

Medicaid Expansion Financing



OBM

Medicaid Expansion Financing

- Medicaid is a program jointly funded by the federal government and the states.
- Medicaid Expansion is a part of the Medicaid Program and receives enhanced federal match:

	FY 2019		FY 2020		FY 2021	
	State	Federal	State	Federal	State	Federal
Traditional Medicaid	37.0%	63.0%	36.9%	63.1%	TBD	TBD
Medicaid Expansion	6.5%	93.5%	8.5%	91.5%	10.0%	90.0%

- Expansion is a significantly better financial deal for the state than traditional Medicaid.



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- The statutory state match is only part of the story.
- The state benefits also from a series of budgetary offsets that reduce the state's net match to 3.2%.



Medicaid Expansion Financing in FY 2021

Expansion Program Costs		\$ 5,172.1	
▪ State Share		517.2	10.0%
▫ General Revenue Fund (GRF)	456.8		
▫ Non-GRF Funds	60.4		
▪ Federal Share		4,654.9	
Budgetary Off-Sets State Share		\$ 354.1	
▪ Dept. of Rehabilitation and Corrections (DRC) health care cost savings		18.0	
▪ Drug rebates generated by expansion		60.4	
▪ Managed Care Health Insuring Corporation (HIC) Member-Month Assessment generated by expansion		191.6	
▪ HIC 1% insurance tax from expansion premiums		48.6	
▪ Allowable Upper Payment Limit costs allocated to expansion program		35.5	
State Share Net of Budgetary Off-Sets		\$ 163.1	3.2%

Illustrative projections based on current enrollment levels (653,000 persons) and actuarial projections of expansion group cost trends.



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Medicaid expansion is manageable and affordable now and into the future.

- \$163.1 million in net state match provides over \$5.1 billion in healthcare services to 653,000 Ohioans.
- \$163.1 million in net state match represents just 2.0% of the expected state match for the total Medicaid program.
- \$21 per person, per month represents the net state match to provide healthcare coverage Medicaid Expansion recipients.

