



Public debate opens on proposal to make Ohio Medicaid recipients pay for care

Written by: Casey Ross, April 15, 2016

Gov. John Kasich's administration today filed a detailed draft of changes to the state's Medicaid program, kicking off public debate over a requirement that beneficiaries make monthly payments or lose their coverage.

If approved by the federal government, the changes would require about 1.5 million Ohioans on Medicaid to contribute to a health savings account to help pay for their care. The changes would take effect in 2018.

The filing of the draft will trigger a monthlong comment period in which people can submit opinions to state and federal regulators. Public hearings are scheduled for April 21 and May 3.

The proposal is already fueling a fiery debate in communities statewide. Supporters say it injects needed personal responsibility into the program and will help pare Medicaid's ever-rising costs. Opponents argue it undermines recent progress in expanding access to Medicaid and will erect a cost barrier in front of people who can least afford it.

"This proposal hurts people like servers at restaurants, retail associates, and caregivers," said Steve Wagner, executive director of Ohio's Universal Health Care Action Network. "These are people who are barely getting by as it is."

The proposal for Medicaid enrollees to make financial contributions was first made by Kasich, who suggested premiums be paid by people making more than 100 percent of the federal poverty level.

The state Legislature replaced it with a plan that would require all non-disabled adults on Medicaid, regardless of income, to pay up to \$99 a year, or \$8.25 a month, into a health savings account. The state would then contribute \$1,000 annually into each person's account to help pay for health services.

[\[Read a summary of the proposal here\]](#)

Supporters said the program is designed to get enrollees to budget their health care dollars and more directly participate in the costs and consequences of medical decision making. One of its architects, State Rep. Jim Butler, a Republican from Oakwood, said the changes would improve health outcomes by encouraging the use of primary and preventive care.

"These incentives will result in patients being healthier and utilizing the health care system in a better way," Butler said. "The incentives also produce healthier outcomes, and healthier outcomes are going to mean a more sustainable program in the long run."

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Ohio's application is being watched closely because it is among the first to be considered in states that opted to expand Medicaid under Obamacare. It could also continue to play into Kasich's campaign for the White House and the broader political debate over health care funding and coverage.

Ohio's proposal is modeled after a seven-year-old program in Indiana that also requires enrollees to pay into an account as a requirement of receiving health coverage. As in Ohio, the Indiana program uses financial incentives to encourage participants to use preventative and primary care.

Butler pointed to survey data in Indiana showing that the program has resulted in participants relying less on expensive emergency room visits to get care. A survey of Indiana enrollees by Mathematica Policy Research indicated that 30 percent of new enrollees reported using the emergency room as their main source of care. That percentage dropped to 9.2 percent among established enrollees who had used the program for some time.

"It helps to encourage participation instead of being a recipient," Butler said. "And the data shows that it results in people being healthier."

Opponents of the changes argue, however, that requiring additional contributions from Medicaid enrollees will simply cause more people to drop out of the program altogether.

State projections indicate that enrollment in Medicaid will drop between 125,000 and 140,000 following the implementation of the changes. "If they drop out, it is just costing us more," Wagner said. "Then they end up not getting the preventive services and going to the hospital only when they are very sick, and that's expensive."

Wagner encouraged people to submit comments in coming months to state regulators and the federal Centers for Medicare and Medicaid Services, which has final say over whether the proposed changes will be implemented.

A spokesman for the Ohio Department of Medicaid said the final application, including public comments, will be submitted to CMS by June 30. It is unclear when CMS will make its determination, but the process typically takes six to nine months.