

# PUBLIC BENEFITS SUBSIDIZE MAJOR OHIO EMPLOYERS: A 2008 UPDATE

## EXECUTIVE SUMMARY

The state of Ohio paid an estimated \$111.5 million in 2007 to cover Medicaid costs for workers and their dependents at 50 employers statewide. Altogether, 111,046 such participants in family Medicaid accounted for slightly fewer than 9 percent of all those in the program last year; about 16 percent of all people eligible for this Medicaid program were employed. The three employers with the most workers enrolled in Medicaid on average in Ohio were Wal-Mart, McDonald's, and Yum! Brands, which owns Kentucky Fried Chicken, Pizza Hut and Taco Bell.

Those were among the findings from data provided this month to Policy Matters Ohio by the Ohio Department of Job and Family Services. The data identify the number of employees and their family members who received public benefits – Medicaid Coverage for Families and Children, food stamps and Ohio Works First cash assistance – while working at the employers in Ohio that appeared most frequently in the agency's data. Recipients in each of these programs qualify because they earn less than established income guidelines.

Most of the listed employers were retailers, restaurants or staffing/personnel firms.

Wal-Mart had the most employees and their dependents – 13,141 – enrolled in Medicaid last year. Despite changes in the company's health plans, the share of Ohio Wal-Mart workers enrolled in Medicaid has remained the same since 2005 at roughly 7 percent. McDonald's and its franchisees had the most Ohio workers and their family members receiving food stamps and cash assistance in 2007. The number of employees and their dependents receiving Medicaid jumped most sharply over the four-year period at the Akron-based telemarketer Infocision, the retailer Target and the Cleveland Clinic Health System. These three employers each saw an increase of more than 40 percent from 2004 to 2007.

Overall enrollment in Medicaid and food stamp programs continued to grow each year at major employers between 2004 and 2007, increasing by 14.6 percent and 16.8 percent, respectively, over that time. Employee and dependent participation in cash assistance declined 21.6 percent during the same period; this may be in part because of time limits that restrict how long qualifying families can receive cash assistance regardless of their income.

The total approximate cost to Ohio of workers and their dependents using Medicaid at the 39 top employers listed by ODJFS for each year increased 29 percent, to \$107.6 million in 2007 from \$83.4 million in 2004, in inflation adjusted 2007 dollars.

The table below shows that more than 50 percent of covered employees and their dependents worked at 10 private sector employers.

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Ten Ohio employers with most workers enrolled in Medicaid, 2007					
2007 rank in enrollment	Top 10 employers	Number of workers			
		2007	2006	2005	2004
1	Wal-Mart	13,141	13,010	12,184	10,122
2	McDonald's	11,446	11,088	11,359	10,140
3	Yum! Brands <sup>1</sup>	6,596	6,358	6,890	6,499
4	Wendy's	5,620	5,580	6,305	5,848
5	Bob Evans	4,588	4,548	4,861	4,077
6	Kroger	4,491	4,562	4,754	4,066
7	Burger King	3,522	3,502	3,746	3,431
8	Marathon Oil <sup>2</sup>	3,283	3,106	3,038	2,780
9	Sears Holdings <sup>3</sup>	3,068	2,997	3,558	3,725
10	Frisch's	2,901	3,011	3,116	2,994
<b>Totals, 10 employers</b>		<b>58,656</b>	<b>57,762</b>	<b>59,811</b>	<b>53,682</b>
<b>Totals, all listed employers<sup>4</sup></b>		<b>111,046</b>	<b>109,322</b>	<b>103,920</b>	<b>93,492</b>

Source: Ohio Department of Job and Family Services

<sup>1</sup> Includes Kentucky Fried Chicken, Pizza Hut and Taco Bell

<sup>2</sup> Includes Marathon and Speedway gas stations

<sup>3</sup> Includes Sears and Kmart (The retailers merged as Sears Holdings Corporation March 24, 2005).

<sup>4</sup> Totals across this row should not be compared to each other as the number of employers listed changed from 2005-2006

This analysis by Policy Matters Ohio covers 2006 and 2007 data released this month and similar data for 2004 and 2005 released two years ago.

(For the earlier report, go to [www.policymattersohio.org/public\\_benefits\\_2006\\_03.htm](http://www.policymattersohio.org/public_benefits_2006_03.htm))

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*Policy Matters Ohio is a nonprofit, nonpartisan research institute dedicated to researching an economy that will work better for all in Ohio. Learn more about Policy Matters Ohio at [www.policymattersohio.org](http://www.policymattersohio.org).*