health policy insitute of ohio

140 E Town Street, Suite 1000, Columbus, OH 43215
phone: 614.224.4950 • www.healthpolicyohio.org

August 13, 2026

Scott Partika, Director,
Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

Director Partika,

Thank you for the opportunity to provide public comments in reference to the proposed rule *5160:1-4-07 MAGI-based Medicaid: Coverage for Adults Aged 19-64 (Group VIII)*.

The Health Policy Institute of Ohio (HPIO) is a non-partisan and independent health policy research organization established by foundations in 2003. HPIO's work is grounded in both data and evidence.

The state-level implementation of Section 71119 of the Working Families Tax Cuts legislation (hereafter HR 1) will have important ramifications for the nearly 700,000 Ohioans currently covered within the Group VIII Medicaid eligibility category.

According to **new projections from healthcare consulting firm Manatt**, Ohio is expected to see its total Medicaid enrollment drop by 305,000, or 10%, by 2028 because of the work requirements in HR 1. Nearly all the people who lose their Medicaid coverage will become uninsured because they are unlikely to have access to other forms of health insurance such as employer-sponsored insurance. Higher uninsured rates not only threaten care access for Ohioans who lose coverage but also strain providers and can raise the **prices of health services** across the state.

States have discretion over key parameters of Group VIII Work and Community Engagement Requirements, including the operationalization of some exemption categories, processes through which enrollees can demonstrate compliance and adoption of short-term hardship exemptions. Evidence from states that previously adopted Medicaid work requirements suggests that these implementation decisions can affect total coverage loss and the administrative burdens that enrollees face.

Operationalization of exemption categories

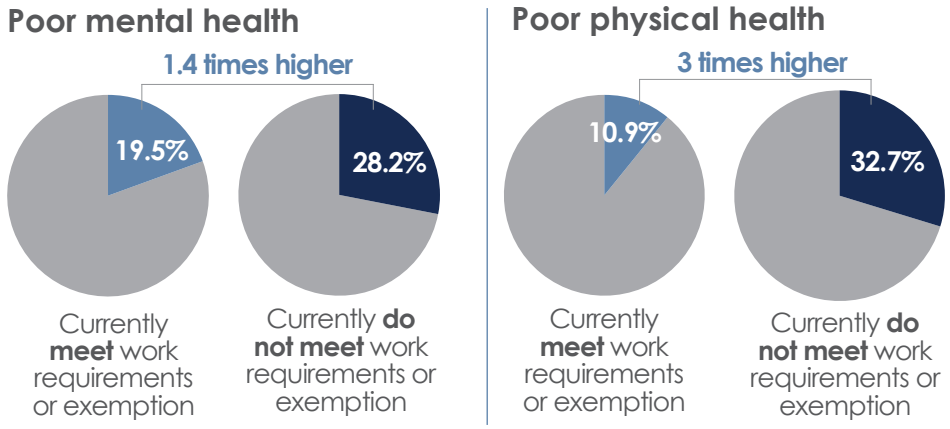
The Center for Medicare and Medicaid's (CMS) June 2026 Interim Final Rule (CMS-2454-IFC) narrows the definition of medical frailty from the original HR 1 language, clarifying that an enrollee's serious or complex medical condition must also "significantly impair their ability to comply with the requirement." Manatt estimates that an additional 64,000 Ohioans will lose coverage because of these stricter criteria for medical frailty.

The proposed rule 5160:1-4-07 indicates that Ohio, along with at least seven other states, will not utilize the 1-year self-attestation period for 2027 that is allowed by CMS, meaning that applicable enrollees will need to demonstrate compliance with this stricter medical frailty definition at the start of next year.

The decision to not use self-attestation for 2027 will have stronger effects on Ohio Group VIII enrollees who are experiencing the greatest health challenges. National analyses suggest that individuals with **poor mental or physical health** are less likely to meet work requirements or exemptions than healthier individuals.

Major medical and patient advocacy groups have expressed concerns that Medicaid enrollees with significant health problems, including **cancer** and **mental health conditions**, may have difficulty meeting this new medical frailty standard. This could lead to loss of coverage and significant negative health consequences for people who are experiencing serious and ongoing medical conditions.

Medicaid enrollees who currently do not meet work requirements or who would not be eligible for an exemption are more likely than other enrollees to have poor mental or physical health.



Source: Analysis of 2022 to 2023 Medical Expenditure Panel Survey data, researchers from Beth Israel Deaconess Medical Center and Harvard T.H. Chan School of Public Health

Processes to demonstrate compliance

The proposed rule 5160:1-4-07 does not provide clarity on how affected individuals will be able to demonstrate compliance with work and community engagement requirements if the Ohio Department of Medicaid (ODM) is unable to verify their status. The updated definition of medical frailty may be particularly difficult to demonstrate for individuals who are not automatically verified through diagnosis codes. Some enrollees, including those with multiple co-morbid conditions that together render them unable to work, may require documentation from medical providers who often have **limited available time** due to high levels of administrative work. Given that Medicaid patients often face difficulties finding timely provider appointments, additional requirements to secure documentation may exacerbate access issues, and lead to some Ohioans being disenrolled because they could not see a provider to verify their exemption in time.

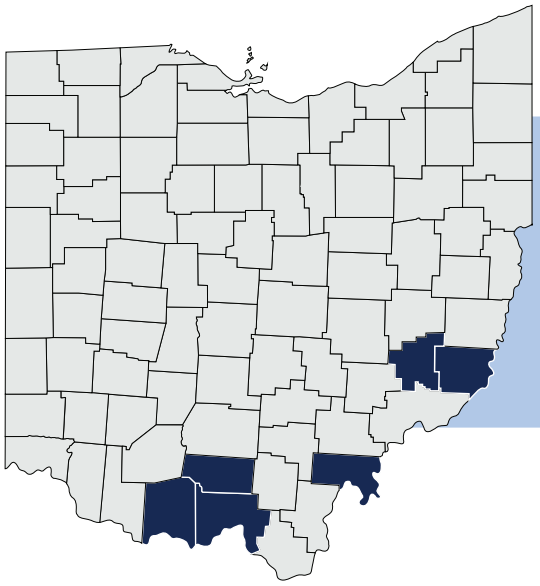
Evidence from other states that implemented Medicaid work requirements through 1115 demonstrations suggests that many enrollees lost coverage not because they failed to meet the requirements, but instead because of **burdens associated with demonstrating compliance**. Additionally, those who lost coverage experienced high rates of **delayed care due to cost and issues with paying off medical debt**.

Adoption of short-term hardship exemptions

HR 1 allows states to adopt optional hardship exemptions for enrollees who:

- Were recently hospitalized
- Need to travel outside the community for extended periods due to medical treatment
- Live in counties with a federally declared emergency
- Live in counties with an unemployment rate exceeding 8% or 1.5 times the national average

Hardship exemptions can prevent coverage loss due to health issues or difficulties with finding work in a particular area. For example, as of January 2026, six rural counties in Ohio (Adams, Noble, Meigs. Monroe, Pike and Scioto) had an unemployment rate that was high enough to exempt enrollees residing there from meeting requirements if Ohio made the choice to adopt the unemployment rate exemption. This could exempt approximately **15,200 enrollees** from the work and community engagement requirements.



Counties with unemployment rates that would qualify if Ohio adopted the optional exemption, as of January 2026
(Group VIII enrollment)

- Scioto (7,200)
- Pike (2,500)
- Adams (2,200)
- Meigs (1,700)
- Monroe (900)
- Noble (700)

Source: Bureau of Labor Statistics Labor Force Data by County, February 2025-January 2026; T-MSIS Research Identifiable Files, 2023, and Medicaid Budget and Expenditure System June 2025 Medicaid Expansion Enrollment, as analyzed by KFF

According to **KFF**, most states plan to adopt these hardship exemptions. ODM's decision to not use any of the four hardship exemptions could have negative impacts on vulnerable Group VIII populations, including residents living in rural areas where finding regular employment may be difficult, along with others who were recently hospitalized or must travel frequently for medical treatment.

Conclusion

Access to affordable health insurance is a key component of the ability of Ohioans to find and retain employment, meet their family's needs and achieve their full health potential. Ohio is likely to see many individuals lose coverage due to work and community engagement requirements, threatening not only the financial stability of Group VIII enrollees and their families, but also the state's broader workforce productivity and healthcare system infrastructure. Analysis from the **Commonwealth Fund** has shown that these impacts may lead to hospital closures, staff reductions and cuts to essential services, including in Ohio.

Thoughtful implementation of work and community engagement requirements can mitigate the potential negative impacts of HR 1 on the state population and economy. For example, by using the flexibility offered by the federal government and learning from the experience of other states, Ohio could allow a transition period that would temporarily lessen the administrative burdens of providing documentation for demonstrating medical frailty.

We appreciate your consideration and dedication to fostering the health of all Ohioans.

Thank you,

Amy Rohling McGee