

# Working poor are target of program

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It has been a financial struggle since Lisa, a single mom in Northeast Missouri, became ineligible for Missouri's state-assisted health insurance in 2006.

She works two jobs, but still can't afford health insurance. She has had to forgo doctor-ordered ultrasound readings to scan for hereditary cancer because she can't afford the procedures.

"I can't live on public assistance," said Lisa, who asked that her full name not be used. "I couldn't live off that and still be able to take care of my son. But once you start working, you get everything pulled from you. I don't want to be on aid. I want to be able to support myself."

When Lisa lost her Medicaid eligibility, she lost insurance for preventive care like mammograms, doctor visits for regular check-ups and illness, dental care and eye exams.

"I wasn't one who to the ran doctor for every little snuffle," she said.

But now, if she sees a doctor and is prescribed an antibiotic, she takes the medication for five days and saves the rest in case she gets sick again, so she doesn't have to pay for another doctor visit.

Lisa said she usually waits until things become acute and then goes to a hospital emergency room for care, because patients can't be turned away.

"It kind of makes you feel like you're worthless," she said.

719,00 without insurance

In February, Missouri is launching a new program called Insure Missouri that is supposed to provide health insurance for the working poor, like Lisa.

The state says more than 5 million people have health insurance, but 719,000 remain uncovered. Insure Missouri is expected to offer insurance for almost 200,000 eligible workers.

Introduced in three phases over 15 months, Insure Missouri will help eligible Missourians who earn up to 185 percent of the federal poverty level, or \$38,203 for a family of four, to buy insurance.

Phase 1 will be offered to about 54,500 residents with incomes of up to \$20,650.

Phase 2, to be launched this summer, will offer the program to other working adults who are not Medicaid eligible. The General Assembly will set income levels. No money has been appropriated, but an additional 77,000 workers are expected to be helped.

Phase 3, to be launched next winter, will offer the plan to small business owners and their employees.

Each phase will include a cost share. For those under 100 percent of federal poverty level, the cost share will be a "reasonable" co-payment. A family of four making about \$17,500, for example, would pay no premiums and co-payments of about \$3 per visit. For a family of four with an income of \$35,000 a year, the cost share will be no more than \$145 a month.

Gov. Matt Blunt said the cost-sharing requirement "reflects Missouri values" of personal responsibility.

"Everybody pays something toward their insurance," he said. The goal is healthier people because of access to preventive care."

When Blunt took office in 2005, he pushed for cuts in eligibility requirements for Medicaid to reduce what he said was exploding costs to the state. The cuts removed thousands of people like Lisa from the federal health coverage program.

The state retooled the system and called it MoHealthNet, but didn't reinstate many of those who were cut. Insure Missouri still doesn't cover thousands of elderly and disabled cut in 2005.

"What we were able to do is slow rate of spending growth to a sustainable level," said Deborah Scott, director of the Department of Social Services.

"Even with the changes we made to the program to keep from putting the state in a deficit situation, we still have spending growth because of health care inflation. But it is at a level we can manage at this point."

Smart use of money

Two Northeast Missouri legislators ask if there's enough money for both MoHealthNet and Insure Missouri, why can't the elderly, disabled and children now ineligible be returned to state health insurance coverage?

"It's absolutely worth the effort of running the numbers," said Rep. Rachel Bringer, D-Palmyra.

"MoHealthNet didn't fix the eligibility problem. Those with eligibility ... don't have the same services available or the same access to care they had three years ago.

"What I'm hoping will happen is we'll have a genuine dialogue and a genuine debate about how best to use these dollars for the maximum access to health care and for the maximum number of Missourians in need. If the tax dollars are available to restore health care, let's be smart about using them."

Sen. Wes Shoemyer, D-Clarence, said programs are being bid out to private insurers. He fears Northeast Missouri clinics and hospitals will be left out of any provider plans offered by insurance companies.

"What that could very well mean for rural Missouri is once again we have to travel further and have more expense (to get health care) for those who have least ability" to pay for it, he said. "I believe we the people can do better than the private sector."

John Grossmeier, president and CEO of Hannibal Regional Hospital, sees Insure Missouri as a plus. He said there is now "no incentives to access preventive care" for residents.

Grossmeier said no patient is turned away from the hospital's emergency room, but the hospital has averaged

\$5.6 million in indigent care costs a year.

"Some payment is better than none," Grossmeier said. "The costs that are not paid are transferred to another patient. We end up taxing the insured to pay for the uninsured. That situation has been with us for 50 years."

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## BENEFITS

- \* Prescription drugs
- \* Emergency services
- \* Physician services
- \* Inpatient/outpatient hospital services
- \* Diagnostic services
- \* Urgent care
- \* Home health services
- \* Durable medical equipment
- \* Inpatient/outpatient mental health services

## FUNDING AND COSTS

Missouri will use state and federal funds and individual and employer contributions to fund the program. Individuals will make a contribution that is affordable based on income. For example, a two person family with income of \$20,000 would pay no more than \$85 per month. Insure Missouri is projected to cover nearly 200,000 uninsured people.

## ENROLLMENT AND COST PER ENROLLEE

(split based on percent of federal poverty level)

Up to 100% 100-185% 185%

Uninsured worker 99,249 112,917 112,257

Expected enrollees by 2012 84,939 76,784 28,064

Expected custodial parents 54,531 36,088 NA

Expected childless adults 30,408 40,696 NA

Annual cost per enrollee, 2008 \$3,784 \$3,316 \$2,580

Fiscal year 2008 2009 2010 2011 2012

Total estimated enrollment

54,531 131,431 149,092 166,752 189,787

## ESTIMATED COST BY FISCAL YEAR

(in millions)

Fiscal year 2008 2009 2010 2011 2012

Total

\$51.6 \$452.1 \$598.9 \$811.8 \$980.7

## THE BREAKDOWN

Federal matching funds

\$32.1 \$257 \$320.1 \$391.6 \$487.61

State general revenue

\$19.5 \$43.0 \$46.8 \$46.8 \$46.8

Federal reimbursement allowance growth

\$71.4 \$100.3 \$138.1 \$189.1

Disproportionate share transfer \*

\$41.7 \$47.3 \$52.9 \$60.2

Premiums paid by employers

\$19.5 \$42.2 \$91.2 \$98.5

Premiums paid by employees

\$19.5 \$42.2 \$91.2 \$98.5

\* "Disproportionate share transfer" is a term used to describe charity care payment currently provided to hospitals to cover the cost of treating the uninsured. This line is the state share. With federal matching funds included in the federal matching fund line, the total is \$110.3 million in 2009, \$125.1 million in 2010, \$140 million in 2011 and \$159.3 million in 2012.

## HISTORY OF MEDICAID/MOHEALTHNET FUNDING

(Totals in millions)

Fiscal General Federal Other Total

Year Revenue Funds Funds

2000 \$768.1 \$2,282.9 \$354.8 \$3,405.8

2001 \$792.8 \$2,333.7 \$987.8 \$4,114.3

2002 \$939 \$2,714.7 \$1,162.9 \$4,816.6

2003 \$909.8 \$2,774.4 \$1,289.6 \$4,973.8

2004 \$1,015.2 \$2,735.4 \$1,301.5 \$5,052.1

2005 \$1,248.7 \$3,025.5 \$1,455 \$5,729.2

2006 \$1,179 \$2,953.6 \$1,583.3 \$5,716

2007 \$1,314.7 \$2,758.4 \$1,536.3 \$5,609.4

2008\* \$1,506.7 \$3,323.2 \$1,617.1 \$6,447

\* Appropriated

Note: This is the collective spending for the Department of Social Services, Department of Mental Health, Department of Health and Senior Services, and Department of Elementary and Secondary Education.

Source: OA Budget and Planning Total State MoHealthNet (Medicaid) Calculations