

Medicaid, taxes to dominate 2015 in Ohio

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Thought the battle over Medicaid expansion was over? Think again.

More than 450,000 newly eligible Ohioans enrolled in Medicaid last year, the first year the program was offered to childless adults living at or below 138 percent of the federal poverty level, which is \$16,104 for an individual. That's significantly more people than the 275,000 Ohio officials predicted would enroll in the program for the first time.

But the money used to pay their bills needs approval from state government, something that runs out in June.

Gov. John Kasich approved federal funding for the Medicaid expansion despite opposition from his Republican colleagues in the General Assembly, an uncommon move among GOP governors. Kasich asked the bipartisan Controlling Board, which approves state expenditures, to accept an extra \$2.5 billion from Medicaid to fund the expansion.

The problem, for backers of the expansion, is that approval is tied to the two-year budget, which ends in June. If the federal cash isn't accepted a second time, the money — and the program for 450,000 Ohioans — could disappear.

"I think they will be difficult discussions," said Cheri Walter, CEO of the Ohio Association of County Behavioral Health Authorities, which advocates for county alcohol, drug addiction and mental health boards and supports the expansion.

In 2013, Republican lawmakers argued Medicaid already took too many state resources. GOP officials weren't convinced the federal government would continue to fund the program. The federal reimbursement falls to 95 percent in its fiscal year 2017, which starts in September 2016, and continues until it hits 90 percent by 2020.

"We can't just expand the Medicaid system as it exists to put more people on the rolls," then-Rep. Jay Hottinger, R-Newark, said in October 2013, shortly before the Controlling Board

approved the funds. He now serves in the Senate. "That's like putting more chairs on the deck of the Titanic, regardless of where (the money) is coming from."

Walter said she's already hearing the same complaints: "They have real concerns about if we can afford it."

But this time, supporters of the expansion have tangible numbers and stories of how the program has helped Ohioans with addictions find treatment, Walter said.

"Instead of guessing or speculating what the benefit will be, we have people who can stand up and have benefited," Walter said.

Several hospitals reported a decline in charity care and self-pay patients since the expansion. Cleveland's MetroHealth System, which piloted the program earlier than the rest of the state, reported a decline in emergency room visits and an increase in preventative doctor's visits, according to an October Policy Matters Ohio [report](#). The Cleveland-based progressive think tank supported the expansion.

But 12 months after its implementation, the statewide benefits of the Medicaid expansion aren't clear. Not enough data exist to say whether newly insured Ohioans were healthier, had an easier time finding a doctor or spent less time in the emergency room, according to a Health Policy Institute of Ohio [report](#) released last month.

Nationally, the takeaway is access to health insurance is a necessary but not sufficient factor for healthier people, said Amy Rohling McGee, president of Health Policy Institute of Ohio, which forecasts health trends.

"There's a need for more solid data on access issues," Rohling McGee said.

Whether lawmakers will have enough evidence to fund the expansion over the next two years remains to be seen. New Speaker Cliff Rosenberger, R-Clarksville, opposed the expansion and was one of the representatives replaced on the Controlling Board before the vote.

Rosenberger told legislators the House has a responsibility to lead separately from the governor and the Senate.

"We have the responsibility of devoting to each issue a fresh perspective," he said.

Even if legislators punt, Kasich could return to the Controlling Board. Lawmakers complained about the move at the time, but efforts to limit the Controlling Board's authority did not pass by the end of the session.

Tax cuts

But that's not the only battle Kasich will likely face with legislators.

The governor's plan to slash or eliminate the state income tax was not well received by businesses or GOP colleagues last time it was introduced in budget discussions. Kasich proposed shifting the revenue from the income tax to an expanded sales tax, assessing fees on services and a severance tax on oil and gas drilling.

Kasich told a group of Gannett Ohio editors before the election that he wants to raise the severance tax to 4 or 4.5 percent, which would still be lower than surrounding states. Currently, Ohio charges 10 cents per barrel of oil and 2.5 cents per thousand cubic feet of natural gas. A bill to increase that to 2.5 percent passed the House of Representatives last year but died in the Senate.

If legislators don't want to raise taxes on oil and gas, it could go to a ballot initiative, the governor suggested. Kasich also plans to offset the income tax by taxing tobacco at a higher rate.

"Why should taxes on tobacco not be higher to pay for reductions in the income tax?" Kasich asked at an Ohio Chamber of Commerce gathering last month. "I'll give you the reason: lobbyists. ... There isn't any doubt in anyone's mind in medicine that if we raise taxes on cigarettes that we'll have a healthier society"

Don't plan on Kasich backing down from his tax goals in round two.

"Maybe I won't win it, but I ain't going to quit," Kasich told those at the chamber event. "I'm going to have a whole lot more to say to those who stand in my way."

Charter school reform

Kasich promised to introduce stricter regulations of the state's charter school system as well.

A Stanford University study found Ohio's average public school student learned "significantly more" math and reading than students in charter schools. A conservative Fordham Institute study suggested improvements to the system that would make it more difficult for poor performers to stay in business. A liberal Innovation Ohio report found charter schools took money away from the education of students in the public school system.

The trio of reports, released within a couple weeks of one another, emphasized the poor practices of some charter schools statewide.

The Ohio Alliance for Public Charter Schools advised patience with recent changes that might resolve the problems spelled out in reports. A sponsor performance assessment and a prohibition against reopening schools closed for poor performance were implemented recently.

Algae

Lawmakers ended 2014 without addressing algae that fouled Toledo's drinking water for several days in August. Last year's proposal included a ban on open dumping and putting fertilizer and manure on frozen ground in Lake Erie's Western Basin watershed.

Phosphorous — largely from fertilizer runoff, sewer plants and other sources — feeds the algae, which has plagued the basin during the summer and fall since 2002. Toxins the algae can produce could sicken people and pets and threaten Lake Erie's tourism and fishing industries.

"There's no question that the health of Lake Erie must be one of Ohio's top priorities in 2015," said Sen. Randy Gardner, R-Bowling Green. "This is not just a funding issue."

Last year's bill was bogged down measures unrelated to Lake Erie's woes, from oil and gas to puppy mills and telecommunication. Look for a leaner bill to get some attention this year.

Abortion

With Ohio's most anti-abortion legislature in years, watch for more movement toward essentially eliminating abortion in the state.

The number of abortions performed in the state has declined steadily since 2001, with 23,216 performed in 2013, according to the state health department. Part of that decline is attributed to less access. The number of clinics statewide has dropped to eight from 14 open at the beginning of 2013.

Ohio's abortion restrictions already tie for eighth in the nation in their breadth, according to an analysis of state laws by the Guttmacher Institute, a research group that advocates for abortion rights.

Efforts to pass the Heartbeat Bill, which would prohibit abortions after the first detectable heartbeat at as early as six weeks into a pregnancy, failed in dramatic fashion during the lame duck session as proponents attempted to slip it into a bill researching the state's high infant mortality.

"I'm sure it will come back," said Stephanie Ranade Krider, executive director of Ohio Right to Life, which has opposed the Heartbeat Bill. "There are so many new members very dedicated to pro-life cause."

Krider said Ohio Right to Life is focusing on additional funding pregnancy centers, which provide pregnancy tests and peer counseling rather than abortions. In the last budget, Planned Parenthood was moved to the back of the line to receive federal family planning dollars.

Gannett Ohio reporters Benjamin Lanka, Chrissie Thompson and Kristina Smith contributed to this report.

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