The Honorable [name of Senator or Representative]

201 West Capitol, Room \_\_\_\_

Jefferson City, MO 65101

Dear [Senator \_\_\_\_ or Representative\_\_\_\_]

I am a [job, role or title] at [community name or type of community] [but I live] in your district. I am writing to ask you to support higher Medicaid reimbursement for nursing home and in-home care providers. I am concerned and saddened that the State’s Medicaid program fails to reimburse many care providers for the cost of care they deliver to Missouri’s low-income elderly and disabled citizens. And, I am distressed to learn the Governor’s FY 2021 budget proposal does not contain Medicaid reimbursement rate increases for providers.

Today, Missouri nursing homes are reimbursed an average of $164 per patient per day to care for Missourians covered by MO HealthNet. Because nursing homes file cost reports, the State knows the average daily cost of nursing home care is $20 or more higher. Losing $20 or more on every MO Medicaid resident every day is both unfair and unsustainable. The State must increase reimbursement to incrementally close the reimbursement/care cost gap.

With high percentages of nursing home beds occupied by Medicaid patients (60% on average), nursing homes are struggling financially. In-home Medicaid service providers are also struggling with a Medicaid reimbursement/cost gap. Providers need annual reimbursement increases (that exceed cost inflation) to narrow this gap and sustain the State’s Medicaid program. Already nursing homes are reducing Medicaid beds and occupancy or simply closing. This is occurring just as demographics indicate Missouri will soon need many more Medicaid beds. If Missouri wants a Medicaid program for current and future citizens, the State must increase its rates of reimbursement to close the cost/payment gap. In FY 2020 the rate increase was less than cost inflation. In FY 2021, there’s no increase proposed. This will make a dire situation worse.

Missouri’s Medicaid provider rate is financed by State and Federal contributions. Much of the Federal contribution results from a Missouri tax on nursing homes. Even with that, only 10% of Missouri’s provider rate is financed by Missouri General Revenue. Missouri significantly lags other states in General Revenue contribution. In addition, Missouri’s average rate of reimbursement ranks near the bottom nationally. This does not speak well of Missouri or our State’s support for the elderly and disabled.

These Missourians deserve to be cared for with dignity. Medicaid service providers will do this, but they must be adequately reimbursed. I urge you to work for and vote for Medicaid reimbursement rate increases that cover the costs of Medicaid care providers supporting the State’s Medicaid program.

Thank you for your representation on this important Missouri matter.

Sincerely,