



Missouri Medicaid 101:

An Overview of MO HealthNet & the Children's Health Insurance Program 2025



A Partnership Of:

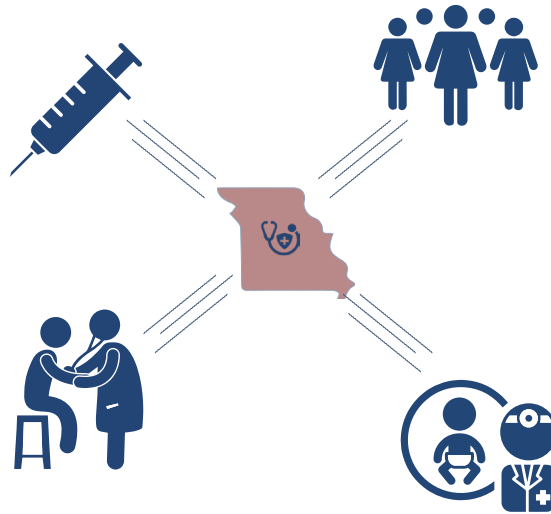


Introduction

Medicaid is a health insurance program that provides medical coverage for children and adults with low-incomes, pregnant women, seniors, and people with disabilities so they can get and stay healthy. It is jointly funded as a partnership between the state and federal government. Missouri's Medicaid program is called MO HealthNet.

Medicaid:

- ✓ Improves both health and economic outcomes for Missourians,
- ✓ Is key to our state's health care infrastructure, and
- ✓ Makes possible critical federal funding that not only supports Medicaid, but provides vital revenue that stabilizes Missouri's entire state budget (including non-health care services).



- **Medicaid patients are more likely than the uninsured to access preventive care, including prenatal care and vaccinations for kids.**
 - Expanded Medicaid coverage has been proven to reduce maternal and infant mortality, primarily due to increased access and utilization of prenatal and postpartum care.¹
 - Children whose parents are covered by Medicaid are 29% more likely to receive preventive care, such as well-child visits.²
- **Medicaid paid more than half (61%) of total U.S. spending on all Long-Term Services and Supports.³ In Missouri, Medicaid is the primary payer for about 2/3 of nursing facility residents.⁴**

Who Qualifies for MO HealthNet?

Although Medicaid was created to serve as a safety net for families and individuals with low incomes, not all Missourians living in poverty qualify. The primary categories of Medicaid eligibility are as follows:*

Missouri's Medicaid Income Eligibility Limit as a Share of the Federal Poverty Level

Income Listed is Maximum Annual Income for a Family of 3



Children

\$77,718

305% FPL

MO HealthNet for Kids provides coverage for children under 19 years whose income is below 153% FPL (or below 201% FPL for newborns).

Additional coverage for children up to 305% FPL is provided through the *Children's Health Insurance Program (CHIP)*.



Pregnant Women

\$51,898

201% FPL

Show-Me Healthy Babies:
305% FPL

MO HealthNet for Pregnant Women provides coverage during pregnancy, as well as 12 months of postpartum coverage.

Show-Me Healthy Babies provides limited coverage during pregnancy, as well as coverage for the child's first year of life.



Older Adults/People With a Disability

\$21,947

85% FPL

This category of eligibility requires additional criteria. More detail can be found on the following page



Custodial Parents

\$3,612

~14% FPL

MO HealthNet for Families provides coverage for custodial parents earning no more than \$388 per month for a family of three, the lowest level allowed under federal law. Federal rules require that states maintain this eligibility category. Parents with incomes higher than eligibility through this category may be eligible through the adult expansion group.



Adult Expansion Group

\$35,632

138% FPL

In August 2020, Missouri voters expanded Medicaid eligibility, creating a new category of eligibility for Missourians ages 19-64 known as the *Adult Expansion Group*.

Note: Eligibility for children, pregnant women, seniors, & people with disability based on the Federal Poverty Level (FPL); eligibility for custodial parents is based on 1996 AFDC payment standard (federal rules require that states maintain this eligibility category after implementing Medicaid Expansion); eligibility levels for children, pregnant women, parents & adult expansion reflect Modified Adjusted Gross Income (MAGI) or a 5% income disregard.

* There are numerous other eligibility categories, such as children in foster care, eligibility through waivers, etc., but most Missourians fall into the categories listed here.

Eligibility & Coverage for Older Adults & People Living with Disabilities

Most older adults and qualifying people with disabilities have *Medicare* coverage for their primary health care. For some low-income older adults (sometimes called “dual eligibles”), Medicaid supplements Medicare by helping to cover costs associated with that primary care, like co-pays or premiums. In general, however, **these categories of eligibility are designed primarily to cover long-term services and supports (in both institutional and home-based settings) that Medicare does NOT cover.**

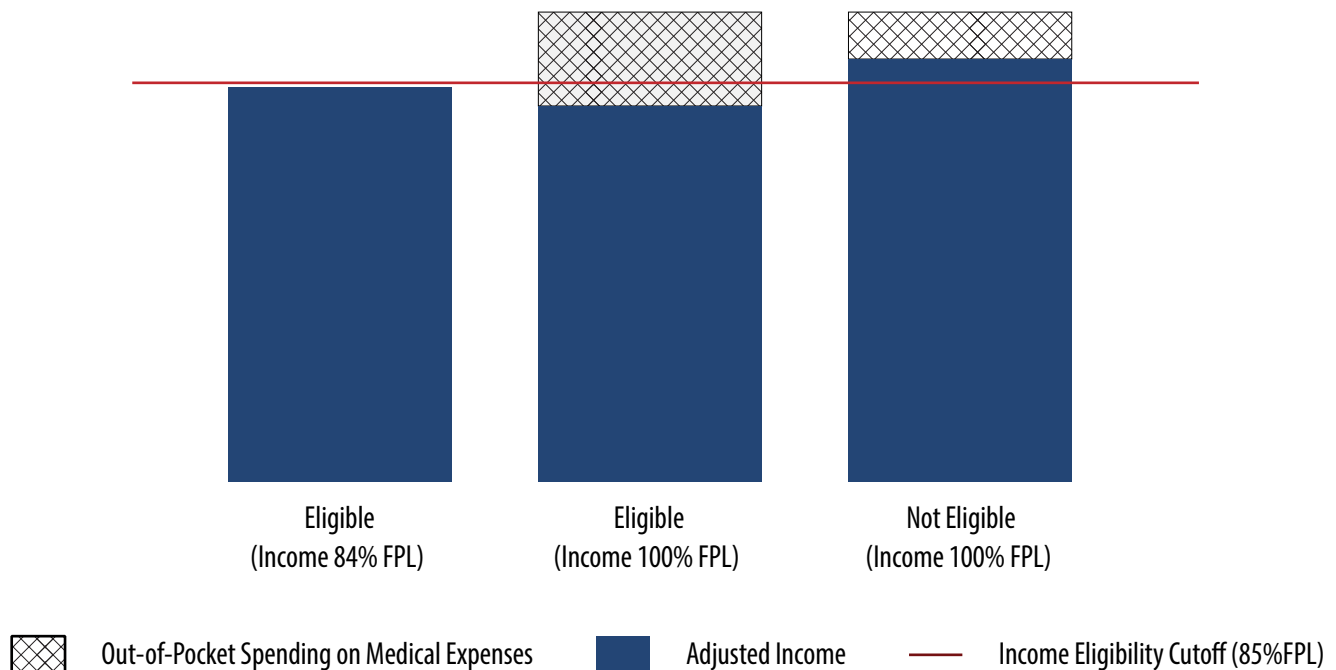
As such, these categories of eligibility require applicants to meet additional criteria, including:

- **Asset Test:** Cannot have property/assets valued above certain limits; these limits vary by category of eligibility.
- **Level Of Care Determination:** To qualify for home and community based services, recipients must also meet Nursing Home Level of Care (NHLOC) criteria. In October 2024, Missouri implemented a new NHLOC algorithm; existing clients will be reassessed on a rolling basis.
- **Spend Down:** Monthly income is reduced by the amount spent on medical expenses in order to determine eligibility.

Because of the spend-down criteria, many older Missourians and those living with disabilities are eligible at incomes higher than the basic income cut-off might reflect.

Older Adults & People with Disabilities Can Become Eligible at Higher Incomes

Out of Pocket Spending & Other Criteria Can Affect Eligibility



Note: Individuals may also meet “spend down” requirements with a monthly payment to the MO HealthNet Division. See Eligibility Requirements for MO HealthNet Coverage, Missouri Department of Social Services, mydss.mo.gov/media/pdf/eligibility-requirements-mo-healthnet-coverage

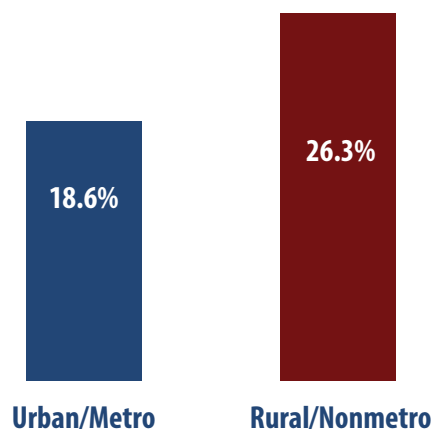
Medicaid Plays an Important Role in Health Care Coverage for Rural Missourians

Rural Missourians are more likely to be covered by Medicaid than Missourians who live in urban areas.

- More than one in four Missourians living in rural areas are covered, compared to fewer than one in five in urban areas.⁵
- Individuals in rural areas are less likely to have private health insurance coverage from an employer and are more likely to have low incomes. Medicaid helps to fill that coverage gap so that rural Missourians can access the care they need.⁶
- Medicaid also helps rural health care providers stay afloat, so they can serve everyone in their communities.
- Federal funding for Medicaid is expected to provide \$12.7 billion for MO HealthNet in FY 2025. That funding is injected into Missouri's health care industry, flowing to doctors, nurses and mental health providers. This funding is critical to the health care infrastructure of rural Missouri.

Missourians in Rural Areas are More Likely to Be Covered by Medicaid

Proportion of Each Population Enrolled in Medicaid, November 2024



Source: Preliminary analysis of November 2024 Missouri Medicaid administrative data using U.S. Department of Agriculture Economic Research Service Rural-Urban Commuting Codes (RUCCs); Timothy D. McBride, Washington University.

Medicaid Has Long-Term Benefits, Covers Kids Throughout State⁷

Children with Medicaid Coverage:



Do Better
in School



Miss Fewer
School Days
due to Illness
or Injury



Are More Likely to
Finish High School,
and Attend and
Graduate College



Have Fewer
Emergency
Room Visits &
Hospitalizations as
Adults

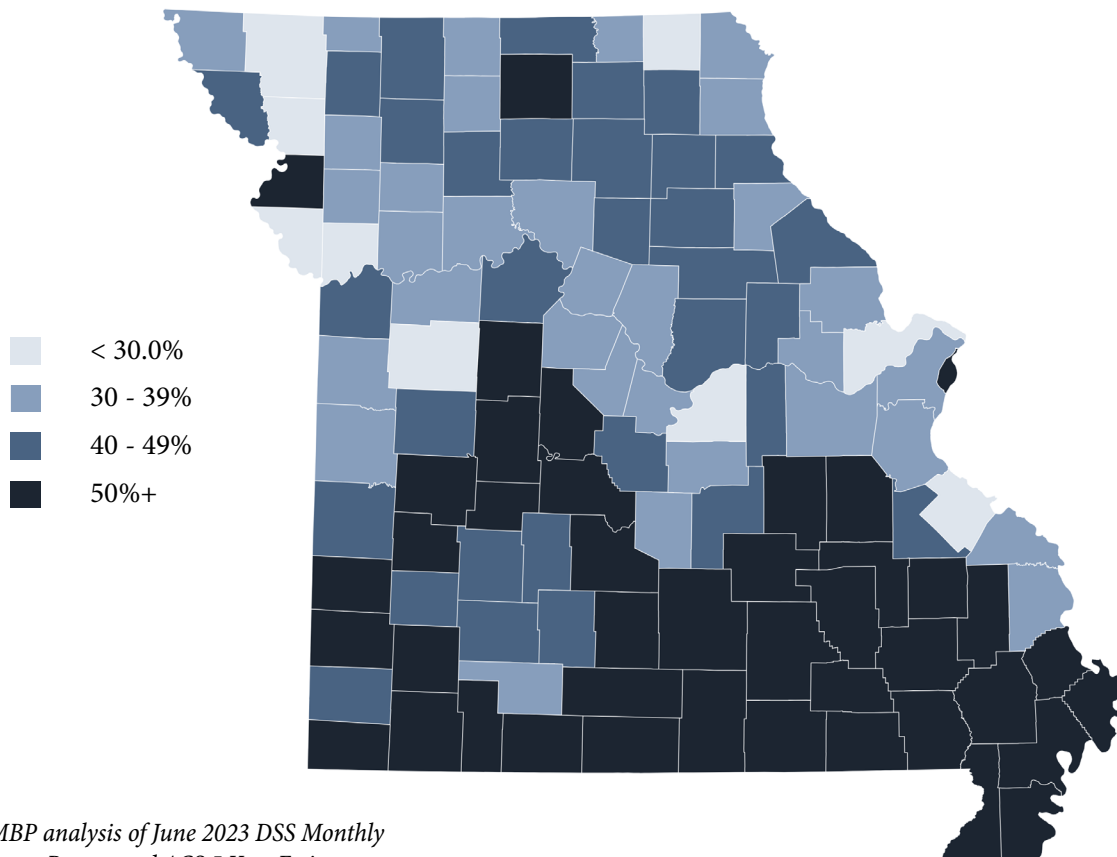


Earn More as
Adults

Medicaid & CHIP cover about two in five Missouri children.⁸

- In 42 counties, most of them rural, it provides health insurance for more than half of the kids.
- More than 605,000 Missouri kids access health care coverage through MOHealthNet (Missouri's Medicaid program) or CHIP.

Share of Missouri Children with Medicaid by County (2023)



Source: MBP analysis of June 2023 DSS Monthly Management Report and ACS 5 Year Estimates.

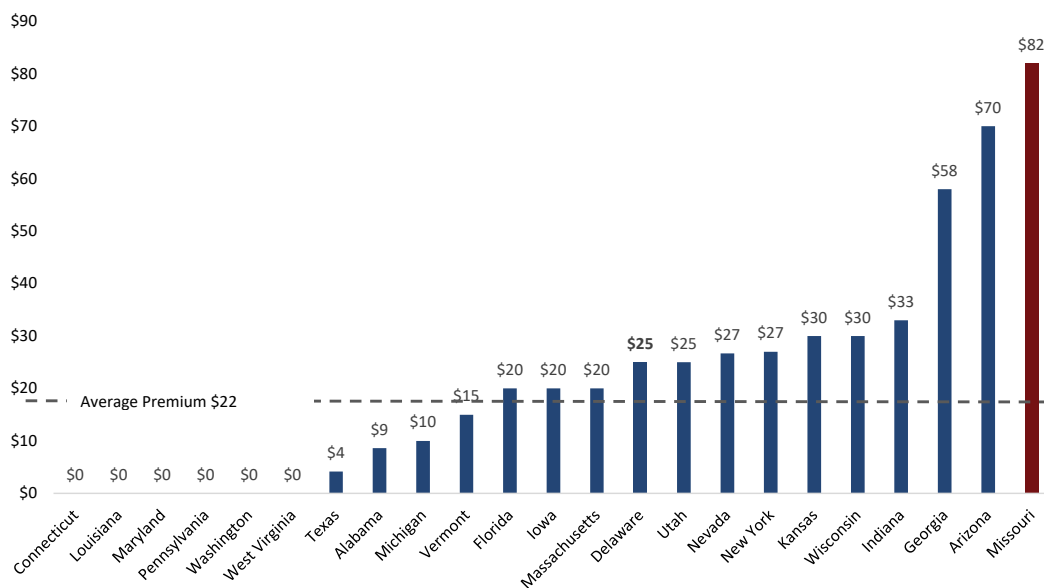
Missouri Charges Higher Premiums for CHIP (That Start at Lower-Income Levels) Than Most States

The Children's Health Insurance Program (CHIP) allows children in families with incomes above Medicaid limits, but who can't afford private health insurance, to access health care. Children with incomes above 153% FPL (and newborns with incomes above 201% FPL) are eligible up to 305% FPL.

However, unlike in most states, Missouri requires low-income families to pay premiums for CHIP. Compared to other states, these premiums are far higher and are charged to families with lower incomes. These premiums contribute to unnecessary gaps in coverage and threaten the well-being of Missouri's kids. It would only cost Missouri about \$3 million to eliminate these premiums.⁹

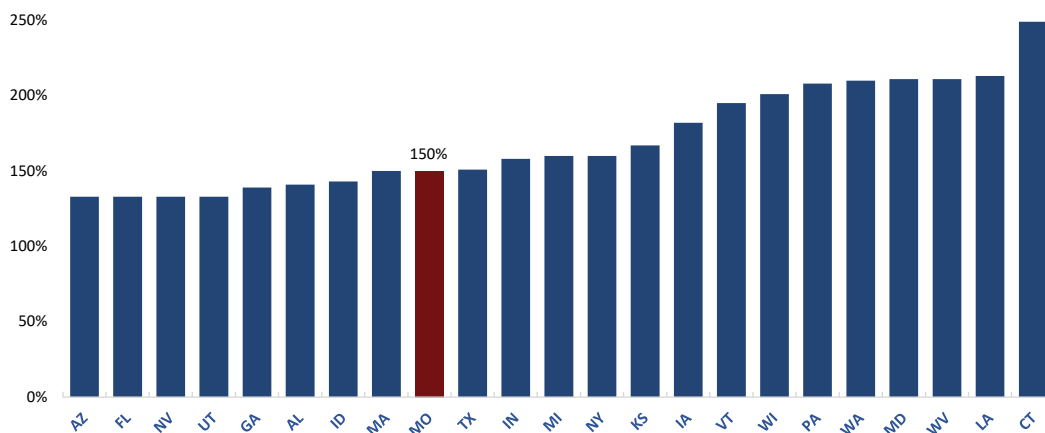
Missouri's Premium Rates are Among the Highest in the Country

Monthly Medicaid/CHIP Premium for a Family of Three at 201% FPL



Missouri Begins Assessing Premiums at Lower Income Level Than Most States

Only Eight Other States Require Premiums At or Below 150% FPL

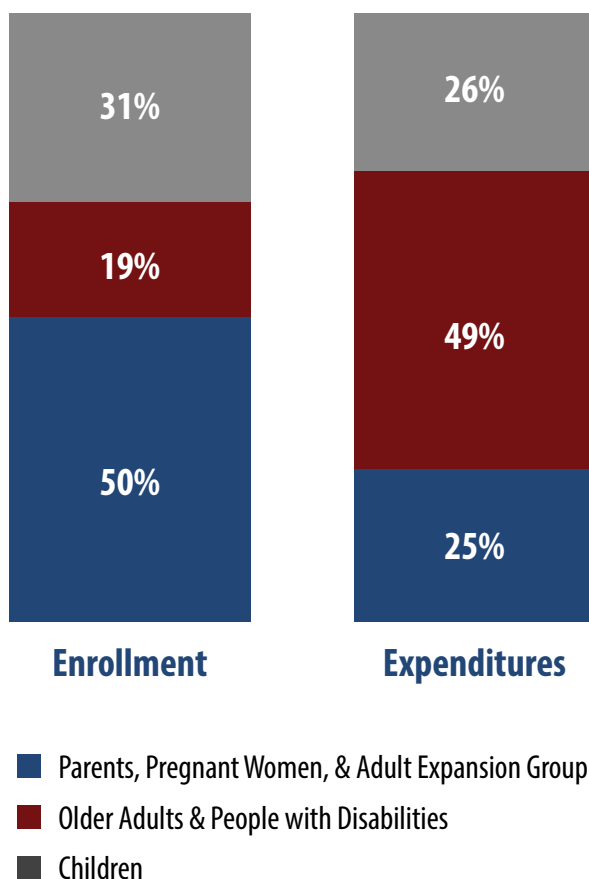


The Majority of Missouri's Medicaid Dollars Support Services for Seniors and People with Disabilities

- While children make up the majority of Missouri Medicaid enrollees (50.26%), they only account for 24.87% of the cost of the program.¹⁰
- The majority of the funding in Medicaid goes toward covering care for seniors and people with disabilities. Although they make up less than 20% of enrollees, they account for about half of Missouri's Medicaid spending.¹¹
- The distribution of Medicaid enrollment and payments for services by enrollment group in Missouri mirrors the national average, where most of the budget is spent caring for those with the most complex medical needs.¹²

Missouri Medicaid Enrollment & Spending by Population

FY 2023

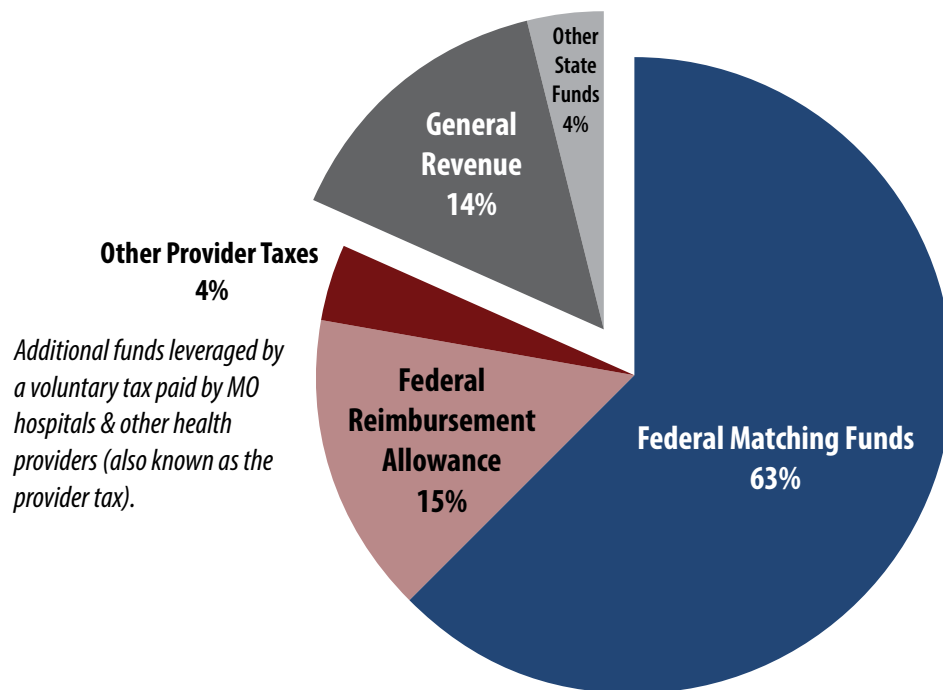


Source: MO HealthNet SFY 2023 Enrollment and Expenditures. Sunshine request to Department of Social Services

Medicaid is a Good Deal for Missouri Taxpayers

- Created as part of the Social Security Act in 1965, Medicaid is a partnership between the state and federal governments.
- Each state enjoys flexibility in designing and managing its program within the parameters of national guidelines. In exchange, the federal government provides the majority of funding.
- In state FY 2025, the federal government will provide \$1.88 for each dollar Missouri spends on coverage.¹³
- **86% of Missouri's Medicaid program is financed through federal funds, provider taxes and other state dedicated funds. State general revenue funds only 14% of the total cost of Medicaid in Missouri, making it a good deal for Missouri taxpayers.**¹⁴

Sources of Medicaid Appropriations in the Department of Social Services
FY 2024

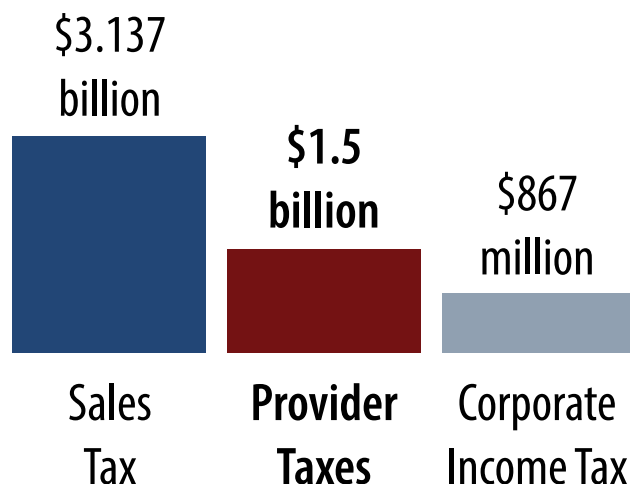


Medicaid Provider Taxes Critical to Medicaid, Overall State Budget

- Medicaid provider taxes (commonly referred to as the Federal Reimbursement Allowance, or FRA) are voluntary taxes paid by hospitals, nursing homes, pharmacies and other providers that leverage additional federal funding for health services through Missouri Medicaid.
- In Fiscal Year 2026, the FRA is expected to generate nearly \$1.5 billion in state revenue.¹⁵ When used as state match for Medicaid, the FRA draws down more than \$2.8 billion in federal funds for health services.¹⁶
- In context, if FRA were general revenue, it would be the third largest source, behind only individual income tax and sales tax, and bringing in more state funding than the corporate income tax.

The FRA provides critical revenue to support Medicaid. In doing so, it frees up state general revenue to support education and other priorities. Without it, general revenue would be needed in its place.

FRA Relative to Selected General Revenue
Estimates of Collections, FY 2025



Notes

- 1 Adam Searing and Donna Cohen Ross, “Medicaid Expansion Fills Gaps in Maternal Health Coverage Leading to Healthier Mothers and Babies,” (Georgetown University, Center for Children and Families, May 2019).
- 2 “Spillover Effects of Adult Medicaid Expansions on Children’s Use of Preventive Services”, Maya Venkataramani, MD, MPH, & Craig Evan Pollack, MD, MHS, a Eric T. Roberts, PhD. *Journal of the American Academy of Pediatrics*, December 2017, Volume 140, Issue 6.
- 3 Priya Chidambaram and Alice Burns, “10 Things About Long-Term Services and Supports (LTSS),” (KFF, July 8, 2024), available at <https://www.kff.org/medicaid/issue-brief/10-things-about-long-term-services-and-supports-ltss/>.
- 4 [KFF’s State Health Facts](#). Distribution of Certified Nursing Facility Residents by Primary Payer Source, 2023. Data Source: KFF analysis of Certification and Survey Provider Enhanced Reports (CASPER) data.
- 5 Preliminary analysis of November 2024 Missouri Medicaid administrative data using U.S. Department of Agriculture Economic Research Service Rural-Urban Commuting Codes (RUCCs); Timothy D. McBride, Washington University.
- 6 Aubrianna Osorio, Joan Alker, and Edwin Park, “Medicaid’s Coverage Role in Small Towns and Rural Areas,” (Georgetown University, Center for Children and Families, August 17, 2023). <https://ccf.georgetown.edu/2023/08/17/medicaids-coverage-role-in-small-towns-and-rural-areas/>
- 7 See “The Effect of Child Health Insurance Access on Schooling: Evidence from Public Insurance Expansions,” National Bureau of Economic Research (NBER) Working Paper No. 20178, May 2014; “Childhood Medicaid Coverage and Later Life Health Care Utilization,” NBER Working Paper No. 20929, February 2015; “The Long-Term Effects of Early Life Medicaid Coverage,” Miller, Sarah and Laura R. Wherry,” accessed at https://www-personal.umich.edu/~mille/MillerWherry_Prenatal2015.pdf
- 8 MBP Estimates: DSS Caseload Counter June 2024 & U.S. Census Bureau: Annual Estimates of the Resident Population for Selected Age Groups by Sex July 2023
- 9 “Reducing Children’s Health Insurance (CHIP) Premiums Will Help Missouri Kids and Families Thrive,” Cover Our Kids and Missouri Budget Project, November 15, 2023. <https://mobudget.org/reducing-chip-premiums-help-mo-thrive/>
- 10 MO HealthNet SFY 2023 Enrollment and Expenditures. Sunshine request to Department of Social Services
- 11 Ibid #12
- 12 [KFF’s State Health Facts](#). Medicaid Spending by Enrollment Group 2021. Data Source: KFF analysis of the T-MSIS Research Identifiable Files, 2021
- 13 [KFF’s State Health Facts](#). Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier. Data Sources: KFF estimates of increased FY 2025 FMAPs and the multiplier based on Federal Register, November 21, 2023 (Vol 88, No. 223), pp 81090-81093. KCMU estimates of the multiplier are based on the FMAP.
- 14 Sunshine Request from Department of Social Services MOHealthNet Division
- 15 Fiscal note for Senate Bill 748, 2024 Missouri Regular Legislative Session, https://www.senate.mo.gov/24info/BTS_Web/Bill.aspx?SessionType=R&BillID=38
- 16 Missouri Executive Budget Fiscal Year 2025