



December 15, 2005

For more information contact:  
Jennifer Hill, Director of Health Policy  
636-236-0831  
Ruth Ehresman, Health Policy Specialist  
314-504-3616 or  
Amy Blouin, Executive Director  
314-518-8867

**FOR IMMEDIATE RELEASE**

**Medicaid Reform Report Includes Harmful  
Recommendations; Thousands of Low-Income Missourians  
Remain without Health Coverage**

The Medicaid Reform Commission today is reviewing a draft report which is scheduled to be presented to the Missouri Legislature in January. “We are disappointed that the recommendations do nothing in the short- run to restore health insurance for the more than 250,000 people who have lost benefits during Missouri’s current fiscal crisis,” said Jennifer Hill, Director of Health Policy for the Missouri Budget Project.

“Everyone is concerned about health insurance, yet this proposal does nothing to address the growing number of uninsured Missourians or to improve access to care; in fact, several of the recommendations further restrict coverage for working families, the elderly and those with disabilities,” Hill said.

“In addition, the recommendations imply that individuals formerly insured by Medicaid are responsible for its growing cost because they use services they don’t really need. This is not an accurate analysis,” Hill said.

The report also recommends increasing the transparency of costs and educating consumers about making health care decisions. “While these are desirable long-term goals, they are not the solution to our most the urgent and serious need--ensuring that everyone in Missouri has access to affordable health insurance,” Hill said.

“Tens of thousands of low-income working parents need health insurance now to keep themselves healthy enough to support their families. Individuals with a disability, but who are able to work part time, have to choose between working and their health insurance. These individuals need a new program now; they cannot wait until 2008,” Hill said.

Among the recommendations in the 71-page report that the Missouri Budget Project cites as harmful are:

- A change from insurance coverage to a defined benefit plan would result in consumers not having an array of services similar to those covered by private insurance. Low-income individuals likely will be required to pay for services, which are often cost-prohibitive, leaving them without needed medical care.
- The managed care pilot program, followed by a permanent program for the disabled population is not advisable. These individuals are often sicker than others and they have not been able to work for most of their lives. Many have multiple conditions not limited to physical disability and are not good candidates for managed care as evidence-based medicine has shown.

- The policy of sanctioning consumers for exercising their right to obtain emergency medical care is inappropriate and unlikely to result in cost savings.
- Reprioritization of funding means that further cuts will be needed. Balancing funding by purchasing more preventative care means fewer dollars for treatment, which comprises the majority of current Medicaid funding.
- Interventions in the area of maternal and child health should require the funding of family planning and women's health which was completely eliminated in Missouri.
- Exploring options to prevent fraudulent providers from doing business in Missouri needs to be accompanied by legislative action, such as a state version of the Federal False Claims Act. The state recently purchased new payment accuracy software designed to decrease the probability of fraud. Unfortunately, those who commit fraud have been able to evade the detection systems. Fraud protection should be a priority as evidence indicates most fraud is perpetrated by providers of healthcare services.
- The active provision of healthcare services should never be withheld simply for administrative purposes or in order to comply with step therapy types of interventions, as suggested by the recommendations. One of the recommendations would encourage "prevention/management /education" before any treatments could be given. Many providers already include these components in treatment plans; advanced therapies or treatments must be provided if medically necessary.

- Defined- benefit plans can water down the preventative benefits that Medicaid has traditionally provided to children. The benefit of children receiving early and periodic screenings is eliminated in a strict managed care setting.
- Defined- benefit plans also conflict with the medically-needed standard. If an intervention or therapy is outside of the defined benefit, the patient may not be able to access it even if prescribed. This is similar to the exception process for optional treatments that were eliminated in 2005. Patients who receive treatment through the exception provision must have a doctor's statement that it is needed to maintain their health or prevent serious or permanent illness. Many patients are currently rejected for treatments they were receiving before the elimination of optional services. Defined benefits will not improve optional services for many who are currently covered and could further restrict them.

The Missouri Budget Project is a statewide, nonprofit, nonpartisan organization that informs the public about the state's budget and tax policy options and their impact on low-income Missourians.