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FEATURED

The Affordable Care Act was flawed from the start in Missouri, but still insured thousands

GARY GARRISON   *Feb 23, 2017*

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CLAIRE ROUNKLES

Director of Constituent Services Liz Behrouz addresses a group of protesters Jan. 27 at Sen. Roy Blunt's Columbia office. People gathered at the office to voice their concerns about the possible repeal of the Affordable Care Act. Behrouz listened to concerns and collected letters for Blunt.

COLUMBIA — With a proposed plan for a repeal of the national health care law finally on the table, taking stock of the law and the impact it has had on Missouri residents shows mixed results.

Formally known as the Patient Protection and Affordable Care Act, or "Obamacare," the health care law's fate has become increasingly uncertain since the Republicans took the majority in Congress and Donald Trump was inaugurated as president.

The first symbolic step of the repeal was taken swiftly in January via a budget resolution, which Republicans supported and Democrats opposed. The budget resolution has no direct impact on the health care law for the time being, but it does lay the groundwork for an eventual repeal by making it possible for lawmakers to ease the national deficit by cutting funding from the law.

The next step came into question when, during a pre-Super Bowl interview with Bill O'Reilly, Trump said the repeal process was "complicated." Maybe, he said, "it'll take 'till sometime into next year."

Even more recently, after a closed-door meeting of House Republican leaders on Feb. 16, Speaker Paul Ryan, R-Wis., said that when Congress returns from its week-long recess, legislation would be introduced to repeal and replace the law. A white paper released the same day sketched out a plan that would roll back the 2014 Medicaid expansion, distribute tax credits based on age instead of income, and allow people to save money for health care in "tax-advantaged" health savings accounts.

The new plan sheds light on what may come next in the saga of health care reform, but it also indirectly highlights many of the benefits and failings of Obamacare. Because while the law has succeeded in helping millions of Americans get some kind of coverage — hundreds of thousands of them in Missouri — it has in no way become the affordable and universal health care that it was designed to be.

'Treatable but not curable'

Enacted in 2010, the health care law has helped cover 20 million people in the U.S. by expanding the parameters of Medicaid, preventing discrimination based on preexisting conditions and allowing young adults to remain on their parents' insurance until age 26.

For retired social worker Linda Graue, who attended a local town hall on health care at the Activity and Recreation Center on Tuesday, the law is too important to repeal.

"My son will lose his health care insurance," Graue said. "He's a self-employed person and wouldn't be able to afford health care without the Affordable Care Act. He won't be able to maintain it if things change, which it sounds like they're going to. It'll be too expensive or he won't be eligible."

2017 Missouri Marketplace Premiums by region
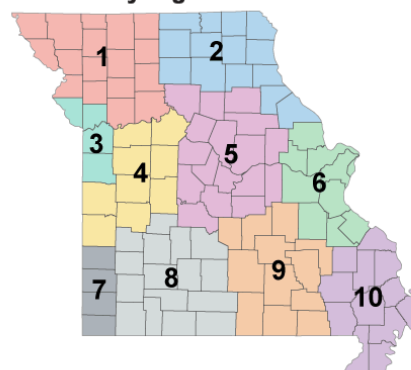
**Second Lowest Cost Silver Qualified Health Plan**

sticker price/out-of-pocket price

1. Not avaiable
2. **374.44**/26.52
3. **278.49**/26.52
4. Not avaiable
5. **361.56**/26.52
6. **248.64**/26.52
7. **281.46**/26.52
8. **317.50**/26.52
9. **354.02**/26.52
10. **363.01**/26.52

Source: Missouri Hospital Association

The second-lowest cost silver plan is the benchmark plan used by HealthCare.gov to determine whether an individual or family qualifies for a marketplace subsidy. The "out-of-pocket" price of the plan didn't increase in Missouri in 2017, despite a rise in "sticker price" around the state.

Kexin Sun

Percentage of Missourians without health insurance

KEY
- 7-15.9% Uninsured
- 16-24.9% Uninsured
- 25% or more Uninsured
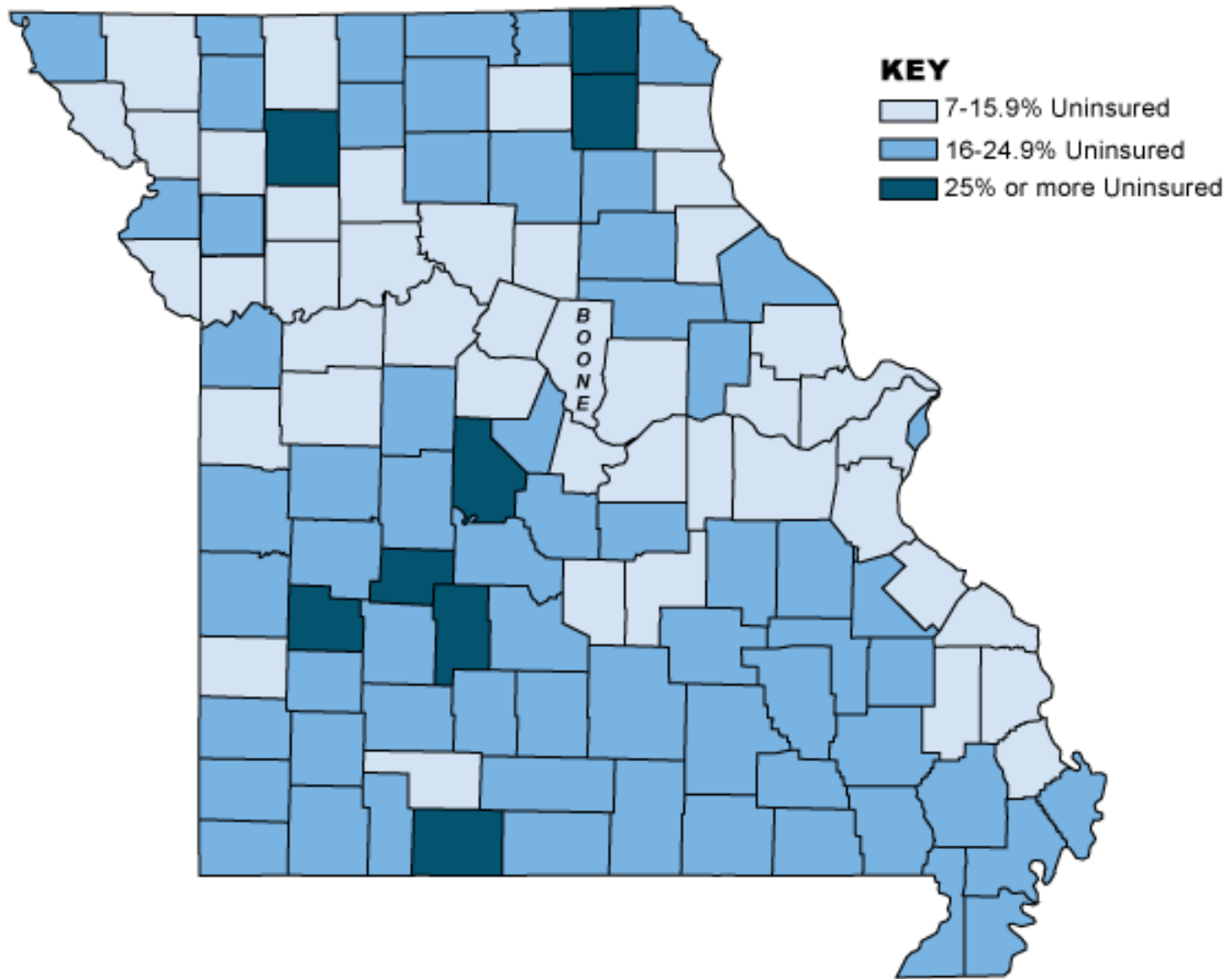
Source: THE STATUS OF WOMEN IN MISSOURI: 2016; AMERICAN COMMUNITY SURVEY 2010-2014

There are eight counties where more than a quarter of the population is uninsured.

Chris Mathews

And then there's her good friend with cancer. "It's treatable but not curable," Graue said. "So she has a preexisting condition and without treatment she won't survive. Already the Affordable Care Act has made it possible for her to get treatment for the past seven years, and I know she's not the only person that has that kind of situation."

Plus, Graue said, "we need to stand up for what's important for everybody."

Wendy Cunningham saw it similarly. She also attended Tuesday's town hall though she came with the intention of sharing her own story.

"I had a hip replacement in 2009," Cunningham said. "And just in December, I had a revision of that hip replacement, thanks to having ACA marketplace insurance."

Now, though, she needs two more surgeries: one to replace her other hip, and another to replace a knee. Her fear is that if the health care law is repealed, she won't be able to get the necessary procedures. She also doesn't see the Republican's proposed replacement plan as viable.

"The health savings account is of no value to us. You have to have money to put into it," she said with a laugh. "So, telling people you can save money — you can't tell that to the average family. I was a single parent with three children. I couldn't have put anything aside. I had to make sure I could pay the bills, not save money. So I think that's ludicrous."

She was quick to say, though, that the health care law wasn't perfect. Still, she said, "I don't think that any of our plans — Medicare, Medicaid, CHIP — I don't think any of those were perfect to begin with."

The coverage gap

One issue that troubles even the supporters of Obamacare is the wide coverage gap that exists in Missouri and other states.

Emily Young, a program officer for family and community development with Central Missouri Community Action, which is an organization focused on eradicating the causes and conditions of poverty, explained that the "coverage gap," as it's known, is a result of Missouri declining to expand Medicaid eligibility.

Gap in coverage for adults in states that did not expand Medicaid under the Affordable Care Act
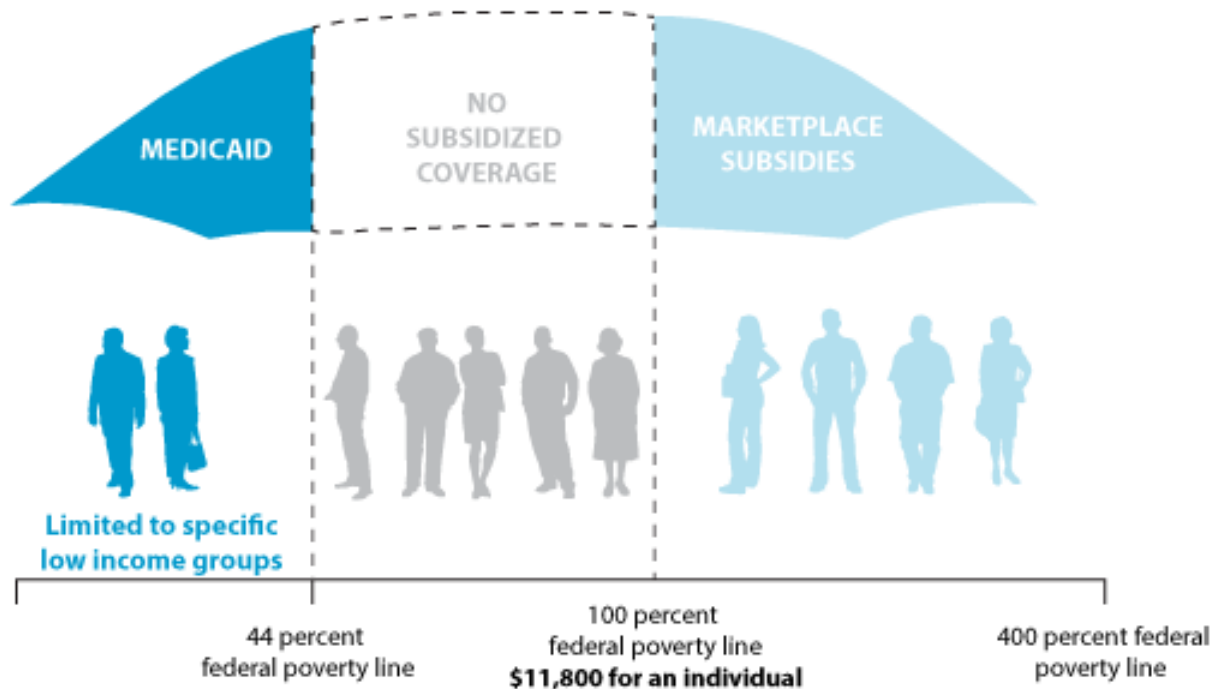
Source: THE HENRY J. KAISER FAMILY FOUNDATION

The coverage gap exists between eligibility for Medicaid and eligibility for marketplace subsidies. 96,000 Missourians fall into this gap. 83 percent are members of working families.

Amanda Nero

"It was not the intention of the Affordable Care Act for there to be that gap," she said. "We see (people falling into that gap) quite a bit here at our agency."

Put simply, the coverage gap exists between eligibility for Medicaid and eligibility for marketplace subsidies — the tax credits designed to offset expensive premiums. People fall into the gap when their annual income is between 44 and 100 percent of the federal poverty line. Essentially, some people make too much to qualify for Medicaid but not enough for marketplace subsidies.

According to a report by the Kaiser Family Foundation, 2.6 million people nationally fall into this gap. In Missouri alone, there are 96,000 such people, 42 percent of whom are people of color.

The Kaiser report also notes that it's unlikely for those in the gap to sign up for Obamacare without the tax credit because the unsubsidized cost for the average plan could amount to more than half of the income of a person in the lower range.

In Boone County, the "sticker price" of what is considered the average marketplace plan — the second lowest cost silver plan — is $361.56 per month, according to the Missouri Hospital Association. The out-of-pocket price that an individual who qualified for the tax credit would expect to pay is $26.52 per month, which is roughly the average for the state as a whole.

'Sympathetic to the governor'

Although people who have signed up for insurance through the marketplace established by the Affordable Care Act have been able to dodge rising costs of premiums by taking advantage of larger tax credits, the state has not.

At a Boone County meeting of legislators in January, state Sen. Caleb Rowden, R-Columbia, addressed the crowd about the rising state cost of the health care law.

"Medicaid, in the last nine years, has increased in the state budget by $3.5 billion," Rowden said. "In the last four years it's increased by $1.8 billion. If everything holds true, we will spend over $10 billion of our state budget on Medicaid out of the $28 billion budget."

More recently Gov. Eric Greitens' blamed rising health care costs under Obamacare as one of the primary reasons Missouri's budget was "broken."

That's not quite true, according to a health policy expert.

"The reality is that health care prices always go up — faster than inflation, faster than personal income growth," said Washington University professor and co-director of the Center for Health and Economic Policy Timothy McBride. "That was true before Obamacare, and it's true now. And, if anything, the growth rate has slowed down since Obamacare. But I'm not saying it's not a real problem, it's definitely a real problem."

This year alone, MO HealthNet, the Missouri program that oversees Medicaid and the health insurance marketplace, requested over $300 million in additional funding while the state's revenue is only predicted to increase by about $276 million.

"I'm sympathetic to the governor. He came in and this is what he was shown," said McBride, who was a member of the Mo HealthNet Oversight Committee. "He's going, 'Wait a minute, I've got to put all my money towards Medicaid?'"

For the fiscal year 2018, Greitens' proposed budget allocates over $9 billion to MO HealthNet.

"Basically, Medicaid growth is definitely an issue, but it's not a new issue," McBride said. "We've been facing this for a long time. Some years it's a little worse, some years a little better, but it's not unusual."

'A hall of mirrors'

Sidney Watson, a professor at Saint Louis University Law School in the Center for Health Law Studies, said the inflated costs of health care in Missouri are the result, in part, of the state refusing to expand Medicaid.

"It's like a hall of mirrors, almost," she said. "The states who have (expanded Medicaid) have more healthy adults in their Medicaid program. Their overall Medicaid state costs have gone down because the federal minimum match is more favorable."

Similarly, McBride said the federal government ends up paying nearly 90 percent of the costs of Medicaid in states that expanded it, compared to roughly 60 percent in states — like Missouri — that didn't.

When looking at premiums, Watson said, another cause of rising costs has been the health status of low-income adults who don't qualify for Medicaid and wind up enrolling in insurance in the marketplace.

"Statistically, the lower your income, the worse your health status, so we have a sicker pool of people using our marketplace, compared to states that have expanded Medicaid," she said. "Which means that our marketplace premiums are higher than they need to be."

On the other hand, a Missouri Budget Project report notes that the state is getting a good deal on Medicaid funding in 2017. With the federal government providing 51 percent of the funds and another 31 percent coming from provider taxes and other sources, the state is only responsible for 17 percent.

Essentially, for every dollar Missouri spends on Medicaid, the federal government matches with $1.72.

The 'broken budget'

After Greitens announced his proposed state budget, acting state budget director Dan Haug said that two Medicaid programs were being altered.

One change in particular would make it more difficult for people who are elderly or disabled to qualify for Medicaid through MO HealthNet. Currently, an individual with 21 points — a number determined by a variety of tests — would qualify for financial assistance from MO HealthNet for in-home care or nursing home care.

But the proposed change would raise the required number of points to 27, which would save the state roughly $52 million in Medicaid spending, Haug said. An estimated 20,000 people who now use the program to receive in-home or nursing home care would lose funding.

For those involved in long-term care, though, it's not worth the money it would save.

Speaking at the health care town hall on Tuesday, Lexi Lett, a nurse at Parkside Manor, said that if Greitens' budget were to be approved as is, 60 residents of Parkside Manner would lose coverage. Those people, she said, would have to find somewhere else to live and receive care.

"Some of them can't walk, some of them don't know their own family members anymore, some of them have so many meds that need to be managed that it's pretty impossible for them to do them themselves at home," she said.

Many of them, she said, don't have any family. "They have nowhere to go."

"What's gotten lost recently in the governor talking about Obamacare costs, is Obamacare offered us money and we didn't take it," said Sidney Watson, the professor from Saint Louis University. "It offered us this opportunity to cover these people and offered an opportunity to use our state revenue more wisely so we could have more money."

"The other way to look at what Gov. Greitens is saying," she said, "is that we did not take advantage of what Obamacare had to offer Missouri."

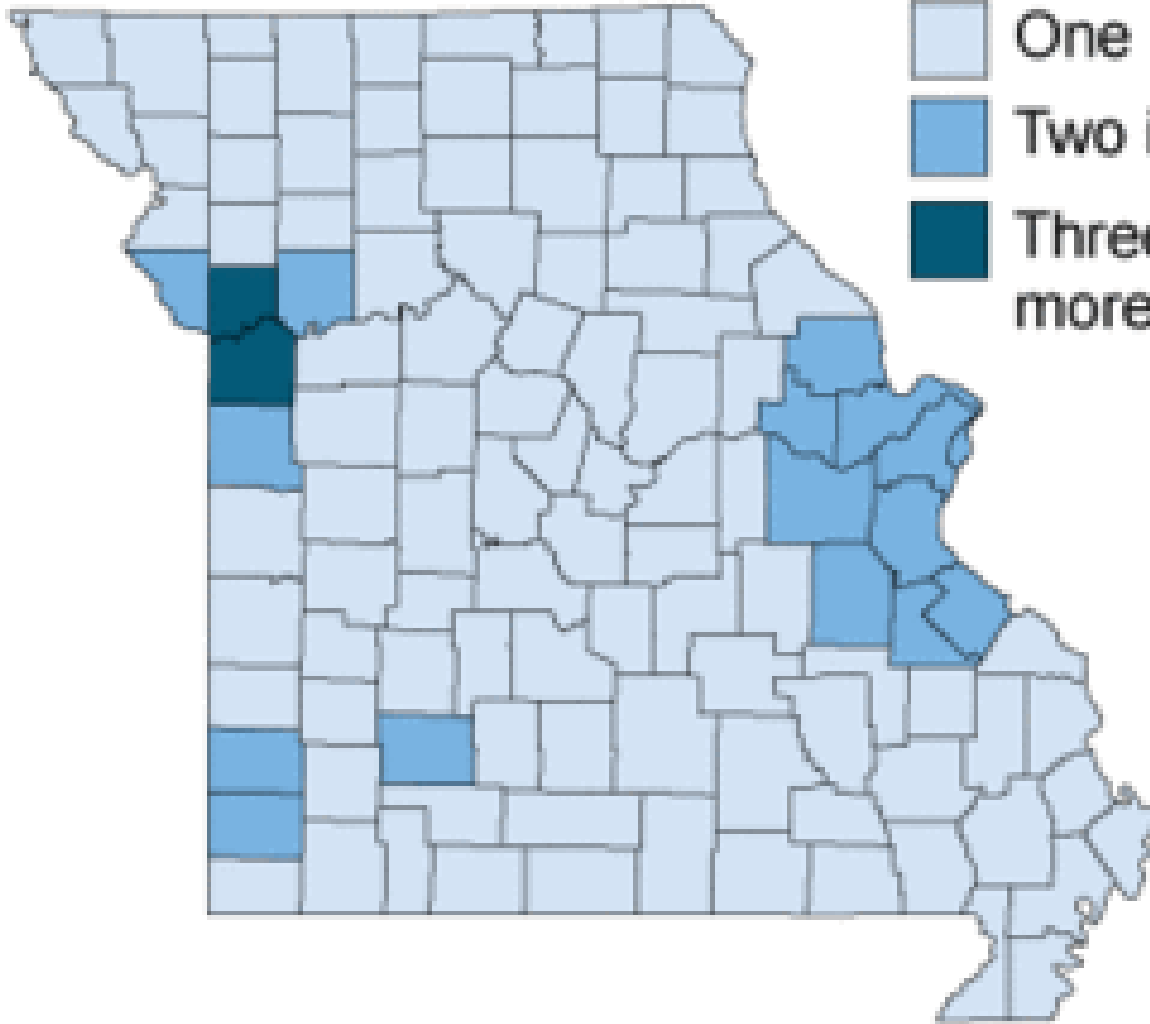*Supervising editor is Katherine Reed*

MORE INFORMATION
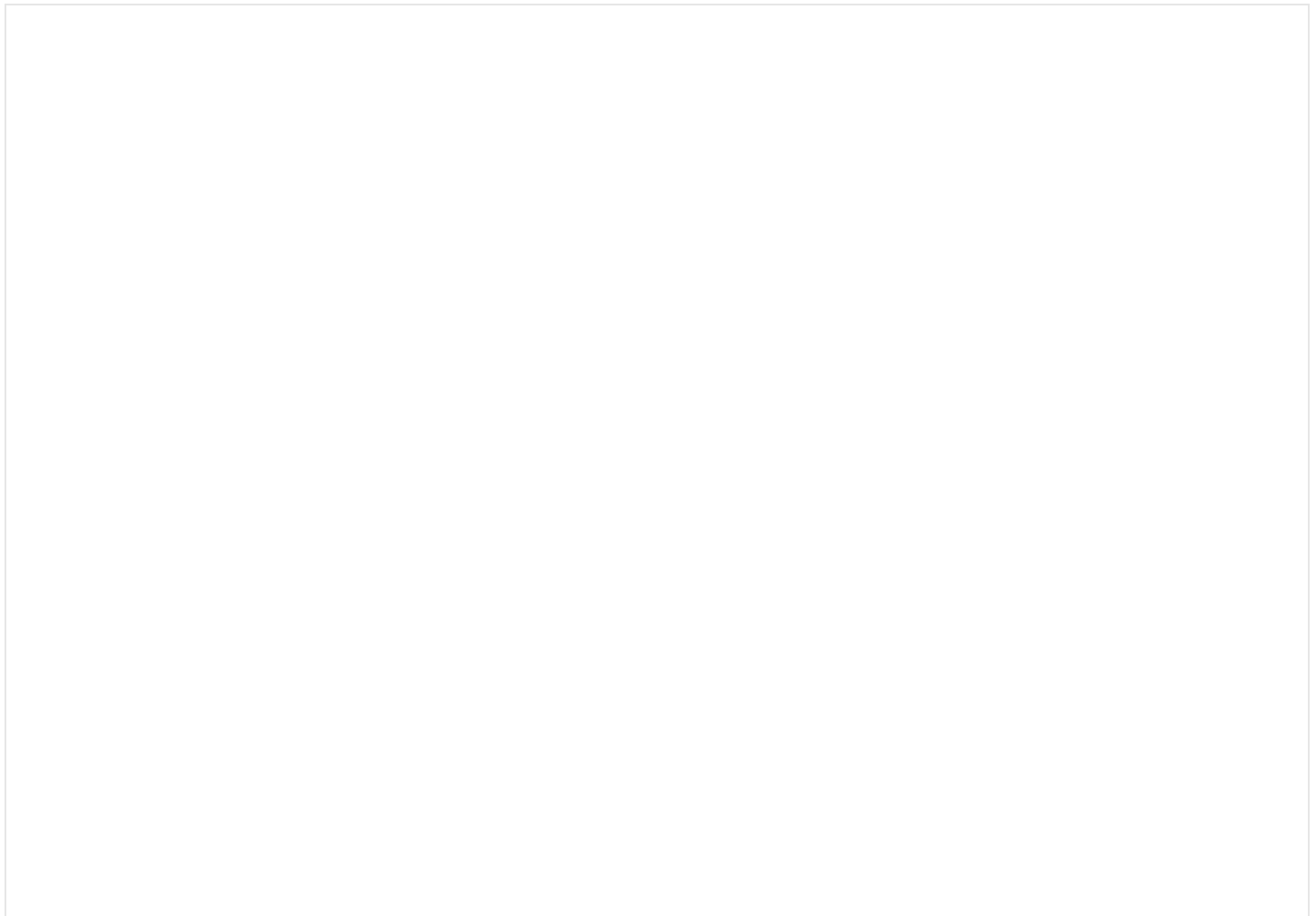
Missouri faces dramatic decrease in insurers under Affordable Care Act in 2017

KEY

☐ One insurer

☐ Two insurers

☐ Three or more insurers

Source: THE HENRY J. KAISER FAMILY FOUNDATION

FACT CHECK: Roy Blunt leaves out the context of Missouri's health insurance coverage

Under-26 provision of Affordable Care Act likely to survive

Report: ACA repeal could hurt Missouri hospitals, citizens

FACT CHECK: Rowden mostly right about Medicaid costs

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