Ohioans in communities across the state.

To further that vision, AOF supports the asks of our member organizations to increase investments in Adult Protect Services, the State Child Protection allocation for county Children Services Agencies, the local Child Support Enforcement Agency line, County Departments of Job and Family Services operations, county Family and Children First Councils operations (HC0196), the Senior Community Services program, and in food supports, including the Ohio Association of Foodbanks (HC0286) and Children's Hunger Network (HC0483).

Consistently in coalition meetings, AOF members report facing increasing levels of need in the community, often outpacing levels of need seen during the height of the pandemic. For areas where levels of need have

remained steady or even decreased from 2020 levels, costs have surged. Flat funding is not sufficient to maintain the status quo.

Being able to reach and serve Ohioans quicker and more efficiently across the aforementioned programs and systems is a sound investment for the state, both in the overall health and well-being of Ohioans, and the return on investment from the decreased cost of future, more complex needs. AOF respectfully asks this committee for your support of these additional provisions.

## Medicaid Trigger Language

AOF is a broad-based coalition of organizations that focus on behavioral health, children and families, disability services, aging, food and nutrition, housing, education, and more, and it cannot be overstated the extent to which any changes to the Medicaid program would ripple throughout the health and human services spectrum.

More than 3 million Ohioans are served by Medicaid, including more than 770,000 who are enrolled through Medicaid expansion. These 770,000 Ohioans would be cut off from all Medicaid services if the provision included in the as-introduced budget to end Group VIII coverage in Ohio if the federal government lowers its Federal Medical Assistance Percentage (FMAP) for that group were to be triggered. This provision would have an immediate effect on Ohioans earning up to 138 percent of the Federal Poverty Level (FPL), which for a family of four in 2025 is just \$44,367 per year.

Ohioans cut out of Medicaid by this trigger would face a difficult landscape of alternatives to coverage. Employees earning less than 200 percent FPL are less likely to work for an employer who offers insurance, and less likely to be eligible for that insurance, than higher income workers.<sup>3</sup>

Those who are eligible for employer coverage may face high out-of-pocket costs, with high insurance premiums and high deductibles relative to their income. The Healthcare.gov Marketplace may not fill this coverage gap, either, because premium tax credits to assist with the monthly cost of insurance are limited to those above 100 percent FPL.<sup>4</sup> It makes sense, then, that research shows that the majority of people become uninsured after losing Medicaid.<sup>5</sup>

In this new reality, low-income Ohioans would be more likely to delay preventive care until health needs become crises, leading to poorer health outcomes, higher costs of care, and potential loss of life. When it comes to children, data shows a correlation between parents' Medicaid enrollment and children's enrollment, meaning that when parents lose Medicaid coverage, children are more likely to lose coverage, as well, so the ripple effect of lost Medicaid coverage continues.

Medicaid expansion is a shared state and federal expense, with the federal government covering 90 percent of the costs of services and the state covering just 10 percent. The trigger provision would eliminate

<sup>&</sup>lt;sup>1</sup> Ohio Department of Medicaid Demographic and Expenditure Dashboard

<sup>&</sup>lt;sup>2</sup> Section 126.70

<sup>&</sup>lt;sup>3</sup> Peterson-KFF Health System Tracker: https://www.healthsystemtracker.org/chart-collection/trends-in-employer-based-health-coverage/

<sup>&</sup>lt;sup>4</sup> KFF: https://www.kff.org/affordable-care-act/issue-brief/explaining-health-care-reform-questions-about-health-insurance-subsidies/

<sup>&</sup>lt;sup>5</sup> https://www.kff.org/medicaid/issue-brief/what-happens-after-people-lose-medicaid-coverage/

expansion coverage if the FMAP drops by even 1 percent.

AOF respectfully asks this committee to evaluate the impact of this trigger on the state and across systems, and to consider changing the provision from "shall" to "may" in order to allow this body greater flexibility to react with Ohioans' best interests in mind.

Thank you for the opportunity to submit written comments, and for your time and your diligence throughout this budget process. I welcome questions via email at shudacek@communitysolutions.com.

Advocates for Ohio's Future
175 S. Third Street Suite 350 | Columbus Ohio 43215
www.advocatesforohio.org | shudacek@communitysolutions.com