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Testimony on behalf of  
Philanthropy Ohio's Health Initiative

Provided by  
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Good afternoon Chairman Burke, Vice Chairwoman Jones, Ranking Member Cafaro, and Members of the Committee, thank you for the opportunity to provide testimony in regards to the impact of extending Medicaid coverage and the unique voice of philanthropy in this policy discussion. My name is Jodi Mitchell and I am the Health Policy Program Officer for the Mt. Sinai Health Care Foundation in Cleveland, Ohio and Mt. Sinai is a member of the Philanthropy Ohio Health Initiative. I am here today to talk about Philanthropy Ohio's interest in closing the coverage gap by extending Medicaid eligibility and continuing the progress of reforming Ohio's Medicaid program to improve the health of Ohioans, provide greater access and better health outcomes, and address other drivers of increased health care costs.

Philanthropy Ohio, formerly known as Ohio Grantmakers Forum – is an association of foundations, corporate giving programs and other individuals and organizations actively involved in philanthropy. Its mission is to provide leadership for Ohio's philanthropic sector and to enhance the ability of our members to fulfill their charitable goals. Philanthropy Ohio is comprised of approximately 200 member organizations, whose assets total nearly \$11 billion and who contribute more than \$700 million annually. Ohio philanthropy "puts its money where its mouth is" by investing in initiatives that support individuals, local communities and the state – over \$200 million annually to health initiatives alone. It also invests in cutting-edge initiatives that are promising and, in some cases, unproven. This research and development (R&D) component is crucial to the discovery and identification of practices that could one day transform the field and substantially improve health status of Ohioans.

Philanthropy Ohio supports extending Medicaid coverage for individuals and families making less than \$15,415 for an individual or \$26,344 for a family of three in annual

income. Addressing a significant coverage gap that leaves working Ohioans with no access to coverage provides a tremendous opportunity to improve the health of Ohio and stimulate the economy. Foundations and philanthropic organizations have a long history of supporting health improvement initiatives and making quality health care more accessible to the underserved populations in their communities. There is no policy decision that has greater potential to improve health access and improve the health status of Ohioans than that of extending Medicaid coverage.

Health Policy Institute of Ohio has carefully examined the issue of extending Medicaid coverage through a cost/benefit analysis and economic impact studies. Looking at this data, clearly philanthropic organizations could not remain silent. All 88 counties in Ohio are projected to realize a drop in their uninsured rate, an increase in tax revenue and an increase in employment because of a Medicaid expansion. If Ohio does not expand, these outcomes will not be realized. If Ohio does not move forward with extending Medicaid coverage, a substantial number of Ohioans, more than 370,000 by 2017, are projected to have no access to affordable health coverage and will likely be uninsured.

When looking at the cost of health care in Ohio, the 'hidden health care tax' that is shifted from paying patients due to underfunding public health programs is often overlooked. When an uninsured person gets sick and is unable to pay medical bills, the costs are absorbed by providers and all of the current insured individuals in the form of higher charges by private insurers. Extending Medicaid coverage will help reduce this cost to privately insured individuals/employers and provide security to Ohio's hospitals and health professionals whose uncompensated care costs are projected to rise even as disproportionate share payments to institutions decrease without extending Medicaid coverage.

Thirty-six states have a healthier workforce than Ohio. Extending Medicaid coverage to low income workers will improve the health of the state and significantly boost the state's economy. It is a win-win for Ohio and its citizens. Estimates of over 275,000 uninsured Ohioans will gain health coverage if Ohio chooses to extend eligibility for Medicaid. Uninsured Ohioans contribute greatly to Ohio's poor health rankings as they are reported to have worse physical and mental health status due to the lack of access to quality health care. Healthy Ohioans are a more productive workforce.

Ohio's Medicaid program is not the same program than it was just three years ago when the health reform law was enacted and it is now a successful model that other states look to when considering what states can do to add flexibility to their own programs. Over the last two years, the transformation of Ohio Medicaid has saved Ohio taxpayers \$2 billion. Positive strides have accomplished greater efficiencies by linking payment to quality and performance, increased home and community based services, creation of

health homes and a focus on integrated care delivery. While those who are critical of Ohio's Medicaid program claim that is a broken system, we would agree it is broken in one substantial area – the coverage gap that exists for adults who make \$15,000 or less a year and are unable to access affordable coverage leaving them no choice but to be uninsured, costing taxpayers more money and increasing health premiums for those who are currently insured. Ohio's poorest citizens will not be eligible for a federal income tax credit or Medicaid unless they have a child or are disabled. What is also broken is the \$404 million shortfall in the budget if Ohio does not extend coverage.

While a current "Ohio Option" appears to be on the discussion table that would allow an alternative path through the private marketplace, Philanthropy Ohio Health Initiative remains concerned about the additional costs requiring the use of more taxpayer dollars to put these individuals in a privatized insurance marketplace. Ohio's reformed Medicaid program is now a private marketplace with five participating managed care companies responsible for the care and management of Medicaid members.

Timing of these discussions is critical given the implementation processes that accompany any Medicaid reforms. Ohio cannot afford to wait... we need to move forward working together in a collaborative fashion to maximize the intended benefits and to continue moving forward on a pathway that benefits Ohio residents, taxpayers, businesses, veterans, health providers, and the Ohio economy. Delaying action is denying access and further progress in building a healthy Ohio.

There is a strong economic case for expansion, coupled with an important health benefit to the newly enrolled. Having health insurance makes a difference for individuals and families, and these benefits are shared by the business community through a strong, healthy workforce. Ohio foundations are committed to partnering with the General Assembly to improve the health of Ohio residents, awarding over \$200 million in health focused grants in an average year. These dollars, however, pale in comparison to the resources that expanded health coverage can provide. We remain supportive of efforts to strengthen the health and well-being of Ohio's communities and extending Medicaid coverage will do that by decreasing the uninsured, providing economic investment to the state, and improving health outcomes through Ohio Medicaid reforms. The cost of doing nothing = greater uncompensated care creating higher healthcare costs to individuals/employers, lost productivity in Ohio's workforce, and budget shortfalls.

Thank you for the opportunity to bring the unique philanthropic voice to you today on this important policy issue and we look forward to working with you as well as the new Medicaid Reform Workgroup to make informed decisions to keep Ohio healthy, competitive, and thriving.