



# THE BUCKEYE INSTITUTE

## **Ensuring Government Assistance Goes to Those Truly in Need**

Interested Party Testimony  
Ohio Public Assistance Benefits Accountability Task Force

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Chairs Schaffer and Wiggam, thank you for the opportunity to testify on the continuing need for improving accountability in Ohio's public benefits programs.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

The Buckeye Institute appreciates the task force reviewing integrity issues related to current public assistance programs, including Medicaid, the Supplemental Nutritional Assistance Program (SNAP), and county-based welfare-to-work programs. Public assistance policies should ensure that taxpayer resources effectively and efficiently reach those most in need while avoiding common misuses that have trapped too many in a vicious cycle of poverty.

I will begin with what Governor George Voinovich once called the **Pac-Man** of the state budget, otherwise known as Medicaid.

With the pandemic's national emergency officially **behind us**, Ohio may again ensure that only those eligible for Medicaid receive its benefits. The pandemic and Medicaid's 2013 expansion have ballooned the state's Medicaid rolls to include almost **3.6 million** or **nearly one-third** of all Ohio residents. In 2020, a federal audit **found** that due to Ohio's flawed eligibility determinations the state made erroneous Medicaid payments of \$77.5 million (federal share) on behalf of 51,219 ineligible individuals, and \$746.4 million (federal share) on behalf of 241,998 potentially ineligible individuals. And that was before the pandemic added to the rolls.

Medicaid's service quality has also been shown to suffer. A recent state auditor's **review** of the Medicaid determination process revealed that Ohio fell well below the national average in real-time application processing (less than 24 hours) in 2018 and 2019. That audit also found significant differences across Ohio's county-based eligibility systems that affected beneficiaries' experience with the Medicaid system and likely created divergent outcomes. Many beneficiaries reported not being able to use the online portal, **Ohio Benefits**, and instead had to rely on county case workers. The General Assembly **appropriated** an additional \$30 million to help counties return Medicaid to its nonemergency posture, but more funding for staff and technical upgrades **may be needed** to ensure program integrity and consolidate administrative processes. And state policymakers should reconsider balkanized eligibility determinations and examine how other states have centralized and coordinated their operations. Ohio should explore further consolidation of Medicaid's administrative processes through regionally organized job and family services departments or the Department of Medicaid.

Holding service vendors accountable is another way to improve program quality and save taxpayers money. Ohio wisely implemented a robust data governance structure in line with the state auditor's **recommendations**, but future contracts must be carefully drafted to include positive and negative financial incentives for resolving technical issues and correcting system training deficits. And managed care organizations should be required to maintain and update appropriate contact information for Medicaid recipients to reduce administrative costs during re-determinations down the road.

Turning to other public assistance programs, The Buckeye Institute continues to encourage policymakers to strengthen work requirements for government assistance. Welfare reform that led to the Temporary Assistance for Needy Families (TANF) program demonstrated that work requirements help move people from government assistance into the workforce and give them a path out of poverty. As the Heritage Foundation **explained**,

*“During the late 1990s, employment of never-married mothers increased by nearly 50 percent, of single mothers who are high school dropouts by 66 percent, and of young single mothers (ages 18 to 24) by nearly 100 percent...”*

*...as families left welfare and single mothers transitioned into work, the child poverty rate fell, from 20.8 percent in 1995 to 17.8 percent in 2004, lifting 1.6 million children out of poverty.”*

Other **research** has shown that the combination of government assistance programs creates serious disincentives for work by providing recipients more money and benefits than many entry- or mid-level jobs. Those jobs would lead to higher income and greater benefits in the long-run, so the high public assistance in the short-run perversely perpetuates a cycle of poverty and government dependency. To help break that cycle, policymakers should carefully examine work requirement waivers associated with any assistance program, especially in cases of able-bodied adults with no dependents.

Shifting briefly to the issue of photographs on SNAP EBT cards, The Buckeye Institute disagrees with **critics** who argue that photo IDs would stigmatize card users or dramatically reduce access to program benefits. But the policy’s utility remains inconclusive. According to the **Congressional Research Service**, most fraud with EBT cards involves collusion between card holders and bad-faith retailers, something a photo ID is unlikely to prevent. Nor will photo requirements stop overpayments due to agency errors, another significant waste of SNAP dollars. So, although a photo requirement may thwart some truly fraudulent and criminal behavior, its benefits are likely marginal.

In closing, looking beyond the strict purview of this task force, it would be much easier to overcome challenges facing public assistance programs if Ohio had a more prepared and vibrant workforce. Persistent and pervasive public assistance challenges reinforce the need for the General Assembly to quickly re-align incentives in our **K-12** and **higher education** systems so that Ohioans receive the skills they need to compete in the new, 21<sup>st</sup> century economy. Until then, reforming the state’s public assistance programs will remain more difficult and expensive than it has to be.

Thank you for your time and attention. I would be happy to answer any questions that you might have.

### ***About The Buckeye Institute***

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