



Why Should Hospital Employees, Volunteers, Boards and Physicians Care About Medicaid Reform?

In June 2012, the United States Supreme Court ruled that the Patient Protection and Affordable Care Act was constitutional, except for the requirement for states to reform the Medicaid program. Their ruling gave states the option not to expand Medicaid to adults whose incomes are up to 138 percent of the federal poverty level (\$15,856 for individuals). In Missouri, **this would provide 300,000 individuals** the opportunity to be covered by Medicaid.

As part of the ACA, **hospitals will incur payment cuts from Medicare and Medicaid in return for increased numbers of insured patients** through an expansion in Medicaid, as well as more affordable private health insurance options available through Health Insurance Exchanges. The federal government will provide 100 percent of the program costs for the first three years. Beginning in 2017, states will pay a small percentage each year until 2020 when they would pay 10 percent of the cost.

If Missouri **lawmakers choose not to reform the program, hospitals still will incur the payment cuts** without the offsetting benefit of more Medicaid coverage and fewer uninsured patients.

FEDERAL BUDGET CUTS FOR MISSOURI HOSPITALS

- **\$668,179,880** ACA Medicaid DSH Cuts 2013 – 2019
- **\$655,225,448** Medicare Sequestration Cuts 2013 – 2019
- **\$2,661,094,313** ACA Other Medicare Cuts 2013 – 2019

Medicaid disproportionate share reductions impacting the state mental health hospitals would accrue to the state uncompensated care fund and could affect the individual state mental health hospitals. The 2014 payment reduction projections from Medicare, Medicare Sequestration and Medicaid DSH reflect the effects of codified federal laws. Two of the major revisions from previous projections include the Medicare coding offset and the recent Medicaid DSH reduction revisions. The Medicaid DSH reductions were changed by law and include eliminating federal fiscal year 2014 cuts and shifting the 2015 cuts into FY 2016. This creates a large payment reduction cliff to the Medicaid DSH payments in FY 2016.

Key Facts To Know

- The health care sector is good for Missouri employing nearly 13 percent of Missouri's non-farm workers.
- Missouri's hospitals employ 152,964 health care workers.
- Even through the recessions of 2001 and 2008, the sector had consistent growth.
- Looming payment cuts from Medicare and Medicaid over the 7 year period 2013-2019 threaten hospitals' future economic stability.
- By reforming Medicaid, Missouri has the opportunity to offset some of these cuts and create jobs, strengthen the local economy, keep employers' health care costs under control and improve the health of the workforce.

Key Actions Hospital Employees Can Take

MHA is undertaking the largest and most extensive legislative and grassroots advocacy effort ever conducted

by the association. The stakes for our hospital members are extremely high. To be successful, **we must have your assistance**. Lawmakers need to understand what cuts of this magnitude mean to your patients and community. They need to hear from everyone connected with the hospital — employees, volunteers, board members, physicians and community members who benefit from the services provided by the hospital.

- **Contact your legislators** and share both the positive consequences of Medicaid reform and the negative consequences of not changing the program.
- Talk to neighbors, family and friends and tell them how important this issue is for Missouri's future — **ask them to contact their legislators**.

To learn more about the issue and to easily contact your legislator, go to www.missourihealthmatters.com.

Thank You!

