

Impact on Ohio: Three Federal Issues to Watch

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During the early days of the new administration, it is easy to overlook that **Ohio** will soon begin the state's biennial budget process. From now until July 1, the governor and legislature will introduce, vet and enact policy proposals and reauthorizations, all while watching intently as Washington, D.C., begins governing under a new administration.

Here are three things Ohioans should consider keeping an eye on:

- **Affordable Care Act (ACA):** Since healthcare spending accounts for nearly 18 percent of the U.S. GDP there are broad economic implications for insurers, providers, employers and individuals. How the Republican-controlled Congress and the Trump Administration address this issue will be one of the most important issues they have pledged to address. At the heart of the debate is how best to control the rising cost of healthcare, not just insurance premiums. Ohio chose to implement Medicaid expansion for nearly 700,000 Ohioans, who were previously ineligible, in an effort to provide better population management. With the right design, the expansion group can access a primary care physician to better manage their health at a lower cost, assisting these individuals can avoid lapses in work due to illness and help them to stay healthier longer. With the federal government providing 69 percent of the state's share of Medicaid spending, Ohio policy makers will be paying close attention to how these changes will impact their healthcare delivery system.
- **Taxes:** As Ohio's sales tax revenue continues to lag behind projections this fiscal year, policy makers are concerned this could signal the beginning of a recession. As discussions in Washington, D.C., unfold, uncertainty could erode consumer confidence. While the Republican-controlled Congress would often be viewed as business friendly, and discussions of lowering corporate taxes may help spur investment by corporations through job creation as well as capital investment, it also has implications on dollars available to the states. Ohio, like every other state, will be looking at the overall business climate and revenue projections coming in when finalizing the budget conversation later this summer.
- **Infrastructure:** Almost unheard of in modern history, a Republican president is talking about investing in infrastructure, notably, his comments during the campaign regarding the need to invest in transportation infrastructure such as airports, rail, highways, etc. This, along with the discussion of autonomous vehicles and the expansion of technology to advance how we travel, will be an opportunity Ohio's policy makers will closely watch.

One thing that Ohioans can be sure of, when the governor and the legislature begin debating these and other issues in the context of the budget, it will likely be within the framework of current law. However, as federal changes are enacted and as Ohio's budget progresses look for Ohio to adjust. This could make for one of the more interesting and fast-paced legislative and budget sessions in recent memory.

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