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## **New MFH Study Examines Impact of 2005 Medicaid Cuts, Highlights Challenges Moving Forward**

*Only 8% of adult survey recipients that lost coverage were able to obtain insurance from their employer*

*Study “a wake up call” for policymakers; “While the impact of these cuts has been dramatic, the cost of inaction will be severe,” says MFH President Kimmey*

St. Louis – A study released today by the Missouri Foundation for Health (MFH) details the impact of the cuts to the Medicaid program enacted in 2005 by the Missouri Legislature and signed into law by Governor Blunt, as well as the resulting challenges that face the state moving forward.

“This study highlights the substantial impact the Medicaid cuts have had on our state, but more importantly, it sounds the alarm about the challenges we face moving forward. This should serve as a wake up call to policymakers in the state that while the impact of these cuts has been dramatic, the cost of inaction will be severe,” said Dr. James Kimmey, President and CEO of MFH.

Among the key findings of the study are that most of the increase in the number of Missouri’s uninsured -- from 668,000 in 2005 to 772,000 in 2007 -- can be tied to the cuts in the Medicaid program. Furthermore, the study found that only 8 percent of adult survey participants who lost health insurance coverage were able to access employer sponsored insurance, meaning that 90 percent of those cut from Medicaid were either added to the ranks of the state’s uninsured (62%) or regained eligibility/became newly eligible for public coverage through Medicaid or Medicare (28%).

“At the time the Medicaid cuts were being made, we heard that those losing their health insurance would be able to access coverage through their employers. But what we have seen is that the cost to employers to provide health care has increased to a point where they either have to place more of the cost onto the employees or they stop offering health insurance altogether,” added Kimmey. “For many of those cut from Medicaid employer coverage is either unavailable or unaffordable. Unless our policymakers rise up to meet the challenge and take steps to increase the number of Missourians with health insurance, the combination of tens of thousands of low-income workers now among the ranks of the uninsured as a result of the Medicaid cuts and the inability of many businesses to afford health insurance for their employees is a perfect storm that will place major strains on our state budget, our health care system, and on businesses in our state.”

### **MISSOURI FOUNDATION FOR HEALTH**

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Among the other key findings of the survey:

### **Adults**

- 15 percent of adult respondents lost their Medicaid coverage since 2005. An additional 32 percent reported that they had experienced changes in their Medicaid coverage.
- Changes to coverage cited by respondents included: loss of treatments or services, increased costs for medications, increased costs for doctor visits, and increased spend-down amounts.
- Of those who lost coverage, 62 percent reported being uninsured at the time of the survey. Furthermore, 53 percent who lost coverage reported that they needed medical care in the past year and had not received it.
- For those who reported a change in or loss of their Medicaid coverage, 53 percent reported a negative change in health status.

### **Children**

- Most of the children (88%) experienced no change in their Medicaid coverage, while 3 percent reported that their children lost Medicaid and 9 percent reported changes in their children's coverage.
- Of those reporting a change in their children's Medicaid coverage, 20 percent indicated that their children had foregone needed medical care in the past year.
- Of respondents who reported changes in or loss of their children's Medicaid coverage, 37 percent reported a negative change in their children's health status.

To conduct the study, MFH partnered with the Health Care Foundation of Greater Kansas City and contracted with the Center for Health Policy at Washington University. The study was designed to capture data from people in their daily environment rather than in a health care setting, and therefore interviewed Medicaid recipients either in their homes or by telephone.

The research team completed surveys with 844 rental households in St. Louis City, Kansas City, Springfield, Kirksville, and Carthage. These households represent 844 adult respondents and 581 children for a total of 1,425 residents.

For more information or to download a copy of the study, visit [www.mffh.org](http://www.mffh.org). NOTE: Members of the media wishing to receive a .pdf version of the fact sheet for this study can e-mail MFH Health Policy communications consultant Tony Wyche at [tonywyche@soapbox-pr.com](mailto:tonywyche@soapbox-pr.com).

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*Established in 2000, MFH is the largest non-governmental funder of community health activities in Missouri. MFH is in its sixth year of grantmaking, having issued more than \$280 million in grants and awards to date. It is dedicated to serving the uninsured, underinsured and underserved in 84 Missouri counties and the City of St. Louis. For more information about MFH, visit [www.mffh.org](http://www.mffh.org).*

***The Health Care Foundation of Greater Kansas City** (The Foundation or HCF) strives to improve access and quality of health for the medically indigent and underserved individuals and communities by providing financial support and leadership directed toward all aspects of health in Kansas City, Missouri and a six county service area (Missouri: Cass, Jackson, Lafayette Counties; Kansas: Allen, Johnson, Wyandotte Counties).*

## Effects of the 2005 Missouri Medicaid Legislation on Recipients: Measuring Changes in Coverage, Care, and Health Status

In 2005, the Missouri Legislature instituted substantial changes to the state's Medicaid program which were signed into law by Governor Matt Blunt. Since the legislation was enacted, many Missourians have lost or experienced changes in their Medicaid coverage as the eligibility criteria and covered services were substantially revised. The Missouri Foundation for Health and the Health Care Foundation of Greater Kansas City contracted with the Center for Health Policy at Washington to investigate the impact of the 2005 Medicaid changes on Missouri residents. The study was designed to capture data from individuals in their daily environments rather than in health care settings; therefore, interviews of Medicaid recipients were conducted either by phone or in their homes.

### Background

To implement the study design, Center for Health Policy investigators partnered with Urban Strategies, Inc., a human services organization focused on linking low-income housing residents with social services and with a housing management company that manages mixed-income housing units across Missouri. The research team completed surveys for 844 rental households in St. Louis City, Kansas City, Springfield, Kirksville, and Carthage. These households represent 844 adult respondents and 581 children.

### Adult Findings

This survey found that 15 percent of adults lost their Medicaid coverage since 2005. An additional 32 percent reported experiencing changes in their Medicaid coverage. Changes to coverage cited by respondents included loss of treatments or services, increased costs for medications, increased costs for doctor visits, and increased spend-down amounts.

Of those who lost coverage, 62 percent reported being uninsured at the time of the survey. Furthermore, 53 percent who lost coverage reported that they needed medical care in the past year and had not received it. For those who experienced no change in Medicaid coverage, only 5 percent reported not receiving needed medical care. Respondents who stated they had not received needed medical care were asked to identify the main reasons that they did not receive care. Of them approximately half stated that the cost of care was too great and/or they did not have health insurance. Other frequently cited reasons were lack of funds for co-payment, the doctor/hospital would not accept their insurance, and lack of transportation.

Survey participants were also asked if they had experienced increased costs for going to the doctor or buying medicines in the past year. For those reporting a loss of Medicaid coverage, 81 percent said costs had increased. Of those reporting a change in Medicaid coverage, 50 percent reported an increase in out-of-pocket costs. Only 10 percent of respondents who had not experienced changes in coverage reported that costs had increased. Respondents indicating they had experienced increased costs for the doctor or medicines were also asked how they manage the increased costs. The top three responses were:

- do not go to the doctor even when they need to,
- do without something else, and
- go places that do not charge as much.

Interviewers asked respondents to rate their health status on a scale of 0 to 10 before and after changes in the Medicaid program. For those who reported a change in or loss of their Medicaid coverage:

- 53 percent reported a negative change in health status,
- 8 percent reported a positive change in health status, and
- 39 percent reported no change in health status.

Finally, survey participants were asked to rate their perception of the quality of the health care services they received before and after the Medicaid program changes. For individuals who reported they had experienced a change in or loss of their Medicaid coverage, 44 percent reported that the quality of health care services decreased, 10 percent said the quality of health care services had improved, and 46 percent reported no change.

## Children Findings

Survey participants were asked about changes in their children's Medicaid coverage related to the 2005 legislation. Most of the children (88%) experienced no change in their Medicaid coverage, while 3 percent reported that their children lost Medicaid and 9 percent reported changes in their children's coverage.

Respondents were then asked questions to measure their ability to access health care services for their children. Of those reporting a change in their children's Medicaid coverage, 20 percent indicated that their children had foregone needed medical care in the past year. Only 3 percent of respondents that reported no change in their children's Medicaid responded that their children had not received needed medical care.

Participants also rated the perception of the health status of their children on a scale of 0 to 10 before and after the Medicaid changes. The results for respondents who reported changes in or loss of their children's Medicaid coverage were:

- 37 percent reported a negative change in health status,
- 7 percent reported a positive change in health status, and
- 57 percent reported no change in health status.

## Implications

The principal impact of the 2005 Missouri Medicaid changes was on adults. Health status, ability to get needed care, ability to work, and quality of care were all affected by a reduction or elimination of Medicaid benefits for low-income Missouri residents. Ultimately, 90 percent of respondents who lost Medicaid coverage in 2005 were either added to the ranks of the state's uninsured (62%) or regained/became newly eligible for public coverage through Medicaid and/or Medicare (28%). Only 8 percent of adult survey participants who had lost coverage were able to access employer-sponsored insurance.

These results are supported by the 2007 Current Population Survey that indicates Missouri's uninsured population increased from 668,000 to 772,000.<sup>1</sup> This one-year, 14 percent increase caused the percentage of uninsured Missourians to increase from 11.7 to 13.3 percent. This study supports the conclusion that much of the growth in Missouri's uninsured can be tied to the decrease in Medicaid coverage in 2005.

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<sup>1</sup> U.S. Census Bureau, "Table HI05. Health Insurance Coverage Status and Type of Coverage by State and Age for All People: 2006," *Current Population Survey 2007 Annual Social and Economic Supplement*, [http://pubdb3.census.gov/macro/032007/health/h05\\_000.htm](http://pubdb3.census.gov/macro/032007/health/h05_000.htm).

## ABOUT THIS FACT SHEET

The information presented is taken from *Effects of the 2005 Missouri Medicaid Legislation on Recipients: Measuring Changes in Coverage, Care, and Health Status* prepared at the Washington University Center for Health Policy by Deborah Chase, MPA; Leah Kemper, MPH; and William A. Peck, MD. The full report is available at [www.mffh.org](http://www.mffh.org) and [www.healthcare4kc.org](http://www.healthcare4kc.org).



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