

2025 OHIO MEDICAID EXPANSION STUDY

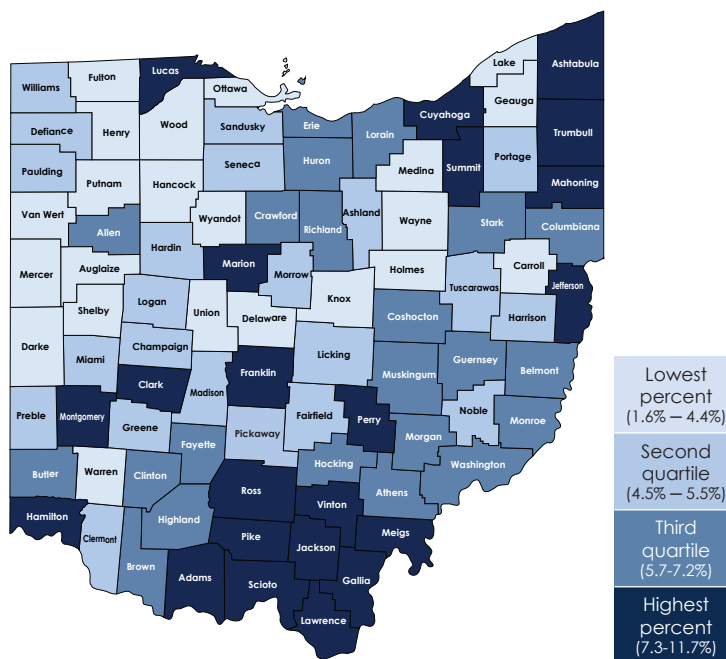
Background

The Health Policy Institute of Ohio has completed a comprehensive, data-driven study to describe how the expansion of Medicaid in Ohio in 2014 impacted coverage, access and affordability and to estimate the future impacts of discontinuing expansion coverage.

Nearly 770,000 Ohioans (over 6% of the total population) between the ages of 19 and 64 with lower incomes are enrolled in Medicaid through Medicaid expansion. The highest rates of per capita enrollment in this group are found in metropolitan and Appalachian counties, as displayed to the right.

As the federal and state policy environment related to Medicaid expansion continues to shift, Ohio policymakers need to make informed decisions that support every Ohioan reaching their full potential to make Ohio a model of health, well-being and economic vitality.

Percent of county population enrolled in Medicaid Group VIII (expansion category), January 2025



Briefs in this series

HPIO partnered with subject matter experts and two national research organizations on this project. The Urban Institute conducted state budget impact modeling and Regional Economic Models, Inc. (REMI) undertook economic modeling. The findings from the study are included in a series of reports that look at:

- ▶ **The state budget**
- ▶ **Jobs and the economy**
- ▶ **Health insurance coverage and cost**
- ▶ **Parents, caregivers and their children**
- ▶ **Access to mental health and substance use disorder treatment**

Download resources

For a full list of resources from HPIO, including a link to latest edition of the Institute's biennial **Ohio Medicaid Basics**, visit:

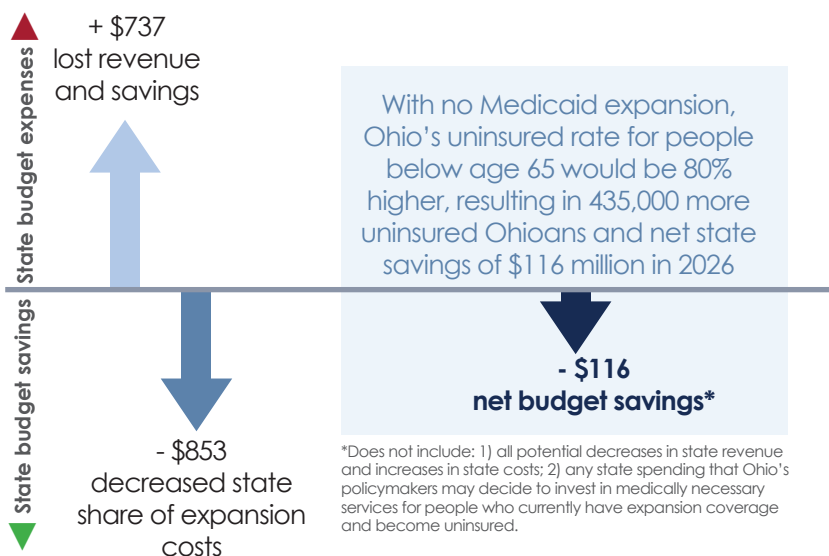
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Medicaid expansion and the state budget

The state is responsible for paying 10% of the cost of services for people with Medicaid expansion coverage. If Medicaid expansion coverage was not offered in Ohio, the state would no longer need to pay the 10% state share of Medicaid expansion costs. However, a combination of other factors would substantially reduce any state budget savings, as shown below.

Summary of estimated state budget impact of elimination of Medicaid expansion (in millions), SFY 2026



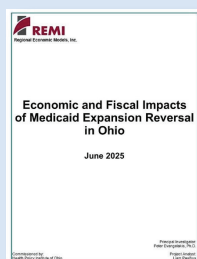
Source: Health Policy Institute of Ohio, "2025 Ohio Medicaid Expansion Study: Medicaid expansion and the state budget." Data from HPIO, Urban Institute, REMI

Key findings from the report

- **Costs, revenue and savings.** While the state currently pays 10% of Medicaid expansion costs, expansion also generates state revenue and produces state savings, resulting in an effective state share of 1.4%.
- **Revenue from economic activity.** Medicaid expansion is projected to generate over \$1.1 billion over the next five years in state general revenue from personal income taxes, sales taxes and gross receipts taxes.
- **Net savings.** Discontinuing expansion would save substantially less than the state share amount, it would reduce federal funds coming to Ohio by over \$42 billion over five years, and would leave an estimated 435,000 Ohioans without coverage.

Economic and fiscal impacts

New analysis commissioned by HPIO projects that if Medicaid expansion is eliminated, growth in Ohio's economy (i.e., the state's gross domestic product) would slow by an average of \$7.2 billion annually. The analysis, conducted by Regional Economic Models, Inc., found that eliminating expansion would also slow job growth, create a decline in personal income growth and slow state tax revenue.



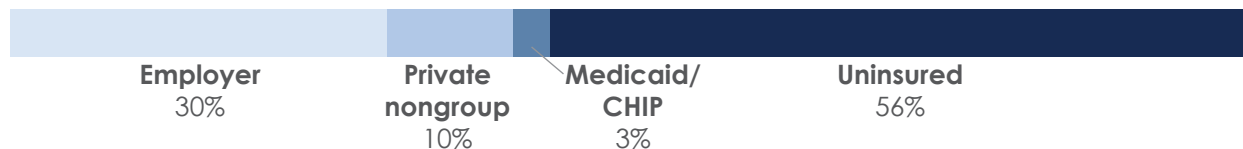
Key findings from the report

- **Eliminating expansion would slow job growth by more than 50,000 in Ohio, compared to if Medicaid expansion remained intact over the next five years.** About 45% (more than 28,000) of the potential job losses would be in the healthcare sector and 55% would be spread widely across the state economy, including more than 6,400 construction jobs, more than 2,500 jobs in administrative and support positions and more than 2,000 restaurant jobs.
- **Ohioans would see an aggregate decline in personal income growth** of \$4.7 billion in an average year, representing more than \$900 per household.
- **Eliminating Medicaid expansion would slow state tax revenue.** The growth in state general fund tax revenue would fall by an annual average of \$220.6 million, with more than a quarter coming from the personal income tax and the remainder coming from a combination of sales taxes and the Commercial Activity Tax.

Healthcare coverage and costs

Without Medicaid expansion, almost 770,000 Ohioans would need to find alternative coverage. Most current Medicaid expansion enrollees are projected to become uninsured, with an 80% increase in the number of uninsured Ohioans by 2026 (compared to 2026 projections if Medicaid expansion is maintained). The graphic below illustrates the types of insurance current expansion enrollees may have if Medicaid expansion is eliminated, including 56% of these Ohioans who will be uninsured.

Percent of Ohioans previously enrolled in Group VIII, by insurance type, 2026 projection if Medicaid expansion is eliminated



Note: Results simulated for 2026.

Source: The Urban Institute. Health Insurance Policy Simulation Model (HIPSM), 2025

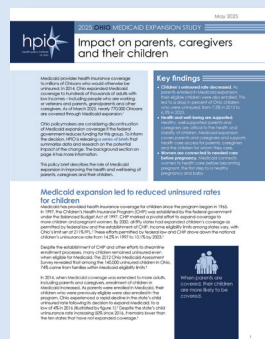


Key findings from the report

- **Ohio's uninsured rate would increase.** Medicaid expansion cut Ohio's uninsured rate in half from 2012 to 2023. If expansion was eliminated, the uninsured rate could increase by 80% in 2026. Certain groups of Ohioans, including Ohioans with a high school education or less, would be more likely to become uninsured.
- **Low-income Ohioans have limited access to employer-sponsored insurance.** Low-income workers are less likely to be eligible for employer-sponsored health insurance than workers earning higher incomes. About 30% of workers with the lowest incomes would receive insurance through an employer without expansion and 66% would become uninsured.
- **Ohio households, employers and providers would spend more on acute care.** The state and federal governments are projected to decrease spending on acute health care; employers, providers and households are projected to increase spending on acute care compared to projections for current law (i.e., Medicaid expansion maintained).

Parents, caregivers and their children

Despite efforts to streamline enrollment processes since Medicaid's beginnings in 1965, many children remained uninsured even when eligible for Medicaid. The 2012 Ohio Medicaid Assessment Survey revealed that among the 140,000 uninsured children in Ohio, 74% came from families within Medicaid eligibility limits. In 2014, when Medicaid coverage was extended to more adults, including parents and caregivers, enrollment of children in Medicaid increased. As parents were enrolled in Medicaid, their children who were previously eligible were also enrolled in the program. Ohio experienced a rapid decline in the state's child uninsured rate following its decision to expand Medicaid, to a low of 4% in 2016. Despite the state's child uninsurance rate increasing 50% since 2016, it remains lower than the ten states that have not expanded coverage.



Key findings from the report

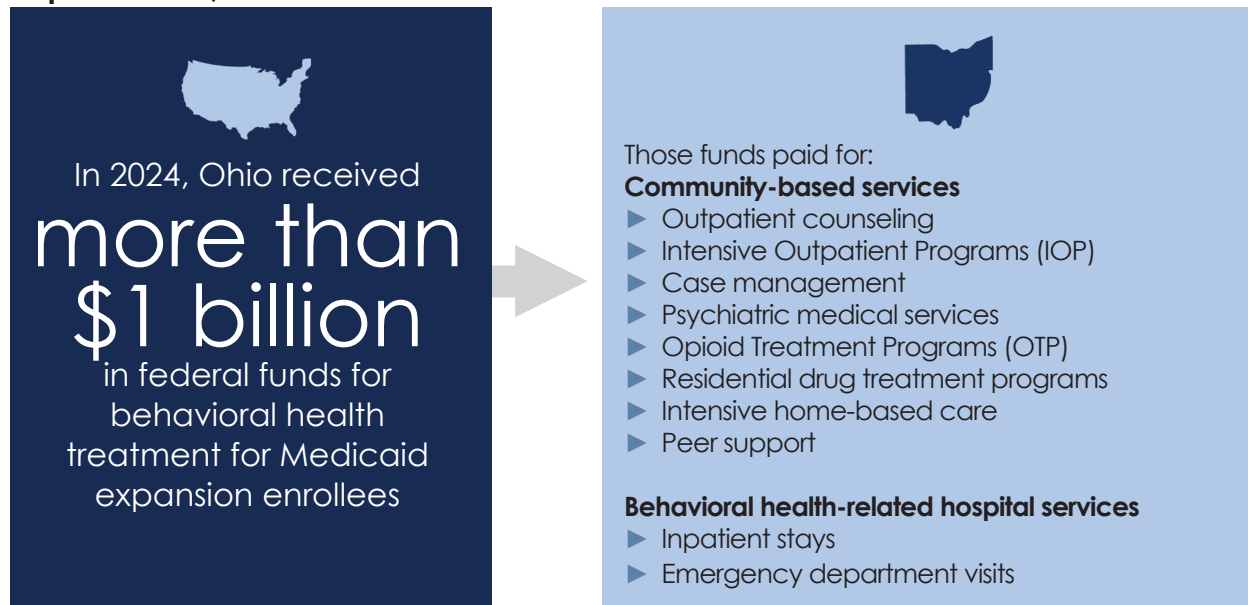
- **Children's uninsured rate decreased.** As parents enrolled in Medicaid expansion, their eligible children were also enrolled. This led to a drop in percent of Ohio children who were uninsured, from 7.5% in 2013 to 6.5% in 2023.
- **Health and well-being are supported.** Healthy, well-supported parents and caregivers are critical to the health and stability of children. Medicaid expansion covers parents and caregivers and supports health care access for parents, caregivers and the children for whom they care.
- **Women are connected to needed care before pregnancy.** Medicaid connects women to health care before becoming pregnant, the first step to a healthy pregnancy and baby.

Access to mental health and substance use disorder treatment

HPIO analysis shows that Ohio receives substantial federal funding for behavioral health services for the Medicaid expansion population. In 2024, more than \$1 billion in federal funds paid for services for Ohioans such as outpatient counseling, psychiatric medical services and residential drug treatment programs, as illustrated below.

Most local alcohol, drug addiction and mental health (ADAMH) boards said that they were “not confident” that their board would be able to re-allocate funding to fully or mostly cover treatment services currently covered by Medicaid expansion (in response to an HPIO survey).

Ohio Medicaid expansion mental health and substance use disorder expenditures, 2024



If Medicaid expansion is eliminated, the state would have to cover those costs or face significant reductions in mental health and addiction treatment. Maintaining current state investments and replacing even 50% of the federal funds would cost Ohio more than \$627 million a year.

Notes: This includes spending in the 84/95 categories and hospital utilization. It does not include most prescription drugs.

Source: Ohio Department of Medicaid response to a data request from HPIO



Key findings from the report

- **High demand.** Many Ohioans enrolled in Medicaid have behavioral health conditions. Forty percent of adults covered by expansion had a primary mental health and/or substance use disorder diagnosis in 2024.
- **Significant investments.** Ohio received more than \$1 billion in federal funds for community-based and hospital behavioral health services for expansion enrollees in calendar year 2024.
- **Potential risk.** If expansion was discontinued, many Ohioans would lose access to treatment. Policy priorities such as improving supports for recovery and re-entry and suicide prevention could be curtailed.