The Importance of Medicaid for Missouri

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FY 2018 General Revenue Operating Budget: Executive Budget Proposal
$9.489 billion

- Elementary & Secondary Education: 35%
- Health: 4%
- Mental Health: 8.5%
- Higher Education: 9%
- Social Services: 20.5%
- Public Safety & Corrections: 8%
- Other: 15%
Big Drop in State Revenue

Missouri General Revenue Declining Relative to Economy
State GR Billions Short of Hancock Limits
Federal & State Health Care Challenges in 2017

- Federal proposals to “Block Grant” Medicaid or Create Per Capita Caps

- State proposals to seek “Global Waivers” that include block granting Medicaid and other risks (SB 28)

- State lawmakers also considering cuts to pharmacy, in-home services, mental health and even eligibility levels
Medicaid Plays an Important Role in Health
Care Coverage for Missourians

2 in 5 of all Missouri kids - including 2 of every 5 babies born

1 in 4 of Missourians Living with a Disability

1 in 12 of all Missouri Seniors
Who Qualifies for MO HealthNet?

- Adults Without Dependent Children
- Custodial Parents
- Elderly
- Persons with Disabilities
- Pregnant Women
- Children

**Eligibility limits shown as a percent of the Federal Poverty Level**
Children with Medicaid Coverage:

- Do Better in School
- Miss Fewer School Days due to Illness or Injury
- Are More Likely to Finish High School, and Attend and Graduate College
- Have Fewer Emergency Room Visits & Hospitalizations as Adults
- Earn More as Adults
Federal Dollars Make Up Increasing Portion of Missouri Mental Health Funding
Composition of DMH Funding, FY 2009 & 2016
Medicaid’s Countercyclical Nature Helps Missourians in a Bad Economy

Medicaid Enrollment Per Year, as of January 1
Medicaid Makes Sense

Medicaid Spending Has Grown More Slowly than Private Insurance
Average Annual Growth Rate per Enrollee, 1987-2014

- Medicaid: 4.2%
- Private Insurance: 7.0%
Medicaid Makes Sense

Federal: 51%

Provider Taxes & Other Funds: 31%

General Revenue: 17%
Consequences of Federal Block Grant or Per Capita Caps

1. Block Grants: Fixed dollar amount with states responsible for any growth above, based on either current or historical financing

2. Per Capita Caps: Per beneficiary cap on funding
Medicaid Cuts Would Grow Over Time Under House Budget Committee Block Grant

Percent cut in federal Medicaid funds, relative to current law

Source: CBPP analysis using Jan. 2016 Congressional Budget Office Medicaid baseline and House Budget Committee documents.
Protecting Medicaid

MO HealthNet Funding Sources

1990

- Federal Funds: 58%
- State General Revenue: 40%
- Other: 2%

2017

- Federal Funds: 51%
- State General Revenue: 17%
- Other State Funds: 15%
- Federal Reimbursement Allowance: 17%
Missouri Medicaid Enrollment & Spending by Population
FY 2016

- **Medicaid Enrollees by Category**
  - Children (63%)
  - People with Disabilities (16%)
  - Seniors (8%)
  - Pregnant Women & Custodial Parents (12.5%)

- **Medicaid Spending by Eligibility Category**
  - Children (25%)
  - People with Disabilities (47%)
  - Seniors (18%)
  - Pregnant Women & Custodial Parents (10%)
Multiple Consequences of Block Grants and Per Capita Caps:

1. Cuts to eligibility levels, institute waiting lists or caps on number of people enrolled at any time
2. Cuts to benefits (dental, vision, specialty care, pharmacy, EPSDT)
3. Institute new or increased premiums, work requirements
4. Can’t respond to recessionary increases; or higher costs of new medications or medical technology
5. Creates strain on state budget
6. Impacts all providers: hospitals, mental health & community clinics, nursing homes
7. Stymies innovation
What you can do:

Join us – Missouri Health Partnership

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