

Missouri Medicaid Basics

2020

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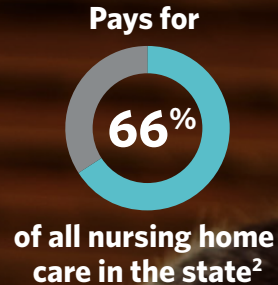
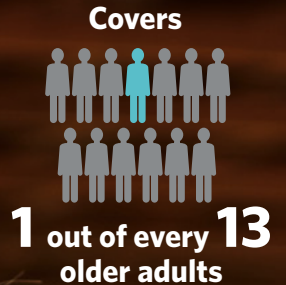
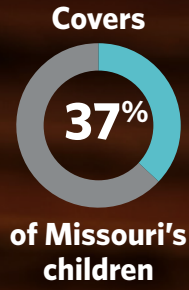


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MO HealthNet

Acronym Key	
ACA	Affordable Care Act
AFDC	Aid for Families with Dependent Children
CCBHC	Certified Community Behavioral Health Clinics
CHIP	Children's Health Insurance Program
CMS	Centers for Medicare and Medicaid Services
DESE	Department of Elementary and Secondary Education
DHSS	Department of Health and Senior Services
DSS	Department of Social Services
DMH	Department of Mental Health
EFMAP	Enhanced Federal Medical Assistance Percentage
EPSDT	Early and Periodic Screening, Diagnostic, and Treatment
FFY	Federal fiscal year
FMAP	Federal Medical Assistance Percentage
FPL	Federal poverty level
FSD	Family Support Division
HCB	Home-and community-based
LTSS	Long-term services and supports
MAGI	Modified adjusted gross income
MHABD	MO HealthNet for the Aged, Blind, and Disabled
MHF	MO HealthNet for Families
MOE	Maintenance of Effort
OAA	Old Age Assistance
PHE	Public health emergency
QMB	Qualified Medicare Beneficiary
SFY	State fiscal year
SLMB	Specified Low-Income Medicare Beneficiary
SSA	Social Security Act
SSI	Supplemental Security Income



Introduction

The Medicaid program, enacted through Title XIX of the federal Social Security Act in 1965 at the same time as Medicare, exists as the largest of the federal-state partnerships for low-income people. Nationally, Medicaid and the Children’s Health Insurance Program (CHIP) provide public health insurance coverage to over 74.6 million low-income Americans,³ including working families, children, older adults, and individuals with physical and mental disabilities. The federal government offers matching funds to states to support the financing of Medicaid.

Each state administers its own Medicaid program. The federal Centers for Medicare and Medicaid Services (CMS) monitors state-run programs and establishes requirements for service delivery and quality, funding, and eligibility standards. State participation is voluntary, and all states have participated since 1982. Missouri’s participation in Medicaid (called MO HealthNet in Missouri) began in 1967. Over state fiscal year (SFY) 2020, an average of 868,845 Missourians were covered by MO HealthNet.

Missouri’s Medicaid program spans several departments within the state’s government.

- **Department of Social Services (DSS)** is the federally designated single state agency for the Medicaid program and is responsible for financial administration, federal reimbursement, and all daily operations of the program.
 - **MO HealthNet Division** administers the provision and payment of services.
 - **Family Support Division (FSD)** determines eligibility for individuals and families.
- **Department of Mental Health (DMH)** provides services to people with mental illness, developmental disabilities, and substance use disorders.
- **Department of Health and Senior Services (DHSS)** administers home-and community-based (HCB) services and regulates certain types of providers.
- **Department of Elementary and Secondary Education (DESE)** manages school-based services and special education programs that receive some Medicaid funding.

Medicaid represents a significant portion of Missouri’s overall state budget. In SFY 2021, approximately 33% of Missouri’s total budget is dedicated to MO HealthNet across the various state departments. However, more than 52% of the state’s Medicaid funding comes from federal funds. This is similar to SFY 2020, where approximately 37% of the total budget was dedicated to MO HealthNet and about 53% of Medicaid funding came from federal dollars. MO HealthNet spending varies with policy changes to enrollment, covered benefits, and eligibility guidelines, as well as with other factors such as participants’ health status, unemployment rates, and medical price inflation. Such factors are also likely to impact the overall state budget given the size of the MO HealthNet program.

Missouri’s Health Insurance Landscape⁴

Type of Insurance	%
Employer	52
Individual Market	6
Medicare Only	7
Medicare and Private Insurance	9
Medicaid Only	10
Medicaid and Private Insurance	2
Medicaid and Medicare	3
Military or Veterans Administration	1
Uninsured	9

**May not sum to 100% due to rounding*

The type of insurance an individual is eligible to receive depends on age, employment, functional ability, income, and family size among other factors. Medicaid is a safety net program that offers health coverage to those who may not have access to another source of affordable coverage, often used to fill gaps in the larger system. For example, a small percentage of families with high medical costs (e.g., children with significant disabilities) utilize Medicaid to supplement their private insurance coverage.⁵ This publication provides more detail about MO HealthNet. Other common types of insurance coverage include the following:

- **Employer-sponsored insurance:** Many employers provide health insurance as part of their compensation plans. This benefit has been encouraged by federal tax subsidies since the 1940s. The ACA also imposes tax penalties for large employers (50 or more employees) who do not offer adequate and affordable coverage to full-time employees.
- **Medicare:** This federal program primarily serves people age 65 and older as well as younger people with certain disabilities. Medicare Part A helps pay for hospital care, and Part B helps pay for medical care like doctor’s visits, outpatient services, and medical equipment. People can be dually eligible for both Medicare and Medicaid services (see “Key MO HealthNet Programs” for more information).
- **Individual market:** Individuals and families that do not receive employer-sponsored insurance and are not eligible for a public insurance program can receive coverage from private qualified health plans on the health insurance marketplace (www.healthcare.gov) or directly from insurance providers. Those with household income between 100 and 400% of the federal poverty level (FPL) may qualify for financial assistance on the marketplace.

MO HealthNet Income Eligibility

Covered Populations	Income Guidelines*
Children (up to age 19)	<300% FPL
Parents	~21% FPL*
Pregnant Women	<196% FPL***
Individuals with a Disability	<85% FPL**
Older Adults (age 65+)	<85% FPL**
Blind Individuals	<100% FPL**

*Income guidelines for parents are based on the July 1996 AFDC payment standard, not on the federal poverty guidelines.

**Deductions and exceptions apply. People may have medical expenses deducted from income calculations to spend down to eligibility levels.

***The income guidelines listed for pregnant women exclude Missouri's Show-Me Healthy Babies Program, which provides pregnancy-related services to women with incomes between 201 and 305% FPL.

Children, pregnant women, and parents are subject to a 5% income disregard (not included above) as a result of changes made in the ACA to amend modified adjusted gross income used to determine eligibility.

2020 Federal Poverty Level

Family Size	Annual Income			
	85% FPL	100% FPL	196% FPL	300% FPL
1	\$10,846	\$12,760	\$25,010	\$38,280
2	\$14,654	\$17,240	\$33,790	\$51,720
3	\$18,462	\$21,720	\$42,571	\$65,160
4	\$22,270	\$26,200	\$51,352	\$78,600

AFDC Payment Standard for Parent Eligibility (~21% FPL)

Annual Income	Family Size			
	2	3	4	5
	\$3,754	\$4,698	\$5,546	\$6,334

Eligibility and Enrollment

MO HealthNet covers low-income Missourians who fall into the eligibility groups outlined in this section. Individuals must meet income criteria based on poverty guidelines established by the federal government to receive coverage. Resource guidelines (e.g., savings and other countable assets) also apply to MO HealthNet for the Aged, Blind, and Disabled (MHABD).

Note: Enrollment data are monthly averages over SFY 2020 unless otherwise noted.

Parents, Children, and Pregnant Women

In SFY 2020, MO HealthNet covered 533,202 low-income children and 97,302 low-income custodial parents and pregnant women. The vast majority of covered adults in families with children are women. Children represent the largest demographic group served by Missouri Medicaid: 61% of all MO HealthNet enrollees are under the age of 19. Pregnant women who meet certain income criteria are also eligible for coverage during their pregnancy and postpartum.

Aged

In SFY 2020, MO HealthNet covered 83,631 Missourians age 65 and over. Eligible individuals must meet the income and resource requirements of the program. Older adults can also spend down their incomes to qualify for MO HealthNet (see "What's Meant by Spending Down" for more information). In some cases, MO HealthNet assists older adults in paying their Medicare premiums, copayments, and deductibles.

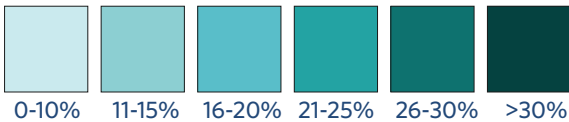
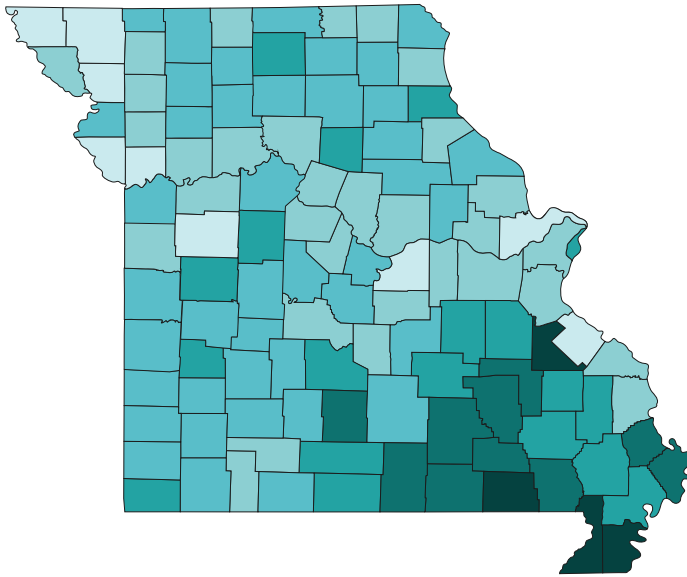
Blind and Disabled

In SFY 2020, 154,710 Missourians covered by MO HealthNet qualified for services due to a "physical or mental impairment, disease, or loss which keeps them from working in any job within their skill level for 12 months or longer." People who are eligible for cash assistance through the federal Supplemental Security Income (SSI) program automatically qualify for MO HealthNet on the basis of disability. Other individuals who meet the SSI disability definition are also eligible as long as their income does not exceed 85% of FPL for individuals with a disability and 100% of FPL for those who are blind. Additional people can qualify by spending down their incomes on medical expenses. Some people with a disability also receive MO HealthNet assistance to help pay their Medicare premiums, copayments, and deductibles.



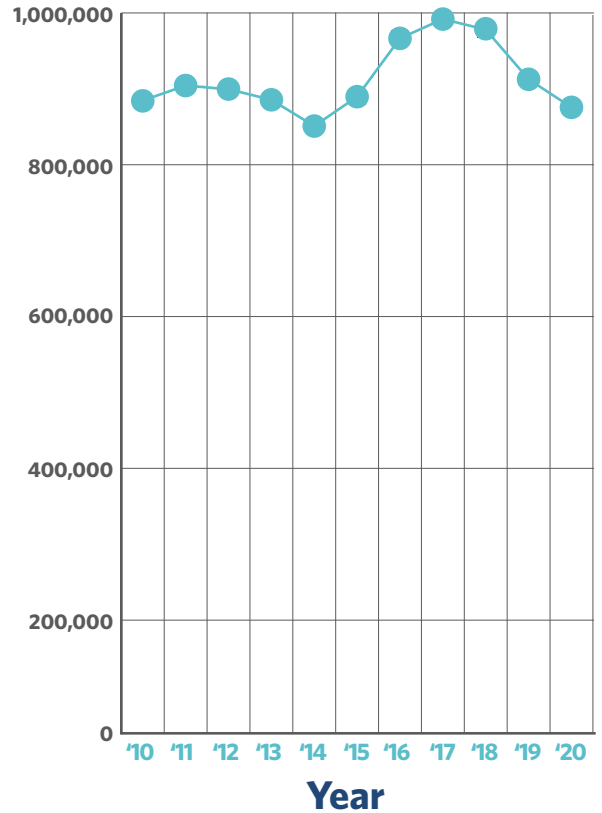
Percent of the Population Enrolled in MO HealthNet by County

Nearly 14% of all Missourians were enrolled in MO HealthNet in SFY 2020.



Changes in MO HealthNet Enrollment SFY 2010 - 2020

Enrollees



COVID-19 Pandemic

In January 2020, the secretary of the Department of Health and Human Services (HHS), declared the COVID-19 pandemic a public health emergency. Since then, the pandemic has resulted in historic job loss, causing many to lose their health insurance. With this, more people were eligible and sought out coverage through state Medicaid programs. In addition, administrative policies were quickly altered that temporarily expanded eligibility rules. Consequently, MO HealthNet saw a sharp increase in enrollment (see “Changes in MO HealthNet Enrollment during the COVID-19 Crisis” for more information). The pandemic also impacted the financing of MO HealthNet, with higher rates of federal matching dollars for the program (see “Enhanced Federal Medical Assistance Percentage” for more information). The implications of the COVID-19 pandemic on MO HealthNet in SFY 2020 were far-reaching and are reflected throughout this report.

Key MO HealthNet Programs

Missourians are enrolled in MO HealthNet programs based on eligibility requirements and necessary health care services. The following sections discuss the six largest programs that together cover approximately 94% of the individuals enrolled in MO HealthNet.

1. MO HealthNet for the Aged, Blind, or Disabled

MHABD provides Medicaid coverage to individuals who meet the requirements of the Old Age Assistance (OAA), Permanently and Totally Disabled, or Aid to the Blind programs. These Missourians account for nearly 27% of all MO HealthNet enrollees. Individuals who are over 65 or disabled and have incomes up to 85% of FPL qualify automatically, while others qualify for MHABD by spending down their incomes on medical expenses each month (see “What is Meant by Spending Down” for more information). Persons who are blind automatically qualify for MO HealthNet if they have incomes up to 100% of FPL. These individuals may also spend down to qualify.

In June 2020, more than 30% of individuals covered under MHABD were eligible under the OAA requirements (73,445 persons), while only about 0.5% of individuals (1,256 persons) in the MHABD program were eligible under the Aid to the Blind program. Individuals with disabilities accounted for 65% of participants in the MHABD program (154,710 persons). People of all ages with a wide variety of physical and mental disabilities can qualify if their disability, income, and resources meet certain criteria.

2. Qualified Medicare Beneficiary

The federal government requires that state Medicaid programs pay Medicare premiums, deductibles, or coinsurance for qualified people enrolled in Medicare Parts A or B. The Missouri Qualified Medicare Beneficiary (QMB) program pays for Medicare premiums, deductibles, and coinsurance for eligible persons enrolled in Medicare Part A with incomes up to 100% of FPL. In June 2020, 106,527 individuals received benefits through the QMB program, 88% of whom also received MHABD coverage.

Additionally, Missouri has a Specified Low-Income Medicare Beneficiary (SLMB) program that pays for all or part of the Medicare Part B premiums for persons whose incomes are between 100 and 175% of FPL. In June 2020, 37,443 individuals received assistance under the SLMB program. Forty percent of SLMB recipients also received MHABD coverage.

3. MO HealthNet for Kids - Medicaid

This program provides health insurance coverage for children under age 19 whose net family income does not exceed:

- 196% of FPL for children under age 1
- 148% of FPL for children ages 1-18

In SFY 2020, 497,104 low-income Missouri children had health insurance coverage through this MO HealthNet program. This population represents 57% of all MO HealthNet recipients.

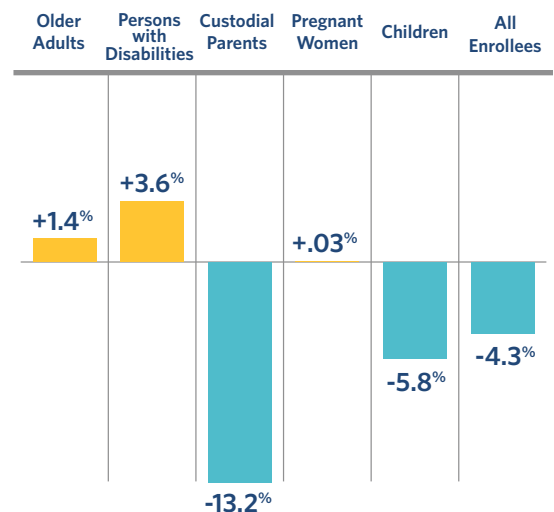
What’s Meant by Spending Down?

Spending down refers to the amount of medical expenses that an individual must pay each month before becoming eligible for coverage through Medicaid. The total that must be spent down equals the amount by which an individual’s or couple’s net income exceeds the income eligibility requirement for a given Medicaid program.

An individual’s spend-down obligation can be met by:

- submitting incurred medical expenses to their caseworker monthly;
- paying the monthly spend down amount to the MO HealthNet Division, similar to an insurance premium payment; or
- concurrently submitting incurred medical expenses and paying a monthly spend down amount to the MO HealthNet Division.

SFY 2019-2020 MO HealthNet Enrollment Change



4. MO HealthNet for Kids - CHIP

Using its allocated CHIP funds, Missouri expanded the existing Medicaid program for low-income children in 1998. This CHIP expansion extended health coverage to low-income children with family income up to 300% of FPL.

CHIP provides the same health services as those covered under MO HealthNet for Kids - Medicaid, except most CHIP children are not eligible for non-emergency medical transportation. Based on an income scale, some individuals covered under CHIP in Missouri must pay premiums. Premiums paid per family per month range from \$15 to \$324 for families with six members or less (see "MO HealthNet for Kids by Age and Income with Premium Requirements" chart). In SFY 2020, an average of 36,098 children had coverage under CHIP in Missouri. This number represents about 4% of the total MO HealthNet population.

5. MO HealthNet for Families - Adults

Low-income parents and caretakers are covered through the MO HealthNet for Families (MHF) adult program. Parents with incomes up to the 1996 Aid to Families with Dependent Children (AFDC) income level (about 21% of FPL) are eligible for the program. In SFY 2020, 73,939 adults had health insurance coverage through the MHF program. This group represents about 9% of all MO HealthNet recipients in the state of Missouri.

6. MO HealthNet for Pregnant Women

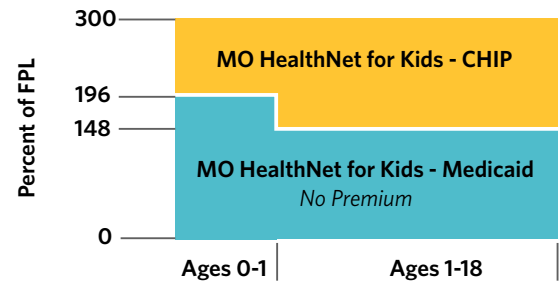
Pregnant women with family income that does not exceed 196% of FPL qualify for Medicaid coverage under the MO HealthNet for Pregnant Women program. Qualification under this category includes 60-day postpartum coverage even with subsequent increases in family income. An average of 23,363 women received insurance benefits under this program in SFY 2020. This group represents nearly 3% of all MO HealthNet recipients in the state.

In 2014, the General Assembly passed legislation creating the "Show-Me Healthy Babies" program in MO HealthNet. This program covers unborn children by expanding health coverage to pregnant mothers. Show-Me Healthy Babies covers pregnancy-related services for women with incomes between 196 and 300% of FPL. An additional 4,691 women were enrolled in this program in June 2020.

Children's Health Insurance Program

The federal Balanced Budget Act of 1997 amended the Social Security Act to create Title XXI, the Children's Health Insurance Program. CHIP provides affordable health coverage to 6.7 million children nationally,³ including over 36,000 in Missouri, who live in families with incomes too high to qualify for Medicaid but too low to afford private coverage. In Missouri, CHIP is combined with the state's Medicaid program and is called MO HealthNet for Kids. In 2018, Congress reauthorized CHIP and extended funding of the program through FFY 2023. The reauthorization maintained the enhanced federal match rate for CHIP, which is 75.5% for FFY 2021.

MO HealthNet for Kids by Age and Income with Premium Requirements



MO HealthNet for Kids - CHIP Monthly Premiums

226 - 300% FPL	\$117 - 324
186 - 225% FPL	\$48 - 132
151 - 185% FPL	\$15 - 40

Family income and size determines the premium. A family pays no more than 5% of its income for coverage.

Covered Services

Federal guidelines require states to cover a minimum set of services under Medicaid. Mandatory services include:

- Inpatient hospital services
- Outpatient services, including those delivered in rural health clinics and federally qualified health centers
- Physician services, including psychiatry
- Family planning services and supplies
- Nursing facility services and home care
- Skilled home health services, including durable medical equipment
- Lab and X-ray services
- Nurse-midwife, certified family nurse practitioner, and certified pediatric nurse practitioner services
- Home health services
- Non-emergency medical transportation
- Screening and treatment services to children under age 21 under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program, also known as the Healthy Children and Youth program in Missouri

Optional Services

States may opt to cover additional services, which also qualify for federal matching funds. Optional means that federal law does not mandate the service. Some of the optional services Missouri provides to certain eligible Medicaid populations include pharmacy, rehabilitation, mental health services (may be mandatory in some instances), in-home care, and dental services.

While considered optional, most of these services are central to effective health care. The elimination of these services may increase utilization and costs of some mandatory services, particularly emergency room care and hospitalizations. In addition, lack of access to optional benefits can affect the ability of older adults and people with disabilities to remain in their homes and communities and can result in admission to a nursing facility or similar institution.



MO HealthNet Waivers

Medicaid is administered jointly by federal and state governments. The arrangement allows states to tailor their programs to best address the needs of their residents and respond to emerging issues. Federal law sets minimum standards for operating the programs. States can change their programs through a state plan amendment or a waiver. State plan amendments are used when a state is making a change to how Medicaid is administered within the requirements of federal law.

States can also request to waive certain provisions of sections 1115 and 1915 of the Social Security Act (SSA). When the secretary of Health and Human Services declares a state of emergency, states can also waive provisions of section 1135 of the SSA. The waiver is an agreement between the federal government and the state that exempts the state from the provisions of the federal law. The waiver includes special terms and conditions that define the strict circumstances under which the state is exempt from the provisions of federal law. Missouri currently has 11 1915(c) HCB waivers, a 1915(b) waiver authorizing the managed care system, and one active 1115 waiver. During the COVID-19 public health emergency, Missouri had one approved 1135 waiver.⁶

Missouri's 1115 Waivers

Missouri has one active 1115 waiver that authorizes the Gateway to Better Health demonstration in St. Louis City and County. The demonstration expands coverage of some services to individuals ages 19-64 with incomes up to 100% of FPL. With passage of Medicaid expansion, which extends coverage for these individuals up to 138% of FPL, the program will no longer be necessary (more on Medicaid expansion in Missouri is included later in the document).

Missouri currently has a pending 1115 waiver to extend coverage of postpartum treatment of substance use disorders, but it is not yet approved. Additionally, in 2020, the Missouri General Assembly passed legislation that would require DSS to submit an 1115 waiver to extend coverage for treatment of postpartum depression. Once Medicaid expansion is implemented, women with incomes up to 138% of FPL will be eligible for coverage regardless of these programs. Women with incomes between 138 and 201% of FPL, however, could still benefit from these programs.

Lastly, Missouri has submitted an additional 1115 waiver that could provide coverage to former foster care youth under age 26.

Missouri's Emergency 1135 Waivers

At the beginning of the COVID-19 public health emergency, CMS approved blanket 1135 waivers that gave states flexibility to make changes to their Medicaid programs without submitting formal requests. In addition to these blanket waivers, CMS approved a supplementary 1135 waiver for Missouri that made changes to provider enrollment processes, prior authorizations, settings for care, nursing facility assessments, beneficiary and provider fair hearings, and public comment periods for state plan amendments. These waivers will be active until the end of the PHE declaration.

Requirements for Medicaid Waivers and State Plan Amendments

	State Plan Amendment	1915(c) Waiver	1915(b) Waiver	1115 Waiver	1135 Waiver
Scope of Change	Administrative updates in accordance with federal requirements (eligibility, benefits, services, provider payments, etc.)	Home and community-based services (HCB waivers)	Delivery system modifications (e.g., managed care)	Demonstrations that further the goals of the Medicaid program	Authorized changes by the HHS secretary during a public health emergency
Public Review	Not required	Encouraged	Encouraged	Required public comment period	Not required
Budget Requirements	None	Cost neutrality	Cost effectiveness	Budget neutrality	None
Federal Government's Approval Timeframe	90 days	90 days	90 days	None	None
Approval Duration	Indefinite	3 years; renewals up to 5 years	2 years; renewals up to 2 years	5 years; renewals up to 3 years ⁷	60 days or end of state of emergency ⁸

Delivery Systems

The MO HealthNet program works to promote good health, to prevent illness and premature death, to treat illness, and to provide rehabilitation to persons with disabilities. Health services covered by MO HealthNet can be split into two benefit packages: 1) Primary and Acute Health Care and 2) Long-Term Services and Supports.

Primary and Acute Health Care

MO HealthNet's Primary and Acute Health Care package provides physician, hospital, laboratory, pharmacy, preventive, and other services. People have access to these services through either the fee-for-service system or the managed care system, depending on the MO HealthNet program for which they are eligible.

Fee for Service

In Missouri, all individuals eligible under the MHABD program participate in the fee-for-service system, in which DSS, through a claims-processing fiscal agent, pays for services based on an established fee schedule. In addition, all MO HealthNet beneficiaries, including those who receive services through managed care, obtain prescription drugs and behavioral health services through the fee-for-service system.

MO HealthNet Managed Care

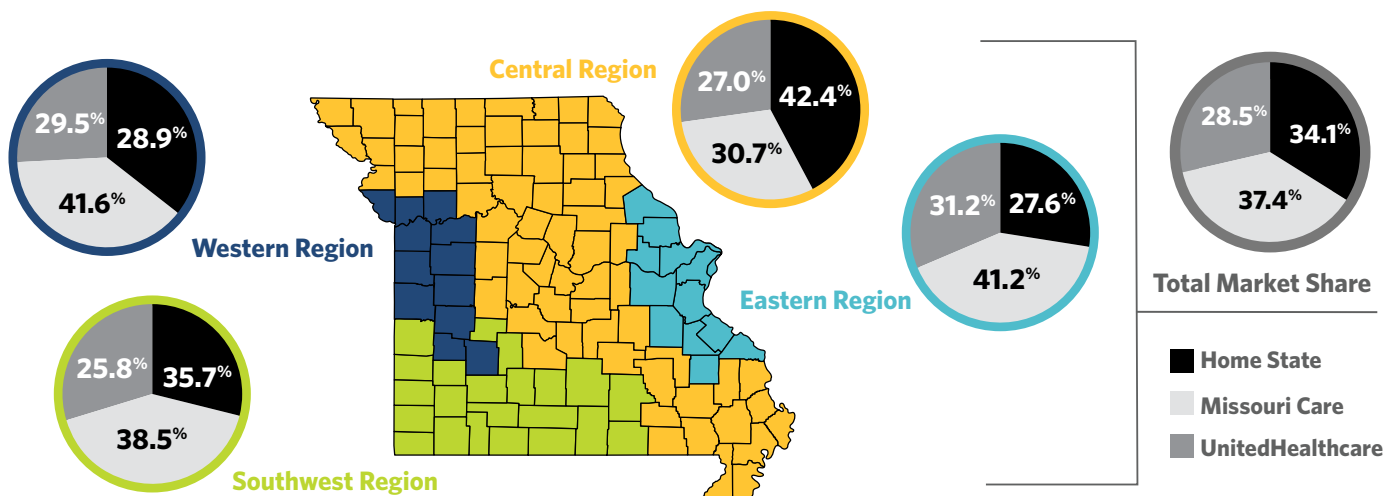
In an effort to enhance access and quality of care and improve predictability of costs, Missouri began providing MO HealthNet services to some beneficiaries through a managed care system in 1995. Today, three managed care health plans - Home State Health (Centene), Missouri Care (WellCare), and UnitedHealthcare - provide services to all MO HealthNet enrollees who fit into the following eligibility categories:

- Parents/caretakers, children, pregnant women, and refugees
- Other MO HealthNet children who are in the care and custody of the state and receive adoption subsidy assistance
- CHIP children

As of August 2020, more than 71% of MO HealthNet beneficiaries were enrolled in one of the three contracted MO HealthNet managed care plans. People who are eligible for the MO HealthNet managed care system can choose one of the plans during open enrollment. If no selection is made, DSS will automatically assign individuals to a plan. Missourians can change their MO HealthNet managed care plan during the first 90 days of enrollment for any reason. After this grace period, enrollees may request a change under specific circumstances.

The contracted managed care plans provide a defined set of benefits to each enrollee in return for a capitated payment made on a per member per month basis. In 2017, the state signed one-year contracts with the managed care plans that are renewable annually for up to four additional years.

MO HealthNet Managed Care Enrollment by Regions



Note: May not sum to 100% due to rounding

Long-Term Services and Supports

MO HealthNet provides long-term services and supports (LTSS) to people who have chronic or disabling conditions and meet certain “level-of-care” criteria. These services fall into two categories based on the setting of service delivery. Medicare and private insurance rarely cover LTSS; therefore, Medicaid is the primary source of coverage.

Facility-Based Care

Facility-based nursing care covers services provided in certain residential settings and accounts for one of the largest portions of MO HealthNet costs. Medicaid also covers care in residential facilities for eligible people with developmental disabilities, including intellectual disability. To qualify, individuals must live in a licensed facility, have a planned program of active treatment, and meet certain other criteria. A large majority of Missourians living in intermediate care facilities for individuals with intellectual disabilities are MO HealthNet participants.

Community-Based Care

Missouri’s MO HealthNet program supports a number of HCB waivers that allow certain participants to receive care in their homes or in the community rather than in a nursing facility or other institution. HCB services have eligibility requirements based on income, resources, and needed level of care. Services in the community account for nearly 60% of MO HealthNet’s spending on LTSS.⁹

Missouri currently has 11 HCB waiver programs that receive funding from state general revenue, social services block grants, Medicaid, and the Older Americans Act. During the COVID-19 public health emergency, Missouri submitted a request under Appendix K of section 1915(c) of the Social Security Act to temporarily amend provisions in many of these waivers to increase access to care for HCB populations. Authorization for waiver services comes through either DHSS* or DMH**, which determine need for care and the availability of services.

The Missouri HCB waiver programs include the:

- Adult Day Care Waiver*
- Aged and Disabled Waiver*
- AIDS Waiver*
- Brain Injury Waiver*
- Independent Living Waiver*
- Medically Fragile Adult Waiver*
- Autism Waiver**
- Developmental Disabilities Comprehensive Waiver**
- Division of DD Community Support Waiver**
- Missouri Children with Developmental Disabilities Waiver**
- Partnership for Hope Waiver**

About 3 in 4 adults over age 50 want to live in their homes and communities as they age.¹⁰ Home care is also less expensive for MO HealthNet than institutional care. Because those who enter institutional care settings generally do not return home, prevention of institutional care is important. The HCB waivers help individuals remain integrated in their communities as they age while also preventing utilization of higher-cost services.

Structured Family Caregiving

In 2019, the Missouri General Assembly passed legislation to include structured family caregiving in MO HealthNet’s HCB services for enrollees with Alzheimer’s disease or related disorders. Implementation is contingent on the federal government approving the state’s 1915(c) waiver request. If the waiver is approved, participants would be able to live at home and receive support from caregivers of their choice. Caregivers would be accountable for personal care needs such as laundry, housekeeping, transportation, and activities of daily living. In-home provider agencies would provide caregiver training, certify caregivers and homes, create tailored service plans, document services delivered, and conduct monthly home visits. The legislation allows caregivers and provider agencies to receive reimbursement equal to a percentage of the daily nursing facility rate. The state’s waiver request includes a start date of July 2021 with the program beginning as a pilot serving 300 participants.



Financing and Expenditures

Medicaid is financed jointly between the federal and state governments. In FFY 2019, health care spending in the United States on the Medicaid program totaled \$592.7 billion.¹¹

MO HealthNet Financing

In general, there are three different levels of federal matching funds for MO HealthNet* for FFY 2020:

- Federal Medical Assistance Percentage (FMAP) of 65%, which covers the majority of MO HealthNet programs
- Enhanced Federal Medical Assistance Percentage (EFMAP) of 74.5%, for the MO HealthNet for Kids - CHIP program
- MO HealthNet administrative costs, for which the federal government pays 50% of expenditures¹²

Due to the COVID-19 pandemic, however, the federal government provided a 6.2 percentage point increase in states' FMAP during the duration of the public health emergency.¹³

**Once Medicaid expansion is implemented, a new EFMAP for the population covered under expansion will be 90%.*

The enacted state budget for SFY 2021 appropriated approximately \$11.7 billion for MO HealthNet across the various departments. Yet, only \$2.4 billion of this cost comes from state general revenue. The majority of Medicaid financing, \$6.1 billion, comes from federal funds. The remaining balance of MO HealthNet financing derives from several nongovernmental sources, including provider taxes (e.g., hospitals and nursing homes), premiums, and tobacco funds (see "Sources of MO HealthNet Funding" for more information).

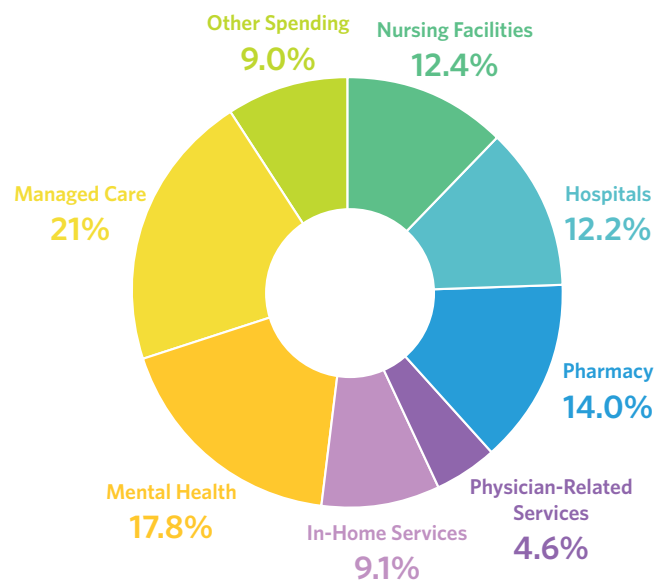
Sources of MO HealthNet Funding, SFY 2021

	General Revenue	Federal Funds	Other	Total
DSS	\$1,489,133,930	\$4,265,083,001	\$3,088,019,939	\$8,842,236,870
DMH	\$588,159,980	\$1,237,695,552	\$19,547,635	\$1,845,403,167
DHSS	\$337,863,292	\$634,024,591	\$485,831	\$972,373,714
DESE	\$0	\$3,000,000	\$8,500,000	\$11,500,000



MO HealthNet Spending by Key Component

The key services below account for 91% of expenditures. Other spending includes dental, rehabilitation and specialty care, EPSDT, state institutions, and buy-in.



Note: May not add up to 100% due to rounding

MO HealthNet Expenditures

In SFY 2020, approximately \$10.8 billion was spent on Medicaid services in Missouri. Managed care, mental health services, pharmacy, hospitals, and nursing facilities each account for more than 10% of spending (see “MO HealthNet Spending by Key Component” for more information).

Although families and children constitute 73% of all MO HealthNet enrollees, this population uses only 35% of all Medicaid resources. By contrast, older adults and people with disabilities comprise 27% of MO HealthNet enrollees but account for 65% of all expenditures. Expenses for this population are higher due to complex medical needs and utilization of LTSS (see “MO HealthNet Expenditures by Eligibility Group and Monthly Costs Per Person” for more information).

MO HealthNet Expenditures by Eligibility Group and Monthly Costs Per Person, SFY 2020

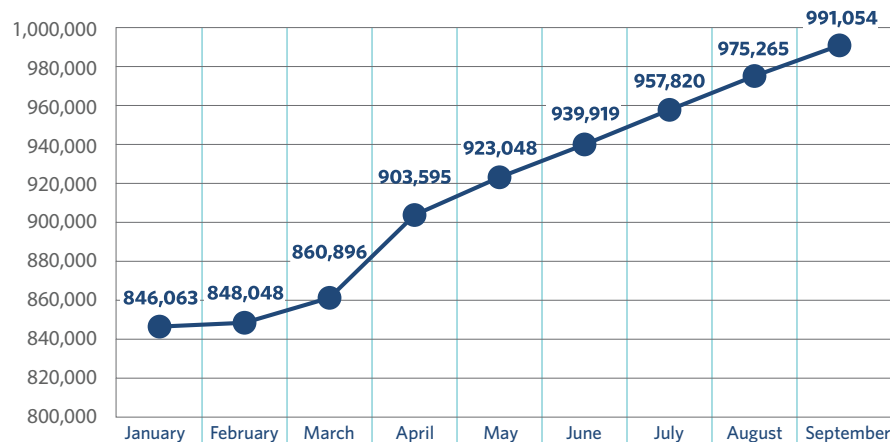
	Enrollment	Annual Expenditures (in millions)	Monthly Cost Per Person	Monthly State Cost Per Person
Older Adults	83,631	\$1,708	\$1,702	\$586
Persons with Disabilities	154,710	\$4,430	\$2,386	\$821
Custodial Parents	73,939	\$562	\$633	\$218
Pregnant Women	23,363	\$204	\$727	\$250
Children - CHIP	36,098	\$132	\$305	\$30
Children - MO HealthNet for Kids	497,104	\$562	\$399	\$137

Enrollment and Spending Growth

Until the COVID-19 pandemic, both enrollment and spending growth have slowed in recent years. Nationally, the program saw a sharp decrease in enrollment from December 2017 to July 2019 (-1.1 million, -3.0%). Of 48 states reporting, Missouri experienced the largest percentage decrease in child enrollment (-16.1%) with over 118,000 children dropped from the program.¹⁴ The reasons for this decline are not entirely clear. Improved economic conditions, renewal processes, upgraded eligibility systems, and enhanced data matching for eligibility verification may have contributed to some of the decline, but there is also evidence that many of the Missourians who lost coverage may still have met eligibility requirements.¹⁵

In March 2020, the Secretary of the U.S. Department of Health and Human Services (HHS) declared a national public health emergency in response to the COVID-19 pandemic. To assist states in responding to the crisis, HHS provided enhanced FMAP funding for states. As a condition of this funding, states agreed to uphold maintenance-of-effort (MOE) requirements in which they could not impose new eligibility restrictions or reduce coverage during the PHE.¹⁶ A combination of the economic downturn caused by the pandemic and the MOE requirements resulted in a steady increase in MO HealthNet enrollment through the pandemic. From January to September 2020, enrollment increased by over 140,000 people, including an increase in coverage of parents of 24.2% and pregnant women of 76.6% (see “Changes in MO HealthNet Enrollment during the COVID-19 Crisis” for more information). This steep enrollment increase is expected to continue over the next year. Another contributor to enrollment growth during the COVID-19 crisis was a policy adopted by MO HealthNet that allowed continuous eligibility for children for 12 months upon enrollment. This temporary policy, however, will no longer be in effect upon termination of the public health emergency.

Changes in MO HealthNet Enrollment During the COVID-19 Crisis (2020)



Enhanced Federal Medical Assistance Percentage

The Families First Coronavirus Response Act authorized a 6.2 percentage point increase in federal Medicaid matching funds to help states respond to the COVID-19 pandemic. States can access the additional funds from January 1, 2020, until the end of the public health emergency. In order to receive the enhanced FMAP, states must uphold certain requirements through the end of the month when the public health emergency ends, including:

- Maintain eligibility standards, methodologies, or procedures that are no more restrictive than what the state had in place as of January 1, 2020
- Limit premiums to those that were in place as of January 1, 2020
- Cover (without any cost sharing) testing, services, and treatments—including vaccines, specialized equipment, and therapies—related to COVID-19 for Medicaid-eligible populations
- Continue Medicaid coverage for individuals if they were enrolled in the program at the start of the emergency period, or become enrolled during the emergency period, unless the individual voluntarily terminates eligibility or is no longer a resident of the state



COVID-19 Enrollment Growth by Eligibility Group (January-September 2020)	
	Increase
Persons with Disabilities	11.6%
Older Adults	5.4%
Custodial Parents	24.2%
Pregnant Women	76.6%
Children (CHIP and Medicaid)	17.2%
Total	17.1%

Suspended Coverage for Incarcerated Missourians

Federal law prohibits Medicaid payments for individuals who are incarcerated, except for inpatient care in a hospital or other medical institution; however, the law does not restrict enrollment. Forty-three states suspend Medicaid coverage when someone becomes incarcerated instead of cancelling or terminating the coverage. In August 2019, Missouri passed a bill to begin suspending benefits when individuals who are otherwise eligible for MO HealthNet enter the criminal justice system (correctional facilities, city/county jails, and private jails). The Missouri Department of Corrections and local jails are responsible for communicating to FSD when enrollees are incarcerated and released. Suspending coverage should allow MO HealthNet benefits to be more quickly reinstated once someone is released from incarceration or hospitalized. The change may also help individuals transition back into the community by providing access to necessary health care services. As of the end of 2020, this legislation has been fully implemented but the eligibility process is still being integrated into the state's systems.

Medicaid Expansion in Missouri

Under the Affordable Care Act, states may choose to expand eligibility for Medicaid to all adults between the ages of 19-64 with income up to 138% of FPL. Expansion includes coverage for childless adults, a population that has previously not been eligible for Medicaid in Missouri. The FMAP for the expansion population is 90%, considerably higher than federal cost sharing for other Medicaid groups.

In August 2020, Missouri residents voted to expand Medicaid through a ballot initiative that amended the state constitution, making Missouri the 38th state to adopt expansion. Approximately 230,000 additional Missourians are expected to gain health insurance through MO HealthNet as a result of the expansion. The language of the constitutional amendment requires the state of Missouri to implement Medicaid expansion by July 2021.

Summary

MO HealthNet impacts the lives of low-income children, families, older adults, and people with disabilities in Missouri. The availability of Medicaid reduces the number of uninsured Missourians and provides health insurance coverage for populations that might not otherwise have health coverage. MO HealthNet supports the state's health care infrastructure by providing health insurance coverage that helps to reduce uncompensated care, promotes earlier treatment in appropriate settings, reduces preventable hospitalizations, decreases unnecessary emergency room use, and supports education and training in academic medical centers.

Missouri's program exists as a complex system that affects the lives of individuals and families in every county across the state. Policymakers must consider that Medicaid is a collection of programs, services, and funding mechanisms. In many cases, an adjustment to one element of this system can have unintended effects or consequences on other elements. Changes can also impact the entire health care system and the economy, since MO HealthNet is a major health insurance program. Understanding the basics of this system is an important step in addressing the health care needs of all Missouri residents.

For More Information About Medicaid

Missouri Medicaid Basics provides a brief outline of the Missouri MO HealthNet program. For more information about MO HealthNet, please visit the Missouri Department of Social Services, MO HealthNet Division at www.dss.mo.gov/mhd/index.htm.



Online Resources

- Center for Budget and Policy Priorities cbpp.org/topics/health
- Centers for Medicare and Medicaid Services cms.gov
- Families USA familiesusa.org
- Kaiser Family Foundation's Program on Medicaid and the Uninsured kff.org/kcmu
- Missouri Department of Health and Senior Services health.mo.gov
- Missouri Department of Mental Health dmh.mo.gov
- Missouri Department of Social Services dss.mo.gov/mhd
- National Academy for State Health Policy nashp.org

Missouri Medicaid Basics

This publication was prepared by Ally Siegler, Health Policy Associate, at Missouri Foundation for Health. It has been adapted with permission from Health Foundation of Greater Cincinnati.

For more information about MO HealthNet, please visit the Missouri Department of Social Services, MO HealthNet Division at dss.mo.gov/mhd/index.htm.

Statistics come from the Missouri Department of Social Services and are for SFY 2020 (July 1, 2019–June 30, 2020) unless otherwise indicated. All population estimates come from the Missouri Census Data Center and are from 2019.

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