

Ohio Medicaid Basics 2017

Executive summary

Overview

Medicaid pays for medically necessary healthcare services for over three million Ohioans and is the primary source of coverage for low-income Ohioans who generally do not have access to or cannot afford other health insurance coverage. The program also pays for services for people who are elderly and disabled, including long term services and supports that are not covered by Medicare and most private health insurance coverage. As a healthcare payer for one in four Ohioans, Medicaid is an important driver of payment reform and quality measurement initiatives in the healthcare system.

Access to care is necessary but not sufficient

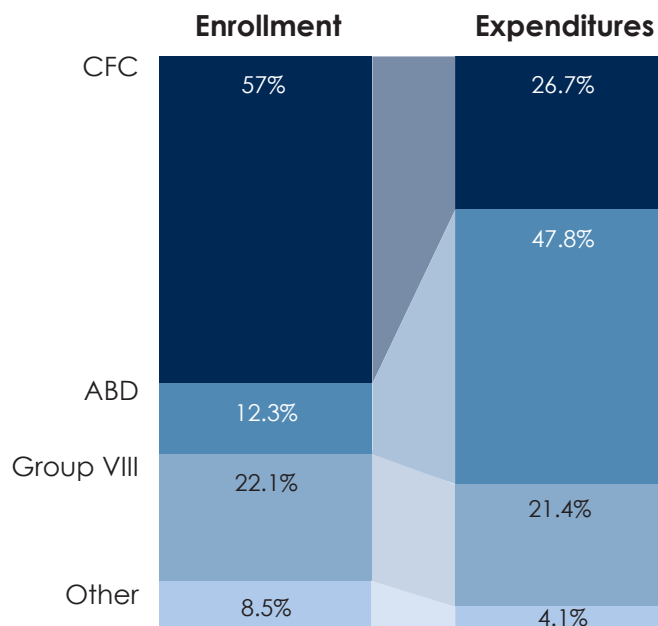
While there is evidence that Medicaid coverage improves access to care¹, it is important to note that overall health is influenced by a number of factors. However, only 20 percent of the modifiable factors that influence health are attributed to clinical care.² Access to quality clinical care is necessary, but not sufficient, to improving health.

Why do people enroll in Medicaid?

Medicaid is often the most financially feasible health coverage option for people with low incomes. Many Ohioans face barriers to obtaining private coverage due to:

- Low employer-sponsored health insurance offer rates
- Unemployment and other changes in life circumstances that impact coverage (such as death of a partner, divorce, illness, attending school or caregiving for family or friends)
- Unaffordability of private individual health insurance coverage
- Inability to afford cost-sharing
- Limited ability to work due to disabling conditions

Figure ES.1. Cost differences between types of Medicaid enrollees, SFY 2016



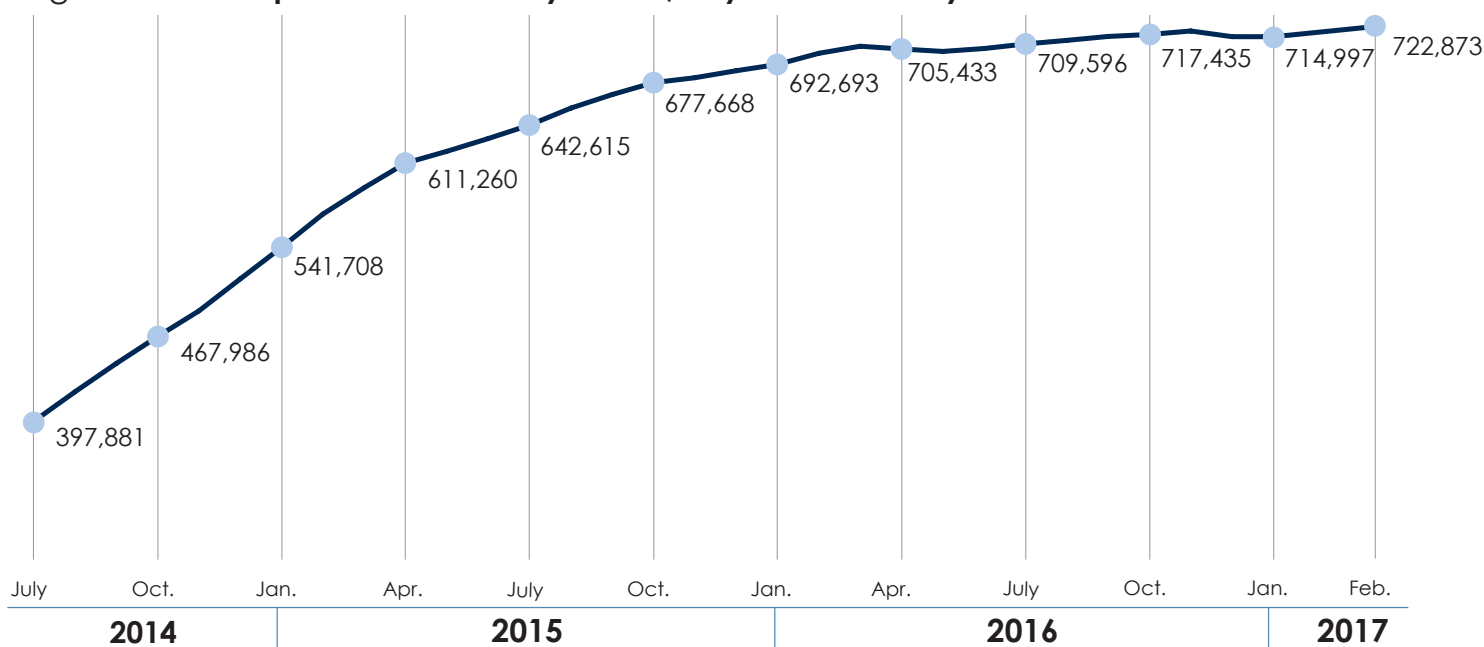
Source: Ohio Department of Medicaid, Medicaid eligibles and expenditures reports (SFY 2016). Additional analysis by HPIO.

Medicaid eligibility categories and cost differences

People who are eligible for Medicaid must have incomes below a specific amount, usually set as a percentage of the federal poverty level (FPL). Eligibility for Medicaid is separated into categories based on age, household composition and medical need. Eligibility categories include Covered Families and Children (CFC), Aged, Blind and Disabled (ABD), Medicaid Expansion (Group VIII) and Other Medicaid. Income levels set for Medicaid eligibility vary by each category.

Individuals enrolled in the ABD category of Medicaid generally have health challenges that are expensive to treat. As a result, the percentage of total Medicaid spending dedicated for this population is proportionally higher than other groups (see figure ES.1).

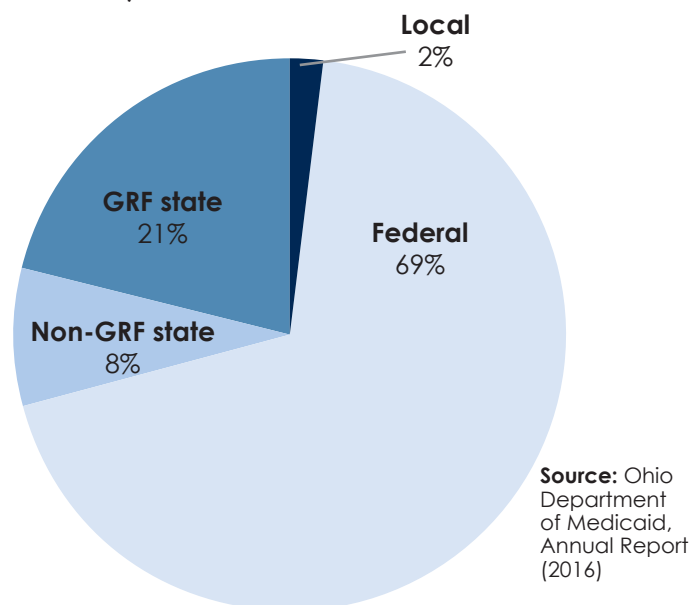
Figure ES.2. **Group VIII enrollment by month, July 2014-February 2017**



Source: Ohio Department of Medicaid, caseload reports

Note: To the extent possible, this graphic reports back-dated and retroactive eligibility.

Figure ES.3. **Ohio Medicaid spending by funding sources, SFY 2016**



Medicaid expansion (Group VIII)

Beginning January 1, 2014, Medicaid coverage was expanded to adults between ages 19 and 64 who have incomes less than 138 percent FPL³ and who are not eligible under other categories. As of February 2017, about 723,000 Ohioans were enrolled in Group VIII (see figure ES.2).

Medicaid financing and spending

Medicaid is a federal-state partnership in which the federal government and states share the cost of providing coverage to Medicaid enrollees. Including both state and federal funding, Ohio's Medicaid program cost over \$25.5 billion in SFY 2016, representing 37.8 percent of the state's total budget.⁴ The federal share of Ohio's Medicaid program was \$17.8 billion (69 percent) with Ohio's General Revenue Fund contributing \$5.8 billion (21 percent) (see figure ES.3).⁵

Download the full version of **Ohio Medicaid Basics 2017** at www.healthpolicyohio.org/ohio-medicaid-basics-2017/

Notes

1. Antonisse, Larisa, Rachel Garfield, Robin Rudowitz, and Samantha Artiga. *The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review*. Kaiser Family Foundation, February 22, 2017; Courtemanche, Charles, et al. *Early Effects to the Affordable Care Act on Health Care Access, Risky Health Behaviors, and Self-Assessed Health*. Cambridge, MA: National Bureau of Economic Research, March 2017; *Ohio Medicaid Group VIII Assessment: A Report to the Ohio General Assembly*. The Ohio Department of Medicaid, December 30, 2016. <http://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Assessment.pdf>.
2. Booske, Bridget et al. *Different perspectives for assigning weights to determinants of health*. County Health Rankings, February 2010.
3. This eligibility limits includes a five percent income disregard. Income counting and disregards are discussed in the full publication.
4. Total Medicaid spending from the Ohio Department of Medicaid. *Annual Report*. Ohio Department of Medicaid, August 1, 2016; Total Ohio spending from the Office of Budget and Management. *Interactive Budget - Expense Category*. the Office of Budget and Management, accessed February 16, 2017. <http://interactivebudget.ohio.gov/Expenses/Category.aspx>.
5. *Annual Report*. Ohio Department of Medicaid, August 1, 2016.