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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 581
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 581's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Lett and Odioso

Local Impact Statement Procedure Required: No

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The bill broadens the \$20,000 income disregard for the Medicaid Buy-In for Workers with Disabilities (MBIWD) and Ohio WorkAbility to include unearned income, whereas current law only applies this to earned income. The Ohio Department of Medicaid (ODM) estimates this bill could increase Medicaid costs by about \$20 million to \$60 million annually. If the change is approved by the U.S. Centers for Medicare and Medicaid Services (CMS), the state would receive approximately 65% of those costs through federal reimbursement.

To estimate the fiscal impact of the bill, we rely on the fact the new Ohio WorkAbility Program is closely modeled on the existing MBIWD Program, so we can use existing information about MBIWD to estimate some costs for Ohio WorkAbility. ODM's 2024 annual report on MBIWD shows the program had an overall cost of approximately \$411.6 million with 17,105 participants, for an average cost per participant of just over \$24,000.¹ If Ohio WorkAbility participants had the same average cost as MBIWD participants, each additional participant gained from the unearned income disregard would cost the state about \$24,000.

The principles of economics support the assumption that any change that increases the types of income allowed to participants would increase the number of participants, and so increase program costs. ODM previously estimated an annual increase of between \$20 million and \$60 million per year from the bill's provision. If each participant costs an additional \$24,000 as mentioned above, this would mean between 830 and 2,500 new participants from the bill.

Ohio Medicaid spending is reimbursed by the federal government according to the state's current Federal Medical Assistance Percentage (FMAP). Ohio's FMAP for FY 2026 is 64.85%. If

¹ ["Medicaid Buy-In for Workers with Disabilities" \(PDF\)](#), available on ODM's website: [medicaid.ohio.gov](https://www.odm.ohio.gov).

approved by CMS for this reimbursement rate, the additional \$20 million to \$60 million in Medicaid spending would cost between \$7.03 million and \$21.09 million in state funds per year.