Ohio Medicaid plan would require enrollees to share in cost

Written by: Ann Sanner, July 2, 2015

Medicaid serves more than 2.9 million Ohio residents, about a quarter of the state's population.

The GOP contends that cost-sharing policies like the savings accounts will encourage "personal responsibility" in the program, and make it easier for beneficiaries to transition to private health insurance when or if the time comes. Health care advocates and Democrats argue such policies create barriers to health care for those with little money.

Kasich's administration says it will draft the waiver request in the months ahead and seek public input. But officials acknowledge its prospects for federal approval are uncertain.

"Some of the design elements we have not seen approved in other states," Greg Moody, director of the governor's Office of Health Transformation, told The Associated Press in an interview Wednesday.

Moody said Washington handles each waiver request uniquely, but federal officials tend to follow a precedent.

No state has been given approval to drop Medicaid enrollees with incomes below federal poverty for not having paid monthly fees or contributions to a health savings account, according to a policy brief from the Kasich administration. Indiana got federal permission to test its health savings accounts in Medicaid, but it does not terminate people below the poverty level for failing to contribute. Ohio officials say they cautioned state lawmakers about it.

The savings account approach replaces a plan from Kasich to charge a monthly premium to about 100,000 people on Medicaid.

Under the plan the governor pitched previously, nondisabled adults with incomes of more than 100 percent of the federal poverty level — about $11,770 for individuals — would pay about $20 per month depending on their earnings.

Kasich described the new savings account approach to reporters as "a little clunky, but probably it's in the right spirit."
Moody said the administration respected that the approach was a priority for the House. Still, he said, "it is somewhat complex in its design."

If approved, the idea could be complicated to administer, with the costs of doing so not entirely known.

Cathy Levine, co-chairwoman of a coalition of health care and consumer groups called Ohio Consumers for Health Coverage, said in a statement that the proposal "threatens the success of the Medicaid expansion and signals a big step backward for Ohio's health transformation efforts."

Moody said it was important for those who are moving out of poverty to participate in the cost of care and see the value of their coverage.

Should the government deny the state's request, he said, it would be up to the administration what to do next: "We would assess our options at that point."