

“Healthy Ohio” plan is bad medicine Medicaid changes would be a setback for public health

By Wendy Patton

Medicaid expansion has been a success in Ohio, but changes legislators seek would cause many Ohioans to lose their health coverage and lead to higher medical costs.

As part of the 2015 budget bill, Ohio legislators mandated that the Department of Medicaid request a waiver of rules from the federal government in order to change how some of the state’s Medicaid enrollees receive their health insurance. The changes would impose premiums as well as penalties on patients who miss payments. Research shows many would lose health care because of the financial burdens and penalties of the so-called “Healthy Ohio” plan.

Research dating to the 1980s indicates that such plans, by imposing financial barriers for the poor, will work against the kind of good health results Ohio has seen with Medicaid expansion. Ohio’s legislature should repeal the Healthy Ohio plan and stick with its successful Medicaid expansion.

Who is affected by the Healthy Ohio plan?

Around one-third of people in Ohio’s Medicaid program are non-elderly adults without disabilities; this group would be affected. More than half received access to health care through the Medicaid expansion of the Affordable Care Act (“Obamacare”). Almost 650,000 Ohioans have enrolled. About half work, but their wages are so low they live near or in poverty. Health care will be critical to helping them lead better lives: Nearly 70 percent have chronic physical disorders and 42 percent have needed behavioral health treatment.

Is the current Medicaid expansion not working?

Ohio’s Medicaid expansion program is working. Data collected on an early Medicaid expansion pilot program at the MetroHealth Care Plus pilot project in Cleveland finds Ohio’s Medicaid expansion has reduced chronic disease among enrollees with lower-than-expected costs.

But the legislature wants to change it.

Key findings

- Ohio will seek to serve adults in Medicaid with a modified “Health Savings Account” (HSA), under what is called the Healthy Ohio plan.
- Research shows increased premiums like those proposed for the Healthy Ohio plan may cause enrollment to drop by up to 15 percent of adults in Medicaid.
- The proposed Healthy Ohio program is complex, with many outstanding questions about its management and administration.
- The current Medicaid expansion program in Ohio is successful, with strong enrollment and good health outcomes. The changes proposed in the Healthy Ohio plan will reverse progress made.

How would the Healthy Ohio plan affect health care for low-income people?

While some research finds that imposing premiums and penalties can reduce some costs, it also finds poor health outcomes for people who have low incomes and are in poor health. Poor health outcomes can be expected because of several factors, such as:

- **Enrollment will drop.** Enrollees in the Healthy Ohio plan will pay a yearly or monthly “premium.” Studies find that among the poorest Medicaid enrollees, boosting costs or charging a premium causes people to drop out. Further, there are penalties – loss of care – with missing payments or paperwork.
- **As enrollment drops, care is interrupted.** Continuity of care matters in managing common chronic diseases like hypertension and diabetes. Barriers that interrupt consistent, ongoing care result in poor health outcomes.
- **Care may be delayed:** Current Medicaid coverage is provided for eligible enrollees at the time of application. Under the Healthy Ohio plan, people won’t be enrolled until the first premium is paid. Since people usually enroll when they have a medical problem, this could delay necessary treatment.

The U.S. Department of Health and Human Services published research findings in July 2015 that concluded increased costs makes it harder for poor families to access needed health care and maintain coverage.

Research indicates that the “Healthy Ohio” plan will work against good health outcomes. This is a move in the wrong direction, because the current Medicaid expansion program is very successful. Ohio’s legislature should scrap Healthy Ohio, and the federal government should reject Ohio’s request for a Medicaid waiver. It’s bad medicine for Ohio, and for other states as well.