

SB 581 Medicaid Provisions: Brief Summary.

The Medicaid provisions of the legislation would restore coverage and services to levels that are *no more restrictive* than those in place on January 1, 2005. However, for certain groups, coverage can be no more restrictive than the requirements in place on January 1, 2002. This legislation would not preclude the state from expanding coverage or making the program less restrictive than the program that existed on the dates indicated in the bill. SB 581:

- **Expands coverage for low-income custodial parents to 100% of the federal poverty level** (January 1, 2002 levels). This group has been reduced to about 21% of poverty over the last several years, with the most significant reduction on July 1, 2002. Because this provision is no longer indexed to the federal poverty level, the number of eligible parents will continue to decline under current law. It is estimated that this provision would provide coverage for *102,143* Missourians.¹
- **Provides coverage for low-income non-custodial parents up to 125% of poverty level.** (January 1, 2002 levels). This eligibility group was eliminated from coverage entirely on July 1, 2002. The Department of Social Services estimates that *813* non-custodial parents would participate in this program.²
- **Provides 2 years of *Extended Transitional Medical Assistance* for working parents under 300% of poverty whose employment would otherwise make them ineligible for Medicaid** (January 1, 2002 levels). These two years are *in addition to* the one year of Transitional Medical Assistance (TMA) that Missouri is required to provide by *federal law*.³ The program was scaled back in July 2002 and eliminated on July 1, 2005. The Department estimates that *2,112* individuals would participate in the extended TMA program.
- **Provides two years of *Extended Women's Health services*** (January 1, 2002 levels). Missouri reduced this service to one year on July 1, 2002. The current Missouri Medicaid program provides one year of "extended women's health" services for women who would otherwise lose all Medicaid coverage 60 days after the birth of their child. This program covers family planning-related services and screening and treatment for sexually transmitted diseases. The Department estimates that *18,104* more individuals will participate in the program as a result of covering these services for an additional year.

¹ The estimates as to the number of eligible Missourians in each category are taken from the fiscal note for the legislation. The fiscal note does not indicate the number of individuals who would have their services restored though it provides estimates as to the costs of restoring those services.

² This figure includes restoration of both the Non-custodial Parent and the Parents Fair Share categories of Medicaid coverage.

³ Under current federal law, six months of TMA are guaranteed, and the second six months are based on reporting and income requirements.

- **Restores coverage for children under SCHIP** by eliminating premiums and affordability requirements for the lower income SCHIP groups (January 1, 2005 levels). These requirements were instituted on September 1, 2005. The Department estimates that *16,348* children would be added to SCHIP as a result of revising the premium requirements while *6,356* children would be added as a result of revising the affordability test, for a total of *22,704* children. An additional *21,986* children will no longer have to pay a premium to participate in the Missouri SCHIP program.
- **Restores long-term care services eligibility criteria to January 1, 2005 levels**, by reducing the number of points required for long-term care from 21 points to 18 points. Eligibility requirements for these services were made more restrictive on July 1, 2005. The Department of Health and Senior Services has estimated that *6,229* individuals will use home and community-based services as a result of this change. This includes *1,700* additional people with disabilities and *3720* additional seniors who would use HCB services, as well as *809* individuals who already lost their eligibility as a result of the change in the “point count” criteria that was implemented on July 1, 2005.
- **Reinstates the MAWD program** (which was eliminated on September 1, 2005). It is estimated that this provision would provide coverage for *16,987* working disabled individuals. This total includes *5,154* individuals who do not receive any Medicaid now and *11,833* individuals who are currently served by other Missouri Medicaid programs, but would shift to MAWD.
- **Increases elderly and disabled coverage up to 100% of the federal poverty level** (January 1, 2005 levels). These income requirements were reduced to 85% of the federal poverty level on September 1, 2005. It is estimated that *17,302* individuals would be shifted from spenddown to non-spenddown as a result of this provision while *41,805* individuals would have reduced spenddown amounts as a result of this change. *17,302* additional individuals who receive no coverage now would be added to the Medicaid spenddown program.⁴
- **Reinstates Medicaid for individuals who meet the requirements for General Relief Benefits** (January 1, 2005 levels). This coverage was eliminated on July 1, 2005. It is estimated that this provision would provide coverage for *2,728* individuals with temporary disabilities.

⁴ “Spenddown” works like a monthly deductible. Recipients in the Medical Assistance-Spenddown category are responsible for a certain amount of their medical expenses each month, based on their income. The amount of monthly income that a recipient may have that is *more than* the income limits for Medical Assistance is the recipient’s Spenddown amount--the monthly income the recipient has to contribute to his or her medical care. Medicaid coverage kicks in after the individual incurs enough Medicaid expenses to meet his/her “spenddown amount.”

- **Reinstates all services that were eliminated on September 1, 2005**, including dental, vision, therapies, hearing aids, durable medical equipment (canes, catheters, crutches, feeding tubes, breathing equipment, hospital beds, decubitis care equipment, etc.) This would also remove the provisions of current policy under which these services are available to blind elderly and disabled individuals but are not part of the benefits package for non-blind elderly and disabled individuals. This change would reverse a cut in services that was implemented on September 1, 2005. The Department previously estimated that 370,000 adults were affected by these reductions in services.
- **Revises co-payments to conform with January 1, 2005 requirements, thereby eliminating the co-payments on a wide range of services** that were subjected to co-payments in 2005 (e.g., all physician visits, lab tests, x-rays, ambulatory surgical care, certified nurse practitioner services, clinic services including services provided by federally qualified health centers and rural health centers). These additional co-payments were instituted on September 1, 2005.

The Department of Social Services estimates a total of *180,965* new individuals would be covered by the Missouri Medicaid program under this legislation.⁵ The program would also restore services and reduce out-of-pocket expenses for several hundred thousand low-income individuals who already receive Medicaid coverage.

The Department of Social Services estimates the cost of the bill to be approximately \$293-\$294 million in state dollars in FY 2008 growing to \$387-\$388 million in FY 2010. These changes would bring approximately \$482.1 million in federal dollars into Missouri in FY 08, growing to approximately \$637.8 million in FY 2010.

--- Joel Ferber, Legal Services of Eastern Missouri, March 15, 2007 ---

⁵ This figure is not a precise estimate of the additional individuals who would be covered under the bill's provisions. It includes some groups who are already covered by Medicaid but whose out-of-pocket costs would be reduced or eliminated under the bill's provisions. It also excludes many of the groups whose health coverage would be restored under the legislation (such as Extended Women's Health, Extended Transitional Medical Assistance, Non-custodial Parents, and children who would be added to the SCHIP program). If the individuals who are already covered are taken out of the estimate and the other groups who would have their coverage restored are added into the estimate, the total number of people who would have new or restored Medicaid coverage would be 171,060. The number of current Medicaid recipients who could potentially have their out-of-pocket health care costs reduced (e.g., by a reduction in their spenddown amount or moving from spenddown to non-spenddown) is 92,926. And this figure still does not include the number of individuals whose services (e.g., dental, vision, therapies) will be restored. The financial estimates, however, include all of these costs.