Economic and Fiscal Impacts of Medicaid Expansion Reversal in Ohio

Peter Evangelakis, Ph.D.
Senior Vice President of Economics and Consulting, REMI
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Regional Economic Models, Inc.

what does REMI say? [sm]

REMI Medicaid Expansion Studies

- REMI modeling has been used to study Medicaid expansion in over 15 states since 2013, including:
  - Alabama, Arkansas, Florida, Georgia, Kansas, Mississippi, Missouri, Montana, North Carolina, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Virginia, Wisconsin, Wyoming

- In 2025, REMI analyzed the economic and fiscal impacts of eliminating Medicaid expansion in Ohio, as well as the impacts of reductions in FMAP. This analysis was done on behalf of the Health Policy Institute of Ohio.

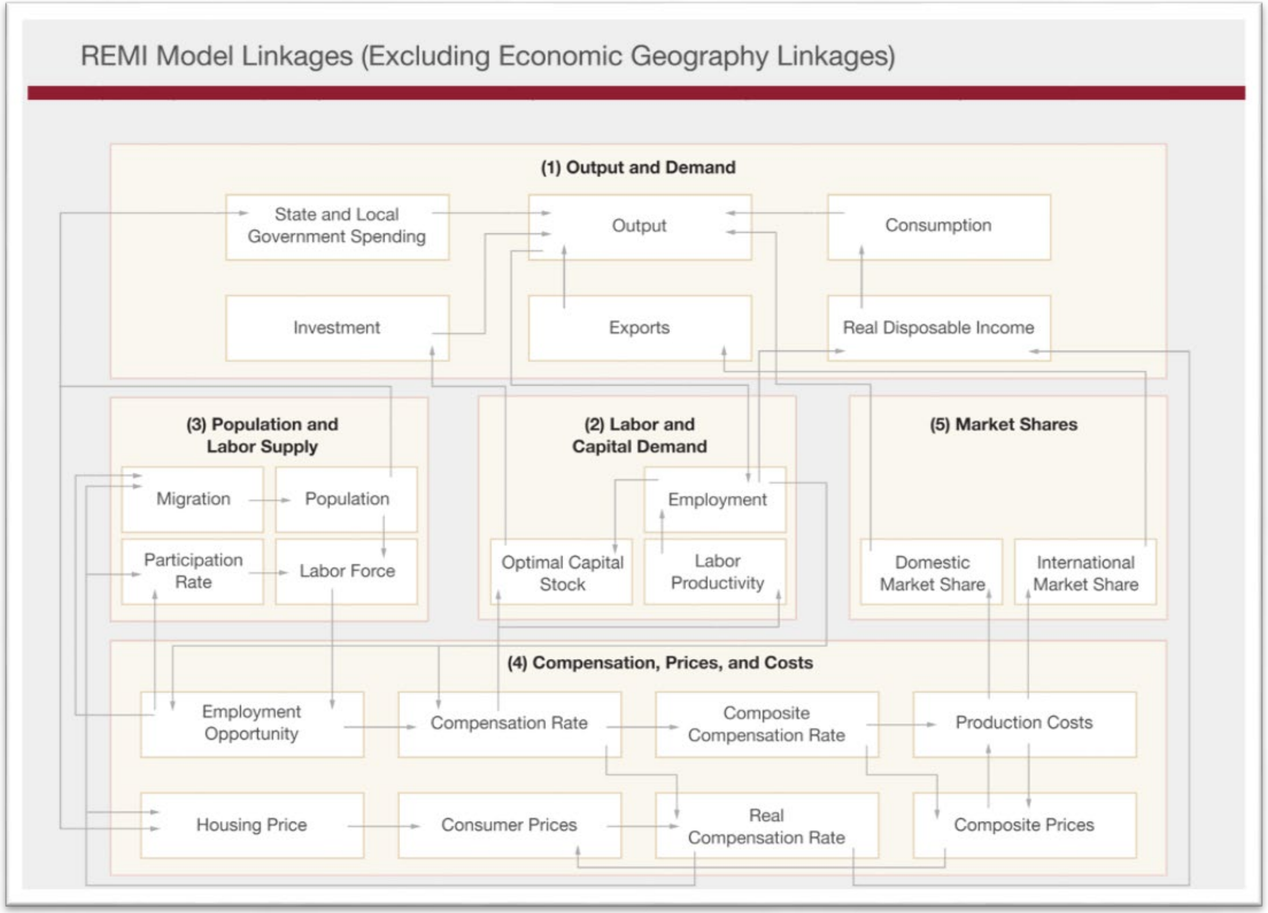
Scenarios

- REMI considered two scenarios for 2026-2030:
  - Elimination of Ohio’s Medicaid expansion program
  - Reduction in FMAP at 5% increments (85% to 55%)

REMI Model

PI⁺ is the premier software solution for conducting dynamic macroeconomic impact analysis of public policy.

As our flagship model, PI⁺ specializes in generating realistic year-by-year estimates of the total local, state, and national effects of any specific policy initiative.



Direct Impacts

- REMI considered the direct impact of eliminating Medicaid expansion to be a net loss in revenues for health care providers
  - Annual estimates of provider net revenue losses were provided by Urban Institute
  - Using the PI+ model baseline forecasts, they were distributed by region across:
    - Ambulatory health care services
    - Hospitals
    - Retail trade (pharmacies)
      - Accounted for potential in-state production of pharmaceuticals/medical products

- For the FMAP reduction scenarios, REMI removed a portion of the above provider net revenue loss
  - For example, a change in the FMAP from 90% (current law) to 85% would be modeled as 5% of the net revenue loss from elimination

Fiscal Impacts

- REMI modeled impacts on state general tax revenues, which were comprised of:
  - Personal income taxes
  - Sales taxes
  - Gross receipts tax (Commercial Activity Tax, or CAT)
- REMI gathered data on tax collections in state fiscal year (SFY) 2024 from:
  - Ohio Department of Taxation
  - Census Bureau Annual Survey of State Government Tax Collections
- REMI combined it with PI+ model baseline forecasts of personal income, economic output, and personal consumption expenditures to create an “effective rate” for each tax category
- These effective rates were applied to the relevant economic results of our scenarios to estimate the state general tax revenue impacts

Medicaid Elimination Scenario Results

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State Results

- Average Annual Impacts:
  - -53,181 jobs
  - -$7.25B in GDP
  - -$4.67B in Personal Income

Results	2026	2027	2028	2029	2030	Average
Total Employment	-48,592	-52,382	-54,572	-55,224	-55,136	-53,181
Gross Domestic Product (GDP)	-5,646.53	-6,854.48	-7,504.24	-7,949.96	-8,279.07	-7,246.86
Personal Income	-3,579.94	-4,251.73	-4,787.42	-5,197.20	-5,538.59	-4,670.97
**Units: Total Employment in Jobs, GDP and Personal Income in Millions of Current Dollars*						

Regional Results

Results (5 Year Average)	Metropolitan	Suburban	Rural	Appalachian
Total Employment	-35,336	-8,297	-3,554	-5,995
Gross Domestic Product (GDP)	-4942.93	-1076.77	-452.93	-777.17
Personal Income	-2701.85	-1089.16	-342.78	-537.18
**Units: Total Employment in Jobs, GDP and Personal Income in Millions of Current Dollars*				

FMAP Reduction Scenario Results

Results (5 Year Average)	**Total Employment**	**GDP**	**Personal Income**
85% FMAP	-2,659	-362.66	-233.78
80% FMAP	-5,318	-725.28	-467.52
75% FMAP	-7,977	-1,087.82	-701.18
70% FMAP	-10,636	-1,450.35	-934.84
65% FMAP	-13,295	-1,812.82	-1,168.45
60% FMAP	-15,954	-2,175.28	-1,402.07
55% FMAP	-18,613	-2,537.73	-1,635.69

**Units:* Total Employment in Jobs, GDP and Personal Income in Millions of Current Dollars*

Fiscal Results

State Results

- Average Annual Impacts:
  - Elimination: -$220.58M
  - 85% FMAP: -11.04M

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  - 55% FMAP: -77.24M

Medicaid Elimination	**SFY2026**	**SFY2027**	**SFY2028**	**SFY2029**	**SFY2030**	**Average**
Personal Income Tax	-$46.75	-$51.13	-$59.02	-$65.19	-$70.09	-$58.44
Sales & Gross Receipts Taxes	-$133.27	-$145.34	-$164.97	-$178.29	-$188.83	-$162.14
Total General Revenue Taxes	**-$180.02**	**-$196.47**	**-$223.98**	**-$243.48**	**-$258.93**	**-$220.58**
**Units: Millions of Current Dollars*						

85% FMAP	**SFY2026**	**SFY2027**	**SFY2028**	**SFY2029**	**SFY2030**	**Average**
Personal Income Tax	-$2.34	-$2.56	-$2.95	-$3.26	-$3.51	-$2.92
Sales & Gross Receipts Taxes	-$6.66	-$7.27	-$8.25	-$8.93	-$9.46	-$8.11
Total General Revenue Taxes	**-$9.00**	**-$9.82**	**-$11.20**	**-$12.19**	**-$12.97**	**-$11.04**
**Units: Millions of Current Dollars*						

55% FMAP	**SFY2026**	**SFY2027**	**SFY2028**	**SFY2029**	**SFY2030**	**Average**
Personal Income Tax	-$16.36	-$17.89	-$20.66	-$22.83	-$24.56	-$20.46
Sales & Gross Receipts Taxes	-$46.65	-$50.88	-$57.76	-$62.45	-$66.15	-$56.78
Total General Revenue Taxes	**-$63.01**	**-$68.77**	**-$78.42**	**-$85.29**	**-$90.71**	**-$77.24**
**Units: Millions of Current Dollars*						

For more information, please contact
Peter.Evangelakis@remi.com

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