



March 22, 2004

House Bill 1011 and Medicaid

Chris Deason and Amy Blouin

Contact us: www.mobudget.org; or 314-652-1403

Medicaid Impact on Missouri

Currently, more than one in six Missourians access health care through state-sponsored Medicaid. Prior to the budget crisis, Missouri was leading the nation in some of its programs, particularly in health care coverage. With the onset of the state fiscal crisis and resulting budget cuts, Missouri is leading the nation in the amount of health care *cuts* that have been made (**Only one state, New Jersey, has had more significant Medicaid reductions than Missouri**). The combined budget cut impacts in the Departments of Social Services, Health and Mental Health during fiscal years 2001-2004 resulted in core reductions totaling \$606.8 million. More than 100,000 Missourians lost access to health care coverage due to these cuts, and tens of thousands more lost access to disability related programs including mental health, general relief and others¹.

In addition to very real human ramifications, there are significant fiscal consequences to these cuts. For each state dollar cut in Medicaid, Missouri loses an average of \$2 in federal funding. These cuts impact not only the uninsured individuals but also the local economy and health care industry.

Missourians Want HealthCare

The vast majority of Missourians realize that *Medicaid is a smart investment* in our state's health care system.

- In a statewide survey released by the Missouri Foundation for Health, *two out of every three Missourians* say they oppose Medicaid cuts.
- Opposition to cuts in Medicaid is broad in Missouri, including voters of all ages, political parties, races, and regions of Missouri.
- Voters *prefer tax increases* to cuts in health care by over 20 points.
- Voters are *willing to cut other state programs*, such as economic development programs and state parks and recreation, before tolerating reductions in health care to seniors and children.

¹ Spenddown changes requiring seniors and disabled to pay down their income with health care bills to 80% of federal poverty level, or \$598 per month per individual, affected 40,696 people, Medicaid for Adults reduced from 100% FPL to 77% FPL, eliminating 37,320 working adults (nearly 70% of these cuts impacted low income women) Elimination of Noncustodial parents and Parents Fair Share programs impacted 2,911 adults Elimination of women's health services (DSS & DHSS) impacted 33,000 women Total number impacted equals 113,927 Missourians

House Budget Proposals would Cut Medicaid Further

Even with broad public support for Medicaid, health care programs for the poor continue to be cut or eliminated in the House Budget Proposal. HB 1011 specifically proposes to further reduce Medicaid for Families to 50% of the poverty level, resulting in nearly 40,000 more working parents left without insurance. An additional 1,600 eligible parents will be without coverage if the \$1,000 asset limit on MAF working parents is passed. Further, a proposal to lower CHIP asset limit would make access to care unduly difficult for children with special needs, and would eliminate 4,400 children from coverage. In addition, another 20,000 children will be without coverage if the proposed increase in CHIP co-payments is passed.

The House Budget Committee must restore Medicaid Eligibility and Asset limits to their current level. It is the right thing to do for Missouri’s children, seniors and struggling families who rely on this vital program.

- Current legislative proposals will cut Medicaid to more than 68,000 Missourians, most of whom have ***no other health care coverage options.***
- Nearly half of all current Medicaid recipients are ***children from needy families.***
- ***Senior citizens*** heavily depend on Medicaid to help offset the costs of prescription drugs and nursing home care.
- Medicaid cuts would not only hurt families and individuals who depend on it, but will also impair health professionals and local hospitals.
- Medicaid cuts will ***shift costs*** to already overwhelmed emergency facilities, religious organizations, and local communities.
- Cutting Medicaid is an effort to balance the budget on the backs of seniors, children, low wage workers, and disabled citizens. There are ***other options for Missouri to balance the budget.***

Senate Appropriations Committee Counties -Medicaid Cuts

Counties	Number of People who’ve already lost coverage due to budget cuts	Number who would lose Medicaid with HB 1011 Proposed Cuts
Barry, Lawrence, McDonald, Ozark, Stone, Taney	2,560	2,687
Buchanan, Platte	1,198	1,380
Butler, Dunklin, New Madrid, Pemiscot, Ripley, Stoddard, Wayne	3,508	3,386
Camden, Howell, Laclede, Oregon, Shannon, Texas, Wright	2,868	2,926
Dade, Jasper, Newton	6,041	2,423
Greene	2,538	2,727
Jackson	5,299	8,237
St. Charles	1,205	1,544
St. Louis City	3,969	6,609
St. Louis County	4,712	7,589