Ohio Medicaid Basics 2019

Medicaid pays for healthcare services for about three million Ohioans with low incomes, including more than 1.2 million children. Medicaid spending accounts for more than one-third of Ohio’s budget and almost 17% of health expenditures nationally.

This publication provides an overview of Ohio’s Medicaid program, including eligibility, covered services, delivery systems, financing and spending.

Who is eligible for Medicaid coverage?
Ohio Medicaid pays for healthcare services for children, older adults, pregnant women, parents, childless adults and individuals with disabilities, all with incomes below a specific amount (see figures 1 and 2). It is important to note that eligibility differs by state.

For most enrollees, the income eligibility limit is set as a percentage of the Federal Poverty Level (FPL) and eligibility is based on household Modified Adjusted Gross Income (MAGI). Some Medicaid eligibility categories, including Aged, Blind and Disabled (ABD), use different income counting rules and have resource limits (i.e., assets such as cash, stocks, bank accounts and property).

To be eligible for Medicaid in Ohio, a person must meet other requirements in addition to income limits. At a minimum, a person must have, or apply for, a Social Security number, be a U.S. citizen or meet Medicaid requirements for people who are not U.S. citizens (i.e., legal permanent residents, refugees and asylees) and be an Ohio resident.

Figure 1. Federal poverty level (FPL), by household size, 2019

<table>
<thead>
<tr>
<th>100%</th>
<th>138%</th>
<th>205%</th>
<th>211%</th>
<th>250%</th>
<th>400%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$12,490</td>
<td>$17,236</td>
<td>$25,605</td>
<td>$26,354</td>
<td>$31,225</td>
</tr>
<tr>
<td>2</td>
<td>$16,910</td>
<td>$23,336</td>
<td>$34,666</td>
<td>$35,680</td>
<td>$42,275</td>
</tr>
<tr>
<td>3</td>
<td>$21,330</td>
<td>$29,435</td>
<td>$43,727</td>
<td>$45,006</td>
<td>$53,325</td>
</tr>
<tr>
<td>4</td>
<td>$25,750</td>
<td>$35,535</td>
<td>$52,788</td>
<td>$54,333</td>
<td>$64,375</td>
</tr>
</tbody>
</table>

Note: Refers to federal poverty levels for the 48 contiguous states and the District of Columbia (D.C.)
Source: Office of the Assistant Secretary for Planning and Evaluation. Additional analysis by the Health Policy Institute of Ohio.

Figure 2. Ohio Medicaid income eligibility thresholds for MAGI-categories, by FPL, 2019

- Ohio Medicaid provides access to healthcare services for about three million low-income Ohioans, including many who cannot access or afford private or employer-sponsored health insurance.
- Medicaid represents a significant portion of government spending in Ohio. Federal reimbursements accounted for approximately 68% of total spending by Ohio Medicaid in state fiscal year 2018.
- To improve health value in Ohio, state policymakers need to balance Medicaid’s critical role in providing access to health care with budgetary and administrative challenges.

Note: Refers to federal poverty levels for the 48 contiguous states and the District of Columbia (D.C.)
Source: Ohio Department of Medicaid
Medicaid eligibility categories
For the purpose of determining Medicaid eligibility, people are separated into categories based on age, household composition and medical need. The primary eligibility categories include Covered Families and Children (CFC), Aged, Blind and Disabled (ABD) and Medicaid Expansion (also known as “Group VIII”).

Covered Families and Children (CFC)
The CFC eligibility group includes children, pregnant women, parents and related caregivers. During state fiscal year (SFY) 2018, 71% of the nearly 1.7 million Ohioans enrolled in Medicaid’s CFC category were children (see figure 3).7

Children
Medicaid covers children ages 18 and younger in households with incomes up to 211% FPL.8 However, coverage varies by the child’s health insurance status. Children with other non-Medicaid health coverage are eligible with incomes up to 161% FPL. Uninsured children are eligible with household incomes up to 211% FPL.

Parents
Medicaid covers parents or related caregivers in households with incomes up to 90% FPL and at least one child younger than 18 in the household.9 Parents with incomes between 90% and 138% FPL may qualify for Medicaid coverage under the Group VIII category (see page 3).

Pregnant women
Medicaid covers pregnant women with incomes up to 205% FPL. Once determined eligible, a pregnant woman keeps Medicaid coverage for the entire pregnancy and 60 days after the baby is born, regardless of changes that would otherwise affect eligibility.10 In addition, the newborn is eligible for Medicaid for a full year after the date of birth. After one year, the child can continue receiving Medicaid coverage if the household is eligible.11

Figure 3. Ohio Medicaid Covered Families and Children enrollment for adults and children, SFY 2018

<table>
<thead>
<tr>
<th></th>
<th>Adults</th>
<th>Children</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>492,933</td>
<td>1,188,446</td>
</tr>
<tr>
<td>Adults</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Children</td>
<td>71%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Ohio Department of Medicaid. Additional analysis by HPIO.

Aged, Blind and Disabled (ABD)
Medicaid covers people with low incomes who are ages 65 or older (aged), blind or disabled.14 In addition to an income eligibility limit17, the ABD category also has a resource limit18 (i.e., assets such as cash, stocks, bank accounts and property). Some resources, including the applicant’s primary home, are not counted when determining eligibility.19 Medicaid enrollees that require long-term care services must comply with transfer of assets criteria that limit the sale of assets for less than fair market value during the five-year period before applying.20

Income and resource limits for ABD Medicaid are the same as limits for the federal

Children’s Health Insurance Program (CHIP)
CHIP, a federally block-granted program12, was created by Congress as a part of the Balanced Budget Act of 1997. The program expanded coverage to children in families with low incomes who are not eligible for Medicaid.13 Ohio chose to expand Medicaid eligibility to cover children under CHIP rather than create a separate CHIP program.14 In January 2018, Congress reauthorized CHIP funding through federal fiscal year (FFY) 2023.15
Supplemental Security Income (SSI) program. The income limit for 2019 is $771 per month for an individual and $1,157 for a couple. The resource limit is $2,000 for an individual and $3,000 for a couple.

Medicaid Buy-In for Workers with Disabilities (MBIWD)
MBIWD provides full Medicaid benefits to people ages 16 to 65 who have a disability, income below 250% FPL and resources valued at less than $12,175. However, people with incomes above 150% FPL must pay a monthly premium.

Dual Eligibles
People who are eligible for both Medicaid and Medicare are referred to as “dual eligibles.” For these individuals, Medicaid pays for some services that are not part of the Medicare benefit package, most notably, long-term care services and supports (see figure 4). Depending on income, people who are dually eligible for Medicaid and Medicare may qualify for full Medicaid benefits through ABD Medicaid or Medicaid Buy-in for Workers with Disabilities, or limited benefits through the Medicare Premium Assistance Program (see page 4).

Medicaid Expansion ("Group VIII")
In January 2014, Medicaid coverage was expanded to adults ages 19 to 64 who are not eligible for other categories of Medicaid and have incomes less than 138% FPL. This population is known as Group VIII.

Enrollment in Group VIII peaked above 725,000 in early 2017. As of February 2019, about 613,000 Ohioans were enrolled in Group VIII (see figure 5). Notably, enrollment in this category decreased by 11.8% between February 2018 and February 2019, compared to a 4.7% decrease the previous year.

Figure 4. Differences between Medicaid and Medicare

<table>
<thead>
<tr>
<th>Medicaid</th>
<th>Medicare</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pays for care for Ohioans with low incomes</td>
<td>• Pays for care for nearly all Ohio seniors</td>
</tr>
<tr>
<td>• Eligibility based on income and other factors</td>
<td>• Eligibility based on age or disability status and work history</td>
</tr>
<tr>
<td>• Primary, acute and long-term care services and supports</td>
<td>• Primary and acute care only</td>
</tr>
<tr>
<td>• Federal and state funding</td>
<td>• Federal funding</td>
</tr>
<tr>
<td>• Not funded by payroll deduction</td>
<td>• Funded by payroll deduction</td>
</tr>
</tbody>
</table>

Figure 5. Group VIII enrollment by month, July 2016-January 2019

Note: Enrollment numbers between March 2018 and February 2019 are preliminary and subject to change.
Beginning in January 2021\textsuperscript{30}, Group VIII enrollees, ages 19 to 49, will be required to report working at least 20 hours per week, participate in other qualifying community engagement activities or qualify for an exemption to be eligible for coverage.\textsuperscript{31}

**Other Medicaid**

About 5\% of Medicaid enrollees in SFY 2018 were in categories other than CFC, ABD or Group VIII.\textsuperscript{32} People enrolled in other Medicaid categories have access to a limited set of services or are enrolled for a limited time.

**Medicare Premium Assistance Program (MPAP)**

MPAP provides a limited Medicaid benefit that helps cover costs associated with Medicare. Depending on income, beneficiaries are split into four groups: Qualified Medicare Beneficiaries (QMB), Specified Low-Income Medicare Beneficiaries (SLMB), Qualified Individuals (QI) and Qualified Disabled and Working Individuals (QDWI).

**Breast and Cervical Cancer Project (BCCP)**

To be eligible for Medicaid coverage through BCCP, an individual must be screened through the Ohio Department of Health (ODH) BCCP screening and diagnostic program. The program is available to women ages 21 to 64 with incomes below 250\% FPL.\textsuperscript{33} BCCP provides full Medicaid benefits to treat diagnosed cancer or pre-cancerous conditions.\textsuperscript{34} Women in the BCCP category also cannot be eligible for another category of Medicaid.\textsuperscript{35}

**Alien Emergency Medical Assistance (AEMA)**

AEMA provides treatment for emergency medical conditions for non-U.S. citizens who are not otherwise eligible for Medicaid.\textsuperscript{36}

**Presumptive eligibility**

Presumptive eligibility allows children, parents or qualifying caretaker relatives, pregnant women and Group VIII adults to enroll in Medicaid before completing a full application.\textsuperscript{37} To be enrolled, a qualified entity must determine an individual’s eligibility based on household income and other requirements. In Ohio, qualified entities include\textsuperscript{38}:

- Medicaid-approved healthcare providers
- Special Supplemental Food Program for Women, Infants and Children (WIC)
- County Departments of Job and Family Services
- Ohio Department of Youth Services
- Local health departments

**Who is currently enrolled in Medicaid coverage?**

In SFY 2018, Ohio Medicaid’s average monthly enrollment was about 3.01 million Ohioans, roughly 26\% of the total population (see figure 6).\textsuperscript{39} This represents a decrease in average enrollment of more the 80,000 since SFY 2017 (see figure 7).

**What impacts Medicaid enrollment?**

Medicaid enrollment in Ohio is impacted by a number of factors. During periods of economic downturn, unemployment and underemployment rises, incomes stagnate and people turn to safety-net programs like Medicaid, which leads to increased enrollment.\textsuperscript{40} A strong economy can lead to reductions in enrollment as people earn more, work more hours, return to work and/or obtain jobs with employer-sponsored health insurance.\textsuperscript{41}

Policy changes at the state and federal levels also impact Medicaid enrollment. As seen in figure 7, Medicaid expansion in 2014 resulted in a significant Medicaid enrollment increase.

**Why do people enroll in Medicaid?**

Many Ohioans with low incomes turn to Medicaid because other health insurance coverage is not available, costs too much or does not provide coverage for needed services, such as nursing home care.

**Figure 6. Estimated percent of Ohioans enrolled in Medicaid, SFY 2018**

<table>
<thead>
<tr>
<th>Total Ohio population: 11.66 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>26% of Ohioans (3.01 million) enrolled in Medicaid</td>
</tr>
</tbody>
</table>

Sources: Ohio Department of Medicaid and U.S. Census Bureau, American Community Survey
Unemployment and other changes that impact coverage
Planned and unexpected life changes can lead to loss of private health insurance coverage. Examples of life changes that might impact health insurance coverage include death of a partner, divorce or other changes to household composition, caregiving for relatives or friends, attending school or vocational training, transitioning between employers or careers, illness and sudden unemployment. For households with low incomes, few assets and no subsidy to make health insurance more affordable, maintaining private health insurance can be difficult or impossible.

Price of individual (non-group) health insurance coverage
Under current federal law, people with incomes below 100% FPL and people eligible for Medicaid are not eligible for subsidies to purchase individual health insurance coverage on the Affordable Care Act (ACA) marketplace. This means that adult Ohioans with incomes below 138% FPL are not eligible for subsidies.

For plan year 2018, the average unsubsidized premium for an individual in Ohio on the ACA marketplace was $510 per month.\(^{43}\) For a single person with an income of 138% FPL, this premium would account for more than one-third of his or her monthly income.

Low employer-sponsored health insurance rates
Part-time and/or low wage workers are less likely to be offered employer-sponsored health insurance (ESI). In the U.S. during 2017, 33.2% of workers with household incomes below 100% FPL were offered ESI, compared to 77.9% of workers with household incomes above 400% FPL.\(^{44}\) During the same year, 19% of part-time workers (fewer than 35 hours per week) were offered ESI, compared to 86% of full-time workers.\(^{45}\)

As seen in Figure 8, the likelihood that an individual has ESI coverage increases with household income. The gap in ESI coverage rates between high- and low-income households has expanded in recent years. Between 1999 and 2017, ESI coverage rates declined faster for households with lower

\(^{42}\)Source: SFY 2005-2011 Ohio Department of Job and Family Services, Public Assistance Monthly Statistics reports; SFY 2012-2018 Ohio Department of Medicaid

\(^{43}\)Source: NFIB Small Business Health Insurance Survey, 2018

\(^{44}\)Source: U.S. Census Bureau, Small Area Health Insurance Estimates, 2017

\(^{45}\)Source: U.S. Census Bureau, Small Area Health Insurance Estimates, 2017
incomes than for households with higher incomes.\textsuperscript{46}

For workers with lower incomes, higher premiums and cost sharing associated with some ESI plans may be a barrier to enrolling. The average annual worker contribution for ESI in 2018 was $1,186 for single coverage and $5,547 for family coverage.\textsuperscript{47}

**Coverage for long term services and supports (LTSS)**

Medicare and private health insurance plans generally do not cover LTSS provided in a nursing home. People with low incomes, few assets and no long-term care insurance may apply for Medicaid in order to access services such as home care, nursing home care and assisted living.

**What services does Medicaid cover?**

States are required to provide federally-mandated benefits, including the essential health benefits defined by the ACA and Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services for children. Ohio provides additional services that are not federally-mandated, including vision and dental care and prescription drug coverage (see figure 9). Some services require a determination of medical necessity, prior authorization or a co-payment, and others are limited in duration and scope.\textsuperscript{48}

**How do people on Medicaid access healthcare services?**

Medicaid coverage is provided through managed care plans or a fee-for-service arrangement.

**Managed care plans (MCPs)**

MCPs are privately-operated health insurance companies that contract with providers, such as physicians and hospitals, to deliver Medicaid-covered services to enrollees. As of January 2019, about 85% of people on Ohio Medicaid were enrolled in an MCP.\textsuperscript{49}

MCPs pay for care for Ohio Medicaid enrollees in exchange for a capitation payment, which is a set per member, per month (PMPM) payment, adjusted annually, from the Medicaid program.\textsuperscript{50} The MCP covers any

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**Figure 8. Percent of non-elderly population enrolled in ESI by FPL, by year, 1999, 2004, 2009, 2013 and 2017**

<table>
<thead>
<tr>
<th>Year</th>
<th>Under 100% FPL</th>
<th>100% to 249% FPL</th>
<th>250% to 399% FPL</th>
<th>400% or more FPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Source:** Kaiser Family Foundation analysis of the National Health Interview Survey, 1999-2017
Ohio Medicaid Covered Services

**Federally mandated services**
- Inpatient hospital
- Outpatient hospital
- Early and Periodic Screening, Diagnostic, and Treatment Services (EPSDT)
- Nursing facility care
- Home health
- Physician services
- Lab and x-ray
- Family planning
- Nurse midwife
- Freestanding birth center services
- Tobacco cessation counseling for pregnant women
- Rural health clinic services
- Federally qualified health center services
- Transportation to medical care
- Certified pediatric and family nurse practitioners

**Ohio’s optional services**
- Ambulance
- Chiropractic services
- Alcohol and drug screening analysis
- Intensive outpatient (to treat addiction)
- Methadone administration
- Medical and surgical dental care
- Durable medical equipment and supplies
- Medical and surgical vision care
- Individual or group counseling
- Occupational therapy
- Physical therapy
- Podiatry
- Prescription drugs
- Private duty nursing
- Speech therapy
- Ambulatory surgical centers

**Note:** For more information and a complete list of Ohio covered services, visit medicaid.ohio.gov

**Source:** Adapted from Ohio Department of Medicaid

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costs incurred by members (i.e., their Medicaid enrollees), including expenses above the capitation payment. The MCP is paid the entire capitation payment, even if costs are less than the capitation payment. The MCP reimbursement structure is intended to reduce costs and create incentives for improved quality, coordination and continuity of care.

**Fee-for-service (FFS)**
Individually persons who are not enrolled in Medicaid managed care receive services through the FFS system. Under FFS, Medicaid providers are paid directly by the Ohio Department of Medicaid (ODM) for each covered service (such as an office visit, test or procedure) at rates outlined in an appendix to the Ohio Administrative Code.

**How is Medicaid financed?**
Medicaid is financed jointly by the federal government and states through a reimbursement arrangement called Federal Medical Assistance Percentage (FMAP). States are reimbursed by the federal government for healthcare services provided at an established rate between 50% and 83%. A state’s FMAP is determined using a formula that accounts for per capita income in the U.S. States are eligible for enhanced FMAP (eFMAP) for enrollees in the CHIP and Group VIII eligibility categories.

Ohio’s FMAP for FFY 2020 is 63% for most enrollees and 85.6% for CHIP enrollees (down from 97% in FFY 2019). For calendar year 2019, reimbursement for Group VIII enrollees is 93% and will phase down to 90% in 2020, where it will remain under current federal law. Other costs associated with the Medicaid program are also shared with the federal government. Most administrative costs are reimbursed at 50%, but some services, such as training for medical personnel and translation or interpretation services, are reimbursed at higher rates.

**How much does Ohio Medicaid cost and how is it funded?**
Including state and federal funding, total expenditures for Ohio’s Medicaid program were over $26.3 billion in SFY 2018. This represented 38.5% of Ohio’s total spending that year. The federal share of Ohio’s Medicaid program was 68.3%, or slightly less than $18 billion. Ohio’s General Revenue Fund
(GRF; i.e. Ohio income tax revenue) contributed slightly more than $5 billion, or about 19% (see figure 10). The remainder came from state non-GRF sources, including fees paid by hospitals, health insuring corporations and nursing facilities.62

Between SFYs 2008 and 2018, total spending on Ohio’s Medicaid program grew by an average of 6.8% per year, from about $13.7 billion in SFY 2008 to over $26.3 billion in SFY 2018 (see figure 11). During the same period, the state share of the program increased by an average of 4.5% per year and the federal share increased by an average of 8.6% per year.64 Gov. DeWine’s administration anticipates that the GRF state share of the Medicaid program will grow faster than total spending throughout SFY’s 2020 and 2021.65 This is because eFMAPs for CHIP and Group VIII are scheduled to decrease and non-GRF revenues that Ohio uses to finance the program are not increasing as quickly as the cost of health care.
Medicaid spending by enrollment group
Medicaid spending varies by eligibility category. Many individuals enrolled in the ABD category of Medicaid have health challenges that are expensive to treat. Therefore, spending associated with this population is proportionally higher than for other groups (see figure 12).

Conclusion
The Medicaid program provides access to healthcare services for almost three million Ohioans. For people who are sick or injured, access to care can mean the difference between a more timely return to health and prolonged illness. For those with chronic illness, mental health conditions or substance use disorder, Medicaid coverage can provide access to treatment that enables work and active engagement in the community. Medicaid also pays for preventive services and provides a financial safety net for costs related to medical emergencies.

The Medicaid program plays a critical role in maintaining and improving the health of many Ohioans. State policymakers and other stakeholders need to balance the program’s benefits with budgetary and administrative challenges to improve health and health value in Ohio.

Figure 12. Enrollment and expenditures by Medicaid eligibility category, SFY 2016

<table>
<thead>
<tr>
<th>Enrollment</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABD</td>
<td>13%</td>
</tr>
<tr>
<td>CFC</td>
<td>63%</td>
</tr>
<tr>
<td>Group VIII</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: Ohio Department of Medicaid (via Ohio Legislative Service Commission)

Other Medicaid primers
Ohio Legislative Services Commission, Medicaid Primer (updated April 2019)

The Center for Community Solutions, Follow the Money (4th edition), Chapter 12 – Medicaid Funding and Policy (2019)
https://www.communitysolutions.com/resources/follow-the-money/

Congressional Research Service, Medicaid Primer (updated November 2018)
https://fas.org/sgp/crs/misc/IF10322.pdf

Kaiser Family Foundation, Medicaid Pocket Primer (updated June 2017)
http://files.kff.org/attachment/Fact-Sheet-Medicaid-Pocket-Primer
25. Rules regarding eligibility determination for MBWD are outlined in Ohio Administrative Code (OAC) § 5160-1-5-03. For resource eligibility limit see Ohio Revised Code § 5160-1-5-05.
35. Ohio Administrative Code (OAC) § 5160-1-5-06.
44. Ohio Administrative Code (OAC) § 5160-1-5-01, 5160-1-5-02, 5160-1-5-03, 5160-1-5-06, 5160-1-6-01, 5160-1-6-06, 5160-1-9-03, 5160-1-9-05.
45. Ohio Administrative Code (OAC) § 5160-1-3-5.1 through § 5160-1-3-5.5.3 and Ohio Revised Code § 5160-1-3-5.1 through § 5160-1-3-5.3.
46. Ohio Administrative Code (OAC) § 5160-1-3-5.1 through § 5160-1-3-5.5.3 and Ohio Revised Code § 5160-1-3-5.1 through § 5160-1-3-5.3.
50. Ibid.
53. Ohio Administrative Code (OAC) § 5160-1-60, and appendix.
56. Ibid.
57. Ohio Administrative Code (OAC) § 5160-1-60, and appendix.
58. Ohio Administrative Code (OAC) § 5160-1-60, and appendix.
59. Ohio Administrative Code (OAC) § 5160-1-60, and appendix.
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The Health Policy Institute of Ohio is an independent organization that is not affiliated with Ohio Medicaid.

For questions about the Ohio Medicaid program, call
1-800-324-8680
or visit
http://medicaid.ohio.gov

To apply for Medicaid benefits, visit
http://benefits.ohio.gov

You can also apply over the phone (1-800-324-8680) or by visiting your county Department of Job and Family Services office.