

AN ANALYSIS OF THE BENEFITS AND COSTS OF PUBLIC BENEFIT PROGRAM CHANGES IN OHIO

MARCH 2026



Letter from the Executive Director

Dear Supporters,

For families working toward self-sufficiency while receiving public benefits, the path is often framed simply: work more, earn more, and build stability. But a major flaw in policy design puts impossible barriers in their way just as they begin to make progress. It often starts with a small raise or a few additional hours of work. Suddenly, families lose access to child care, the support that allows parents to work, or to health coverage, which protects the well-being of adults and children. A system designed to support work and stability instead recalculates benefits in ways that push families backward. This is what we call the “benefits cliff.”

The benefits cliff disrupts family life in real and often traumatic ways. Parents experience panic and fear when they open a letter announcing the termination of a benefit, along with exhaustion from navigating a system that feels stacked against them. Many turn down raises or reduce hours to avoid the cliff altogether. These choices trap families in place and undermine the promise of self-sufficiency our public systems are meant to support.

The Women’s Fund commissioned this cost-benefit analysis to examine how policy design can either create instability or support economic mobility. We focused this analysis on healthcare and child care because both function as critical economic infrastructure. The findings are clear. Restricting access to health coverage increases costs and hardship. Investments in child care strengthen workforce participation, support earnings growth, and improve long-term outcomes for families. Eligibility thresholds matter as much as benefit design, and this analysis shows that 200 percent of the federal poverty level should serve as a baseline for benefit access.

This analysis is intended as a tool for action. It offers evidence to support policymakers, employers building stronger workplaces, and community leaders advocating for solutions. The Women’s Fund calls on Ohio stakeholders to pursue policies that reward work, support family stability, and reduce the costly disruptions that ripple across our state’s economy.

Onwards,



Camilla Worrell

Executive Director,
Women’s Fund of Greater Cincinnati
Foundation



Overview

Benefit cliffs underscore the critical role that public supports play in helping low-income households maintain the total resources needed to achieve self-sufficiency. Changes to the funding or eligibility of these programs can have wide-ranging effects on families and state systems alike. To better understand these impacts, this analysis examines the benefits and costs in Ohio of selected policy changes. While many recent legislative actions have affected public supports, this paper focuses on the potential impacts of expanding access to child care assistance and changes to Medicaid eligibility.

Through its Publicly Funded Child Care program, the Ohio Department of Children and Youth offers financial assistance to low-income families with children by subsidizing child care costs for eligible parents or guardians while they engage in work, education, or job training. Eligibility for child care assistance in Ohio is also dependent on income thresholds. Generally, income must be at or below 142.0 percent of the federal poverty level to qualify.¹ However, families with a child who has a county agency-verified special need qualify for child care assistance if their income is at or below 150.0 percent of the federal poverty level.² Depending on gross income and family size, eligible families may have all of their child care expenses covered or be required to pay a copayment. Once receiving child care assistance, the copayment increases on a sliding scale up to gross income at 300.0 percent of the federal poverty level.³

Medicaid provides medical coverage for low-income individuals, pregnant women, infants, children, older adults, and individuals with disabilities. Additionally, the Affordable Care Act (ACA) enables states to expand Medicaid coverage to nearly all adults with income at or below 138.0 percent of the federal poverty level with states being provided an enhanced federal matching rate for Medicaid expansion populations. Currently, 41 states and the District of Columbia have adopted Medicaid expansion under the Affordable Care Act since 2014.⁴ Ohio adopted and implemented Medicaid expansion in January 2014. However, the 2026-27 state budget for Ohio includes a trigger law that will automatically end Medicaid expansion coverage if the federal matching rate falls below 90.0 percent.⁵ This would result in the loss of health care coverage for 770,000 individuals with Medicaid expansion coverage in Ohio.⁶

¹ Ohio Department of Children and Youth. n.d. Child Care. <https://childrenand youth.ohio.gov/for-families/early-care-education/child-care>.

² Ohio Department of Children and Youth. n.d. Child Care. <https://childrenand youth.ohio.gov/for-families/early-care-education/child-care>.

³ Ohio Department of Children and Youth. 2024. "Publicly Funded Child Care Family Weekly Copayment Desk Aid." Ohio Department of Children and Youth. October 1. https://dam.assets.ohio.gov/image/upload/v1732207798/childrenand youth.ohio.gov/For%20Families/ChildCare_Copay_DeskAid.pdf.

⁴ KFF. 2025. *Status of State Medicaid Expansion Decisions*. September 29. Accessed September 2025. [https://www.kff.org/medicaid/status-of-state-medicaid-expansion-decisions/#:~:text=The%20Affordable%20Care%20Act's%20\(ACA\)%20Medicaid%20expansion,matching%20rate%20\(FMAP\)%20for%20their%20expansion%20populations](https://www.kff.org/medicaid/status-of-state-medicaid-expansion-decisions/#:~:text=The%20Affordable%20Care%20Act's%20(ACA)%20Medicaid%20expansion,matching%20rate%20(FMAP)%20for%20their%20expansion%20populations).

⁵ BeMiller, Haley, and Jessie Balmert. 2025. *Ohio state budget now up to Gov. Mike DeWine. What's in it?* June 24. Accessed September 2025. https://www.dispatch.com/story/news/politics/2025/06/24/final-ohio-budget-plan-includes-tax-cut-browns-stadium-money/84316979007/?mc_cid=8db70196bc&mc_eid=00f3044645.

⁶ Moore, Rob. 2025. *Ending Medicaid expansion would devastate Ohio's economy*. April 23. Accessed December 2025. <https://ohiocapitaljournal.com/2025/04/23/ending-medicaid-expansion-would-devastate-ohios-economy/>.

Legislative Background

The current legislative landscape provides important context for this analysis. Signed into law on July 4, 2025, the budget reconciliation bill referred to as the One Big Beautiful Bill Act permanently extends many of the tax cuts enacted by the 2017 Tax Cuts and Jobs Acts as well as cuts spending on health care and nutrition programs, among other changes.

Key policy provisions of the One Big Beautiful Bill related to child care include:⁷

- Child Tax Credit – The maximum credit increased from \$2,000 to \$2,200 per qualifying child and is indexed to inflation.
- Child and Dependent Care Credit – The maximum credit for families with the lowest income, defined as those with adjusted gross income of \$15,000 or less, increased from 35.0 percent to 50.0 percent of their qualifying child care expenses.
- Employer-Provided Child Care Credit (45F Credit) – The maximum credit for businesses that help locate or provide child care for their employees increased from 25.0 percent of qualifying child care expenses to 40.0 percent (or 50.0 percent for eligible small businesses).
- Dependent Care and Assistance Programs – The pre-tax income families with an employer-offered flexible spending account (FSA) can set aside for dependent care expenses increased from \$5,000 to \$7,500 per year.

Key policy provisions of the One Big Beautiful Bill related to health care include:⁸

- Requires able-bodied adults enrolled through Medicaid expansion who are childless or have children aged 14 years and over to work, volunteer, or attend school for a minimum of 80 hours per month
- Lowers provider taxes (health care related taxes utilized by states to help finance the state share of Medicaid costs) from 6.0 percent to 3.5 percent
- Increases the paperwork Medicaid expansion enrollees must complete by shifting re-enrollment from every year to every six months
- Adds income and residency verifications for Health Insurance Marketplace enrollees who receive premium tax credits
- Removes Medicaid eligibility for certain groups of lawfully present immigrants
- Allocates \$50.0 billion to stabilize rural hospitals while provider taxes are lowered

According to the Tax Policy Center, the policy changes related to child care primarily benefit middle- and upper-income families.⁹ Furthermore, the Child Tax Credit and the Child and Dependent Care Credit are not refundable, meaning that households who owe little to no income taxes will not receive the full credit. According to the Congressional Budget Office, the final reconciliation bill will increase the uninsured population in the United States by 10.0 million individuals in 2034.¹⁰ The loss of coverage will be concentrated on Medicaid expansion adults, with nearly one in three expansion adults estimated to lose coverage.¹¹

⁷ Crandall-Hollick, Margot. 2025. The 2025 Reconciliation Law Makes Some Modest Changes to Child Care Tax Benefits, Provides Little Help For Low-Income Families. July 30. Accessed September 2025. <https://taxpolicycenter.org/taxvox/2025-reconciliation-law-makes-some-modest-changes-child-care-tax-benefits-provides-little>.

Koch, Christina. 2025. Final Reconciliation Package Improves Child Care Tax Credits, Deeply Cuts Other Programs—Ultimately Harming Millions of Children and Families. July 30. Accessed September 2025. <https://info.childcareaware.org/blog/final-reconciliation-package-improves-child-care-tax-credits-deeply-cuts-other-programs>.

⁸ Wolf, Zachary, and Tamj Luhby. 2025. Here's how Trump's megabill will affect you. July 3. <https://www.cnn.com/2025/07/01/politics/congress-senate-bill-tax-spending-trump-gop-explainer>.

Hubbard, Kaia, and Caitlin Yilek. 2025. Here's what's in Trump's "big, beautiful bill" passed by Congress. July 4. <https://www.cbsnews.com/news/whats-in-trump-big-beautiful-bill-senate-version/>.

Drenon, Brandon, and Nadine Yousif. 2025. What are the key items in Trump's sprawling budget bill? July 4. <https://www.bbc.com/news/articles/c0eqpz2319jo>.

⁹ Crandall-Hollick, Margot. 2025. The 2025 Reconciliation Law Makes Some Modest Changes to Child Care Tax Benefits, Provides Little Help For Low-Income Families. July 30. Accessed September 2025. <https://taxpolicycenter.org/taxvox/2025-reconciliation-law-makes-some-modest-changes-child-care-tax-benefits-provides-little>.

¹⁰ Congressional Budget Office. 2025. "Estimated Budgetary Effects of Public Law 119-21, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to CBO's January 2025 Baseline." Congressional Budget Office. July 21. Accessed October 2025. <https://www.cbo.gov/publication/61570>.

¹¹ Manatt Health. 2025. "House Budget Bill Medicaid Proposals: State-by-State Estimates of Impacts on Expenditures and Enrollment." State Health & Value Strategies. June 2. Accessed October 2025. https://shvs.org/wp-content/uploads/2025/06/Reconciliation-House-Bill-Key-Findings-Overview_06.02.2025.pdf.

Child Care Population

To be eligible for child care assistance in Ohio, income must be at or below 142.0 percent of the federal poverty level to qualify, assuming the child does not have a county agency-verified special need.¹² This section quantifies the costs and benefits of expanding eligibility for child care assistance in Ohio to families with income at or below 200.0 percent of the federal poverty level.

According to U.S. Census microdata, there were approximately 1.8 million children in Ohio under the age of 13 years in 2023. It is estimated that 323,412 children are currently eligible for child care assistance, assuming family income at or below 142.0 percent of the federal poverty level and that the child’s mother or father is employed or in school. By expanding child care assistance eligibility to families with income at or below 200.0 percent of the federal poverty level, an additional 199,997 children would be eligible for child care assistance in Ohio.

Eligibility for child care assistance does not equate to utilization of child care assistance. According to the U.S. Government Accountability Office, the take-up rate for child care subsidies in Ohio was 23.0 percent for children 13 years of age and under in 2019.¹³ Assuming a take-up rate of 23.0 percent, it is estimated that an additional 45,998 children will be eligible for and receive child care assistance with expanded eligibility to families with income at or below 200.0 percent of the federal poverty level.

Age Group	Total Population	Current Eligible (142% FPL)	Additional Eligible with Expansion (200% FPL)	Additional Take-Up with Expansion (200% FPL)
Infant (Less than 1 year)	121,482	20,616	13,910	3,199
Toddler (1 to 2 years)	260,602	46,264	29,932	6,884
Preschool (3 to 5 years)	403,244	76,063	50,714	11,664
School age (6 to 12 years)	1,012,085	180,469	105,441	24,251
Total 12 years and under	1,797,413	323,412	199,997	45,998

¹² Ohio Department of Children and Youth. n.d. *Child Care*. <https://childrenandyouth.ohio.gov/for-families/early-care-education/child-care>.

¹³ U.S. Government Accountability Office. 2023. "Child Care: Subsidy Eligibility and Use in Fiscal Year 2019 and State Program Changes During the Pandemic." *U.S. Government Accountability Office*. March 29. <https://www.gao.gov/assets/gao-23-106073.pdf>.

Child Care Costs

The U.S. Department of Health and Human Services' Office of the Administration for Children and Families publishes the national average monthly distribution of children in child care by age group and provider type.¹⁴ The distribution from fiscal year 2022 was adjusted to exclude children cared for in group homes and children cared for in a setting that was not reported. This adjusted distribution was applied to the additional children eligible for and receiving child care assistance in Ohio with expanded eligibility. Overall, this results in 80.6 percent of children being cared for in a child care center, 17.8 percent being cared for in a family home, and 1.5 percent being cared for in the child's home.

Age Group	Child's Home	Family Home	Center	Total
Infant	40	554	2,605	3,199
Toddler	58	979	5,847	6,884
Preschool	101	1,503	10,060	11,664
School age	503	5,171	18,577	24,251
Total	702	8,207	37,089	45,998

The Ohio Department of Children and Youth conducts a survey every two years to establish current market rates for child care programs by child age group and provider type. Child care centers care for seven or more children at one time. Type A family homes care for seven to 12 children at one time (or four to 12 children if four children are under two years of age), while type B family homes care for one to six children with no more than three children under two years of age. According to the 2022 survey, weekly child care rates were highest for centers and lowest for type B family homes.¹⁵ Additionally, weekly child care rates were highest for infants and lowest for school age children.

Age Group	Centers	Family Home – Type A	Family Home – Type B	Average Family Home
Infant	\$286	\$260	\$203	\$219
Toddler	\$256	\$239	\$187	\$202
Preschool	\$226	\$208	\$177	\$186
School age	\$150	\$182	\$156	\$163

¹⁴ U.S. Department of Health and Human Services, Office of the Administration for Children & Families. 2025. *Child Care and Development Fund Statistics*. January 10. <https://acf.gov/occ/data/fy-2022-ccdf-data-tables-preliminary>.

¹⁵ Ohio Department of Job and Family Services. 2022. *2022 Ohio Child Care Market Rate Survey Analysis*. Strategic Research Group.

Child Care Costs

Families with income at or below 100.0 percent of the federal poverty level have all of their child care expenses covered, while families with income above 100.0 percent of the federal poverty level pay a weekly copayment for child care. Once receiving child care assistance, the copayment increases on a sliding scale up to gross income at 300.0 percent of the federal poverty level.¹⁶

On average, it is estimated that the weekly copayment for child care assistance in Ohio will average \$99.51 for families that would be newly eligible for child care assistance. This equates to an average annual cost to families of \$5,175, or an estimated total annual cost to families of \$238.0 million.

To estimate the increased cost to the State of Ohio of expanded eligibility for child care assistance, the additional children eligible for and receiving child care assistance by age group and provide type was combined with the average weekly copayment for families and the weekly child care rate by age group and provide type. It was assumed that children cared for in the child's home would result in no additional costs to the State of Ohio. For children cared for in a family home or a child care center, it is estimated that increased eligibility for child care assistance will result in an additional \$220.3 million in costs to the State of Ohio annually.

Age Group	Child's Home	Family Home	Center	Total
Infant	\$0	\$3,444,032	\$25,263,210	\$28,707,242
Toddler	\$0	\$5,215,132	\$47,582,354	\$52,797,486
Preschool	\$0	\$6,758,788	\$66,171,819	\$72,930,607
School age	\$0	\$17,070,921	\$48,774,456	\$65,845,377
Total	\$0	\$32,488,873	\$187,791,839	\$220,280,712

¹⁶ Ohio Department of Children and Youth. 2024. "Publicly Funded Child Care Family Weekly Copayment Desk Aid." *Ohio Department of Children and Youth*. October 1. https://dam.assets.ohio.gov/image/upload/v1732207798/childrenand youth.ohio.gov/For%20Families/ChildCare_Copay_DeskAid.pdf.

Child Care Benefits

Child Care Workers

The staff to child ratios for child care depend on the age of the children. According to Ohio Revised Code Section 5104.033, the maximum number of children per staff member ranges from five for infants less than 12 months old to 20 for children 11 to 14 years old.¹⁷ By expanding child care assistance eligibility to families with income at or below 200.0 percent of the federal poverty level, it is estimated that 45,998 additional children will be eligible for and receive child care assistance. Given the estimated distribution of these children by age group and provider type, it is estimated that an additional 3,867 child care workers would be needed to maintain staff to child ratios established in the Ohio Revised Code.

Age Group	Additional Children Eligible and Receiving Child Care Assistance	Maximum Number of Children per Child Care Worker	Additional Child Care Workers
Infant	3,199	5	640
Toddler	6,884	7	983
Preschool	11,664	13	897
School age	24,251	18	1,347
Total	45,998	N/A	3,867

According to the U.S. Bureau of Labor Statistics' Occupational Employment and Wage Statistics (OEWS), the median hourly wage for child care workers in Ohio in 2023 was \$13.44.¹⁸ This equates to an annual wage per child care worker in Ohio of \$27,955 and results in total wages of \$108.1 million annually for the 3,867 additional child care workers needed to meet the demand associated with expanded eligibility for child care assistance.¹⁹ It is estimated that these additional child care workers will generate a total of \$6.3 million in tax revenue annually for state and local jurisdictions, comprised of income tax revenue on wages and sales tax revenue on taxable spending.

Additional Workers



3,867

Annual Wage



\$27,955

Total Wages



\$108,101,985

Total Tax Revenue



\$6,283,290

¹⁷ Ohio Revised Code. 2023. *Section 5104.033 | Staff to child ratios*. October 3. <https://codes.ohio.gov/ohio-revised-code/section-5104.033>

¹⁸ U.S. Bureau of Labor Statistics. 2024. *Occupational Employment and Wage Statistics*. April 3. Accessed September 2025. https://www.bls.gov/oes/2023/may/oes_oh.htm.

¹⁹ Assuming full-time employment at 40 hours per week for 52 weeks per year.

Child Care Benefits

Maternal Employment

In fiscal year 2024, allocations by the Ohio General Assembly for child care totaled approximately \$1.1 billion, of which 24.1 percent were state dollars and 75.9 percent were federal dollars.²⁰ It is estimated that expanding eligibility for child care assistance in Ohio to families with income at or below 200.0 percent of the federal poverty level will result in an additional \$220.3 million in costs to the State of Ohio annually. These additional costs represent a 20.6 percent increase in child care expenditures in Ohio, after adjusting for inflation.

A 2016 study found that a 10.0 percent increase in expenditures for the Child Care and Development Fund were associated with a 0.48 percent increase in employment for women with children under the age of 13 years and family income below 85.0 percent of state median income.²¹ Because it is estimated that child care expenditures will increase by 20.6 percent, employment for women with children under the age of 13 years and family income below 85.0 percent of state median income will increase by approximately 1.0 percent.

According to U.S. Census microdata, the employment-to-population ratio among women with children under the age of 13 years with family income below 85.0 percent of state median income was 68.2 percent in Ohio in 2023. It is estimated that the employment-to-population ratio will increase to 69.5 percent given a roughly 20.0 percent increase in expenditures for child care assistance. This increase in the employment of mothers will result in the employment of an additional 632 women with children under the age of 13 years with family income below 85.0 percent of state median income.

According to U.S. Census microdata for Ohio, employed women with children under the age of 13 years with family income below 85.0 percent of state median income had annual wages of \$29,593 in 2023. This results in total wages of \$18.7 million annually for the 632 additional mothers employed due to expanded eligibility for child care assistance. It is estimated that these additional employed mothers will generate nearly \$1.1 million in tax revenue annually for state and local jurisdictions, comprised of income tax revenue on wages and sales tax revenue on taxable spending.

**Additional
Workers**



632

**Annual
Wage**



\$29,593

**Total
Wages**



\$18,702,776

**Total Tax
Revenue**



\$1,093,177

²⁰ Poe, Kathryn, and Bailey Williams. 2024. *How Ohio (under)funds childcare*. September 11. Accessed September 2025. <https://policymattersohio.org/research/how-ohio-underfunds-childcare/#:~:text=How%20Ohio%20pays%20for%20Publicly,54.0%25>

²¹ Burgess, Kimberly, Nina Chien, and Maria Enchautequi. 2016. *The Effects of Child Care Subsidies on Maternal Labor Force Participation in the United States*. Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services.

Child Care Benefits

Family Child Care Costs

Expanding eligibility for child care assistance will result in reduced child care expenses among families who already utilize child care. It was assumed that children whose parents are employed would need child care. According to U.S. Census microdata for Ohio, it is estimated that 27,202 children that are eligible for and will utilize child care assistance have all parents in their family working.²²

For families that would be newly eligible for child care assistance and that have all parents in the family working, it is estimated that the weekly copayment for child care assistance in Ohio will average \$94.67.

Based on *2022 Ohio Child Care Market Rate Survey Analysis*, the average weekly cost of child care across all provider types was \$250 for infants, \$227 for toddlers, \$204 for preschoolers, and \$163 for school age children, after adjusting to 2023 dollars.²³

Combining the average cost of child care across all provider types with the estimated weekly copayment for families with all parents employed results in total annual child care cost savings of \$128.6 million for families.

Age Group	Additional Children Receiving Child Care Assistance with All Parents Working	Average Weekly Cost of Child Care	Annual Child Care Cost Savings
Infant	1,541	\$250	\$12,446,904
Toddler	3,407	\$227	\$23,444,112
Preschool	6,411	\$204	\$36,447,561
School age	15,843	\$163	\$56,292,714
Total	27,202	N/A	\$128,631,291

²² Depending on family type, this may refer to one working parent or two working parents.

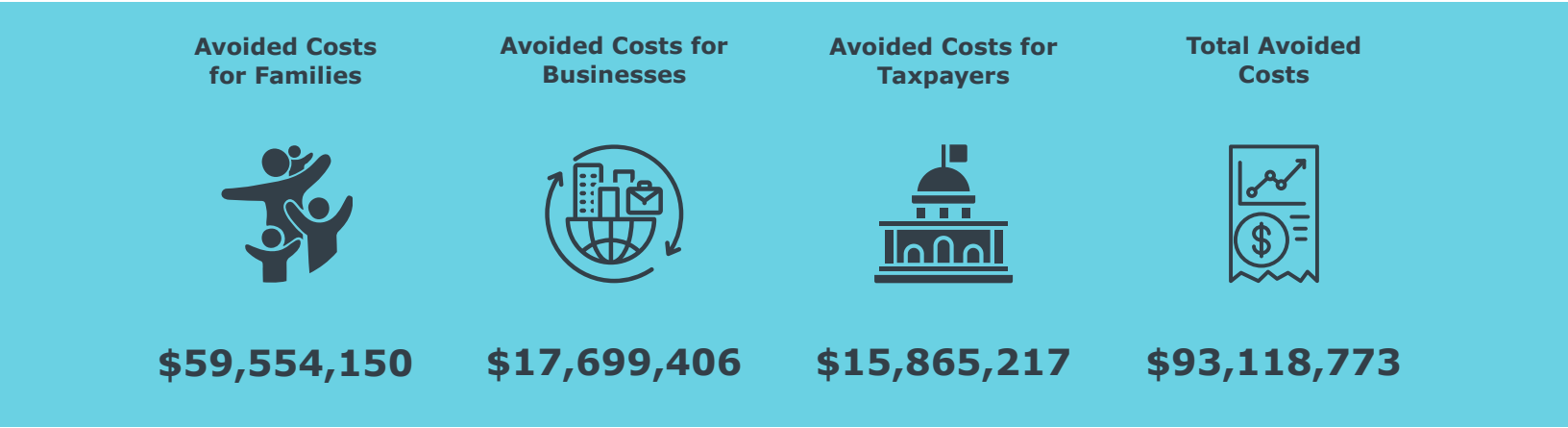
²³ Ohio Department of Job and Family Services. 2022. *2022 Ohio Child Care Market Rate Survey Analysis*. Strategic Research Group.

Child Care Benefits

Other Costs

A nationally representative survey of parents of children under the age of three found that nearly 75.0 percent of working parents experienced challenges with access to child care, with more than half of working parents reporting significant challenges with finding either affordable or high quality child care.²⁴ In 2022, it was estimated that insufficient child care for a child under the age of three cost families an average of \$5,520 per working parent in lost earnings and increased time looking for work, cost businesses an average of \$1,640 per working parent in lost revenues and increased hiring costs, and cost taxpayers an average of \$1,470 per working parent in decreased income and sales tax revenue.²⁵ After adjusting for inflation, the average cost per working parent of children under the age of three is \$5,747 for families, \$1,708 for businesses, and \$1,531 for taxpayers.

By expanding child care assistance eligibility to families with income at or below 200.0 percent of the federal poverty level, an additional 10,083 children under the age of three would be eligible for and receive child care assistance in Ohio. According to U.S. Census microdata for Ohio, these children had a total of 10,363 working parents. Assuming these working parents had insufficient child care prior to receiving child care assistance, it is estimated that child care assistance would result in more than \$93.1 million in avoided costs for families, businesses, and taxpayers.



²⁴ Bishop, Sandra. 2023. *\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis*. Council for a Strong America and ReadyNation.

²⁵ Bishop, Sandra. 2023. *\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis*. Council for a Strong America and ReadyNation.

Child Care Summary

The cliff effect analysis highlighted the importance of child care assistance in helping families in Ohio have the gross resources necessary to reach self-sufficiency. By expanding child care assistance eligibility to families with income at or below 200.0 percent of the federal poverty level, an additional 199,997 children would be eligible for child care assistance in Ohio. However, eligibility for child care assistance does not equate to utilization of child care assistance. Assuming a take-up rate of 23.0 percent, it is estimated that an additional 45,998 children will be eligible for and receive child care assistance with expanded eligibility.²⁶

The benefits of expanded eligibility for child care assistance include the benefits from the increased demand for child care workers, the increased employment of mothers, the child care cost savings for families with all parents working, and the costs avoided due to insufficient child care. It is estimated that expanding child care assistance eligibility to families with income at or below 200.0 percent of the federal poverty level would generate annual benefits of \$355.9 million. This is comprised of \$126.8 million in increased earnings for child care workers and mothers, \$23.2 million in increased tax revenue, and \$205.9 million other benefits for families and businesses.

Based on the age of children and the provider type, it is estimated that increased eligibility for child care assistance will result in an additional \$220.3 million in costs to the State of Ohio annually.

Given benefits of expanded eligibility for child care assistance totaling \$355.9 million, this means that every dollar of additional expenditures for child care assistance results in \$1.62 in benefits to individuals, families, businesses, and taxpayers.

**Total Benefits
\$355,931,292**



**Total Costs
\$220,280,712**

**Benefit-Cost
Ratio
1.62**

Medicaid Population

The recent legislative changes to Medicaid will have implications for Ohio, resulting in an increase in the uninsured population. Numerous entities have conducted analyses estimating the increase in the uninsured population utilizing various versions of the One Big Beautiful Bill. Estimates for the population in Ohio impacted by the legislative changes to Medicaid are combined with relevant literature to assess the benefits and costs of these changes in Ohio.

Although published using a prior version of the final reconciliation bill, an analysis by Manatt Health provided the impact on the uninsured population in Ohio by enrollment group. Manatt Health found that 76.8 percent of the increase in the uninsured populations will be Medicaid expansion enrollees, 10.1 percent will be limited benefit enrollees, 6.6 percent will be children enrollees, 2.6 percent will be other adult enrollees, 2.2 percent will be enrollees with a disability, and 1.7 percent will be senior enrollees.²⁷

The distribution by enrollment group from Manatt Health was applied to the total increase in the uninsured population in Ohio from KFF. The analysis by KFF was completed utilizing the final reconciliation bill and estimates that the legislative changes to Medicaid will increase the uninsured population in Ohio by 290,000 in 2034.²⁸

Enrollment Group	Percent of Total	Estimate for Increased Uninsured Population in OH
Medicaid expansion adults	76.8%	222,599
Limited benefit	10.1%	29,371
Children	6.6%	19,282
Adults	2.6%	7,525
People with disabilities	2.2%	6,314
Seniors	1.7%	4,909
Total	100.0%	290,000

²⁷ Manatt Health. 2025. "House Budget Bill Medicaid Proposals: State-by-State Estimates of Impacts on Expenditures and Enrollment." *State Health & Value Strategies*. June 2. Accessed October 2025. https://shvs.org/wp-content/uploads/2025/06/Reconciliation-House-Bill-Key-Findings-Overview_06.02.2025.pdf.

²⁸ Burns, Alice, Jared Ortaliza, Justin Lo, Matthew Rae, and Cynthia Cox. 2025. *How Will the 2025 Reconciliation Law Affect the Uninsured Rate in Each State?* August 20. Accessed September 2025. <https://www.kff.org/medicaid/how-will-the-2025-reconciliation-law-affect-the-uninsured-rate-in-each-state/>.

Medicaid Costs

Uncompensated Care

Uncompensated care represents the health care provided by hospitals, physicians, and other health care providers that do not get reimbursed. These costs are often attributed to uninsured individuals who utilize health care but cannot afford the cost. To help providers offset uncompensated care costs, public funding at the federal, state, and local level is allocated to providers. The uncompensated care costs per uninsured individual averaged \$796 between 2015 and 2017.²⁹ After adjusting for inflation, the uncompensated care costs per uninsured individual averaged \$989 in 2023.

Combining KFF's estimates of the increase in uninsured people in Ohio due to the recent legislative changes to Medicaid with the average uncompensated care costs per uninsured individual, it is estimated that the increase in uninsured people in Ohio would result in increased uncompensated care costs totaling \$286.8 million annually.

Metric	Total
Increase in uninsured populations in Ohio	290,000
Average uncompensated care costs per uninsured individuals	\$989
Total increase in uncompensated care costs	\$286,810,000

Medicaid Costs

Mortality

Medicaid expansion was found to reduce all-cause mortality in adults aged 20 to 64 years by 3.6 percent in the first four years following expansion, suggesting that one death is averted for every 310 new Medicaid enrollees.³⁰ Given the estimated 222,599 Medicaid expansion enrollees estimated to lose health care coverage due to the recent legislative changes to Medicaid, it is estimated that 718 deaths will occur annually in Ohio due to the recent Medicaid changes.

Economic research commonly utilizes estimates of the value per statistical life to estimate the value of reduced mortality risks resulting from a new policy or program. The value of a statistical life does not measure the value of a person's life. Instead, it represents "aggregate demand for wide-spread, but individually very small, reductions in mortality risk, i.e. how much individuals are willing to pay for a very small reduction in the probability of death."³¹ Benefit-cost analyses compare "the total willingness to pay for the health risk reductions from these policies to the additional costs that people will bear if the policies are adopted."³² According to a report on the benefits and costs of federal regulations, the Office of Management and Budget asserts that "the largest benefits are associated with regulations that reduce risks to life."³³

According to the U.S. Department of Health and Human Services, the value per statistical life ranged from \$6.1 million to \$19.7 million in 2023.³⁴ To be conservative, the low end of this range was utilized for this analysis. Given 718 additional deaths due to the loss of Medicaid coverage for Medicaid expansions enrollees and an average value per statistical life of \$6.1 million, the aggregate value of the increase in deaths equates to nearly \$4.4 billion annually.

Metric	Total
Increase in uninsured population in Ohio (Medicaid expansion only)	222,599
Estimated increase in deaths due to loss of health care coverage	718
Average value per statistical life	\$6,100,000
Total value of increased deaths due to loss of health care coverage	\$4,379,800,000

³⁰ Borgschulte, Mark, and Jacob Vogler. 2020. "Did the ACA Medicaid expansion save lives?" *Journal of Health Economics* 72. doi:10.1016/j.jhealeco.2020.102333.

³¹ Colmer, Jonathan. 2020. "What is the meaning of (statistical) life? Benefit-cost analysis in the time of COVID-19." *Oxford Review of Economic Policy* 36 (1): S56-S63. doi:10.1093/oxrep/graa022.

³² U.S. Environmental Protection Agency. 2025. *Mortality Risk Valuation*. February 12. Accessed December 2025. <https://www.epa.gov/environmental-economics/mortality-risk-valuation>.

³³ U.S. Office of Management and Budget. 2019. *2017 Report to Congress on the Benefits and Costs of Federal Regulations and Agency Compliance with the Unfunded Mandates Reform Act*. U.S. Office of Management and Budget.

³⁴ U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation. 2024. "HHS Standard Values for Regulatory Analysis, 2024." *U.S. Department of Health and Human Services*. January 25. Accessed October 2025. <https://aspe.hhs.gov/sites/default/files/documents/cd2a1348ea0777b1aa918089e4965b8c/standard-ria-values.pdf>.

Medicaid Benefits

There were approximately 3.6 million people in Ohio enrolled in Medicaid in 2023.³⁵ According to KFF, Medicaid expenditures in Ohio in 2023 totaled \$34.3 billion with benefits totaling \$27.3 billion.³⁶ This indicates that approximately \$7.0 billion in Medicaid expenditures were administrative costs, which equates to an average administrative cost per enrollee of \$1,961. According to KFF, the average Medicaid benefit spending per enrollee in Ohio was \$7,684 in 2023, ranging from \$3,230 for children to \$20,255 for individuals with disabilities.³⁷ After adding benefits and administrative costs, the average Medicaid spending per enrollee in Ohio was \$9,645 in 2023.

The average total Medicaid spending per enrollee was combined with the increase in the uninsured population in Ohio by enrollment group to estimate the total cost savings associated with the recent legislative changes to Medicaid. An increase in the uninsured population in Ohio of 290,000 is estimated to result in Medicaid cost savings of \$2.5 billion annually.

Enrollment Group	Estimate for Increased Uninsured Population in OH	Adjusted Average Medicaid Spending per Enrollee (Including Administrative Costs)	Total Estimated Medicaid Cost Savings
Medicaid expansion adults	222,599	\$8,274	\$1,841,784,126
Limited benefit	29,371	\$9,645	\$283,283,295
Children	19,282	\$5,191	\$100,092,862
Adults	7,525	\$6,736	\$50,688,400
People with disabilities	6,314	\$22,216	\$140,271,824
Seniors	4,909	\$20,380	\$100,045,420
Total Enrollment	290,000	\$9,645	\$2,516,165,927

³⁵ KFF. n.d. a. *Medicaid Enrollees by Enrollment Group*. Accessed October 2025. <https://www.kff.org/medicaid/state-indicator/distribution-of-medicaid-enrollees-by-enrollment-group/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

³⁶ KFF. n.d. d. *Total Medicaid Spending*. Accessed October 2025. <https://www.kff.org/medicaid/state-indicator/total-medicaid-spending/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

KFF. n.d. b. *Medicaid Spending by Enrollment Group*. Accessed October 2025. <https://www.kff.org/medicaid/state-indicator/medicaid-spending-by-enrollment-group/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

³⁷ KFF. n.d. c. *Medicaid Spending per Enrollee (Full or Partial Benefit) by Enrollment Group*. Accessed October 2025. <https://www.kff.org/medicaid/state-indicator/medicaid-spending-per-enrollee/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

Medicaid Summary

The recent legislative changes to Medicaid will have implications for Ohio, resulting in an increase in the uninsured population. To understand the wide-ranging impacts in Ohio, estimates of the increase in the uninsured population in Ohio were combined with relevant literature to assess the benefits and costs of these changes in Ohio.

Recent legislative changes related to health care include:³⁸

- Requires able-bodied adults enrolled through Medicaid expansion who are childless or have children aged 14 years and over to work, volunteer, or attend school for a minimum of 80 hours per month
- Lowers provider taxes (health care related taxes utilized by states to help finance the state share of Medicaid costs) from 6.0 percent to 3.5 percent
- Increases the paperwork Medicaid expansion enrollees must complete by shifting re-enrollment from every year to every six months
- Adds income and residency verifications for Health Insurance Marketplace enrollees who receive premium tax credits
- Removes Medicaid eligibility for certain groups of lawfully present immigrants
- Allocates \$50.0 billion to stabilize rural hospitals while provider taxes are lowered

It is estimated that the uninsured population in Ohio will increase by an additional 290,000 individuals by 2034.³⁹ The costs of the recent legislative changes to Medicaid include the uncompensated care costs incurred by hospitals and providers as well as the mortality costs associated with the increase in deaths resulting from the loss of health care coverage for Medicaid expansion adults. The total annual cost in Ohio of the recent legislative changes to Medicaid total nearly \$4.7 billion, which is comprised of \$286.8 million in increased uncompensated care costs and nearly \$4.4 billion in increased mortality costs. Conversely, the total benefits in the form of Medicaid cost savings will total \$2.5 billion annually in Ohio.

This indicates that the costs associated with a loss of Medicaid coverage for 290,000 people in Ohio will exceed the estimated benefits to the state and federal government, resulting in a benefit-cost ratio of less than one.

Total Benefits
\$2,516,165,927



Total Costs
\$4,666,610,000

**Benefit-Cost
Ratio**
0.54

³⁸ Wolf, Zachary, and Tami Luhby. 2025. *Here's how Trump's megabill will affect you*. July 3. <https://www.cnn.com/2025/07/01/politics/congress-senate-bill-tax-spending-trump-gop-explainer>.

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Drenon, Brandon, and Nadine Yousif. 2025. *What are the key items in Trump's sprawling budget bill?* July 4. <https://www.bbc.com/news/articles/c0eqpz2319jo>.

³⁹ Burns, Alice, Jared Ortaliza, Justin Lo, Matthew Rae, and Cynthia Cox. 2025. *How Will the 2025 Reconciliation Law Affect the Uninsured Rate in Each State?* August 20. Accessed September 2025. <https://www.kff.org/medicaid/how-will-the-2025-reconciliation-law-affect-the-uninsured-rate-in-each-state/>.

Recommendations and Considerations

This cost-benefit analysis shows how policy design can either create or reduce benefits cliffs. Restrictions on health coverage increase costs and instability for families, while targeted investments in child care support work, earnings growth, and long-term economic mobility. The findings underscore the importance of eligibility thresholds, particularly the need to establish 200.0 percent of the federal poverty level as a baseline for benefit access. Based on this analysis, the Women's Fund offers the following considerations.

For Policymakers

Expand Child Care Assistance Eligibility

Increase child care assistance eligibility to at least 200.0 percent of the federal poverty level as a baseline, expanding access to an estimated 199,997 additional children in Ohio. Establishing this threshold helps working families remain attached to the workforce as earnings rise and reduces benefit cliffs that undermine long-term economic mobility.

Strengthen Child Care Workforce Wages

Expanding child care assistance will create jobs, but wages must support economic stability. Policy makers should raise child care reimbursement rates and align compensation with self-sufficient wage levels, which can be explored using the Women's Fund Self-Sufficiency Simulator (www.cincinnatiwomensfund.org/self-sufficiency).

Guarantee Stability during Income Fluctuations

Ensure child care assistance eligibility remains stable during short-term income changes, promotions, or overtime, particularly for families near the 200.0 percent eligibility threshold, to support consistent employment.

Extend Transitional Medicaid Coverage

Provide extended Medicaid eligibility during income increases or job changes to prevent coverage gaps that impose significant financial and health-related costs on families and the state.

Align Health Coverage Transitions

Improve coordination between Medicaid and Health Insurance Marketplace coverage to reduce abrupt increases in out-of-pocket costs when families transition off Medicaid.

Use Cost-Benefit Evidence in Policy Design

Incorporate cost-benefit analysis when evaluating public benefit changes to assess fiscal impacts alongside family stability and workforce outcomes.

Recommendations and Considerations

For Employers

Invest in Child Care Supports

Employer-supported child care benefits can improve employee retention, reduce absenteeism, and support steady workforce participation.

Support Health Coverage Transitions

Employers can help workers navigate changes in health coverage by offering information, transition support, or supplemental benefits when income increases affect eligibility.

Coordinate Wage Growth with Benefit Awareness

Predictable wage increases paired with benefit awareness can help employees avoid unintended losses that undermine financial progress.

Increase Wages

Employers should set wages that cover basic needs, using the Women's Fund's Self-Sufficiency Simulator to understand what employees need to be financially stable (www.cincinnatiwomensfund.org/self-sufficiency).

Explore the Employer Toolkit

Created by the Women's Fund of Greater Cincinnati Foundation, this resource offers over 60 research-informed workplace strategies that support frontline workers, reduce turnover, and improve employee engagement. Learn more at www.employertoolkit.org

For the Community

Benefits Literacy

Engage in learning opportunities to understand how different public benefits interact and how income changes can affect eligibility and total resources. Learn more at www.cincinnatiwomensfund.org

Elevate Lived Experience in Policy Evaluation

Sharing real-world experiences of families navigating Medicaid loss or child care access strengthens policy evaluation and reform efforts.

Support Evidence-Based Advocacy

Using cost and outcome data alongside family stories can advance informed discussions about effective, fiscally responsible policy solutions.



Through leadership, research, and policy advocacy, the Women's Fund is designing a community where all women can participate, prosper, and reach their full potential. Our mission is to advance gender and racial equity for women by addressing systemic barriers to upward mobility.

To learn more, visit cincinnatiwomensfund.org



The Research and Consulting division of the Alpaugh Family Economics Center at the University of Cincinnati provides tools to help clients make better financial, policy, and economic and workforce development decisions. Our dynamic approach and critical data analyses empower business and civic leaders to respond to changing economic conditions, strengthen local economies, and improve the quality of life for their communities.

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