Policy Matters Ohio

TESTIMONY

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Testimony to the House Medicaid Committee on H.B. 96

Chair Gross, Vice Chair Barhorst, and Ranking Member Baker, my name is Kathryn Poe, and I am the Health and Budget Researcher at Policy Matters Ohio. Policy Matters Ohio is an independent nonprofit think tank focused on the economic security of Ohioans from all walks of life. Today we are here to discuss House Bill 96 and its Medicaid provisions.

Ohio Medicaid covers more than 3.2 million low-income adults, and accounts for over 4% of Ohio's economy.[1] This includes more than 1.3 million children, from birth to age 18, and more than half of Ohio's births.[2] Because of this, the success of Ohio's Medicaid program is a key part of creating a healthier Ohio.

Improvements to Medicaid

The governor's proposed budget would improve Medicaid access for Ohioans by increasing the personal needs allowance from $50 to $100 for qualifying Medicaid recipients at an increase of 65.7 million over the biennium.[3] The personal needs allowance is an essential part of many low-income Ohioans' budgets so that they can afford toiletries, vitamins, and other necessary items for their health care. This is especially important for aging adults on a fixed income.

The governor's proposed budget also increases Medicaid funding for mobile crisis services for youth — a key behavioral health intervention — to continue supporting cross-agency collaboration, as well as expanding coverage for services to eligible juveniles in a post-adjudication criminal justice status. The proposed budget also

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[1] ODM Redbook (2025) (p. 2): You can find this here: https://www.lsc.ohio.gov/assets/legislation/136/hb96/in/files/hb96-mcd-redbook-as-introduced-136th-general-assembly.pdf

[2] ODM Redbook (p. 2). See footnote 1.

[3] Increasing the personal needs allowance from $50 to $100 for qualifying Medicaid recipients served under the Department of Aging, DODD, and ODM's programs. ODM estimates that this increase will require $21.9 million ($6.3 million state share) in FY 2026 and $43.8 million ($12.5 million state share) in FY 2027.

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maintains the rate increases for service providers in Federally Qualified Health Centers (FQHC), direct care services, and other areas boosting wages for workers across our healthcare system.[4]

Increasing the Hospital Franchise Fee from 4.5% to 7%,[5] as Gov. DeWine has proposed, would draw down more federal dollars. For every $1 in Franchise Fee funds sent to the federal government, the state receives $3 in federal matching funds. This creates a total of $4 Medicaid dollars for every $1 invested.[6] This increase in the Franchise Fee will lead to an increase in the federal matching funds in Line Item 651623, the Medicaid Services Federal Match.[7] You can improve on the governor's proposal by allocating additional GRF dollars to provide even greater support.

Lastly, the Department of Medicaid is required to apply for a federal waiver to expand continuous coverage for kids up to age 3 and is in the process of doing so. We suggest continuing this expansion with a plan to eventually include kids up to age 6. Allowing children with Medicaid to maintain their coverage regardless of household income fluctuations will give children consistent access to the well-child visits, vaccinations, and specialty care they need to start school ready to learn. Ohio's children will someday be adults, and coverage early in life is tied to a stronger future economy. Medicaid coverage for kids and pregnant women is tied to greater overall economic security, including higher college enrollment rates and wages.[8]

Threats to Medicaid services for Group VIII

One particularly concerning part of the proposed budget can be found in section 126.70, which would allow the state to halt all Medicaid services to Ohioans in Group VIII (8), the Affordable Care Act expansion, should the federal government lower the FMAP below the current 90% match rate. Should this language pass, it would have an immediate and devastating impact on healthcare coverage in the state, potentially impacting upwards of 770,000 Ohioans.[9] While the state already has this authority,[10] this section would make it mandatory and immediate, throwing the lives of and coverage for thousands of Ohioans into chaos. Someone could be standing in line to get medication or in the middle of chemotherapy and suddenly lose all access to their coverage. Many Ohioans in this group are low-income workers, who are

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[4] Pg. 15 Medicaid Redbook
[5] See Line Item ALI 651656 (Page 21) Ohio Department of Medicaid Redbook.
[6] https://www.ohiohospitals.org/advocacy-policy/ohio-hospital-franchise-fee
[7] This line item also contains other sources Fund (3F00) – including the Federal Medicaid reimbursement, the Federal share of drug rebates, and the Federal share of the Hospital Care Assurance Program (HCAP)(ALI 51649). See the Ohio Medicaid Redbook (2025).
[8] Jeopardizing a Sound Investment: Why Short-Term Cuts to Medicaid Coverage During Pregnancy and Childhood Could Result in Long-Term Harm – the Common Wealth Fund.
[9] Medicaid caseload coverage (Jan 2025).
[10] https://dam.assets.ohio.gov/image/upload/medicaid.ohio.gov/Stakeholders,%20Partners/MedicaidStatePlan/Sections/Coverage/2_0_S32.pdf

unable to get insurance through their employer — in 2023, only 23.9% of workers under 200% FPL were able to access employer-sponsored health insurance.[11]

Group VIII work requirement waiver

Group VIII adults suffer more than one threat to their insurance coverage under this budget proposal. Policy Matters stands firmly in opposition to the proposed work requirement waiver due to the additional administrative burden and clear evidence from states like Georgia that work requirements are not effective. Georgia was one of the first states to implement work requirements through the Georgia Pathways program and has run into major issues in implementation that have made national headlines.[12] More than 40% of Georgia's counties[13] still had fewer than 10 enrollees despite the state having one of the highest percentages of uninsured populations in the nation. As a result, members of Congress, including Georgia Senators Ossoff and Warnock, have asked for an investigation into the Georgia Pathways program. [14]

The Georgia program requires substantial paperwork through a lengthy and intrusive online application, on top of a high estimated cost for program operation — an average of $13,000 was spent per enrollee in combined state and federal funds.[15] This is extremely costly: According to KFF data from 2021, the average spent in Ohio on an adult is $6,221 dollars and $8,180 for ACA Expansion adults.[16] According to the Department of Medicaid data in 2022, the average cost per enrollee in Ohio from all groups is $9,520.[17] Lastly, according to testimony from the Department of Medicaid given in finance committee a few weeks ago, the Group VIII expansion is the lowest cost group in the state, at only $907 average per member per month.[18]

The budget plays a major role in supporting the healthcare needs of all Ohioans, especially kids and our aging population. Strengthening access to healthcare to improve outcomes should be one of our state's top priorities. While we support many pieces of the Governor's Budget, you can do better for your constituents by implementing our recommendations.

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[11] KFF.org. Employer sponsored Health Insurance: Policy 101.
[12] https://www.nytimes.com/2024/12/18/us/politics/georgia-medicaid-work-requirement.html
[13] https://gbpi.org/georgias-pathways-to-coverage-program-the-first-year-in-review/
[14] https://www.finance.senate.gov/chairmans-news/wyden-ossoff-warnock-seek-watchdog-investigation-into-waste-and-mismanagement-in-georgia-pathways-program
[15] https://gbpi.org/georgias-pathways-to-coverage-program-the-first-year-in-review/
[16] https://www.kff.org/medicaid/state-indicator/medicaid-spending-per-enrollee/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D
[17] https://www.medicaid.gov/state-overviews/scorecard/measure/Medicaid-Per-Capita-Expenditures?measure=EX.5&measureView=state&stratification=463&dataView=pointInTime&chart=map&timePeriods=%5B%222022%22%5D
[18] Page 5 – OBM Testimony – Feb. 5th, 2025.