

ANALYSIS:

# HEALTHCARE IS ON THE BALLOT IN OHIO

MEDICAID & THE GOVERNOR'S RACE

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ANALYSIS:

# RICHARD CORDRAY & MIKE DEWINE HAVE DIVERGING VIEWS ON MEDICAID

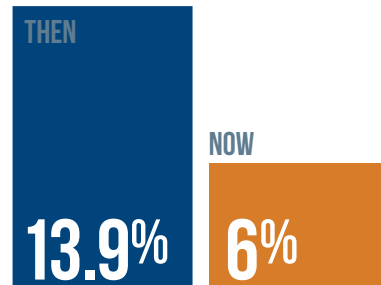
This fall, Ohio voters will choose between two candidates for Governor who have diverging philosophies on healthcare – and most importantly Medicaid – a program nearly 3 million Ohioans<sup>i</sup> rely on for healthcare. Republican Mike DeWine notably sued to block the Affordable Care Act (ACA) and its protections regarding pre-existing conditions on his first day on the job as Attorney General, called Ohio’s expansion of Medicaid “financially unsustainable,”<sup>ii</sup> and signaled the need to reform the program through block grants and work requirements.<sup>iii</sup> Democrat Richard Cordray has taken the opposite approach. Cordray supported the ACA during his tenure as Ohio’s Attorney General and wants to keep the program as is and build upon its success.<sup>iv</sup> He opposes work requirements and block granting Medicaid.

Medicaid is a federal program, administered by the states, designed to provide healthcare to lower-income people, children, seniors, and people with disabilities. The program was notably expanded as part of the ACA, signed into law by President Obama in 2010, to cover adults who earn below 138% of the federal poverty level. That expansion was then implemented in Ohio by Governor Kasich. The decision to expand Medicaid eligibility to these adults has been the primary driver of providing uninsured individuals with coverage.<sup>v</sup> The results in Ohio are striking – in 2013, prior to the Medicaid expansion going into effect, the uninsured rate in Ohio was 13.9%.<sup>vi</sup> It is now at 6%.<sup>vii</sup>

Medicaid is an essential aspect of Ohioans’ healthcare ecosystem. 21% of Ohioans rely on Medicaid for their healthcare. 37 of Ohio’s 88 counties have at least 25% of their residents on Medicaid.<sup>viii</sup>



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## Who Uses Medicaid?

Medicaid currently provides coverage to at-risk populations in Ohio including: children, the elderly, the working poor, and those suffering from addiction. The program is a lifeline to these groups who without it would face dire consequences. When looking specifically at Ohio’s expansion recipients, 94% of those who have been under continuous coverage since 2014 were “either employed, in school, taking care of family members, participating in an alcohol and drug treatment program, or dealing with intensive physical health or mental health illness.”<sup>ix</sup>

### Children in Need

Children account for over half of Ohio’s Medicaid recipients.<sup>x</sup> The program provides Ohio kids with access to healthcare services they need to live healthy productive lives. For families with a child undertaking every parent’s nightmare – a stay at a children’s hospital – Medicaid can be indispensable.

The Ohio Children’s Hospital Association – a partnership of the six major children’s hospitals in Ohio – calls Medicaid: **“the single most important public policy issue affecting the stability of children’s health care access and coverage in Ohio.”** Half of the patients receiving care in their respective hospitals rely on Medicaid for healthcare.<sup>xi</sup>

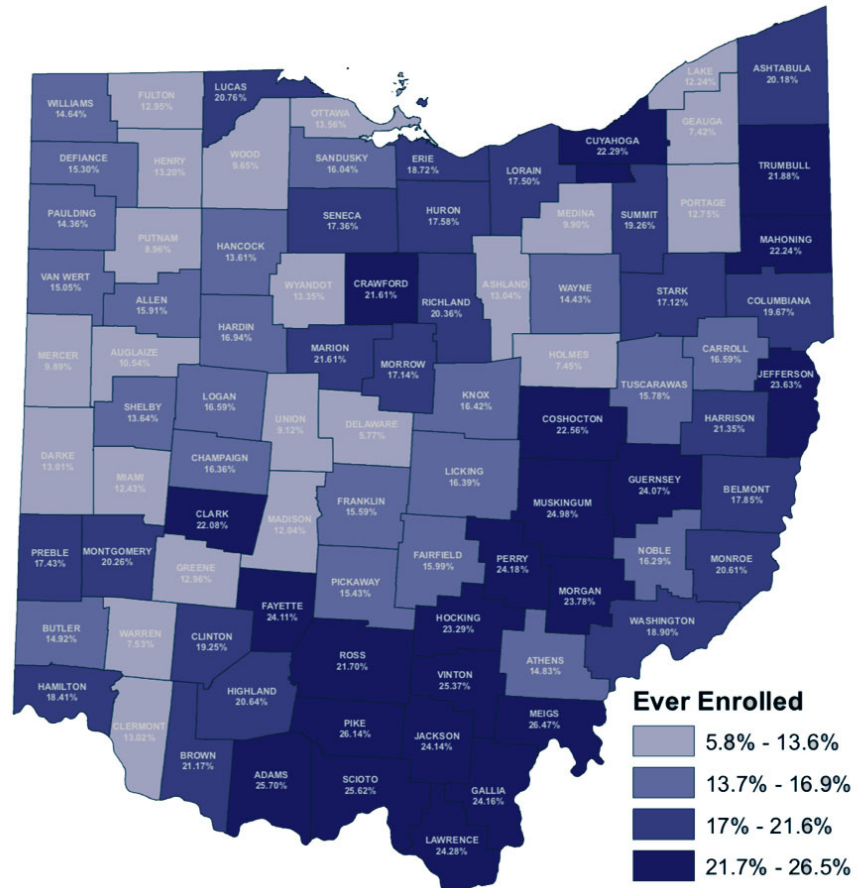
### The Elderly

While most rightly associate care for the elderly with Medicare, it is actually Medicaid that typically covers the cost of seniors’ nursing home stays. Right now, in Ohio, 59% of nursing home residents utilize Medicaid coverage for that service.<sup>xii</sup> In the absence of this coverage, many seniors simply could not afford a nursing home stay. In Ohio, the average annual cost of a private nursing home room is over \$90,000 according to the most recent survey by Genworth Financial.<sup>xiii</sup>

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## SHARE OF COUNTY POPULATION (AGES 19-64) WHO HAVE EVER ENROLLED IN MEDICAID EXPANSION SINCE 2014 BY COUNTY



SOURCE: THE OHIO DEPARTMENT OF MEDICAID.

## The Working Poor & Struggling

Ohio’s Medicaid expansion focused on extending coverage to the working poor – yielding overwhelmingly positive results. **The expansion currently covers 653,000 individuals, with a total of 1.2 million Ohioans having taken advantage of the program at one point during the past four years.**<sup>xiv</sup>

Half of Ohio’s current Medicaid expansion beneficiaries are employed. A recent study released by the Ohio Department of Medicaid found that 84% of expansion enrollees reported having Medicaid made it easier to work and 60% of unemployed enrollees conveyed that the coverage made it easier to look for a job.<sup>xv</sup>

The work requirements championed by Mike DeWine are aimed squarely at this population. The Republican-led Ohio General Assembly enacted legislation that requires Ohio to submit a waiver request to the Trump Administration to allow the state to institute work requirements on Medicaid expansion recipients.<sup>xvi</sup> If approved, the waiver would require anyone not meeting one of the outlined exemptions to verify monthly that they are employed at least 20 hours per week, searching for a job, attending school, or undertaking qualified job training.

**Policy Matters Ohio has estimated that these proposed work requirements put around 318,000 Ohioans’ health care coverage at risk.**<sup>xvii</sup> This is due to the anticipated difficulty of meeting the paperwork requirements for exemptions, as many recipients will simply fall through the cracks with onerous bureaucratic roadblocks.

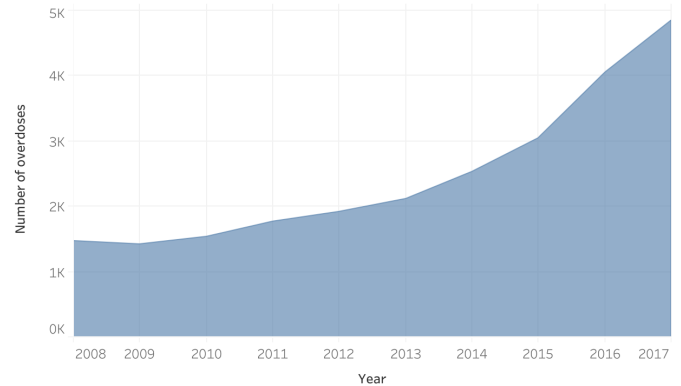
## Ohio's Addiction Crisis

Ohio is ground zero for America's addiction crisis and Medicaid is currently the state's primary tool in combating the epidemic. Republican leaders at the Ohio Statehouse frequently state that Ohio is spending \$1 billion dollars annually when pressed on the state's response to the epidemic - this is predominately Medicaid spending with 28% of the \$1 billion coming from Medicaid expansion alone.<sup>xviii</sup>

Right now, Ohio is fourth in the country in drug overdose deaths with 4,329 and has the second highest overdose death rate in the country, trailing only West Virginia.<sup>xix</sup> The state's response to this epidemic has predominately relied on the Medicaid program to address this public health crisis. Medicaid pays for medication assisted treatment, rehab, and counseling - the primary options for getting those suffering from an opioid addiction into recovery. 48,000 Ohioans received medication assisted treatment (suboxone, vivitrol, etc.) through Medicaid in 2016.<sup>xx</sup>

### Soaring drug deaths

Drug overdose deaths have more than tripled during the past 10 years in Ohio, new figures show.



SOURCE: THE COLUMBUS DISPATCH

**“Medicaid means a lot, it means that I can get help with my addiction and gets me the counseling that I need. If I didn’t have it I would probably end up back in jail.”**

2018 Department of Medicaid Telephone Survey Participant<sup>xxi</sup>

Many of those Ohioans receiving Medication Assisted Treatment through Medicaid are doing so due to the expansion. Since the beginning of the expansion, roughly 96,000 Ohioans in the program have been diagnosed with substance use disorder.<sup>xxii</sup> 96% of those expansion enrollees diagnosed with opioid abuse or addiction ultimately received some form of treatment through Medicaid.<sup>xxiii</sup>

The previously mentioned Medicaid work requirements would place this integral aspect of the state's opioid response at risk. While the proposal waives the work requirement for individuals participating in an alcohol and drug treatment program, it is not clear how an individual currently not in treatment due to lack of available options would be classified. This uncertainty places some of Ohio's most vulnerable at risk of losing coverage at a time when they need it most. Many individuals suffering from addiction face barriers to employment due to prior criminal records, especially those with prior felonies.<sup>xxiv</sup>

For those granted an exemption, likely due to receiving inpatient care, they may need further treatment upon leaving, and finding a job immediately may be difficult. To maintain their sobriety and stability, people often need medically assisted treatment (which combines therapy with medication that blocks opioids' effects on the brain), peer recovery supports, physical health care to address side effects of prior use, and other services such as mental health counseling. But under Kentucky's work requirement, for example, people could lose access to all of these services unless they immediately find a job after exiting a treatment program.<sup>xxv</sup>

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# Mike DeWine Has Fought the ACA and Medicaid Expansion

## ACA Lawsuit

In 2010, on his first day on the job as Ohio's Attorney General, Mike DeWine sued to block the implementation of the ACA, calling the law unconstitutional. DeWine was continuously vocally supportive of the lawsuit and personally attended the hearing at the U.S. Supreme Court in support of the plaintiffs.<sup>xxvi</sup> Had DeWine's lawsuit been successful, it not only would have ended Ohio's Medicaid expansion, but would have rescinded the law's other notable provisions such as the availability of affordable, subsidized plans on health insurance exchanges that provide 230,000 Ohioans with insurance, as well as the protections against price and coverage discrimination for the 5.1 million Ohioans with pre-existing conditions.<sup>xxvii</sup>

## DeWine Has Repeatedly Called Medicaid Unsustainable

DeWine has frequently expressed his belief that Medicaid expansion is not fiscally sustainable and has called for the federal government to give states the ability to utilize block grants and waivers like the one regarding work requirements. By contrast, the Kasich Administration has defended Medicaid expansion as a great deal for Ohio and one that is fiscally sound.

**“Medicaid expansion is manageable and affordable now and into the future — \$163 million allows us to leverage \$5 billion in healthcare services for 653,000 Ohioans”**

– Kasich's state Budget Director Tim Keen<sup>xxviii</sup>

Funding Medicaid through block grants to states would radically alter the program. This approach would replace the guaranteed federal funding match (currently 94%) with a lump sum payment to the states that would not grow with enrollment, which states would use to fund their Medicaid program. This approach tends to lead to stricter eligibility requirements and/or a rationing of healthcare services due to the finite resources to be divided amongst program recipients.

## Medicaid Freeze

The Republican-controlled Ohio General Assembly passed a two-year budget in 2017 that effectively “froze” Medicaid expansion enrollment.<sup>xxix</sup> This would have barred any new enrollment into the expansion group after July 2018, and prevented those whose coverage had lapsed (through a change in employment or income) from re-enrolling in the future. The measure was vetoed by Governor Kasich, who said it would cause hundreds of thousands of Ohioans to lose coverage, and has not taken effect. However, the legislature has consistently expressed a desire to hold a vote to override the Governor's veto, which they may do at any time before the end of 2018.<sup>xxx</sup> Mike DeWine has taken no public position on whether he supports the enrollment freeze or if he would veto such a plan if it came to his desk as Governor.

# Richard Cordray Supports Medicaid Expansion

Richard Cordray differs from DeWine significantly on healthcare policy. He is supportive of the ACA and its Medicaid expansion, and his running mate Betty Sutton voted for the bill in Congress. He has called the Medicaid expansion a “good financial deal for Ohio,” one that is sustainable and would like to build upon it. Cordray also opposes work requirements for Medicaid and would veto any Medicaid freeze.

## Two Diverging Philosophies

These two candidates have clearly diverging views on Medicaid policy. If elected, Cordray would likely keep the Medicaid program Ohioans have known under Kasich and build upon it. DeWine contends that Ohio’s Medicaid program is unsustainable and its costs are too high, and if elected, says he would work to limit the program.

**What is clear is that Medicaid is an essential aspect of Ohio’s healthcare infrastructure and any changes to it will have far reaching consequences.**

### TOTAL MEDICAID ENROLLMENT AS SHARE OF TOTAL COUNTY POPULATION

Adams	37%	Fairfield	22%	Licking	23%	Portage	19%
Allen	26%	Fayette	32%	Logan	21%	Preble	23%
Ashland	19%	Franklin	27%	Lorain	23%	Putnam	13%
Ashtabula	31%	Fulton	17%	Lucas	32%	Richland	27%
Athens	23%	Gallia	34%	Madison	19%	Ross	32%
Auglaize	15%	Geauga	9%	Mahoning	33%	Sandusky	21%
Belmont	24%	Greene	18%	Marion	31%	Scioto	37%
Brown	29%	Guernsey	30%	Medina	12%	Seneca	22%
Butler	24%	Hamilton	27%	Meigs	34%	Shelby	17%
Carroll	22%	Hancock	18%	Mercer	13%	Stark	24%
Champaign	21%	Hardin	22%	Miami	20%	Summit	25%
Clark	31%	Harrison	27%	Monroe	24%	Trumbull	28%
Clermont	19%	Henry	15%	Montgomery	27%	Tuscarawas	22%
Clinton	26%	Highland	32%	Morgan	30%	Union	12%
Columbiana	27%	Hocking	33%	Morrow	24%	Van Wert	19%
Coshocton	30%	Holmes	10%	Muskingum	34%	Vinton	40%
Crawford	28%	Huron	26%	Noble	20%	Warren	11%
Cuyahoga	31%	Jackson	35%	Ottawa	18%	Washington	24%
Darke	19%	Jefferson	31%	Paulding	21%	Wayne	18%
Defiance	21%	Knox	22%	Perry	30%	Williams	21%
Delaware	8%	Lake	16%	Pickaway	21%	Wood	13%
Erie	23%	Lawrence	34%	Pike	39%	Wyandot	17%

SOURCE: CENTER FOR COMMUNITY SOLUTIONS.

- <sup>i</sup> <https://www.kff.org/medicaid/fact-sheet/medicaids-role-in-ohio/>
- <sup>ii</sup> <http://www.dispatch.com/news/20180101/governors-race-qampa--mike-dewine>
- <sup>iii</sup> <http://www.wksu.org/post/what-will-replace-ohios-medicaid-expansion-if-dewine-or-taylor-replace-kasich>
- <sup>iv</sup> [https://www.cleveland.com/open/index.ssf/2018/07/richard\\_cordray\\_wants\\_to\\_build.html](https://www.cleveland.com/open/index.ssf/2018/07/richard_cordray_wants_to_build.html)
- <sup>v</sup> <https://www.vox.com/policy-and-politics/2018/8/24/17779338/voxcare-medicaid-expansion-success-charts>
- <sup>vi</sup> <https://www.kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/>
- <sup>vii</sup> American Community Survey
- <sup>viii</sup> <https://www.communitysolutions.com/resources/community-fact-sheets/ohio-counties/>
- <sup>ix</sup> <http://www.medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Final-Report.pdf>
- <sup>x</sup> [https://www.aap.org/en-us/Documents/federaladvocacy\\_medicaidfactsheet\\_ohio.pdf](https://www.aap.org/en-us/Documents/federaladvocacy_medicaidfactsheet_ohio.pdf)
- <sup>xi</sup> <https://www.ohiochildrenshospitals.org/issues-and-advocacy/medicaid/>
- <sup>xii</sup> <https://www.kff.org/medicaid/fact-sheet/medicaids-role-in-ohio/>
- <sup>xiii</sup> <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>
- <sup>xiv</sup> <http://www.medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Final-Report.pdf>
- <sup>xv</sup> id
- <sup>xvi</sup> <http://www.crainsicleveland.com/article/20180427/news/159746/hospitals-cry-foul-over-medicaid-tweaks>
- <sup>xvii</sup> <https://www.policymattersohio.org/research-policy/pathways-out-of-poverty/basic-needs-unemployment-compensation/basic-needs/medicaid-requirements-threaten-health-care-access>
- <sup>xviii</sup> <https://www.communitysolutions.com/medicaid-work-requirements-public-testimony/>
- <sup>xix</sup> <http://www.dispatch.com/news/20171221/ohios-drug-overdose-crisis-goes-from-bad-to-worse>
- <sup>xx</sup> [https://ohioauditor.gov/publications/Special\\_Report\\_The\\_Opioid\\_Crisis.pdf](https://ohioauditor.gov/publications/Special_Report_The_Opioid_Crisis.pdf)
- <sup>xxi</sup> <http://www.medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Final-Report.pdf>
- <sup>xxii</sup> id
- <sup>xxiii</sup> id
- <sup>xxiv</sup> <https://www.communitycatalyst.org/blog/medicaid-work-requirements-bad-policy-for-all#.W5fipMzqfc>
- <sup>xxv</sup> <https://www.cbpp.org/research/health/harm-to-people-with-substance-use-disorders-from-taking-away-medicaid-for-not>
- <sup>xxvi</sup> <https://www.npr.org/2012/06/28/155936585/ohio-attorney-general-ruled-against-not-defeated>
- <sup>xxvii</sup> <http://uhcanohio.org/cause/health-insurance-marketplace/>
- <sup>xxviii</sup> <http://www.dispatch.com/news/20180821/report-touts-benefits-of-medicaid-expansion>
- <sup>xxix</sup> <https://www.legislature.ohio.gov/legislation/legislation-summary?id=GA132-HB-49>
- <sup>xxx</sup> <http://radio.wosu.org/post/ohio-house-still-considering-medicaid-expansion-freeze>

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