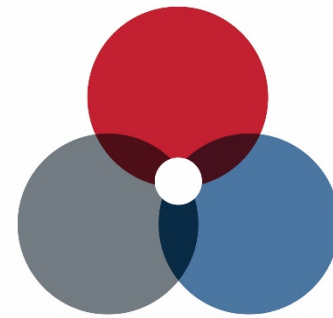
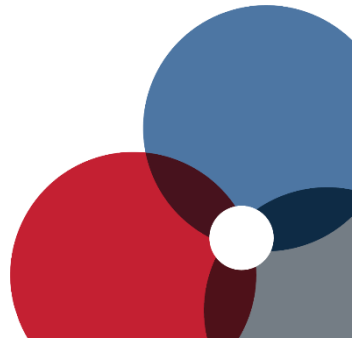


The Case for Increased Medicaid Funding During the Pandemic

June 4, 2020



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PROTECTING OHIO:

How Policymakers Can Support Ohioans and the State Budget Through Medicaid

John Corlett

Loren Anthes

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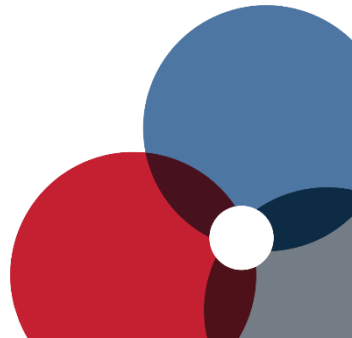


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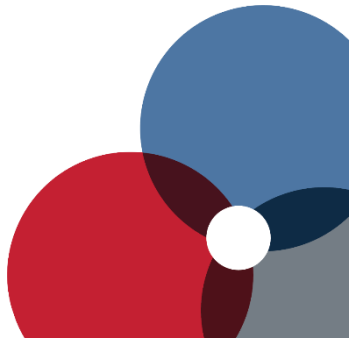


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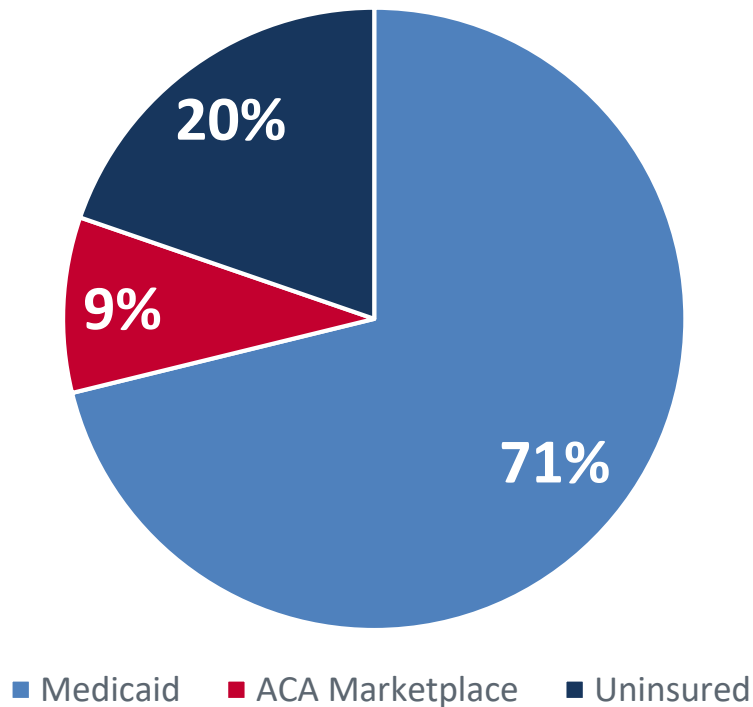
AGENDA

- The Situation
- How Medicaid has Played A Role
- What Can Be Done



The Situation

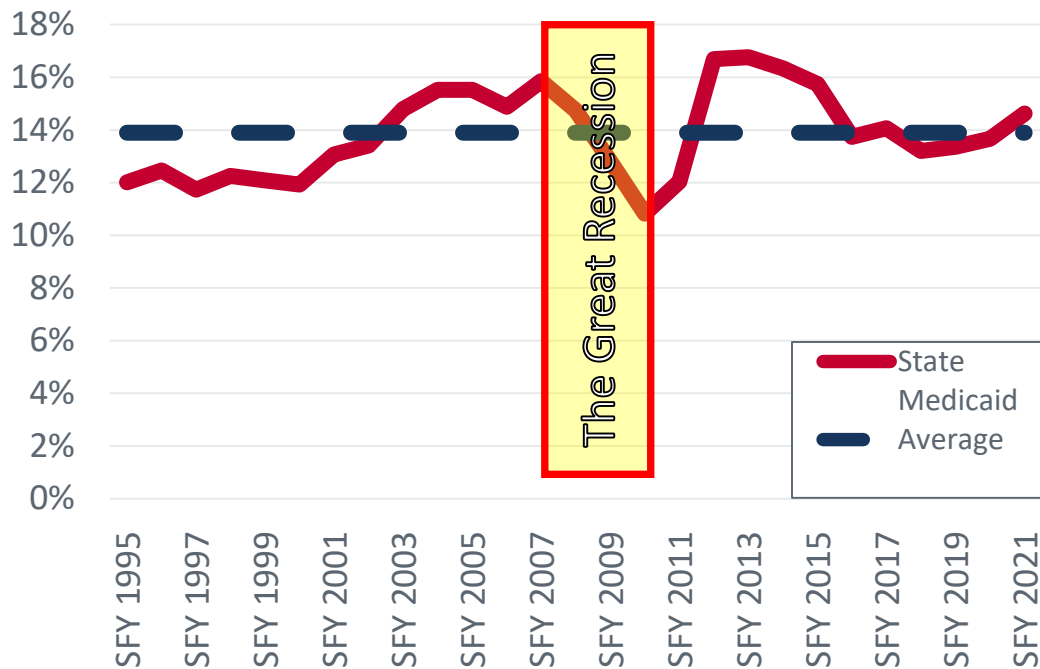
ESI Displacement



- Up to 1.4 Million Ohioans Could Lose Employer Sponsored Insurance
 - 953k will get coverage through Medicaid
 - 122k will get coverage through ACA Marketplace
 - 264k will be uninsured
- Ohio Facing a Budget Shock of \$5.1 - \$6.8B
 - \$2.9 to \$4.3B shortfall after rainy day fund
 - \$2.2 to \$2.5B need via Medicaid

How *Has* Medicaid Played a Role?

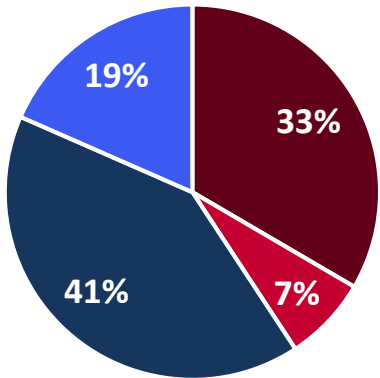
Ohio Medicaid
Share of State Budget



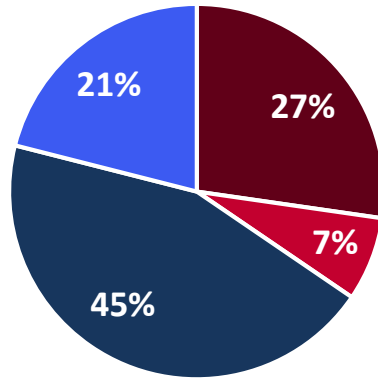
- Medicaid Funding has been Stable
 - Since State Fiscal Year (SFY) 1995 to SFY21, the state's direct obligation for financing Medicaid has ranged between 10.8 and 16.8 percent with an average of 13.9 percent
- Medicaid's Share of State Budget was Lowest During Recession
 - 415k jobs lost
 - State Revenues Down 11.2%

How *Has* Medicaid Played a Role?

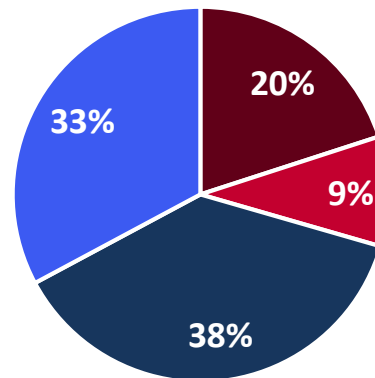
SFY2008



SFY2009



SFY2010



- During recession, state contribution went from 40% to 29%
- eFMAP Represented \$3.46B
 - From 60.79% to 73.47%
- State Spending in Medicaid Decreased \$886M
- Enrollment Increased 256k

<i>In Billions \$</i>	SFY2008	SFY2009	SFY2010	DIFF
State GRF	\$ 4.59	\$ 4.21	\$ 3.20	\$ (1.39)
State Non-GRF	\$ 1.01	\$ 1.12	\$ 1.51	\$ 0.50
Federal GRF	\$ 5.61	\$ 6.85	\$ 6.03	\$ 0.42
Federal Non-GRF	\$ 2.53	\$ 3.24	\$ 5.25	\$ 2.72
Enrollment	1790361	1,887,040	2,046,323	255,962

WHAT CAN BE DONE, NOW?

Ohio policymakers need to support a temporary increase in federal funding for Medicaid to stem the economic and health impact of the Coronavirus.

- The National Governor's Association has advocated for an eFMAP of 12% until a state's unemployment level reaches 5%
- The HEROES Act contains an increase to 14%
- Maintenance of Effort (MOE) could protect against
 - Cuts to Seniors and Disabled
 - Benefit Reductions
 - Eligibility Limits

Moody's Analytics re eFMAP:
"extremely efficient and timely way to get additional funds to state governments quickly as state policymakers begin to grapple with the budget impacts of COVID-19."



1

ACCELERATES ECONOMIC RECOVERY

Increasing FMAP is one of the most effective tools in providing resources to states and has been proven to mute recessions and enable job creation.

- HUNDREDS OF THOUSANDS OF OHIOANS NEED COVERAGE
 - [Up to 1.4M Ohioans could lose insurance](#) through their employer
- PROTECTS GDP
 - Medicaid has [muted economic downturns](#), lessening the loss in real GDP by 15 to 17 percent during the five recessions between 1969 and 1999
- INCREASING FMAP HELPS THE JOB MARKET
 - Economic research has shown to help [accelerate economic recovery](#) in states directly leading to job creation both inside and outside of health care

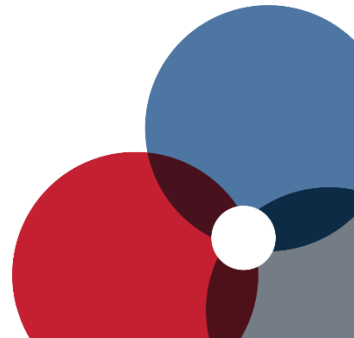


2

RELIEF FOR CHALLENGED STATE BUDGETS

Additional federal resources help states handle increases in caseloads without needing to cut services, eligibility or other priorities like education.

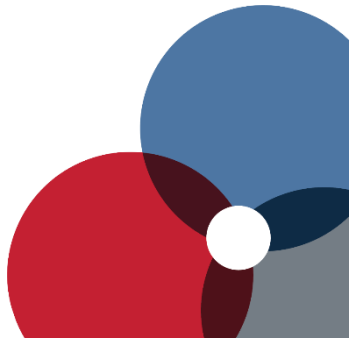
- OHIO FACES A SIGNIFICANT BUDGET CHALLENGE
 - Shortfall is anywhere from [\\$2.9 -4.3B](#)
- MEDICAID HAS SUPPORTED OHIO BEFORE
 - During SFY09 and SFY10, Ohio accepted \$3.46B in eFMAP.
 - At the same time, the state's obligation, including GRF and Non-GRF went down by \$886.3M.
 - Enrollment in Ohio's program increased by 255,962 individuals.
- FMAP IS A PROVEN TOOL
 - "extremely efficient and timely way to get additional funds to state governments quickly"



3 SUPPORTS THE STRAINED DELIVERY SYSTEM

Unlike the Great Recession, providers are also struggling as patients delay, postpone or forego care and Medicaid can be a critical backstop to ensure capacity is sufficient during the crisis.

- THE HEALTH SECTOR HAS LOST [1.4M JOBS](#)
 - Due to hospitals postponing many of the elective and non-essential services they typically provide, the health care industry has seen the single largest decline in jobs in three decades
- MEDICAID CAN PREVENT PREMIUM SPIKES AND PROTECT ESI
 - With pent up demand for non-essential services, [premiums may spike](#) next year as hospitals seek to shore up their finances, provide these services, and negotiate higher rates where there is a shortfall
 - Medicaid has been shown to have a [keep private insurance premiums low](#)

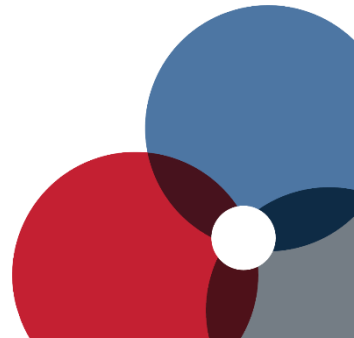


4

PROTECTS THE MOST VULNERABLE

The elderly and disabled are not only more susceptible to harm from the virus, but are also the most likely to be impacted by cuts to Medicaid.

- COVERAGE IS NEEDED NOW MORE THAN EVER
 - Medicaid is predicted to provide coverage for up to 1M
- MOST STATE FUNDING FOR MEDICAID GOES TO ELDERLY AND DISABLED
 - Half of all Medicaid spending goes to ABD
 - Medicaid expansion is already mostly federal, so state cuts could only come from these groups
- REDUCES DISPARITIES
 - Better access to Medicaid has been shown to reduce inequities in coverage and improve health.



SUPPORT A TEMPORARY FMAP INCREASE

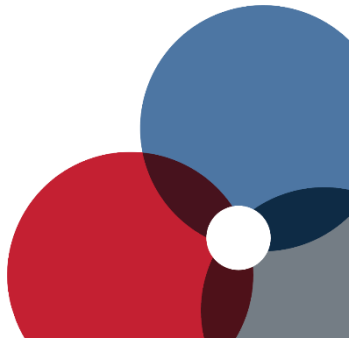
Ohio policymakers need to support a temporary increase in federal funding for Medicaid to stem the economic and health impact of the Coronavirus.

**ACCELERATES ECONOMIC
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**SUPPORTS THE STRAINED
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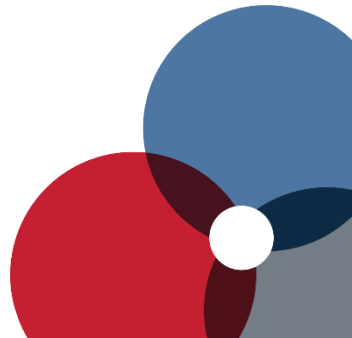


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Keeping Ohio Children & Families Healthy During the COVID-19 Pandemic

Tracy Nájera, Executive Director
Children's Defense Fund-Ohio

June 2, 2020



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Overview

1. Goals

2. Policy Actions

3. Enhanced FMAP



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Medicaid Access & Coverage – COVID-19

Pandemic has reached all 88 counties and at this moment surpassed 1.2 million unemployment claims in since March 15. In response, Ohio must:

- Support new enrollments, ongoing coverage & services to Ohioans
- Prioritize services to protect children's health & maintain public health
- Expand access in healthcare shortage areas of the state and focus on vulnerable populations
- Leverage federal funding to stabilize budgets



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Medicaid/CHIP

- 2,593,325 children live in Ohio
- 1 in 5 children in Ohio before the pandemic live in poverty
- Approximately 1.3 million children (53.8%) in Ohio are covered by Medicaid

Source: <https://medicaid.ohio.gov/FOR-OHIOANS/Programs/Healthchek>



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Budget and Planning

WELCOME

ABOUT US

OHIO'S INTERACTIVE BUDGET

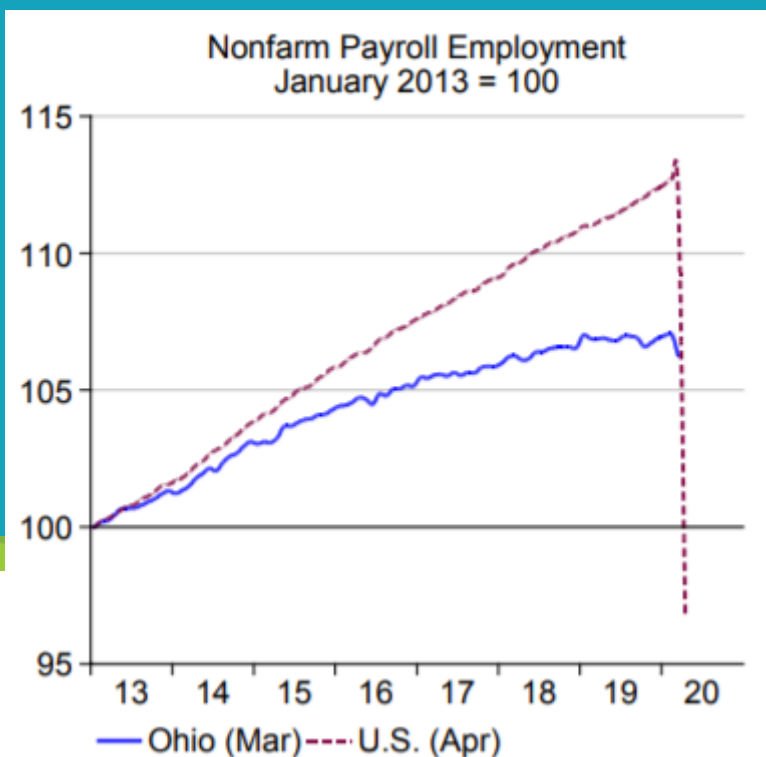
Budget Stabilization Fund

Ohio's Budget Stabilization Fund

The Rainy Day Fund

Current account balance

\$2,691,554,191



State Economic Instability

- Pandemic paired with an economic crisis requires federal funding to protect life and safety
- Ohio’s Budget Stabilization Fund represents less than 10% of the GRF portion of the FY 2020 budget before reductions, but still significant
- Anticipated contractions in state revenues will force further reductions even with BSF
- With growing pressures on safety net programs, cutting our way out of this crisis is not an option and will only hamper recovery



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What does this mean for Ohio?

- Governor DeWine ordered \$775M in budget reductions – primarily from education and Medicaid to close FY2020 balanced
- Added pressure on state Medicaid/CHIP program
- However, more is needed to support FY 2021 and protect struggling Ohioans



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State / Federal Partnership

- For every dollar spent on Medicaid, the federal government matches at a rate that is calculated each year depending on the Medicaid program
- Ohio's 2020 FMAP for basic Medicaid programs is 63.02%



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FMAP

- In the Families First Act increased the federal matching rate (FMAP) by 6.2 percentage points
- The increased match is effective from January 1, 2020 until the Secretary of HHS ends the public health emergency
- Higher federal match means a level of state budget relief
- This federal legislation leveraged \$1.2B for Ohio



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Enhanced FMAP (eFMAP)

- State Children's Health Insurance program (SCHIP) Under Title XXI of the SSA
- For FY 2021, it is calculated to be 74.54%, meaning Ohio will receive about \$0.75 for every dollar spent.



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What is needed now

- HEROES Act increases the federal match by an additional 7.8 percentage point (14 percentage points total) from July 1, 2020 through June 30, 2021
- Extending the original 6.2 percentage point increase from July 1, 2020-June 30, 2021 will bring additional \$1.1B (\$2.3B total)
- Increasing FMAP additional to 14 percentage points results in \$1.97B additional – total of \$4.3B through June 30, 2021
- Source: <https://www.cbpp.org/blog/pelosi-bill-includes-much-needed-medicare-funding-for-states>



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What do we do?

- Federal leadership and resources are needed to stabilize Ohio's budget
- Specifically enhanced/increased federal match to support health is needed
- Extending federal match through 2021 will support Ohio's recovery and stabilize its budget
- Federal investment will stabilize state and local governments protecting vulnerable populations



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Questions?



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