Healthcare access and affordability in Ohio series

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Fact sheet

Major federal and Ohio healthcare access and affordability policy changes

Two new laws were recently adopted that have provisions which could significantly affect healthcare access and affordability in Ohio. One new law was created through federal legislation, and the other was created through state legislation:

- **HR 1**, the federal reconciliation bill sometimes referred to as the "Big Beautiful Bill", was signed into law on July 4, 2025.
- **HB 96**, the state biennial budget bill, was signed into law on June 30, 2025.

HR1 contains provisions related to Medicaid and health insurance, among many other provisions. For example, according to analysis by KFF of Congressional Budget Office (CBO) estimates, **Ohio is expected to lose more than $33 billion in federal Medicaid funding** compared to baseline over the next decade as a result of HR 1.

In the coming months, HPIO will release several briefs that will explore in more depth how these changes, especially in HR1, are likely to impact Ohioans. Many of the **one in four Ohioans** (about 3 million people) who have health coverage through Ohio's Medicaid program and the more than **580,000 Ohioans** who have health insurance obtained through the federal marketplace are expected to experience the most significant effects of these changes.

This fact sheet provides a high-level summary of several HR 1 provisions, along with information about related changes contained in HB 96. It also explores potential impacts and future policy changes that Ohio leaders will need to make as HR 1 is implemented. Notably, the implementation timeline for these provisions varies.

For more information about HR 1, see sources such as:

- **Health Provisions in the 2025 Federal Budget Reconciliation Law** (KFF)
- **Medicaid, CHIP, and Affordable Care Act Marketplace Cuts and Other Health Provisions in the Budget Reconciliation Law, Explained** (Georgetown University McCourt School of Public Policy Center for Children and Families)
- **Senate-Passed H.R. 1: Updated Estimates on Impact to State Medicaid Coverage and Expenditures, Hospital Expenditures, Including Impacts by Congressional District** (State Health and Value Strategies)

While HR 1 lays out requirements, future rules and guidance issued by the federal government will set the details of how the law will be implemented. Ohio and other states will likely wait for this guidance before making many final decisions regarding next steps.

Will Medicaid Expansion continue in Ohio?

Throughout Spring 2025, HPIO released a series of briefs, collectively called the **2025 Ohio Medicaid Expansion Study**. The study examined the impact that eliminating Medicaid expansion coverage could have on Ohioans, the state budget, jobs and Ohio's economy.

This study was designed to inform policy discussions at both the state and federal levels. HB 96 contains a provision that would "trigger" the end of Medicaid expansion coverage for over 700,000 Ohioans if the federal government reduced the amount of its financial match contribution below 90%.

Notably, HR 1 did not reduce the 90% federal match. Therefore, Ohio's Medicaid Expansion will remain in place for now. However, there are many other provisions in HR 1 that will have significant impacts on Ohio Medicaid and Ohioans with Medicaid coverage.

Selected provisions of HR 1, the federal reconciliation bill

Policy change	Ohio impacts and other considerations (including HB 96 policy changes)
Medicaid	
Work requirements and cost sharing: • New work/community engagement requirements for Medicaid expansion population ages 19-64. Exemptions for people with certain medical conditions, parents of young children, and more • Cost sharing for some Medicaid expansion enrollees of up to $35 per service. Excludes services such as primary care and mental health/substance use treatment	Ohio's previous state budget bill required the Ohio Department of Medicaid (ODM) to request a waiver from the federal government that would permit the state to implement work requirements for expansion enrollees. **ODM submitted that waiver earlier in 2025**, estimating that about 62,000 Ohioans would lose expansion coverage. **Previous evidence** suggests that work requirements may cause many Ohioans to lose their insurance, even if they are employed or have a condition that exempts them from new requirements. While the exact impact of these requirements will differ depending on upcoming federal guidance and state decisions, existing analyses based on Ohio's submitted work requirements waiver suggest that **up to 200,000 Ohioans could lose coverage**. While some individuals may switch to employer-sponsored plans, many jobs do not offer insurance, as discussed in **HPIO's Medicaid Expansion Study**, and people with very low incomes are not eligible for subsidized private insurance (i.e., insurance offered through the federal marketplace). **New cost sharing requirements** for some enrollees may contribute to medical debt or delayed care.
Eligibility: • More frequent eligibility redeterminations for Medicaid expansion population • Restricted Medicaid eligibility for certain categories of immigrants, including many refugees and asylees	Both HR 1 and HB 96 require that redetermination for Medicaid expansion coverage take place every six months, rather than the current requirement of every twelve months. More frequent eligibility determinations raise the possibility of enrollees losing their coverage due to missing information or challenges filling out paperwork, even if they meet all requirements. The **CBO estimates that this change will increase the national number of people who are uninsured by 700,000**. Major restrictions to Medicaid eligibility for immigrants will mean that these individuals will need to find coverage or care through other ways, **which may not be possible given changes to other health programs**.
Financing: • Prohibits or reduces many types of provider taxes, which are used to generate revenue for state Medicaid programs • Capped state directed payments to providers at the Medicare payment rate, rather than average commercial rate • New rural health transformation program with $50 billion in funding	**Nearly every state uses provider taxes to fund a portion of their Medicaid program**. Ohio taxes providers, such as Medicaid managed care plans, commercial health insurers, nursing homes and hospitals, to generate revenue that funds the state's share of Medicaid spending and draws down federal match. New restrictions on provider taxes will result in significant Medicaid funding shortfalls for Ohio. **Reductions to state directed payments**, which are used to boost provider payments and increase care access, may impact the financial sustainability of providers who care for Medicaid patients, including safety-net and rural hospitals. Providers may also choose to stop taking Medicaid patients, exacerbating access issues for the population. New rural health funding may provide an immediate financial boost, but **is unlikely to cover the full extent of Medicaid cuts in the legislation**. Funding restrictions, like limitations on provider taxes and state directed payments, **could lead to state policy decisions that greatly limit access to care and reduce economic activity**. Unless the state finds new revenue sources, Ohio will need to cut billions of dollars of annual Medicaid spending in the coming years. In HB 96, the Ohio General Assembly also reduced the ODM budget by **$93.7 million in state fiscal year 2026 and $650 million in SFY 2027** compared to the Governor's proposed budget, with the expectation that ODM find ways to reduce spending and improve efficiency. The primary ways in which ODM can lower spending include reducing provider reimbursement rates, eliminating services covered by Medicaid or cutting eligibility groups, such as the Medicaid expansion group.
Federal Health Insurance Marketplace	
Premium subsidies: • Potential expiration of enhanced subsidies for marketplace insurance at the end of 2025 • Restricted subsidy eligibility for certain categories of immigrants, including many refugees and asylees	HR 1 included many provisions related to the Federal Health Insurance Marketplace. However, it did not extend enhanced premium tax credits for marketplace coverage that expire at the end of this calendar year. Many Ohioans who are not eligible for Medicaid rely on the enhanced tax credits to afford health coverage. Without these subsidies, **premium costs may increase by an average of $800 annually in Ohio, likely leading to many individuals dropping their marketplace coverage**. Some categories of immigrants who will lose Medicaid coverage will also not have the ability to access subsidies on the health insurance marketplace, increasing their risk of going uninsured and paying large amounts out-of-pocket.

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