

Expanding Medicaid in Ohio

County-level analysis part 2:

Local economic impact on employment and general sales tax revenues

Introduction

The Ohio Medicaid Expansion Study (“Study”) was conducted with financial support from the Health Foundation of Greater Cincinnati, the Mt. Sinai Health Care Foundation and the George Gund Foundation to provide Ohio’s policymakers with neutral and independent analysis on a key policy decision facing the state—namely, whether to expand Medicaid eligibility to 138% of the Federal Poverty Level (FPL).

The Study, a partnership of the Health Policy Institute of Ohio (HPIO), The Ohio State University (OSU), the Urban Institute, and Regional Economic Models Inc. (REMI), analyzed the impact of Medicaid expansion on the state budget, Ohio economic growth and jobs, and the number of uninsured and people with health coverage. The Study partners conducted the analysis based on current federal and state law. Preliminary results were released in January 2013, with a final brief with statewide data released at the end of February 2013 and a first set of county level projections in March 2013.

This brief focuses on projected new employment and new local general sales tax revenues due to Medicaid expansion. The March 2013 local impact brief reported on projected Medicaid enrollment and new local managed care sales tax revenues by county due to Medicaid expansion. The data and methods used to produce the projections were developed by researchers at the John Glenn School of Public Affairs at The Ohio State University. Projections inherently involve uncertainty. The aim of providing this information to policymakers is not to predict definite future outcomes but rather to project potential outcomes using currently available data and assumptions so that policymakers can make informed decisions.

This analysis focuses solely on the county level effects on employment and local general sales tax revenues due only to Medicaid expansion in

2015.¹ These estimates do not include any effects from the increase in people currently eligible for Medicaid who enroll in Medicaid without Medicaid expansion. The projections for each county for 2015 are in the table in the Appendix.

Local Employment Effects Due to Medicaid Expansion

With Medicaid expansion, there will be increased employment in the state that is attributable to additional economic activity generated by the new federal funds, especially in the areas of ambulatory health services, hospitals, insurance carriers and related activities, administrative and support services, construction, and retail trade. Key findings on this projected increase in employment include the following:

- There is a projected increase in employment in every county ranging from between over 5 jobs to over 4,300 jobs in 2015 (Map 1).
- The projected increase in employment is greatest in Ohio’s largest counties, along with Allen, Clark, and Greene counties.
- Though increased employment is highest in these larger counties, the counties with the highest relative increase in employment per 1,000 people employed in 2010 in each county include counties in Southeast Ohio (Adams, Athens, Gallia, Lawrence, Scioto, and Washington), counties in eastern Ohio (Belmont and Jefferson), and suburban counties of Clermont and Fairfield (see Map 2).
- The projected relative increase in employment in 2015 ranges from over 4 per 1,000 people employed to under 9 per 1,000 employed in 2010.
- Only Allen, Butler, Licking, Lucas, Mahoning, Medina, and Montgomery were highest in both total projected new employment and highest relative increase in employment
- The five counties with the highest projected relative increase in employment per 1,000 people who are employed are Scioto, Belmont, Lucas, Lawrence, and Fairfield.

Local General Sales Tax Effects Due to Medicaid Expansion

With Medicaid expansion, there will be increased economic activity generated by the new federal funds that will result in increased local general sales tax receipts. This increased local general sales tax revenues is in addition to the revenues from the increase in local Medicaid managed care sales tax revenues. Key findings on this increased general local sales tax revenues include the following:

- There is projected to be an increased in general local general sales tax revenues ranging from over \$11,000 (Vinton) to over \$2.5 million (Cuyahoga) in 2015 (see Map 3)
- The projected increase in local general sales tax revenues is greatest in Ohio's largest counties and Allen County.
- The counties with the projected highest relative increase in local general sales tax revenues per 18-64 year olds are more geographically diverse and include Auglaize, Belmont, Erie, Fayette, Guernsey, Logan, Mercer, Muskingum, Sandusky, Shelby, Union, and Washington, along with Cuyahoga, Delaware, Hamilton, and Lucas (see Map 4).
- The counties with both the projected highest total new general sales tax revenue and highest relative increase in general sales tax revenue are Delaware, Cuyahoga, Hamilton, and Lucas.
- The top five counties with the projected highest relative increase in local general sales tax revenue are Delaware, Union, Muskingum, Erie, and Cuyahoga.

Conclusion

The employment and local general sales tax revenue effects of Medicaid expansion will be felt in every county. Each county will have some additional new jobs. The counties with the total projected new employment from Medicaid expansion are those with the greatest concentration of health care facilities. However, eight counties in southeast and eastern Ohio (47%) are projected to be among the seventeen counties with the largest projected relative increase in employment percentage enrollment benefit.

Every Ohio county is also projected to experience an increase in local general sales tax revenue due to Medicaid expansion. This increase in local general sales tax revenue is beyond the increase that will occur from greater local Medicaid managed care sales tax revenue. The amount of this increased revenue varies across the counties, with the largest counties receiving the greatest total dollar increase in revenues. However, the counties with the projected highest relative increase in new local general sales tax revenue are much more diverse. This group includes eight counties across the middle of Ohio from Mercer to Belmont Counties, three counties by Lake Erie between Lucas and Lorain counties, along with Fayette, and Washington counties.

Maps

The appendix of this report provides maps to display projections of Medicaid expansion for 2015 on the following measures:

- Projected total new employment per county due to Medicaid expansion in 2015 (Map 1)
- Projected total new employment per 1,000 people employed in 2010 due to Medicaid expansion in 2015 (Map 2)
- Projected new local general sales tax revenue per county due to Medicaid expansion in 2015 (Map 3)
- Projected new local general sales tax revenue per county per 18-64 year old population in 2015 (Map 4)

Methodological approach

This report provides projections on what those effects will be across all of Ohio's counties. These projections need to be used with caution as there is not a straightforward way to project local effects of Medicaid expansion in Ohio because of data limitations at the county level.

This report displays the findings in two ways:

- By showing the projected total count of new employment or new local general sales tax revenues due to Medicaid expansion at the county level.^{2,3} Because this projection measures total counts of new employment or local general sales tax revenues, the counties with larger population and higher concentration of health facilities always have higher counts.
- By showing the relative rate of increase in projected new employment or local general sales tax revenues at the county level. Because this approach controls for the size of county, it shows which counties received the greatest overall benefit from Medicaid expansion.

These projected county level employment numbers were obtained by distributing the total change in employment in the state across the counties according to the share of the number of jobs in each county in administrative and support services, ambulatory health care services, construction, hospitals, insurance carriers and related activities and retail trade. We selected these industries because they had the highest predicted increase in statewide employment due to Medicaid expansion based on the calculations from REMI.

The projected new local general sales tax revenue distributes the statewide estimate of new sales tax revenue across Ohio counties based on each county's proportion of local general sales tax to total general sales tax revenues for 2011.² Estimates of the total sales in the state were obtained from REMI.

The estimates of relative impact on employment or local general sales tax revenues divided the total count by by per 1,000 people employed in 2010 in each county for new employment and by the 2011 local general sales tax revenues per 18-64 year olds per county.³

These employment and local general sales tax revenue numbers are based on projections of federal expenditures, revenues, and savings obtained from implementing our model under a set of restrictive assumptions regarding the state of the economy, public policies, and reactions to that state of the economy and policies. These projections are designed to develop insights through the exploration of scenarios based on our model's assumptions. In contrast, a prediction is a statement about what the future will be. We make no predictions in this report.

Notes

1. Because the policy question in front of policymakers is whether to expand Medicaid to all 19-64 year old adults with incomes up to 138% of the federal poverty level who are not currently eligible for Medicaid coverage today, this analysis focuses on projections of employment and local general sale tax revenues that occur only under a Medicaid expansion. It includes a small number of people who are currently eligible, but not enrolled, and we project who would take up Medicaid coverage only if there is an expansion of Medicaid. The full Study brief also projects that there will be a much larger number of currently eligible, but not enrolled who take up Medicaid coverage even if there is no Medicaid expansion because of other provisions of the ACA. This analysis does not include these people in its county level estimates
2. The estimate of local sale taxes are based on what is in current law. If the law changes, these projections will also change.
3. The best census population reporting count is for people ages 18 to 64, while the Medicaid expansion is for people 19-64. While these measures differ by one year of age, the calculation uses the same denominator across counties and the relative intensity measures are therefore consistent and plausible.

Appendix

County	Projected new local general sales tax revenue per county in 2015 due to Medicaid Expansion*	Projected new local general sales tax revenue per 18-64 year olds per county in 2015 due to Medicaid Expansion (based on 2010 population)*	Projected new employment per county in 2015 due to Medicaid expansion	Projected new employment per 1,000 people employed per county in 2015 due to Medicaid expansion (based on 2010 employment)	Projected new employment per 1,000 18-64 year olds per county in 2015 due to Medicaid expansion (based on 2010 population)
Adams	\$38,183	\$2.22	30	7.11	1.73
Allen	\$167,994	\$2.58	343	7.38	5.27
Ashland	\$73,798	\$2.29	77	5.13	2.39
Ashtabula	\$103,940	\$1.68	158	6.53	2.55
Athens	\$79,029	\$1.66	89	7.07	1.88
Auglaize	\$83,620	\$3.06	91	5.48	3.34
Belmont	\$138,145	\$3.15	148	7.97	3.37
Brown	\$48,562	\$1.78	37	5.98	1.35
Butler	\$356,791	\$1.55	853	7.09	3.70
Carroll	\$23,320	\$1.33	22	4.48	1.24
Champaign	\$51,657	\$2.12	37	4.35	1.52
Clark	\$236,446	\$2.82	241	5.93	2.87
Clermont	\$243,597	\$2.00	322	7.21	2.64
Clinton	\$76,473	\$2.90	63	4.63	2.37
Columbiana	\$155,037	\$2.32	161	6.47	2.40
Coshocton	\$51,763	\$2.34	53	5.63	2.38
Crawford	\$55,988	\$2.13	63	5.43	2.40
Cuyahoga	\$2,538,401	\$3.20	4,367	6.94	5.50
Darke	\$78,138	\$2.53	80	5.51	2.60
Defiance	\$57,227	\$2.41	79	6.08	3.34
Delaware	\$479,990	\$4.65	353	5.32	3.42
Erie	\$155,160	\$3.30	174	6.16	3.69
Fairfield	\$193,296	\$2.18	242	7.45	2.73
Fayette	\$80,191	\$4.59	62	6.67	3.58
Franklin	\$1,575,263	\$2.09	3,746	6.68	4.97
Fulton	\$71,283	\$2.77	67	4.53	2.61
Gallia	\$49,340	\$2.63	82	8.55	4.37
Geauga	\$129,776	\$2.35	172	5.76	3.11
Greene	\$254,905	\$2.46	291	6.01	2.81
Guernsey	\$71,776	\$2.98	83	6.94	3.46
Hamilton	\$1,511,302	\$3.00	2,982	6.62	5.93
Hancock	\$134,889	\$2.91	196	5.41	4.24
Hardin	\$41,240	\$2.03	27	4.05	1.32
Harrison	\$17,371	\$1.84	11	4.53	1.17
Henry	\$42,392	\$2.49	32	4.17	1.89
Highland	\$61,893	\$2.38	50	6.13	1.93
Hocking	\$35,590	\$1.98	34	6.78	1.88

* does not include revenues from local Medicaid managed care sales tax

County	Projected new local general sales tax revenue per county in 2015 due to Medicaid Expansion*	Projected new local general sales tax revenue per 18-64 year olds per county in 2015 due to Medicaid Expansion (based on 2010 population)*	Projected new employment per county in 2015 due to Medicaid expansion	Projected new employment per 1,000 people employed per county in 2015 due to Medicaid expansion (based on 2010 employment)	Projected new employment per 1,000 18-64 year olds per county in 2015 due to Medicaid expansion (based on 2010 population)
Holmes	\$57,367	\$2.53	91	5.86	4.01
Huron	\$95,457	\$2.65	112	6.52	3.11
Jackson	\$52,868	\$2.61	52	5.73	2.55
Jefferson	\$116,859	\$2.72	134	6.95	3.13
Knox	\$63,106	\$1.71	92	5.08	2.49
Lake	\$180,410	\$1.27	491	5.92	3.46
Lawrence	\$87,040	\$2.27	77	7.54	2.00
Licking	\$287,845	\$2.83	344	7.43	3.37
Logan	\$83,521	\$3.04	74	5.03	2.69
Lorain	\$273,928	\$1.48	500	6.37	2.70
Lucas	\$835,954	\$3.00	1,436	7.62	5.16
Madison	\$50,601	\$1.82	54	5.29	1.93
Mahoning	\$344,656	\$2.36	617	7.41	4.23
Marion	\$85,531	\$2.02	129	6.20	3.06
Medina	\$230,472	\$2.20	357	7.23	3.41
Meigs	\$15,945	\$1.09	15	6.09	1.02
Mercer	\$71,799	\$3.03	76	5.62	3.19
Miami	\$161,293	\$2.59	189	5.73	3.04
Monroe	\$19,541	\$2.21	13	4.05	1.42
Montgomery	\$773,468	\$2.32	1,511	6.94	4.53
Morgan	\$14,232	\$1.60	8	4.86	0.92
Morrow	\$32,276	\$1.52	25	6.71	1.16
Muskingum	\$173,980	\$3.33	178	6.50	3.40
Noble	\$12,751	\$1.34	11	6.06	1.15
Ottawa	\$73,964	\$2.95	46	4.59	1.82
Paulding	\$19,427	\$1.64	16	4.63	1.36
Perry	\$35,732	\$1.63	20	5.28	0.92
Pickaway	\$73,166	\$2.08	70	6.68	1.97
Pike	\$44,571	\$2.60	37	5.52	2.19
Portage	\$191,301	\$1.80	235	5.76	2.21
Preble	\$58,348	\$2.26	38	4.65	1.47
Putnam	\$55,365	\$2.71	46	5.39	2.25
Richland	\$217,595	\$2.82	294	6.91	3.81
Ross	\$143,226	\$2.88	138	6.84	2.78
Sandusky	\$111,786	\$3.03	104	4.64	2.80
Scioto	\$120,516	\$2.47	153	8.46	3.14
Seneca	\$80,794	\$2.30	80	4.82	2.29
Shelby	\$86,466	\$2.92	104	4.84	3.52

* does not include revenues from local Medicaid managed care sales tax

County	Projected new local general sales tax revenue per county in 2015 due to Medicaid Expansion*	Projected new local general sales tax revenue per 18-64 year olds per county in 2015 due to Medicaid Expansion (based on 2010 population)*	Projected new employment per county in 2015 due to Medicaid expansion	Projected new employment per 1,000 people employed per county in 2015 due to Medicaid expansion (based on 2010 employment)	Projected new employment per 1,000 18-64 year olds per county in 2015 due to Medicaid expansion (based on 2010 population)
Stark	\$80,979	\$0.35	897	6.76	3.92
Summit	\$419,994	\$1.24	1,539	6.70	4.54
Trumbull	\$261,308	\$2.03	431	6.12	3.35
Tuscarawas	\$112,674	\$2.03	180	6.19	3.25
Union	\$110,101	\$3.44	109	5.25	3.41
VanWert	\$45,307	\$2.65	59	6.52	3.43
Vinton	\$11,266	\$1.36	7	4.35	0.80
Warren	\$329,109	\$2.56	380	5.26	2.95
Washington	\$120,517	\$3.14	151	7.11	3.94
Wayne	\$101,972	\$1.48	194	5.37	2.81
Williams	\$55,710	\$2.42	60	4.42	2.62
Wood	\$192,916	\$2.33	237	5.16	2.86
Wyandot	\$34,529	\$2.57	35	5.33	2.60

* does not include revenues from local Medicaid managed care sales tax

Authors

- **Anand Desai, Ph.D.** Professor, John Glenn School of Public Affairs
- **Robert Greenbaum, Ph.D.** Associate Professor, John Glenn School of Public Affairs
- **William D. Hayes, Ph.D.** Director, Healthcare Reform Ohio State University Wexner Medical Center and College of Public Health
- **Renhao Cui**, Graduate Research Assistant
- **Michelle Saksena**, Graduate Research Assistant

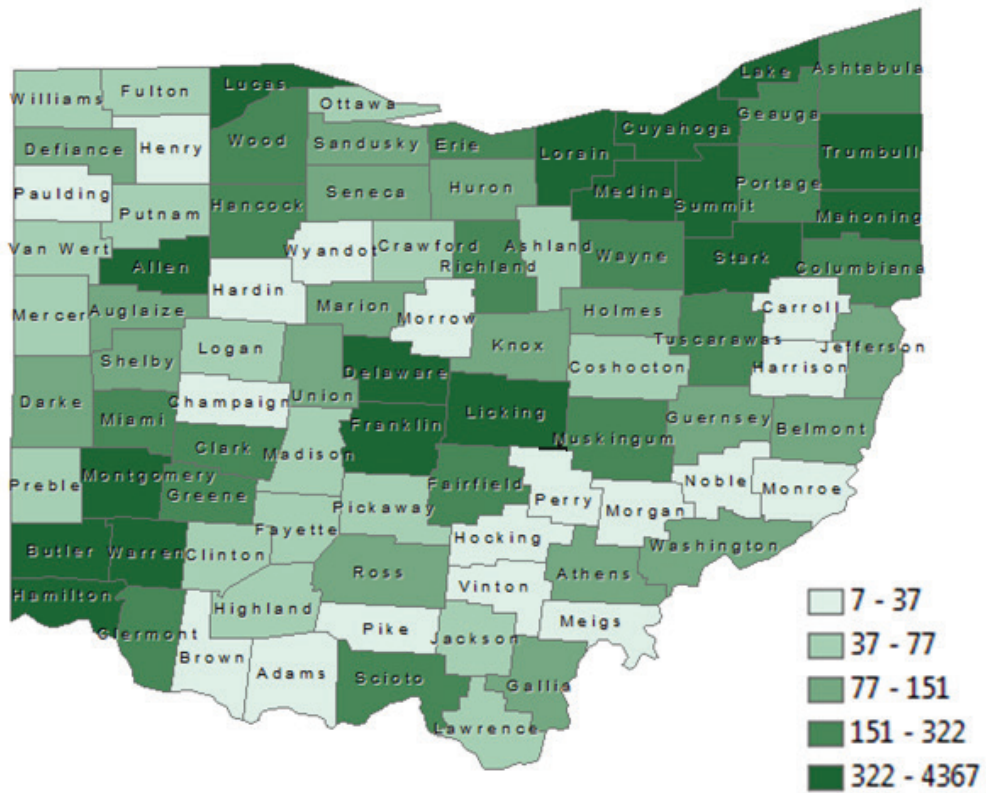
The Ohio Medicaid Expansion Study is a partnership between the following organizations:



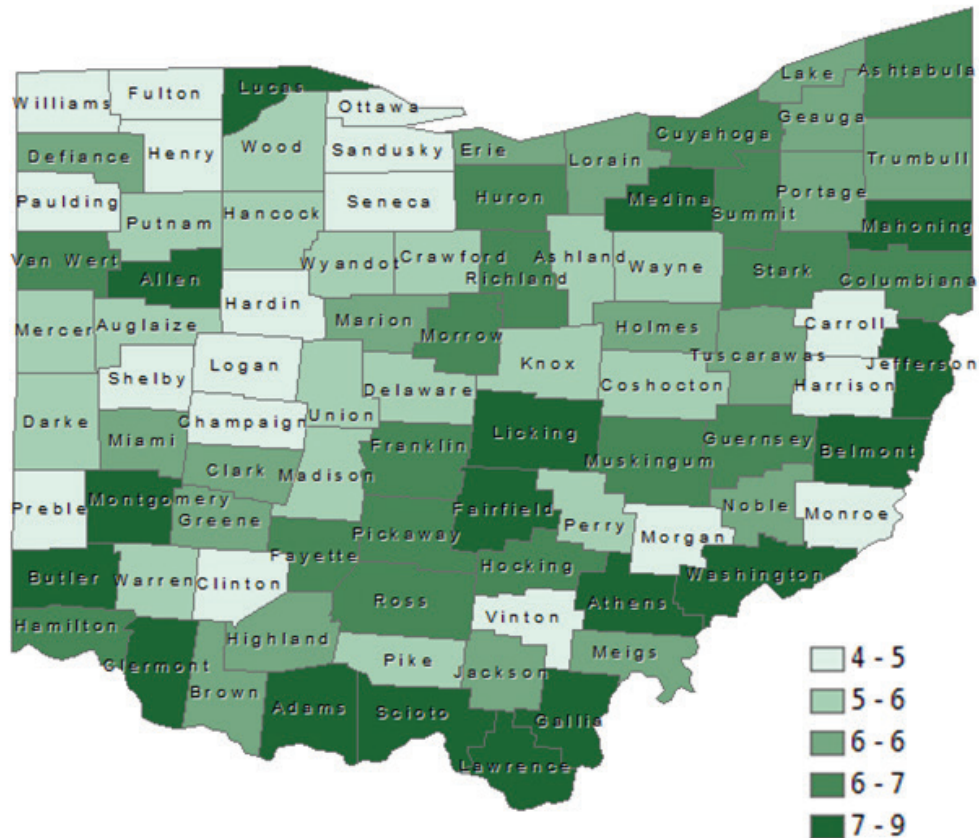
To review all material produced by the Ohio Medicaid Expansion Study, visit

<http://bit.ly/Ybiqxi>

Map 1 **Projected Total New Employment Per County Due to Medicaid Expansion in 2015**

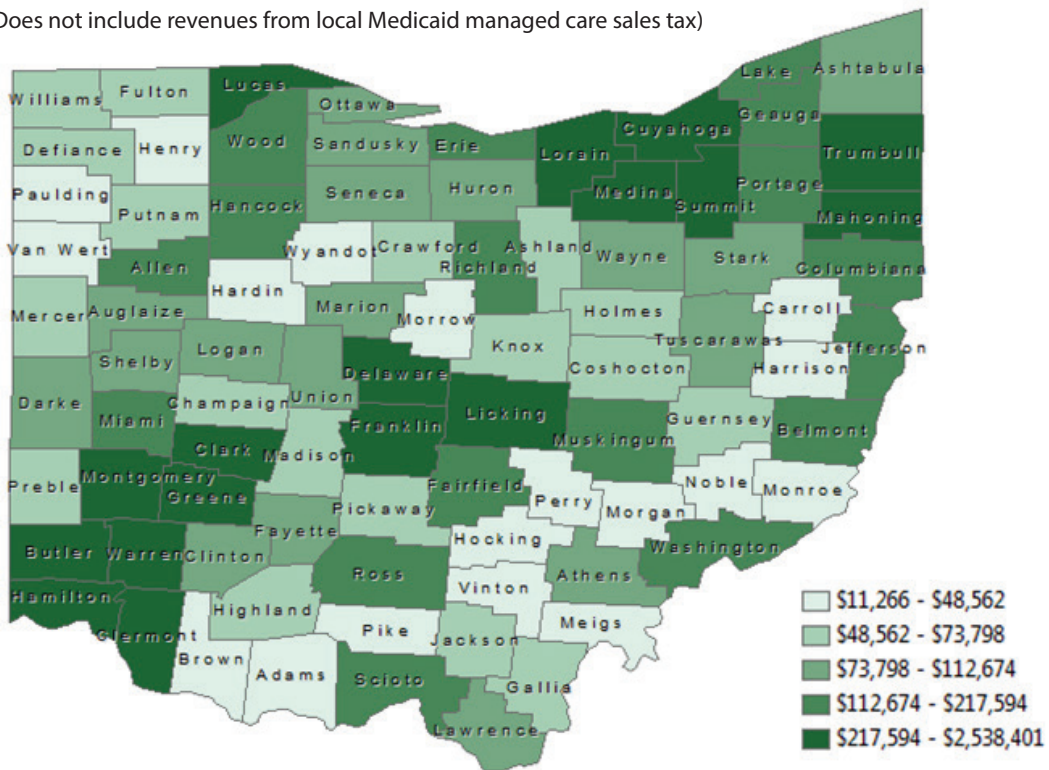


Map 2 **Projected Relative Increase in New Employment Per County Due to Medicaid Expansion in 2015** (per 1,000 People Employed Per County)



Map 3 Projected Total New General Local Sales Tax Revenue Due to Medicaid Expansion in 2015

(Does not include revenues from local Medicaid managed care sales tax)



Map 4 Projected Relative Increase in New General Local Sales Tax Revenue Per County Due to Medicaid Expansion in 2015* (per number of 18-64 year-olds in each county)

(Does not include revenues from local Medicaid managed care sales tax)

