

Impact of extending Medicaid coverage for adult Ohioans to 138 percent of poverty

Impact	FY 2014	FY 2015 ¹	FY 2014-2015 ²	FY 2020	FY 2014-2020 ³
Coverage Impact					
How many Ohioans would become newly eligible for Medicaid at 138% and enroll?			366,000 ⁴		447,000 ⁵
How many Ohioans previously enrolled in Medicaid would no longer be eligible at 138%? ⁶			(91,000) ⁴		(94,000) ⁵
What is the net impact on Medicaid enrollment from setting eligibility at 138%?			275,000⁴		353,000⁵
Federal Funds Impact					
How much new federal money would flow into Ohio as a result of setting eligibility at 138%?	\$523 million	\$1.9 billion	\$2.4 billion	\$2.5 billion	\$13.0 billion
State Funds Impact					
How much new state spending would be required to pay for newly eligible populations?	\$0	\$0	\$0	\$230 million	\$586 million
How much would the state save as a result of previous Medicaid enrollees coming off?	\$23 million	\$68 million	\$91 million	\$84 million	\$477 million
How much new state sales and HIC tax revenue would the state collect? ⁷	\$18 million	\$97 million	\$117 million	\$165 million	\$765 million
How much would Ohio prisons save on service costs that shift to Medicaid? ⁸	\$9 million	\$18 million	\$27 million	\$18 million	\$117 million
How much would the state save overall from extending Medicaid coverage?	\$50 million	\$183 million	\$235 million	\$37 million	\$773 million
County Funds Impact					
How much new sales tax revenue would local governments collect? ⁹	\$4 million	\$21 million	\$25 million	\$34 million	\$161 million
How much would counties save on behavioral health costs that shift to Medicaid funding? ¹⁰	\$35 million	\$70 million	\$105 million	\$70 million	\$455 million
How much would counties save overall from extending Medicaid coverage?	\$39 million	\$91 million	\$130 million	\$104 million	\$616 million

NOTES

¹ The Medicaid expansion would occur on January 1, 2014, six months into state fiscal year 2014, which begins July 1, 2013. The first full year of impact – and the most accurate picture of annual spending – is state fiscal year 2015.

² Ohio's State Fiscal Year 2014-2015 Operating Budget covers the period July 1, 2013 through June 30, 2015.

³ The federal government covers 100 percent of expansion costs 2014-2016 but then requires states to cover 5 percent in 2017, 6 percent in 2018, 7 percent in 2019, and 10 percent in 2020 and beyond.

⁴ 2014-2015 enrollment estimates are as of June 2015.

⁵ 2014-2020 enrollment estimates are as of June 2020.

⁶ Ohio Medicaid currently covers individuals who would transition to the newly eligible group or federal Health Insurance Exchange, including 26,378 Family Planning enrollees, 54,123 enrollees on transitional Medicaid assistance, and 10,356 parents with modified adjusted gross income above 138 percent of the federal poverty level.

⁷ Estimate includes revenue from Ohio's existing 1 percent health insuring corporation tax and 5.0 percent state sales tax on Medicaid managed care services.

⁸ In 2012, the Ohio Department of Rehabilitation and Correction spent \$28.5 million on inpatient hospital services, of which approximately 60 percent would be covered by the Medicaid expansion.

⁹ Estimate is based on a 1.35 percent statewide average local sales tax on Medicaid managed care services.

¹⁰ In 2011, counties spent \$140.5 million on mental health and addiction treatment services that are included in the Medicaid benefit package, of which it is projected at least half (\$70 million) would actually convert from to Medicaid.