

# Medicaid

**Table 1**  
**Medicaid Spending (GRF 600-525 only)**

LSC Baseline Estimates

	FY 2000	% Change	FY 2001 Est.	% Change	FY 2002 Est.	% Change	FY 2003 Est.	% Change
Nursing Homes	\$2,463,014,260	6.55%	\$2,662,054,760	8.08%	\$2,941,452,485	10.50%	\$3,177,004,265	8.01%
Nursing Facilities	\$2,110,778,821	7.26%	\$2,278,456,402	7.94%	\$2,540,027,383	11.48%	\$2,755,028,849	8.46%
ICFs for the Mentally Retarded	\$352,235,439	2.53%	\$383,598,358	8.90%	\$401,425,103	4.65%	\$421,975,416	5.12%
Hospitals	\$1,268,037,776	5.29%	\$1,483,008,156	16.95%	\$1,676,304,867	13.03%	\$1,780,511,490	6.22%
Inpatient Hospitals	\$938,402,460	2.76%	\$1,073,139,871	14.36%	\$1,233,416,581	14.94%	\$1,322,163,163	7.20%
Outpatient Hospitals	\$329,635,316	13.24%	\$409,868,285	24.34%	\$442,888,286	8.06%	\$458,348,327	3.49%
Physicians	\$341,541,513	15.45%	\$413,989,168	21.21%	\$444,054,872	7.26%	\$465,044,441	4.73%
Prescription Drugs	\$674,264,621	11.72%	\$857,953,058	27.24%	\$1,016,831,582	18.52%	\$1,187,798,097	16.81%
Payments	\$845,232,399	13.99%	\$1,055,812,278	24.91%	\$1,251,331,014	18.52%	\$1,461,725,445	16.81%
Rebates	(\$170,967,778)	23.91%	(\$197,859,221)	15.73%	(\$234,499,432)	18.52%	(\$273,927,348)	16.81%
HMO	\$377,157,047	-6.12%	\$423,865,225	12.38%	\$545,030,280	28.59%	\$619,478,320	13.66%
Medicare Buy-In	\$121,083,904	-0.56%	\$122,002,156	0.76%	\$129,227,768	5.92%	\$139,321,001	7.81%
Waiver	\$121,812,177	69.48%	\$140,465,636	15.31%	\$157,789,447	12.33%	\$182,527,176	15.68%
All Other Care*	\$425,181,427	18.70%	\$552,258,504	29.89%	\$606,681,981	9.85%	\$674,173,432	11.12%
<b>TOTAL</b>	<b>\$5,792,092,725</b>	<b>7.88%</b>	<b>\$6,655,596,663</b>	<b>14.91%</b>	<b>\$7,517,373,282</b>	<b>12.95%</b>	<b>\$8,225,858,222</b>	<b>9.42%</b>
DSH Offsets	\$199,884,845		\$156,886,651		\$117,332,778		\$136,952,676	
<b>Total net GRF Expenditures</b>	<b>\$5,592,207,880</b>		<b>\$6,488,710,012</b>		<b>\$7,400,040,504</b>		<b>\$8,088,905,546</b>	
State Share	\$2,316,991,530		\$2,665,770,847		\$3,038,456,631		\$3,324,540,179	
Federal Share	\$3,275,216,350		\$3,832,939,165		\$4,361,583,873		\$4,764,365,367	
Effective FMAP	58.57%		58.98%		58.94%		58.90%	

This table only includes Medicaid spending through Job and Family Services' 600-525 line item.

\* Includes services such as dental care, home health care, and other practitioners, and includes various contracts.

**Table 2**  
**LSC/OBM Health Care\Medicaid (600-525) Reconciliation**

	<u>FY 2001 Est.</u>	<u>FY 2002 Est.</u>	<u>FY 2003 Est.</u>
LSC Baseline	\$6,655,596,663	\$7,517,373,282	\$8,225,858,222
Adjustments:			
(IMD/DSH Payments)	(\$156,886,651)	(\$117,332,778)	(\$136,952,676)
LSC Baseline + Adjustments	\$6,498,710,012	\$7,400,040,504	\$8,088,905,546
State Share	\$2,865,770,847	\$3,038,456,631	\$3,324,540,179
Updated OBM Forecast	\$6,660,078,133	\$7,511,407,353	\$8,102,065,858
(IMD/DSH Payments)	(\$156,886,651)	(\$117,332,778)	(\$136,952,676)
OBM Baseline + Adjustments	\$6,503,191,482	\$7,394,074,575	\$7,965,113,182
State Share	\$2,667,609,146	\$3,036,007,021	\$3,273,661,518
<b>Variances</b>			
LSC to OBM	(\$4,481,470)	\$5,965,929	\$123,792,364
State Share	(\$1,838,299)	\$2,449,610	\$50,878,662
LSC to Appropriation	(\$11,788,737)		
State Share	(\$4,835,740)		
FY 2001 Appropriation	\$6,510,498,749		
Biennium Variance		129,758,293	
State Share		53,328,272	

## Temporary Assistance to Needy Families

Welfare reform—a process with a history of more than twenty years—is now fully invested in a strategy of workforce development. With the passage of House Bills 167 of the 121<sup>st</sup> General Assembly and 408 of the 122<sup>nd</sup> General Assembly—the latter implementing the Temporary Assistance for Needy Families (TANF) program that was created by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996—the Ohio Department of Job and Family Services (JFS) entered a new era for the delivery of human service programs. Now in 2001, the department's Ohio Works First (OWF) and Prevention, Retention, and Contingency (PRC) programs continue a transformation away from “income maintenance” toward a new mix of services that support workforce development, and thus provide what we might think of as “welfare” on a temporary basis.

The OWF program provides temporary assistance to a needy family with (or expecting) a child, by providing the parent(s) with cash assistance to assist with basic support while the family gains the job skills necessary to enable them to achieve economic independence. To accomplish this goal in the next biennium, ODHS will continue to emphasize early-entry employment, employment retention, and employment upgrade. County workers will continue to realign the kind of work they perform to provide more case management and support services that help to prepare individuals for the workplace and follow-up after employment. These goals will be increasingly pursued through the PRC program and less through the OWF program.

The PRC program replaced and expanded Ohio's Family Emergency Assistance program. As the name implies, the PRC program is a special category of assistance designed to help families with one-time urgent needs that could, if left unattended, result in the family entering the cash assistance caseload. Ohio House Bill 408, of the 122<sup>nd</sup> G.A., provided that each county develop a PRC program designed to meet the needs of the county or adopt the state model. Examples of assistance and services provided under PRC include such things as shelter and utility expenses, transportation and car repair, counseling/mentoring services, job-related expenses, household expenses, and job support and job retention services.

### TANF

The PRWORA eliminated the Aid to Families with Dependent Children program (or AFDC; in Ohio this was called Aid to Dependent Children or ADC), the Job Opportunity and Basic Skills (JOBS) program, and the Family Emergency Assistance (FEA) program. Congress replaced these programs with the TANF program. Prior to TANF, under the AFDC program, the federal government provided states with open-ended matching funds for cash welfare payments to all families who qualified. Cash benefits were an “entitlement” and had no time limit. Under an entitlement, qualified recipients have a “right” to receive benefits and appropriations must be provided in case of a shortfall. In the old AFDC entitlement program the federal government reimbursed states for welfare spending at a rate between 50 percent to 80 percent—depending on