The Effects of Congressional Medicaid Proposals on Medicaid Expenditures in Missouri

Key findings from the Manatt Medicaid Financing Model.

Working Draft - as of April 14, 2025

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Missouri Medicaid Expenditure and Enrollment Baseline

Table 1.1. Projected Missouri Medicaid Enrollment and Expenditures, FFY 2025 ($ Millions)

	Full Benefit Medicaid						Limited Benefit Medicaid***	Total
	Children*	Expansion Adults - Newly Eligible	Expansion Adults - Not Newly Eligible	Other Adults**	People with Disabilities	Elderly People		
Enrollment	580,689	322,499	-	125,247	129,664	68,019	28,752	$ 1,254,871
Total Computable Medicaid Benefit Expenditures, All Services****	$ 3,466	$ 3,642	$ -	$ 1,043	$ 5,055	$ 2,232	$ 86	$ 15,524
Per Capita Total Expenditures	$ 5,969	$ 11,292	$ -	$ 8,329	$ 38,986	$ 32,810	$ 2,977	

*Excludes children enrolled in Medicaid expansion CHIP coverage.

**Includes non-elderly, non-disabled adults, including parents/caretaker relatives and pregnant women.

***Includes enrollees reported in T-MSIS as receiving coverage of only emergency services, family planning services, COVID-19 diagnostic products or testing-related services, or assistance with Medicare premiums and cost sharing

****Excludes Disproportionate Share Hospital (DSH) payments.

Table 1.2. Projected Enrollment by Eligibility Group and FFY

	2025	2030	2035
Child	580,689	591,022	601,539
Expansion Adult - Newly Eligible	322,499	335,100	348,194
Expansion Adult - Not Newly Eligible	-	-	-
Other Adult	125,247	125,247	125,247
Disabled	129,664	137,481	145,768
Aged	68,019	78,211	89,929
Limited Benefit	28,752	29,946	31,189
Total	1,254,871	1,297,007	1,341,866

Table 1.3. Projected Expenditures by FFY ($ Millions)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Computable Expenditures	$ 15,524	$ 16,479	$ 17,533	$ 18,149	$ 18,989	$ 19,781	$ 20,550	$ 21,465	$ 22,349	$ 23,215
Federal Expenditures	$ 11,038	$ 11,615	$ 12,366	$ 12,819	$ 13,423	$ 13,992	$ 14,545	$ 15,202	$ 15,839	$ 16,460
Non-Federal Expenditures	$ 4,486	$ 4,865	$ 5,167	$ 5,330	$ 5,566	$ 5,789	$ 6,006	$ 6,262	$ 6,510	$ 6,755

Table 2. Estimated Impact on Missouri of Federal Medicaid Proposals on Total Medicaid Funding ($ Millions) [1]

Policy Option	1 Year[2]		10 Year (FFYs 2025-2034)		Avg. Annual Enrollment Impact	
	$ Millions	% from Baseline[3]	$ Millions	% from Baseline[3]	# Thousands[4]	% from Baseline[3]
Eliminate Enhanced Federal Match for Expansion Enrollees [5]	$ (3,843)	-23%	$ (42,911)	-24%	(347)	-27%
Establish Per Capita Caps for All Enrollees (Trended by CPI-U) [6]	$ (2,113)	-12%	$ (20,258)	-14%		
Establish Per Capita Caps for Expansion Enrollees Only (Trended by CPI-U) [7]	$ (740)	-17%	$ (7,805)	-22%		
Reduce Hospital State Directed Payments to Medicare-Equivalent Rates [8]	$ (121)	-3%	$ (1,314)	-3%		
Reduce the Provider Tax Threshold [9,10]	$ (1,962)	-12%	$ (21,272)	-12%		
Implement Mandatory Work Requirements [11]	$ (2,110)	-13%	$ (23,458)	-13%	(199)	-15%

Notes

1. All dollar amounts represent the projected impact on total computable Medicaid spending (including federal and non-federal shares).
2. To align with the latest CBO estimates, we assume that the FMAP, provider tax, SDP, and work requirement proposals take effect in FFY 2026 and that the per capita cap proposal takes effect in FFY 2028.

3. Percentage impacts are calculated for the periods that the proposals are effective only.
4. For the expansion FMAP proposal, estimates reflect reduced expansion enrollment as well as reductions in child enrollment and increased enrollment in disability-based coverage. For work requirements, estimates
5. Figures assume state eliminates expansion coverage. Table 3 demonstrates the impact of alternative state responses. Percentage reductions from baseline are calculated in comparison to baseline total Medicaid expenditures.
6. Figures assume state only spends "matched" dollars. Table 4 demonstrates the impact of alternative state responses. Percentage reductions from baseline are calculated in comparison to baseline total Medicaid expenditures.
7. Figures assume state only spends "matched" dollars. Table 5 demonstrates the impact of alternative state responses. Percentage reductions from baseline are calculated in comparison to baseline expansion expenditures.
8. Figures represent the estimated impact of reducing Medicaid state directed payments to hospitals from current payment levels. Figures assume state does not replace lost non-federal share funding. Percentage reductions from baseline are calculated in comparison to total Medicaid Hospital expenditures.
9. Figures represent the impact of reducing the provider tax threshold to 3%. Table 7 demonstrates the impact of reducing the threshold to 5%, 4%, and 2.5%. Percentage reductions from baseline are calculated in comparison to baseline total Medicaid expenditures.
10. The Manatt Financing Model's overall and hospital baseline estimates exclude Disproportionate Share Hospital (DSH) payments, because DSH is likely to be excluded from a number of policy proposals under consideration. As a result, the percentage impacts of provider tax proposals may be slightly overstated.
11. Figures assume mandatory work requirements apply to Expansion Adults and Other Adults (includes non-elderly, non-disabled adults not enrolled through the expansion group) ages 18-65. Figures also assume that 50% of individuals are automatically exempted or determined compliant by the state and that 72% of remaining individuals not automatically exempted or determined compliant lose coverage. Table 8 demonstrates the impact of alternative scenarios. Percentage reductions from baseline are calculated in comparison to baseline total Medicaid expenditures.

Table 3. Impact on Missouri of Reducing Expansion FMAP to Regular FMAP ($ Millions)[1]

State Response	1 Year (FFY 2026)				10 Year (FFYs 2025-2034)			
	Total	Federal Share	Non-Federal Share	Enrollment Impact	Total	Federal Share	Non-Federal Share	Enrollment Impact [2]
	$ Millions	$ Millions	$ Millions	# Thousands	$ Millions	$ Millions	$ Millions	# Thousands
Option A: State Eliminates Expansion Group	**$ (3,843)**	**$ (3,472)**	**$ (371)**	**(338)**	**$ (42,911)**	**$ (38,881)**	**$ (4,030)**	**(347)**
Congressional District 1	$ (476)	$ (430)	$ (46)	(42)	$ (5,317)	$ (4,818)	$ (499)	(43)
Congressional District 2	$ (519)	$ (469)	$ (50)	(46)	$ (5,794)	$ (5,250)	$ (544)	(47)
Congressional District 3	$ (567)	$ (512)	$ (55)	(50)	$ (6,331)	$ (5,737)	$ (595)	(51)
Congressional District 4	$ (535)	$ (483)	$ (52)	(47)	$ (5,975)	$ (5,414)	$ (561)	(48)
Congressional District 5	$ (436)	$ (394)	$ (42)	(38)	$ (4,872)	$ (4,414)	$ (458)	(39)
Congressional District 6	$ (459)	$ (415)	$ (44)	(40)	$ (5,129)	$ (4,647)	$ (482)	(42)
Congressional District 7	$ (411)	$ (371)	$ (40)	(36)	$ (4,590)	$ (4,159)	$ (431)	(37)
Congressional District 8	$ (439)	$ (397)	$ (42)	(39)	$ (4,903)	$ (4,443)	$ (460)	(40)
Option B: State Replaces All Lost Federal Funding	**$ -**	**$ (995)**	**$ 995**	**-**	**$ -**	**$ (11,229)**	**$ 11,229**	**-**
Congressional District 1	$ -	$ (123)	$ 123	-	$ -	$ (1,391)	$ 1,391	-
Congressional District 2	$ -	$ (134)	$ 134	-	$ -	$ (1,516)	$ 1,516	-
Congressional District 3	$ -	$ (147)	$ 147	-	$ -	$ (1,657)	$ 1,657	-
Congressional District 4	$ -	$ (139)	$ 139	-	$ -	$ (1,564)	$ 1,564	-
Congressional District 5	$ -	$ (113)	$ 113	-	$ -	$ (1,275)	$ 1,275	-
Congressional District 6	$ -	$ (119)	$ 119	-	$ -	$ (1,342)	$ 1,342	-
Congressional District 7	$ -	$ (106)	$ 106	-	$ -	$ (1,201)	$ 1,201	-
Congressional District 8	$ -	$ (114)	$ 114	-	$ -	$ (1,283)	$ 1,283	-

Notes

1. Congressional district-level estimates are based on state-level estimates from the Manatt Medicaid Financing Model distributed proportionally across congressional districts based on total Medicaid enrollment in each district, using data from the U.S. Census Bureau's 2023 American Community Survey (ACS).

2. 10 year enrollment figures represent the estimated decline in average annual enrollment from 2026 - 2034.

Table 4. Impact on Missouri of Implementing a Medicaid Per Capita Cap on All Medicaid Populations (CPI-U Trend Factor) ($ Millions)[1,2]

State Response	1 Year (FFY 2028)			10 Year (FFYs 2025-2034)		
	Total	Federal Share	Non-Federal Share	Total	Federal Share	Non-Federal Share
	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions
Option A: State Only Spends Matched Dollars	**$ (2,113)**	**$ (1,551)**	**$ (562)**	**$ (20,258)**	**$ (15,049)**	**$ (5,209)**
Congressional District 1	$ (262)	$ (192)	$ (70)	$ (2,510)	$ (1,865)	$ (645)
Congressional District 2	$ (285)	$ (209)	$ (76)	$ (2,735)	$ (2,032)	$ (703)
Congressional District 3	$ (312)	$ (229)	$ (83)	$ (2,989)	$ (2,220)	$ (768)
Congressional District 4	$ (294)	$ (216)	$ (78)	$ (2,821)	$ (2,095)	$ (725)
Congressional District 5	$ (240)	$ (176)	$ (64)	$ (2,300)	$ (1,709)	$ (591)
Congressional District 6	$ (253)	$ (185)	$ (67)	$ (2,421)	$ (1,799)	$ (623)
Congressional District 7	$ (226)	$ (166)	$ (60)	$ (2,167)	$ (1,610)	$ (557)
Congressional District 8	$ (241)	$ (177)	$ (64)	$ (2,315)	$ (1,720)	$ (595)
Option B: State Maintains Prior Funding Levels	**$ (1,551)**	**$ (1,551)**	**$ -**	**$ (15,049)**	**$ (15,049)**	**$ -**
Congressional District 1	$ (192)	$ (192)	$ -	$ (1,865)	$ (1,865)	$ -
Congressional District 2	$ (209)	$ (209)	$ -	$ (2,032)	$ (2,032)	$ -
Congressional District 3	$ (229)	$ (229)	$ -	$ (2,220)	$ (2,220)	$ -
Congressional District 4	$ (216)	$ (216)	$ -	$ (2,095)	$ (2,095)	$ -
Congressional District 5	$ (176)	$ (176)	$ -	$ (1,709)	$ (1,709)	$ -
Congressional District 6	$ (185)	$ (185)	$ -	$ (1,799)	$ (1,799)	$ -
Congressional District 7	$ (166)	$ (166)	$ -	$ (1,610)	$ (1,610)	$ -
Congressional District 8	$ (177)	$ (177)	$ -	$ (1,720)	$ (1,720)	$ -
Option C: State Fully Replaces Lost Federal Funding	**$ -**	**$ (1,551)**	**$ 1,551**	**$ -**	**$ (15,049)**	**$ 15,049**
Congressional District 1	$ -	$ (192)	$ 192	$ -	$ (1,865)	$ 1,865
Congressional District 2	$ -	$ (209)	$ 209	$ -	$ (2,032)	$ 2,032
Congressional District 3	$ -	$ (229)	$ 229	$ -	$ (2,220)	$ 2,220
Congressional District 4	$ -	$ (216)	$ 216	$ -	$ (2,095)	$ 2,095
Congressional District 5	$ -	$ (176)	$ 176	$ -	$ (1,709)	$ 1,709
Congressional District 6	$ -	$ (185)	$ 185	$ -	$ (1,799)	$ 1,799
Congressional District 7	$ -	$ (166)	$ 166	$ -	$ (1,610)	$ 1,610
Congressional District 8	$ -	$ (177)	$ 177	$ -	$ (1,720)	$ 1,720

Notes

1. Congressional district-level estimates are based on state-level estimates from the Manatt Medicaid Financing Model distributed proportionally across congressional districts based on total Medicaid enrollment in each district, using data from the U.S. Census Bureau's 2023 American Community Survey (ACS).

2. Figures assume the same policy parameters as the Congressional Budget Office (CBO). See Congressional Budget Office, Options for Reducing the Deficit: 2025 to 2034. CBO assumes per capita caps would be established using a FFY 2024 spending baseline and would take effect at the start of FFY 2028. Caps would be trended forward based on the Consumer Price Index for All Urban Consumers (CPI-U). If Congress chooses a per capita cap model that diverges from CBO's parameters (e.g. choosing a different base year or trend rate), estimates would differ.

Table 5. Impact on Missouri of Implementing a Medicaid Per Capita Cap for Expansion Enrolless Only (CPI-U Trend Factor) ($ Millions) [1,2]

State Response	1 Year (FFY 2028)			10 Year (FFYs 2025-2034)		
	Total	Federal Share	Non-Federal Share	Total	Federal Share	Non-Federal Share
	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions
Option A: State Only Spends Matched Dollars	**$ (740)**	**$ (666)**	**$ (74)**	**$ (7,805)**	**$ (7,025)**	**$ (781)**
Congressional District 1	$ (92)	$ (82)	$ (9)	$ (967)	$ (870)	$ (97)
Congressional District 2	$ (100)	$ (90)	$ (10)	$ (1,054)	$ (948)	$ (105)
Congressional District 3	$ (109)	$ (98)	$ (11)	$ (1,152)	$ (1,036)	$ (115)
Congressional District 4	$ (103)	$ (93)	$ (10)	$ (1,087)	$ (978)	$ (109)
Congressional District 5	$ (84)	$ (76)	$ (8)	$ (886)	$ (798)	$ (89)
Congressional District 6	$ (88)	$ (80)	$ (9)	$ (933)	$ (840)	$ (93)
Congressional District 7	$ (79)	$ (71)	$ (8)	$ (835)	$ (751)	$ (83)
Congressional District 8	$ (85)	$ (76)	$ (8)	$ (892)	$ (803)	$ (89)
Option B: State Maintains Prior Funding Levels	**$ (666)**	**$ (666)**	**$ -**	**$ (7,025)**	**$ (7,025)**	**$ -**
Congressional District 1	$ (82)	$ (82)	$ -	$ (870)	$ (870)	$ -
Congressional District 2	$ (90)	$ (90)	$ -	$ (948)	$ (948)	$ -
Congressional District 3	$ (98)	$ (98)	$ -	$ (1,036)	$ (1,036)	$ -
Congressional District 4	$ (93)	$ (93)	$ -	$ (978)	$ (978)	$ -
Congressional District 5	$ (76)	$ (76)	$ -	$ (798)	$ (798)	$ -
Congressional District 6	$ (80)	$ (80)	$ -	$ (840)	$ (840)	$ -
Congressional District 7	$ (71)	$ (71)	$ -	$ (751)	$ (751)	$ -
Congressional District 8	$ (76)	$ (76)	$ -	$ (803)	$ (803)	$ -
Option C: State Fully Replaces Lost Federal Funding	**$ -**	**$ (666)**	**$ 666**	**$ -**	**$ (7,025)**	**$ 7,025**
Congressional District 1	$ -	$ (82)	$ 82	$ -	$ (870)	$ 870
Congressional District 2	$ -	$ (90)	$ 90	$ -	$ (948)	$ 948
Congressional District 3	$ -	$ (98)	$ 98	$ -	$ (1,036)	$ 1,036
Congressional District 4	$ -	$ (93)	$ 93	$ -	$ (978)	$ 978
Congressional District 5	$ -	$ (76)	$ 76	$ -	$ (798)	$ 798
Congressional District 6	$ -	$ (80)	$ 80	$ -	$ (840)	$ 840
Congressional District 7	$ -	$ (71)	$ 71	$ -	$ (751)	$ 751
Congressional District 8	$ -	$ (76)	$ 76	$ -	$ (803)	$ 803

Notes

1. Congressional district-level estimates are based on state-level estimates from the Manatt Medicaid Financing Model distributed proportionally across congressional districts based on total Medicaid enrollment in each district, using data from the U.S. Census Bureau's 2023 American Community Survey (ACS).
2. Figures assume the same policy parameters as the Congressional Budget Office (CBO). See Congressional Budget Office, Options for Reducing the Deficit: 2025 to 2034. CBO assumes per capita caps would be established using a FFY 2024 spending baseline and would take effect at the start of FFY 2028. Caps would be trended forward based on the Consumer Price Index for All Urban Consumers (CPI-U). If Congress chooses a per capita cap model that diverges from CBO's parameters (e.g. choosing a different base year or trend rate), estimates would differ.

Table 6. Impact of Reducing Missouri's Hospital State Directed Payments from Current Levels to Medicare-Equivalent Rates ($ Millions)[1]

Policy Option	1 Year (FFY 2026)			10 Year (FFYs 2025-2034)		
	Total	Federal Share	Non-Federal Share	Total	Federal Share	Non-Federal Share
Reduce State Directed Payments from Current Levels to Medicare-Equivalent Rates	$ (121)	$ (87)	$ (34)	$ (1,314)	$ (952)	$ (362)

Notes

1. On a percentage basis, the estimated reduction in federal funds in Missouri is the second smallest compared to the 34 states with approved hospital SDPs in 2023 or 2024.

Table 7. Impact on Missouri of Reducing the Federal Cap on Provider Taxes, Hospital Taxes Only ($ Millions)[1]

Policy Option	1 Year (FFY 2026)			10 Year (FFYs 2025-2034)		
	Total	Federal Share	Non-Federal Share	Total	Federal Share	Non-Federal Share
	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions
Reduce Provider Tax Cap to 5%	$ -	$ -	$ -	$ -	$ -	$ -
Reduce Provider Tax Cap to 4%	$ (872)	$ (629)	$ (243)	$ (9,454)	$ (6,849)	$ (2,605)
Reduce Provider Tax Cap to 3%	$ (1,962)	$ (1,415)	$ (547)	$ (21,272)	$ (15,411)	$ (5,862)
Reduce Provider Tax Cap to 2.5%	$ (2,507)	$ (1,808)	$ (699)	$ (27,181)	$ (19,691)	$ (7,490)

Notes

1. This analysis is limited to hospital taxes only. Missouri imposes a tax on hospitals equal to approximately 4.8% of net patient services revenues. There may also be impacts on other, non-hospital provider taxes; these impacts are not reflected in this analysis.

Table 8. Impact of Implementing Mandatory Work Requirements on Missouri Medicaid Expenditures and Enrollment ($ Millions

	1 Year (FFY 2026)								10 Year (FFYs 2025-2034)							
	Scenario A - Lower Coverage Loss[1]				Scenario B - Higher Coverage Loss[2]				Scenario A - Lower Coverage Loss[1]				Scenario B - Higher Coverage Loss[2]			
Policy Option	Total	Federal Share	Non-Federal Share	Enrollment Impact	Total	Federal Share	Non-Federal Share	Enrollment Impact	Total	Federal Share	Non-Federal Share	Enrollment Impact[3]	Total	Federal Share	Non-Federal Share	Enrollment Impact[3]
	$ Millions	$ Millions	$ Millions	# Thousands	$ Millions	$ Millions	$ Millions	# Thousands	$ Millions	$ Millions	$ Millions	# Thousands	$ Millions	$ Millions	$ Millions	# Thousands
Work Requirements Apply Only to **Expansion Adults Ages 19-55**	$ (978)	$ (873)	$ (104)	(84)	$ (1,392)	$ (1,243)	$ (149)	(119)	$ (11,020)	$ (9,845)	$ (1,175)	(86)	$ (15,688)	$ (14,015)	$ (1,673)	(123)
Work Requirements Apply to **Expansion Adults and Other Adults[4] Ages 18-65**	$ (1,482)	$ (1,242)	$ (240)	(136)	$ (2,110)	$ (1,767)	$ (342)	(194)	$ (16,477)	$ (13,852)	$ (2,625)	(140)	$ (23,458)	$ (19,720)	$ (3,737)	(199)

Notes

1. The low coverage loss scenario assumes Missouri uses IT solutions to automatically exempt or determine compliant 60% of adults from work reporting requirements. Of individuals not automatically exempted/determined compliant, we assume that 72% would lose coverage. These figures reflect Arkansas' experience implementing work requirements.
2. The high coverage loss scenario assumes Missouri uses IT solutions to automatically exempt or determine compliant 50% of adults from work reporting requirements. Of individuals not automatically exempted/determined compliant, we assume that 82% would lose coverage. These figures reflect New Hampshire's experience implementing work requirements.

3. 10 year enrollment figures represent the estimated decline in average annual enrollment from 2026 - 2034.
4. Includes non-elderly, non-disabled adults not enrolled through the expansion group (i.e., parents).