

## *Collateral Damage: Medicaid Cuts in Tennessee and Missouri*

A film entitled “Collateral Damage: Bad Medicine in Tennessee” documents the impact of cuts to that state’s Medicaid program. Missouri has also enacted severe Medicaid cuts. Following is a comparison of the changes made in the two states. Unless otherwise indicated, the information about the cuts in TennCare is from the Tennessee Justice Center, a non-profit organization that advocates for the health and welfare of the people of Tennessee. [www.tnjustice.org](http://www.tnjustice.org). For more information contact [The Missouri Budget Project](http://www.mobudget.org), 314-652-1400 [www.mobudget.org](http://www.mobudget.org).

<i>In Tennessee</i>	<i>In Missouri</i>
<ul style="list-style-type: none"> <li>191,000 Tennessee residents were cut from TennCare in 2005.</li> </ul>	<ul style="list-style-type: none"> <li>More than 200,000 Missourians’ Medicaid health insurance was cut from 2003-2204. The Medicaid caseload dropped by 114,000 in the year ending July, 2006.<sup>1</sup></li> </ul>
<ul style="list-style-type: none"> <li>TennCare’s services are limited. For example, it allows only 5 prescriptions per month. Tennessee is now 50<sup>th</sup> among states in providing home and long-term care.</li> </ul>	<ul style="list-style-type: none"> <li>A wide array of services became “optional” including feeding tubes, dental, vision, wheelchair batteries, rehab therapy. Some individuals have to go into nursing homes to get the services they need.</li> </ul>
<ul style="list-style-type: none"> <li>TN instituted a stricter spend-down program that is a hardship on many.</li> </ul>	<ul style="list-style-type: none"> <li>To be eligible for Medicaid under the Missouri spend-down plan, individuals now have to “spend down” (or pay a monthly premium) so their income is less than 85% of federal poverty or \$694/mo for an individual.<sup>2</sup></li> </ul>
<ul style="list-style-type: none"> <li>Policy leaders said that “TennCare is riddled with fraud and abuse that is soaking the taxpayers and making the program unaffordable.</li> </ul>	<ul style="list-style-type: none"> <li>The Governor and leadership of the General Assembly described Medicaid as filled with waste, fraud and abuse. <i>Although providers perpetrate the greater part of fraud, efforts to identify fraud focused solely on those insured.</i></li> </ul>
<p><b><i>“TennCare was a budget buster.” “Missouri’s Medicaid spending is out of control”. Is this true?</i></b>  Data indicate it is not. Both TN and MO spent less per person than the US average of \$84. TN spent \$60/person and MO spent \$69/person.<sup>3</sup></p>	
<p><b><i>Did TN and MO insure more people in their public health insurance programs than most states? No. Both states were close to the national average.</i></b>  In 2004-05, the national average of the non-elderly insured by states’ public health insurance was 14%. TennCare insured 16% of this population, and MO insured 14% with Medicaid.<sup>4</sup></p>	
<p><b><i>Was growth of TennCare and Medicaid out of control? Both states were close to the national average.</i></b>  Annual growth of TennCare was 9.2% between 1980 and 2004. Missouri’s Medicaid grew by 8.3%. Average growth across all states was 8.6%.<sup>5</sup></p>	
<p><b><i>Can TN and MO afford to invest more in health care? Yes, if we choose to do it.</i></b>  Both Tennessee and Missouri have per capita incomes that are slightly below the US average. Per capita income in TN in 2003-05 was \$28,919. In MO it was \$29,630. The US average was \$32,021.<sup>6</sup> However, both States have low tax burdens. TN ranks 49<sup>th</sup> and MO ranks 44<sup>th</sup> in per capita taxes collected during 2000-2004.<sup>7</sup> Both TN and MO face challenges in adequately investing in health care because of choices that result in a low tax burden.</p>	

<sup>1</sup> Department of Social Services, Case Load Counter, October 2006. [www.dss.mo.gov](http://www.dss.mo.gov).

<sup>2</sup> Barker, Ryan. Missouri Medicaid Basics, Missouri Foundation for Health, 2007

<sup>3</sup> [www.statehealthfacts.org](http://www.statehealthfacts.org), Kaiser Family Foundation

<sup>4</sup> ibid

<sup>5</sup> ibid

<sup>6</sup> [www.census.gov](http://www.census.gov).

