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Ohio Consumers for Health Coverage

OHIO FACES HUGE MEDICAID CUTS IF CONGRESS FAILS TO EXTEND ENHANCED FEDERAL FUNDING

32 Ohio Organizations Tell Ohio's Delegation that Extending Enhanced Federal Medicaid Matching Funds for States Would Also Spur Economic Activity While Protecting and Creating Jobs

COLUMBUS .—An extension of increased federal matching funds to states for their Medicaid programs is needed quickly to avert huge cutbacks in Medicaid coverage and services in Ohio and boost jobs and business activity, according to a report issued today by the national consumer health group Families USA.

Last year, Congress passed the American Recovery and Reinvestment Act (ARRA), which included \$87 billion in increased federal funding for Medicaid. This relief, which helped prevent severe Medicaid cuts in state fiscal year 2010 budgets, is scheduled to end on December 31, 2010. **Thirty-two Ohio advocacy organizations signed a letter to the Ohio Congressional delegation emphasizing the importance to Ohio of extending federal FMAP relief.** The letter stated:

“Ohio urgently needs this enhanced Medicaid funding, especially in light of the large numbers of people who have lost private insurance -- along with their jobs -- in our struggling economy and the growing need to maintain Medicaid eligibility and benefits for unemployed and employed but uninsured Ohioans who otherwise cannot afford to pay for basic household needs, including shelter, heat, food and health care.

“Failure to act could force harmful cuts that deny care to people in need. It would increase Ohio's costs because the loss of Medicaid results in higher rates of costly hospitalization – uncovered costs that will be shifted to other payers like Ohio's employee and retiree plans. It also could reduce services that help people stay in their own homes and out of costly nursing homes,” says the letter.

According to the report, **the extended funding would add \$2,190,600 in increased business activity, 21,700 additional jobs, and \$782.1 million in additional wages to Ohio's**

struggling economy. The letter goes on to state:

“Failure to extend enhanced funding would also hamper Ohio’s economic recovery. That is because Medicaid is ... a powerful economic stimulus tool. Enhanced Medicaid funding brings more federal dollars directly into our communities, providing wages to health care professionals that generate additional economic activity and tax revenues”. The full letter and signatories is attached.

“At the same time Congress is considering health reform that would extend health coverage to tens of millions of people in 2014, Ohio could face serious Medicaid cuts that would cause many Ohioans to join the ranks of the uninsured next year,” said Col Owens, Senior Attorney at Legal Aid Society of Southwest Ohio and co-chair of Ohio Consumers for Health Coverage. “Congress can avert this disaster by enacting an extension of increased federal funding for state Medicaid programs – and doing so right away,” said Owens.

President Obama’s recently submitted proposed budget provides \$25.5 billion in funding to extend by six months the additional federal Medicaid funding states have received since the ARRA was enacted. The House of Representatives has adopted such an extension in the jobs bill it approved one month ago.

If the President’s proposal is enacted, Ohio is among the states that would receive the largest increase in federal funding - \$977 million.

The Families USA report analyzes the potential economic boost of the federal Medicaid funding increase through the use of the U.S. Department of Commerce RIMS II economic input-output model. The RIMS II model is widely used to analyze the economic impact on states of projects, events, and public program changes.

Ohio Consumers for Health Coverage is a nonpartisan coalition uniting the diverse consumer voice with the goal of achieving affordable, high quality care for all. Our membership includes AARP, AFSCME Council 8 AFL-CIO, Alliance for Retired Americans, American Cancer Society, Cerebral Palsy Association of Ohio, Faith Community Alliance of Greater Cincinnati, Legal Aid Society of Southwest Ohio, National Alliance for Mental Illness (Ohio), National Multiple Sclerosis Society Ohio Chapters, Ohio ACORN, Ohio Council of Churches, Progress Ohio, Service Employees International Union, Toledo Area Jobs with Justice, UHCAN Ohio, United Food and Commercial Workers, We Are The Uninsured, and We Believe Ohio.

OHIO ORGANIZATION SIGN-ON LETTER TO OHIO DELEGATION

February 9, 2010

To Ohio's Congressional Delegation:

We the undersigned organizations believe it is urgent for Congress to act quickly to extend the American Recovery and Reinvestment Act's enhanced federal Medicaid funding and provide additional state fiscal relief.

Ohio urgently needs this enhanced Medicaid funding, especially in light of the large numbers of people who have lost private insurance -- along with their jobs -- in our struggling economy and the growing need to maintain Medicaid eligibility and benefits for unemployed and employed but uninsured Ohioans who otherwise cannot afford to pay for basic household needs, including shelter, heat, food and health care.

Failure to act could force harmful cuts that deny care to people in need. It would increase Ohio's costs because the loss of Medicaid results in higher rates of costly hospitalization -- uncovered costs that will be shifted to other payers like Ohio's employee and retiree plans. It also could reduce services that help people stay in their own homes and out of costly nursing homes.

Failure to extend enhanced funding would also hamper Ohio's economic recovery. That is because Medicaid is both a cornerstone of our entire health care system -- covering one in every six Americans -- and a powerful economic stimulus tool. Enhanced Medicaid funding brings more federal dollars directly into our communities, providing wages to health care professionals that generate additional economic activity and tax revenues.

A six month extension would provide Ohio with a savings of \$748,373,738 between January 1 and June 30 of 2011.

We applaud President Obama for extending enhanced Medicaid funding in his FY 2011 budget, the House for passing an extension in both the Affordable Health Care for America Act and the Jobs for Main Street Act, and Senators Reid and Rockefeller for introducing extension legislation in the Senate. However, given immediate budget planning needs, Ohio cannot afford to wait much longer for final Congressional action.

We urge you to work together with House and Senate colleagues on both sides of the aisle to ensure that this enhanced funding is available for Ohio as quickly as possible.

Sincerely

AFSCME Ohio Council 8
American Cancer Society
AXIS Center for Public Awareness of People with Disabilities
NAMI OHIO
Center for Families and Children

Cerebral Palsy Association of Ohio
Coalition on Homelessness & Housing in Ohio (COHHIO)
Community Research Partners
Linking Employment, Abilities & Potential (LEAP)
Mental Health Advocacy Coalition
Ohio Alliance for Retired Americans
Ohio Association of Area Agencies on Aging
Ohio Association of Child Caring Agencies (OACCA)
Ohio Association of Community Action Agencies
Ohio Association of County Behavioral Health Authorities
Ohio Association of Second Harvest Foodbanks
Ohio CSEA Directors' Association
Ohio Council of Churches
Ohio Jewish Communities
Ohio Partners for Affordable Energy
Ohio Poverty Law Center
Ohio Psychological Association
Ohio School Based Health Care Association
Ohio Society for Respiratory Care
Ohio Suicide Prevention Foundation
Progress Ohio
Public Children Services Association of Ohio
SEIU District 1199
Toledo Area Jobs with Justice Coalition.
UHCAN Ohio
United Way of Central Ohio