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Ohio Poverty Law Center Written Testimony Ohio Senate Medicaid Committee Tuesday, March 11, 2025

Chair Romanchuk, Vice Chair Huffman, Ranking Member Liston, and members of the Ohio Senate Medicaid Committee, my name is Danielle DeLeon Spires, and I am a policy advocate at the Ohio Poverty Law Center. The Ohio Poverty Law Center advocates for evidence-based policies that protect and expand the rights of low-income Ohioans. We are a non-profit working closely with Ohio's legal aid community, serving Ohioans who are living, working, and raising their families in poverty.

Thank you for the opportunity to provide written opposition testimony regarding Senate Concurrent Resolution 5, to urge the President of the United States to support the Ohio Department of Medicaid's request to implement work requirements for certain Medicaid recipients. We oppose SCR 5 due to the impact that work requirements would have on Ohioans receiving Medicaid coverage. This waiver would reduce access to health care for Ohioans, which undermines the core objective of the Medicaid program.

Under House Bill 33 in the 135th General Assembly, the Ohio legislature required the Ohio Department of Medicaid (ODM) to apply for a 1115 Demonstration Waiver by March 1, 2025. ODM submitted the final application on February 28, 2025. Ohio Poverty Law Center (OPLC) testified in-person on January 9, 2025, as well as written comments to ODM in response to the Group VIII 1115 Demonstration Waiver application, which was open for public comment until January 17, 2025.

OPLC opposed the waiver application and submitted the following comments:

Ohio Poverty Law Center (OPLC) would like to submit the following comments in response to the Group VIII 1115 Demonstration Waiver application being submitted to comply with House Bill 33 passed in July 2023, which would impose new eligibility criteria for the adult Medicaid expansion population under 1902(a)(10)(A)(i)(VIII) of the Social Security Act (Group VIII).

The specific goals of the 1115 Demonstration waiver are stated to include:

- "Promoting economic stability and financial independence, and
- Improving health outcomes by encouraging individuals to be engaged with their health and healthcare"

Implementation of this waiver would severely restrict access to health care coverage for Ohio's Medicaid population and create expensive burdensome administrative challenges for those receiving coverage and the state itself. A waiver that would impact coverage for tens of thousands of individuals does not meet the core objective of the Medicaid program to provide health care coverage.

The Group VIII 1115 waiver would damage the progress made toward affordable access to health care without barriers for low-income Ohioans. If implemented, the waiver would reduce

access to health care for Ohioans eligible for Medicaid and threaten disenrollment for thousands of Ohioans enrolled in Medicaid.

As of August 2024, close to three million Ohioans are enrolled in Ohio Medicaid, over 700,000 of which are eligible under the Medicaid expansion. Data already shows that 64% of the Ohio adults, aged 18 – 64, are working. For those individuals who are not, research shows that there are other challenges that limit capacity for employment, including access to childcare, transportation, and other caretaking roles. While the waiver allows for exemptions to the work requirement, many of these documented barriers would not qualify an individual for an exemption.

Medicaid work requirements result in more uninsured individuals. As the waiver application states, an estimated 61,826 enrollees will lose their Medicaid eligibility. Ohio recently experienced significant disenrollment numbers in its Medicaid population as states resumed normal operations during the federal Public Health Emergency unwind period.

Ohio's Medicaid population dropped by 259.670 enrollees from March to October 2023, which included 186,446 adults. Of those who lost coverage, 74% were disenrolled for procedural reasons. While 53% of procedural disenrollees were identified as likely ineligible for coverage by ODM's third-party vendor, others may have lost coverage due to other barriers to renewal, such as technological or language access issues.1

By requiring individuals to demonstrate their compliance with, or exemption from, the work requirement through a complex, but yet to be determined administrative system, the waiver will increase the likelihood of disenrollment.

Other states have implemented work requirement waivers with similar disenrollment issues, while not achieving any significant increase in employment or community engagement. Arkansas enacted a waiver from June 2018 through March 2019 and more than 18,000 individuals are estimated to have lost health care coverage in 2018. A majority of these individuals remained without coverage in early 2019. ²

Arkansas implemented the waiver with safeguards intended to protect coverage for those not subject to the work requirement, however, technological and outreach barriers kept individuals from meeting the reporting requirements. The state saw increased churn in caseload and continuity of care suffered as a result. Ohio could face these same challenges that result in large disenrollment numbers during renewal reviews.

Georgia created the "Georgia Pathways to Coverage" program, which offers Medicaid coverage to eligible Georgians ages 19-64 who have a household income of up to 100% of the Federal Poverty Level (FPL). The coverage is tied to a "qualifying activity requirement" similar to Ohio's proposed work requirement. The implementation of this program puts additional strain on an already overburdened system. During the first year of the program, the percentage of Medicaid applicants waiting more than a month and a half to have their applications processed nearly tripled, while the percentage of applications for financial and food assistance that take more than 30 days to process has also risen by at least eight percentage points.

Health Policy Institute of Ohio, "Ohio Medicaid Basics Update", December 23, 2023.
 KFF, "An Overview of Medicaid Work Requirements: What Happened Under the Trump and Biden Administrations?", May 3, 2022

In addition to being administratively burdensome, Georgia has seen a large increase on administrative costs, spending \$13,360 in state and federal spending for each enrollee from January 2021 through June 2024, largely on administrative costs, not health benefits. Georgia has stated that as of June 30, 2024, Pathways had cost \$40.6 million in state and federal funds.³

In conclusion, the Group VIII 1115 Demonstration Waiver would reduce access to health care for Ohioans, caused by significant individual disenrollments and burdensome administrative processes and costs on the state and Medicaid population. This waiver will not meet the core objective of the Medicaid program. Therefore, OPLC opposes this waiver and asks the Ohio Department of Medicaid to administer the Medicaid program without increased barriers to healthcare.

Sincerely,

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³ KFF Health News, "<u>Georgia's Work Requirement Slows Processing of Applications for Medicaid, Food Stamps",</u> December 5, 2024