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New federal rule highlights importance of Medicaid expansion for Ohio

A federal rule released May 13 makes it clear that many of Ohio's hospitals – and Ohioans who rely on them for care – will be put at risk unless our lawmakers accept available federal funds already designated to our state to provide health insurance to working families through Medicaid.

According to the new rule, our state's safety net hospitals could face more than \$23.4 million in cuts in 2014 to federal aid they receive to treat patients without insurance, known as Disproportionate Share Hospital funds or DSH.

The cuts will grow deeper in the years that follow. The 2014 cuts totaled \$500 million or about 4 percent nationally. By 2018, the DSH cuts will total 40 percent nationally.

If Ohio fails to accept federal funding already designated to the state to cover working families through Medicaid, 275,000 Ohioans will remain uninsured, and many will seek care in hospitals that now rely on DSH payments to help pay for that care. The cost of continuing to provide care for the uninsured combined with the DSH payment cuts could leave many hospitals struggling to stay open.

Our state's safety net hospitals not only provide needed health care to people in communities around our state, they also provide jobs and serve as a foundation of local economies.

Accepting the designated federal funds to cover more working families through Medicaid is the right choice for Ohio for many other reasons. Ohio should accept the federal funds and cover more hard-working families so that they can get the care they need before they get sick – not in the emergency room. It's a bargain for the state and would also give the economy a needed boost.

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