



Medicaid Provides Lifelong Benefits to Ohioans & the Buckeye State



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As we leave behind the turbulent year of 2020, we look forward to the future and all the potential a new year brings.

We look forward to the promise the COVID vaccines give us for containing this deadly virus, and the hope of life returning to normal. We look forward to the inauguration of a new President and healing the wounds of recent events in our country. And yet as we look forward, we realize many of the issues we faced in 2020, including an ongoing pandemic, higher than normal unemployment, and an increase in the number of uninsured adults and children, have followed us into 2021. CDF-Ohio started 2020 by talking about the importance of Medicaid as a safety net for families and children, especially during a time of pandemic. We know that Ohio is

facing a crisis of healthcare, especially in the Black and Latinx/o communities. Ohio experienced one of the greatest rates of increase in child uninsurance in the country. The infant mortality rate for Black babies is nearly three times greater than that for White babies. Further, Black maternal mortality is 3 to 4 times greater than that of white women and research has shown that more than half of these deaths were preventable.

Through our monthly [lawmaker newsletters](#) and [Child Watch stories](#) we began to look into why this was happening, what barriers families were running into when trying to obtain Medicaid coverage, and what actions could be taken by the legislature or the administration to

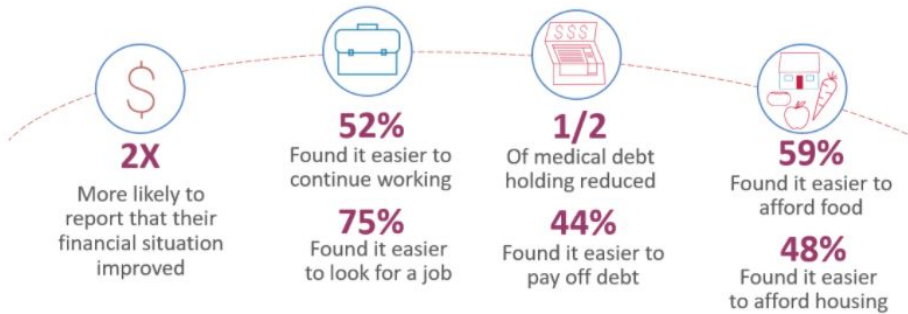
eliminate those barriers. We have offered a number of recommendations that research shows will improve not only access to the Medicaid program, but in return will improve the health of all Ohio children and families who are able to access healthcare through the Medicaid program.

The benefits of Medicaid as a safety net program are well known and the use of Medicaid to address short term health issues is common practice, but that may not be Medicaid's most important feature. The Georgetown Center for Children and Families and the Commonwealth Fund recently released a [report](#) that highlights a robust body of evidence of the long-term benefits of Medicaid coverage for pregnant women and children. Benefits such as long-term health, educational attainment, and greater financial security reached in adulthood.

As Ohio moves through the FY 2022-23 budget cycle, there will be many calls for budgets to be lean and services to be cut. Legislators will have to make decisions about how to balance the budget during a pandemic which has shut down businesses, seen unemployment spike, healthcare costs rise, and the economy slow down markedly. But in making those decisions, we encourage them to keep in mind not only the short-term benefits of children and families being able to

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Key Findings: Financial Security and Employment



access healthcare during a pandemic, but the long-term benefits healthcare provides.

Medicaid can and should play a key role in advancing health equity in Ohio. Fifty percent of all births in the state are covered by Medicaid, which means it is in a unique position to positively impact the health and well-being of millions of Ohioans now and into the future. Although the majority of children receiving Medicaid are White, Black and Latino children disproportionately receive health coverage through Medicaid, so cuts to Medicaid disproportionately affect Black and Latino children. It is common sense that healthy children learn better, they stay in school longer, which leads to higher income as adults. According to the Department of Medicaid, when families were able to access healthcare through Medicaid expansion 75% found it easier to look for a job, 52% found it easier to continue working, and 48% found it easier to afford housing. Because of the way states implemented Medicaid coverage in different

stages over time, researchers have been able to track how children's outcomes were affected by these variations. Here are some of the key findings from the research.

Medicaid Linked to Better Health in Adulthood

Medicaid coverage of children and pregnant women is linked to fewer chronic conditions such as diabetes, obesity, and heart disease, better overall health, improved oral health, and fewer hospitalizations and emergency room visits in adulthood.

Medicaid coverage of pregnant women was associated with higher, healthier birth weight for their infants and for the following generation of children as well. Most importantly, Medicaid is associated with lower mortality rates and longer lives. Early childhood Medicaid coverage (under age 12) was associated with lower application rates for Social Security Disability Insurance (SSDI) among adults ages 25–64, and also reduced Supplemental Security Income (SSI) applications among young adults ages 20–28.

Medicaid and Higher Educational Attainment

Pregnant women and children eligible for Medicaid who enrolled in the program had a greater likelihood of their children graduating from high school. Children eligible for Medicaid and CHIP who enrolled in the program also saw a decrease in high school dropout rate, particularly among children of color. Enrollment among those eligible also experienced increased probability of completing high school on time in four years, especially for Latinx/o and White children. The more years of Medicaid eligibility and enrollment in childhood was associated with an increase in college enrollment rates among young adults. It also increased the likelihood of obtaining a four-year college degree, especially among White children.

Medicaid and Greater Financial Security in Adulthood

Medicaid coverage of children and pregnant women produces considerable financial benefits for individuals and for society at large. It raises children's earnings in adulthood and improves inter-generational mobility. Women with more years of childhood Medicaid eligibility and enrollment had higher wage income as young adults, especially for those who maintained Medicaid enrollment through the teenage years.

Medicaid and Higher Educational Attainment

Medicaid eligibility for pregnant women and children was associated with a greater likelihood of children graduating from high

school. Children's eligibility for Medicaid and CHIP was linked to a decrease in the high school dropout rate, particularly among children of color. It also increased the probability of completing high school on time in four years, especially for Latino and white children. The more years of Medicaid eligibility in childhood was associated with an increase in college enrollment rates among young adults. It also increased the likelihood of obtaining a four-year college degree, especially among white children.

Medicaid and Greater Financial Security in Adulthood

Medicaid coverage of children and pregnant women produces considerable financial benefits for individuals which also benefits society at large. It raises children's earnings in adulthood and improves intergenerational mobility. Women with more years of childhood Medicaid eligibility had higher wage income as young adults, especially for those who maintained Medicaid eligibility through the teenage years. Each additional year of childhood Medicaid eligibility was associated with an increase in total amount of taxes paid in adulthood. More than half of the cost of Medicaid coverage in childhood was offset by higher tax receipts in adulthood. In fact, the same study found that Medicaid coverage may have fully paid for itself by the time eligible children reached age 36. Because the federal government picks up a fixed share of states' Medicaid costs, cuts to the program have a significant multiplier effect. With the Families First FMAP

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increase of 6.2 percentage points, every \$1 in reduced state spending will result in an additional loss of federal Medicaid funding. In Ohio this amounts to a loss of \$2.31 in federal dollars for every \$1 in reduced state spending. As a result, when a state cuts \$1 in its Medicaid program, the actual federal and state Medicaid spending cut is considerably larger, in Ohio that would mean \$3.31 of lost combined federal and state funding.

Any cuts to Medicaid would reduce access to care for thousands of pregnant women, children, and families in the short-term during a time when healthcare is critical, but also runs the risk of harming the long-term potential outcomes of children in the areas of health, education, and financial security.

CDF-Ohio Recommendations:

1. **Protect Medicaid funding levels in the upcoming budget.** Included in this is protection of provider rates which assure there are enough providers to allow for access, and protection of optional services.
2. **Urge Congress to provide a further temporary increase in federal Medicaid funding** and link expiration of e-FMAP to economic recovery as measured by unemployment rates..

3. **Extend coverage to 12 months postnatal for new mothers and explore expanded eligibility levels for children** to ensure the health of new mothers and their babies.

There is a growing body of research that Medicaid coverage of children, and of their mothers during pregnancy, is associated with improved health, reduced disability, greater educational attainment, and better financial outcomes when they grow up to be adults. Lawmakers should keep in mind that any cuts to Medicaid to address budget shortfall resulting from the COVID-19 crisis could have a significant long-term adverse impact on Ohio's future. We encourage Ohio's lawmakers to resist the urge to focus on the short-term budget cuts and consider the long term upside potential of investing in children, families, and their futures.

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