May 6, 2025

Ohio Senate Medicaid Committee
Interested Party Testimony on Sub. HB 96

Chairman Romanchuk, Vice Chair Huffman, Ranking Member Liston and members of the Senate Medicaid committee, thank you for your time today to share our perspective on substitute HB 96. My name is Tara Britton and I'm the Director of Public Policy at The Center for Community Solutions, an independent, nonpartisan policy and research center dedicated to delivering practical, data-driven solutions focused on improving health, social and economic conditions for Ohioans.

We appreciate the time and attention this committee has given to exploring the Medicaid program in Ohio. In particular, we come before you today to express concern for the so-called "trigger" language in HB 96 that would mean an immediate end to the Medicaid expansion in Ohio if the federal government adjusts its share of the costs.

Medicaid does not exist in a vacuum. Medicaid is subject to the challenges faced in the larger health care system. These challenges are felt in increasing prices for pharmaceuticals, increasing costs of health coverage to cover the increasing costs of services, and ensuring adequate access to providers (especially those that are not reimbursed in a way that aligns with the return on investment for the care they provide). All of this is to say, that Medicaid is not the culprit as it relates to these economic challenges across the broader health care system, it is employing strategies to address them, just like any other payer, in a way that still ensures access to care. Anyone who has studied health economics will tell you this is never the system we would build if we started from scratch, but we can approach reform thoughtfully and carefully with the goals of access and care.

Medicaid expansion "trigger" language

This brings me to the trigger language. 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, and it will (as explained in more detail in a moment). 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

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

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 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, most simply 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).

Doula coverage

The House-passed version of the budget will reduce access to newly approved doula services for individuals covered by Medicaid. It was only in the most recently passed state budget that a certification process for doulas was created to enable Medicaid reimbursement for these services. However, the House included a provision in the amended substitute bill to limit Medicaid reimbursement for doulas to the six counties with the highest infant deaths. An obvious concern with this provision is that access would be severely limited across the state when Ohio has not made enough progress on reducing infant and maternal deaths. We ask the Senate to restore the HB 33 language that enables access to doulas statewide.

Continuous coverage for kids 0 to their 4th birthday

The House-passed budget repeals the statute that currently requires continuous Medicaid coverage from birth to a child's fourth birthday. This policy, which requires the Ohio Department of Medicaid to apply for a waiver to CMS, was included in the last state operating budget and has not yet been implemented, but the state recently conducted the required public comment period for

[2] 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/

the waiver application. Continuous coverages means that once a child in this age range is enrolled in Medicaid, they would stay enrolled without an annual redetermination, until the age the continuous coverage ends. Our research shows that when parents lose Medicaid coverage, for whatever reason, there are significant rates of coverage loss for their kids too, even though these children may still be eligible. We ask that the Senate restore the language supporting continuous coverage to enable ODM to move forward in these efforts.

Thank you for your time and attention today. I would be happy to answer any questions and also continue the conversation further. You can contact me via email at tbritton@communitysolutions.com

Examples of states with variations on Medicaid expansion "triggers"

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, 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."