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ACA replacement would do short and long term harm Increased costs and changes to Medicaid put many Ohioans at risk

The House Republican proposal to “repeal and replace” the Affordable Care Act (ACA) will, over time, force Ohio to eliminate the Medicaid expansion, causing hundreds of thousands of low-income Ohioans to become uninsured. It will also reduce the value of federal aid many people receive to help buy insurance on the private market, Policy Matters Ohio found in a study released today.

The plan repeals the ACA and replaces it with a program that shifts costs to states and provides less assistance to people with low incomes. It expands aid to middle income families and gives tax breaks to the wealthy. It will be particularly hard on the poorest, oldest people.

“Medicaid is the biggest insurer in the state, covering a quarter of Ohioans, 3 million people,” said Wendy Patton, report author. “The people of Ohio have been helped by the Affordable Care Act. Too many would be hurt by its repeal and the restructuring of Medicaid under the new Republican plan.”

The plan eliminates the flexible, eligibility-based financing structure of Medicaid and replaces it with a less flexible “per-capita cap” structure. Each state will receive a share of federal funding for Medicaid pegged to 2016 costs.

This is bad news for Ohio, where the population is aging rapidly. Health care is the most costly among the elderly, so as the population ages, costs rise. But the federal share will not: in fact, the plan penalizes states with rising costs by imposing a penalty of reduced funding. This could lead to reduced Medicaid coverage for all Ohioans, but especially for growing and costly segments of the population, like seniors.

The ACA and Medicaid provide health coverage to low-income families with workers in Ohio’s largest occupational groups, such as food service and table waiting, retail, home health, and cleaning and janitorial. These are the people who would increasingly become uninsured, or find their coverage much more expensive, as a result of the Republican repeal of the ACA.

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
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