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**Senate Bills 532, 539 and 556:
Chipping Away at Missouri's Medical, Adoptions &
Disability Service Protections.**

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Senate Bill 539, introduced by Senator Purgason and co-sponsored by Senators Crowell, Nodler, Bartle, Dolan, Gross, Gibbons, Ridgeway implements many of the 2005 proposed cuts to Medicaid. A wide swath is cut into four chapters of the Missouri Statutes and covers diverse subjects from the Personal Care attendant, to Missouri RX , Medicaid eligibility for Seniors and the Disabled, and Adoption subsidies.

Personal Care Assistants

SB539 will remove the entitlement status of the Consumer-Directed Personal Assistance Services Program by making it “subject to appropriations”. The bill also says that services can be terminated if the individual’s needs exceed the plan of care “availability”. People with more significant disabilities who need more hours of attendant services will be at risk of “over utilizing available services” and could be terminated from the program, and forced into nursing homes as the only alternative to receive care.

Additionally, SB539 moves the CD-PAS program from the Division of Vocational Rehabilitation and changes the vendors of the CD-PAS program. Currently the administering agencies (vendors) are required to have at minimum 51% of their board and staff comprised of people with disabilities. They are further required to provide the four core services of an Independent Living Center. The new legislation would alter the definition of a “vendor” to include any entity that receives a contract with the Department of Health and Senior Services. The legislation alters vendor standards, to require service providers to have “a philosophy that promotes the consumer's ability to live independently in the most integrated setting”, but does not state specifically what requirements must be met.

Reverification of Eligibility for Medicaid recipients

SB 539 would alter the Annual Reverification procedures for Medicaid patients. It stipulates that the Family Support Division shall be required to annually review a recipients income and eligibility. Each case must be reviewed no later than twelve months after the previous that review. This clause is no different than what is currently required for all Medicaid recipients. However, caseload demands, lack of staffing and

budget cuts have caused re-verifications to fall behind by as many as 30% of Medicaid clients.

The two significant changes in this section of SB 539 are the timeframe required for re-verification, and the new documentation of income requirements. When a recipient receives a notice of Reverification, they would only have 10 days to respond. Further, the recipient would be required to file an appeal within 10 days of notification or benefits will be terminated. This is similar to current process, but without the expanded appeal time.

This new process would be applied to all recipients including children, elderly, disabled & adults. Only six states currently terminate Medicaid if annual reviews are not done on time. Further, recent studies conducted by The Family Support Division Quality Control Unit indicate that 26% of the total number of people who lost their Medicaid due to “non-cooperation”¹ reapplied for Medicaid and were determined eligible within one year. Many families could erroneously be denied coverage due to the burden of the new Reverification procedures.

Further, documentation of income requirements are more burdensome under this proposal. Currently recipients can provide wage statements and bank statements to verify income level. The new procedures would require all recipients to provide:

- Current wage stubs,
- Current W-2,
- Statement from the recipient’s employer, and
- A wage match with the division of employment security and bank statements.

The family support division may require additional documentation to the above list as desired.

Services and Eligibility for Pregnant Women Reduced

The bill also proposes to eliminate Presumptive eligibility for pregnant women. Women who are in the process of qualifying for Medicaid will no longer be covered during that qualifying period. Without presumptive eligibility many woman may go without vital prenatal treatment until they have received verified coverage of Medicaid. The bill also eliminates case management services for pregnant women and young children who are “at risk”.

Eligibility for Seniors and Disabled Reduced

Medicaid eligibility for the elderly and people with disabilities is reduced. Despite the state law passed in 2001 to increase eligibility to 100% of the federal poverty level, this bill reduces it to the SSI standard, or about 74% of the poverty level. Individuals with incomes above \$579 a month and Couples with incomes above \$869 a month would lose Medicaid.

¹ Not responding to the letter asking for re-verification is considered “non-cooperation”

“Optional” Services Gutted

The number of services that Medicaid consumers receive will also be reduced. The eliminated optional coverage includes;

- (1) Dental
- (2) Podiatrist Care
- (3) Optometric Care
- (4) Orthopedic devices
- (5) Hospice care
- (6) Comprehensive day rehab

Co-Payment Requirements and New Failure To Pay Rules

Co-pay requirements for all covered services may be required. Even more destructive, the bill would allow providers to terminate future services to an patients with an unclaimed debt, including co-payments as part of that debt. Currently co payments are required for some services but Federal law prohibits the termination of Medicaid services for recipients.²

Changes Which Annuities Are Exempted from Assets Tests

The bill attempts to address the perceived problem of individuals hiding assets in order to qualify for Medicaid. It defines the type of annuities that can be excluded from assets, and requires they be actuarially sound. Balloon annuities are excluded, and the recipient must then provide the state with secondary or contingent beneficiary status ensuring payment if the individual predeceases the duration of the annuity, in an amount equal to the states expenditure.

A Seventy-Two month “look back period” to review any investments and annuities is allowed

Nursing Home Per Diem Reduced

The Bill rescinds the nursing home rebasing of per diem passed in 2004 and revert to the previous method of calculation.

Places New Limits on Adoption Subsidies

The bill also includes income restrictions on adoption subsidies. The subsidy shall now be granted only to children who reside in a household with an income that does not exceed two hundred percent of the federal poverty level. Many families who adopt children need the income to support children who must adjust and grow up in other than their natural families.

Eliminates the MAWD Program- Medical Assistance for Workers with Disabilities

The Missouri Medical Assistance for Workers with Disabilities program, based on the federal Ticket-To-Work Legislation, would be eliminated. The program currently allows people with disabilities to participate in the workforce, earning up to 150% of the federal

² The State would be required to get approval for this change from CMS: The Centers for Medicare and Medicaid.

poverty level before losing access to Medicaid. Many of these workers make premium payments for access to Medicaid Approximately 17,000 participate. Many workers would be forced to choose between their employment and access to healthcare if this change is enacted. These recipients have serious medical conditions that will make access to private health care coverage unlikely.

State General Relief Medicaid is eliminated

Traditionally disabled or temporarily disabled people are covered by the State's general relief Medicaid program until they are well or qualify for federal disability. Many have trouble navigating the disability determination process and may receive healthcare through this program for years. These recipients have serious medical conditions and will not be insurable, and are not able to work. Approximately 3,100 participate.

Companion Bills: SB 532, Senator Ridgeway and SB 556, Senator Gibbons:

In addition to the alterations in the State's program resulting from SB 539, two "companion" bills were filed this week, Senate Bill 532 and Senate Bill 556 sponsored by Senators Ridgeway and Gibbons respectively.

Medical Ownership Program Senate Bill 532

SB 532 would require the Director of DMS to apply for all federal waivers necessary to create a new Medicaid program that would include "managed health savings accounts". Similar to Florida Governor Bush's proposal, the plan could cap benefits through the use of waivers, and makes appropriations the bottom line for what a recipient will receive. Although SB 532 is somewhat cryptic, it gives hints as to what direction the proposal could go.

Medicaid Reform Commission Senate Bill 556

SB 556 establishes a Commission set to meet after the General Assembly adjourns in May. The Commission is charged to study and review the current Medicaid programs and make recommendations for reforms. The commission shall make the recommendations by Sept. 1, 2005 on "reforming, redesigning, and restructuring a new innovative healthcare delivery state Medicaid system to replace the current state Medicaid system, which will sunset on July, 1 2007."

There is no mistaking what the language of these three bills imply. These bills will end Medicaid as Missouri knows it.