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Medicaid changes a setback for public health

New rules for Ohio would undermine success of Medicaid expansion

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, a new Policy Matters Ohio report says.

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 about one-third 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 low-income people, will lead to more losing access to medical care. Increased premiums such as those proposed in the Healthy Ohio plan may cause enrollment to drop by up to 15 percent of adults with Medicaid.

"It will work against the kind of good health results Ohio has seen with Medicaid expansion," said Wendy Patton, Policy Matters senior project director and report author. "Research is showing that Medicaid expansion leads to better health and also saves money."

A pilot program called the MetroHealth Care Plus project in Cleveland saw health improvements among enrollees, and costs were lower than anticipated.

The Healthy Ohio plan also includes incentives to encourage healthy behaviors, but which could discriminate against people whose neighborhoods lack grocery stores with nutritious food or outdoor areas in which to exercise safely. These provisions are likely to backfire since the plan as a whole is likely to deprive some Ohioans of the tools needed to follow through on healthy behaviors. The plan also hurts those without bank accounts, because the plan offers greater access to care to those who can arrange electronic funds transfers to pay monthly or annual premiums.

"Ohio's legislature should repeal the mandates to impose the Healthy Ohio plan and stick with its successful Medicaid expansion," said Patton. "The federal government should reject Ohio's request for a Medicaid waiver. It is bad medicine for Ohio, and for other states as well."

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*

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