

Missouri Medicaid Basics

Spring 2011

Introduction

The Medicaid program, enacted through Title XIX of the federal Social Security Act in 1965 at the same time as Medicare, exists as the largest of the federal-state partnerships for low-income people. Nationally, Medicaid currently provides public health insurance coverage to approximately 60 million low-income Americans, including working families, seniors, and individuals with diverse physical and mental disabilities. The federal government offers matching funds to states to support the financing of Medicaid.

Each state administers its own Medicaid program. The federal Centers for Medicare and Medicaid Services (CMS) monitors state-run programs and establishes requirements for service delivery and quality, funding, and eligibility standards. State participation is voluntary, and all states have participated since 1982. Missouri's participation in Medicaid (called MO HealthNet in Missouri) began in 1967.

Overview of MO HealthNet

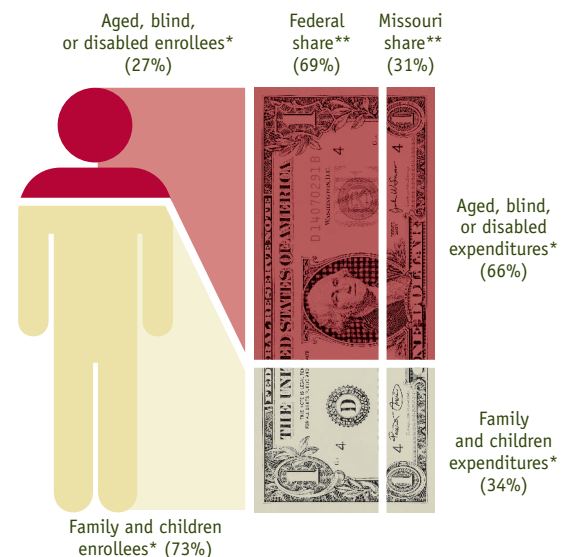
The Missouri Department of Social Services (DSS), MO HealthNet Division administers the provision and payment of services for Missouri's MO HealthNet program. The DSS Family Support Division (FSD) determines MO HealthNet eligibility for individuals and families. FSD offices were previously located in each of Missouri's 114 counties and the City of St. Louis; however, the state has begun to close some county-level FSD offices and create regional offices as a way to save on state administration costs.

MO HealthNet represents a significant portion of Missouri's overall state budget. Approximately 28 percent of Missouri's total budget will go to MO HealthNet in State Fiscal Year (SFY) 2011. However, about 51 percent of the state's Medicaid funding comes from federal funds. Increases in program costs can have a major impact on the overall fiscal condition of the state.

Missouri's MO HealthNet:

- covers 1 out of every 7 Missourians
- covers 37% of Missouri's children
- pays for 48% of all births in the state¹
- covers 1 out of every 11 seniors over age 65
- pays for 61% of all nursing home care in the state²
- currently provides medical coverage to over 900,000 residents

Although most people enrolled in MO HealthNet are families and children, the majority of expenditures pay for services to aged, blind, and disabled Missourians.



*State Fiscal Year 2010

**Effective from Oct. 1, 2010 to Sept. 30, 2011

Note: The Federal matching rate was initially increased by the American Recovery and Reinvestment Act of 2009 (ARRA) and then extended through Dec. 31, 2010. Each state received an increased match rate of 6.2% and additional increases on a quarterly basis based on state unemployment rates. Missouri's enhanced federal share is at a minimum of 69% and is currently at 74%. However, this higher rate will be phased down and will return to the standard rate of 63% on July 1, 2011.

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Missouri Medicaid Eligibility

Covered Populations	Income Guidelines*
Children (up to age 19)	<300% Federal Poverty Level (FPL)
Parents	≈18% FPL**
Pregnant Women	<185% FPL
Disabled Individuals	<85% FPL***
Missourians (age 65 & over)	<85% FPL***
Blind Individuals	<100% FPL***
Qualified Medicare Beneficiaries	<100% FPL

* Asset tests and other factors affect eligibility, which is determined by the Family Support Division local offices.

** Income guidelines for parents are based on the July 1996 Aid for Families with Dependent Children (AFDC) payment standard, not on the Federal Poverty Guidelines. The FPL percentage given for parents is an approximation (see chart below for actual income amounts).

*** Deductions and exceptions apply. People may have medical expenses deducted from income calculations to "spend down" to eligible levels.

2011 Federal Poverty Level (FPL)*

Family Size	Annual Income			
	85% FPL	100% FPL	185% FPL	300% FPL
1	\$9,257	\$10,890	\$20,147	\$32,670
2	\$12,504	\$14,710	\$27,214	\$44,130
3	\$15,751	\$18,530	\$34,281	\$55,590
4	\$18,998	\$22,350	\$41,348	\$67,050

* These apply to the 48 contiguous states and the District of Columbia

AFDC Payment Standard for Parent Eligibility (≈18% FPL)

	Family Size			
	2	3	4	5
Annual Income	\$2,808	\$3,504	\$4,104	\$4,656

Eligibility

In general, MO HealthNet covers low-income children; their parents, guardians, or caretakers; and aged, blind, or disabled individuals. However, certain income and resource criteria must be met as well. Income criteria are largely based on poverty guidelines established by the federal government. Resource criteria (i.e., savings and other countable assets) largely apply only to aged, blind, and disabled people applying for MO HealthNet.

Parents, Children, and Pregnant Women

In SFY 2010, MO HealthNet covered more than 530,000 low-income children and approximately 110,200 low-income adults in families with children. The majority of covered adults in families with children are women. Children represent the largest demographic group served by Missouri Medicaid, with 60 percent of all MO HealthNet enrollees being age 18 or younger. Pregnant women who meet certain income criteria are also eligible for coverage during their pregnancy and postpartum.

Aged

Approximately 77,500 Missourians age 65 and over were covered by MO HealthNet in SFY 2010. Eligible individuals must meet the income and resource requirements of the program. Missouri seniors can also "spend down" their incomes to qualify for MO HealthNet (see text box on pg. 3 for an explanation of spend down). In some cases, MO HealthNet assists seniors in paying their Medicare premiums, copayments, and deductibles.

Blind and Disabled

According to Missouri DSS, an estimated 160,500 Missourians covered by MO HealthNet qualify for services due to a "physical or mental impairment, disease, or loss which keeps them from working in any job within their skill level for 12 months or longer." People who are eligible for cash assistance through the federal Supplemental Security Income (SSI) program automatically qualify for MO HealthNet on the basis of disability. Other individuals who meet the SSI disability definition are also eligible as long as their income does not exceed 85 percent of the federal poverty level (FPL) for disabled individuals and 100 percent of FPL for those who are blind. Additional people can qualify by spending down their incomes on medical expenses. Some people with a disability also receive MO HealthNet assistance to help pay their Medicare premiums, copayments, and deductibles.

Key MO HealthNet Programs

MO HealthNet refers to the statewide medical assistance programs for elderly and disabled persons, low-income families, pregnant women, and children. MO HealthNet enrollees receive their health care through either the fee-for-service or the managed care delivery systems. MO HealthNet includes both federally matched and state-only funded programs. The following sections discuss six of the larger programs that together covered about 92 percent of the individuals enrolled in MO HealthNet in SFY 2010.

1. MO HealthNet for the Aged, Blind, or Disabled

MO HealthNet for the Aged, Blind, or Disabled (MHABD) provides Medicaid coverage to individuals who meet the requirements of Old Age Assistance (OAA), Permanently and Totally Disabled (PTD), or Aid to the Blind. These Missourians account for about 25 percent of all MO HealthNet consumers. Individuals who are over 65 or disabled and have incomes up to 85 percent of FPL qualify automatically, while others qualify for MHABD by spending down their incomes on medical expenses each month. Persons who are blind automatically qualify for MO HealthNet if they have incomes up to 100 percent of FPL. These individuals may also spend down to qualify.

Approximately 30 percent of individuals covered under MHABD are eligible under the OAA requirements (about 65,600 persons), while only about 0.5 percent of individuals (about 1,000 persons) in the MHABD program are eligible under the Aid to the Blind program. Individuals with disabilities account for 70 percent of participants in the MHABD program (about 155,000 persons). People of all ages with a wide variety of physical and mental disabilities can qualify if their disability, income, and resources meet certain criteria.

2. Qualified Medicare Beneficiary

The federal government requires that state Medicaid programs pay Medicare premiums, deductibles, or coinsurance for qualified people enrolled in Medicare Parts A or B. The Missouri QMB program pays for Medicare premiums, deductibles, and coinsurance for eligible persons enrolled in Medicare Part A with incomes up to 100 percent of FPL. Approximately 12,000 individuals received benefits through the QMB program in SFY 2010. Additionally, Missouri has a Specified Low-Income Medicare Beneficiary (SLMB) program that pays for all or part of the Medicare Part B premiums for persons whose incomes are more than 100 percent of FPL, but less than 175 percent of FPL. Approximately 17,300 individuals received assistance in SFY 2010 under the SLMB program.

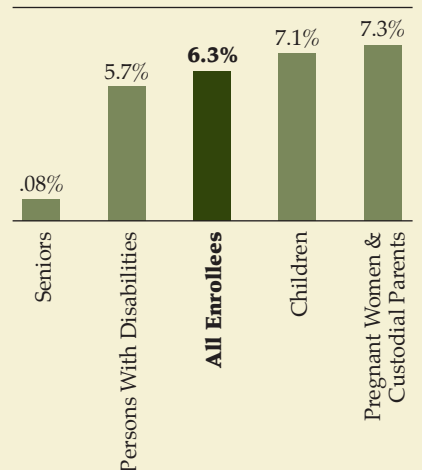
What's Meant by "Spending Down"?

Spending down refers to the amount of medical expenses that an individual must pay each month before becoming eligible for coverage through Medicaid. The total that must be spent down equals the amount by which an individual's or couple's net income exceeds the income eligibility requirement for a given Medicaid program.

An individual's spend down obligation can be met by:

- submitting incurred medical expenses to their caseworker on a monthly basis; or
- paying the monthly spend down amount to the MO HealthNet Division, similar to an insurance premium payment.

2009-2010 MO HealthNet Enrollee Growth



MO HealthNet for Kids (CHIP)

The federal Balanced Budget Act (BBA) of 1997 amended the Social Security Act to create Title XXI, the Children's Health Insurance Program (CHIP). CHIP provides affordable health coverage to more than 7 million children nationally, including almost 70,000 in Missouri, who live in families with incomes too high to qualify for Medicaid but too low to afford private coverage. The federal government matches the state's CHIP spending at a higher rate than for Medicaid. In Missouri, the federal FY 2011 match for CHIP is 74 percent.

In February 2009, the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) was passed by Congress and signed into law by President Obama. The new law extended the CHIP program through the end of 2013 and provided an additional \$32.8 billion in CHIP spending. The additional spending was funded primarily from a 62-cent increase in the federal tobacco tax.

CHIPRA ensured that children currently covered under CHIP continued to be covered, and it will cover approximately 4 million more children who would otherwise be uninsured. It is estimated that 83 percent of these uninsured children are already eligible for CHIP or Medicaid but are not enrolled.

In 2010, the federal health reform law extended the authorization of CHIP through 2019 and extended funding through the end of 2015. Additional information on the components included in the CHIPRA legislation and in federal health reform can be found at <http://covermissouri.org>.³

3. MO HealthNet for Kids (Medicaid)

This program provides health insurance coverage for children under age 19 whose net family income does not exceed:

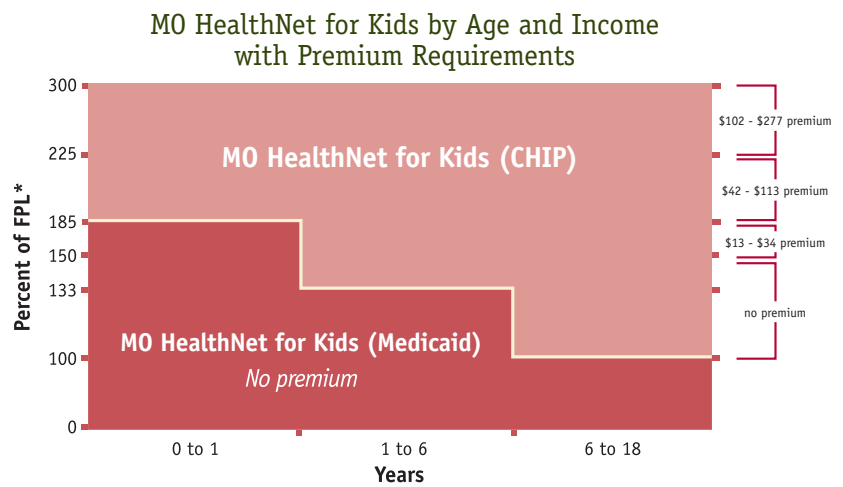
- 185 percent of FPL for children under age 1,
- 133 percent of FPL for children ages 1-5, and
- 100 percent of FPL for youth ages 6-18.

Approximately 395,100 low-income Missouri children have health insurance coverage through this MO HealthNet program. This population represents 45 percent of all MO HealthNet recipients. (Note: About half of these children are classified under MO HealthNet for Families – Children because their parents are also eligible for MO HealthNet; however, they are eligible because of the above income requirements.)

4. MO HealthNet for Kids (CHIP)

Using its allocated Children's Health Insurance Program (CHIP) funds, Missouri expanded its existing Medicaid program for low-income children in 1998. This CHIP expansion extended health coverage to low-income children with family income up to 300 percent of FPL.

The MO HealthNet for Kids (CHIP) program provides the same health services as those covered under MO HealthNet for Kids (Medicaid), except that CHIP kids are not eligible for non-emergency medical transportation. Based on an income scale, some individuals covered under Missouri's CHIP program must pay premiums. Premiums paid per family per month range from \$13 to \$277 (see chart). Approximately 69,600 children have coverage under the MO HealthNet for Kids (CHIP) program in Missouri. This number represents 8 percent of the total MO HealthNet population.



MO HealthNet for Kids (Medicaid): no premium

MO HealthNet for Kids (CHIP):

- 100% to 150% - no premium
- 151% to 185% - premium of \$13 to \$34 per family per month
- 186% to 225% - premium of \$42 to \$113 per family per month
- 226% to 300% - premium of \$102 to \$277 per family per month

*See page 2 for 2011 FPL guidelines

5. MO HealthNet for Families – Adults

Low-income parents and caretakers are covered through the MO HealthNet for Families (MHF) adult program. Parents with incomes up to the 1996 Aid to Families with Dependent Children (AFDC) income level (approximately 18 percent of FPL) are eligible for the program. In SFY 2010, about 68,000 adults had health insurance coverage through the MHF program. This group represents 8 percent of all MO HealthNet recipients in the state of Missouri.

6. MO HealthNet for Pregnant Women

Pregnant women with family incomes up to 185 percent of FPL qualify for Medicaid coverage under the MO HealthNet for Pregnant Women (MPW) program. Qualification under this category includes 60-day postpartum coverage even with subsequent increases in family income. Approximately 27,500 women received insurance benefits under this program during SFY 2010. This group represents 3 percent of all MO HealthNet recipients in the state.

Mandatory MO HealthNet Services

Federal guidelines require states to cover a minimum set of services under Medicaid, including:

- inpatient hospital services;
- outpatient services, including those delivered in Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs);
- physician services, including psychiatry;
- family planning services and supplies;
- nursing facility services and home care;
- skilled home health services, including durable medical equipment;
- lab and X-ray services;
- nurse-midwife, certified family nurse practitioner, and certified pediatric nurse practitioner services;
- medical and surgical services of a dentist;
- non-emergency medical transportation; and
- screening and treatment services to children under age 21 under the EPSDT/HCY program.

EPSDT/HCY Program

Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) is Medicaid's comprehensive and preventive child health program for individuals under the age of 21. In Missouri, the EPSDT program is called Healthy Children and Youth (HCY). HCY provides all MO HealthNet eligible children with appropriate full health screens and subsequent treatment for identified health problems. Components of a full health screen include interval history, physical examinations, anticipatory guidance, laboratory tests, immunizations, lead screening, development/personal social/language, fine/gross motor, hearing, vision, and dental.

Optional Services Covered by MO HealthNet

States may opt to cover additional services, which also qualify for federal matching funds. "Optional" means only that federal law does not mandate the service. Some of the optional services Missouri provides to certain eligible Medicaid populations include:

- pharmacy services,
- rehabilitation and specialty services,
- mental health services (may be mandatory in some instances),
- psychiatric care,
- in-home care, and
- dental services.

While considered optional, most of these services are central to effective health care. The elimination of these services may increase utilization and costs of some mandatory services, particularly emergency room care and hospitalizations. In addition, lack of access to optional benefits can affect the ability of elderly and disabled populations to remain in their homes and communities and can result in admission to an institution, such as a nursing home.

Delivery Systems

Missouri’s MO HealthNet program works to promote good health, to prevent illness and premature death, to correct or limit disability, to treat illness, and to provide rehabilitation to persons with disabilities. Health services covered by MO HealthNet can be split into two benefit packages: 1) Primary and Acute Health Care and 2) Long-Term Care.

Primary and Acute Health Care

MO HealthNet’s Primary and Acute Health Care package provides physician, hospital, laboratory, pharmacy, preventive, and other services. People have access to these services through either the fee-for-service system or the managed care system, depending on the MO HealthNet program for which they are eligible and where they live in the state. In SFY 2010 both programs covered prescription medications for MO HealthNet consumers.

Fee-for-Service

In Missouri, all individuals eligible under the MO HealthNet for the Aged, Blind, and Disabled program participate in the fee-for-service system regardless of their county of residence. Additionally, MO HealthNet children and parents that live in counties other than those designated as managed care counties participate in the fee-for-service system. Missouri DSS, through the use of a claims processing fiscal agent, pays for services based on an established fee schedule.

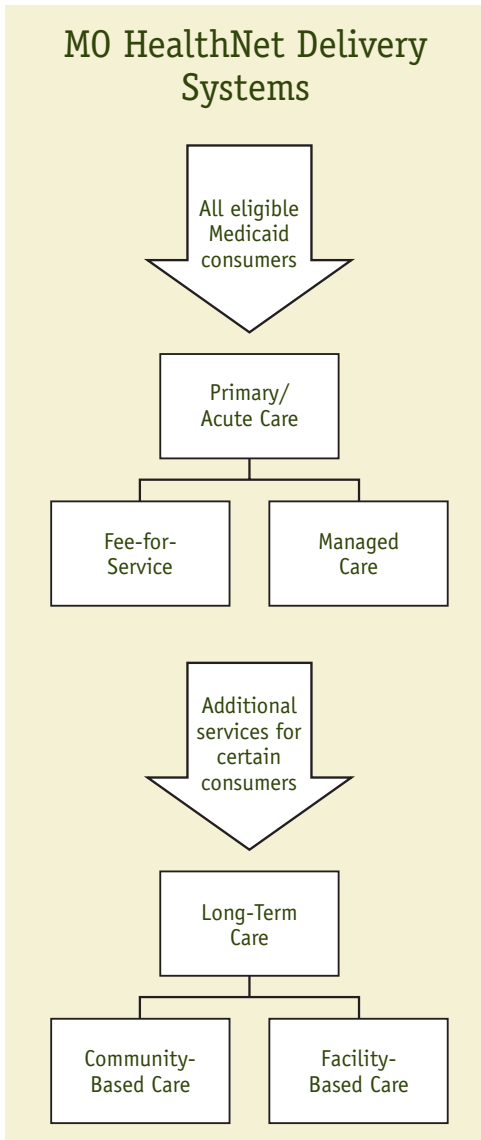
MO HealthNet Managed Care

The MO HealthNet managed care system (formerly known as MC+) started in 1995 when Missouri DSS first contracted with managed care plans in an effort to improve the accessibility and quality of health care services for Missouri’s MO HealthNet populations, while reducing the costs of providing care. The managed care system now operates in a total of 54 counties across the state, including the St. Louis, Kansas City, Columbia, and Jefferson City areas (see map on pg. 7). The contracted MO HealthNet managed care health plans provide a particular range of benefits to each enrolled recipient in return for a capitated payment made on a per member per month basis.

All MO HealthNet recipients must enroll in a managed care health plan if they reside in one of the 54 counties included in the managed care system and if they fit into one of the following eligibility categories:

- parents / caretakers, children, pregnant women, and refugees;
- other MO HealthNet children who are in the care and custody of the state and receive adoption subsidy assistance; and
- CHIP children.

Approximately 429,100 Missourians were enrolled in one of the six contracted MO HealthNet managed care plans as of January 2011.



Long-Term Care

MO HealthNet provides long-term care services to people who have chronic or disabling conditions and meet certain “level of care” criteria. These services fall into two categories based on the setting of service delivery. Medicare and private insurance rarely cover long-term care services; therefore, Medicaid typically becomes the primary source of coverage.

Facility-Based Care

Facility-based nursing care covers services provided in certain residential settings and accounts for one of the largest portions of MO HealthNet costs. Medicaid also covers care in residential facilities for eligible people with developmental disabilities, including mental retardation. To qualify, individuals need a planned program of active treatment, must live in a licensed facility, and must meet certain other criteria. A large majority of Missourians living in intermediate care facilities for the mentally retarded are MO HealthNet consumers.

Community-Based Care

Community-based care in Missouri’s MO HealthNet program supports a number of Home-and Community-Based (HCB) waivers that allow certain consumers to receive care in their homes or in the community rather than in a nursing facility or other institution. HCB services, available on a limited basis (i.e., a specific number of slots for each type of HCB waiver), have eligibility requirements based on income, resources, and level of care required.

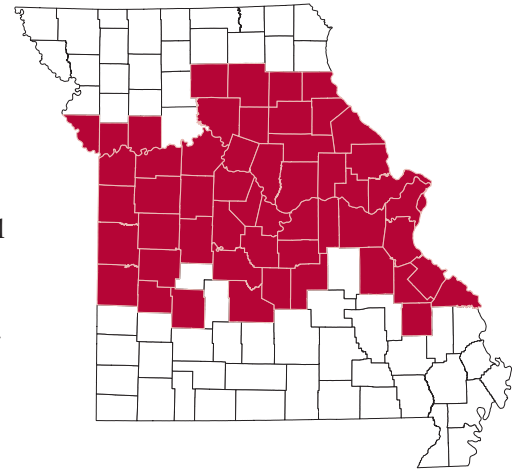
Missouri currently has seven HCB waiver programs that receive funding from state General Revenue, Social Services Block Grants, Medicaid, and the Older Americans Act. Authorization for waiver services comes through either the Missouri Department of Health and Senior Services (DHSS)* or the Missouri Department of Mental Health (DMH)** which determine need for care and the availability of services.

The Missouri HCB waiver programs include the:

- Aged and Disabled Waiver,*
- AIDS Waiver,*
- Independent Living Waiver,*
- Physical Disabilities Waiver,*
- MR/DD Community Support Waiver,**
- Missouri Children with Developmental Disabilities Waiver,**
- Mental Retardation and Developmental Disabilities (MR/DD) Comprehensive Waiver.**

For the majority of individuals, home care is preferred and less expensive than institutional care. In general, those who enter institutional care settings generally do not return home. Therefore, prevention of institutional care is important both for quality of life and for cost containment. The HCB waivers help create a healthier aging population by serving more people for less money than institutional care.

Missouri Counties with MO HealthNet Managed Care



What’s a Waiver?

States have flexibility when it comes to designing and running Medicaid and CHIP. However, federal law sets minimum standards for operating those programs. Sections 1115 and 1915 of the Social Security Act define specific circumstances in which the federal government may, at a state’s request, “waive” certain provisions of these federal laws. The “waiver” is the agreement between the federal government and the state that exempts the state from the provisions of the federal law that were waived. The waiver includes special terms and conditions that define the strict circumstances under which and for whom the state is exempt from the provisions of federal laws. Missouri currently has seven 1915(c) HCB waivers, two 1115 waivers, and a waiver to offer the Program of All-Inclusive Care for the Elderly (PACE)- a comprehensive service delivery system for the frail elderly. The 1115 waivers expanded coverage to Missouri children up to 300 percent of FPL and expanded coverage to uninsured women ages 18-55 years old who would otherwise lose their MO HealthNet eligibility 60 days after the birth of their child.

Financing and Expenditures

Medicaid and CHIP are financed jointly between the states and federal government. In fiscal year (FY) 2010, federal funding of the Medicaid and CHIP programs totaled approximately \$273 billion. In FY 2011, The Office of Management and Budget (OMB) estimates that federal funds will account for approximately \$276 billion of states' Medicaid and CHIP spending.⁴

MO HealthNet Financing

In general, there are three different levels of federal matching funds for MO HealthNet. They are the Federal Medical Assistance Percentage (FMAP), the Enhanced Federal Medical Assistance Percentage (EFMAP), and MO HealthNet administrative costs for which the federal government pays 50 percent of expenditures. FMAP covers the majority of MO HealthNet programs, while EFMAP is for the MO HealthNet for Kids (CHIP) program. Currently, under EFMAP the federal government pays 74 percent of CHIP expenditures in Missouri. The federal match rate for FMAP is currently at 63 percent. However, FMAP was increased by 6.2 percent in the American Recovery and Reinvestment Act through December 31, 2010, and this increase was extended through June 30, 2011 by federal legislation. Additionally, a state can receive an extra increase in its FMAP for a rise in its unemployment rate. This additional boost in a state's FMAP is adjusted on a quarterly basis. Missouri's FMAP is currently at 74 percent, but will start phasing down over the next few months and will return to the standard rate of 63 percent on July 1, 2011.

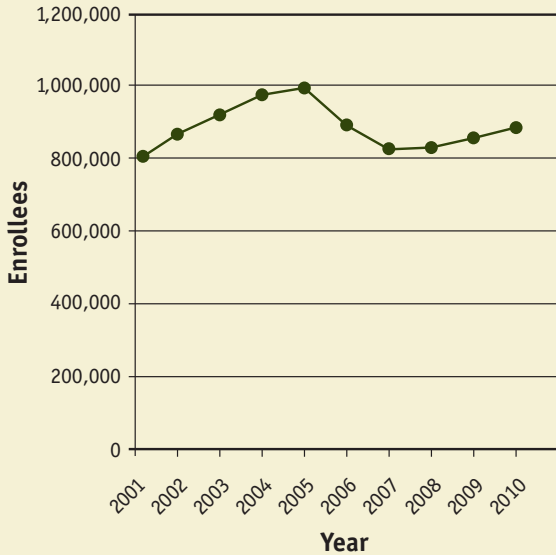
The enacted state budget for SFY 2011 appropriated approximately \$6.6 billion for MO HealthNet. However, only \$1.11 billion of this cost comes from state general revenue. The majority of Medicaid financing, \$3.35 billion, stems from federal funds. The remaining balance of MO HealthNet financing derives from several nongovernmental sources, including provider taxes (e.g., hospitals and nursing homes), premiums, and tobacco funds (see pg. 9 for a complete list of sources).

MO HealthNet Expenditures

In SFY 2010 MO HealthNet spent \$5.1 billion or about 79 percent of its budget on:

- hospitals (\$1.19 billion),
- managed care premiums (\$1.06 billion),
- nursing facilities (\$925 million),
- pharmacy services (\$874 million),
- mental health services (\$552 million), and
- physician services (\$492 million).

Changes in MO HealthNet Enrollment, SFY 2001-2010

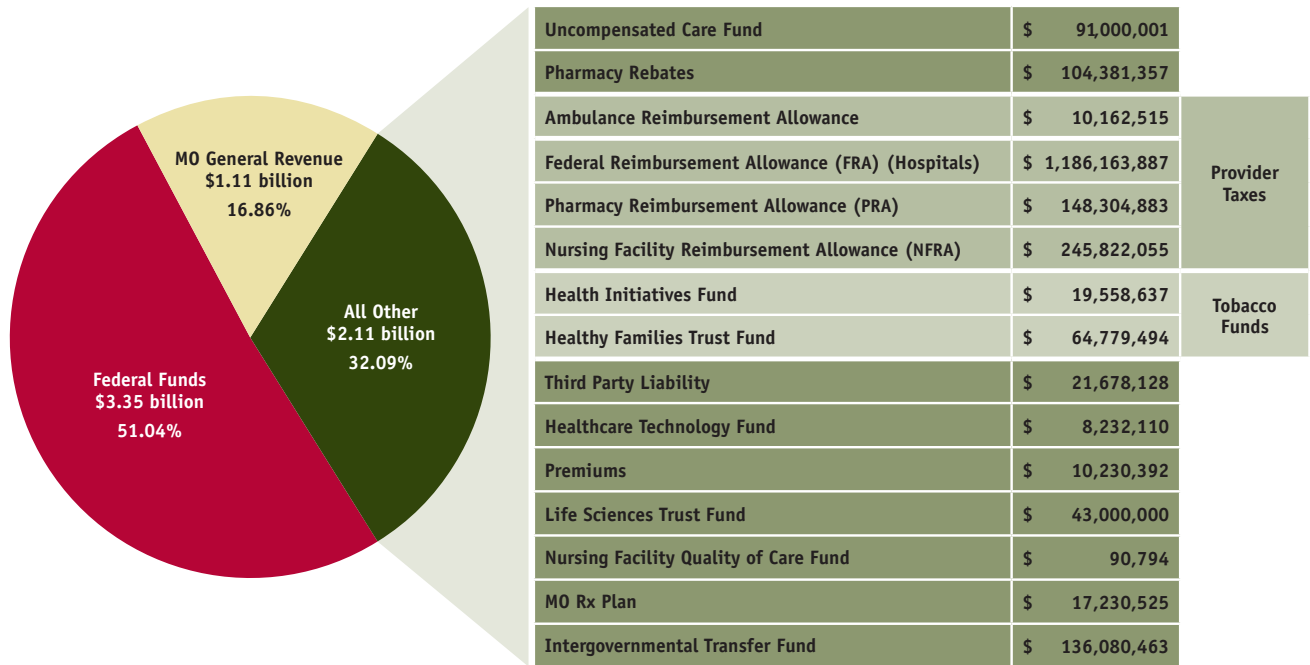


Annual MO HealthNet Expenditures by Population and Individual per Month Costs, SFY 2010

	Enrollees	Annual Expenditures (millions)	Average Monthly Cost per Enrollee (dollars)
Elderly	77,483	1,262.4	1,358
Persons with Disabilities	160,558	2,969.2	1,541
Children	530,126	1,640.5	258
Adults (non-disabled and under 65)	110,193	584.4	442

Although families and children constitute 73 percent of all MO HealthNet enrollees, this population uses only 34 percent of all Medicaid resources. By contrast, the elderly and disabled comprise 27 percent of all MO HealthNet enrollees but use 66 percent of all expenditures.

Sources of MO HealthNet Funding, SFY 2011* – Total \$6.6 Billion



*This represents the program budget for the MO HealthNet Division, it does not include administrative appropriations or Medicaid funds appropriated to other state departments such as DHSS or DMH.

MO HealthNet Spending by Key Component



Health Reform and Medical Homes

In addition to expanding eligibility, the health reform legislation impacts Medicaid in numerous other ways. Among its many provisions, the law encourages Medicaid programs (through financial incentives) to cover and remove cost-sharing requirements for preventive services and recommended immunizations. Additionally, federal reform provides incentives to Medicaid beneficiaries to complete behavior modification programs (e.g., smoking cessation classes, weight-loss programs) and requires Medicaid programs to cover tobacco cessation services for pregnant women.⁸

The health reform law also provides states the option to provide medical homes for enrollees with chronic conditions. Medical homes are composed of a team of health professionals and provide a comprehensive set of medical services, including care coordination. Care delivered by primary care physicians through the patient-centered medical home (PCMH) model is consistently associated with better health outcomes, reduced mortality, fewer preventable hospital admissions for patients with chronic diseases, lower utilization, and improved patient compliance with recommended care.⁹

MO HealthNet is actively working to take advantage of this opportunity in health reform. At the same time, the Missouri Foundation for Health (MFH) has launched a new PCMH initiative to promote partnerships among patients and their personal physicians. MFH has convened interested stakeholders, including medical professionals, payers, patients, and MO HealthNet to explore the essential facets of developing a comprehensive PCMH model in Missouri. MFH also will work with medical providers throughout the state and provide technical assistance in transforming their practices into patient-centered medical homes.

Medicaid and the Economy

As the nation struggles to recover from the economic recession, states (including Missouri) have faced decreased revenue growth and significant budget shortfalls. During economic downturns, unemployment increases, individuals lose employer-sponsored insurance, incomes decline, and Medicaid enrollment expands. This results in increased Medicaid costs at the same time that states experience the greatest economic challenges. In Missouri, the unemployment rate in February 2011 was 9.4 percent, compared to 5.2 percent in February 2008.⁵

Spending and Enrollment Growth

In FY 2008, states began reporting increases in Medicaid spending and enrollment, which has continued into FY 2011. Nationally, Medicaid spending grew by 8.8 percent in FY 2010 and is estimated to increase another 7.4 percent in FY 2011. These spending increases correspond to a rise in Medicaid enrollment. Across the U.S., Medicaid enrollment increased by 8.5 percent in FY 2010 and is estimated to increase by an average 6.1 percent in FY 2011. Growth in Medicaid enrollment drives overall Medicaid spending; however, on a cost-per-enrollee basis Medicaid remains a cost-effective program when compared to increases in overall health care costs and costs per person for private sector coverage.⁶

Federal Health Reform

In March 2010, President Obama signed federal health reform legislation into law. The Affordable Care Act (ACA) has far-reaching implications for the health care system, including prohibiting pre-existing condition exclusions; providing tax credits to individuals, families, and small businesses to make insurance more affordable; limiting cost-sharing; closing the Medicare Part D “donut hole;” and creating state or regional health insurance exchanges. While this document focuses on how the ACA impacts Medicaid, additional information on the ACA can be found at covermissouri.org/reform.

Under this law, Medicaid eligibility will be expanded in January 2014 to all non-elderly, non-disabled individuals with incomes up to 133 percent of FPL. In Missouri, parental eligibility will be expanded from the current 18 percent of FPL, and a new eligibility category of childless adults will be created. While some states have used a waiver to provide coverage to certain childless adults, Missouri has not provided coverage for this population under MO HealthNet. For the first three years of the expansion, the federal government will provide 100 percent of the funding for this expanded population. In 2017, the federal share will decrease to 95 percent and then step down each year until it reaches 90 percent federal funding in 2020 and beyond. To encourage more physicians to accept newly eligible MO HealthNet patients, the law also increases primary care doctors’ Medicaid payments for primary care services to 100 percent of Medicare payment rates in 2013 and 2014, with 100 percent federal financing.⁷

Summary

MO HealthNet has a health impact on the lives of the low-income children, families, and elderly and disabled it serves. The availability of Medicaid reduces the number of uninsured Missourians and provides health insurance coverage for vulnerable populations who might not otherwise have health coverage. MO HealthNet has assisted thousands of Missourians affected by the recession, stemming greater increases in the number of uninsured.

MO HealthNet also has a significant economic impact on the state because of the matching funds it draws from the federal government. The influx of funds stimulates economic activity throughout state and local economies.

MO HealthNet supports the state's entire health care infrastructure by helping to:

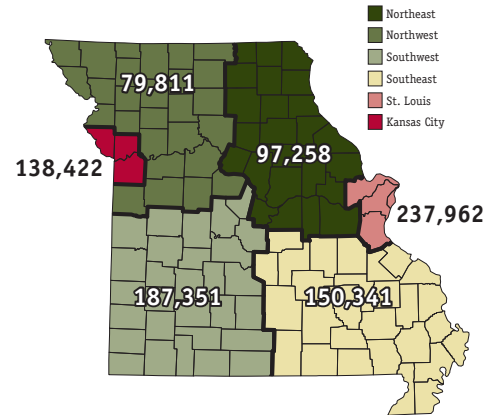
- reduce uncompensated care,
- promote earlier treatment in appropriate settings and reduce preventable hospitalizations,
- decrease unnecessary emergency room use, and
- support education and training in academic medical centers.¹⁰

Without MO HealthNet, these infrastructure costs would be passed on to employers and their employees through higher insurance premiums.

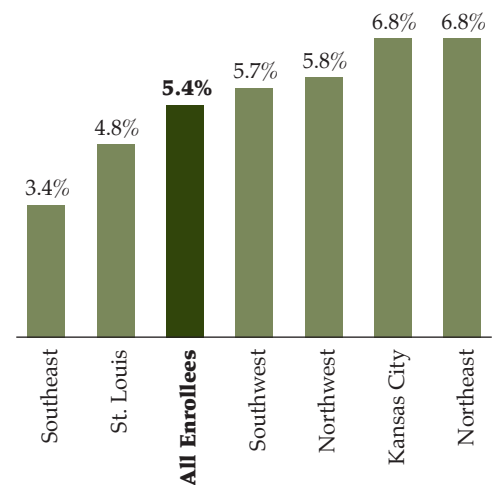
Missouri's MO HealthNet program exists as a complex system that affects the lives of individuals and families in every county across the state. Policymakers, state administrators, and others must consider how changes to MO HealthNet impact the entire health care system and the economy when implementing reforms to this major health insurance program. Reforming a state's Medicaid program is never a simple undertaking because it is not a single program but rather a collection of programs, services, and funding mechanisms. In many cases, an adjustment to one element of this system will have unintended effects or consequences on other elements. Understanding the basics of this system is an important step in addressing the health care needs of all Missouri residents.

Enrollment in MO HealthNet by Region

In June 2010, 15 percent of Missourians (891,145 individuals) were enrolled in MO HealthNet. The map below shows the number enrolled in the program by region.



June 2009-June 2010 MO HealthNet Regional Enrollee Growth



For More Information About Medicaid

Missouri Medicaid Basics provides a brief outline of the Missouri MO HealthNet program. For more information about **MO HealthNet**, please visit the Missouri Department of Social Services, MO HealthNet Division website at www.dss.mo.gov/mhd/index.htm.

For more information about **Medicaid** from a national perspective, including federal eligibility requirements, benefits, financing, and administration, please refer to *Medicaid: A Primer*. This document is available at <http://www.kff.org/medicaid/upload/7334-04.pdf>.

Online Resources

- Center for Health Care Strategies – www.chcs.org
- Center on Budget and Policy Priorities – www.cbpp.org/pubs/health.htm
- Centers for Medicare and Medicaid Services (CMS) – www.cms.hhs.gov
- Families USA – www.familiesusa.org
- The Kaiser Commission on Medicaid and the Uninsured – www.kff.org/kcmu
- Missouri Department of Health and Senior Services – www.health.mo.gov
- Missouri Department of Mental Health – www.dmh.mo.gov
- Missouri Department of Social Services – www.dss.mo.gov/mhd/index.htm
- National Academy for State Health Policy – www.nashp.org
- National Association of State Medicaid Directors – www.namd-us.org
- National Center for Health Statistics – www.cdc.gov/nchs
- Robert Wood Johnson Foundation – www.rwjf.org
- The Urban Institute – www.urban.org/health/index.cfm

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