

Now more than ever, it is critical that Missourians can access the health care they need without worrying whether they can afford it.

Strengthening Medicaid is the fastest and most sensible way to provide comprehensive coverage to Missourians who need it and has the added benefit of stabilizing Missouri's state budget to prevent cuts to other essential services - such as education, child welfare, or senior services - during this time of need.

This paper summarizes what policies have already been put in place, and actions both federal and state policymakers could take to further strengthen Medicaid during this health and economic crisis.

Many of Missouri's essential workers (including home health aides, child care workers and other caregivers, grocery store and pharmacy clerks) work in low-wage jobs that do not provide health coverage. Yet these workers have greater exposure to the public, placing them at increased risk of contracting COVID-19. At the same time, historic job losses mean Missourians are losing access to employer-sponsored health coverage at unprecedented rates.



Over **72,000** workers - **or 1 in 9** - in Missouri working in frontline professions do not have health insurance.<sup>i</sup>



Since shutdowns related to COVID-19 began ten weeks ago, **568,739** Missourians have filed unemployment claims - **or 1 in 5** workers in Missouri.<sup>ii</sup>



Assuming a 20% unemployment rate, it is estimated that approximately **478,000** Missourians will lose access to employer sponsored insurance (ESI) over the course of the pandemic. Over **1 in 3** losing access to ESI would become uninsured.<sup>iii</sup>

Medicaid is a common sense way to quickly provide comprehensive health coverage to those who need it most. In addition, financing for Medicaid is structured to react quickly and efficiently to public health emergencies such as COVID-19 as federal support increases in proportion to increased demand for services.

## Federal & State Policy Responses to Date

Administrative and legislative steps have already been taken to address some of the urgent needs related to COVID-19, including:

**Enhanced Medicaid Match:** The Families First Coronavirus Response Act included a temporary boost to the share of Medicaid covered with federal funds. The 6.2 percentage point increase in the Federal

Medical Assistance Percentage (FMAP) will provide at least \$517 million in enhanced federal funds to Missouri in the current calendar year. This enhanced FMAP is effective retroactively, beginning on January 1, 2020 and is currently projected to last through September 2020.<sup>iv</sup>

**Coverage Protections:** States who opt to utilize the enhanced FMAP are subject to “maintenance of effort” (MOE) provisions in the Families First Act, and cannot impose new Medicaid eligibility restrictions or take away people’s coverage while the state receives enhanced federal Medicaid funds.

**MO HealthNet Coverage:** On March 19th, the Missouri Department of Social Services and the MO HealthNet Division announced several changes to MO HealthNet Coverage to be enacted for a 90-day period.

- **Expanded Eligibility:** Missourians age 19-64 who test positive for COVID-19 will be eligible for Medicaid coverage for 90 days provided they meet income and asset guidelines as set for MO HealthNet for People with Disabilities.<sup>v</sup>
- **COVID-19 Testing:** MO HealthNet participants can receive COVID-19 testing with no co-pays.
- **Coverage Protections:** Annual renewals of eligibility are suspended and Medicaid will not be terminated for anyone during the emergency period.
- **Telehealth:** Co-payments for telehealth services are waived and requirements related to telehealth have been relaxed.
- **Prescriptions:** Requirements for prescription refills and prior authorizations have been relaxed to ensure Medicaid participants have access to needed treatments.

## Federal & State Policy Recommendations

### Extend and Sustain Enhanced Medicaid Match

The most important way to get fiscal relief to states is through a larger and sustained increase in the Federal Medical Assistance Percentage (FMAP) for Medicaid that adjusts with economic conditions and remains in place as long as unemployment remains elevated. This would help states that are seeing sharp increases in their Medicaid enrollment and provide flexible relief by freeing up state funding that can then be spent in other areas.

Given the extent of the crisis, in their next COVID-19 legislation, the Congress should:

- **Add to the modest FMAP increase that was enacted as part of the Families First Act;**
- **Continue the increased FMAP until the economy fully recovers;**
- **Maintain strong protections (“maintenance of effort requirements”) to keep states from cutting coverage while receiving the additional federal funds; and**
- **Create additional financial incentives for states to expand Medicaid.**

In addition to Congressional action, there are several additional steps Missouri policymakers can take to strengthen health care access for Missourians at this critical time:

## Extend COVID-Related MO HealthNet Changes Currently in Place:

The state's Medicaid policies in response to COVID-19 are currently scheduled to expire on June 15th. Given that public health researchers believe that the pandemic will continue throughout 2020 and into 2021, these policies should be extended to ensure that Missourians have access to the health care they need at this time of crisis.

## Expand Access to Health Care through Medicaid:

As Missourians are laid off and lose access to employer-sponsored health insurance, Missouri risks a sharp increase in the uninsured rate as low-income adults are left without access to affordable coverage in the midst of a pandemic. The best way to ensure that all Missourians have access to the health care they need throughout the health and economic crisis, and to ensure that all Missourians will have access to the COVID-19 vaccine when it becomes available, is to support expanded Medicaid eligibility.

- **Expand Medicaid eligibility to all Missourians who test positive for COVID-19:** Missouri has already expanded eligibility for some Missourians with COVID-19; however, because the income eligibility is so restrictive, many workers with low incomes are still ineligible. Missouri should expand on the Department's current policy by providing immediate Medicaid coverage to all Missourians who test positive for COVID-19, regardless of income.
- **Expand Medicaid eligibility for adults:** Expanding Medicaid eligibility to all Missourians ages 19-64 with incomes up to 138% of the federal poverty level is the best way to ensure everyone has access to health coverage during the pandemic. Medicaid expansion would result in more than \$100 million in state general revenue savings annually as it would trigger additional federal funding for a variety of health services currently paid for with state funds. Thirty-seven states have already adopted Medicaid expansion as allowed under the Affordable Care Act. Missouri will have the opportunity to do the same when the issue is presented to voters on the November 2020 ballot. Lawmakers can support this effort to strengthen access to coverage for their constituents.
- **Expand Medicaid eligibility for lawfully residing immigrant children & pregnant women:** Many lawfully residing immigrants are eligible for Medicaid only after a five-year waiting period. States have the option to waive the waiting period for children and pregnant women, yet Missouri is one of only 15 states that have not utilized this option.<sup>vi</sup> By waiving the waiting period, Missouri can ensure that all Missouri children are able to access the care they need during the pandemic.

**Ensure Timely Access to Care:** Now more than ever, it is critical to ensure that everyone who needs health coverage can access that coverage quickly and without financial or administrative barriers.

- **Eliminate CHIP Premiums:** Families whose children are covered under Missouri's Children's Health Insurance Program (CHIP) program are required to pay premiums; Missouri's premiums are among the highest in the nation and may be a significant barrier to coverage for families experiencing financial distress. Though the state waived premiums temporarily at the onset of the crisis, eliminating the premiums permanently would not only help families make ends meet as Missouri recovers from the pandemic, but would also improve efficiency, allowing staff to focus on keeping children covered.

The cost of eliminating CHIP premiums would largely be covered by additional federal dollars because CHIP premiums and cost sharing reduce the amount of state Medicaid expenses that are eligible for federal matching funds. Thus the bulk of any savings created through charging premiums flows to the federal government, rather than the state of Missouri. Eliminating CHIP premiums would cost an estimated \$2.86 million in FY2021; this cost could be significantly lower if current enhanced FMAP rates tied to the public health emergency or CHIP reauthorization are extended.<sup>vii</sup>

- **Expand Presumptive Eligibility:** Missouri uses what’s known as “presumptive” eligibility to provide temporary Medicaid coverage to individuals who meet certain requirements, including pregnant women and children, parents, those receiving breast and cervical cancer treatments, and former foster youth. The eligibility can be presumed by a select group of health providers, specifically those who participate in the MO HealthNet program and have gone through training.

Expanding presumptive eligibility to cover seniors and people with disabilities and expanding the types of organizations allowed to make presumptive eligibility determinations would ensure that individuals can access immediate care and that providers will be reimbursed for their services.<sup>viii</sup>

- **Continue expanded call center hours:** At the start of the crisis, Missouri expanded the hours of operation for the Family Support Division Information Line (or “call center”) to include some evening and weekend times. The expanded hours increased access for families who need assistance in submitting their applications for health coverage, or who simply need advice about what services they may be eligible for. While not the only factor, the expanded hours helped to reduce delays in application processing and wait times. Just prior to the pandemic, in February 2020, callers were placed on hold for an average of 24 minutes. Following the implementation of expanded hours, the average call center wait time decreased to less than 2 minutes in April. The wait time decreased despite the fact that the call center served more callers after the pandemic hit; the number of callers assisted increased from 83,600 in February to 111,895 in April.<sup>ix</sup>
- **Streamline applications and renewal procedures:** Lawmakers and administrators broadly agree that Missouri’s application for Medicaid coverage is much more complex than needed. A good deal of research already exists on how the application and renewal procedures can be simplified. Todd Richardson, MO HealthNet Director, has stated that this is a priority. To streamline applications, the Department can:
  - **Implement express lane eligibility:** Utilize express lane eligibility for children and families, utilizing income verification for other services such as SNAP and Child Care to qualify the family for Medicaid.
  - **Suspend quarterly renewals and eliminate auto-closures:** During this time of economic crisis it is critical that Missourians are able to have access to continuous health coverage during the pandemic.

## Notes

- i. Center for Economic and Policy Research Analysis of American Community Survey, 2014-2018 5-Year Estimates
- ii. Economic Policy Institute Analysis of Department of Labor initial claims data
- iii. Garrett, A. B., & Gangopadhyaya, A. (2020). How the COVID-19 Recession Could Affect Health Insurance Coverage. Urban Institute.
- iv. The enhanced federal matching rate is scheduled to continue through the quarter that the public health emergency ends. The public health emergency is currently extended into the third quarter of the calendar year, which ends on September 30th.
- v. MO HealthNet for People with Disabilities is available to individuals with incomes up to 85% of the federal poverty level (or an income of \$1,538 per month for a family of three) whose assets total no more than \$4,000 for individuals and \$8,000 for couples.
- vi. Medicaid and CHIP Eligibility, Enrollment, and Cost Sharing Policies as of January 2020: Findings from a 50-State Survey. Kaiser Family Foundation. Available at <http://files.kff.org/attachment/Report-Medicaid-and-CHIP-Eligibility,-Enrollment-and-Cost-Sharing-Policies-as-of-January-2020.pdf>
- vii. Estimate based on MBP analysis of CHIP premiums collected in 2019 (\$13m); assumes enhanced FMAP of 91.8% through September 2020, reverting to an FMAP of 75.47 for the remainder of FY2021.
- viii. For more info on Presumptive Eligibility Options, see <https://ccf.georgetown.edu/2020/03/26/medicaid-disaster-relief-spa-template-suggests-positive-steps-states-can-takeduring-the-covid-19-pandemic/>
- ix. Data from the Missouri Department of Social Services