

## MEDICAID EXPANSION IS CRITICAL FOR MISSOURI'S COMMUNITIES

The Affordable Care Act (ACA) expands the Medicaid program to provide health care for millions of uninsured individuals, mainly low-income adults. In June, the Supreme Court ruled that States can choose whether to expand their Medicaid programs. If Missouri chooses to expand its Medicaid program (MO HealthNet) in 2014, the federal government will pay 100 percent of the cost for the first three years, with federal payments gradually reducing down to 90 percent by 2020. This is a great deal for Missouri. Missouri should take advantage of this opportunity offered to expand Medicaid coverage to the poorest uninsured in our communities.

- **The Medicaid expansion will provide basic health insurance coverage for nearly 260,000 low income Missourians in 2014.**<sup>1</sup> Access to health insurance means healthier families and healthier communities.
- **The Medicaid expansion will cover people with incomes up to 138% of the federal poverty level, including adults without children.** For a household of one, this income limit would cover non-disabled adults making up to \$1285/month. Missouri's current Medicaid program only covers adults who have minor children and make less than \$234/month for a family of two (after income disregards).
- The Medicaid expansion will create thousands of new jobs in Missouri. **The State estimates that approximately \$15.7 billion dollars will come into Missouri between 2014 and 2021 as the result of the Medicaid expansion,**<sup>2</sup> and these federal dollars will go directly into our state economy resulting in more jobs that cannot be outsourced. A new study by the University of Missouri found that the Medicaid expansion would create more than 24,000 jobs in the Missouri economy in 2014 alone.<sup>3</sup>
- **The Medicaid expansion will likely reduce adult death rates.** A recent study found that expanding Medicaid to previously ineligible adults reduces death rates and improves coverage, access to care, and self-reported health among this group.<sup>4</sup>
- **The Medicaid Expansion, while targeted to adults, also helps children.** When parents and caretakers have health insurance, their health generally improves, and their children are also more likely to be insured and able to access critical care.<sup>5</sup>
- **The Medicaid Expansion will provide health care coverage to Missouri's residents working low-paying jobs and saves community funds.** Most low-paying jobs do not provide health insurance. Thus, these low-wage workers are often unable to access health care to treat otherwise manageable health conditions. This results in unnecessary ER visits, where our community-funded hospitals end up providing uncompensated care.
- **The Medicaid Expansion will help those who most need a safety net, including homeless people and those with severe mental illness.** Half of the newly eligible individuals have incomes at 50% or less of the federal poverty line (\$465 a month for an individual).<sup>6</sup> Many of these extremely low income individuals are homeless and nearly a quarter of homeless individuals have a serious mental illness.<sup>7</sup> Approximately 1 in 6 currently uninsured adults with incomes below 133% of poverty has a severe mental disorder.<sup>8</sup>

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<sup>1</sup> Medicaid Expansion Draft: Impact on New Eligibles, provided by Linda Luebbering, Budget Director, December 18, 2012.

<sup>2</sup> *Id.*

<sup>3</sup> University of Missouri School of Medicine Department of Health Management and Informatics and Dobson DaVanzo & Associates, *The Economic Impacts of Medicaid Expansion on Missouri*, Missouri Hospital Association and Missouri Foundation for Health, at 11 Table 3, November 2012.

<sup>4</sup> Benjamin D. Somers, *et al.*, *Mortality and Access to Care Among Adults After Medicaid Expansions*, N. ENG. J. MED. published online July 25, 2012.

<sup>5</sup> CBPP, and Georgetown University Health Policy Institute, Center for Children and Families Memorandum to Interested Parties, July 12, 2012.

<sup>6</sup> See, e.g., The Henry J. Kaiser Family Foundation, *Focus on Health Reform: Explaining Health Reform: Benefits and Cost-Sharing for Adult Medicaid Beneficiaries*, 2010. Available at [www.kff.org](http://www.kff.org); Judge David L. Bazelon Center for Mental Health Law, *Advantage of New Opportunities to Expand Medicaid Under the Affordable Care Act*, July 2012.

<sup>7</sup> Dennis P. Culhane, *et al.*, *Prevalence of Treated Behavioral Disorders Among Adult Shelter Users: A Longitudinal Study*. 68 AM. J. of Orthopsychiatry, 63, 64, January 1998.

<sup>8</sup> Judge David L. Bazelon Center for Mental Health Law, *Advantage of New Opportunities to Expand Medicaid Under the Affordable Care Act*, July 2012.