

## Medicaid Appropriation

- ***The appropriation level set by the General Assembly in the current state budget is insufficient to cover Medicaid program costs.*** The House and Senate assumed savings from provider rate reductions (described below), but then also prevented Ohio Medicaid from making those cuts. As a result, the Medicaid appropriation deficit is \$588 million (\$182 million state share) in 2018 and \$793 million (\$250 million state share) in 2019.
- ***The House assumed nursing facility cuts but actually increased spending.*** The House budget assumed savings of \$237 million in nursing facility rate reductions over two years, but then not only removed the language that allowed Ohio Medicaid to make that cut but also increased nursing facility spending \$101 million over two years.
- ***The Senate assumed hospital cuts but actually keeps rates at current levels.*** The Senate budget assumed savings of \$1.1 billion in hospital rate cuts over two years, but then also required Ohio Medicaid to pay hospitals the same rate that was in effect on January 1, 2017, which prevents making the cuts.
- ***The Administration is not asking for an increase in Medicaid spending.*** Revenue estimates came in below the levels that were originally projected when the budget was first introduced. In May, Governor Kasich signaled that additional cuts would be necessary to balance the budget, and the current Medicaid appropriation reflects that necessity. However, as written, the budget prohibits Ohio Medicaid from reducing nursing facility or hospital spending as an option to stay within the current appropriation.
- ***Additional Medicaid provider cuts are necessary to balance.*** If nursing facilities and hospitals remain exempt from cuts, then a rate cut of 11 percent would be required on all other Medicaid providers, including doctors, nurses, addiction and mental health specialists, providers of home and community based services, developmental disability providers, and dentists. If hospitals are included, then a six percent rate cut would be required. If hospitals and nursing facilities are included, then a five percent across-the-board cut would be necessary to operate the program within the current appropriation.