

Ohio Medicaid Basics Update

Trends in enrollment and expenditures during the COVID-19 pandemic

Background

The Medicaid program is a partnership between federal and state government that pays for healthcare services for approximately 3.37 million Ohioans with low incomes (see figure 1), including more than 1.32 million children.

Many Ohioans enroll in Medicaid because private or employer-sponsored health insurance coverage is unavailable, too expensive or provides inadequate coverage for necessary services, such as long-term support services (LTSS), nursing facility care, adult day programs and home healthcare services.¹ In state fiscal year (SFY) 2021, expenditures on Medicaid accounted for about 38% of Ohio's budget.²

As the payor of healthcare services for nearly three out of every 10 Ohioans, Medicaid can be leveraged to make large-scale policy changes that improve health, advance equity, and lead to sustainable healthcare spending.

Since the COVID-19 pandemic began in March 2020, enrollment in, spending on and federal funding for Ohio Medicaid have increased significantly. Drawing from the foundational information provided in HPIO's [Ohio Medicaid Basics 2021](#) policy brief, this fact sheet provides information on:

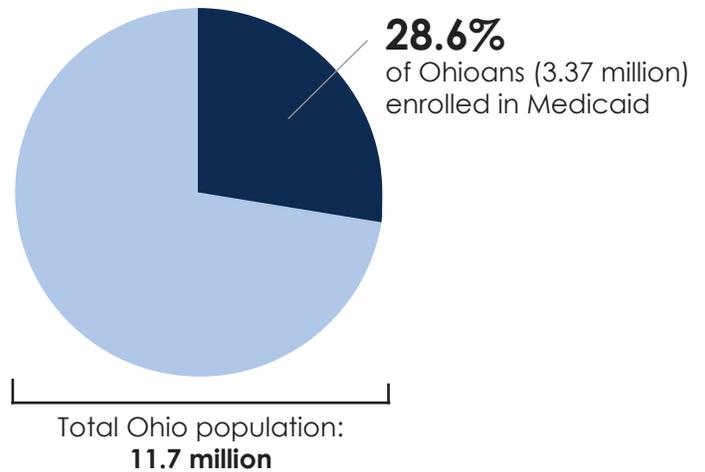
- Changes to Medicaid due to the COVID-19 pandemic
- Enrollment changes during the COVID-19 pandemic
- Ohio Medicaid spending during the COVID-19 pandemic

Changes to Medicaid due to the COVID-19 pandemic

On Jan. 31, 2020, the U.S. Department of Health and Human Services (HHS) declared a Public Health Emergency (PHE)³, allowing the federal government to divert federal funds, personnel and services in response to the COVID-19 pandemic.⁴

Additionally, the Families First Coronavirus Response Act (FFCRA), passed in March 2020, provided states with a 6.2 percentage point increase in their federal share of Medicaid funding. This increase, which amounts to approximately \$300 million per quarter, is in effect until the end of the quarter in which

Figure 1. **Estimated percent of Ohioans enrolled in Medicaid, March 2022**



Sources: HPIO analysis of Ohio Department of Medicaid Demographic and Expenditure Dashboard (accessed April 11, 2022) and U.S. Census Bureau, American Community Survey

the PHE expires.⁵ The increase in the federal share of Medicaid funding is contingent on a “maintenance of eligibility” (MOE) provision in the FFCRA, which prohibits state Medicaid programs from terminating coverage for current enrollees or changing eligibility criteria or requirements during the PHE.⁶

The federal government has announced that it will provide states 60 days’ notice prior to the end of the PHE.⁷ On April 12, 2022, the federal government renewed the PHE, meaning that it will be in effect through mid-July 2022.⁸

Redetermination and renewal on the horizon

Once the PHE expires, the Ohio Department of Medicaid (ODM) is responsible for conducting redeterminations of Medicaid eligibility for the 3.37 million enrollees in Ohio to assess whether or not enrollees still meet eligibility requirements.

Guidance from HHS gives states up to 12 months after the end of the PHE to complete eligibility redeterminations, as well as renewals, pending applications and all other eligibility and enrollment actions.⁹ However, Ohio state law creates a shorter

timeline. A provision in the most recent biennial state budget (SFY 2022-2023) requires ODM to complete eligibility renewals and redeterminations within 90 days after the end of the PHE, with up to 30 additional days to act on redeterminations.¹⁰

To prepare for eligibility and enrollment activities to resume, ODM:

- Initiated system improvements in **Ohio Benefits** (Ohio’s eligibility system for benefits, such as Medicaid and SNAP)
- **Contracted** with the Public Consulting Group to assist in identifying enrollees who are “likely ineligible” for Medicaid coverage
- Encourages enrollees to update their contact information
- Plans to leverage the **passive (ex parte) renewal process** prior to the end of the PHE
- Plans to work with managed care plans to coordinate outreach to Medicaid enrollees to increase the response rate for renewal information requests¹¹

Ensuring that eligible Ohioans maintain their Medicaid coverage during this redetermination process will be an important task for ODM, requiring public/private partnerships and collaborative efforts across sectors.

Enrollment changes during the COVID-19 pandemic

Economic factors and policy decisions during the COVID-19 pandemic have led to increased Medicaid enrollment. COVID-19 created changes in employment for many Ohioans, including job loss, reduced incomes and reduced working hours. These changes made some Ohioans newly eligible for Medicaid, especially early in the pandemic.¹² Additionally, the MOE provision of the federal COVID-19 response requires states to maintain coverage for Medicaid enrollees in order to receive enhanced federal funding of the program.¹³ This means that since March 2020, no Ohioans have been unenrolled from Medicaid.

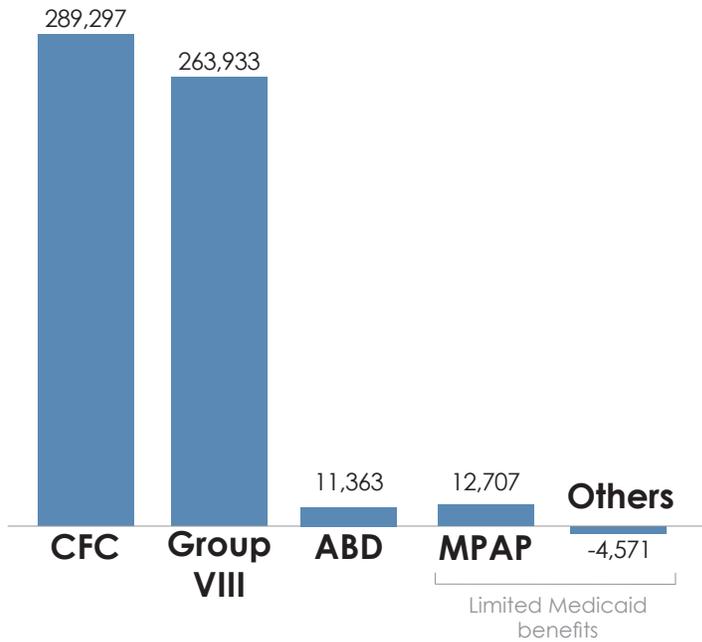
In Ohio, total Medicaid enrollment increased by approximately 20.5% from March 2020 to March 2022, growing from 2.79 million to 3.37 million enrollees.¹⁴ This increase of more than 580,000 enrollees represents a stark reversal of the downward trend in Medicaid enrollment from 2017 to early 2020.¹⁵ Medicaid enrollment grew most significantly between April 2020 and August 2020.¹⁶ This is likely because unemployment was highest during the early months of the pandemic, when an economic recession occurred.¹⁷ Since August 2020, growth in Ohio Medicaid enrollment has stabilized, averaging 0.6% growth per month, as displayed in figure 2.¹⁸

Figure 2. **Percent change in Ohio Medicaid enrollment by month, March 2020 to March 2022**



Sources: Ohio Department of Medicaid Caseload Reports. Accessed April 11, 2022.

Figure 3. Ohio Medicaid enrollment change, by eligibility group, March 2020 to March 2022



Key

- **CFC:** Covered Families and Children
- **Group VIII:** Medicaid expansion
- **ABD:** Aged, Blind, and Disabled
- **MPAP:** Medicare Premium Assistance Program
- **Others:** Presumptive eligibility, Alien Emergency Medical Assistance, and Refugee Medical Assistance

For details on Ohio Medicaid eligibility groups, see HPIO's [Ohio Medicaid Basics 2021](#) brief

Source: Ohio Department of Medicaid, Caseload Reports. Accessed April 11, 2022.

Increased enrollment in the Covered Families and Children (CFC) and Group VIII groups of Ohio Medicaid eligibility accounted for most of this growth (see figure 3). CFC includes children, pregnant women and adults in families with incomes below 90% of the federal poverty level (FPL) and Group VIII includes adults ages 19 to 64 who have incomes less than 138% of the FPL and are not eligible for other categories of Medicaid.¹⁹

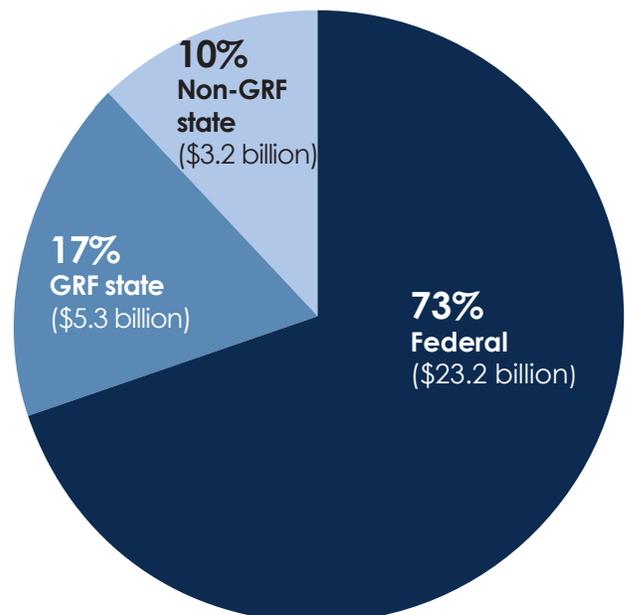
Since SFY 2011, total Medicaid spending in Ohio (including state and federal funding) has increased about 80% from \$17.6 billion in SFY 2011 to \$31.7 billion in SFY 2021. During that time, the federal share of Ohio Medicaid spending grew by 87%, while the state share grew by 63% (see figure 5).²⁴ The federal share of Ohio Medicaid spending was higher in SFY 2021 because of provisions included in the FFCRA.²⁵

National analysis shows that enrollment in Medicaid increased in every state from February 2020 to September 2021, with Ohio Medicaid enrollment increasing slightly more than the U.S. average.²⁰ Medicaid enrollment likely remains at an all-time high because no individuals have been unenrolled from the program since March 2020, due to the MOE provision of the FFCRA. Once the federal PHE ends, some individuals who no longer meet eligibility requirements for Medicaid will be unenrolled.

Medicaid spending

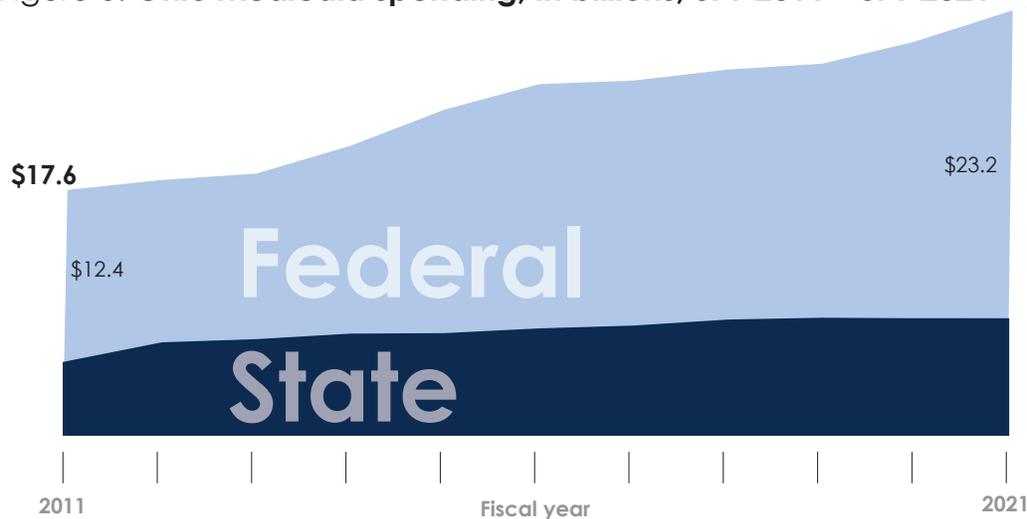
In SFY 2021, expenditures on Medicaid accounted for about 38% of Ohio's budget.²¹ Total Ohio Medicaid spending was \$31.7 billion in SFY 2021, with \$23.2 billion, or about 73%, coming from the federal government.²² Ohio's General Revenue Fund (GRF) contributed about \$4.9 billion, or 17%. The remaining \$3.2 billion came from non-GRF state sources, including fees paid by hospitals, health insurance companies and nursing facilities (see figure 4).²³

Figure 4. Ohio Medicaid spending, by revenue source, SFY 2021



Source: Ohio Legislative Service Commission

Figure 5. Ohio Medicaid spending, in billions, SFY 2011 – SFY 2021 **\$31.7**



Source: Ohio Department of Medicaid (as reported by the Ohio Legislative Service Commission)

Conclusion

The Medicaid program pays for healthcare services for almost three out of every 10 Ohioans and plays a critical role in improving access to health care for enrollees. While access to high-quality health care is not the only contributor to health, it is critically important when people are acutely or chronically ill or have an accident or injury.

Ohio policymakers must be agile in their response to new challenges facing Medicaid enrollees as the COVID-19 pandemic continues, including the end of the PHE and potential loss of Medicaid eligibility for tens of thousands of Ohioans. State policymakers and other stakeholders must also balance the benefits of the Medicaid program with budgetary and administrative challenges to improve health, achieve equity and promote sustainable healthcare spending in Ohio.

Notes

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