



# The Stability of Missouri's Health Care Community is in Danger

Payment Cuts to Missouri Hospitals Have Begun and Will Grow Every Year



	2013	2014	2015	2016	2017	2018	2019	TOTAL
ACA <sup>1</sup> Medicaid DSH <sup>2</sup> Cuts	\$0	\$0	\$0	-\$61,848,929	-\$90,394,588	-\$246,867,092	-\$269,069,271	-\$668,179,880
Medicare Sequestration Cuts	-\$90,164,075	-\$89,640,062	-\$91,231,194	-\$93,174,507	-\$94,677,274	-\$97,362,385	-\$98,975,951	-\$655,225,448
ACA Other Medicare Cuts	-\$64,227,131	-\$248,056,693	-\$329,741,815	-\$394,012,597	-\$485,358,837	-\$521,334,055	-\$618,363,184	-\$2,661,094,313
<b>TOTAL CUTS</b>	<b>-\$154,391,206</b>	<b>-\$337,696,756</b>	<b>-\$420,973,009</b>	<b>-\$549,036,033</b>	<b>-\$670,430,699</b>	<b>-\$865,563,532</b>	<b>-\$986,408,406</b>	<b>-\$3,984,499,641</b>

*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.*

**Statewide, the cuts to hospitals between 2013 and 2019 will total \$4 billion!** That's on top of the nearly \$1.2 billion in uncompensated health care services Missouri hospitals provided in 2012. Charity care alone increased by 32 percent since 2010. Many hospitals have already been forced to reduce services and staff to prepare for reduced income. **Missouri communities rely on local medical services and access to lifesaving care close to home.**

Throughout the last decade, Missouri hospitals have been stable economic engines in their communities even throughout the recession. **They are often the largest employers with statewide payroll of \$6.9 billion in 2012 and providing nearly 153,000 full and part-time jobs.**

**But, there's something we can do to protect our strong health care community.** If Missouri makes

the right choice to reform Medicaid to provide health insurance to 300,000 Missouri adults, it will have a positive impact on the health care community and on the productivity and health status of workers throughout the state.

<sup>1</sup> Patient Protection and Affordable Care Act

<sup>2</sup> Disproportionate Share Hospital

SEE REVERSE AND SHARE THESE KEY MESSAGES WITH YOUR SENATOR AND REPRESENTATIVE! ▶▶

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# Share These Key Messages With Your Senator and Representative!

- Standard and Poor's just announced a negative outlook for not-for-profit hospitals in 2014. Negative outlooks also were forecasted by Moody's and Fitch in December. The Fitch report suggests that health providers in states who don't expand Medicaid will be under ratings pressure. Some hospitals have already experienced a negative outlook change to their bonds.
- Three out of four uninsured Missourians are in a working family.
- Expanded access to health insurance would create an opportunity for increased productivity within the state's workforce allowing Missouri to begin to address its poor health status and outcomes.
- Missouri businesses bear the brunt of the uninsured, both on their workers and through cost shifting:
  - A worker with health coverage misses on average 52 percent fewer work days than uninsured workers.
- Total uncompensated care for Missouri's hospitals totaled nearly \$1.2 billion in 2012.
- Every minute of every day, an uninsured person walks into a Missouri hospital emergency department seeking care.
- If nothing is done, the "hidden health care tax" is projected to shift an additional \$1.1 billion to the private health insurance market from 2012-2021.
- Missouri ranks 39th in health status in the nation, compared to its 24th ranking two decades ago.
- Without improvements in the overall health of Missouri's population, businesses and the state's health care system will not realize the gains of lower health care costs, better health care quality and increased worker productivity.
- The payment reductions, which were codified in the Affordable Care Act and subsequent legislative activities, are in law and cannot be changed without congressional intervention. Absent Medicaid reform, the new taxes and provider payment cuts levied on Missourians will not be returned to the state. Rather, those funds will be sent to other states to support their health care systems.

