



Ohio Legislative Children's Caucus

*Learning, connecting, and problem-solving
together. Our children are counting on us.*

March 31, 2025

Medicaid: The State of Ohio's Children



Dr. Guillermo Bervejillo
Research Manager

CDF-Ohio Kids Count

**Children Living
in Poverty**

470,000

**Economically
Disadvantaged**

54%

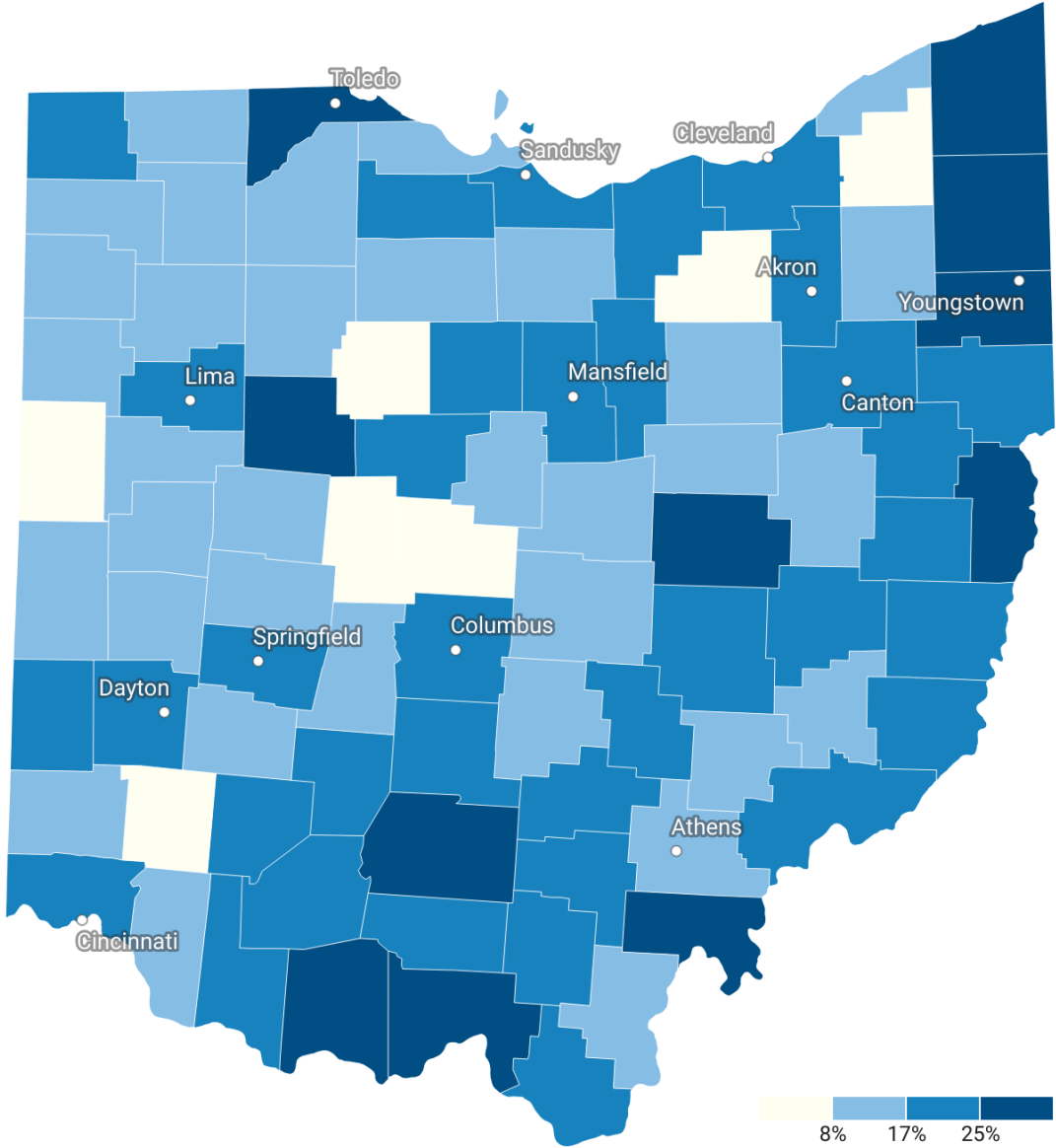
Enrolled in Snap

1 in 4

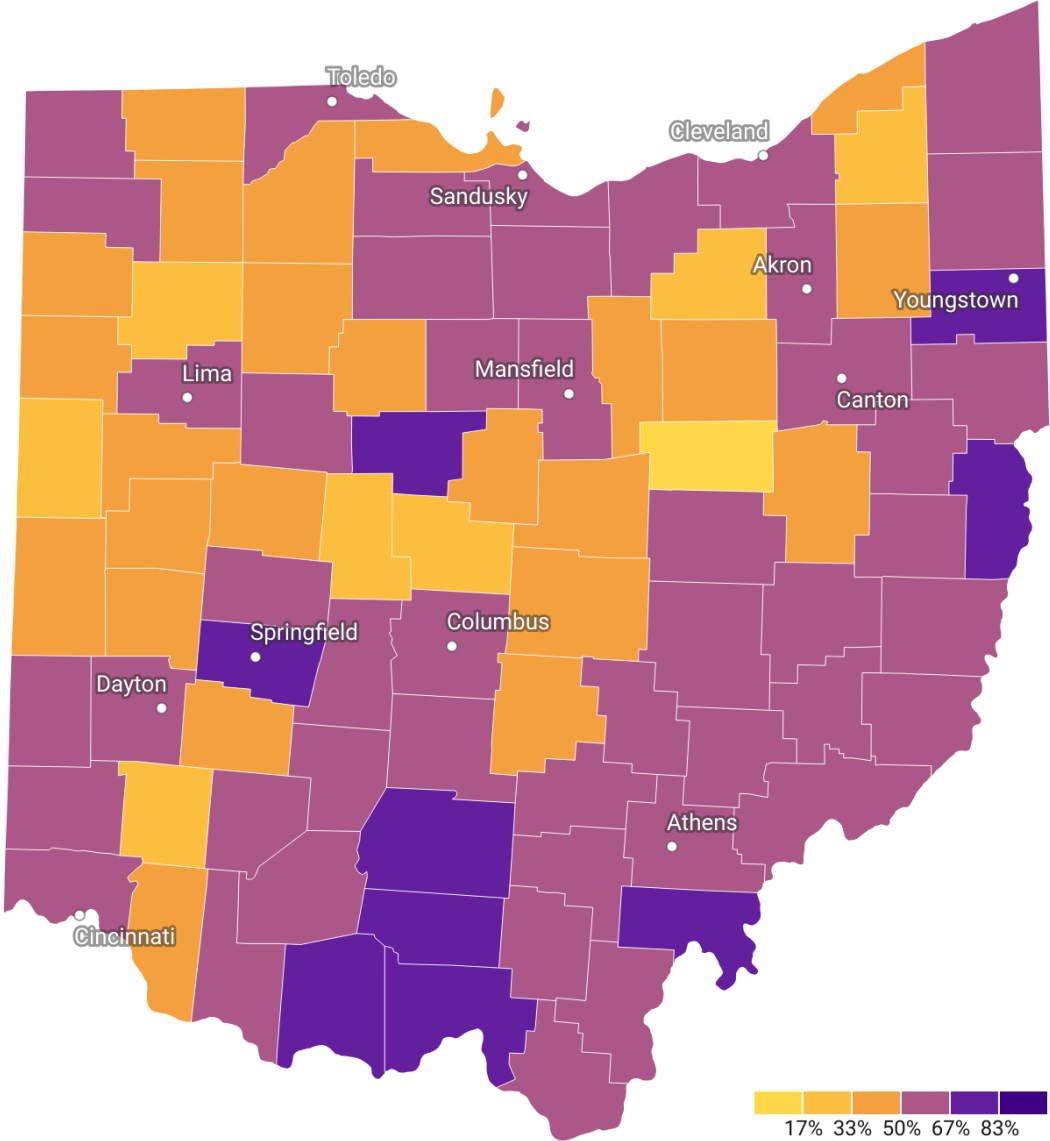
**Enrolled in
Medicaid**

1.4 M

Percent of children in poverty



Percent of Children enrolled in Medicaid



**Children in
Poverty**

**Economically
Disadvantaged**

**Children
Enrolled in Snap**

**Enrolled in
Medicaid**

Appalachian

21.4%

Appalachian

64.1%

Appalachian

29%

Appalachian

59.7%

Metropolitan

20.4%

Metropolitan

59.2%

Metropolitan

28.5%

Metropolitan

60.1%



Kathryn Poe

Budget and Health Researcher

Medicaid cuts take many forms



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No matter how they're designed, funding cuts hurt Ohioans

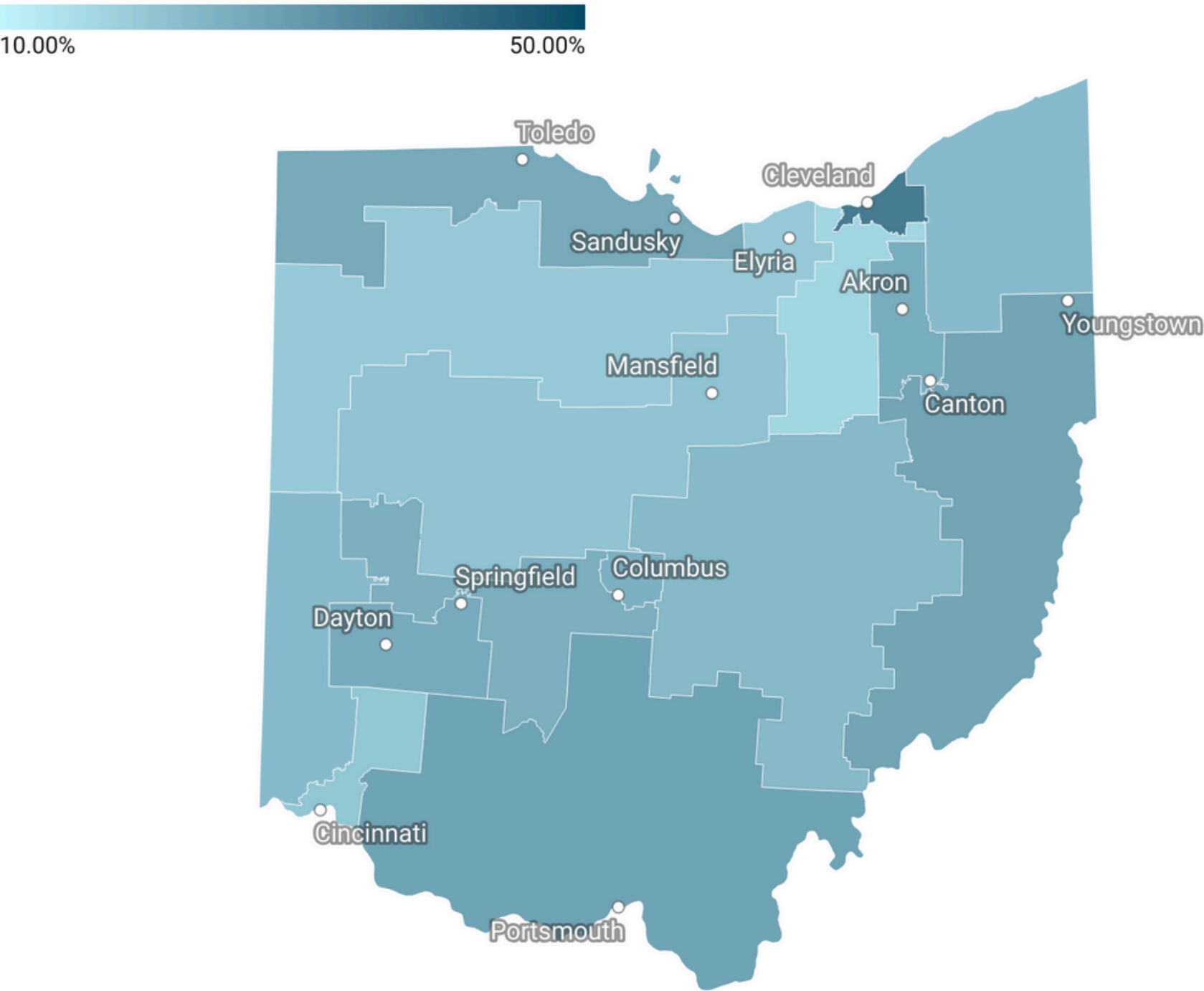
Medicaid covers more than **3.2 million Ohioans**, including more than **1.3 million children**, and accounts for **over 4% of Ohio's economy**.

In Ohio's small towns and rural areas, 29.5% of children are covered by Medicaid or CHIP (the Children's Health Insurance Program).

The success of Ohio's Medicaid program is a key part of creating a healthier Ohio.

Medicaid cuts would harm Ohioans in every part of the state

Medicaid participation as a share of total population, by congressional district, as of Oct. 2024







Medicaid and CHIP enrollment by age and congressional district, as of October 2024

| Congressional district | Total Enrolled | % of total population | % of people under 19 | % of people ages 19-64 | % of people over 64 |
|------------------------|----------------|-----------------------|----------------------|------------------------|---------------------|
| Ohio District 1 | 159,095 | 20% | 41% | 49% | 10% |
| Ohio District 2 | 218,294 | 28% | 42% | 49% | 9% |
| Ohio District 3 | 196,369 | 25% | 44% | 48% | 8% |
| Ohio District 4 | 166,471 | 21% | 42% | 48% | 10% |
| Ohio District 5 | 152,265 | 20% | 41% | 49% | 10% |
| Ohio District 6 | 212,505 | 28% | 37% | 53% | 10% |
| Ohio District 7 | 129,461 | 17% | 41% | 49% | 10% |
| Ohio District 8 | 177,367 | 23% | 44% | 48% | 8% |
| Ohio District 9 | 206,106 | 27% | 42% | 50% | 9% |
| Ohio District 10 | 203,717 | 26% | 43% | 48% | 9% |
| Ohio District 11 | 288,871 | 38% | 37% | 52% | 11% |
| Ohio District 12 | 186,356 | 23% | 40% | 50% | 10% |
| Ohio District 13 | 201,021 | 26% | 41% | 51% | 9% |
| Ohio District 14 | 176,451 | 23% | 39% | 50% | 10% |
| Ohio District 15 | 200,965 | 26% | 47% | 46% | 6% |

Source: Center for Budget and Policy Priorities

Methods lawmakers use to cut Medicaid

-  Work requirements
-  Spending caps
-  Reducing the federal match rate for Medicaid Expansion (Group VIII)
-  Limiting state taxes on healthcare providers

Work Requirements

Federal Work Requirements -

A recent list of spending cuts circulated among House Republicans suggested that a work requirement would slash \$120 billion from Medicaid.

Similar concept to state requirements, only imposed by the Federal Govt.

State Work requirement -

Threaten more than 60,000 Ohio adults with the loss of coverage.

Ohio's proposed work requirement is similar to those implemented in Georgia, New Hampshire, and Arkansas, all of which resulted in major coverage losses.

Spending Caps

The federal government currently pays a fixed share of Ohio's Medicaid costs based on actual costs incurred by the program. Federal caps would change this funding formula. There are three proposals under consideration:

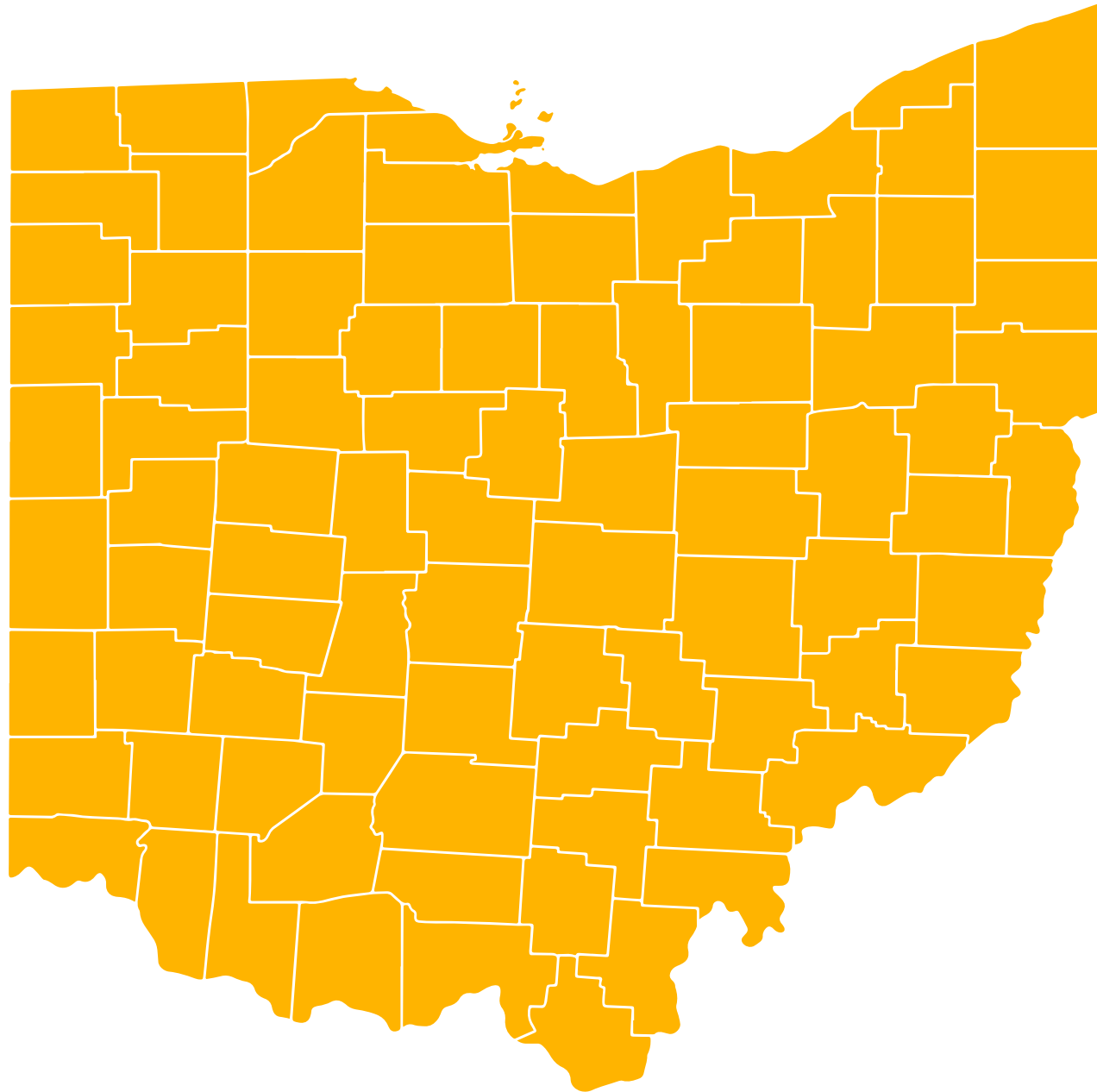
| Per-capita cap (State) | Overall cap (Federal) | Lifetime spending caps |
|--|--|---|
| The federal government would instead pay states no more than a fixed amount of funding per enrollee, leaving states responsible for all remaining costs. | The federal government would pay a fixed dollar amount that wouldn't adjust for changes in enrollment. | Cutting off Medicaid coverage when the cost of a person's medical care reaches an arbitrary limit, regardless of their financial situation. |

Reducing the federal match rate for Medicaid Expansion (Group VIII)

Group VIII (or the Medicaid Expansion Group) is covered at a 90% match rate **(or FMAP)**. This group primarily covers low-income working adults and very low-income adults from age 19 through 64.

- Congress Lowering the FMAP would require states to either cover the gap or eliminate the group entirely.
- An analysis by KFF found that a proposal to cut the Medicaid expansion FMAP could reduce total Medicaid spending by up to \$1.9 trillion over a 10-year period, causing 20 million people to lose Medicaid coverage.
- In Ohio, a 5% reduction in FMAP would equal 390 million dollars for the state to cover on its own.

Why does would lowering the FMAP matter for Ohio?



In the State Budget: **Sec. 126.70.** could result in coverage losses for more than **700,000 Ohioans** due to language that would eliminate coverage for the group immediately should the FMAP decrease by even 1%.

The impact would be huge, eliminating many of the coverage gains made after expansion.

Other broader trigger language (**Sec. 126.10. (A)**) could impact spending in all Federal programs, allowing the state to pause or eliminate funds if congress changes their spending on that program.

Limit state taxes on healthcare providers

One way states pay for their share of Medicaid spending is by taxing healthcare providers. This revenue is often used by states to draw down additional federal funding, costing the federal government additional dollars.

Ohio has four types of Medicaid provider taxes (In FY24): **2.5 billion dollars**

- a hospital franchise fee (42.4%)
- a health-insuring corporation franchise fee (38.5%)
- a nursing facility franchise fee (17.4%)
- a franchise fee for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID)(1/7%).

Since these funds are used to draw down a Federal match, these funds could provide **9.08 billion in spending.**

If congress changes this agreement, by setting a different cap for the amount of money raised or eliminating this funding stream entirely, it would cut the program.



Medicaid Expansion supports tens of thousands of jobs in our state. The program is essential to Ohioans' physical and economic wellbeing, and was a bipartisan effort when it was first passed.



Georgetown University
McCourt School *of* Public Policy
CENTER FOR CHILDREN
AND FAMILIES

Elisabeth Wright Burak
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Medicaid is a Long-Term, Multi-Generational Investment

Medicaid's Long-Term Impact on Educational Attainment



High school
graduation



On-time
high school
graduation



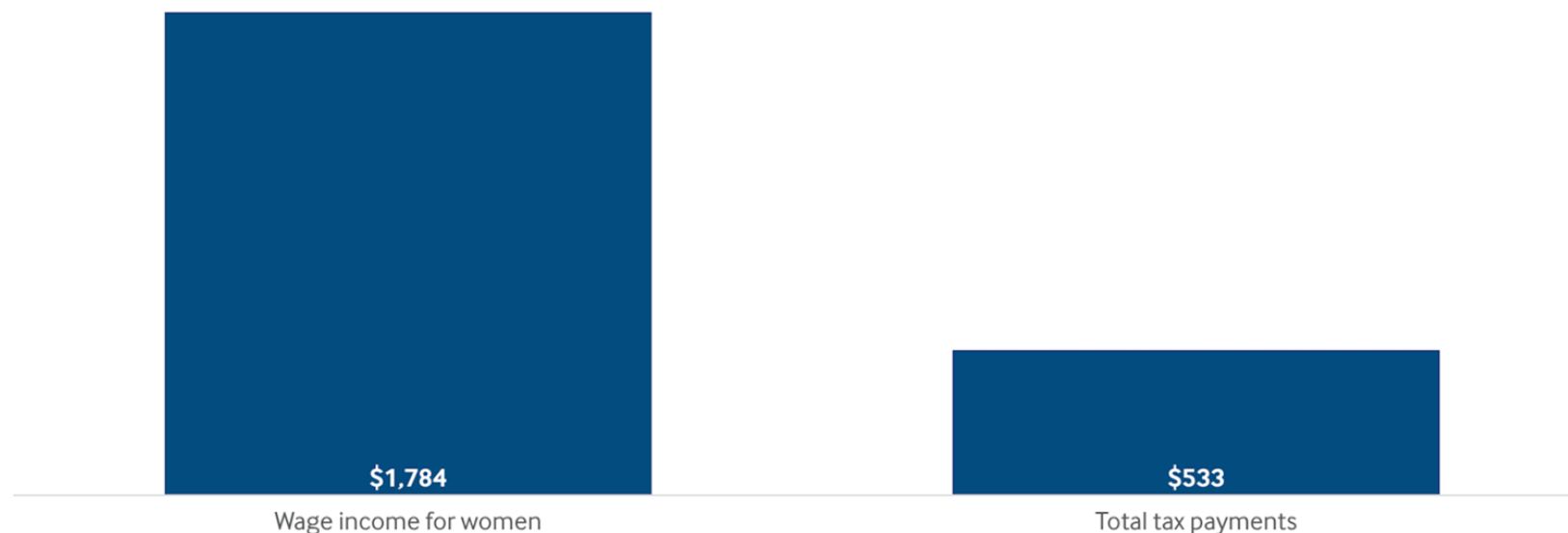
Four-year
college
graduation



College
enrollment

Exhibit 3

Increased Income and Total Tax Payments for Each Additional Year of Childhood Medicaid Eligibility by Age 28

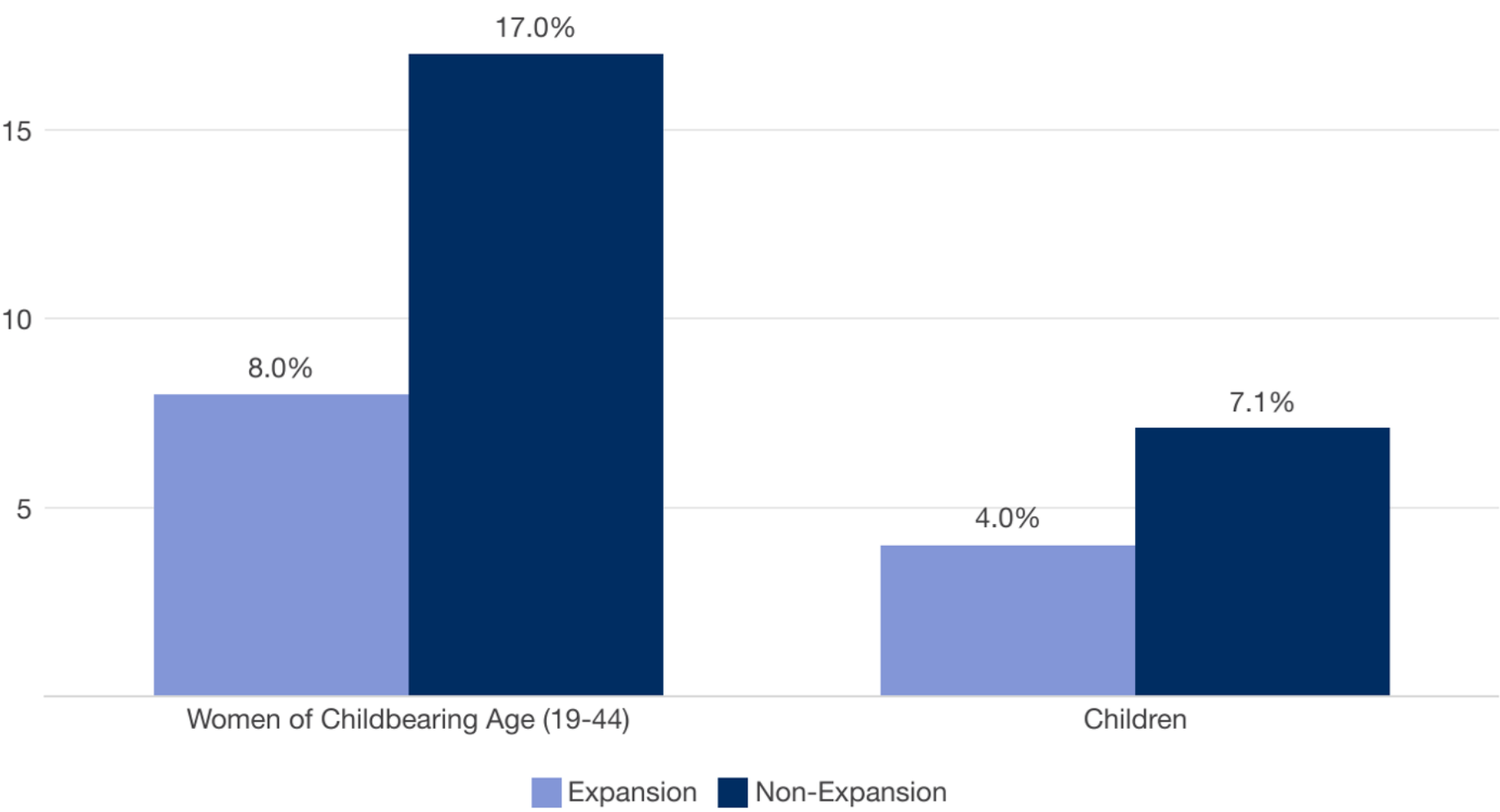


Medicaid is a Long-Term Investment

Data: David W. Brown, Amanda E. Kowalski, and Ithai Z. Lurie, "Long-Term Impacts of Childhood Medicaid Expansions on Outcomes in Adulthood," *Review of Economic Studies* 87, no. 2 (Mar. 2020): 792–821.

Source: Edwin Park, Joan Alker, and Alexandra Corcoran, *Jeopardizing a Sound Investment: Why Short-Term Cuts to Medicaid Coverage During Pregnancy and Childhood Could Result in Long-Term Harm* (Commonwealth Fund, Dec. 2020). <https://doi.org/10.26099/qe16-9f97>

Uninsured Rate for Women (19-44) and Children (0-19) by Expansion Status



Expansion



Increased coverage rates for women of childbearing age AND children

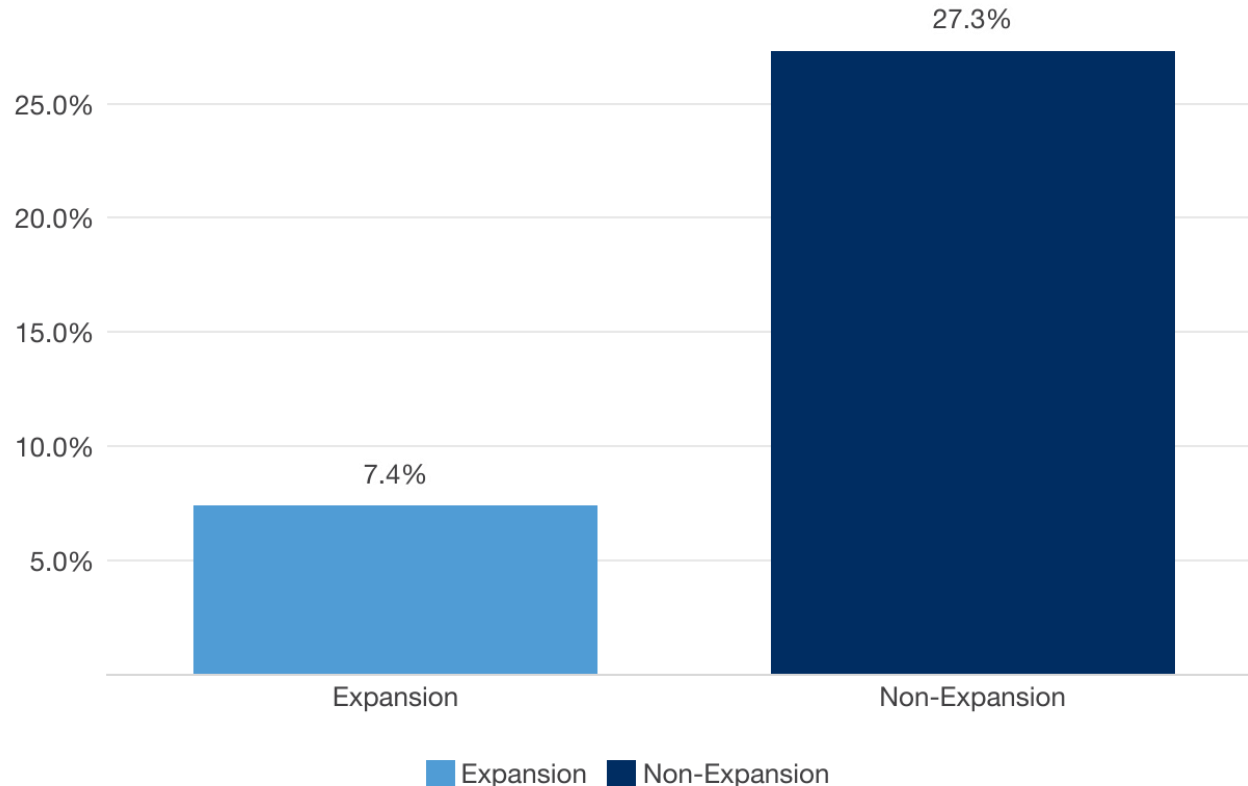


Better outcomes and overall health for families

Source: Georgetown University Center for Children and Families analysis of U.S. Census Bureau 2022 American Community Survey Public Use Microdata Sample (ACS PUMS) and "Health Insurance Coverage in the United States: 2021," U.S. Census Bureau, Current Population Survey, 2021 and 2022 Annual Social and Economic Supplements (CPS ASEC), available here.

Medicaid Expansion is Critical for the Child Care Workforce

Uninsured Rate for Child Care Workers by State Medicaid Expansion Status



30.2% of Ohio's child care workers are **covered by Medicaid**

Uninsured Rate for Citizen Childcare Workers Under 138% FPL.

Congressional Leaders Move to Cut Medicaid (House Reconciliation Target = \$880B)

POLITICO PRO

Gift arti

KFF HEALTH NEWS & POLITIFACT HEALTHCHECK

Bill That Congressman Says Protects Medicaid Doesn't — And Would Likely Require Cutting It

Trump may 'love and cherish' Medicaid. He and Congress aren't ruling out cutting it.



Even Sen. Tommy Tuberville (R-Ala.), a loyal Trump ally, said during [a Fox Business interview](#) on Monday that the Medicaid cuts in the House bill could “decimate” his state, adding that Republicans need to “find a way around it.”

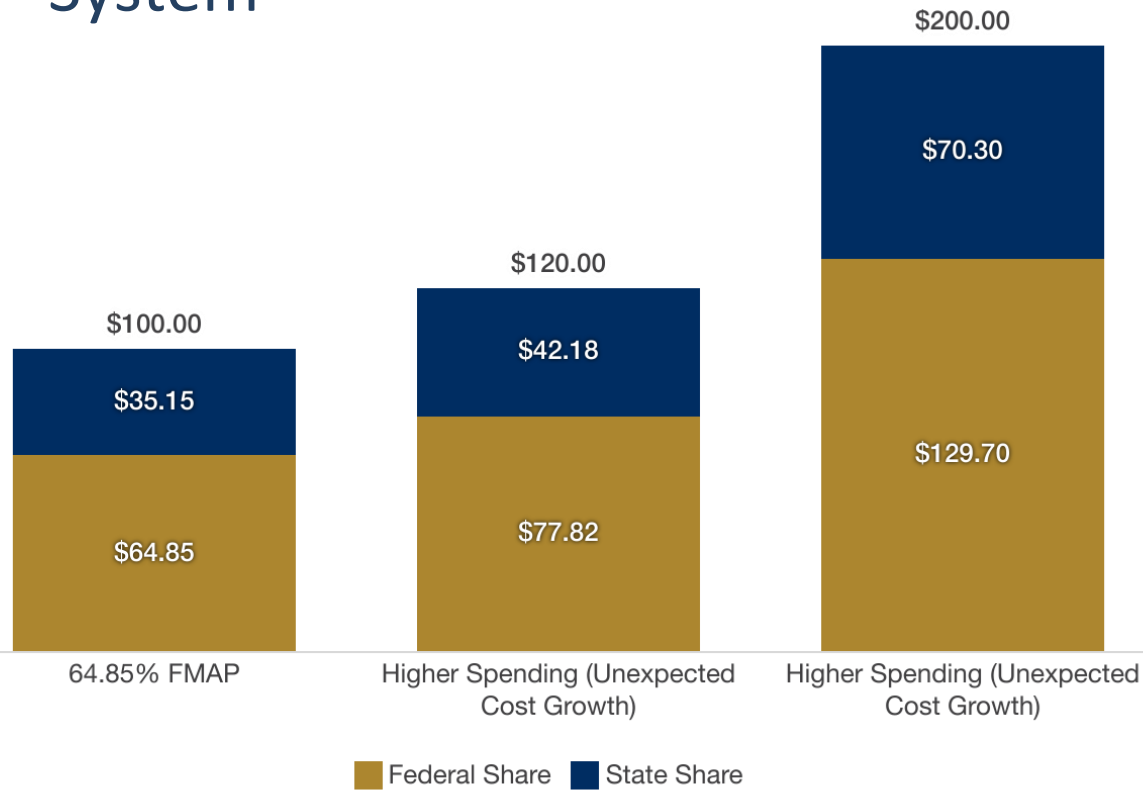
THE WALL STREET JOURNAL. GOP Split on Medicaid Imperils Trump's Tax-Cut Plans

Budget hawks in House see the healthcare program as a juicy target, but critics warn against 'meat ax'

Sources:
POLITICO Pro: Trump may 'love and cherish' Medicaid. He and Congress aren't ruling out cutting it." (2025, February 6). <https://subscriber.politicopro.com/article/2025/02/trump-medicaid-reconciliation-00202888>.

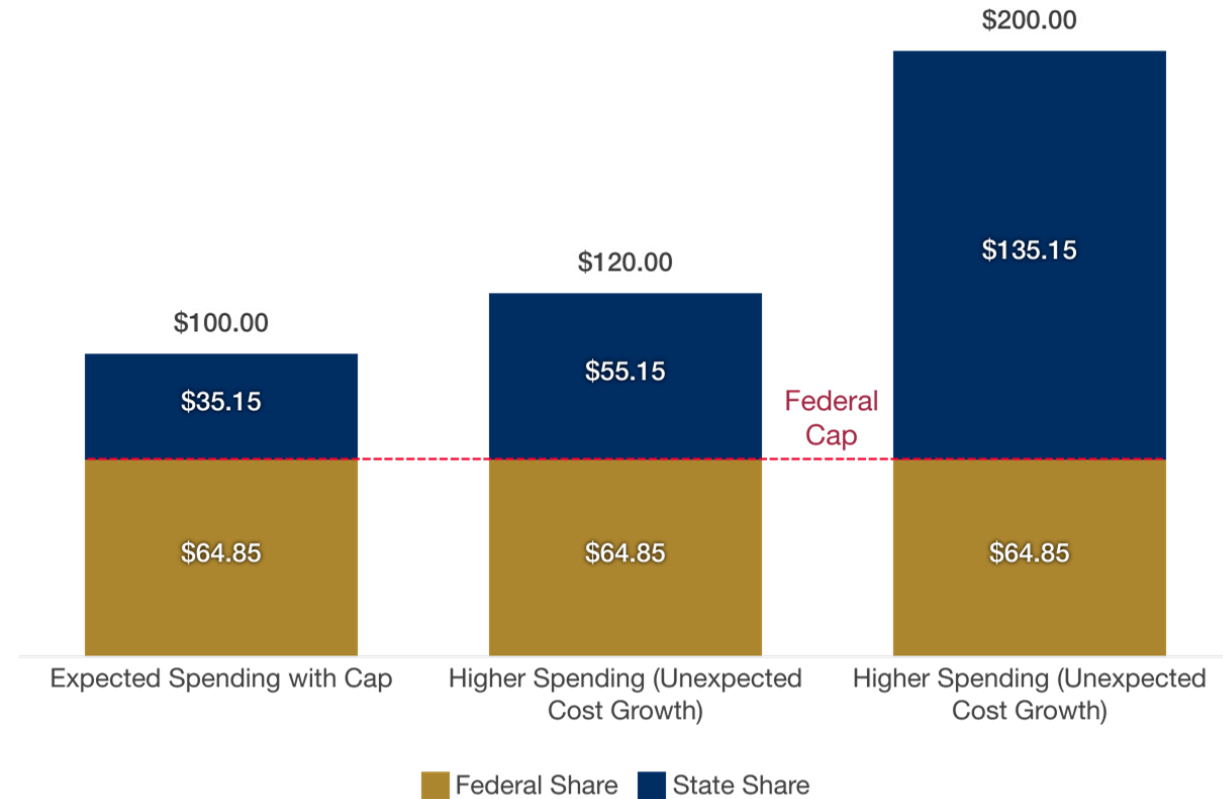
OHIO

Current Medicaid Financing System

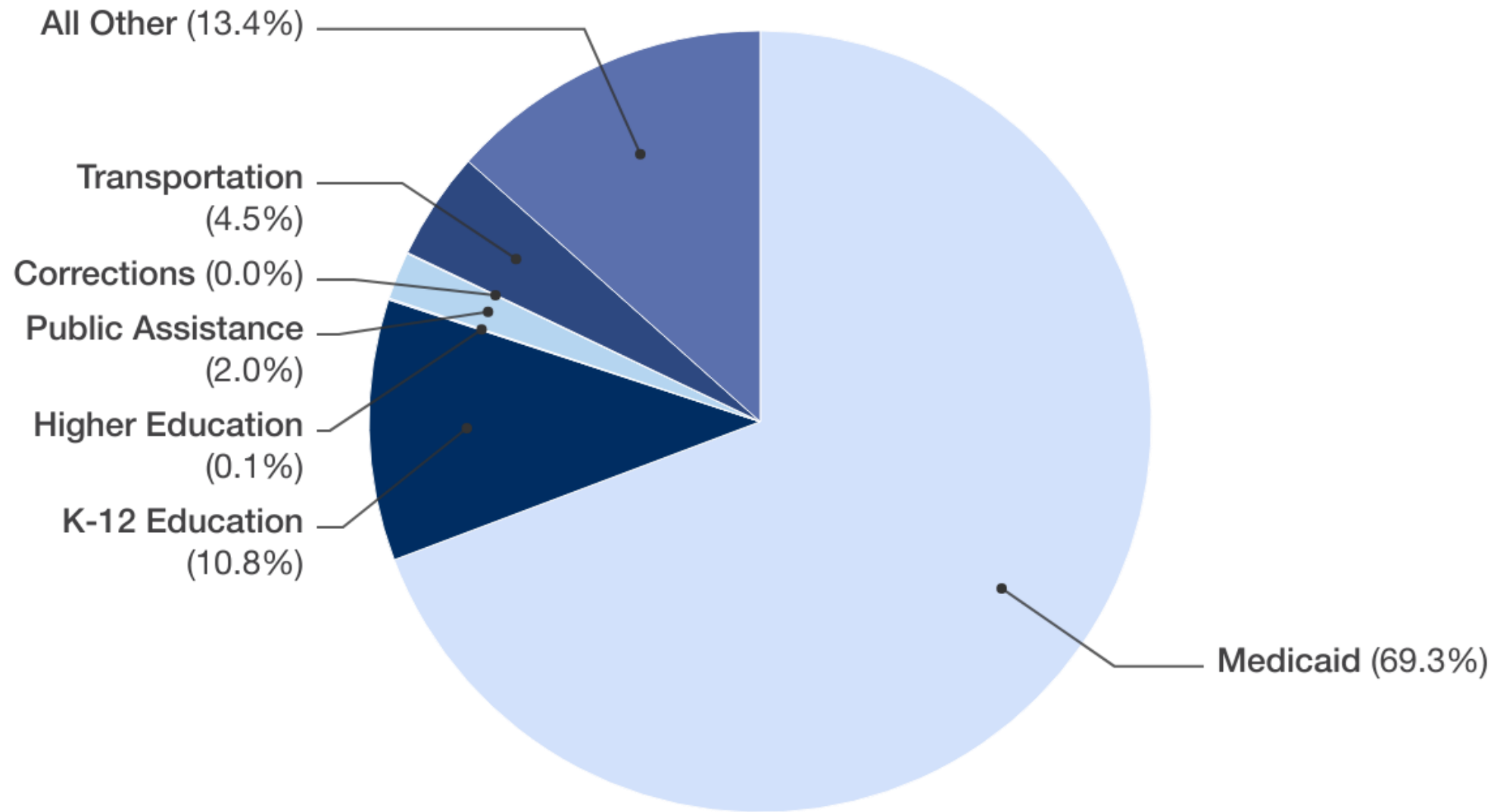


vs.

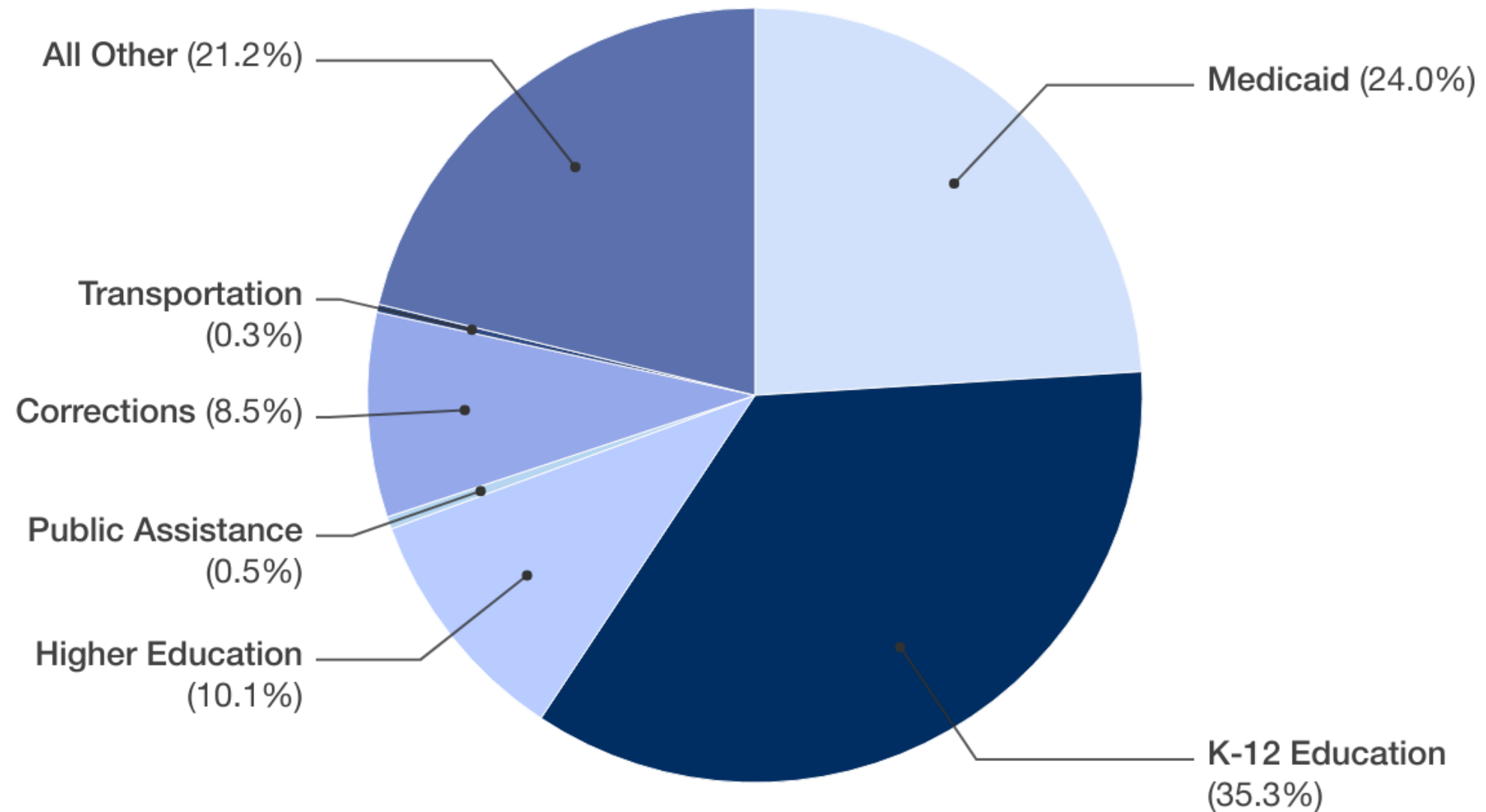
Capped Federal Medicaid Funding



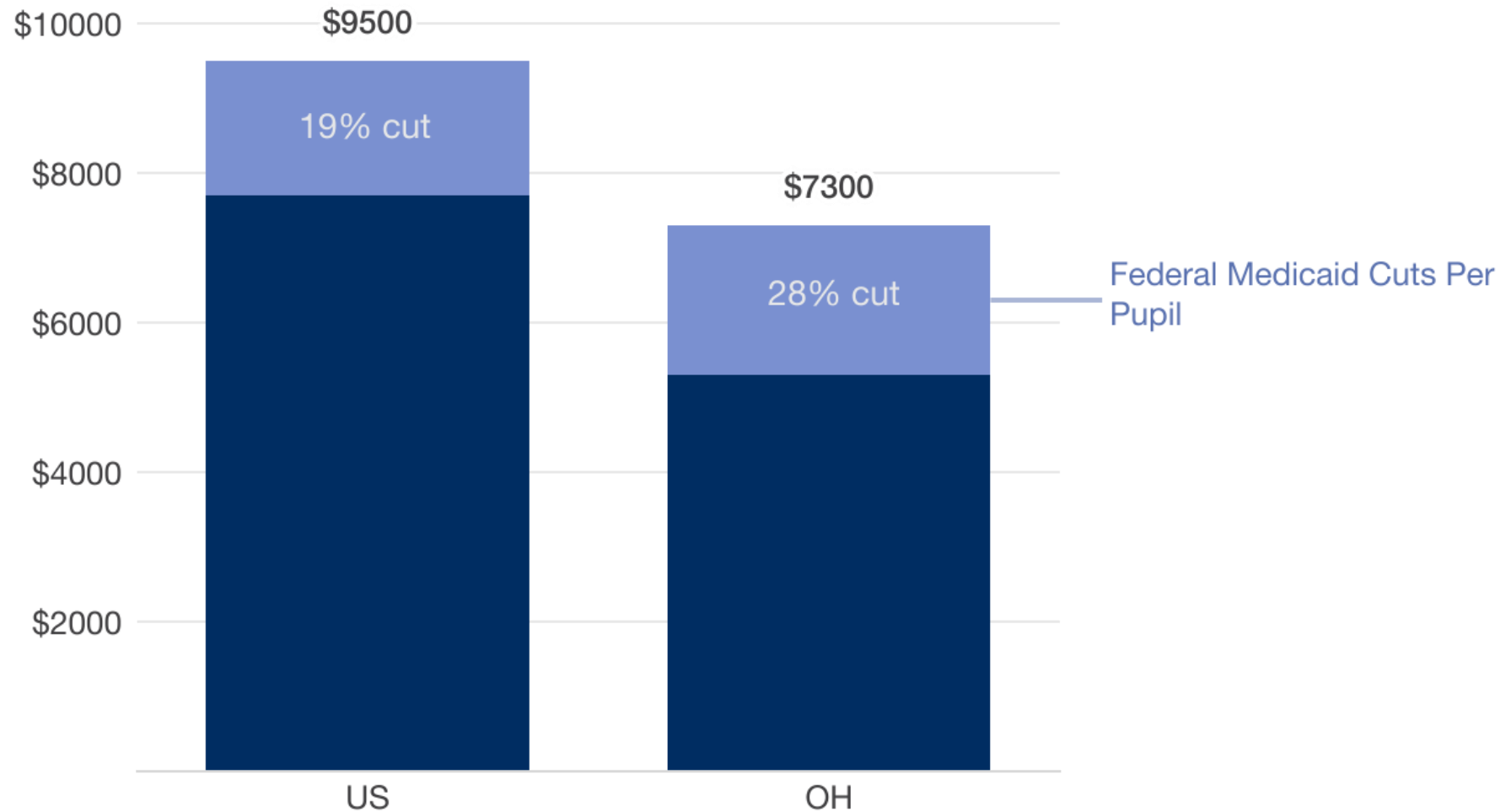
Federal Funds for Ohio, FY2024



State General Funds, Ohio FY2024



Potential Federal Medicaid Cuts as a Share of State Education Spending Per Pupil



Impact of Medicaid Per Capita Caps (Kaiser Family Foundation)

| | Cost Shifts to States to Maintain Spending and Eligibility | States Reduce Spending and Eligibility |
|--|--|---|
| US Total | +\$532B | -\$1.4T total spending -17% enrollment |
| Ohio | +\$21.7B | -\$53.9B total spending -18% enrollment |
| Outcome 1: Ohio increases state spending by \$21.7B to account for capped federal funding, seeking to maintain current program | | Outcome 2: states reduce their spending and eligibility to account for decreased federal funds → Medicaid enrollment decreases by 18% |

note: **numbers in billions**

| | | Policy 1 - Updated Better Way | | Policy 2 - Updated AHCA | |
|----------|----------------------------------|--|-------------------|--|-------------------|
| | State Spending under Current Law | State Spending Needed to Offset Federal Cuts | Difference | State Spending Needed to Offset Federal Cuts | Difference |
| US Total | \$4,466 | \$5,623 | \$1,158 +25.9% | \$6,121 | \$1,655 +37.1% |
| Ohio | \$144 | \$186 | \$42 +29.0% | \$209 | \$65 +45.2% |

Ohio will need to spend between **\$42B - \$65B additional dollars** to account for per capita caps or FMAP cuts from the federal government. That is an **increase of 29 - 45% in state spending**, depending on the proposal.

State Choices to Offset Capped Federal Funding (within the Health System)

Boost State Revenues



Impose more red tape to suppress enrollment and retention



Reduce Eligibility

Cut Benefits



Increase Out-of-Pocket Costs

Lower Reimbursement for Providers



Close or cap enrollment

And/or....cut other areas of the state budget

For More Information

Website/Say Ahhh! Blog:

<https://ccf.georgetown.edu/>

State Coverage Data, Info:

<https://kidshealthcarereport.ccf.georgetown.edu/>

- [Medicaid's Role in Small Towns and Rural Areas - CCF report, state and county maps](#)
- [Medicaid/CHIP Coverage by Congressional District & by School Districts, 2019-2023](#)

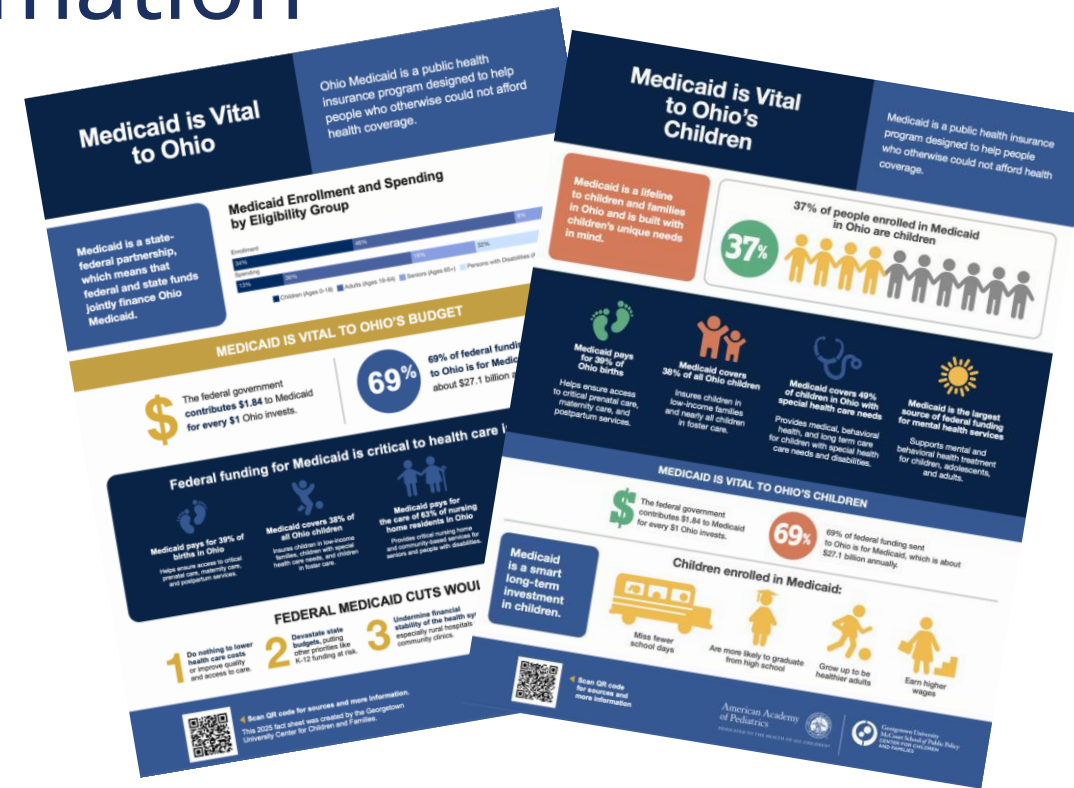
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Questions for the Panel