

Good afternoon Chair Stewart, Ranking Member Sweeney, and members of the Finance Committee,

I'm Amy Rohling McGee, the President of the Health Policy Institute of Ohio (HPIO). Thank you for the opportunity to present interested party testimony on the provision of House Bill 96 to eliminate medical assistance for people in the Medicaid expansion group (also referred to as Group VIII) if the federal match drops below 90%.

HPIO is a non-partisan and independent health policy research organization. HPIO's work is grounded in both data and evidence.

How many Ohioans are enrolled in Medicaid through expanded eligibility (Group VIII) ?

More than 770,000 Ohioans (over 6% of the total population) are enrolled in Medicaid through Group VIII. The highest rates of enrollment in this group are found in metropolitan and Appalachian counties, as displayed on page 1 of the attached document. Group VIII coverage includes adults ages 19 to 64 who have incomes less than 138% of the federal poverty level.

How has Medicaid expansion affected insurance coverage in Ohio?

The expansion of Medicaid eligibility has been a major contributor to Ohio's uninsured rate dropping by half, from 14% in 2010 to 7% in 2022. Ohio is ranked 16th best in the nation for uninsured rate, according to HPIO's 2024 Health Value Dashboard.

As displayed on page 2 of the attachment, the percentage of working-age Ohio adults (ages 19-64) with lower incomes who are uninsured dropped by 62% from 2012 to 2023 and the percentage who are enrolled in Medicaid increased by 61%.

While a relatively small number of those currently enrolled in Medicaid through expanded eligibility may retain coverage through other Medicaid groups or be able to access private insurance, most will likely lose their coverage, reversing a decade-long trend of lower uninsured rates in Ohio.

People with Medicaid expansion coverage have a wide variety of life experiences. In 2018, the Ohio Department of Medicaid reported that 94% of Group VIII enrollees were either employed, in school, taking care of family members (such as children or grandchildren), or dealing with mental health, substance use and/or physical health conditions.

As also displayed on page 2, people with lower incomes are less likely than people with higher incomes to both work for an employer that offers health insurance and to be eligible for that insurance. Eligibility for health insurance is often based on the number of hours worked, and a worker may not be scheduled for enough hours to qualify.

The graphic on page 3 provides examples of the types of jobs that have an average pay that, depending on household circumstances, could make Ohioans eligible for Group VIII Medicaid.

State budget and economic impacts

While discontinuing Group VIII coverage would result in reduced state spending through Medicaid, this policy decision requires a more detailed analysis of potential direct costs and lost revenue.

For example, the state would need to pay for the total cost of inpatient care for people who are incarcerated, while currently the federal government pays 90% of this cost.

And the state would lose revenue generated by a tax and franchise fee on managed care plan revenues, as well as other income tax and sales tax revenue generated through the provision of healthcare to these enrollees.

Considerations include:

- determining the aggregate savings and costs of eliminating Medicaid expansion coverage
- analyzing how these costs and savings change if FMAP drops incrementally, such as to 85% or 75%

Mental health and addiction treatment access

According to KFF, a growing body of research finds that Medicaid expansion is associated with improvements in access to care and outcomes related to mental health care and substance use disorder. For example, Medicaid is the largest funding source of SUD treatment services in the nation.

As of 2018, 630,000 Ohioans enrolled in Group VIII have received treatment for mental illness and substance use disorder.

Considerations include understanding the implications of the loss of mental health and substance use disorder treatment services in Ohio.

Access and affordability

The percentage of Ohioans who went without care due to cost decreased 31% from 2013 to 2023. There was also a 26% decrease in people who did not have a usual source of care, from 19.3% in 2013 to 14.6% in 2022.

Considerations include determining how reduced access to affordable health care would affect Ohioans.

In closing, HPIO plans to release additional resources related to this policy decision in the coming weeks. The Institute also recently released the latest edition of its biennial Ohio Medicaid Basics, which provides an overview of the Ohio Medicaid program, including eligibility, covered services, spending and recent policy changes.

Thank you, Chair Stewart and members of the committee, for accepting our testimony on HB 96.



Policy considerations

The future of Group VIII (expansion) Medicaid coverage in Ohio

In 2014, when Ohio expanded Medicaid eligibility under the federal Affordable Care Act (ACA) to adults earning less than 138% of the federal poverty level (FPL), the federal government funded 100% of the expansion population (also known as Group VIII). The ACA laid out a schedule for reducing the federal match rate (FMAP) from 2016 to 2020 to its current 90%-10% split between federal and state government.

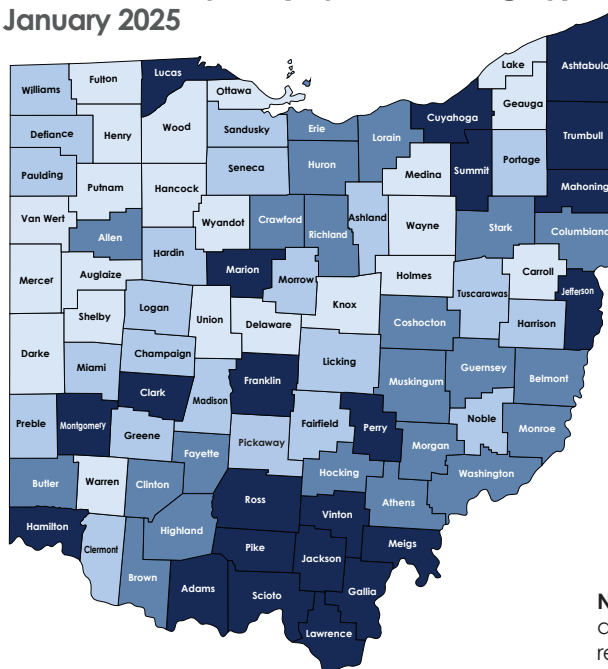
As the U.S. Congress deliberates plans to reduce federal spending, including proposals to drastically cut funding for Medicaid, Gov. Mike DeWine included a provision in his state budget proposal that if the federal share of Medicaid funding is reduced, the Ohio Department of Medicaid “shall immediately discontinue all medical assistance for members of the [Medicaid expansion] group.” This publication provides data and information on the current status of Medicaid expansion in Ohio and includes a series of policy considerations for state and federal leaders to consider.

How many Ohioans are enrolled in Medicaid through expanded eligibility?

More than 770,000 Ohioans (over 6% of the total population) are enrolled in Medicaid through Group VIII. The highest rates of enrollment in this group are found in metropolitan and Appalachian counties, as displayed below.

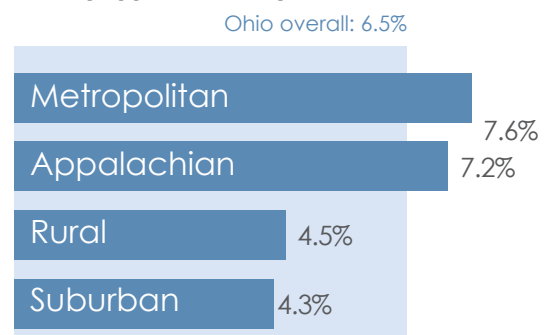
Group VIII coverage includes adults ages 19 to 64 who have incomes less than 138% FPL and are not eligible for other categories of Medicaid ([click here to see a table of Medicaid enrollment for all 88 Ohio counties](#)). Apart from the income requirement, Group VIII enrollees must also meet other eligibility requirements, such as citizenship.

Percent of county population enrolled in Medicaid Group VIII (expansion category), January 2025



Lowest percent (1.6% – 4.4%)	Second quartile (4.5% – 5.5%)	Third quartile (5.7-7.2%)	Highest percent (7.3-11.7%)
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Percent population enrolled in Medicaid Group VIII (expansion category), by county type, January 2025



Note: Ohio Department of Medicaid (ODM) Demographic and Expenditure Dashboard is updated each month to reflect retroactive and back-dated eligibility. The data displayed was retrieved on Feb. 19, 2025.

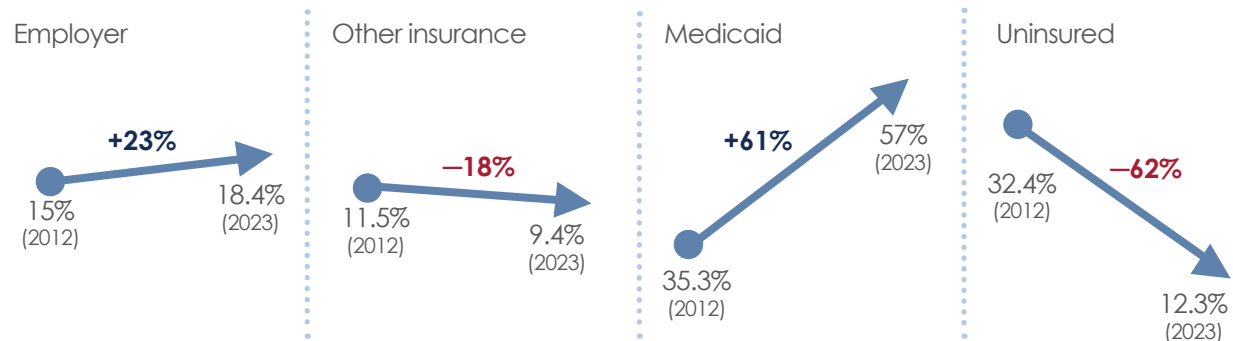
Source: HPPIO Analysis of ODM Demographic and Expenditure Dashboard, and US Census Bureau, American Community Survey 2023 5-year estimates

How has Medicaid expansion affected insurance coverage in Ohio?

The expansion of Medicaid eligibility has been a major contributor to Ohio's uninsured rate dropping by half, from 14% in 2010 to 7% in 2022. The state is ranked 16th best in the nation for uninsured rate, according to HPIO's 2024 [Health Value Dashboard](#).

As displayed below, the percentage of working-age Ohio adults (ages 19-64) with lower incomes who are uninsured dropped by 62% from 2012 to 2023 and the percentage who are enrolled in Medicaid increased by 61%.

Health coverage for Ohio adults, ages 19-64, with incomes below 138% federal poverty level, 2012 to 2023

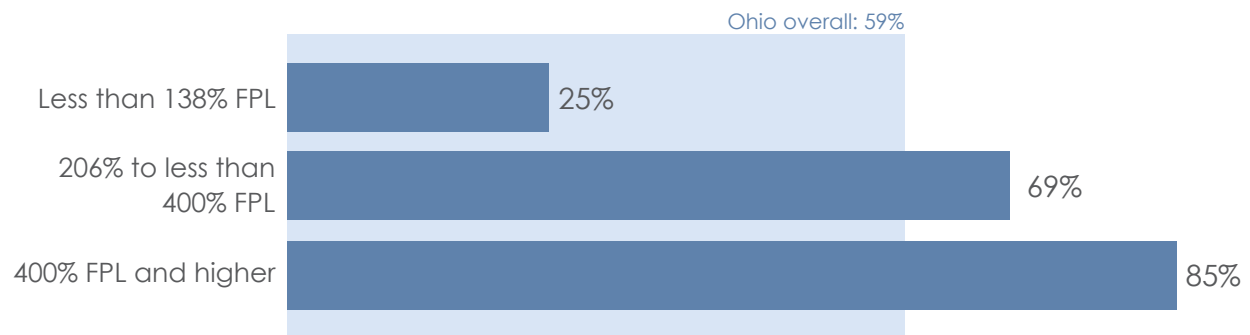


Source: Ohio Medicaid Assessment Survey

In 2018, the Ohio Department of Medicaid [reported](#) that 94% of Group VIII enrollees were either employed, in school, taking care of family members (such as children or grandchildren), participating in an alcohol and drug treatment program or dealing with intensive physical health and/or a mental health illness. As displayed below, people with lower incomes are less likely than people with higher incomes to be eligible for insurance through their job.

Percent of Ohioans, ages 19-64, who are eligible for employer-sponsored insurance, 2023

Workers earning lower wages are much less likely to be eligible for insurance through their job. One factor may be that they are not scheduled for enough hours to qualify for benefits.



Source: Ohio Medicaid Assessment Survey

What kinds of jobs do Medicaid-eligible Ohioans have?

An estimated 39% of Ohioans enrolled in Medicaid Group VIII were employed in 2023, according to the [Ohio Medicaid Assessment Survey](#). The income eligibility limit for Medicaid enrollees is set as a percentage of FPL, as displayed to the right. FPL thresholds are based on household Modified Adjusted Gross Income, and are determined monthly.

Below are examples of the types of jobs that have an average pay that would make Ohioans eligible for Medicaid.

Federal poverty level (FPL) and Medicaid expansion income eligibility limits by household size, 2025

		Federal poverty level	Adults (ages 19-64)
Family size			138%
	1	\$15,650	\$21,597
	2	\$21,150	\$29,187
	3	\$26,650	\$36,777
	4	\$32,150	\$44,367

Note: Refers to federal poverty levels for the 48 contiguous states and the District of Columbia (Washington D.C.). For children, pregnant women, adults and parents/caregivers, a 5% income disregard, which is included in the figure, is allowed by federal law and incorporated in the eligibility thresholds shown.

Source: Office of the Assistant Secretary for Planning and Evaluation. Additional analysis by HPIO.

Job categories with average pay below 138% FPL, by family size

Family size	1	2	3	4
138% FPL	\$21,597	\$29,187	\$36,777	\$44,367
Example job categories	Entry-level positions in retail; food service; customer support	Home health and personal care aides; school bus monitors; administrative assistants; junior technicians; sales associates	Skilled trades, such as electricians and carpenters; veterinary technologists and technicians; mid-level healthcare roles such as medical assistants	Experienced technicians; specialized administrative roles; healthcare support workers

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2023

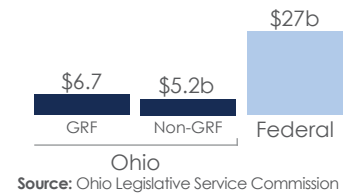
Medicaid Group VIII policy considerations

As policymakers consider the future of Medicaid Group VIII coverage in light of both federal and state policy proposals, answering the following questions will inform their decision making.

► State budget and economic impacts

While discontinuing Group VIII coverage would result in reduced state spending through Medicaid, this policy decision requires a more detailed analysis of potential direct costs and lost revenue. For example, the state would need to pay for the total cost of inpatient care for people who are incarcerated, while currently the federal government pays 90% of this cost. And the state would lose revenue generated by a tax and franchise fee on managed care plan revenues, as well as other income tax and sales tax revenue generated through the provision of healthcare to these enrollees.

Ohio Medicaid spending, 2024



- ? What are the aggregate savings and costs of eliminating Medicaid expansion coverage? How do costs and savings change if FMAP drops incrementally (e.g. to 85% or 75%)?

► Mental health and addiction treatment

According to **KFF**, a growing body of research finds that Medicaid expansion is associated with improvements in access to care and outcomes related to mental health care and substance use disorder (SUD). For example, Medicaid is the largest funding source of SUD treatment services in the nation.

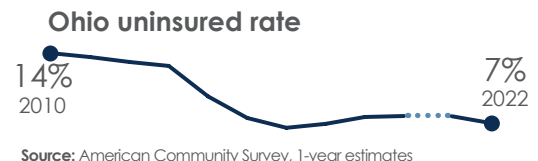
630,000
Medicaid expansion enrollees
had received treatment for men-
tal illness or SUD, as of 2018

Source: Ohio Department of Medicaid

- ? How would the elimination of Group VIII impact mental health and addiction treatment in Ohio? How would Ohio's budget be affected?

► Insurance coverage

While a relatively small number of the more than 770,000 Ohioans currently enrolled in Medicaid through Group VIII may retain coverage through other Medicaid groups or be able to access private insurance, most will likely lose their coverage, reversing a decade-long trend of lower uninsured rates in Ohio.



- ? What would be the implications of a higher uninsured rate in Ohio?

► Access and affordability

Medicaid expansion has improved access to care. For example, the percent of Ohioans who went without care due to cost decreased by 31% from 2013 to 2023. There was also a 26% decrease in people who did not have a usual source of care, from 19.3% in 2013 to 14.6% in 2022.

Ohioans who went without care due to cost



- ? How would reduced access to affordable health care affect Ohioans and the state economy?



More Medicaid resources from HPIO

In the coming weeks, HPIO plans to release additional resources to assist policymakers who are evaluating options related to Medicaid coverage in Ohio. The Institute also recently released the latest edition of its biennial **Ohio Medicaid Basics**, which provides an overview of the Ohio Medicaid program, including eligibility, covered services, spending and recent policy changes.