

MEDICAID EXPANSION IN MISSOURI

What Is Being Proposed?

The expansion of Medicaid was part of the Affordable Care Act and was intended to help reduce the number of uninsured in the country by incentivizing states to cover more people with low incomes. These are individuals who would not be eligible for premium subsidies in the Health Insurance Marketplace. In 2012, the Supreme Court upheld Congress' power to enact most provisions of the Patient Protection and Affordable Care Act (ACA), with the exception of requiring all states to expand Medicaid. Medicaid expansion was designed so the federal government would cover a larger percentage of the costs – reducing the burden on state budgets.

To clarify the different types of government subsidized insurance programs:

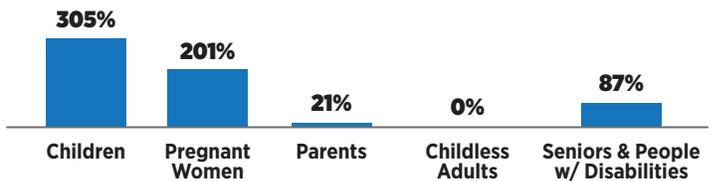
- **Traditional Medicaid:** The state insurance for low income adults, children, pregnant women, elderly adults, and people with disabilities.
- **Expanded Medicaid:** Authorized by the Affordable Care Act, it expands Medicaid insurance to uninsured adults and children whose incomes are at or below 138% of the federal poverty level (\$28,676/year for a family of three).
- **Medicare:** The federal health insurance program for adults age 65 and over, certain younger people with disabilities and people with End-Stage-Renal Disease.

Who Is Currently Covered By Medicaid?

Missouri has one of the lowest eligibility levels for Medicaid in the country. Custodial parents are only eligible if they earn no more than 21% of the federal poverty level, which is \$4,479 per year for a family of three. Adults who have no children are not eligible at all. Pregnant women whose family income does not exceed 201% of FPL are covered for 60 days following delivery. To put this in perspective, a worker with a family of four who earns the federal minimum wage of \$7.25 an hour and works half-time (20 hours a week) for a full year (50 weeks) earns \$7,250, well above the eligibility threshold for this adult to enroll in Medicaid. Even if that worker had a full-time job at 40 hours a week, he or she would still be ineligible for Marketplace premium and cost-sharing subsidies.

MO Eligibility Levels (as a % of FPL)

100% of FPL: \$21,330 for a family of three; \$12,490 for an individual

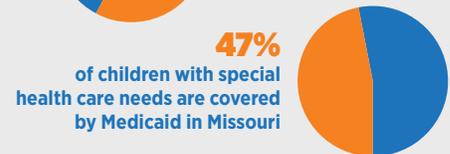
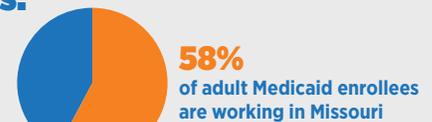
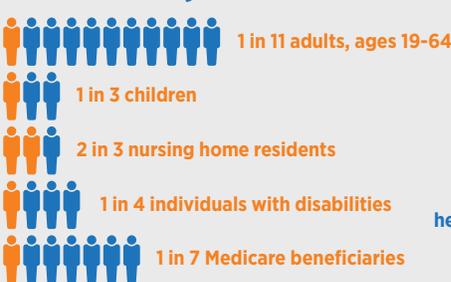


Source: Kaiser Family Foundation, Medicaid in Missouri, Oct. 2019

All children are covered up to 300% FPL with premiums beginning at 151% FPL. **Childless adults are ineligible for Missouri Medicaid, regardless of their income level.**

It's important to remember that Medicaid covers many populations and serves as a critical resource for special needs children. Most adult Medicaid enrollees are working.

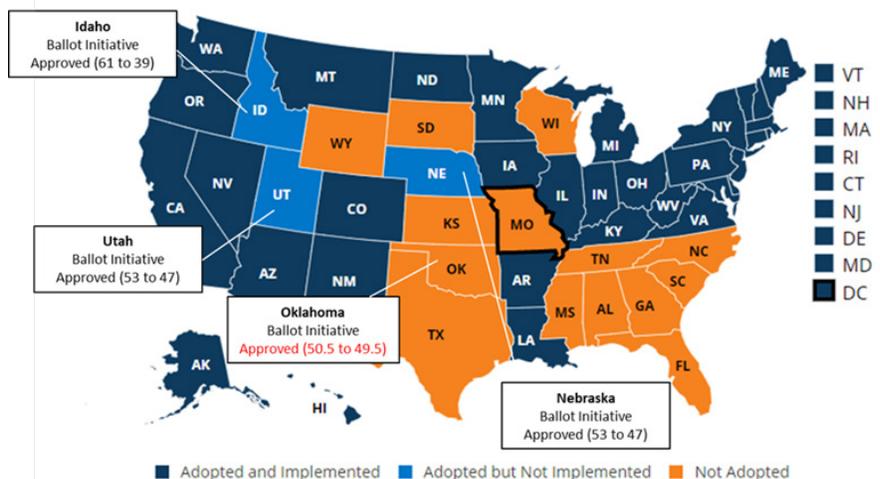
In Missouri, Medicaid Covers:



Source: Kaiser Family Foundation, Medicaid in Missouri, October 2019

What Other States Have Expanded Medicaid?

Medicaid expansion is a nonpartisan policy already adopted in 37 states – 17 with Republican governors. Oklahoma just voted to expand on June 30. None have reversed the decision to expand. Idaho, Utah and Nebraska all held successful ballot initiatives in 2018. Missouri will have the issue on the Aug. 4 ballot.

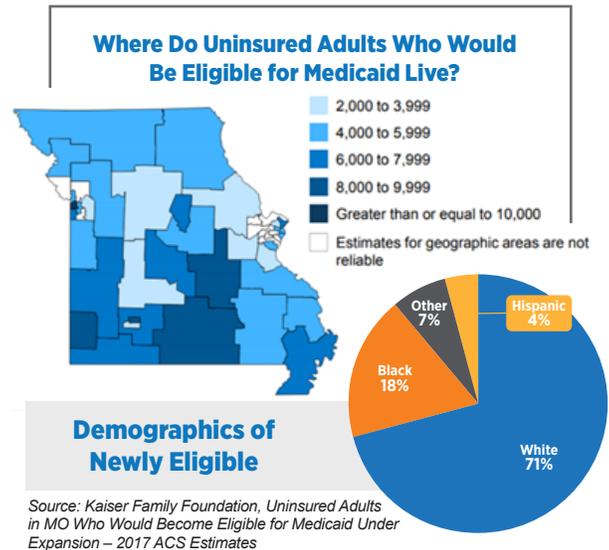


Source: Kaiser Family Foundation, www.kff.org

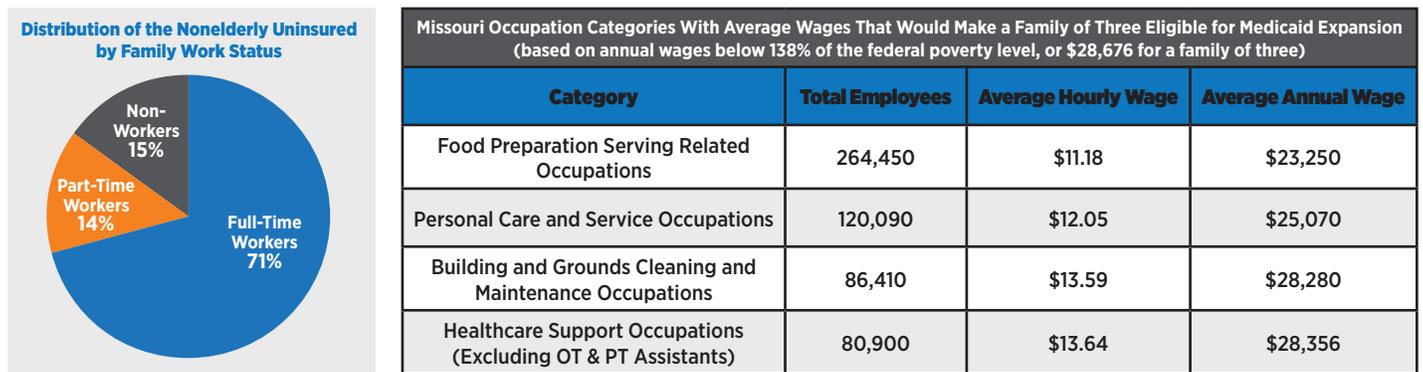
Who Would Be Newly Eligible For Medicaid Coverage?

An estimated 200,000 people who earn up to 138% FPL (\$28,676/year or \$13.78/hour working 40 hours/week for 52 weeks/year for a family of three) would be eligible.

It is anticipated that approximately 250,000 Missourians could be potentially covered if the state expands Medicaid. This would include the newly eligible and the “woodwork” eligible. In other states that expanded, some uninsured individuals who were already eligible for traditional Medicaid came “out of the woodwork” to enroll, likely as a result of the public awareness created by the Expansion. An estimated 81,000 uninsured children and adults in Missouri are already eligible for Medicaid under existing eligibility categories but are not enrolled. Newly eligible people would include primarily parents above the current income limit and childless adults with income up to 138 percent of the FPL, translating to \$17,236 for an individual and \$35,535 for a family of four.



The chart below provides examples of the types of workers who currently can't afford private health insurance because of their earnings and many don't have it provided by their employers.



How Would Missouri Benefit From Medicaid Expansion?

Not only will individuals benefit from having health insurance coverage with Medicaid expansion, the state will also benefit.

- States that have expanded Medicaid have experienced 7% lower premiums on insurance plans offered by the Healthcare Marketplace than non-expansion states.
- Because of the large amount of federal money that would flow into the state, and the shift of some people currently covered by Medicaid at a percent match rate, Missouri could see large budget savings after 5 years.
- Job growth is attributable to the expansion of Medicaid, because the overall state economy improves and the business economy also improves.
- Because newly covered adults are now able to access preventive health care services and have their chronic health conditions treated, the overall health of the population improves.

When Will This Be On The Ballot?

Missourians have advocated for years in the legislature to expand the Medicaid program with no success. Now, voters will have the opportunity to make that decision for themselves on Tuesday, Aug. 4.

Signatures from 350,000 registered Missouri voters were collected to place this on the ballot. Voter turnout will be the key to the success of this issue.

Who's Behind This Initiative?

A broad-based coalition of voters and patients, medical professionals, business leaders, and organizations. <https://www.healthcareformissouri.org/>



Explore Healthcare for Missouri on Facebook and Twitter (@HealthcareForMO)

Sources: Kaiser Family Foundation, *The Effects of Medicaid Expansion Under the ACA: Updated Findings from a Literature Review*; "Analysis of the Fiscal Impact of Medicaid Expansion in Missouri." Center for Health Economics and Policy. February 2019; Huang, Kemper, McBride, Joint Maddox "Effects of Medicaid Expansion on Coverage, Access, Outcomes, and Costs: Implications for Missouri." September 2019.