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**FOR IMMEDIATE RELEASE**

**Missouri's Proposed HealthNet Program  
Falls Short of Governor's Pledge to Improve Health Care  
Education, Tax Proposals Offer "Mixed Bag"**

Governor Matt Blunt's HealthNet proposal, which would replace the state's Medicaid program, falls well short of his promise to "put people first," according to The Missouri Budget Project, a nonprofit, nonpartisan fiscal analysis organization. Health care reform was a major component of the Governor's "State of the State" address January 24.

HealthNet would not restore access to state health insurance to the more than 100,000 low-income Missourians cut from Medicaid in 2005. "A new program doesn't help you if you are not eligible to participate in it," says Amy Blouin, MBP Executive Director.

Another cause for concern is Blunt's support of legislation that would exempt tax on Social Security benefits. "Contrary to the Governor's assertion, this would not significantly help the majority of Missouri's older adults. Nearly half of seniors—those

at low-income levels-- already do not pay taxes on their Social Security benefits. The proposal would most benefit the 11 percent of Missouri seniors at high income levels, with earnings of \$96,000 or more,” Blouin says.

“The Social Security tax exemption would require the state to cut \$100 million from the budget annually, resulting in cuts to services that benefit all seniors and all Missourians,” Blouin says.

Health care dominated Blunt’s speech, with a focus on the proposed HealthNet program. “The Governor’s call for HealthNet to provide a ‘health care home’ in which all participants receive preventive care from a primary provider leaves more than 700,000 uninsured Missourians out in the cold,” Blouin says.

Far from being a leader in healthcare reform, Missouri lags behind other states. “Many other states are considering health care reform proposals that increase access to Medicaid. Missouri has chosen the complete opposite direction,” Blouin says.

Blunt’s budget calls for \$60 million increased funding to community health centers. “It is critical that the Governor provide this money with no strings attached,” Blouin says. Blunt has indicated that increased funding for health centers is contingent on approval of the Governor’s plan to sell a portion of the Missouri Higher Education Loan Authority assets.

Blunt emphasized personal responsibility and prevention as key components of HealthNet. “Everyone agrees that the best health care focuses on early diagnosis and treatment. However, HealthNet would place barriers to care for people living with disabilities and chronic health conditions beyond their control,” Blouin says.

Blunt's call for Missouri to pass a state False Claims Act is a positive step to more effectively prosecute fraud committed by providers of Medicaid services. "Sixteen states have enacted False Claims Act and are recovering hundreds of millions of dollars in intentional and systemic fraud committed primarily by large companies," Blouin says.

Providing incentives to small businesses that offer health insurance to employees was another focus of Blunt's speech. "The Governor's intent to help small businesses is noteworthy, but we must proceed carefully to ensure that his proposals would result in an expansion of access to health care," Blouin says. Blunt's recommendation to eliminate the corporate franchise tax for businesses providing health insurance would reduce state revenue by \$14 million annually. "We must weight the benefits of any proposed tax cut to make sure it would justify taking much-needed revenue that funds vital services," Blouin says.

Blouin commends Governor Blunt for making education a high priority. "However, the proposed budget increases for K-12 public schools remain inadequate and are being challenged in court by 250 Missouri school districts. In addition, the Governor has indicated support for school voucher legislation which would further drain funds from public education," Blouin says.

Blunt's budget includes a \$40 million increase for Missouri's colleges and universities. He also will ask the Coordinating Board for Higher Education to create standards and measure performance, with funding tied to meeting those standards. "Providing adequate funding for higher education must be a priority for Missouri so our next generation is prepared for success in the global economy. It is unfair to our students to make funding contingent on performance standards that may or may not effectively

measure the quality of education,” Blouin says. The MBP warns against additional unfunded mandates like the federal No Child Left Behind Act.

Blunt emphasized the economic well-being of Missourians, saying people should be able to “keep and enjoy the prosperity they earned.” The latest U. S. Census Bureau statistics indicate that thousands of Missourians are not realizing the benefits of an improved economy.

“Poverty in Missouri remains significantly higher today than in 2001. Nearly 18 percent of Missouri children are living in poverty and median income in Missouri has declined more than \$5,000 since 2001,” Blouin says. “If we have the potential as the Governor says to enter an age of unprecedented prosperity for every Missourian, then it is incumbent upon us to ensure that this is possible for all of us and particularly for our children,” Blouin says.

Blunt’s Fiscal Year 2008 budget includes a \$200 million ending balance. “The Governor’s intent to use this for priorities such as healthcare and education is wise fiscal policy. We have a lot of catching up to do since during the recent recession nearly \$2 billion in cuts were made to key services that benefit all Missourians,” Blouin says.

*The Missouri Budget Project is a statewide, nonprofit, nonpartisan fiscal analysis organization that informs the public on Missouri’s budgetary and tax policy options...and their impact on low and middle income citizens. More information is available at [www.mobudget.org](http://www.mobudget.org)*

