



Excerpts from Wall Street Journal Medicaid Story *February 16, 2006*

Wrestling With Medicaid Cuts States Face Difficult Choices Amid Shrinking Federal Funds

By DEBORAH SOLOMON
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Missouri's Severe Cuts:

“With Medicaid costs now consuming about 17% of state general-fund budgets, and rising at more than twice the rate of inflation, state governments are scouring the health program for savings to protect their bottom lines. But changing a safety net for 52 million poor and disabled Americans involves delicate trade-offs....”

“States, which face balanced-budget requirements that Washington doesn't, feel even more pressure. **Perhaps most aggressive of all has been Missouri**, which last year instituted eligibility and program changes that slashed state and federal spending by \$626 million to about \$5.3 billion a year. The result: **More than 100,000 Missourians have lost Medicaid coverage...**”

“A recent poll for the nonprofit Missouri Budget Project found that **68% of state residents oppose the recent cuts...**”

Cuts to Working Parents:

“... Missouri lowered the eligibility threshold for Medicaid to 22% of the federal poverty line, from 75% last year. So a family of three can earn no more than \$3,504 a year, excluding some child-care costs, to qualify for Medicaid; last year, the figure was \$12,067.”

"The cuts to low-income parents were the deepest cuts in the nation and everywhere we go people are upset," says Amy Blouin of the Budget Project."

One Family's Story:

"...at age 32, Ms. Johnston had a stroke that left her incapacitated, in a wheelchair and unable to care for herself or her son. Ms. Johnston, who was a probation officer with the state, couldn't return to work but she was able to resume making and selling jewelry, which made her eligible for Medicaid through the Medical Assistance for Workers with Disabilities program..."

"... Missouri abolished the Medical Assistance program, which cost the Johnstons access to Medicaid. Under new guidelines, the family made too much money and would have to contribute \$2,300 a month toward health-care costs before Medicaid kicked in -- an amount Mr. Johnston says they can't afford on the \$5,466 they gross each month from his salary and her disability payments."

"... Ms. Johnston's parents sold their house in Joplin and moved 168 miles to Grain Valley, where their daughter and son-in-law live, so that Ms. Johnston's mother could take care of Lesley. "Her mom had to quit her job of 15 years -- a job she loved -- and be a caregiver," Mr. Johnston says.

Ending Medicaid:

"The Legislature has decided to end Medicaid altogether in 2008, and **established a commission to design a replacement.** Last month, the commission proposed tax credits to small employers who offer health insurance, varying levels of co-payments for beneficiaries, and incentives for people to buy nursing home insurance. Legislators haven't acted on the recommendations."