Oct. 9 • Columbus, Ohio

Implications of the federal spending bill on health policy in Ohio

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A Look at Medicaid Changes in the Reconciliation Law

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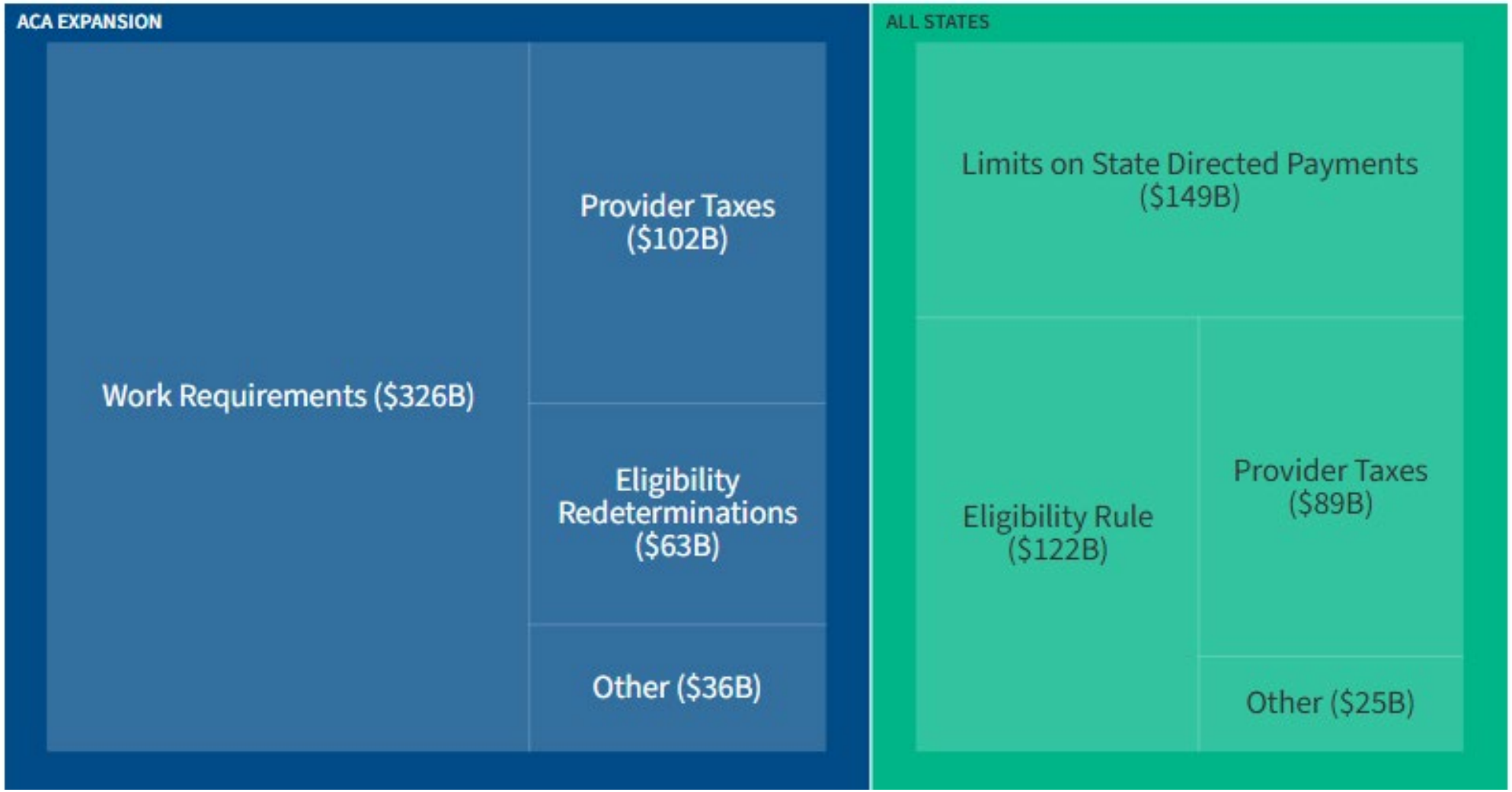
KFF

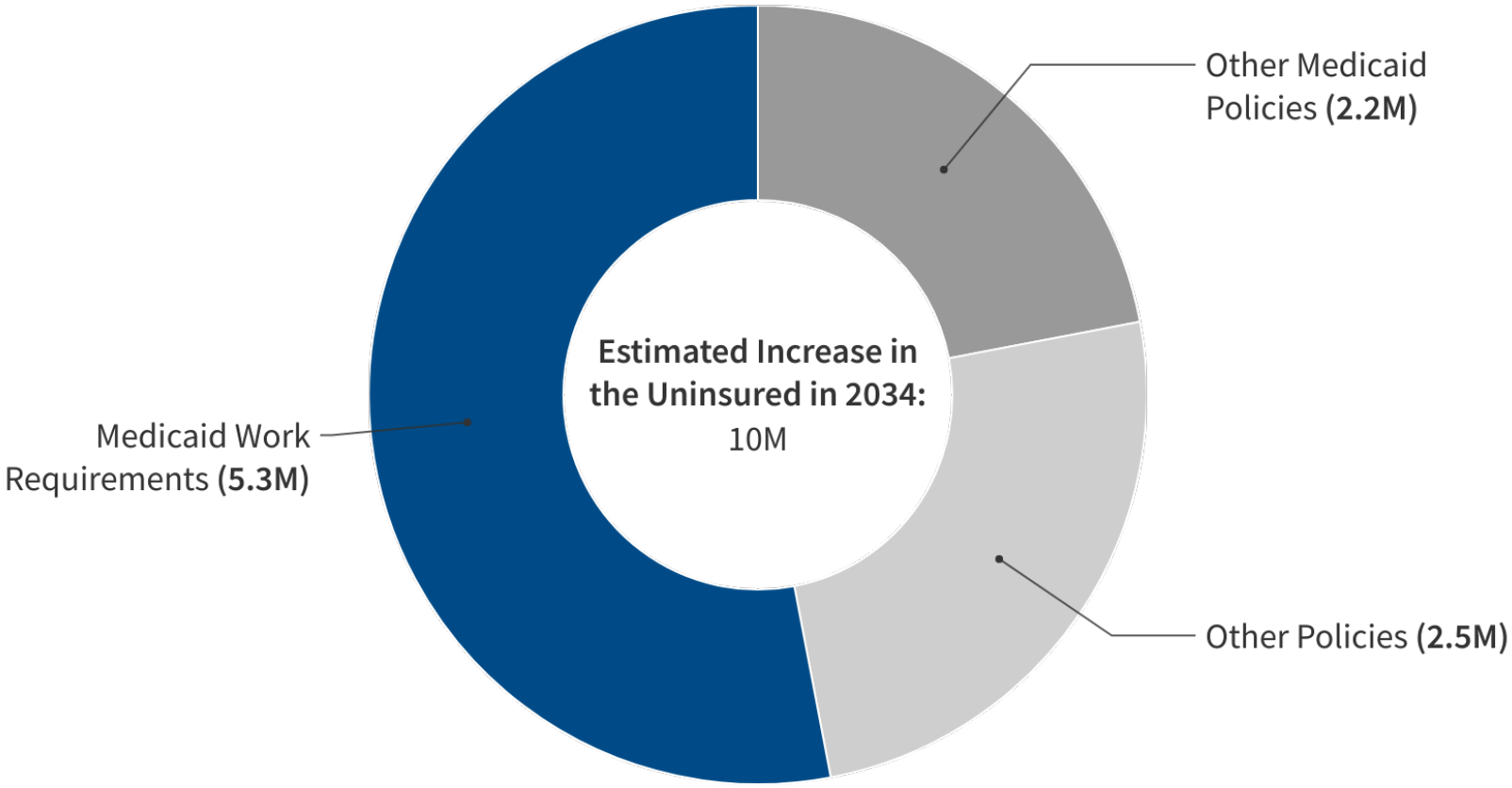
The independent source for health policy research, polling, and news.

The reconciliation package would reduce federal Medicaid spending by $1 trillion over 10 years.



Work requirements are estimated to lead to 5.3 million more uninsured in 2034.

CBO estimates of the increase in the uninsured in 2034 due to the enacted budget reconciliation package, by source of change:



Note: Total and "other policies" includes 300,000 in estimated coverage loss due to interaction between policies. “Other policies” also include Medicare and Marketplace changes.

Source: KFF analysis of CBO estimates of the enacted reconciliation package

Some key Medicaid changes in the reconciliation package that will affect Ohio include:

Restrict Eligibility

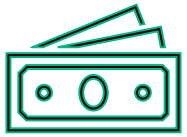
- Conditions Medicaid eligibility for expansion adults on meeting work requirements
- Requires eligibility redeterminations every 6 months for Medicaid expansion adults
- Restricts eligibility for certain legal immigrants

Impose New Cost Sharing

- Requires states to impose cost sharing of up to $35 per service on expansion enrollees with income 100-138% FPL

Limit State Directed Payments

- Caps total payment rate for inpatient hospital and nursing facility services at 100% of Medicare payment rate for expansion states and 110% for non-expansion states



Prohibit New / Increases in Provider Taxes

- Prohibits states from establishing new provider taxes or increasing existing tax rates
- Prohibits certain existing “uniformity waiver” provider taxes

The new law requires states to implement work requirements for the expansion group by January 2027.

States would be required to condition Medicaid eligibility for individuals ages 19-64 applying for coverage or enrolled through the ACA expansion group on meeting qualifying activities or exemption criteria:

Qualifying Activities	Mandatory Exemptions	Optional Hardship Exceptions
• 80 hours per month of work, community service, and/or "work program" participation • Enrolled in education at least half time • Any combination of the above totaling 80 hours per month • Monthly income of minimum wage multiplied by 80 hours • Seasonal workers with an average monthly income over 6 months of minimum wage multiplied by 80 hours	• Parent/guardian/caretakers of dependent children under age 13 or disabled individuals • Pregnant or receiving postpartum coverage • Foster youth/former foster youth under age 26 • Medically frail • Participating in SUD program • Meeting SNAP/TANF work requirements • American Indians and Alaska Natives • Disabled veterans • Incarcerated or released from incarceration within 90 days • Entitled to Medicare Part A/enrolled in Medicare Part B	State option to allow short-term hardship exceptions, for an individual who… • was in an inpatient hospital, nursing facility, intermediate care facility, or inpatient psychiatric hospital • resided in a county with a federally-declared emergency or disaster • resided in a county with a high unemployment rate (above 8% or 1.5x the national unemployment rate), subject to a request from the state to the Secretary • traveled outside of the individual's community for an extended period for medical care for themselves or for their dependent

Source: KFF's A Closer Look at the Work Requirement Provisions in the 2025 Federal Budget Reconciliation Law

Ohio's pending 1115 waiver differs from the new federal work requirements.

Ohio submitted an 1115 waiver application to implement work requirements on February 28, 2025.

New requirements: At application and renewal, expansion enrollees must meet one of five criteria:

- Be employed;
- Be at least 55 years old;
- Be enrolled in school or an occupational training program;
- Be participating in an alcohol and drug addiction treatment program;
- Have intensive physical health care needs or serious mental illness

Verifying compliance:

- Ohio will use available data to verify applicants and enrollees meet the criteria.
- For individuals who cannot be verified with available state data, Ohio will employ a third-party vendor to use external data sources to verify eligibility; individuals required to confirm or dispute data provided by the vendor

States will have limited time to develop or change implementation plans, protocols, and systems.

6/01/2026

Secretary of HHS to release interim rule

Interim rule on implementing work requirements

01/01/2027

Work requirements required to go into effect

State option to implement earlier

9/30/2026

States required to begin outreach about new work requirements

Deadline dependent on timing of first compliance “look back” period

12/31/2028

Delayed implementation deadline, at Secretary’s discretion

States experiencing challenges implementing work requirements may potentially delay implementation, at the Secretary’s discretion

Source: KFF’s A Closer Look at the Work Requirement Provisions in the 2025 Federal Budget Reconciliation Law

Experience in Arkansas and Georgia highlight implementation challenges with work requirements.

- **Enrollee awareness / outreach**: complex policies caused "confusion and uncertainty."
- **Exemptions:** enrollees struggled to access safeguards for people with disabilities and had trouble navigating the process to qualify for exemptions.
- **Data matching:** about 2/3 of enrollees successfully data matched and exempted from reporting. Among those who had to actively report, about 70% did not obtain an exemption or report compliance, resulting in over 18,000 people losing coverage.

- **Verification at application:** since launch of "Pathways" program, GA has only enrolled 8,600 individuals—far short of the state's own estimated enrollment of 25,000 adults in the first year and 64,000 over 5 years.
- **Administrative costs:** a GAO report found administrative spending for the "Pathways" program was $54 million from 2021-2025, accounting for over two-thirds of total program spending. The federal government covered 88% of the administrative spending.

Source: KFF's A Closer Look at the Work Requirement Provisions in the "Big Beautiful Bill" and KFF's Implementing Work Requirements on a National Scale: What We Know from State Waiver Experience

THANK YOU

For more information, contact: jennifert@kff.org

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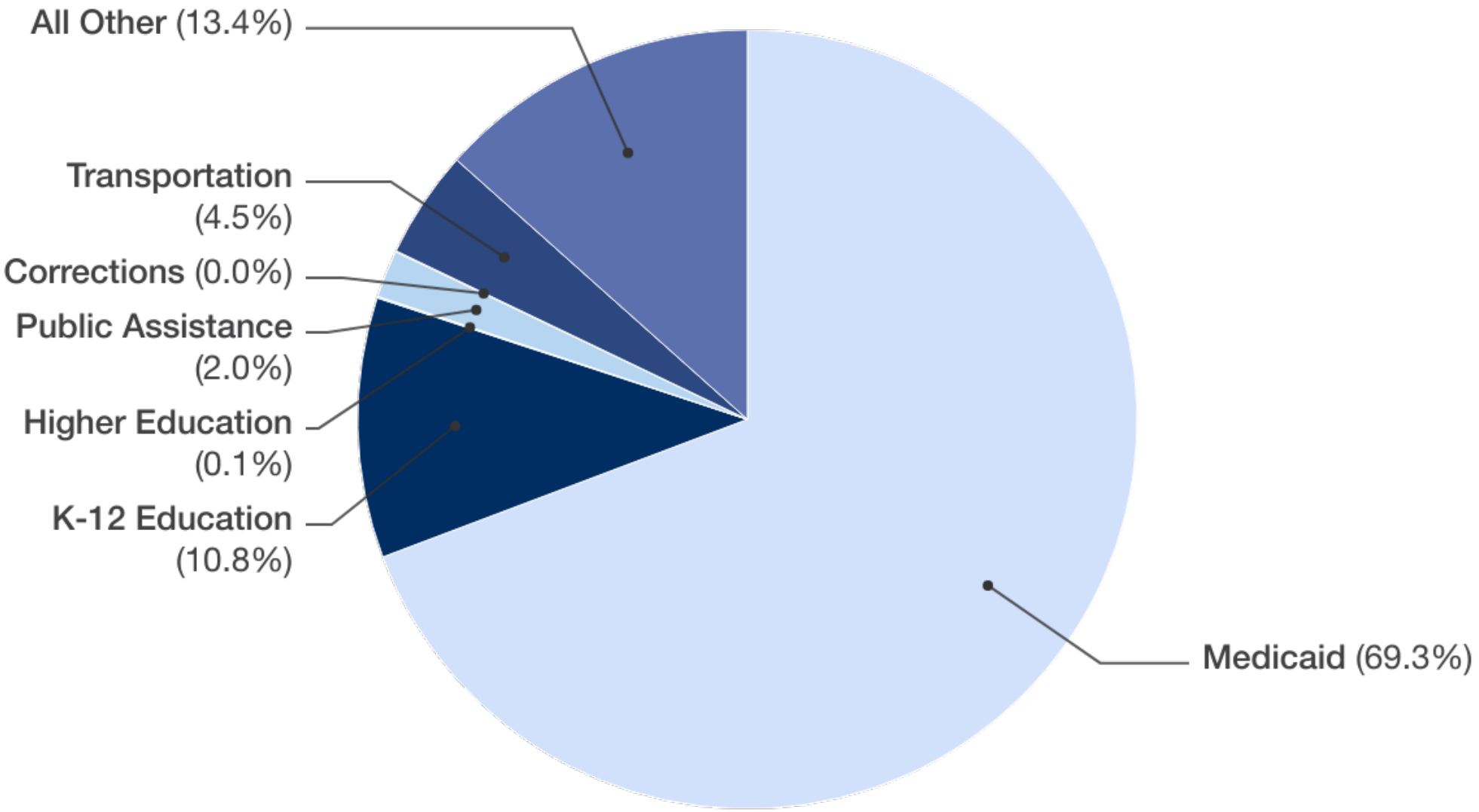
Health Policy Institute of Ohio

Looking at the Budget Reconciliation Bill (HR1): Medicaid cuts, rural health fund

Adam Searing, JD,MPH, Research Professor
Georgetown Center for Children and Families

October 9, 2025

Federal Funds for Ohio, FY2024



Source: CCF analysis of National Association of State Budget Officers (NASBO) data for state fiscal year 2024 (estimated).

Funding and Coverage Losses

HR1 Estimated Spending and Coverage Impacts, FFY 2025-2034	
National	**Ohio**
Federal spending: **-$990B**	**Federal Medicaid funds to Ohio: -$33B, or -13% of spending baseline (KFF estimates)**
Coverage: **-10M people**	**Coverage: -340,000 Ohioans, or -3 percentage point change**

Georgetown University McCourt School of Public Policy
CENTER FOR CHILDREN AND FAMILIES

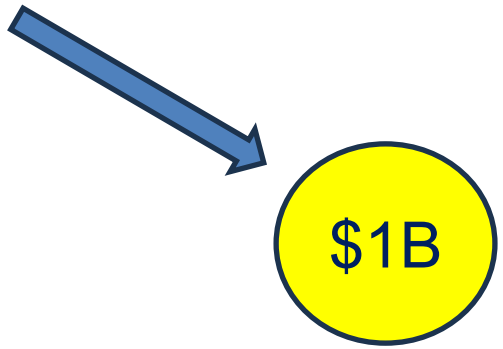
Sources: E. Park and S. Corlette, "Medicaid, CHIP, and Affordable Care Act Marketplace Cuts and Other Health Provisions in the Budget Reconciliation Law, Explained," (Washington: Center for Children and Families); R. Euhus, et. al, "Allocating CBO's Estimates of Federal Medicaid Spending Reductions Across the States: Enacted Reconciliation Package," (Washington: KFF) July 23, 2025; A. Burns, et. al, "How Will the 2025 Reconciliation Law Affect the Uninsured Rate in Each State?" (Washington: KFF), August 20, 2025.

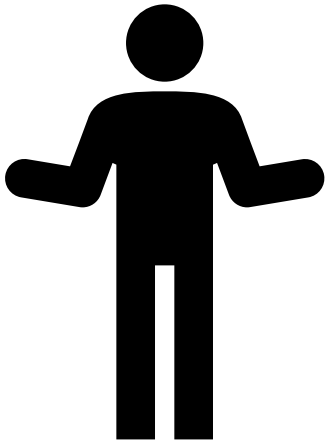
HR1's Rural Health Transformation Fund

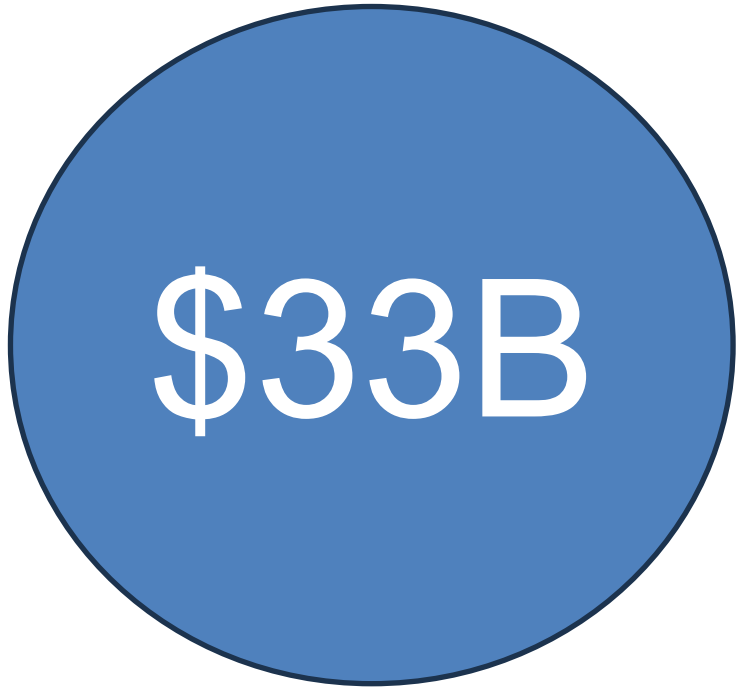
- $50 billion/5 years v. $990B Medicaid cuts/10 years, ongoing, all 50 states can apply, $25B split equally, $25B other
- CMS administrator: **non-reviewable** approval authority for state applications
- Rural health improvement v. Political health improvement
  - **Provider payments cannot exceed 15% of award**, better scores for passage of certain state laws (these requirements are not in the law passed by Congress, but added by CMS)
  - v.
  - Rural system of coverage improvements, access to primary care, quality care, rural provider retention and recruiting

HR1's Rural Health Transformation Fund

- Ohio - **$33 billion in estimated federal Medicaid cuts** over 10 years, then cuts continue
- Ohio's share of Rural Health Transformation Fund (note- front loaded):
  - $100 million a year for next five years
  - $100 million more a year for next five years (could be more or less)







HR1's Rural Health Transformation Fund

½ or $25B of fund split equally between 50 states

That's $100M/yr for the five-year life of the fund.

That's the same $ for Idaho with a population of two million people v. Ohio's population 11.9 million people

HR1's Rural Health Transformation Fund

After the Nov. 5th state application deadline – what state efforts get funded?

Great examples of states tackling rural health – population health infrastructure for primary, behavioral; quality of care initiative with regional centers, health worker retention and recruitment model efforts.

Role of state legislative passage of certain laws that have little to do with rural health and are not in the law like CON, SNAP "nutritious foods" definition, short term limited health plan availability.

HR1's Rural Health Transformation Fund

Sept 10 headline – which hospitals get $? – Reflected political framing of fund pre-federal application release.

NEWS

Ohio Republicans move to block urban hospitals from taking rural health dollars

Published: Sep. 10, 2025, 12:12 p.m.

Statehouse Republicans are already drawing lines over who should get billions in federal dollars for rural healthcare that is headed to Ohio. House Speaker Matt Huffman says the money should go to small, independent hospitals fighting to survive — not major systems in Cleveland, Columbus, or Cincinnati. Getty Images

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Ohio DOH website – broader focus reflecting the federal application information

Department of Health

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- **Promoting evidence-based, measurable interventions** to improve prevention and chronic disease management.
- **Promoting consumer-facing, technology-driven solutions** for the prevention and management of chronic diseases.
- **Providing payments to healthcare providers** for the provision of healthcare items or services.
- **Providing training and technical assistance** to develop and adopt technology enabled solutions that improve care delivery in rural hospitals, including remote monitoring, robotics, artificial intelligence, and other advanced technologies.
- **Recruiting and retaining clinical workforce talent** to rural areas, with commitments to serve rural communities for a minimum of five years.
- **Providing technical assistance, software, and hardware** for significant information technology advances that are designed to improve efficiency, enhance cybersecurity capability development, and improve patient health outcomes.
- **Assisting rural communities** to right size their healthcare delivery systems by identifying needed preventive, ambulatory, pre-hospital, emergency, acute inpatient care, outpatient care, and post-acute care service lines.
- **Supporting access** to opioid use disorder treatment services, other substance use disorder treatment services, and mental health services.
- **Developing projects** that support innovative models of care that include value-based care arrangements and alternative payment models.
- **Designing additional activities** to promote sustainable access to high-quality rural healthcare services, as determined by the CMS administrator.
- **Designing/implementing other programs** that support sustainable access to high-quality rural healthcare services.

Opportunities for States: Educate, Monitor, Mitigate

- **Educate on HR1 implications – these are very big cuts to the health system**
- Explain relevant details of the new law, linking HR1 provisions to state outcomes/actions where possible
- ID/use data points at the policy, community, or provider levels to track health system changes ahead (e.g. enrollment/coverage, hospital or OB rollbacks, care access, new restraints)
- Collect and share stories of individuals, families, providers impacted
- **Check out state options to access the Rural Health Fund - $50B – applications due 11/5**
- Track and engage in work requirements and other implementation discussions

Sources: https://ccf.georgetown.edu/2025/08/08/what-to-expect-from-states-when-theyre-expecting-big-changes-due-to-hr-1/; https://shvs.org/medicaid-cuts-and-the-states-tracking-state-specific-estimates-of-the-impacts-of-proposed-changes/; https://www.cms.gov/priorities/rural-health-transformation-rht-program/rural-health-transformation-rht-program

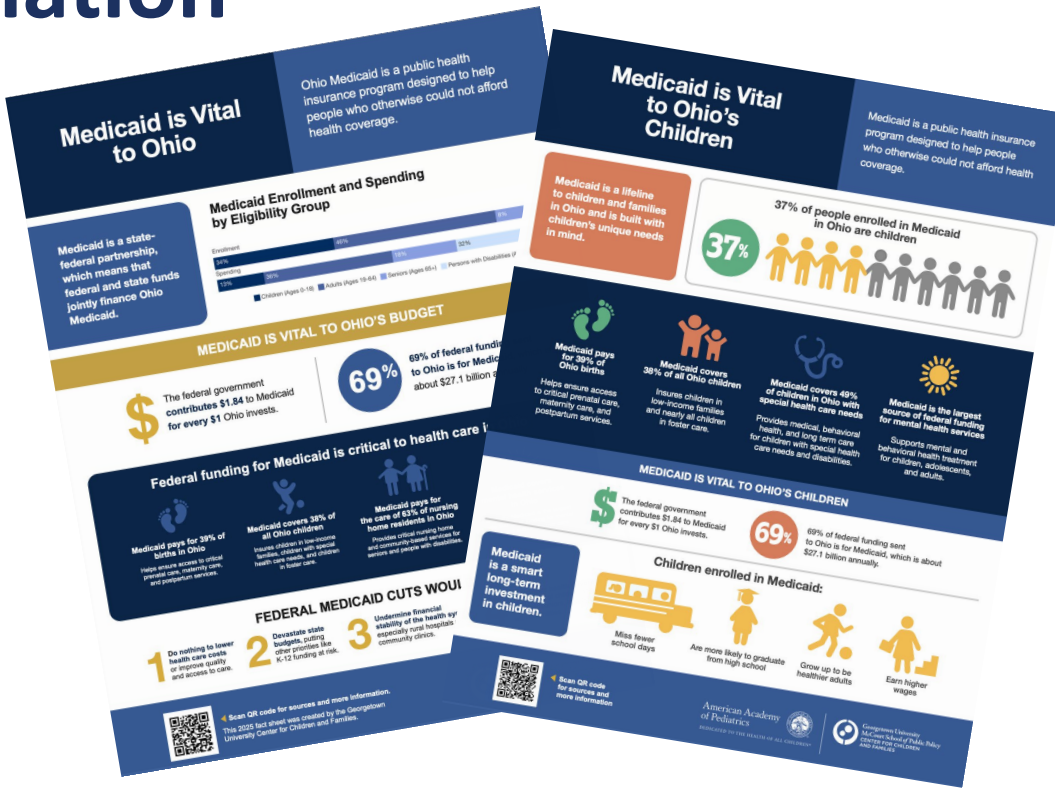
For More Information

Website/Say Ahhh! Blog: https://ccf.georgetown.edu/

***Unpacking the Rural Health Transformation Fund Created by Congress to Soften Impact of Medicaid Cuts on Rural Hospitals**
https://ccf.georgetown.edu/2025/09/19/unpacking-the-rural-health-transformation-fund-created-by-congress-to-soften-impact-of-medicaid-cuts-on-rural-hospitals/

***Untangling the Current Debate Around Federal Medicaid Cuts, the "Rural Health Transformation Program" and State Medicaid Budgets**
https://ccf.georgetown.edu/2025/09/02/untangling-the-current-debate-around-federal-medicaid-cuts-the-rural-health-transformation-program-and-state-medicaid-budgets/

***States Should Use Rural Transformation Fund to Focus on Children and Families**
https://ccf.georgetown.edu/2025/09/26/states-should-use-rural-transformation-fund-to-focus-on-children-and-families/



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Scan the QR code to see HPIO's series of fact sheets, briefs and policy explainers on recent policy changes, such as HR1 and the state budget:

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