



For Immediate Release:

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Governor Designates Federal Medicaid Funding to Protect Health Care Jobs, Services

Columbus, OH – Governor Ted Strickland today announced initial designations of dollars made available as a result of increased federal reimbursement for Medicaid. Investments will be made in hospitals, mental health services, and Ohio’s HIV/AIDS assistance program to protect health care jobs and critical health services for Ohioans.

“As Ohioans are fighting our way out of the Wall Street recession, this additional support could not have come at a more critical time for our hospitals and mental health system. These investments will protect Ohio jobs and help us provide health services for Ohioans in need,” Strickland said. “I want to thank President Obama and Ohio’s Congressional leaders for supporting Ohio jobs and services.”

Medicaid is a state and federal partnership with shared financial responsibility. Medicaid expenses are partially reimbursed by the federal government. In the Recovery Act, the federal government increased its share of the financial responsibility for Medicaid, also known as FMAP (Federal Medical Assistance Percentages), providing economic relief to states. This enhanced FMAP was set to expire on December 31, 2010 but was extended for six months at a reduced rate by federal legislation passed in August.

Ohio’s enhanced FMAP reimbursement allocation is projected to be \$518.6 million.

As designated by federal law, approximately \$73.3 million will be distributed through the following state agencies, and in many cases passed through to local partners, in proportion to their financial contribution to the Medicaid program:

- Ohio Department of Alcohol and Drug Addiction Services: \$2.4 million
- Ohio Department of Education: \$845,801
- Ohio Department of Aging: \$12.6 million
- Ohio Department of Mental Health: \$15.6 million
- Ohio Department of Developmental Disabilities: \$41.7 million

Also designated by federal law is the distribution of approximately \$24.7 million for Medicare Part D and \$13.3 million for IV-E, which supports foster care and adoption services provided through county agencies.

The remainder, approximately \$407.2 million, flows through the main Medicaid funding line item (the Ohio Department of Job and Family Services Medicaid 525 line) and associated Medicaid Non-GRF lines. Strickland today designated less than half of these enhanced reimbursements for the following investments:

- **Ohio hospitals** will benefit from \$150 million in relief from the hospital assessment to protect health care jobs and critical services for patients. The additional resources will help benefit every hospital throughout the state to retain or add jobs. (The state budget impact of the reduced hospital assessment will only be \$118 million, after accounting for the net effect of other factors related to hospitals in the Medicaid budget. Those factors include better than estimated performance of the hospital assessment and reduced spending in the Upper Payment Limit program.)
- **Ohio's mental health system** will receive \$32.6 million to help provide critical treatment for adults and children with mental illness and preserve jobs in the mental health system. Approximately \$30.6 million will be distributed to county boards on a per capita basis to help fund services and protect jobs; the remaining \$2 million will be used to fund programs that specifically benefit children with mental health issues.
- **Ohio's Ryan White Part B/Ohio Drug Assistance Program**, which provides assistance to eligible Ohioans living with HIV/AIDS, will receive \$12.8 million. The program implemented cost containment measures in July because of a combination of decreasing resources, increasing enrollment, and rising costs of health insurance premiums and medications. This assistance will sustain the program at its current levels through the remainder of the fiscal year.

Strickland said he would like to gather input and information from the legislature and stakeholders before designating the balance of the state's allocation, which is approximately \$243.8 million.

“It is important to exercise fiscal restraint and look beyond our immediate priorities so we are positioned to address needs that may arise in the coming months. That is how we will maximize these resources and help the greatest number of Ohioans,” Strickland said. “Just because the state has received additional federal resources does not mean all of those resources must be spent immediately.”