

March 13, 2025

Ohio House Finance Committee Interested Party Testimony on HB 96

Chairman Stewart, Vice Chair Dovilla, Ranking Member Sweeney and members of the House Finance Committee, thank you for your time today to share our perspective on the as-introduced state budget, HB 96. My name is Tara Britton and I'm the Director of Public Policy at The Center for Community Solutions, a nonprofit, nonpartisan think tank focused on improving health, social and economic conditions for Ohioans. Our priorities in the budget are tied directly to our mission.

The Governor's budget, overall, continues to strengthen Ohio families and while there is more to be done, our view is that this is a solid starting point to move through the budget process. I will begin today though with our main area of concern. We are concerned about the so-called "trigger" language in HB 96 that would mean an end to the Medicaid expansion in Ohio if the federal government adjusts its share of the costs.

Medicaid expansion covers about 770,000 Ohioans, including about 362,000 in rural Ohio counties.¹ Pulling coverage out from under almost 800,000 Ohioans won't just impact those individuals, it will also impact hospitals and other providers, especially in rural areas where Medicaid covers a greater share of total health care expenses. Additionally, this will impact local economies when people inevitably become uninsured and families whose breadwinners lose health care access, because parents above 90% FPL are covered under the expansion eligibility category.

Eliminating the expansion category would create a coverage gap, when an individual's income is too low to qualify for coverage on the health insurance exchange but too high to qualify for Medicaid. Without expansion, as experienced in the states who have not adopted it, there are few options for accessing health insurance coverage. The data from non-expansion states outlines the impact of this coverage gap quite starkly with higher uninsurance rates and less access to any affordable coverage, even for those who are working.

- "Uninsured rates in states without Medicaid expansion are nearly twice as high as those Expansion states (14.1% vs. 7.6%)"
- "Nearly 60% of people in the coverage gap are in a family with a worker and over 40% are working themselves. However, these individuals work in low-wage jobs that leave them below the poverty level and often work for employers that do not offer affordable job-based insurance. Over half (53%) of workers in the coverage gap are in the service, retail, and construction industries, with common jobs including cashiers, cooks, servers, construction

¹ <u>https://www.healthmanagement.com/blog/could-congress-compromise-ohios-budget-through-</u> medicaid/#:~:text=There%20has%20been%20some%20discussion,particularly%20for%20behavioral%20he alth%20providers.

laborers, housekeepers, retail salespeople, and janitors. In non-expansion states, even part-time work can make parents ineligible for Medicaid."²

We know that Medicaid expansion provides an important ramp toward self-sufficiency. Half of Ohioans who are eligible for Medicaid expansion are employed. According to U.S. Census Data, in 2023 49.7% of working age adults below 125% of the Federal Poverty Level between the ages of 16-64 worked at least part of the time for at least part of the year. It would be prudent for Ohio to assess the impact on the workforce and to employers if Medicaid expansion was eliminated.

We recognize that the administration and the legislature are in a challenging position as it relates to balancing the state budget with potentially fewer federal resources available. Other states have explored how to address this, with some who have adopted measures to more thoroughly assess the situation than a hard "trigger." Iowa, Idaho and New Mexico have all adopted approaches that allow a more careful exploration of the impact of ending expansion and potential mitigation of both cost increases and coverage losses. Ohio could do the same with removal of the trigger language and a more careful assessment, perhaps changing "shall" to "may", exploring a different FMAP level at which the hard "trigger" is enforced, and looking at options for a general medical assistance program funded through a combination of dollars (local funds, creation of a state trust fund) etc. (Included below is the exact language from these states).

Exact language from states with approaches other than a trigger:

- New Mexico, HB2 (2022): "Should the federal government reduce or rescind the federal medical assistance percentage rates established by the federal Patient Protection and Affordable Care Act, the human services department shall reduce or rescind eligibility for the new adult category."
- Iowa, Chapter 249N Iowa Health and Wellness Plan:
 - "If the methodology for calculating the federal medical assistance percentage for eligible individuals, as provided in 42 U.S.C. §1396d(y), is modified through federal law or regulation, in a manner that reduces the percentage of federal assistance to the state in a manner inconsistent with 42 U.S.C. §1396d(y), or if federal law or regulation affecting eligibility or benefits for the Iowa health and wellness plan is modified, the department may implement an alternative plan as specified in the medical assistance state plan or waiver for coverage of the affected population, subject to prior, statutory approval of implementation of the alternative plan.
 - b. If the methodology for calculating the federal medical assistance percentage for eligible individuals, as provided in 42 U.S.C. \$1396d(y), is modified through federal law or regulation resulting in a reduction of the percentage of federal assistance to the state below ninety percent but not below eighty-five percent, the medical assistance program reimbursement rates for inpatient and outpatient hospital services shall be reduced by a like percentage in the succeeding fiscal year, subject to prior, statutory approval of implementation of the reduction.
- Idaho, Section 56-267 Idaho State Legislature: "If federal financial participation for persons identified in subsection (1) of this section is reduced below the ninety percent (90%) commitment described in section 1905(y) of the social security act,

² <u>https://www.kff.org/medicaid/issue-brief/how-many-uninsured-are-in-the-coverage-gap-and-how-many-could-be-eligible-if-all-states-adopted-the-medicaid-expansion/</u>

then the senate and house of representatives health and welfare committees shall, as soon as practicable, review the effects of such reduction and make a recommendation to the legislature as to whether medicaid eligibility expansion should remain in effect. The review and recommendation described in this subsection shall be conducted by the date of adjournment of the regular legislative session following the date of reduction in federal financial participation."

Improve coordination, efficiency, and access across public benefits, including Medicaid, SNAP, TANF and WIC.

While there is continued support for operations of these programs at the state and county levels in the as-introduced budget, funding has not kept pace with growth in enrollment and costs. Overall, we are supportive of increasing administrative dollars so that they can keep pace with the growing complexity and enrollment in programs that are administered through the counties.

Included in our work to improve coordination, efficiency and access, we have closely examined the TANF budget over the last several budget cycles. We have worked closely with JFS over the years to ensure we are comparing apples to apples across budget cycles. We are also working to better understand what is contributing to the TANF carry forward, or underspend, and how to ensure this figure is budgeted more accurately, rather than the moving target it has been over the last several budget cycles. Ultimately, what all these questions tell us is that the nature of a block grant, like TANF, means we have a limited amount of dollars for an expanding and increasing set of needs. Block grants' value erodes over time and the design limits the ability of states to respond to needs. TANF is aimed at reducing poverty, but shouldn't be the only resource committed to this effort.

Child Tax Credit

We are supportive of the Governor's proposal to create a child tax credit. Tax policy is an efficient and effective means to incentivize work while supporting families. Across the country, refundable tax credits had the effect of lifting 6.4 million Americans out of poverty in 2023, over half of them children. Refundable tax credits had a greater positive impact on child poverty than any other public program inclusive of hunger assistance, housing subsidies, and direct payments via child support, cash assistance or social security.

Advocate for solutions to health and human services issues that address the needs of Ohioans of every age.

Governor DeWine's budget continues his focus on kids and families with kids, with policies that look to build on work done to date. Older adults have been less of a focus of the DeWine administration, but there have been investments for this population and policy advancements. The <u>PACE program</u> was expanded over the last few years into more counties around the state and this is maintained in the current budget proposal. While the absence of federal COVID relief dollars has been felt across the budget, it has meant the elimination of Healthy Aging grants in the Department of Aging's budget. Overall, the Department's budget is flat-funded, despite a growing older adult population. We were glad to hear the interest of this committee in addressing the needs of older Ohioans and stand ready to support those efforts.

Implement strategies to improve maternal health, with a focus on those most impacted by severe outcomes and death.

The as-introduced budget includes an expansion of Family Connects and supports home visiting programs for new moms and their families. As it relates to maternal health, the state should be further leveraging Medicaid to make improvements to maternal health and improving outcomes, especially given that about half of all births are covered by Medicaid. We are supportive of the recent focus on improving enrollment in the WIC program in Ohio and would be interested in having further conversations about ensuring that every mom who is enrolled in Medicaid during pregnancy/birth is actively connected to WIC, to determine eligibility, and then enrolled in the program if eligible.

Ohio joined the national Alliance for Innovation on Maternal Health or AIM in 2020 which engages states in a process to implement clinical patient safety bundles that are designed around leading causes of maternal mortality and morbidity. We are making progress, but we have not adopted all of the available patient safety bundles that exist. This includes the patient safety bundles designed around care for pregnant and postpartum people with substance use disorders nor have we adopted the bundle around perinatal mental health, both of which are linked to the leading cause of maternal deaths in Ohio, according to 2017-2018 data included in the most recent report released in 2022. We would encourage Ohio to move toward further adopting patient safety bundles that have been shown to improve maternal health outcomes.

Support the continuum of care for children and youth with behavioral health needs.

Governor DeWine's proposed budget includes continued support for the OhioRISE program and school-based health centers that can reach students in school who have behavioral health needs. The budget also includes funding to expand the Youth Mobile Response and Stabilization Services (MRSS) to all 88 counties in Ohio. MRSS provides structured support to youth under 21 years of age with a behavioral health crisis, including in-home care in the period immediately following a crisis. We are supportive of these efforts that will continue to improve services and availability for youth in need across the state.

Ensure Summer EBT (SunBucks) has adequate funding and infrastructure.

The budget includes funding for the state's portion of administering the Summer EBT program, now known as SunBucks. Community Solutions recently issued a report documenting the experiences of families and school districts with the first year of Summer EBT (2024). Summer EBT provided critical nutrition assistance to 1.2 million Ohio children in 2024, exceeding expectations. Families appreciated the timing of the benefits, ease of enrollment, and the dignity the program provides. The school administrators interviewed found Summer EBT to operate more smoothly than the program's predecessor (Pandemic EBT) and was not overly burdensome for schools to participate. We are pleased to see continued support for this program in the budget proposal and stand ready to help in any way we can to expand awareness of the program.

Advocate for additional funding for harm reduction.

While we did not see a restoration of the dedicated harm reduction line item in the Ohio Department of Health's budget, the Department of Mental Health and Addiction Services does include an array of harm reduction related programming and a new level of flexibility in the state's funding for local alcohol, drug addiction and mental health services (ADAMHS) boards, which can be used for local harm reduction needs. We are also pleased to see that the as-introduced budget expands, beyond fentanyl testing strips, the items that may be lawfully possessed and used to test for the presence of drugs and to prevent drug poisoning, without being considered in violation of the prohibition against drug paraphernalia. By permitting individuals to acquire the tools they need to make an informed decision, we can enable proper risk management and allow them to take whatever steps are necessary to reduce the possible harm they face.

Community Solutions' mission is to improve health, social and economic conditions, which span several issues and thus, several state agencies, so we appreciate the committee's attention today to an array of health and human services priorities. I would be happy to answer any questions, today or in follow-up conversations, via tbritton@communitysolutions.com. Thank you!