

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0442-01
Bill No.: SB 90
Subject: Medicaid; Social Services Department; Health Care
Type: Original
Date: January 30, 2015

Bill Summary: This proposal provides for the expansion of MO HealthNet services beginning on January 1, 2016.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2021)
General Revenue	\$67,702,230	\$153,217,648	\$187,399,119	\$103,879,424
Total Estimated Net Effect on General Revenue	\$67,702,230	\$153,217,648	\$187,399,119	\$103,879,424

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2021)
Various Other State Funds	\$34,123,429	\$84,966,613	\$115,616,131	\$75,003,837
Total Estimated Net Effect on Other State Funds	\$34,123,429	\$84,966,613	\$115,616,131	\$75,003,837

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 16 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2021)
Federal*	\$0	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

* Income, Savings, Expenses and Losses exceed \$3 billion annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2021)
General Revenue	13	13	13	13
Federal	13	13	13	13
Total Estimated Net Effect on FTE	26	26	26	26

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2021)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)** provide:

MEDICAID EXPANSION – BUDGET KEY ASSUMPTIONS:

A. Number of Newly Eligible Participants

- Today, Missouri covers custodial parents up to 19% of the federal poverty level (FPL), which for a family of four is currently \$4,532 per year. In addition, non-custodial adults and childless adults are not eligible for Medicaid in Missouri regardless of income.
- The Affordable Care Act allows states to expand health care coverage under the Medicaid program to non-elderly, non-Medicare, low-income adults up to 133% of the FPL. The same law includes a 5% disregard of income when determining eligibility for health care benefits; thus, adults with incomes up to 138% FPL will qualify. For a family of four in Missouri, this is currently income up to \$32,913 per year.
- Population data for the number of uninsured in Missouri within these income limits was obtained from the U.S. Census Bureau 2012 American Community Survey Table "Health Insurance Coverage Status and Type by Ratio of Income to Poverty Level". Based on that data, an estimated 301,473 people would be provided health care coverage through expansion in the first year. Of these, 58,076 would be covered as medically frail.
- Medically frail populations are defined through one of three categories:
 - Medically Frail - ADA (Alcohol and Drug Abuse – estimated to be 14.8% of the population using Substance Abuse and Mental Health Services Administration (SAMHSA) prevalence data for MO), estimated at 34,293 in year one.
 - Medically Frail - CPS (Comprehensive Psychiatric Services – estimated to be 7.9% of the population using MO SAMHSA prevalence data for MO), estimated at 18,454 in year one.
 - Medically Frail (those with the most serious, long-term, complex health conditions – 2.14% of the total adult population per the Agency for Healthcare Research and Quality 2010 Medical Expenditure Panel Survey data), estimated at 5,329 in year one.

ASSUMPTION (continued)

B. Costs For Newly Eligible Participants

- State share of expansion by calendar year.
 - 0% state share 2016, 5% in 2017, 6% in 2018, 7% in 2019, and 10% in 2020, remaining at 10% thereafter.

- Take up rates (the percentage of people that would obtain/sign up/enroll) by category were determined by the state based on an analysis of Missouri's population, take up rates experienced with prior expansions, and take up rates experienced by other states following an expansion. Take up rates by category are:
 - Healthy Adults - Medicaid - 71% in 2016 increasing to 80% for 2019 - 2023
 - Healthy Adults - Exchange - 71% in 2016 increasing to 80% for 2019 - 2023
 - Healthy Adults - MO Health Works - 95% all years
 - Medically Frail - 95% all years
 - Medically Frail ADA - 88% in 2016 decreasing to 87% for 2019 - 2023*
 - Medically Frail CPS - 89% in 2016 decreasing to 85% for 2019 - 2023*

*The take up rate for the ADA and CPS populations are higher in the earlier years because the state will transfer current participants from state-only programs to expansion. As new individuals come into the program in future years, the overall take up rate will drop.

- Estimates do not include any assumptions regarding "woodwork effect" for existing populations (those that, as of today, are uninsured but will be insured in the future because of the expansion) because Missouri's eligibility levels for adults are very low.

- "Crowd out" estimates assume 10% of insured Missourians between the ages of 18 and 64 with incomes up to 138% FPL will drop private insurance, their employer will drop insurance, or they will seek Medicaid benefits as a second payer.

- Per Member/Per Month (PMPM) rates were developed by Mercer (DSS' actuary). Mercer provided rates for a variety of care delivery arrangements. The rates used are an average of those rates discounted to the low-end of the rate range. The PMPM for the first year is \$639 for healthy adults - Medicaid, \$491 for healthy adults - Exchange, and \$473 for healthy adults - MO Health Works, \$784 for medically frail - ADA, \$1,098 for medically frail - CPS, and \$2,776 for all other medically frail.

- Medically frail rates for DMH populations included the health care rate assumed for healthy adults developed by Mercer and a rate developed by the state for the wrap-around services.

ASSUMPTION (continued)

- Other PMPM assumptions include:
 - Commercial reimbursement payment levels with trend adjustments.
 - Medically Frail population will also be eligible for a wrap-around benefit, including in-home services and mental health services.

C. General Revenue (GR) Savings - Existing Programs

- Transitioning currently covered populations that the state receives from 0% to 63% federal funds for services to 90% to 100% of federal funds for services. DSS assumes the same annual take up rates for these groups as for expansion population. These include:
 - Pregnant Women - Women who will become eligible for Medicaid as a result of their income prior to a pregnancy - 17,539 individuals. Those not covered under the expansion and enhanced federal match rate because they are pregnant when they enroll include 4,394 with incomes up to 138% at the time of enrollment and 889 with incomes above 138% FPL. Pregnant women up to 185% FPL will still be eligible for coverage under the existing program, if they present for Medicaid coverage when already pregnant.
 - Breast & Cervical Cancer – Women who will become eligible for Medicaid as a result of their income prior to a diagnosis of breast or cervical cancer rather than becoming eligible due to such diagnosis – 1,373 individuals. Those not covered under the expansion and enhanced federal match rate include 91 women with breast or cervical cancer at the time of enrollment and 17 with incomes above 138% FPL. Women with breast and cervical cancer up to 200% FPL will still be eligible for coverage under the existing program, if they present for Medicaid coverage with a diagnosis of breast or cervical cancer.
 - Ticket-to-Work – Participants in the Ticket-to-Work Health Assurance program with incomes below 138% would be eligible for Medicaid due their income rather than their participation in this program – 173 individuals. Those not covered under the expansion include 316 participants who are Medicare eligible and, therefore, not eligible for Medicaid under the expansion and 805 individuals with incomes above 138% FPL. The Ticket-to-Work program will remain available for individuals seeking coverage who are not eligible under Medicaid expansion.

ASSUMPTION (continued)

- Spenddown – 2,728 individuals with incomes from 85% - 138% FPL who currently become eligible through the spenddown program would be eligible for Medicaid under the expansion. Those not covered under the expansion and the enhanced federal match rate include an estimated 11,068 individuals with incomes from 85% - 138% FPL who are Medicare eligible, and an estimated 5,571 with incomes above 138% FPL. Individuals above 138% FPL will still have the opportunity to "spenddown" to become eligible for Medicaid coverage.
- PTD – DSS reviewed PTD (Permanent and Total Disability) enrollees active from 2006 to 2014 to determine that 56% of PTD enrollees never became Medicare eligible and assume 50% of those participants enroll in Medicaid through expansion. Savings numbers assume that 1,429 eligibles per month (maxed out at 41,427) that typically enroll under PTD will now enroll as medically frail under expansion. PTD requirements for eligibility are not changing. Assumes 72% of PTD people still remain in regular Medicaid.
- Women's Health Services – 60,082 women receiving limited services through the Women's Health Services program would be eligible for full Medicaid coverage under the expansion. Those not covered under expansion are an estimated 3,882 women with incomes from 138% - 400% FPL of which an estimated 3,852 would be eligible for premium subsidies for plans offered on the federal exchange. The Women's Health program will continue to be available for women with incomes up to 185% FPL who are not enrolled under expansion.
- Blind Pension Medical Benefits – 75 blind pension recipients currently receiving coverage through this 100% state funded program would become eligible for Medicaid under the expansion. Those not covered under the expansion include 866 individuals with incomes 0% - 138% FPL who are Medicare eligible and 1,773 individuals with incomes above 138%. This proposal assumes that the blind pension medical program will continue to provide coverage for those individuals not covered by the expansion.
- Department of Corrections (DOC) – The DOC estimates inmates incur an average of 166 inpatient bed days outside of a Corrections facility per month. 75 of these inpatient bed days would be eligible for Medicaid coverage under the expansion.
- Department of Mental Health (DMH) - Individuals with behavioral health issues currently served by DMH and covered with 100% of state funds would be eligible for a full benefit package under Medicaid expansion. This is estimated to affect 37,548 individuals.

ASSUMPTION (continued)

D. GR Savings - Expansion Population

- Newly eligible participants would be subject to the maximum amount of cost sharing allowed by federal law in the form of co-pays which vary by type of service and income. The cap on the amount an individual can be required to pay is 5% of family income.
- Savings in DOC through increased Medicaid coverage for certain offenders in probation or parole status that will help reduce recidivism as a result of more effective ADA and CPS treatment. An estimated 8,572 individuals who would not have received treatment without expansion will receive treatment. Successful completion of treatment drops recidivism rates from 22.6% to 8.3%.

§208.991.10

If MO HealthNet is asked to provide the feasibility studies to the MO HealthNet Oversight Committee, referred to in section 208.991.10, then the studies would be performed by the State's actuary at a cost of \$85,000. This would be a one-time cost in FY16, split 50%/50% General Revenue/Federal funds (GR \$42,500; Federal \$42,500).

The DSS - DFAS estimates the proposal will result in the following fiscal impact:

	FY2016 (6 months)	FY2017	Fully Implemented FY20 21
General Revenue Fund (savings)	\$67,744,729	\$153,217,648	\$103,879,424
Various Other State Funds (savings)	\$34,123,429	\$84,966,613	\$75,003,837

The impact to federal funds is estimated to exceed \$3.1 billion annually when the program is fully implemented.

Oversight notes DSS indicates a fiscal impact to federal funds exceeding \$3.1 billion annually when fully implemented. Federal income and expenditures net to \$0 as reimbursements are received from the federal government to offset expenditures incurred by the state.

Officials from the **Office of Administration (OA), Division of Budget and Planning (B&P)** state the legislation will result in increased revenues to the state. The legislation will increase federal dollars spent on health care in Missouri by \$1.2 billion in Fiscal Year (FY) 2016 and \$2.4 billion in FY 2017. This infusion of federal dollars will allow health care employers to increase their payrolls and other expenditures.

ASSUMPTION (continued)

B&P assumes health care providers will continue to spend the same percentage of their revenues on payrolls as they do now, and is assuming an effective 4.14% rate of withholding for those employees' salaries in FY 2016, declining to 3.86% in FY 2021. The decline in the rate of withholding is a result of SB 509 (2014). Because this legislation begins January 1, 2016, B&P assumes that only ½ of income tax revenues will be realized in FY 2016. B&P is assuming a full year of revenue growth in the subsequent fiscal years.

B&P assumes that 19.20% of new employee salaries will be spent on taxable purchases at a three percent general revenue sales tax rate.

BAP assumes that 6.9% of increased health care provider revenues that are not spent on salaries will be spent on taxable purchases at a three percent general revenue sales tax rate. See the chart for a breakout of the new revenues that result from these increased general revenue sales tax collections.

Increased General Revenue from Medicaid Expansion			
	FY16	FY17	FY21
Income Taxes	\$20,040,126	\$39,203,269	\$38,942,426
Sales Taxes	\$4,259,447	\$8,393,919	\$8,884,687
Total	\$24,299,573	\$47,597,188	\$47,827,113

The growth in taxes is due solely to the growth in federally funded health benefits services, no multipliers have been used.

Additional sales tax revenue will also be generated for education (1%), Conservation (.125%) and DNR (.1%). Further, additional sales tax revenue will be generated for local governments to the extent local sales taxes are applied.

Oversight assumes the tax revenue projections provided by B&P are an indirect result of expanding MO HealthNet services and, therefore, will not present these revenues in the fiscal impact segment of the fiscal note.

Officials from the **Department of Mental Health (DMH)** state, effective January 1, 2016, the proposed legislation provides MO HealthNet coverage to individuals age 19 to 64, who are not pregnant, and are not eligible for Medicare with incomes not exceeding 133% of the federal poverty level (as converted to the Modified Adjusted Gross Income (MAGI) equivalent net income standard). Individuals eligible in this new coverage group would receive an alternative benefit package that meets the requirements of federal law rather than the full MO HealthNet benefit package, unless the individual meets the definition of medically frail. Medically frail individuals will receive the coverage they would be eligible for under Section 208.151, which

ASSUMPTION (continued)

DMH assumes is the full MO HealthNet benefit package for adults under Section 208.152. The legislation's definition of medically frail includes individuals with serious emotional disturbances, disabling mental disorders, and substance abuse disorders.

The state share for the cost of coverage for individuals in this new coverage group who were not eligible under the state plan in effect on 12/01/09 will be 0% in calendar years 2015 and 2016; 5% in 2017, 6% in 2018, 7% in 2019, and 10% for 2020 and each year thereafter.

DMH currently serves consumers in Alcohol and Drug Abuse (ADA) and Comprehensive Psychiatric Services (CPS) programs that are not eligible for MO HealthNet that would qualify in the new eligibility category. These consumers meet the definition of medically frail. Covering these consumers under MO HealthNet would allow DMH to redirect state funds currently used for the services to meet maintenance of effort (MOE) requirements for various federal grants. Additional individuals with substance use disorders and serious mental illness who are not currently receiving DMH services would qualify in the new eligibility category. DMH costs and/or cost savings for these changes will be included in Department of Social Services costs and/or cost savings to the MO HealthNet program.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Health and Senior Services** and the **Department of Corrections** defer to the Department of Social Services to calculate the fiscal impact of the proposed legislation.

Officials from the **Joint Committee on Administrative Rules** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (6 months)	FY 2017	FY 2018	Fully Implemented (FY 2021)
GENERAL REVENUE FUND (\$208.991)				
<u>Savings - DSS</u>				
Reduction in current population expenditures resulting from expansion	\$51,949,182	\$158,834,396	\$241,615,543	\$249,120,738
Reduction in cost sharing for expansion populations	<u>\$0</u>	<u>\$499,715</u>	<u>\$1,113,343</u>	<u>\$2,266,689</u>
Total <u>Savings - DSS</u>	<u>\$51,949,182</u>	<u>\$159,334,111</u>	<u>\$242,728,886</u>	<u>\$251,387,427</u>
<u>Savings - DSS for DMH & DOC programs</u>				
Reduction in DMH program costs if coverage is expanded to adults	\$15,127,038	\$30,181,154	\$30,035,310	\$29,816,545
Reduction in DOC program costs if coverage is expanded for adults	\$782,702	\$1,526,268	\$1,479,306	\$1,408,863
Reduction in DOC recidivism costs	<u>\$1,413,308</u>	<u>\$3,741,703</u>	<u>\$5,191,921</u>	<u>\$7,378,544</u>
Total <u>Savings - DSS for DMH & DOC programs</u>	<u>\$17,323,048</u>	<u>\$35,449,125</u>	<u>\$36,706,537</u>	<u>\$38,603,952</u>
Total <u>All Savings</u>	<u>\$69,272,230</u>	<u>\$194,783,236</u>	<u>\$279,435,423</u>	<u>\$289,991,379</u>

<u>FISCAL IMPACT - State Government</u>	FY 2016 (6 months)	FY 2017	FY 2018	Fully Implemented (FY 2021)
GENERAL REVENUE FUND (continued)				
<u>Costs - DSS</u>				
Expansion to 138% FPL - Healthy Adults and Medically Frail (including ADA and CPS populations)	\$0	(\$40,723,088)	(\$91,193,804)	(\$185,269,455)
Development, implementation, oversight, program integrity, and reporting including additional 13 FTE	(\$782,000)	(\$782,000)	(\$782,000)	(\$782,000)
Expense and equipment	(\$160,500)	(\$60,500)	(\$60,500)	(\$60,500)
Feasibility study	(\$42,500)	\$0	\$0	\$0
ITSD programming expenditures	(\$585,000)	\$0	\$0	\$0
Total <u>Costs - DSS</u>	<u>(\$1,570,000)</u>	<u>(\$41,565,588)</u>	<u>(\$92,036,304)</u>	<u>(\$186,111,955)</u>
FTE Change - DSS	13 FTE	13 FTE	13 FTE	13 FTE
 ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	 <u>\$67,702,230</u>	 <u>\$153,217,648</u>	 <u>\$187,399,119</u>	 <u>\$103,879,424</u>
 Estimated Net FTE Change on the General Revenue Fund	 13 FTE	 13 FTE	 13 FTE	 13 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2016 (6 months)	FY 2017	FY 2018	Fully Implemented (FY 2021)
VARIOUS OTHER STATE FUNDS (\$208.991)				
<u>Savings - DSS</u>				
Reduction in current population expenditures resulting from expansion	\$34,123,429	\$104,956,604	\$160,229,718	\$165,300,667
Reduction in cost sharing for expansion populations	<u>\$0</u>	<u>\$333,143</u>	<u>\$742,228</u>	<u>\$1,511,125</u>
Total <u>Savings - DSS</u>	<u>\$34,123,429</u>	<u>\$105,289,747</u>	<u>\$160,971,946</u>	<u>\$166,811,792</u>
<u>Costs - DSS</u>				
Expansion to 138% FPL - Healthy Adults and Medically Frail (including ADA and CPS populations)	<u>\$0</u>	<u>(\$20,323,134)</u>	<u>(\$45,355,815)</u>	<u>(\$91,807,955)</u>
ESTIMATED NET EFFECT ON VARIOUS OTHER STATE FUNDS	<u>\$34,123,429</u>	<u>\$84,966,613</u>	<u>\$115,616,131</u>	<u>\$75,003,837</u>

<u>FISCAL IMPACT - State Government</u>	FY 2016 (6 months)	FY 2017	FY 2018	Fully Implemented (FY 2021)
FEDERAL FUNDS (\$208.991)				
<u>Income - DSS</u>				
Increase in program reimbursements for expansion to 138% FPL - Healthy Adults and Medically Frail (including ADA and CPS populations)	\$1,194,812,352	\$2,354,690,561	\$2,342,764,785	\$2,493,696,692
Increase in reimbursements for current populations under expansion	\$149,404,482	\$488,877,367	\$724,795,848	\$672,619,620
Reimbursements for development, implementation, oversight, program integrity, and reporting including additional 13 FTE	\$782,000	\$782,000	\$782,000	\$782,000
Expense and equipment	\$160,500	\$60,500	\$60,500	\$60,500
Feasibility study	\$42,500	\$0	\$0	\$0
ITSD programming expenditures	<u>\$5,265,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Income - DSS	<u>\$1,350,466,834</u>	<u>\$2,844,410,428</u>	<u>\$3,068,403,133</u>	<u>\$3,167,158,812</u>
<u>Savings - DSS</u>				
Reduction in program expenditures for cost sharing for expansion populations	<u>\$21,627,690</u>	<u>\$42,982,964</u>	<u>\$43,329,017</u>	<u>\$47,775,586</u>
Total Income & Savings - DSS	<u>\$1,372,094,524</u>	<u>\$2,887,393,392</u>	<u>\$3,111,732,150</u>	<u>\$3,214,934,398</u>

<u>FISCAL IMPACT - State</u>				Fully
<u>Government</u>	FY 2016		FY 2018	Implemented
	(6 months)	FY 2017		(FY 2021)
FEDERAL FUNDS				
(\$208.991)				
<u>Costs - DSS</u>				
Increase in program expenditures for expansion to 138% FPL - Healthy Adults and Medically Frail (including ADA and CPS populations)	(\$1,194,812,352)	(\$2,354,690,561)	(\$2,342,764,785)	(\$2,493,696,692)
Increase in program expenditures for current populations under expansion	(\$149,404,482)	(\$488,877,367)	(\$724,795,848)	(\$672,619,620)
Development, implementation, oversight, program integrity, and reporting including additional 13 FTE	(\$782,000)	(\$782,000)	(\$782,000)	(\$782,000)
Expense and equipment	(\$160,500)	(\$60,500)	(\$60,500)	(\$60,500)
Feasibility study	(\$42,500)	\$0	\$0	\$0
ITSD programming expenditures	(\$5,265,000)	\$0	\$0	\$0
Total Costs - DSS	<u>(\$1,350,466,834)</u>	<u>(\$2,844,410,428)</u>	<u>(\$3,068,403,133)</u>	<u>(\$3,167,158,812)</u>
FTE Change - DSS	13 FTE	13 FTE	13 FTE	13 FTE
<u>Loss - DSS</u>				
Reduction in program reimbursements for cost sharing for expansion populations	(\$21,627,690)	(\$42,982,964)	(\$43,329,017)	(\$47,775,586)
Total Costs & Losses - DSS	<u>(\$1,372,094,524)</u>	<u>(\$2,887,393,392)</u>	<u>(\$3,111,732,150)</u>	<u>(\$3,214,934,398)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net FTE Change on Federal Funds	13 FTE	13 FTE	13 FTE	13 FTE

FISCAL IMPACT - Local
Government

FY 2016 (10 months)	FY 2017	FY 2018	Fully Implemented (FY 2021)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have a positive fiscal impact on small business health care providers.

FISCAL DESCRIPTION

This proposal changes the laws regarding the MO HealthNet Program. In its main provisions, the proposal: (1) Extends, beginning January 1, 2016, the eligibility for the alternative package of MO HealthNet benefits to individuals who are 19 years of age or older and under 65 years of age, are not pregnant, are not entitled to or enrolled for Medicare benefits under Part A or Part B of the federal Social Security Act, are not eligible for and enrolled for mandatory coverage under the MO HealthNet Program, and have a household income that is at or below 133% of the federal poverty level for the applicable family size for the applicable year as converted to the modified adjusted gross income (MAGI) equivalent net income standard; (2) Allows an individual eligible for MO HealthNet benefits under the new eligibility group to only receive a package of alternative minimum benefits unless he or she is classified as medically frail. Individuals who meet the definition of "medically frail" must receive all of the coverage they are eligible to receive under MO HealthNet; (3) Requires the Department of Social Services to work with the Department of Mental Health and the Department of Health and Senior Services to create a screening process for determining whether an individual is medically frail; (4) Requires the Department of Social Services to discontinue eligibility for persons who are eligible under these provisions if specified actions occur, and (5) Requires the MO HealthNet Oversight Committee to conduct research and investigate any potential health-related savings and revenues associated with expanding eligibility to persons under these provisions and determine the feasibility of specified options.

This legislation is not federally mandated and would not duplicate any other program may require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Mental Health
Department of Corrections
Department of Social Services
Joint Committee on Administrative Rules
Office of Administration -
 Division of Budget and Planning
Office of Secretary of State



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January 30, 2015

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Assistant Director
January 30, 2015