



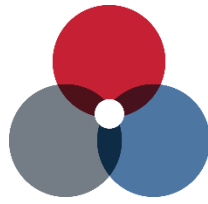
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# Would Rural Ohio Counties be the Unwitting Victim of Proposed Federal and State Medicaid Changes?

John R. Corlett  
President and Executive Director

April, 2017



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## **Would Rural Ohio Counties be the Unwitting Victim of Proposed Federal and State Medicaid Changes?**

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Ohio's rural counties are more dependent on state Medicaid coverage and spending, and therefore could be the unwitting victim of federal and state proposals to restrain Medicaid eligibility and/or reduce spending. For example, the GOP's U.S. House of Representatives' plan to replace the Affordable Care Act with the American Health Care Act (AHCA) would have reduced Ohio's Medicaid budget by as much as \$23 billion over a six-year period. These federal Medicaid spending cuts would have forced Ohio to make painful reductions in eligibility, services, and/or reimbursement rates. Meanwhile, the Ohio General Assembly is considering proposals to rollback eligibility for some individuals currently covered through Ohio's expansion of Medicaid in 2014. The impact of these reductions would likely be felt more sharply in Ohio's rural counties where a larger percentage of their populations are enrolled in Medicaid, where Medicaid per-capita spending tends to be higher than the state average, and where a higher percentage of their Medicaid enrollees gained coverage as a result of Ohio's 2014 expansion of Medicaid.

### **Rural Ohio Has High Percentage of Population Enrolled in Medicaid**

Some Ohio policy makers may think about Medicaid as a program that largely benefits urban areas. While the total number of Medicaid enrollees in Ohio's small towns and counties is lower than in urban counties, it represents a larger percentage of the population when compared to the state as a whole.

Forty-one of Ohio's 88 counties have a larger percentage of their population enrolled in Medicaid than the state average of 24.9 percent. Vinton County is the largest with nearly 41 percent of its population enrolled in Medicaid — a rate that is 65 percent higher than the state average. Of the top quarter of Ohio counties with the highest percentage of Medicaid enrollment, all but two are rural counties.

**Table 1: Top 25% of Ohio Counties Ranked by Percentage Enrolled in Medicaid**

	<b>Counties</b>	<b>Population</b>	<b>Percentage Enrolled in Medicaid</b>
1.	Vinton	13,048	40.58%
2.	Pike	28,217	40.37%
3.	Adams	28,024	38.25%
4.	Scioto	76,825	38.00%
5.	Meigs	23,257	37.70%
6.	Jackson	32,596	36.93%
7.	Gallia	30,142	36.31%
8.	Lawrence	61,109	35.27%
9.	Hocking	28,491	34.39%
10.	Fayette	28,679	33.90%
11.	Muskingum	86,290	33.83%
12.	Highland	43,026	33.71%
13.	Lucas	433,689	33.42%
14.	Mahoning	231,900	32.80%
15.	Perry	35,985	32.79%
16.	Ross	77,170	32.64%
17.	Guernsey	39,258	32.43%
18.	Clark	135,959	32.42%
19.	Marion	65,355	32.31%
20.	Ashtabula	98,632	32.21%
21.	Jefferson	67,347	32.10%
22.	Morgan	14,777	31.99%
<b>STATE AVERAGE</b>			<b>24.90%</b>

*Source: Ohio Department of Medicaid, January 2017 Client Counts*

### **Rural Ohio Counties Have Higher Per-Capita Medicaid Spending**

Another way to examine the disproportionate impact of proposed Medicaid spending caps or eligibility restrictions on these counties is to review whether spending in these counties on a per-capita basis is above or below the statewide average. This is calculated by dividing the total 2016 Medicaid spending in a county as reported by the Ohio Legislative Services Commission by total population in each county. The statewide Medicaid per-capita spending is \$1,545, but the top quarter of Ohio counties based on percentage of Medicaid enrollment have spending that is between 7 percent and 76

percent higher than the statewide average. The county with the highest per-capita spending is Gallia, which has Medicaid per-capita spending of \$2,725 – 76 percent higher than the statewide figure and almost five times higher than Medicaid per-capita spending in Delaware County, which has the lowest Medicaid per-capita spending in the state.

This higher-than-average Medicaid per-capita spending produces economic gains and additional employment in rural Ohio. John Begala in his Center for Community Solutions report, [\*Big City Problems in Ohio's Small Towns\*](#), found that those small Ohio towns and counties that were doing the best economically often had a hospital located within their county. In many small Ohio communities, it's the hospital, the health center, or even the skilled nursing facility that functions as both a major employer and health care provider. According to data from the U.S. Census Bureau, in all but three of the counties the percentage of the populations employed in health care occupations is higher than the state average, and much of this employment is supported by reimbursement from the Medicaid program. For example, in Gallia County, the Holzer Clinic and Holzer Medical Center are major local employers. In Vinton County, it's the Huston Nursing Home, and in Ashtabula County, it's the Ashtabula County Medical Center and University Hospitals. These health care jobs typically offer better salary and benefits than are found in other sectors of the economy.

**Table 2: Top 22 Ohio Counties Ranked By Medicaid Per-Capita Spending**

Counties	Total County Medicaid Spending	Total County Population	Medicaid Per-Capita Spending
Gallia	\$82,126,815	30,142	\$2,725
Scioto	\$199,229,814	76,825	\$2,593
Pike	\$72,706,010.00	28,217	\$2,577
Vinton	\$30,094,007.00	13,048	\$2,306
Lawrence	\$135,989,019	61,109	\$2,225
Adams	\$60,222,526	28,024	\$2,149
Lucas	\$909,894,494	433,689	\$2,098
Guernsey	\$81,321,127	39,258	\$2,071
Meigs	\$47,687,297	23,257	\$2,050
Jackson	\$66,523,574	32,596	\$2,041
Fayette	\$57,058,751	28,679	\$1,990
Hocking	\$56,362,814	28,491	\$1,978
Ross	\$148,255,975	77,170	\$1,921
Mahoning	\$442,296,323	231,900	\$1,907
Clark	\$258,838,408	135,959	\$1,904
Ashtabula	\$180,299,616	98,632	\$1,828
Highland	\$76,569,634	43,026	\$1,780
Perry	\$63,875,987	35,985	\$1,775
Muskingum	\$149,368,605	86,290	\$1,731
Marion	\$112,417,585	65,355	\$1,720
Jefferson	\$115,831,333	67,347	\$1,720
Morgan	\$24,440,684	14,777	\$1,654
<b>STATE OF OHIO</b>			<b>\$1,545</b>

*Source: County Medicaid spending amounts are taken from the 2016 Ohio Legislative Services Commission State Spending by County Report*

## Rural Ohio Would Lose Hundreds of Millions in Health Care Funding Under ACHA

The Center for Community Solutions has [estimated](#) that, if the State of Ohio were required to limit spending to the level proposed in AHCA, the all funds reduction in Medicaid spending in Ohio would be as much as \$23 billion between fiscal years 2019 and 2025. These cuts would then result in lower spending at the county level. Table 3 illustrates how these cuts might be experienced locally. For example, Clark County could experience a loss of Medicaid funds of between \$272 million and \$361 million between 2019 and 2025.

**Table 3: Est. Range of 2019-2025 Ohio County Spending Cuts Resulting from AHCA**

County	Range of County Medicaid Spending Reductions 2019 –2026
Lucas	\$979 - \$1,269 M.
Mahoning	\$491- \$652 M.
Clark	\$272 - \$361 M.
Scioto	\$197 - \$261 M.
Ashtabula	\$179 - \$237 M.
Ross	\$154 - \$205 M.
Muskingum	\$148 - \$197 M.
Lawrence	\$133 - \$177 M.
Marion	\$118 - \$157 M.
Jefferson	\$117 - \$155 M.
Guernsey	\$86 - \$114 M.
Highland	\$82 - \$114 M.
Pike	\$80 - \$106 M.
Perry	\$80 - \$106 M.
Gallia	\$79 - \$106 M.
Jackson	\$73 - \$97 M.
Fayette	\$61 - \$81 M.
Hocking	\$58 - \$77 M.
Adams	\$57 - \$76 M.
Meigs	\$54 - \$72 M.
Vinton	\$30 - \$40 M.
Morgan	\$26 - \$34 M.

## Unemployed Rural Ohioans Face Big Hurdles to Maintain Medicaid Coverage

The March, 2017, unemployment data show that all but three of these counties with high Medicaid enrollment have unemployment rates that are higher than the statewide rate –

with Jackson and Meigs counties having unemployment rates that are 75 percent and 64 percent higher than the state average. These high unemployment rates could make it more difficult for unemployed individuals living in these counties to meet Medicaid work requirements envisioned in the federal and or state legislation--making it more likely that unemployed individuals living in rural Ohio counties will lose their Medicaid health care coverage.

**Table 4: Unemployment Rate in Ohio Counties with a High Percentage of Medicaid Enrollment**

County	March, 2017 Unemployment Rate
Jackson	9.2
Meigs	8.7
Mahoning	8.7
Vinton	8.5
Adams	8.2
Morgan	7.9
Jefferson	7.8
Pike	7.6
Scioto	7.3
Gallia	6.9
Guernsey	6.7
Perry	6.7
Ashtabula	6.5
Muskingum	6.3
Highland	6.0
Lawrence	5.9
Hocking	5.8
Ross	5.5
Lucas	5.5
Ohio	5.3
Marion	5.1
Clark	4.9
Fayette	4.3

*Source: Ohio Unemployment Rates March 2017, not seasonally adjusted, Ohio Department of Job and Family Services, Office of Workforce Development – Bureau of Labor Market Information*

## Conclusion

Federal and state proposals to cap Medicaid spending and/or to reduce eligibility could harm already economically fragile rural Ohio counties. Such proposals would lead to reductions in employment in counties that are already facing significantly higher unemployment and poverty rates than the state as a whole, and where residents are much more likely to depend on Medicaid as a source of health care coverage than those living in mostly urban and suburban counties.



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