

## **SB 77 - Block Grants Hurt Missouri and Medicaid**

SB 77, sponsored by Sen. Sater, would block grant Missouri's Medicaid program. The bill could mean substantial cuts to federal Medicaid funding and loss of coverage for vulnerable seniors, people with disabilities, children, pregnant women, and low income parents who now depend on Medicaid.

- Directs that the Department of Social Services (DSS) “must” seek a global waiver, similar to a block grant, for Medicaid. 208.1205.1
  - **A block grant shifts financial risk to the state.**
    - A global waiver, like a block grant, means Missouri would get a capped amount of federal money each year and the state would be at financial risk if actual costs are higher.
    - Presently, the federal government pays a share of costs each year with no upper cap on the total amount of federal funds the state can receive. The state and federal government share the costs if there is a flu epidemic, recession, or new costly medical treatment that causes Medicaid costs to rise sharply.
- Gives DSS extraordinarily broad authority to **re-write Missouri's Medicaid program without prior legislative oversight or approval.**
  - DSS is authorized to create a global waiver/block grant application that violates existing statutory protections for Medicaid eligibility, covered services, and service delivery. 208.1210.1
  - The bill provides that the Committee on Public Assistance is to review the waiver application before it is submitted, but does not provide for committee or legislative approval of the global waiver/block grant application prior to it being submitted to HHS. 208.1205.1(1-3).
  - SB 77 provides that after DSS obtains a global waiver/block grant, legislative action is necessary to amend any existing statutory protections that are eliminated by the waiver before they go into effect. 208.1201.1. **But DSS should not be authorized to submit any waiver application that is contrary to existing law.**

- **All Medicaid eligible populations would be subject to the global cap/block grant putting at risk eligibility and services for the state's most vulnerable:**
  - Children make up more than 60% of Medicaid enrollees in Missouri.
  - People with disabilities and seniors make up 24% of enrollees.
  - The remaining 13% are pregnant women, parents, women with breast and cervical cancer, young adults aging out of foster care, and refugees.
- **Missouri does not need a global waiver/block grant to innovate in Medicaid.**
  - The federal Medicaid act provides flexibility for states to design their Medicaid programs and states have flexibility to do a wide variety of reforms without needing to request a global waiver.
  - Many states, including Arkansas, Indiana, Montana and Oregon, have competition-driven Medicaid demonstration projects underway that do not involve a global waiver.
- At the federal level, block grant proposals have been tied to efforts to cut the federal share of Medicaid costs, shifting more of the costs to states.
  - The House Republican budget plan for 2017 included a proposal for a Medicaid block grant that would cut federal Medicaid funding by **\$1 trillion** over ten years. By the tenth year, federal funding for Medicaid and CHIP would have been about 33% less than under current law and the size of the cuts would keep growing each year after that.
  - Proposals to block grant Medicaid have been defeated repeatedly in Congress because of their negative impact on state budgets, seniors, people with disabilities, and children.