

Medicaid Expansion Ballot Initiative

Talking Points

Background

Missouri voters will decide whether the state will expand Medicaid, as envisioned in the Affordable Care Act, during the Aug. 4 primary election. Hospitals have advocated for expansion since the ACA was adopted, and Missouri remains among the few states that have not embraced the expansion.

The vote will occur during a challenging time for Missouri's health care system. COVID-19 has taken a toll on the communities hospitals serve, while hospitals have experienced significantly reduced utilization and revenue.

Opponents of expansion are expected to make the cost to state government the centerpiece of their campaign against the initiative. While a common argument by opponents, this has not been the case in states that have adopted expansion. [Research](#) from Health Management Associates reviewed three states similar to Missouri and found that expansion had a positive effect on state's financials when the states used expansion to adjust exiting state-funded enrollees.

Talking Points

COVID-19

- COVID-19 demonstrates the need for a strong and sustainable health care system in Missouri. Hospitals and health care providers have been [hard-hit](#) as services were cancelled and social distancing implemented, leading to sharp utilization and revenue declines.
- Missouri's unemployment rate — especially among service workers — has skyrocketed. Some of these jobs will return as the economy reopens. However, experts predict it will be a long road back to full employment and economic recovery.
- Low-income Missourians are among the most likely to be affected by the COVID-19 economic downturn. In urban parts of the state, poorer communities have been disproportionately affected by the virus as well, with higher transmission and death rates.
- Medicaid expansion would provide a long-term solution to coverage for the working poor. These individuals are less likely to be offered health benefits with their job or have access to a consistent venue for primary care. Medicaid coverage would offer stability and increased access.

Hospitals' Community Benefit and Investment

- Missouri hospitals [provide](#) approximately \$1.5 billion in uncompensated care annually. Caring for all Missourians, without regard to their ability to pay, is a fundamental part of hospitals' community-supporting mission.
- Medicaid expansion would do more than reduce hospitals' uncompensated care costs. Individuals enrolled under expanded coverage would be more likely to seek care when they need it and less likely to delay care — which can lead to poor health outcomes.
- Reduced uncompensated care spending will allow hospitals to address other health-related challenges in the community, including looking upstream of the clinical environment. With expanded Medicaid coverage for low-income working Missourians, hospitals and health care providers will have additional capacity to focus on health, rather than health care.

Expansion Grows the State Economy and State Revenue

- Medicaid expansion will boost Missouri's economy. New [research](#) indicates that expansion is expected to create more than 16,000 new jobs annually over its first five years, with nearly 80% of jobs created outside of health care.
- Job creation from Medicaid expansion would occur in communities throughout the state, with 90% of the new jobs paying more than \$15 an hour.
- Missouri can expect an increase in income taxes and sales taxes — the two largest sources of state general revenue — as the economic boost adds to the economy. At the same time, the ACA's higher match rate for coverage under Medicaid expansion will create an opportunity for state savings in several existing enrollment categories.
- According to HMA [researchers](#), the full cost of well-designed and well-synchronized Medicaid expansion in Missouri could be covered by replacing state-only funded enrollees with the expansion's 90% federal match, offsetting other Medicaid enrollees that would be matched at a higher rate, and through other policy and operational adjustments.
- The same researchers suggest that new federal funds will generate economic activity for Missouri, while the state's history of maximizing provider taxes will help stabilize the growth of general revenue spending within Medicaid.

Rural Hospitals and Health Care

- Ten rural [hospitals](#) in Missouri have closed since 2014, and approximately half of Missouri's rural hospital operate with a negative margin.
- All of the counties in the bottom quartile for health insurance coverage in Missouri are rural.
- By 2030, more than 25% of rural Missourians will be over age 65. Research shows that 90% want to age in place.
- Six rural Missouri counties lack a primary care physician, and 71 counties lack obstetrics coverage.
- Rural Missourians travel farther to receive care. Hospital closures have added to the challenge. For example, after the closure of a hospital in Kennett, Mo., area residents are anticipated to travel more than 1 million additional miles to receive hospital care.

Missouri Hospital Association
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