



Navigating the financial pressures facing health and human services in Ohio

March 10, 2026



VISION

Ohio is a model of health, well-being and economic vitality

MISSION

To advance evidence-informed policies that improve health, achieve equity, and lead to sustainable healthcare spending in Ohio.



2026 core funders

The logo for bi3 consists of the lowercase letters "bi3" in a bold, blue, sans-serif font.	The logo for Bruening features the name "Bruening" in a bold, black, serif font.	The logo for CareSource includes a small purple heart icon above the word "CareSource" in a black, serif font.
The logo for the Cleveland Foundation features a green tree icon above the word "CLEVELAND" in a black, serif font, with "Foundation" in a smaller, italicized, black, serif font below it.	The logo for The Columbus Foundation features a blue acorn icon above the words "THE COLUMBUS" in a black, serif font, with "FOUNDATION" in a smaller, black, serif font below it.	The logo for The George Gund Foundation features the words "THE GEORGE GUND FOUNDATION" in a bold, black, sans-serif font.
The logo for the Harmony Project features a blue square icon with a white square inside, and a green square above it, above the text "harmonyproject" in a lowercase, sans-serif font.	The logo for DHP HealthPath features a stylized "dhp" in a blue, lowercase, sans-serif font, followed by the word "HEALTHPATH" in a black, uppercase, sans-serif font.	The logo for Interact for Health features the words "INTERACT FOR HEALTH" in a black, uppercase, sans-serif font, with "HEALTH" in green. Below it, the tagline "A Catalyst for Health and Wellness" is written in a smaller, black, sans-serif font.
The logo for the North Canton Medical Foundation (NCMF) features a blue and orange infinity symbol icon above the text "NCMF" in a bold, blue, sans-serif font, with "NORTH CANTON MEDICAL FOUNDATION" in a smaller, blue, sans-serif font below it.	The logo for the Mt. Sinai Health Foundation features a gold star icon above the text "MT. SINAI" in a black, serif font, with "HEALTH FOUNDATION" in a smaller, black, serif font below it.	The logo for The Nord Family Foundation features the words "THE NORD" in a black, serif font, with "Family Foundation" in a smaller, italicized, black, serif font below it.
The logo for the Ohio State Bar Foundation features a blue shield icon with the letters "OSB" inside, followed by the text "OHIO STATE BAR FOUNDATION" in a black, sans-serif font.		The logo for the Sisters of Charity Foundation of Canton features a blue starburst icon above the text "SISTERS of CHARITY FOUNDATION OF CANTON" in a black, sans-serif font.



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Healthcare access and affordability in Ohio series



Scan the QR code to see HPIO's series of publications on the current challenges facing working Ohioans and how recent federal and state policy changes will impact access to care and affordability in Ohio :





Budget pressures and policy choices on the horizon

Amy Rohling McGee, President, HPIO

Objectives

- Understanding of how federal, state and local financing changes may affect HHS funding
- Knowledge of how fiscal pressures may impact service availability
- Information about policy choices facing Ohio's leaders



Terminology

- Federal/state Medicaid match
- Medicaid provider taxes
- Countercyclical
- SNAP Payment Error Rate (PER)
- Continuum of Care (CoC)
- Notice of Funding Opportunity (NOFO)
- Property tax levies



Panel discussion

Planning for the fiscal pressures
facing Ohio's health and
human services



Today's panelists



Brian O'Rourke, PhD
Healthcare Policy Analyst
Health Policy Institute of Ohio



Joree Novotny
Executive Director
Ohio Association of Foodbanks



Leah Werner
Director
Corporation for Supportive
Housing

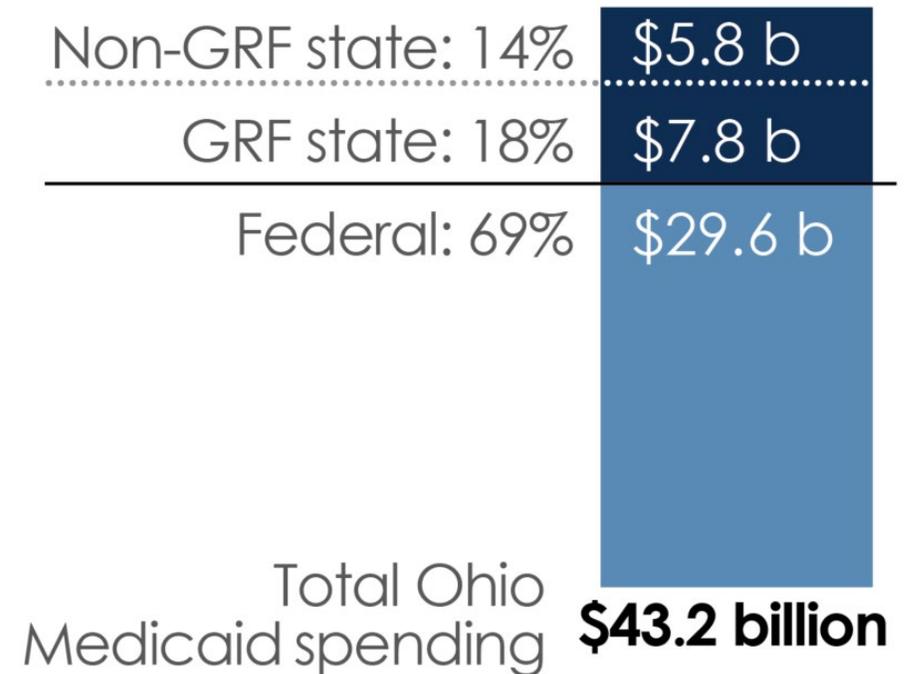


Zach Schiller
Research Director
Policy Matters Ohio

Medicaid in Ohio

- **Jointly funded** by the state and federal government
- Covers nearly **3 million Ohioans** (25% of population)
- Coverage associated with **positive health and financial outcomes**

Ohio Medicaid spending by revenue source, SFY 2025



Source: Legislative Budget Office Analysis of Ohio SFY 2025-26 Budget

Estimated funding and coverage impacts of HR 1 on Ohio

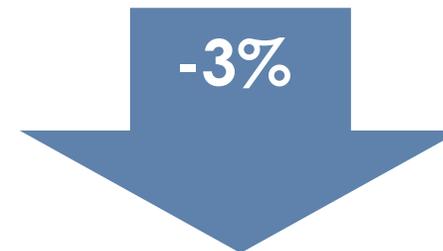
FFY 2025-2034

Federal Medicaid
funds to Ohio



-\$33 billion

Coverage



**-340,000
Ohioans**

Sources: Georgetown University McCourt School of Public Policy Center for Children and Families; KFF

Major Changes to Medicaid Financing in HR 1

1. Prohibits or reduces many types of **provider taxes**, which help generate revenue for Ohio's Medicaid program
2. Caps **state directed payments**, which help pay providers who see many Medicaid patients



Provider Taxes and HR 1

- Mechanism for states to raise revenue for their share of Medicaid expenditures
- Draws down matching federal dollars -> helps states to pursue program initiatives
- Subject to specific federal requirements



Provider Taxes and HR 1

HR 1 Changes

1. Prohibits new or increased provider taxes, **upon enactment.**
2. Restricts waivers for certain federal requirements, including taxes that use different rates depending on how many Medicaid patients a provider treats/covers, **starting SFY 2028**
3. Gradually lowers the maximum allowable tax rate (safe harbor limit), **beginning FFY 2028**

Provider Taxes

Ohio HIC Franchise Fee

- Provider tax on health insurers in Ohio (since 2017)
- Uses a higher tax rate on Medicaid managed care organizations than other health insurers in the state

Generated **\$1.1 billion in state revenue** in SFY 2025



Ohio HIC Franchise Fee

HR 1 Impacts

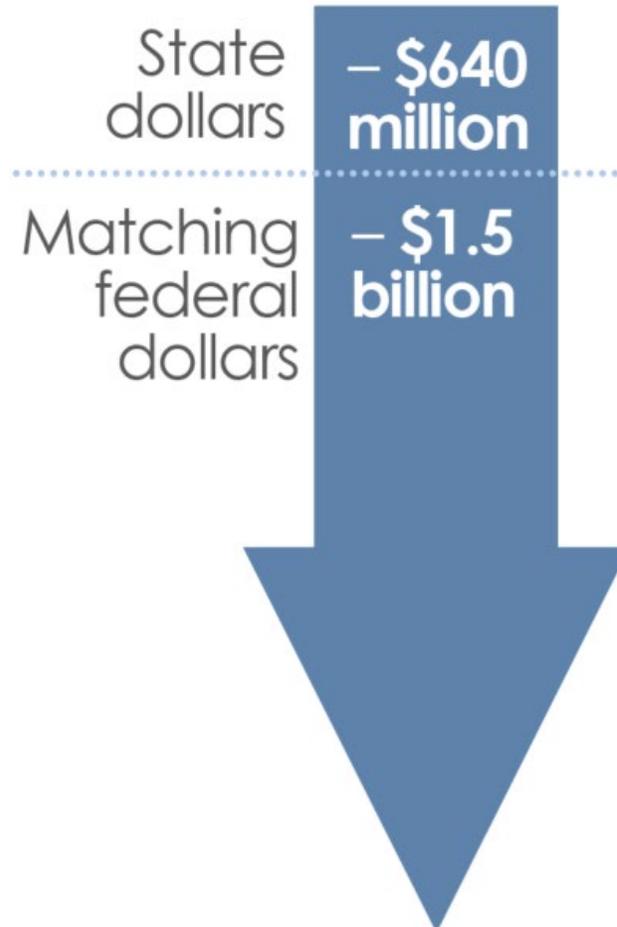
Ohio's HIC franchise fee will need to be **modified or eliminated** because it uses different tax rates for Medicaid vs. non-Medicaid providers.

Compliance deadline is July 2027 for Ohio

Provider Taxes

Ohio HIC Franchise Fee

Potential Medicaid funding loss if non-uniform HIC tax is not resolved, SFY 2028



Note: Federal matching estimates calculated using a 70% overall blended FMAP
Source: HPIO Analysis of Ohio Department of Medicaid Projections

Hospital Franchise Fee

- Provider tax on hospitals in Ohio (since 2009)
- Tax rate was increased just before passage of HR 1

Generated **\$1.7 billion in state revenue** in SFY 2025.
Higher in future years due to rate increase



Provider Taxes

Hospital Franchise Fee

HR 1 Impacts

Hospital franchise fee revenues will decrease due to the 'safe harbor limit' phase down

Phase down begins October 2027

Hospital Franchise Fee

**Anticipated
Medicaid funding
loss from hospital
franchise fee due to
safe harbor limit
phase down
FFY 2028 – 2032**



Ohio will lose \$4 billion in total funds due to the safe harbor limit phase down affecting the increased hospital franchise fee

Note: Federal matching estimates calculated using a 70% overall blended FMAP

Source: HPIO Analysis of Ohio Department of Medicaid Projections

State Directed Payments (SDPs)

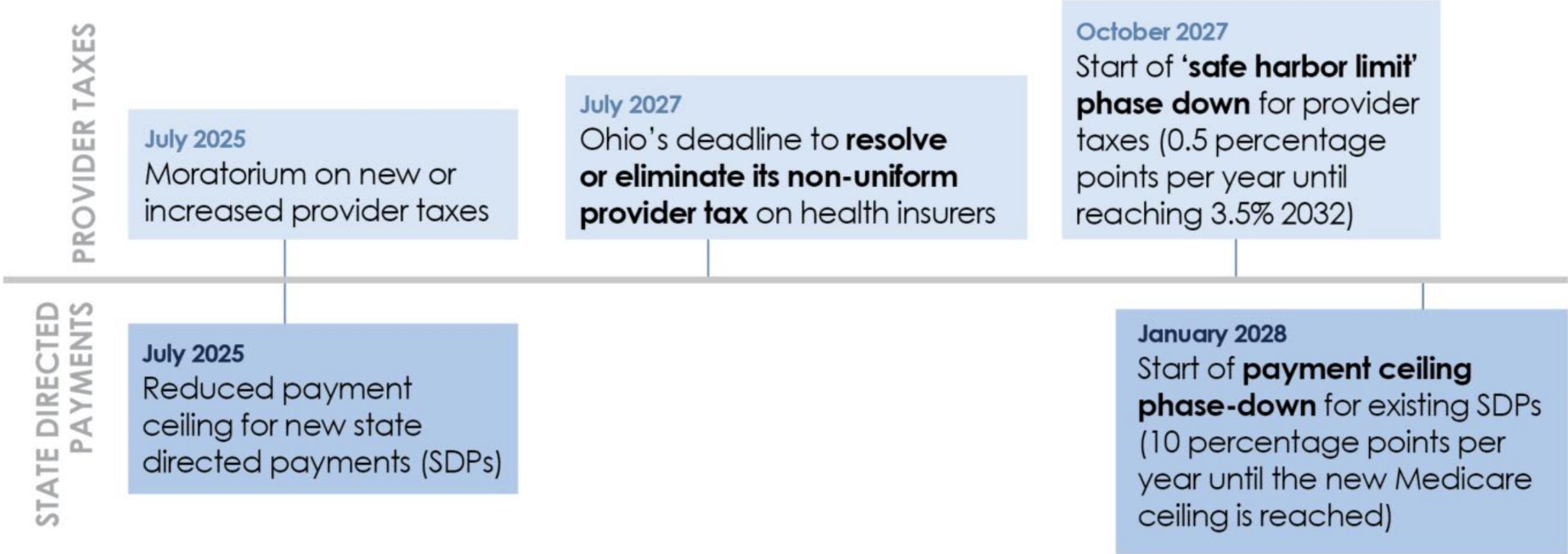
- Mechanism that allows state Medicaid programs to enhance provider reimbursement and support care quality initiatives
- Ohio's SDPs provide supplemental payments to certain providers and pursue value-based care models

State Directed Payments (SDPs)

HR 1 Changes

1. Caps how much provider payments can be boosted (new payment ceiling: Medicare payment rates)
2. Reduces existing SDP amount by 10 percentage points annually until they reach the new maximum payment amount

Timeline of HR 1 provisions impacting Medicaid financing



State Responses to HR 1 Financing Changes

- ▶ Mitigating resolvable funding losses
- ▶ Identifying new revenue sources, where possible
- ▶ Considering consequences of cutting Medicaid expenditures



Medicaid enrollee impacts

(reduced access, worsened health outcomes, financial vulnerability)

Broader healthcare system impacts

(increased provider strain, higher insurance premiums, workforce productivity declines)



Contact information

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Food, housing, and health care costs are a source of major stress for many people

About half the public identify the cost of groceries as a major source of financial stress. Nearly 1 in 5 of them have used so-called Buy Now Play Later services to buy their groceries.

TOPLINE RESULTS

PUBLIC USE FILES

METHODOLOGY



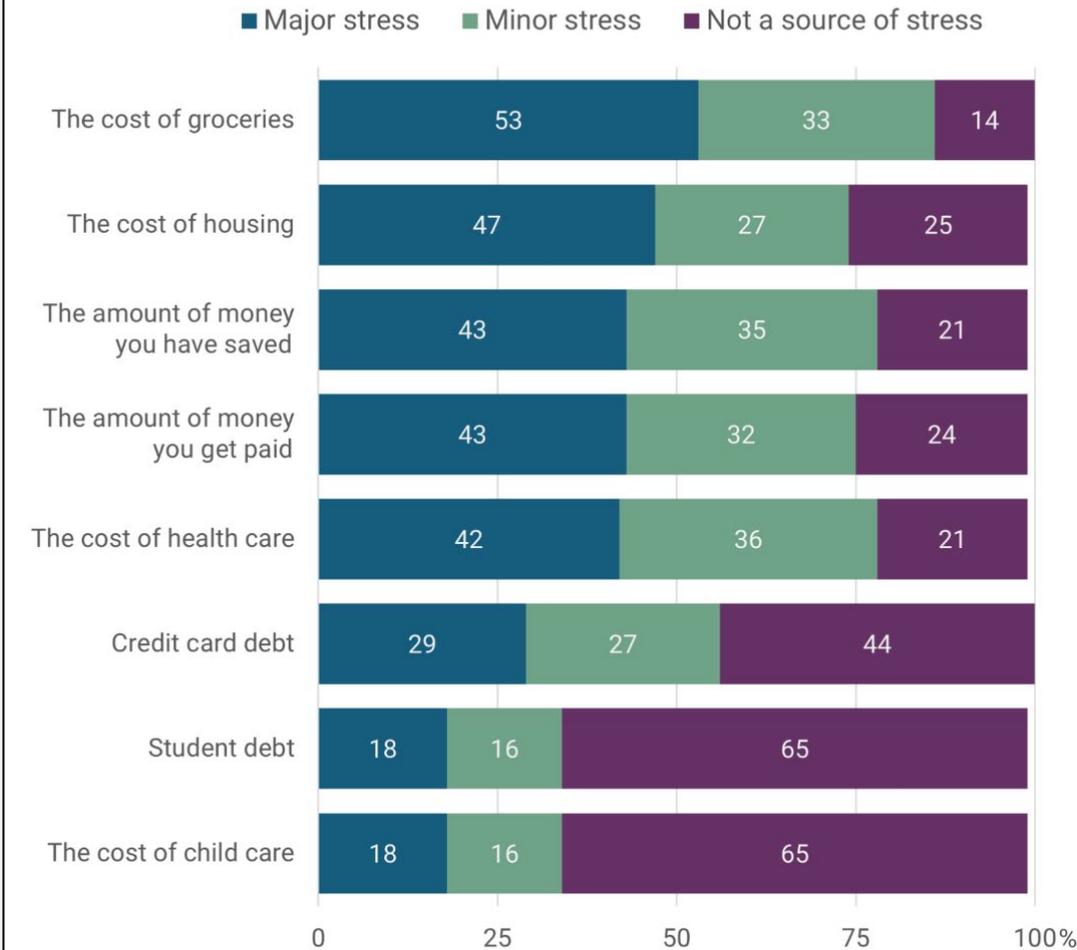
August 4, 2025

About half of the public consider the cost of groceries to be a major source of stress in their life right now, and 19% of those concerned have used deferred payment services to fund groceries at some point.

Half of American adults surveyed in July in a nationwide AP-NORC poll said the cost of groceries are a “major source of stress” in their lives

The cost of groceries, housing, and health care are stressful for most people.

Percent of adults

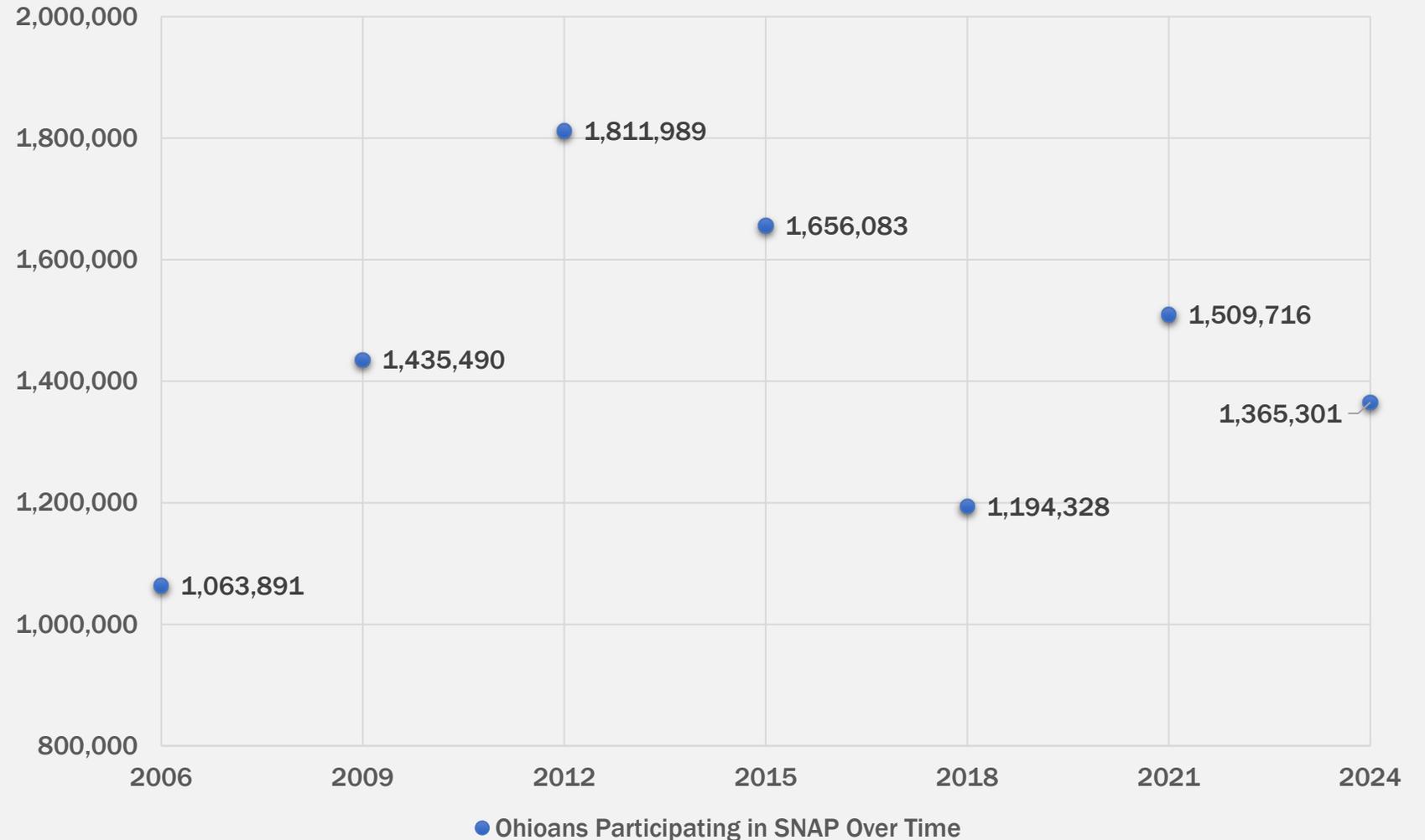


Question: Is each of the following a major source of stress, a minor source of stress, or not a source of stress in your life right now?

Source: AP-NORC poll conducted July 10-14, 2025 with 1,427 adults nationwide.

As of December 2025, about 1.3 million Ohioans* participate in the Supplemental Nutrition Assistance Program (SNAP)

Ohioans Participating in SNAP Over Time



*ODJFS Caseload Summary Statistics Report for December 2025, accessed March 9, 2026

Who participates in SNAP in Ohio?

- **Must be a U.S. citizen or have a qualified immigration status (lawful permanent residents)**
- **Children (44% are households (HHs) with children)**
- **Seniors (37% are HHs with seniors)**
- **Disabled Ohioans (51% of HHs have 1+ disabled member)**
- **Workers earning low wages (50% of HHs have 1 worker and 26% have 2+ workers)**
 - *Required to work unless under 18, over 64, parent/custodian to one or more children under 14, disabled, or qualify for an exemption, like caregiving for a fully incapacitated person or completing drug or alcohol treatment*

*U.S. Census Bureau American Community Survey 2024 5-year estimates

What are the primary financing changes in H.R. 1 related to SNAP?



- The **cost of administering SNAP** (which is currently split 50/50 with the federal government, representing about \$141 million in annual administrative costs for the State of Ohio and its county partners) will increase to a 75/25 split beginning this October 1, 2026, meaning Ohio will lose about \$67 million in federal administrative funding
- The **cost of SNAP benefits themselves** will, for the first time, be shared with states, if their total payment error rate exceeds 6%. Based on its 2024 error rate, Ohio would be responsible for about \$321 million in FFY2028 (beginning October 1, 2027). This would reduce to about \$161 million if Ohio's error rate can be brought under 8%, and zero if it can be brought under 6%.

**only 9 states had error rates under 6% in 2024, and Ohio's rate ranked it in the top 20 best performing states in 2024*

What will policymakers need to consider when planning to finance a state cost share for SNAP benefits & an increase in the state/county share for program administration?

- **SNAP is designed to be countercyclical: it responds quickly in times of economic downturn**
 - SNAP costs *more* when revenues are *declining*, responding to individual food budget shortfalls, which accelerate during recessionary periods
 - SNAP serves as an economic multiplier, responding to and mitigating downside risk to local food supply chain businesses and workers



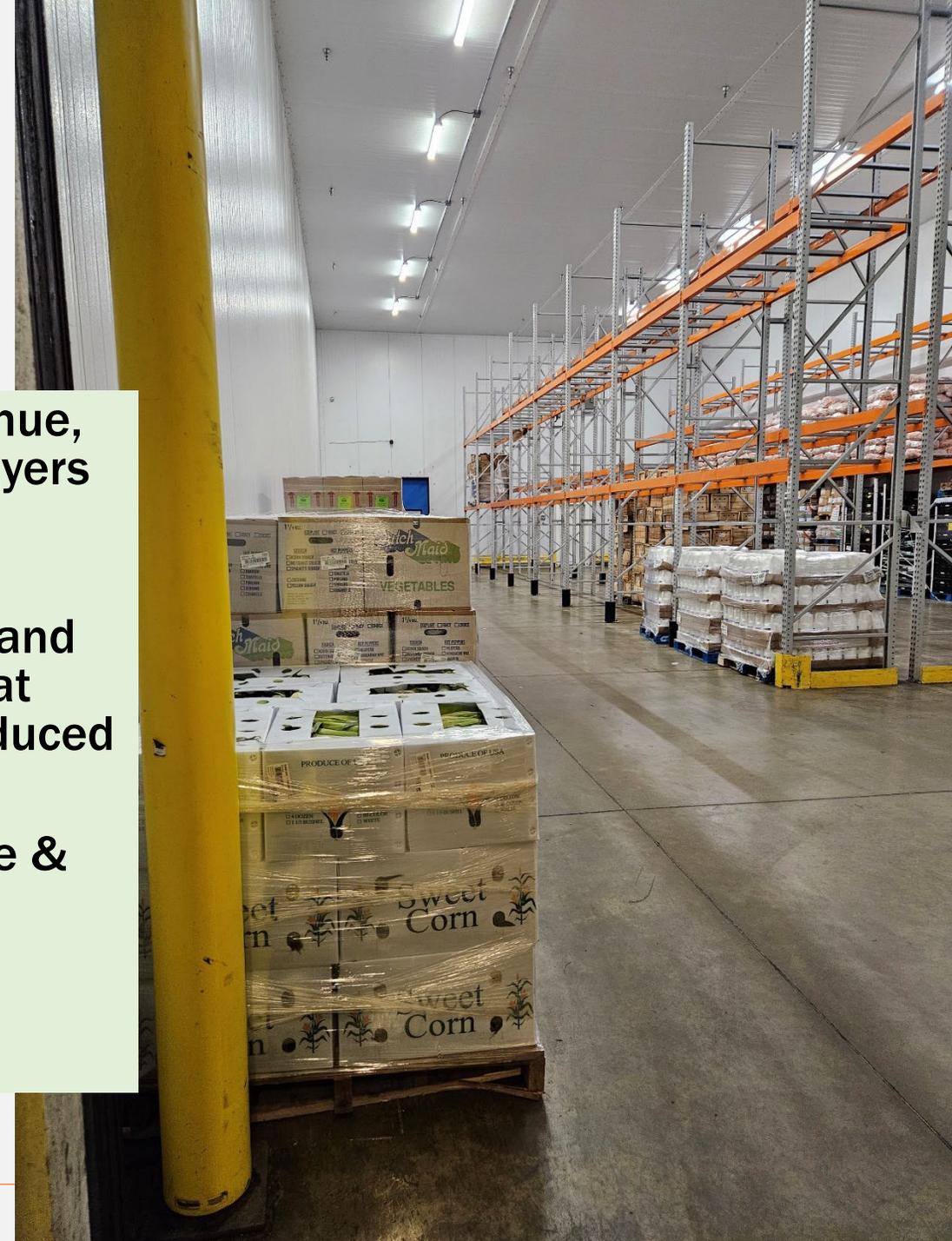
- **Payment error rates can be challenging to minimize without adequate up-front investments in program administration**
 - **SNAP benefit calculations are complex; a multi-pronged approach that combines caseworker expertise, system/tech efficiencies, and quality control is critical, and new complexities present accuracy challenges**

FFY	Ohio Over Payments	Ohio Under Payments	Ohio Payment Error Rate	National Over Payments	National Under Payments	National Payment Error Rate
2017	4.47	1.04	5.51	5.19	1.11	6.30
2018	6.03	1.43	7.46	5.59	1.22	6.80
2019	6.56	1.48	8.04	6.18	1.18	7.36
2022	6.14	0.96	7.10	9.84	1.70	11.54
2023	5.42	1.60	7.01	10.03	1.64	11.68
2024	7.67	1.34	9.01	9.26	1.67	10.93

***Data not available for 2020 and 2021**

Risk to Ohio if it does not meet its new SNAP financial obligations:

- Loss of about \$2.5 billion to \$3 billion in federal revenue, spent in local communities, annually (that Ohio taxpayers contributed) – and more during periods of economic recession
- Nearly 10,000 grocers, supermarkets, food retailers, and farmers markets impacted, with rural grocery stores at more risk of closure if SNAP benefits are reduced; reduced access to healthy food for all constituents
- Children, seniors would be most impacted; immediate & downstream consequences to educational outcomes, worker productivity, and health care spending
- More pressure on foodbanks & hunger relief partners



Trends in Charitable Take-Home Groceries

Ohio Association of Foodbanks Network	2018	2019	2020	2021	2022	2023	2024
Adults (Duplicated)	4,589,140	4,689,228	5,364,649	4,959,665	4,742,913	6,513,653	7,785,706
Seniors (Duplicated)	1,742,671	1,897,004	2,199,524	2,312,495	2,348,149	3,003,312	3,231,015
Children (Duplicated)	2,894,701	2,871,974	3,320,510	2,987,803	2,796,458	3,895,588	4,674,088
Total Visits Fulfilled	9,226,512	9,458,206	10,884,683	10,259,963	9,887,520	13,412,553	15,690,809
Pounds of Food Distributed	216,083,994	231,627,140	314,810,866	257,006,414	243,267,136	282,950,358	290,071,736
Average Days of Food Per Visit Provided	6.5 Days	6.8 Days	8 Days	6.9 Days	6.8 Days	5.8 Days	5.1 Days



The promise of adequate, wholesome food must exist before any other possibilities can be cultivated.



Questions?

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Navigating Financial Pressures Facing Health and Human Services in Ohio: Housing

Presented by CSH : Leah Werner

Health Policy Institute Ohio

March 10, 2026





About **CSH**

CSH collaborates to advance solutions that use housing as a platform for services to improve the lives of the most vulnerable people, maximize public resources and build healthy communities.



Housing Assistance Data by State

- Just **16%** of states had enough shelter beds for people who needed one on a single night in Jan. 2024
- **No states** had enough permanent housing for people in need

Ohio Statistics

- ❑ **Shelter Capacity for Individuals:** There were enough beds for only 68% of individual adults experiencing homelessness
- ❑ **Permanent Housing Capacity:** 865 PSH Units in HRS but 11,759 reported people experiencing homelessness
- ❑ **Permanent Housing Inventory:** -4.2% units from 2023 - 2024
 - ❑ Slight increase in Rapid Rehousing and Other PSH Placements.



2025
Proposed
HUD CoC
NOFO –
RETRACTED

The Continuum of Care (CoC) program is HUD's main funding source for housing solutions to homelessness. Every 1–2 years, HUD awards \$3.6B to local communities for housing rental assistance and supportive services for people with disabilities and households experiencing homelessness.

• **Changes to Funding Allocations & Priorities in 2025 Notice of**

- Funding for projects renewal is capped at 30% (down from 80-90%).
- Remaining 70% is competitive with preference for transitional housing.
- Permanent housing is limited to 30% of funding.
- Significant prioritization for treatment-first/service requirements, employment outcomes, and law enforcement coordination
- Projects can be rejected for current or past work related to harm reduction or prioritization of certain populations.

CoC NOFO Permanent Housing Math



\$114 million for permanent housing
14,000 housed

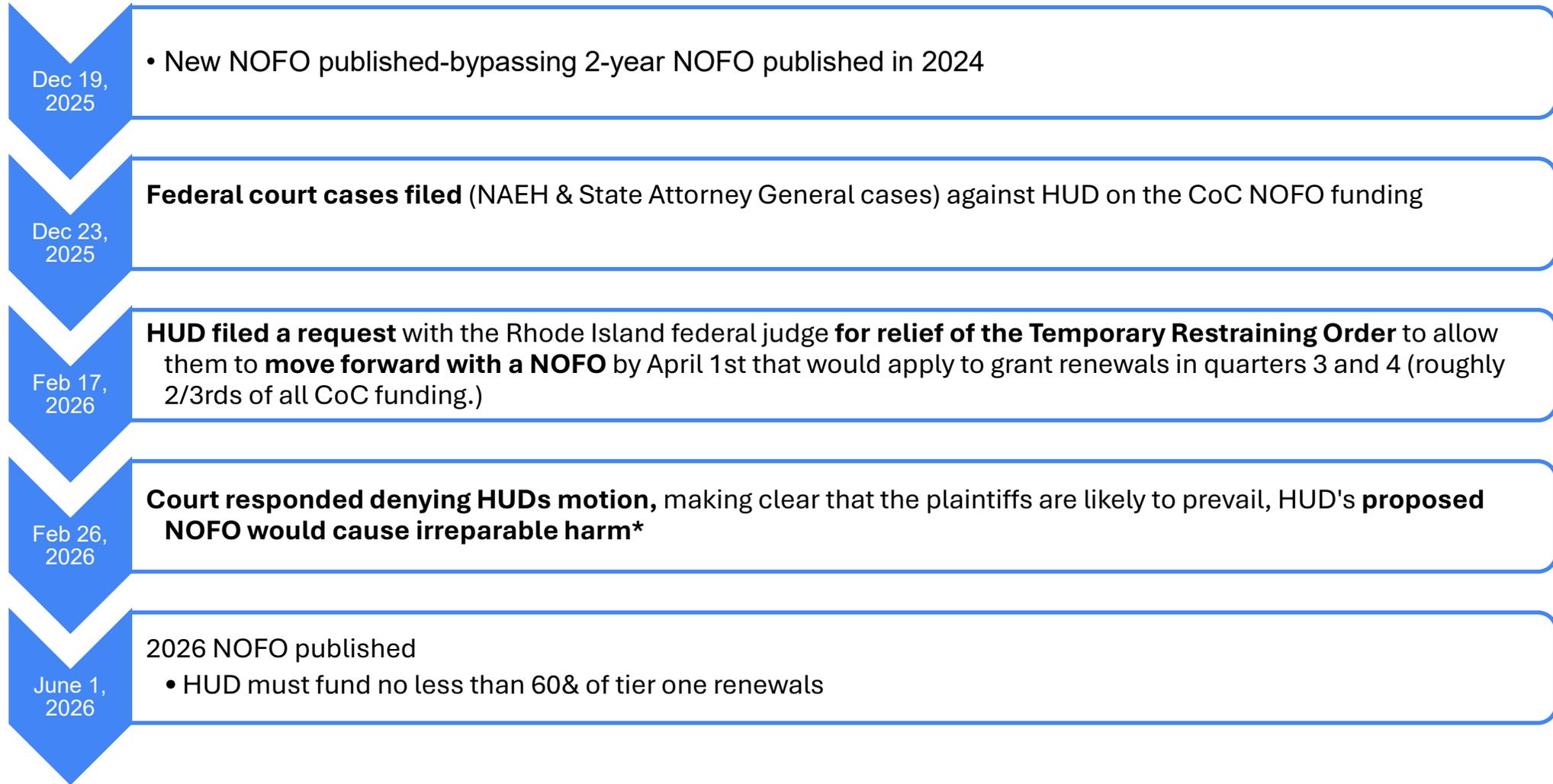


\$34 million for permanent housing
4,000 housed
10,000 unhoused



\$68.4 million for permanent housing
8,400 housed
5,600 unhoused
(no less than 60% or ARD)

CoC NOFO Legal Timeline & Update



PHA Shortfalls FAQs

What is a shortfall?

PHA shortfall occurs when a Public Housing Agency lacks sufficient funding to cover Housing Choice Voucher program costs potentially requiring HUD shortfall funding or cost-saving measures.

Why is there a shortfall?

THUD Committee authorized renewals that should cover all the authorized renewals? Individual PHAs may still face shortfalls.

Why still in shortfall?

1. Tenant rent amount
2. Actual rents
3. Over leasing the PHA may have done- playing catch up!

Higher-income tenants = lower subsidy = ability to over-lease compared to base line voucher count
Lower-income tenants = higher subsidy = risk of shortfall
Slow leasing = unused money can accumulate

Thank you!

Leah Werner
Director Ohio, Kentucky and Tennessee
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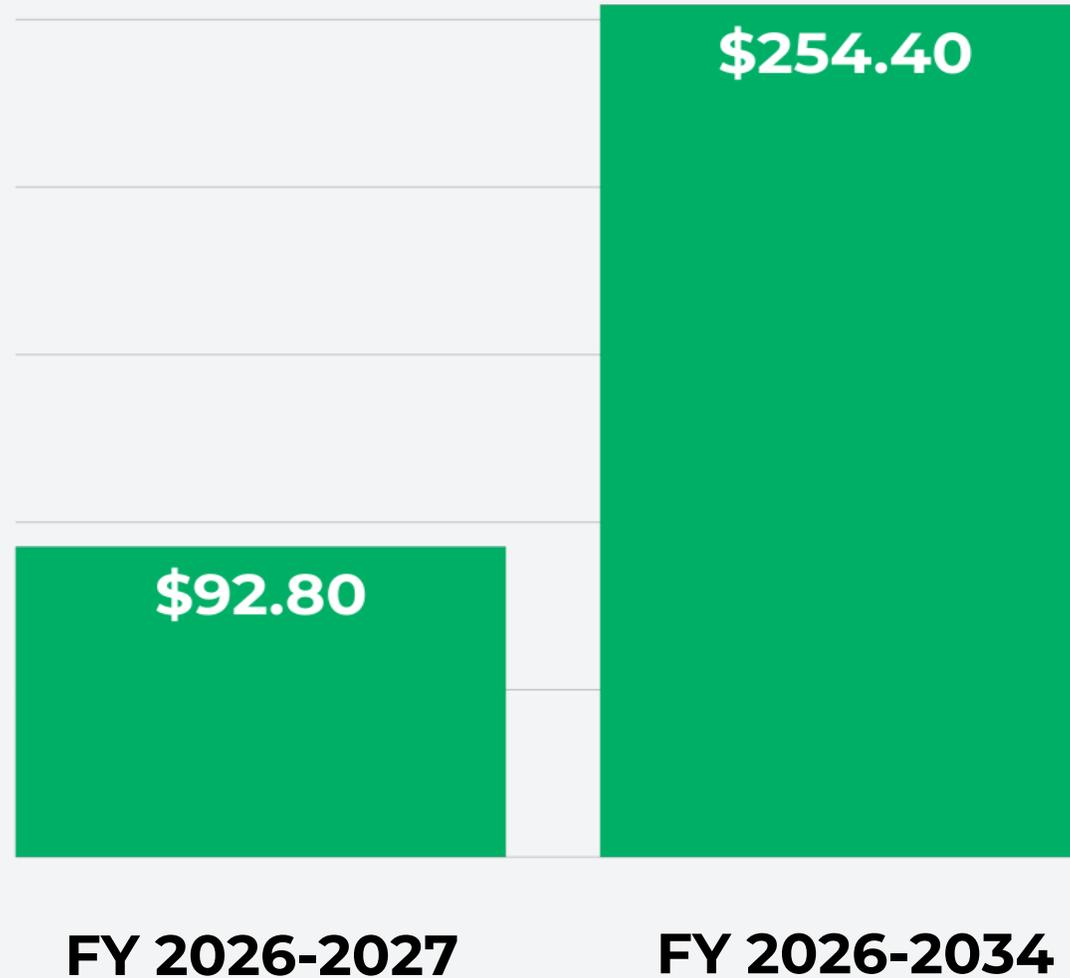
FINANCIAL PRESSURES FROM TAX POLICY

Zach Schiller, Research Director, Policy Matters Ohio

March 10, 2026

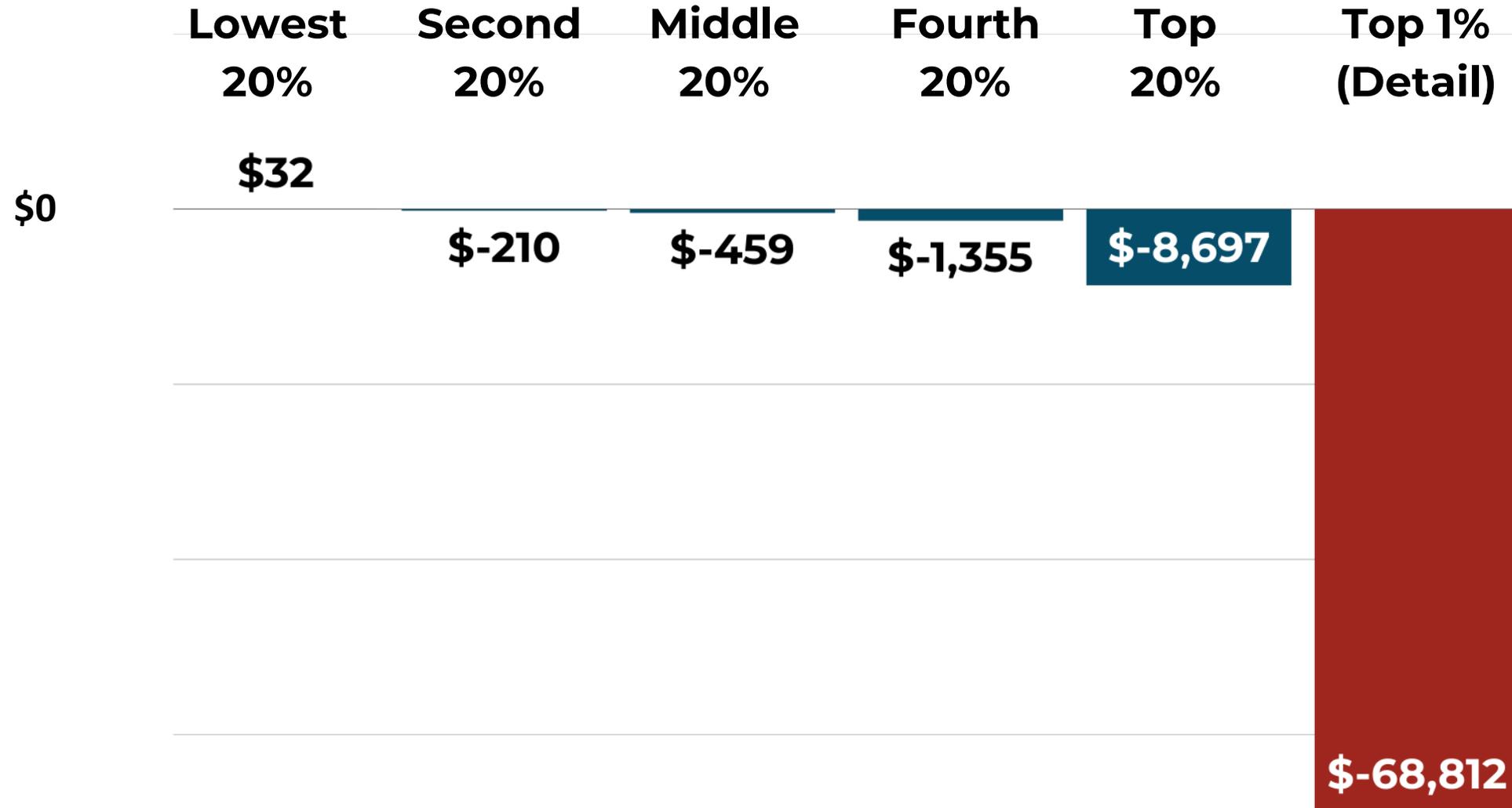
policymattersohio.org

Cost of Ohio coupling to tax provisions of H.R. 1 (in millions)

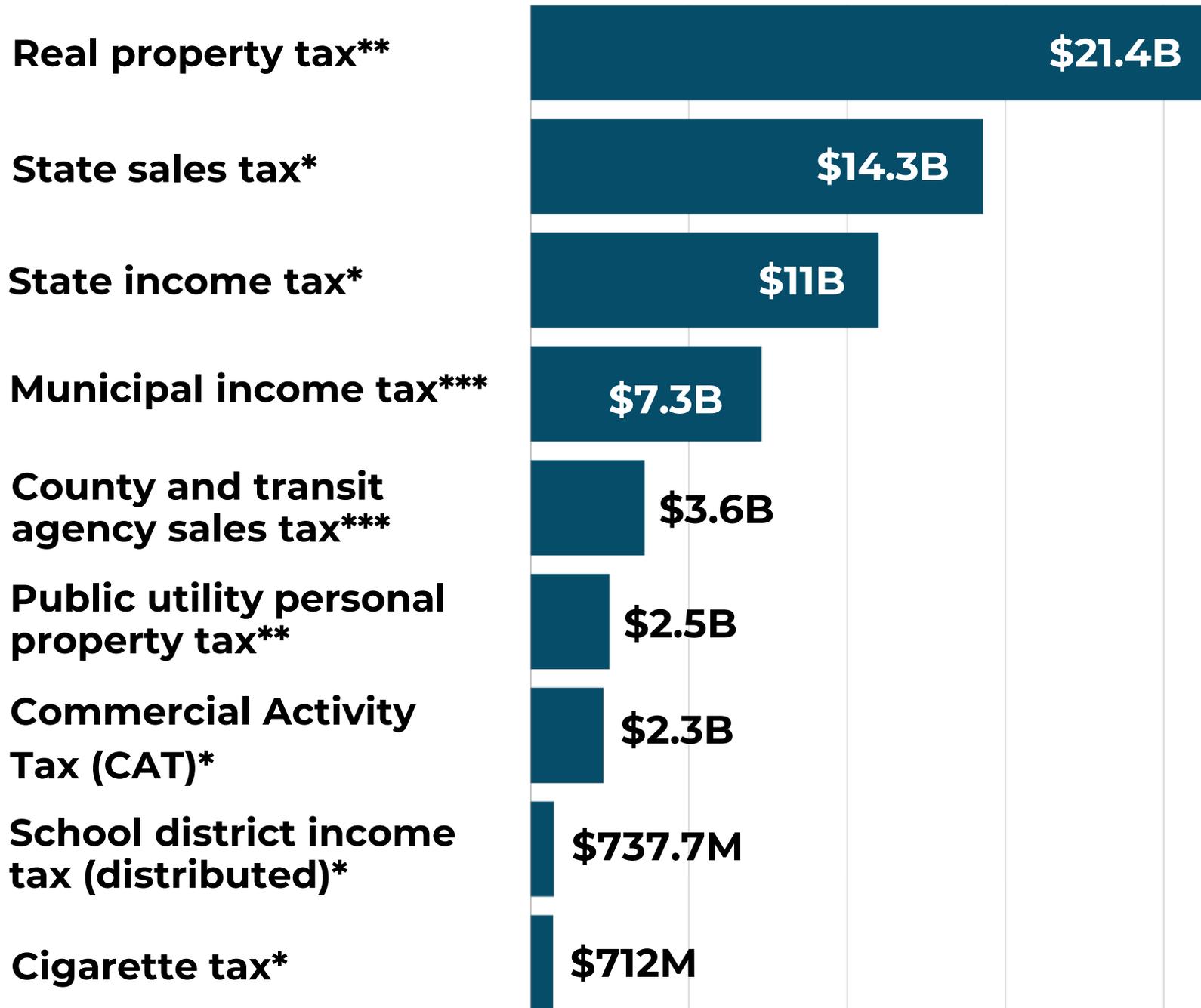


Source: Ohio Department of Taxation.

A generation's worth of tax cuts have paid off for Ohio's wealthiest



Source: Great Ohio Tax Shift 2026. Institute on Taxation and Economic Policy analysis, September 2025. Based on estimated 2026 incomes.



Making up lost revenue

Tax periods:

*State Fiscal Year 2025

*Tax Year 2024

***Calendar Year 2024

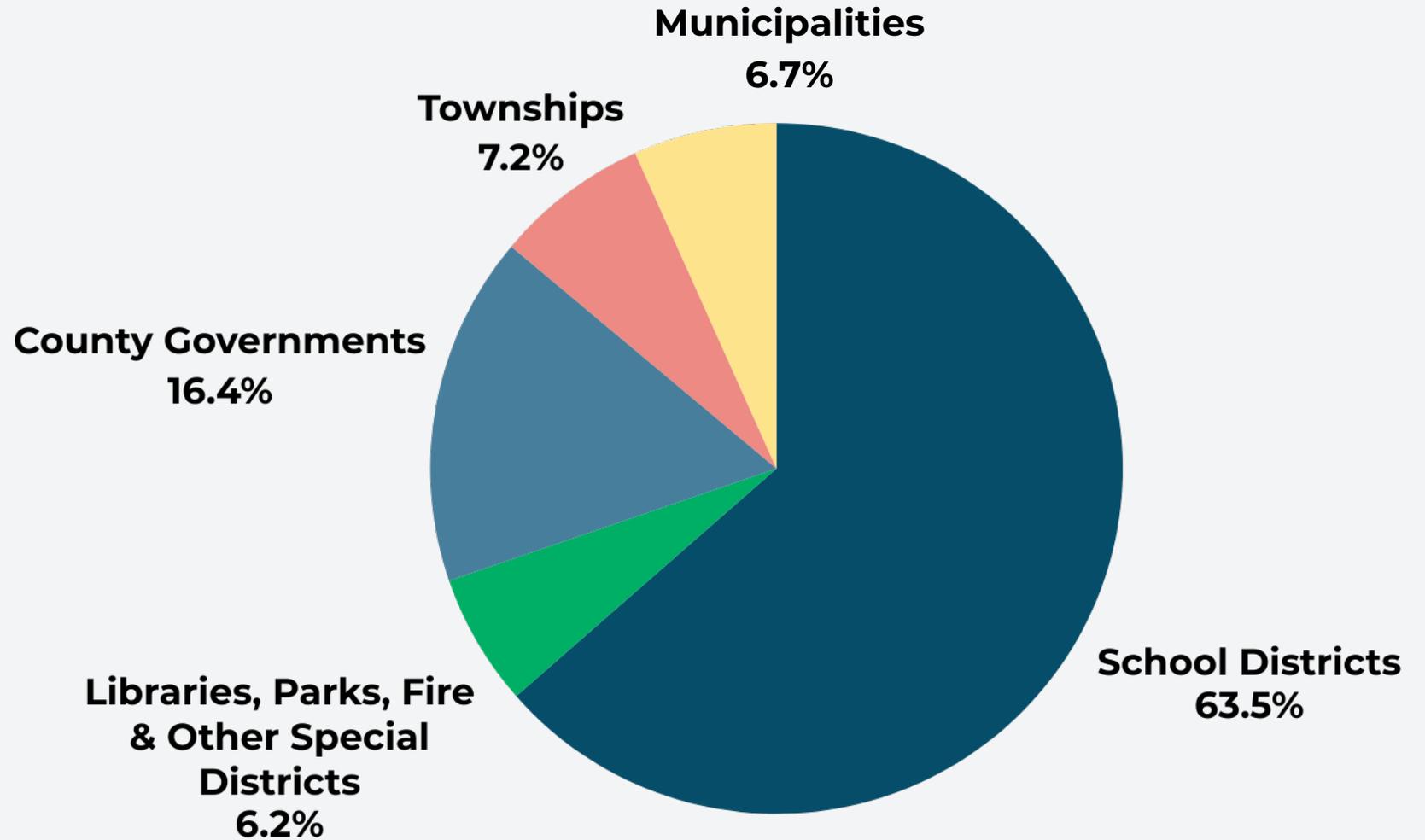
Source: Ohio Department of Taxation..

Property taxes and our community

Property taxes fund:

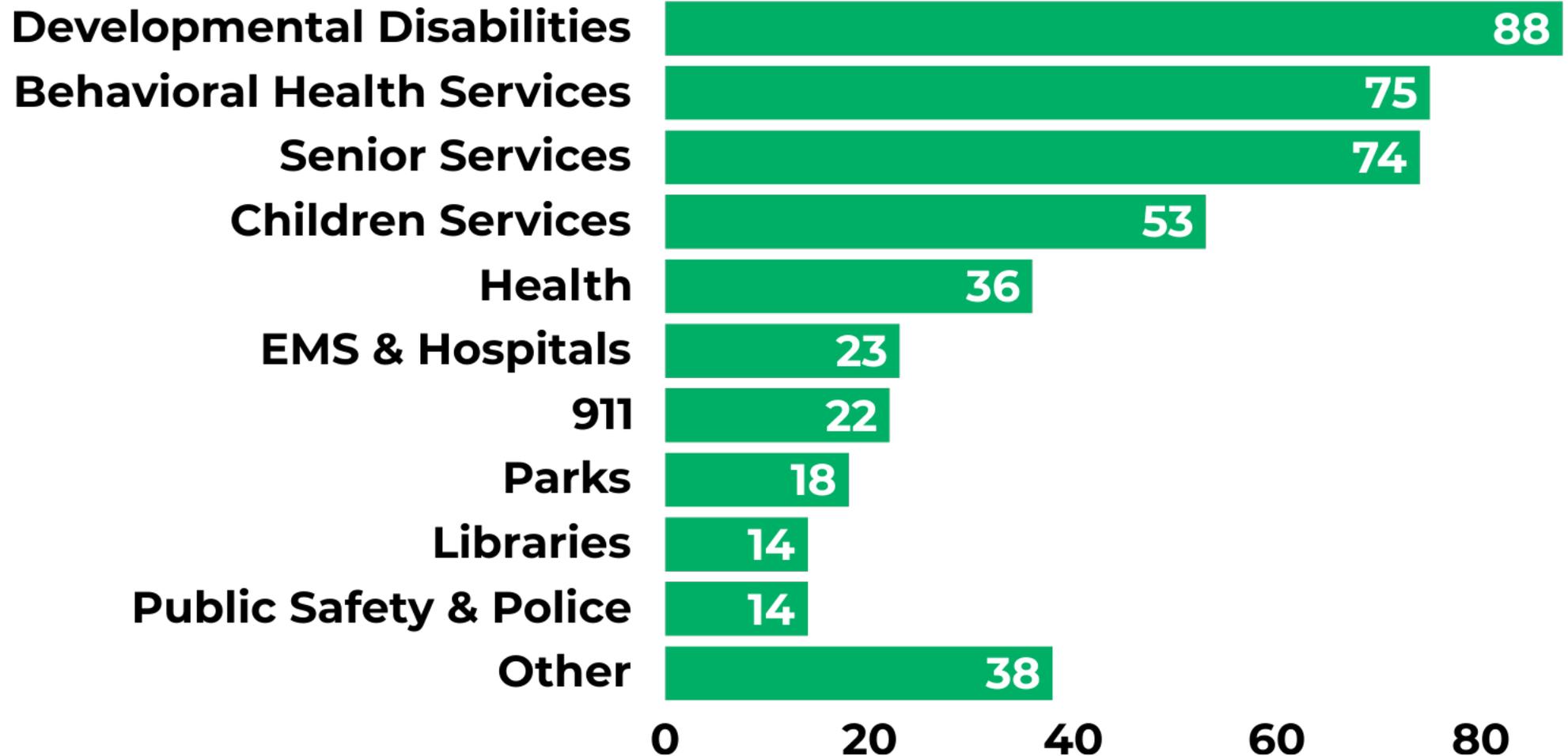
- Schools
- Libraries
- Parks
- Emergency medical services
- Fire departments
- Law enforcement
- County health and human service agencies
- Infrastructure

Estimated Real Property Taxes for Tax Year 2024 by Jurisdiction:



Source: Legislative Service Commission.

Ohio's 88 counties with one or more county-level voted property tax levy by type



Source: County Commissioners Association of Ohio, January 2026.



Questions?

**Find our
Property Tax
brief here:**



Questions?





Ways to influence policy

- Write letters, emails or make phone calls
- Provide district specific data
- Provide analysis of a bill
- Provide testimony at a legislative hearing
- Provide a one-page fact sheet
- Organize community partners to visit key policymakers
- Invite policymakers to visit your organization or speak at a meeting you host

Poll questions





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www.hprio.net

Thank you

