POLICY BRIEF

March 13, 2025

Medicaid cuts take many forms

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

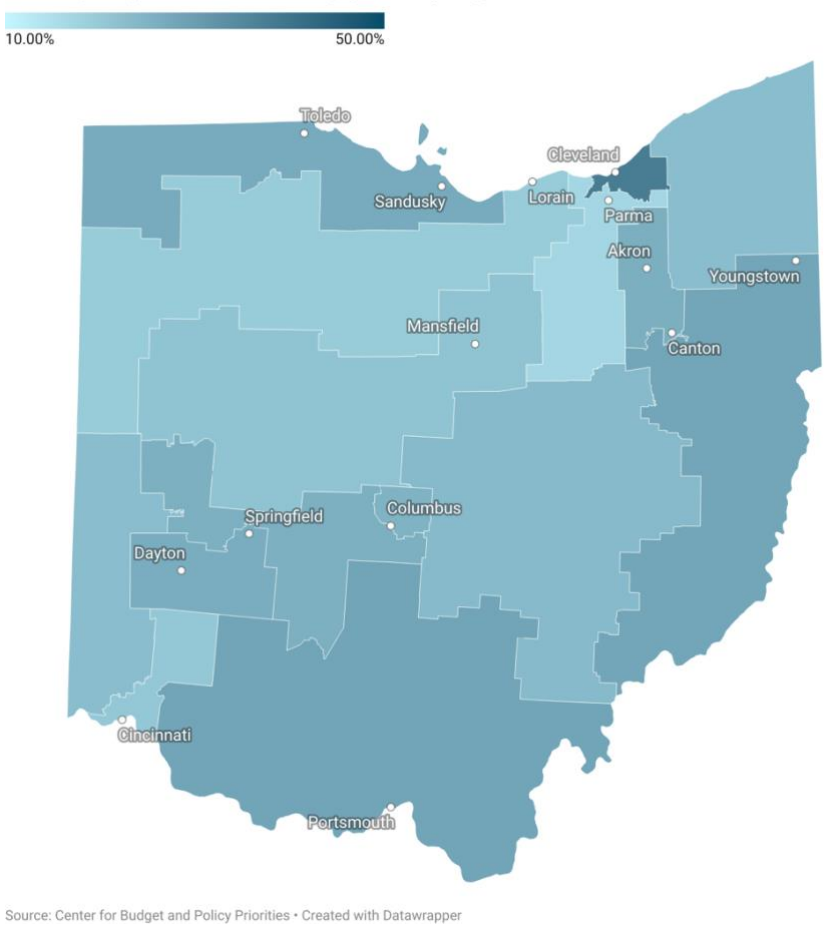
Kathryn Poe

Medicaid covers more than 3.2 million Ohioans, including more than 1.3 million children, and accounts for over 4% of Ohio's economy.[1] In Ohio's small towns and rural areas, **29.5%** of children are covered by Medicaid or CHIP (the Children's Health Insurance Program).[2] The success of Ohio's Medicaid program is a key part of creating a healthier Ohio.

Figure 1

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



Source: Center for Budget and Policy Priorities • Created with Datawrapper

[1] ODM 2025 Redbook (p. 2)
[2] Georgetown (2025) Medicaid's Role in Small Towns and Rural Areas.

Medicaid cuts will disrupt the lives of thousands of Ohioans and broadly impact the state budget for years to come. In some legislative districts (e.g., OH-11), as many as 38% of people are on Medicaid (288,871 enrollees). In District 15, 47% of those under the age of 19 are enrolled in Medicaid or CHIP.

Figure 2

Medicaid covers more than 3.2M Ohioans, including 1.3M children

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 on Budget and Policy Priorities • Created with Datawrapper

In Ohio, the federal government contributes $1.84 to Medicaid for every $1 Ohio invests, and 69% of federal funding sent to Ohio is for Medicaid: about $27.1 billion annually.[3] The

[3] The Center for Children and Families: Georgetown University (2025).

policies described in this brief are all methods of cutting Medicaid, which will directly harm Ohio families and kids.

Work requirements

Federal lawmakers could impose nationwide work requirements on working-age adults without children. A recent list of spending cuts circulated among House Republicans suggested that a work requirement would slash $120 billion from Medicaid.[4]

Ohio has proposed its own state-level work requirement, similar to those implemented in Georgia, New Hampshire, and Arkansas, all of which resulted in major coverage losses.[5] By the Ohio Department of Medicaid's own estimates, Ohio's proposal would threaten more than 60,000 Ohio adults with the loss of coverage.[6]

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 two proposals under consideration:

Under a **per-capita cap**, the federal government would instead pay states no more than a fixed amount of funding per enrollee, leaving states responsible for all remaining costs. Each state would be assigned its own initial per-capita cap based on the state's current or historical spending. According to the Congressional Budget Office, this would cut federal spending[7] by between $588 billion and $893 billion over nine years.[8]

Under an **overall cap** (as with Block Grant programs) Ohio would receive a fixed dollar amount that wouldn't adjust for changes in enrollment. An overall cap would cut federal spending by between $459 billion and $742 billion.[9]

Some legislators would prefer to target individuals with **lifetime spending caps**, cutting off Medicaid coverage when the cost of a person's medical care reaches an arbitrary limit, regardless of their financial situation.[10] Estimates vary depending on the cap being proposed, but one estimate from the Center for American Progress (from 2021), estimates that lifetime caps could impact 614,300 Ohioans.[11]

These policies could drastically impact Ohio's ability to provide care. For example, Ohio would have exceeded the modeled per-capita cap in four eligibility categories

[4] Circulated House Memo (2025).
[5] Medicaid Work Requirements Could Put 36 Million people at risk of losing Healthcare (2025).
[6] Ohio Medicaid 1115 Waiver Proposal (Jan 2025). For the specific number, see pg. 9 in the submitted application.
[7] The Congressional Budget Office: Establishing Caps on Medicaid Estimates.
[8] Medicaid per Capita Cap would harm millions by forcing deep cuts (2025).
[9] See Footnote 10.
[10] The Center for American Progress: Medicaid Lifetime Cap Proposal Threatens Coverage (2025).
[11] Same as above.

from 2019 to 2022.[12] As a result, Ohio would have lost $190 million in federal funding in 2019. In 2022, Ohio would have lost nearly $2 billion in federal funding, or 26% of state-funded Medicaid benefit spending. This is not abnormal nationwide: Most states would have exceeded per capita caps at least once from 2019-2022.[13]

Similarly, under an overall cap there would be substantial losses across the country. Block grants cap a program's expenditures, so any significant changes in enrollment could destabilize the program.[14] As a result of limited funds, states would be forced to remove Ohioans from the program. In 2017, a Medicaid block grant proposal from Sens. Lindsey Graham (R-SC) and Bill Cassidy (R-LA) was projected to result in a Medicaid coverage reduction of nearly 15 million people nationwide and 653,000 people in Ohio.[15]

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

Currently, the federal government covers 90% of the overall costs of care for Ohioans in "Group VIII": people covered under Medicaid Expansion. This group primarily covers low-income working adults and very low-income adults from age 19 through 64.[16] Lowering that rate (called 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.[17]

In Ohio, any FMAP reduction would result in coverage losses for 700,000 Ohioans due to proposed trigger language[18] in the governor's state budget that would eliminate coverage for the group immediately should the FMAP decrease by even 1%.[19] The impact would be huge: Nearly a quarter (23%) of Ohioans who currently access healthcare through Medicaid would lose coverage.[20]

Limit state taxes on healthcare providers

One way states pay for their share of Medicaid spending is by taxing healthcare providers.[21] This revenue is often used by states to draw down additional federal funding, costing the federal government additional dollars.

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[12] The following examples from the Center on Budget and Policy Priorities assume that per capita caps are set to grow by the medical consumer price index (CPI-M) for all eligibility groups.
[13] See Footnote 11.
[14] National Health Law Program: What is a Block Grant and How it Would Impact Medicaid (2024).
[15] The Urban Institute: The Graham Cassidy Bill, p.5 (2017).
[16] Ohioans must have incomes at or below 138% of the federal poverty level (FPL).
[17] Eliminating the Medicaid Expansion Federal Match Rate State by State (2025). KFF.
[18] Medicaid caseload coverage (Jan 2025).
[19] Sec. 126.70. As Introduced, House Bill 96. Note that Sec. 126.10. (A). includes additional proposed language that would threaten programs like SNAP, Medicaid, TANF, and others that support similar federal programs.
[20] Eliminating the Medicaid Expansion Federal Match Rate State by State (2025). KFF.org.
[21] The American Hospital Association: Fact Sheets on Medical Provider Taxes.

Ohio funds part of our Medicaid program through the Hospital Franchise Fee (HFF). The governor's proposed budget suggested increasing this revenue source from 4.5% to 7%,[22] to draw down additional federal dollars. If this was limited or removed as an option for revenue, the state of Ohio would lose billions of dollars in healthcare funding.[23]

When Republican Gov. John Kasich opted Ohio into Medicaid Expansion under the Obama Administration's Affordable Care Act, hundreds of thousands of Ohioans gained healthcare coverage.[24] Medicaid Expansion supports tens of thousands of jobs in our state.[25] The program is essential to Ohioans' physical and economic wellbeing. Federal and state-level efforts to defund this effective, popular program run counter to the basic functions of good government. The tactics listed in this brief are attacks on Ohioans; our representatives in Columbus and D.C. should resist and reject them.

[22] See ALI 651656 (Page 21) Ohio Department of Medicaid Redbook.
[23] See line items 651656 (Hospital Franchise Fee) and 651623 (Medicaid Services Federal).
[24] In the 18 months after the ACA took effect, 625,000 non-senior adults enrolled in Ohio's Medicaid Expansion. See Medicaid Expansion and ACA Repeal: Evidence From Ohio in the American journal of public health, 107(6), 889–892 by Seiber, E. E., & Berman, M. L. (2017).
[25] "Medicaid supports Ohio jobs," Wendy Patton and Amanda Woodrum. Policy Matters Ohio. 2018.