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“Insure Missouri”: A Good First Step for Working Parents; Others Remain Without Health Coverage

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On September 18th Governor Matt Blunt announced *Insure Missouri* to provide public health insurance to some of the working parents who became uninsured when Medicaid was cut in 2005.

What Is *Insure Missouri*?

Insure Missouri is a public health insurance program, similar to MO HealthNet (the “new” Medicaid program) to provide health insurance to some low-income workers. The plan will be implemented in three phases:

- Phase 1: Beginning in February 2008 working parents and caregivers with children in the home with earnings up to 100% of the federal poverty level (FPL) will be eligible for health insurance through *Insure Missouri*.¹ Health care will be delivered through Health Management Organizations or Preferred Provider Organizations. These same networks are used to provide care to many Missourians who are insured through MO HealthNet. Families are not given money to purchase private insurance. Co-pays are the same as those charged in MO HealthNet (formerly Medicaid). The Governor’s office expects nearly 55,000 Missourians to qualify in this phase. Many of these individuals are those that lost health insurance due to the 2005 Medicaid cuts.
- Phase 2: Beginning in July 2008, *Insure Missouri* extends coverage to working parents and other working adults up to 185% of FPL. Premiums will be instituted for families above 150% FPL.
- Phase 3: *Insure Missouri* will further expand to make health care more affordable for small business owners and their employees. Phases 2 and 3 will need to be authorized by the General Assembly.

The Governor’s office estimates that approximately 200,000 Missourians may be covered by *Insure Missouri* when it is fully implemented.

What Approval Is Needed?

For Phase 1 of *Insure Missouri* to take effect, the state must receive approval for a “Medicaid Plan Amendment” through the Centers for Medicare and Medicaid. Upon approval, the state will receive Medicaid matching dollars for the program.² However, *Insure Missouri*’s Phase 2 and beyond will require state legislative approval and appropriations support before it can be implemented.

How Will *Insure Missouri* Be Funded?

The Governor’s office reports that *Insure Missouri* will be funded through a combination of state general revenue dollars, federal Medicaid matching funds, hospital disproportionate share funding and other provider revenue, and individual & employer contributions to the premiums. Further detail is not yet available.

¹ The plan only applies to parents whose children qualify for Medicaid.

² The Medicaid match applies here just as it does for other Medicaid programs such as MO HealthNet.

Unanswered Questions:

- **What provision will be made for the low income people who lost Medicaid coverage in 2005 that are not covered through this initiative?** Not all of the Missourians who were affected by the Medicaid cuts will receive coverage through *Insure Missouri* (see chart below). The plan does not address health insurance for seniors and people with disabilities who continue to suffer hardship to be eligible for assistance through the spend-down program. Non-custodial parents will not be covered under the first phase, and it is not clear how unearned income (such as child support) may affect eligibility.
- **Does the infrastructure exist to support managed care in rural Missouri?** *Insure Missouri* will attempt to use HMO/PPO Insurance Providers only to deliver health care. Typically, rural Missouri is not covered by these networks. Provider networks will either have to expand to cover all rural areas sufficiently, or a fee-for-service system will need to be instituted for areas without sufficient coverage.
- **Will the legislature support *Insure Missouri*?** Early reactions by members of the majority party indicate that there is both surprise and concern about *Insure Missouri*. Since the state is already on track to have a considerable deficit in 2010, it is not clear where the additional funds for *Insure Missouri* will be found.
- **What package of benefits will *Insure Missouri* provide?** Details on the package of health care benefits are not available. However it appears that benefits will be equivalent to MO HealthNet benefits (dental and optical services are obvious lacking benefits).

Who Does *Insure Missouri* Help & How Does this Compare to MO HealthNet?

The following chart provides an overview of the people impacted by the Medicaid cuts, the changes made by MO HealthNet in 2007 and how *Insure Missouri* will build on that.

Eligibility for Public Health Insurance in Missouri			
	Medicaid in Missouri Prior to the 2003 - 2005 State Budget Cuts	Missouri HealthNet ³	Insure Missouri
Medicaid for Uninsured Parents	100% FPL for Custodial Parents and 125% FPL for non-custodial parents	Approximately 17% FPL	Parents with earnings up to 100% FPL beginning February 2008 Parents up to 185% of the FPL, if approved by the General Assembly beginning July 2008
Medicaid for Uninsured Children	Up to 300% FPL (SCHIP- MC+)	Up to 300% FPL (SCHIP- MC+) New Transitional Medicaid for Children aging out of Foster Care	
Medicaid for Low-Income Workers			Low Income Workers up to 185% FPL if approved by the General Assembly beginning July 2008 (May include non-custodial parents in this group)
Medicaid for People with	100% FPL for Seniors and People	85% FPL for Seniors and People with Disabilities	

³ The “new” Medicaid Program

Disabilities and Seniors	with Disabilities MAWD – Medicaid Assistance for Workers with Disabilities impacting 17,000 Missourians up to 250% FPL	Ticket to Work Health Assurance Program, which replaces “MAWD”, covers up to 3,500 Missourians. Workers with a disability may not have gross income greater than 250% of FPL, but earned income from 250 to 300% of FPL is disregarded	
Financing Mechanisms	State General Revenue and Federal Matching Funds	State General Revenue and Federal Matching Funds	State General Revenue, Disproportionate Share Dollars, Federal Matching Funds, employee contributions (those with incomes over 150% of federal poverty level will pay premiums), and employer contributions in some cases.

According to Census data, more than 770,000 Missourians are now uninsured. If estimates from the Department of Social Services are correct, the first phase will provide health care coverage for about 55,000 of Missouri’s uninsured, increasing to 200,000 by Phase 3.

While many questions need to be resolved, *Insure Missouri* appears to be a wise investment for Missouri and a significant step toward increasing health care coverage in Missouri. If it is implemented as outlined by the Governor, *Insure Missouri* is an important policy change. It is not the full solution to Missouri’s healthcare crisis, but it is a start.

The Missouri Budget Project is a statewide, nonprofit, nonpartisan organization that informs the public about the state’s budgetary and tax policy options and their impact on low-income Missourians.