

**Fact Sheet**

# Economic and Health Benefits of Missouri Medicaid

## Generating Revenue and Economic Activity:

- ❖ Medicaid and the State Children’s Health Insurance Program (SCHIP) provide 900,000 low-income children and adults with health insurance coverage in Missouri.
- ❖ Every \$1 million that Missouri spends on the Medicaid program is matched by \$1.57 million in federal funds.
- ❖ For SCHIP, Missouri receives \$2.68 million in federal matching funds for every \$1 million in state spending.
- ❖ Research conducted by economists at Saint Louis University shows that these federal matching dollars leverage substantial economic activity in Missouri.

### Impact of a \$1 Million Change in Medicaid Spending on Economic Activity, Jobs and Income (Wages)

	MEDICAID EXPENDITURES		LEVERAGES		
	STATE MEDICAID SPENDING	GENERATED FEDERAL MATCH	BUSINESS ACTIVITY	JOBS	WAGES
Medicaid	\$1,000,000	\$1,574,000	\$3,062,272	42.3	\$1,491,534
SCHIP	\$1,000,000	\$2,678,000	\$5,209,709	71.5	\$2,537,521

## Health Benefits:

- ❖ According to the Center on Budget and Policy Priorities, the percentage of uninsured, low-income Missouri children fell from 12.2 percent to 7.2 percent between 2000 to 2002 due to enrollment in the state's Medicaid and MC+ programs.
- ❖ The importance of having insurance was highlighted in a 2003 Kaiser Family Foundation report, which stated that "the uninsured receive less preventive care, are diagnosed at more advanced disease stages, and once diagnosed, tend to receive less therapeutic care (drugs and surgical interventions)."
- ❖ A recent analysis of Missouri's MC+ program found that after one year of enrollment there was a 39 percent reduction in the average number of school days missed.
- ❖ The Health Policy Institute of Georgetown University found that when compared to persons without health insurance, adults and children covered by Medicaid and SCHIP are more likely to have a usual place to go for medical care and to have that medical home be a private physician's office rather than a hospital emergency room.

## Reducing Costs:

- ❖ The uninsured population often turns to hospitals for care not paid for by either public or private insurance, otherwise known as "uncompensated" care. Such costs must be picked up by the overall health care system and often get shifted to local governments that may have to cut services or raise taxes to address this uncompensated care burden.
- ❖ A 2003 study found that higher enrollment in Minnesota's expanded Medicaid program was associated with a cumulative 5-year savings of \$58.6 million in uncompensated care for the state's hospitals — a savings that exceeded the costs of services provided to expanded Medicaid enrollees.

*This fact sheet contains excerpts from the Missouri Foundation for Health, Show Me Series Report 5: Economic and Health Benefits of Missouri Medicaid. The complete report is available at [www.mffh.org](http://www.mffh.org) or by request at 1.800.655.5560.*



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