

Missouri Medicaid Basics

2023

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Missouri Foundation
for Health
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Acronym Key	
ACA	Affordable Care Act
AEG	Adult Expansion Group
AFDC	Aid for Families with Dependent Children
ARPA	American Rescue Plan Act
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

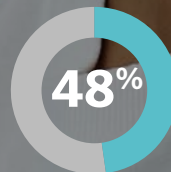
MO HealthNet

Covers



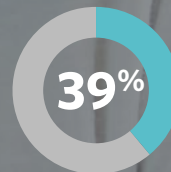
1 out of every 5
Missourians

Covers



48%
of Missouri's
children

Pays for



39%
of all births
in the state¹

Covers



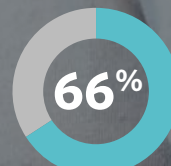
1 out of every 16
adults aged
19-64

Covers



1 out of every 12
older adults aged
65+

Pays for



66%
of all nursing home
care in the state²

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 81.2 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) 2022, an average of 1,186,216 Missourians per month were covered by MO HealthNet.

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

- **Department of Social Services (DSS)** is officially designated the single state agency for MO HealthNet, as required by federal law, 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 2023, approximately 35% of Missouri's total budget is dedicated to MO HealthNet across the various state departments. However, more than 62% of the state's Medicaid funding comes from federal funds. In comparison, approximately 37% of the total state budget in SFY 2020 was dedicated to MO HealthNet and about 53% of Medicaid funding came from federal dollars. Thus, the state budget for MO HealthNet remains similar pre- and post- Medicaid expansion in Missouri, while federal funding for Medicaid in Missouri has increased by nearly 10% due to Medicaid expansion (for more information, see section on Medicaid Expansion, below).

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	54
Individual Market	5
Medicare Only	10
Medicare and Private Insurance	8
Medicaid Only	9
Medicaid and Private Insurance	2
Medicaid and Medicare	1
Military or Veterans Administration	2
Uninsured	10
<i>*May not sum to 100% due to rounding</i>	

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) that do not offer adequate and affordable coverage to full-time employees
- **Medicare:** This federal program primarily serves people aged 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. Previously, those with household income between 100 and 400% of the federal poverty level (FPL) qualified for financial assistance on the marketplace. However, in 2020, the American Rescue Plan Act (ARPA) made financial assistance in the form of premium subsidies available for those over 400% FPL until 2022. In 2022, the Inflation Reduction Act extended these additional subsidies for another three years.

Public Health Emergency

Under Section 319 of the Public Health Service Act, the Secretary of the Department of Health and Human Services (HHS) is authorized to declare a public health emergency (PHE), which allows states to access various streams of federal funding. The duration of a PHE is 90 days, or for the duration of the emergency, whichever is shorter. The PHE can be extended by the HHS Secretary for additional periods of 90 days. In January 2020, the HHS secretary declared a PHE in response to the COVID-19 pandemic, and the PHE has been repeatedly extended since then. The current PHE will run at least through April 2023, and HHS has promised to give 60 days' advance notice to states before ending the PHE.

The 2020 Families First Coronavirus Response Act limited the ability of states to disenroll individuals from Medicaid for the duration of the PHE. This is one of the reasons MO HealthNet enrollment has been increasing steadily since SFY 2020 (see "Changes in MO HealthNet Enrollment During the PHE January 2020-June 2022"). After the end of the PHE, state Medicaid agencies will begin the process of "unwinding," or reviewing the eligibility of each Medicaid enrollee to determine if they remain eligible for the program. This work must be completed within 14 months of the end of the PHE.

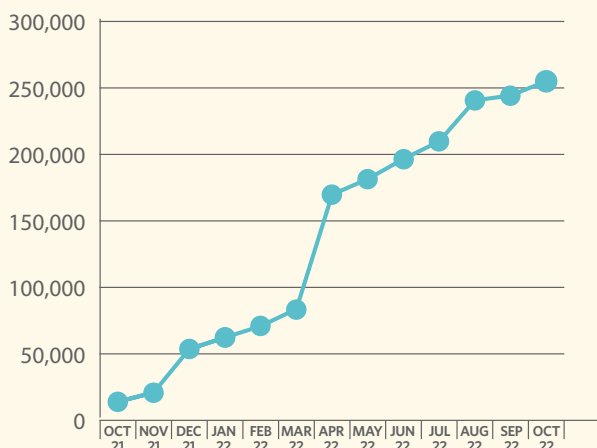
The unwinding process carries the risk that eligible Medicaid enrollees could lose coverage due to procedural issues, such as lack of renewal notice or inability of Medicaid enrollees to submit paperwork on time. CMS has released guidance to help states avoid Medicaid coverage losses during the PHE unwinding process. In particular, states should use a proactive approach to communicate with enrollees about actions required to renew their enrollment, ensure their redetermination and renewal procedures will prevent procedural coverage losses, and transition individuals who are no longer eligible for Medicaid to other low-cost coverage options.⁶

Medicaid Expansion

In 2020, Missouri voters approved a Medicaid expansion ballot measure that extended Medicaid coverage to adults under 65 with household incomes up to 138% FPL. Despite approval of the ballot measure, the Missouri General Assembly declined to provide funding for expansion and the state withdrew its expansion plan, delaying the planned July 2021 start. In August 2021, the Missouri Supreme Court held that the program must be funded and the state was ordered to start accepting expansion applications. Enrollment began in October 2021, with an estimated 275,000 Missourians newly eligible for health coverage under the program. As of October 21, 2022, 257,581 adults have enrolled in the Adult Expansion Group (AEG). This number includes approximately 180,000 newly eligible adults.

As provided by the ACA, the federal government covers 90% of the costs of Medicaid expansion (the federal government covers about 65% of the cost for other MO HealthNet beneficiaries). Because some Missourians who qualified for MO HealthNet in other eligibility categories are eligible instead for expansion, this allows Missouri tax dollars and other state funding that previously financed MO HealthNet to instead be spent on other state priorities. Additionally, because Missouri's Medicaid program was expanded after ARPA was passed, the state is receiving an additional 5% added to its usual Federal Medical Assistance Percentage (FMAP) for its non-expansion Medicaid population for two years. This amounts to about \$968 million over FY 2022-2023.⁷

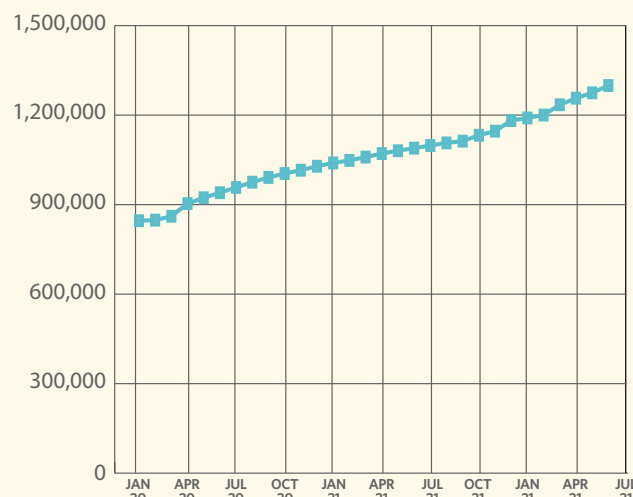
Adult Expansion Group Enrollment (Oct. 2021-2022)



*The enrollment numbers in this figure include the estimated 68,000 beneficiaries that had already been enrolled in other Medicaid programs and were later transferred to the adult expansion group.



Changes in MO HealthNet Enrollment During the PHE (January 2020-June 2022)



MO HealthNet Income Eligibility

Covered Populations	Income Guidelines
Children (under age 19)	<300% FPL
Pregnant Women	<196% FPL**
Individuals with a Disability	<85% FPL*
Older Adults (age 65+)	<85% FPL*
Blind Individuals	<100% FPL*
Parents	~21% FPL***
Expansion Adults (age 19-64)	<133% FPL

*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 income below 300% FPL who do not have medical insurance that fully covers maternity benefits and are not eligible for any other MO HealthNet program.

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

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.

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 2022 unless otherwise noted.

Parents, Children, and Pregnant Women

In SFY 2022, MO HealthNet covered a monthly average of 689,063 low-income children, 101,109 low-income custodial parents, and 57,892 pregnant women. The vast majority of covered adults in families with children are women. Children represent the largest demographic group served by Missouri Medicaid: 53% of all MO HealthNet enrollees are under the age of 19. Pregnant women who meet certain criteria are also eligible for coverage during their pregnancy and for 60 days postpartum through the Show-Me Healthy Babies Program.

Aged

In SFY 2022, MO HealthNet covered 90,752 Missourians aged 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 2022, 176,287 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.

Expansion Adults

At the end of SFY 2022, 196,572 Missourians ages 19-64 were covered by MO HealthNet after Medicaid expansion went into effect. This number includes adults who were already eligible for Medicaid coverage under other MO HealthNet programs but were later transferred to the adult expansion group after Medicaid expansion. In order to be eligible, these adults must have a household income that does not exceed 138% of FPL, and must not be eligible for disability benefits, MO HealthNet for Families, MO HealthNet for Pregnant Women, or non-spend down MO HealthNet for Aged, Blind, and Disabled. Additionally, any children in the household must have health care coverage, or at least have applied for it.

2022 Federal Poverty Level

Family Size	Annual Income				
	85% FPL	100% FPL	138% FPL	196% FPL	300% FPL
1	\$11,552	\$13,590	\$18,754	\$26,636	\$40,770
2	\$15,564	\$18,310	\$25,268	\$35,888	\$54,930
3	\$24,470	\$28,788	\$31,781	\$45,139	\$69,090
4	\$29,485	\$34,688	\$38,295	\$54,390	\$83,250

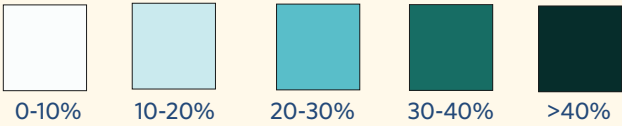
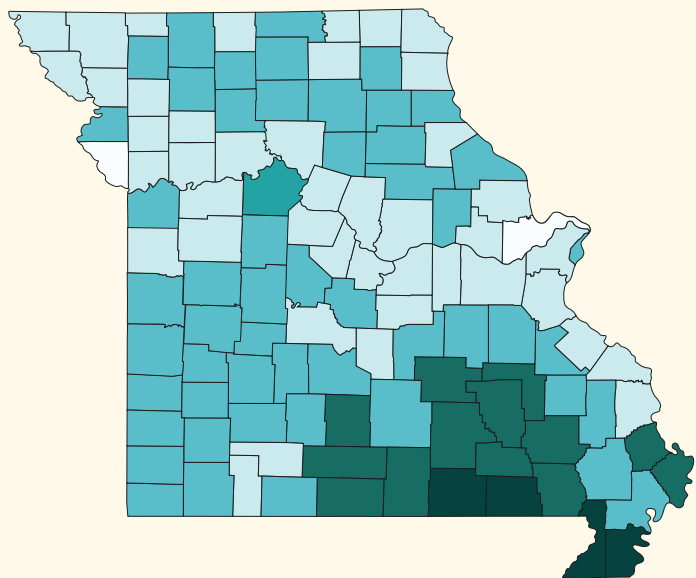
AFDC Payment Standard for Parent Eligibility (~21% FPL)

	Family Size			
	2	3	4	5
Annual Income	\$2,892	\$3,612	\$4,236	\$4,800



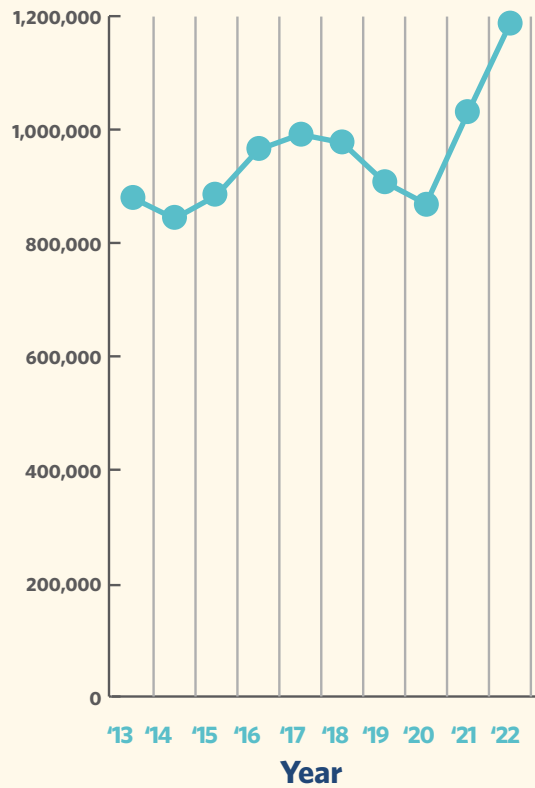
Average MO HealthNet Enrollment by County, SFY 2022⁸

About 19% of all Missourians were enrolled in MO HealthNet in SFY 2022.



Changes in MO HealthNet Enrollment SFY 2013 - 2022

Enrollees



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, and 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 23% 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 2022, almost 30% of individuals covered under MHABD were eligible under the OAA requirements (78,662 persons), while only about 0.5% of individuals (1,258 persons) in the MHABD program were eligible under the Aid to the Blind program. Individuals with disabilities accounted for 63% of participants in the MHABD program (169,329 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 2022, 111,289 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 2022, 39,326 individuals received assistance under the SLMB program. About 42% 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 2022, 650,967 low-income Missouri children had health insurance coverage through this MO HealthNet program. This population represents 55% of all MO HealthNet recipients.

What's Meant by Spending Down?

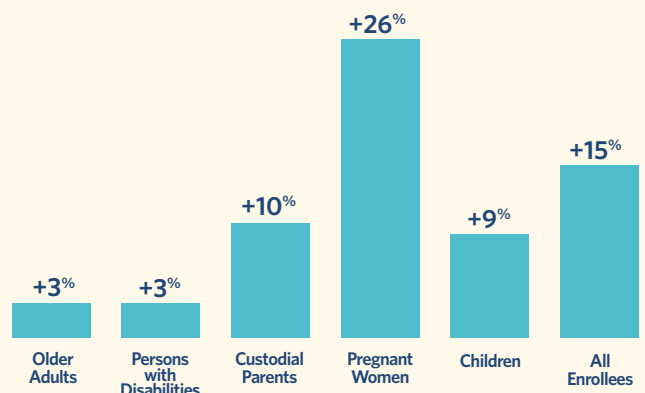
Spending down refers to the amount of medical expenses that an individual must incur each month before becoming eligible for coverage through Medicaid. The total that must be spent down equals the amount by which an individual's or couple's net income exceeds the income eligibility requirement for a 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
- a combination of submitting incurred medical expenses and paying a monthly spend down amount to the MO HealthNet Division.

During the PHE, FSD suspended the requirement for MO HealthNet beneficiaries to pay the spend down amount in order to remain covered. This means that during the PHE, the spend down amount is still technically due, but FSD will not terminate coverage if the spend down is not met. If individuals did not meet their spend down during the PHE, it will not be required to be paid at a later date once the PHE ends. Once the PHE ends, however, individuals will once again be required to pay their monthly spend down amounts in order to remain eligible for MO HealthNet coverage and to prevent their coverage from being terminated.

SFY 2021-2022 MO HealthNet Enrollment Change



*Increase in enrollment between SFY 2021-2022 is due to the continued enrollment of all MO HealthNet participants for the duration of the PHE. The increase in the "All Enrollees" category reflects both enrollment after Medicaid expansion and continued enrollment during the PHE.

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 June 2022, an average of 33,366 children had coverage under CHIP in Missouri. This number represents about 4% of the total MO HealthNet population.

5. 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 57,892 women per month received insurance benefits under this program in SFY 2022. This group represents nearly 5% 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 4,411 women were enrolled in this program in June 2022.

6. 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 2022, 101,109 adults had health insurance coverage through the MHF program. This group represents about 9% of all MO HealthNet recipients in the state of Missouri.

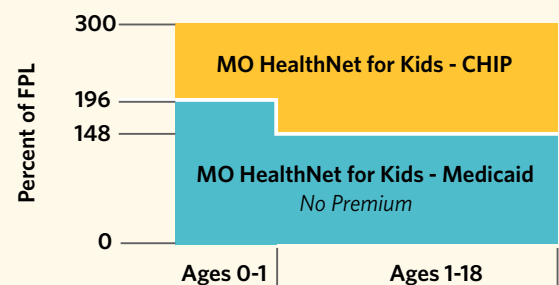
7. Adult Expansion Group

Missourians aged 19-64, with income up to 138% FPL, and who are not eligible for disability benefits, are eligible for coverage under the new adult expansion group. Additionally, these adults must not be eligible for Medicare part A or B, MO HealthNet for Families, MO HealthNet for pregnant women, or non-spend down MO HealthNet for the Aged, Blind, and Disabled. In October 2022, more than 250,000 adults were enrolled in MO HealthNet through the adult expansion group, including those previously enrolled in other Medicaid programs who were transferred to the adult expansion group.

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. As of June 2022, CHIP provides affordable health coverage to nearly 7.1 million children nationally,³ including 33,366 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 76.07% for FFY 2023.

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 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 eleven 1915(c) HCB waivers, a 1915(b) waiver authorizing the managed care system, and one active 1115 waiver.⁹ The 1915(c) HCB waivers cover certain services that would not otherwise have been covered under the Medicaid program to provide options other than institutional care. For more information on Missouri's 1915(c) waivers, please refer to the "Home and Community Based Care" subsection below.

Missouri's 1115 Waivers

Missouri has one active 1115 waiver, effective June 10, 2022, through December 31, 2025, that provides coverage to former foster care youth under age 26. This waiver allows the state to enroll foster care children, children receiving adoption assistance, individuals formerly in foster care who have aged out and are now under the age of 26, and children who are under the care of the Division of Youth Services, into a single specialty health plan as long as they are eligible. The goal of this waiver is to improve coordination of care, access to specialty providers, improved medication management, and to provide whole-person care to this group.

The state's now inactive 1115 waiver to extend coverage of postpartum treatment of substance use disorders was approved by the federal government, but the demonstration has been paused by DSS as of February 2022.¹⁰ This waiver would have covered substance use disorder and mental health services for certain postpartum women for 12 months. 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. Now that 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.

Another notable inactive waiver was Missouri's 1115 waiver that authorized the Gateway to Better Health demonstration in St. Louis City and County. This waiver expired at the end of December 2022. Since its approval in 2010, this demonstration project expanded 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, eligible individuals who previously received care through Gateway to Better Health have been enrolled in MO HealthNet as part of the AEG.

The state currently has a pending 1115 waiver application that would reimburse Qualified Residential Treatment Programs for Medicaid enrollees aged 21-64 who are diagnosed with a serious mental illness. Another pending 1115 waiver is the Missouri Substance Use Disorder Demonstration Waiver, which would allow the state to reimburse for medically necessary substance use disorder treatment in certain residential institutions.

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 ¹¹	60 days or end of state of emergency ¹²

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. Similarly, families who receive coverage under the Medical Assistance for Disabled Children program, which provides coverage for children with disabilities, are enrolled in a fee-for-service system. 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

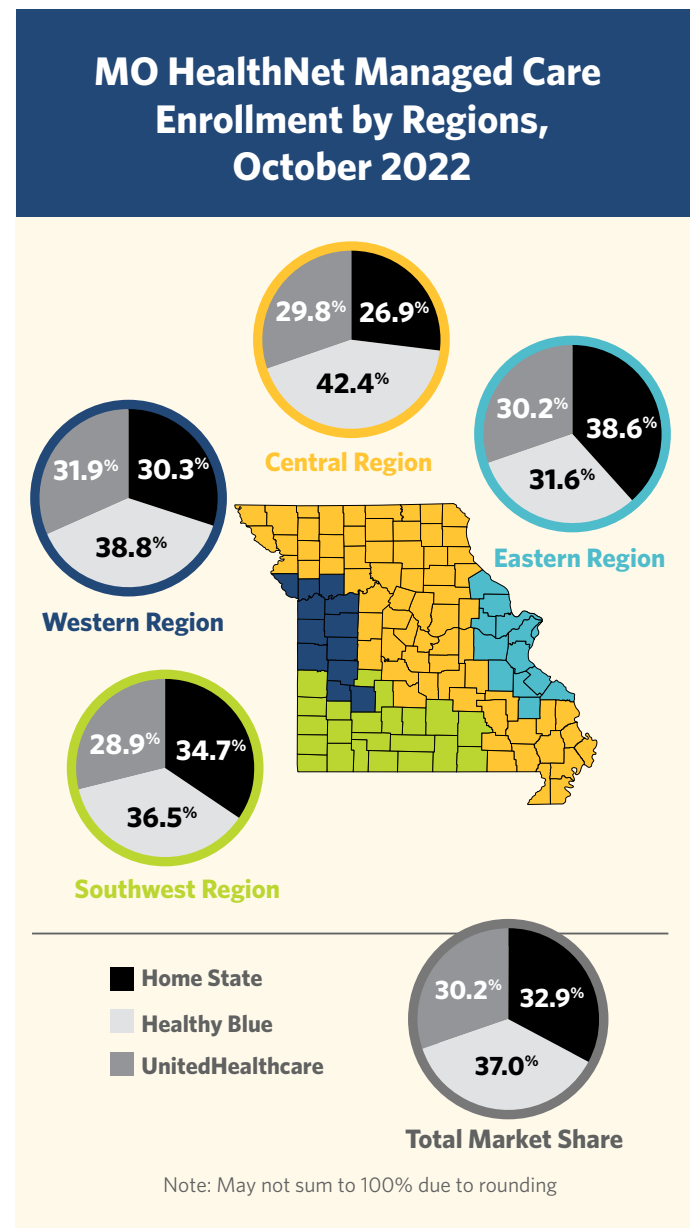
In an effort to enhance access and quality of care and improve predictability of costs, Missouri began providing MO HealthNet services to some beneficiaries through a managed care system in 1995. Today, three managed care health plans – Home State Health (Centene), HealthyBlue (Missouri Care), and UnitedHealthcare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

- Parents/caretakers, children, pregnant women, and refugees
- Adults aged 19-64
- CHIP children

Additionally, Home State Health operates Show Me Healthy Kids, a managed care program for MO HealthNet children who are in the care and custody of the state, in alternative care, or receive adoption subsidy assistance. It also covers certain former foster care youth under age 26 who were in foster care until age 18 and were previously covered by MO HealthNet.

As of August 2022, more than 78% of MO HealthNet beneficiaries were enrolled in one of the three contracted MO HealthNet managed care plans and Show Me Healthy Kids. Enrollees in the MO HealthNet managed care system can choose one of the three plans during open enrollment (children in state custody are placed in the Show Me Healthy Kids plan). If no selection is made, DSS will automatically assign individuals to a plan. For adult expansion enrollees, individuals are assigned to one of the three plans when their application is approved and can later change to a different 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. In particular, people with disabilities may choose to opt out of managed care and instead switch to a fee-for-service plan.

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 2022, the state signed one-year contracts with the managed care plans that are renewable annually for up to four additional years.



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.

Home and Community-Based Care

Missouri’s MO HealthNet program supports a number of 1915(c) 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.¹³

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*
- Structured Family Caregiving 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.¹⁴ 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.

Financing and Expenditures

Medicaid is financed jointly between the federal and state governments. In FFY 2021, health care spending in the United States on the Medicaid program totaled \$728.2 billion, 69.3% of which was paid by the federal government and 30.7% was paid by states.¹⁵

MO HealthNet Financing

In general, there are four different levels of federal matching funds for MO HealthNet for FFY 2022:

- Federal Medical Assistance Percentage (FMAP) of 65%, which covers the majority of MO HealthNet programs
- Enhanced Federal Medical Assistance Percentage (EFMAP) of 76.5%, for the MO HealthNet for Kids – CHIP program¹⁶
- Enhanced FMAP of 90%, which covers costs for the AEG
- MO HealthNet administrative costs, for which the federal government pays 50% of expenditures¹⁷

Due to the ongoing PHE and the implementation of Medicaid expansion in Missouri, more federal funding was available during FY 2022 for Medicaid. Under the Families First Coronavirus Response Act, the federal government provided a temporary 6.2 percentage point increase in states' FMAP until the end of the PHE, which provided about \$376 million in SFY 2022. Additionally, as of October 2021, Medicaid expansion has been implemented in Missouri, and the new permanent FMAP for the population covered under expansion is 90%. Also, the American Rescue Plan Act provided an additional incentive for Medicaid expansion by allowing a 5 percentage point FMAP increase for the non-expansion population in the two-year period following implementation, which amounts to a total of about \$1.15 billion for Missouri.¹⁸

The enacted state budget for SFY 2023 appropriated approximately \$16.9 billion for MO HealthNet across the various departments. Yet only \$3.1 billion of this cost comes from state general revenue. The majority of Medicaid financing, \$10.6 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).

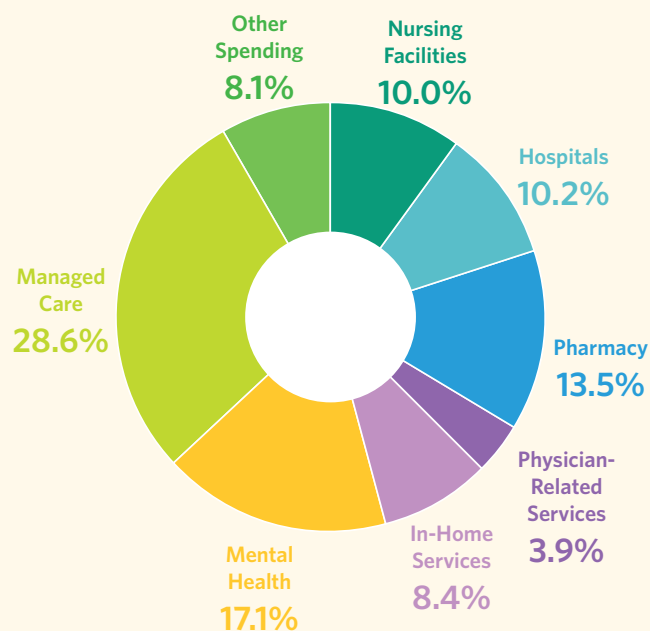
Sources of MO HealthNet Funding, SFY 2023

	General Revenue	Federal Funds	Other	Total
DSS	\$1,871,608,046	\$7,633,216,925	\$3,255,754,273	\$12,760,579,244
DMH	\$734,771,098	\$1,973,759,191	\$17,844,350	\$2,726,374,639
DHSS	\$468,660,166	\$982,133,850	\$485,831	\$1,451,279,847
DESE	\$0	\$4,500,000	\$10,000,000	\$14,500,000
Total	\$3,075,039,310	\$10,593,609,966	\$3,284,084,454	\$16,952,733,730



MO HealthNet Spending by Key Component

The key services below account for 91.9% of expenditures. Other spending includes dental services, Medicare Part D copays, rehabilitation and specialty care, the Early and Periodic Screening, Diagnostic and Treatment program, state institutions, and buy-in.



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

MO HealthNet Expenditures

In SFY 2022, approximately \$12.6 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).

Enrollment and Spending Growth

Since 2020, MO HealthNet enrollment has been increasing steadily due to the economic downturn caused by the COVID-19 pandemic, continuous enrollment requirements during the PHE, and the implementation of Medicaid expansion in Missouri.

In March 2020, the Secretary of the U.S. Department of Health and Human Services 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 requirements in which they could not impose new eligibility restrictions or reduce coverage during the PHE.¹⁹ 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 will no longer be in effect upon termination of the PHE.

Additionally, Medicaid expansion in Missouri went into effect in October 2021, which resulted in an increase in MO HealthNet enrollment of newly eligible adults during FY 2022. From January 2020 to June 2022, overall enrollment increased by over 453,000 people, including an increase in coverage of parents of 36.7% and pregnant women of 147.8% (see “Changes in MO HealthNet Enrollment during the COVID-19 Crisis” for more information). Enrollment will likely increase until the end of the PHE due to the continuous enrollment requirements and as more adults in the expansion group are enrolled.

MO HealthNet Expenditures by Eligibility Group and Monthly Costs Per Person, SFY 2022

	Enrollment	Annual Expenditures (in millions)	Monthly Cost Per Person
Older Adults	90,752	\$1,730	\$1,589
Adult Expansion	94,817	\$537	\$472
Persons with Disabilities	176,287	\$4,578	\$2,164
Custodial Parents	101,109	\$737	\$608
Pregnant Women	57,892	\$411	\$592
Children	689,063	\$3,103	\$375

* Due to federal funding, monthly state cost per person is typically much lower than the monthly cost per person listed here. State costs are generally about a third of the total cost, except for CHIP and AEG, which are about 10% of the total cost.



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 PHE 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, passes away, or is no longer a resident of the state



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 have it otherwise. 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. MO HealthNet also plays a significant role in enhancing health equity in the state.

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.

Missouri Medicaid Basics

This publication was prepared by Anam Khan, Health Policy Associate, at Missouri Foundation for Health.

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

Statistics come from the Missouri Department of Social Services and are for SFY 2022 (July 1, 2021-June 30, 2022) unless otherwise indicated. All population estimates come from the Missouri Census Data Center and are from 2021.

Endnotes

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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
- U.S. Government Medicaid site medicaid.gov



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