

Ohio lawmakers consider repealing Medicaid expansion for 770,000 residents

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Hundreds of thousands of Ohioans could lose health care coverage, if Ohio lawmakers go through with a proposed repeal of Medicaid expansion in the state budget bill.

Ohio representatives are considering a measure in the budget that would repeal Medicaid expansion funding if the federal medical assistance is below 90%. The move comes as top Republicans consider cuts to federal Medicaid spending and adding work requirements to the program.

The repeal would affect Ohioans with an income below 138% of the federal poverty level, or about \$44,000 for a family of four.

Ohio expanded Medicaid eligibility for low-income adults under 65 in 2014. About 770,000 Ohioans are enrolled due to the expansion.

The move would hit rural health systems especially hard, as rural counties typically have higher percentages of residents enrolled in Medicaid, according to data from the Ohio Department of Medicaid.

John Palmer, spokesman for the Ohio Hospital Association, said in a statement to the statehouse bureau that health care coverage is critical for Ohioans to ensure they can access services.

"For more than 10 years Ohio policymakers have prioritized this program which has impacted thousands of Ohioans to achieve stronger health outcomes while supporting safety net hospitals across the state," Palmer said. "Ohio hospitals are supportive of the administration's introduced executive state budget for this program, and we will continue to advocate for a sustainable health care system so that Ohioans have access to high quality hospital care in their communities."

The statehouse bureau reached out to House Finance Committee Chair Rep. Brian Stewart, R-Ashville, by phone and email for the reasoning behind the proposed repeal, but did not receive a response prior to publication.

How would rural health systems be affected?

As of now, Scott Cantley, chief executive officer of the primarily rural Memorial Health System based in southeastern Ohio, said the proposal is "neutral" to the fate of rural health providers.

But if those federal cuts occur, the impact is far from neutral.

"For rural hospitals, we're already struggling to get to a break-even operation, right?" Cantley explained. "... Any kind of negative disruption just makes it either impossible or that much more difficult to sustain these hospitals in these small towns."

Medicaid and Medicare coverage has risen in rural areas, up from 17% in 2020 to 21% in 2023, according to the [Medicare Rights Center](#).

Medicare and Medicaid pay health systems around 2.5 times less than a commercial insurer.

Cantley estimates that roughly 70% of the patients Memorial Health System serves are covered by Medicaid or Medicare, already putting the rural system at a disadvantage financially. Further cuts to that population could spell danger for the region's sustainability in terms of health care and economically.

"We don't have a reasonable proportion of commercial-insured jobs left in these small towns," Cantley said. "Any additional weight you place on the backs of these independent rural community hospitals is going to push them under and there's no ability to carry more."

What do Ohio Senate leaders think?

Senate President Rob McColley, R-Napoleon, said it's a matter of whether Ohio can afford to fund the expansion with less than a 90% share from the federal government. He said he visited a rural hospital in Henry County on Monday and had a conversation about the expansion.

"We were talking about the importance, in their eyes, of Medicaid expansion. But at the same time, for me, it's a dollars and cents thing we have to balance our budget. And you know, that's also required by our state Constitution," McColley said.

Senate Minority Leader Nickie Antonio, D-Lakewood, said the Medicaid expansion has kept Ohioans healthy and in the workforce and that the state could potentially find funding by looking at subsidies Ohio gives companies.

"It concerns me greatly that we would think about cutting something that has so many benefits to the state in general," she said.