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JEFFERSON CITY, Mo. – The American health care system is on the precipice of massive change, and Sen. David Sater believes he has a bill capable of helping Missouri get ahead of the curve.

SB 28 would require the Department of Social Services to apply for a global waiver for MO HealthNet, the state's health care provider to low-income and vulnerable Missouri citizens.

The global waiver, granted by the U.S. Department of Health and Human Services, would reform Medicaid to a block grant system with the federal government giving a large sum of money to the state with more discretion given to the state regarding how to use those funds. Sater argues this will give more flexibility to address the increasing cost of health care in Missouri.

"Our Medicaid program as it is currently structured is headed for a cliff," he said at a Senate Seniors, Families and Children Committee hearing for his bill. "We must bring personal accountability and responsibility into this program that we do not have now."

Rhode Island and Vermont have experimented with such a system in the past, and President-elect Donald Trump has called for block grants to help reduce government spending. Cutting Medicaid costs has become a major priority for the General Assembly, especially the Republican supermajorities. Medicaid made up roughly \$10 billion of 2016's \$26 billion budget. Numerous withholds from former Gov. Jay Nixon and more expected to come from Gov. Eric Greitens has signaled lawmakers further to further tighten the state's belt. The largest slice of Missouri's budget pie belongs to Medicaid.

The rub with block grants is they may not contain enough money to provide all the services guaranteed by the program. Should a state run out of money from that grant, there is little recourse to continue to provide care, and variables taken into consideration under the current Medicaid system (especially per-person expenditures. are not thought of with a block grant.)

Sidney Watson, a law professor at the St. Louis University Center for Health Law Studies, testified in opposition to the bill because it could actually give the state less freedom in determining how to spend if the state does not get a favorable waiver from the government.

"A global waiver cap changes that per person calculation so instead of the state's share going up or down on enrollment, the state gets a set amount of funding regardless of whether or not there's an economic downturn or boon," she said. "This bill ties the state's hands financially in a way that is not necessary to accomplish the proposed benefits."

Numerous health groups, especially mental health groups also testified in opposition to the bill, saying the uncertainty it caused for the recipients of their care did not outweigh the fiscal benefits of such a measure. Only the Missouri Hospital Association testified in favor of the bill.

"We fear a global waiver will move us back to a situation where while people were low-cost, they were not providing good services," Jay Hardenbrook of AARP Missouri said.

Sater stressed the bill contained language that could adjust the amount of money the state receives based on economic factors like inflation, demographics changes or economic problems, but he did not expand on exactly how that would be determined.

He also noted given the lengthy waiver process itself, which can take months and more than a year, Missouri would have time to work out the kinks.

"We will have plenty of time to make adjustments between now and when the federal government finally comes to a definite decision in August," Sater said.



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