

THE MISSOURI HEALTH LANDSCAPE: HOW DOES IT COMPARE TO MASSACHUSETTS?

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**By
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INTRODUCTION

In April 2006, the Massachusetts Legislature passed a sweeping health reform bill (An Act Promoting Access to Health Care (H4479) expanding health coverage for people in Massachusetts who are uninsured, and Gov. Mitt Romney signed the legislation on April 12, 2006. The legislation seeks to expand coverage through a range of initiatives including expanded government subsidies, individual mandates to purchase insurance, insurance reforms, and employer mandates and insurance reforms.

The Saint Louis University State Health Policy Legislative Analysis Team will conduct a thorough analysis of the applicability and feasibility of the Massachusetts plan for Missouri, in three parts. This Report serves as the first part of that analysis. This Report compares the Missouri Health Landscape with that of Massachusetts on a variety of levels enumerated below. This should serve as a background for understanding how Missouri and Massachusetts might be in some ways the same or, in some ways fundamentally different, presenting challenges to bringing a Massachusetts model to Missouri. This Report, then, compares and contrasts Missouri to Massachusetts on several levels:

1. Insurance Coverage and the Uninsured
 - a) Insurance Coverage for the Poor
 - b) Insurance Coverage of Adults
 - c) Insurance Coverage of Children
 - d) Employer-sponsored Insurance Coverage
2. Medicaid
 - a) Eligibility
 - b) Spending and Enrollment
 - c) Private Insurance Premium Assistance
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 - a) Hospitals
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The Report contains a series of Tables with brief summaries of the highlights of the tables.

1. HEALTH INSURANCE COVERAGE AND THE UNINSURED

Achieving access to medical care depends crucially on the level of health insurance coverage people in Missouri and Massachusetts currently have. What coverage do the residents of Missouri and Massachusetts currently have, and how do the coverage rates compare across the states? How many people are uninsured in Missouri and Massachusetts?

- Missouri and Massachusetts had roughly the same coverage rates for their nonelderly populations – 86.4% and 87.3%, respectively in 2003-04 (Table 1).
- Massachusetts has a slightly higher level of employer sponsored health insurance coverage (67.7%) as compared to Missouri (65.1%), but Missouri's comparable insurance coverage rate is achieved by higher rates of Medicaid and public coverage rates, and individual insurance coverage rates. The uninsurance rate among the non-elderly is very similar in Missouri (12.7%) and Massachusetts (13.6%) in 2003-04.
- Missouri had an estimated 660,720 uninsured nonelderly in 2003-04, while Massachusetts (with a larger population base), had 710,250 uninsured nonelderly.
- The rate of uninsurance has been rising in Missouri and Massachusetts in recent years due to changes in the economy and declines in employer-sponsored insurance,¹ and converging to the rate in Missouri – in 2002-03 the rate was 9.8%.²

Missouri and Massachusetts have very similar uninsurance rates of 12.7% and 13.6%,

Table 1. Health Insurance Coverage of the Nonelderly in Missouri and Massachusetts (2003-2004) and U.S. (2004)

CHARACTERISTIC	Employer	Individual	Medicaid	Other Public	Uninsured	Total
United States	155,713,720	5,891,710	34,268,360	13,675,790	45,523,570	255,073,140
Massachusetts	3,779,210	270,350	753,210	69,260	710,250	5,582,280
Missouri	3,159,320	264,480	667,880	103,960	660,720	4,856,360
United States	61.0%	2.3%	13.4%	5.4%	17.8%	100.0%
Massachusetts	67.7%	4.8%	13.5%	1.2%	12.7%	100.0%
Missouri	65.1%	5.4%	13.8%	2.1%	13.6%	100.0%

Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements). <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

1.A. INSURANCE COVERAGE FOR THE POOR

- About one-third of the uninsured in Missouri are in poverty, a higher proportion of the uninsured than is found in Massachusetts, where about 29 percent of the uninsured live in poverty³.
- Insurance coverage rates for children living in poverty are comparable in Missouri and Massachusetts. Even though Missouri children living in poverty are less likely to be covered by employer sponsored insurance and other private insurance, the uninsurance rates of children living in poverty in the states are about the same – 16 percent – because children living in poverty in Missouri are more likely to be covered by Missouri’s more generous SCHIP program (Table 2).
- However similar percentages of children in poverty were uninsured in both states (16.3% in Missouri and 16% in Massachusetts) reflecting lower employer and individual coverage rates in Missouri.
- Among adults, the reverse is true about Medicaid – a higher proportion of adults in poverty were covered by Medicaid in Massachusetts (38.6%) in 2003-04, as compared to Missouri (29.5%), leaving a higher proportion of adults in poverty uninsured in Missouri (37.1%), as compared to Massachusetts (31.2%).
- Most certainly, the recently-enacted Medicaid cuts as part of Senate Bill 539, passed in Missouri in 2005 and phased in over 2006, will affect these comparisons. Most likely, more persons in poverty will be uninsured, both adults and children, as the administrative rolls of persons on Medicaid have been reduced by over 130,000 individuals (see Table 3), and all previous research on Medicaid cutbacks such as these indicate the likelihood that most individuals that lose Medicaid coverage will become uninsured.
- Insurance coverage rates for children living in poverty are comparable in Missouri and Massachusetts. Even though Missouri children living in poverty are less likely to be covered by employer sponsored insurance and other private insurance, the uninsurance rates of children living in poverty in the states are about the same – 16 percent – because children living in poverty in Missouri are more likely to have Medicaid coverage (compare 69.9% to 65.7%).
- About three-quarters of the increase in the uninsured between 2000 and 2004 in Missouri occurred among those below 200% of the FPL⁴

Missouri covered a higher proportion of children in poverty, but a lower proportion of adults in poverty through Medicaid in 2003-

Over 130,000 Missourians, most below the poverty line, lost insurance coverage, through Missouri Senate Bill 539

Table 2. Health Insurance Coverage of Persons Living in Poverty (under 100% FPL) in Missouri and Massachusetts (2003-2004) and the U.S. (2004)

CHARACTERISTIC	Employer	Individual	Medicaid	Other Public	Uninsured	Total
Health Insurance Coverage of Children 0-18 Living in Poverty (under 100% FPL)						
United States	2,373,440	574,910	10,662,270	291,400	4,137,960	18,039,980
Massachusetts	30,330	10,990	155,080	1,720	37,870	235,990
Missouri	31,630	6,620	213,250	3,870	49,820	305,200
United States	13.2%	3.2%	59.1%	1.6%	22.9%	100.0%
Massachusetts	12.9%	4.7%	65.7%	0.7%	16.0%	100.0%
Missouri	10.4%	2.2%	69.9%	1.3%	16.3%	100.0%
Health Insurance Coverage of Adults 19-64 Living in Poverty (under 100% FPL)						
United States	4,511,320	2,205,070	7,247,920	1,228,820	12,604,250	27,797,390
Massachusetts	104,440	39,690	204,570	15,780	165,000	529,480
Missouri	95,580	34,650	139,510	27,680	175,790	473,200
United States	16.2%	7.9%	26.1%	4.4%	45.3%	100.0%
Massachusetts	19.7%	7.5%	38.6%	3.0%	31.2%	100.0%
Missouri	20.2%	7.3%	29.5%	5.8%	37.1%	100.0%

Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements).
<http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

Table 3. Missouri Medicaid and MC+ Enrollees (Eligibles) Based on Department of Social Services Caseload Counter Historical Data

	March 2005	April 2005	May 2005	June 2005	July 2005	August 2005	Sept. 2005	Oct. 2005	Nov. 2005	Dec. 2005	Jan. 2006	Feb. 2006	March 2006	Change Mar. '05 to Mar.'06
Total Enrollees¹	1,003,864	1,001,953	995,138	984,633	949,341	944,787	929,396	912,108	909,330	905,011	883,441	869,467	865,834	-138,030
Disabled	159,517	160,080	159,947	159,499	159,650	159,374	148,309	148,019	148,068	147,421	142,973	141,513	141,367	-17,443
Elderly	81,812	81,592	81,268	81,113	80,764	80,591	81,084	80,687	80,391	80,072	80,207	79,580	79,051	-2,516
Adults	179,994	179,156	177,197	173,738	142,731	141,057	138,474	137,042	134,949	133,780	118,311	109,893	110,852	-69,656
Children Pregnant Women	556,099	554,286	550,157	543,433	538,296	535,143	532,044	516,593	515,688	513,105	510,817	506,269	501,956	-54,558
Child Support Cases ²	26,442	26,839	26,569	26,850	27,900	28,621	29,485	29,767	30,234	30,633	31,133	32,212	32,608	6,289
Food Stamp Families ³	383,649	382,931	381,265	379,985	379,086	378,227	377,507	377,124	376,903	376,028	375,470	n.a.	373,677	-9,755
Food Stamp Individuals	300,237	298,896	297,430	298,685	298,912	298,818	301,018	301,817	303,052	302,982	302,255	301,267	300,464	630
TANF Families ⁴	769,847	768,350	766,325	771,589	772,398	777,434	784,632	789,214	793,527	794,844	796,935	793,168	793,951	27,813
TANF Individuals	47,233	46,374	46,031	45,905	45,605	46,153	46,562	46,942	46,719	46,660	46,510	45,867	45,660	-1,529
Foster Care Children ⁵	120,553	118,260	117,275	116,974	116,121	118,243	119,755	120,827	120,141	119,825	119,512	117,554	116,947	-3,428
Children Awaiting Adoption ⁶	11,301	11,313	11,308	11,196	11,193	11,047	11,079	11,043	10,916	10,772	10,595	n.a.	10,398	-867
Children Receiving Child Care ⁷	1,928	1,980	2,013	2,002	1,988	1,957	1,938	1,901	1,882	1,891	1,919	n.a.	1,919	-6
Youth in DYS ⁸	46,365	46,231	46,146	46,586	44,711	43,492	44,608	43,171	43,065	43,542	42,783	n.a.	42,727	-1,519
	1,604	1,606	1,594	1,581	1,550	1,543	1,556	1,568	1,579	1,562	1,555	n.a.	1,550	-37

NOTES: For notes 1-8 see endnote.⁵ SOURCE: State of Missouri, Department of Social Services, Caseload Counter, <http://www.dss.mo.gov/mis/clcounter/history.htm>

1.B. INSURANCE COVERAGE OF ADULTS

- Missouri and Massachusetts nonelderly adults have similar insurance coverage rates, with about two-thirds covered by employer-sponsored health insurance, about 5% covered by other private insurance, and about 12% covered by public insurance (Table 4).
- Missouri nonelderly adults are slightly less likely to be covered by Medicaid (7.8%) as compared to nonelderly adults in Massachusetts (10.5%).
- The uninsurance rate in Missouri among nonelderly adults is slightly higher than it is Massachusetts (16% as compared to 14.7%), though these differences are likely too small to be statistically significant.
- About 60 percent of the increase in the uninsured in Missouri between 2000 and 2004 was among adults between the ages 19-34, largely as a result of declines in employer-sponsored insurance coverage.⁶

60 percent of the increase in the uninsured in Missouri between 2000 and 2004 was among adults between the ages 19-34

Table 4. Health Insurance Coverage of Adults (age 19-64) in Missouri and Massachusetts (2003-2004) and the U.S. (2004)

CHARACTERISTIC	Employer	Individual	Medicaid	Other Public	Uninsured	Total
United States	111,909,970	10,279,260	13,754,300	4,846,210	36,486,450	177,276,200
Massachusetts	2,733,320	199,950	419,110	61,850	589,800	4,004,020
Missouri	2,275,280	205,000	263,490	92,830	541,690	3,378,280
United States	63.1%	5.8%	7.8%	2.7%	20.6%	100.0%
Massachusetts	68.3%	5.0%	10.5%	1.5%	14.7%	100.0%
Missouri	67.4%	6.1%	7.8%	2.7%	16.0%	100.0%

Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements).

<http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

1.C. INSURANCE COVERAGE OF CHILDREN

- Missouri children (age 0-17) are much less likely than Massachusetts children to be covered by employer-sponsored health insurance (compare 59.8% to 66.3%) (Table 5).
- However, Missouri children are much more likely than Massachusetts children to be covered by Medicaid (compare 27.4% to 21.2%) by almost the same percentage, most likely as a result of the more generous SCHIP program in Missouri covering children up to 300% of the federal poverty line (Massachusetts currently covers SCHIP children up to 200% of the FPL).⁷
- As a result of these countervailing situations, the uninsured rate for children in Missouri and Massachusetts is very similar, a low rate of about 8 percent in both states (8.1% in Missouri and 7.6% in Missouri).

Missouri covers a higher proportion of children through Medicaid, due to a more generous SCHIP program; leading to a low 8% uninsurance rate

Table 5. Health Insurance Coverage of Children (age 0-17) in Missouri and Massachusetts (2003-2004) and the U.S. (2004)

CHARACTERISTIC	Employer	Individual	Medicaid	Other Public	Uninsured	Total
United States	43,803,740	3,396,530	20,514,050	1,045,500	9,037,120	77,796,940
Massachusetts	1,045,890	70,400	334,100	7,410	120,460	1,578,250
Missouri	884,030	59,490	404,390	11,140	119,030	1,478,070
United States	56.3%	4.4%	26.4%	1.3%	11.6%	100.0%
Massachusetts	66.3%	4.5%	21.2%	0.5%	7.6%	100.0%
Missouri	59.8%	4.0%	27.4%	0.8%	8.1%	100.0%

Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements). <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

1.D. EMPLOYER-SPONSORED INSURANCE COVERAGE

- Massachusetts has a slightly higher level of employer sponsored health insurance coverage (67.7%) as compared to Missouri (65.1%) (Table 1).
- Although in Massachusetts about 84 percent of the uninsured have someone in their family working full or part time, this is true of only about 81 percent of the Missouri uninsured.⁸
- Persons in Missouri experienced a significant drop in ESI coverage from 2000-2004, largely as a result of an economic decline. For nonelderly adults, ESI coverage rates dropped by over 7 percentage points in the period.⁹ As noted above, this decline was felt by adults and children, but for children the decline was offset by increases in Medicaid coverage at least through 2004, while this was not true for adults.
- To a large extent, the problems Missourians face in the employer-sponsored health insurance market most likely result from the lower likelihood that their firms will offer them health insurance. As noted in Table 6, only 53% of Missouri private firms offer their employees health insurance as compared to about 66% in Massachusetts. The problems workers face in obtaining ESI have worsened in recent years as employment has shifted to smaller firms and firms less likely to offer insurance coverage.¹⁰

Missouri adults experienced a significant drop in employer coverage from 2000 to 2004, due to economic decline in the state

Table 6. Percent of Private Sector Establishments That Offer Health Insurance to Employees, by Firm Size and by State, 2003

	Missouri	Massachusetts	United States
All employees	53.3%	65.6%	56.6%
Fewer than 50 employees	41.2%	56.2%	43.2%
50 employees or more	92.3%	95.1%	95.4%

Sources: Agency for Healthcare Research and Quality, Center for Cost and Financing Studies. 2003 Medical Expenditure Panel Survey - Insurance Component. Table II.A.2:

http://www.meps.ahrq.gov/MEPSDATA/ic/2003/Tables_II/TIIA2.pdf

Definitions and descriptions of the methods used for this survey can be found in the Technical Appendix:

<http://www.meps.ahrq.gov/MEPSDATA/ic/2003/techappendix.htm>

2. MEDICAID

The ability of the residents of Missouri and Massachusetts to obtain health insurance coverage and pay for medical care depends significantly on the scope and coverage of the Medicaid programs in the two states. So how do the Medicaid programs compare in Missouri and Massachusetts?

2.A. Medicaid Eligibility

- During the 1990's both Missouri and Massachusetts used Section 1115 Medicaid waivers to expand Medicaid eligibility.
- The Massachusetts waiver enlarged the number of categories of eligibility, raised income eligibility for most categories to 200% of the federal poverty level (FPL), and allowed both children and adults with disabilities to buy into Medicaid on a sliding fee scale at any level of income (Table 7).
- The Missouri waiver, at least as implemented in recent years, focused exclusively on expanding eligibility for children up to 300% of the FPL. Moreover, in 2005 Missouri cut income eligibility for all categories of adults: parents, adults with disabilities and the elderly.
- As a result, Missouri Medicaid when compared with Massachusetts's program has substantially higher income thresholds for children, but dramatically lower income standards for adults.

Missouri and Massachusetts used waivers in the 1990s to expand Medicaid eligibility, but as a result of 2005 Legislative changes, adult eligibility levels are now much lower in Missouri but children can qualify at higher incomes.

Table 7. Categorical and Income Eligibility, May 2006

MEDICAID/SCHIP INCOME ELIGIBILITY	MISSOURI	MASSACHUSETTS
Adults 19-64		
Parents	22%	133%*
Long term Unemployed	n/a	100%*
Pregnant Women	185%	200%*
HIV +	n/a	200%*
Breast & Cervical Cancer	200%	250%*
Premium Assistance	n/a	200%*
Disabled	85%	*no upper limit
	those with higher incomes qualify if they spend down income above that amount on medical expenses	although non-working disabled adults must pay a one-time deductible, premiums start at 133%
Children		
0-19	300*	200%*
	premiums start at 185%	premiums start at 150%
Disabled	85%	*no upper limit
	those with higher incomes may spend down	premiums start at 150%
Premium Assistance	n/a	150-200%*
		those below 150% eligible for regular Medicaid/SCHIP
Elderly	85%	100%
	those with higher incomes may spend down	

NOTE: *Indicates eligibility level or category over Title XIX levels authorized by existing 1115 waiver.
 SOURCES: For Massachusetts: Commonwealth of Massachusetts MassHealth Waiver Extension Request (June 30, 2004); Massachusetts Medicaid Policy, Institute, the Mass Health Wavier, April 2005, available at http://www.massmedicaid.org/pdfs/MassHealth_Waiver.pdf; For Missouri: Mo. R. S. 208.151.

2.B. Medicaid Spending and Enrollment

- The size of the Medicaid programs in Missouri and Massachusetts were roughly the same, in terms of enrollment as a percentage of the state's population (roughly 19% of the population) (Table 8). However, recently-enacted enrollment cutbacks in Missouri have led to a significant drop in Medicaid enrollment in Missouri from over 1 million enrollees to about 865,000, of which over 54,000 have been children and over 69,000 have been adults (see Table 3). In contrast, enrollment has not dropped significantly in Massachusetts;
- Although Missouri and Massachusetts covered a similar percentage of their populations in 2003 through Medicaid, Missouri Medicaid covered a substantially higher percentage of children (52% as compared to 40%) while Massachusetts enrolls more adults, people with disabilities and the elderly;
- Total Medicaid spending grew significantly in Missouri and Massachusetts from 1991 to 2001, and again to 2005, but this growth was generally in line with spending growth experienced throughout the U.S.¹¹
- In terms of payments per enrollee, however, Missouri's Medicaid paid roughly the same for children, but was significantly less generous (about 20% less) for other enrollee groups (adults, the elderly, the blind and disabled). Massachusetts total spending on Medicaid was slightly higher than Missouri's because Massachusetts enrolled more elderly and disabled recipients.
- Since Missouri has a lower personal income, the federal matching rate is higher in Missouri than it is Massachusetts for both the general Medicaid program (about 62% in FY2007 in Missouri as compared to 50% in Massachusetts) and the SCHIP program (73% in Missouri and 65% in Massachusetts).

A higher proportion of Missouri's Medicaid enrollees are children, as compared to Massachusetts

Table 8. Comparison of Medicaid and SCHIP spending and enrollment in Missouri and Massachusetts

	Missouri	Massachusetts
Medicaid Spending		
Total Medicaid Spending, FY2004 (Thousands of dollars)	\$6,188,653	\$8,912,994
Growth in Medicaid Spending, FY1991-01	16%	7%
Growth in Medicaid Spending, FY2001-05	11% ⁽¹⁾	n.a.
Payments by Enrollment Group and percent of total payments, FY2002 (in millions)		
Children	\$4,072 (100%)	\$6,378 (100%)
Adults	\$905 (22%)	\$751 (12%)
Elderly	\$384 (9%)	\$630 (10%)
Blind and Disabled	\$1,157 (28%)	\$1,985 (31%)
Unknown	\$1,612 (40%)	\$2,964 (46%)
	\$14 (0%)	\$49 (1%)
Medicaid Payments per Enrollee, FY2002	\$3,694	\$5,240
Payments per Enrollee by Group, FY2002		
Children	\$1,530	\$1,547
Adults	\$1,490	\$1,744
Elderly	\$11,464	\$13,762
Blind and Disabled	\$10,862	\$13,664
Matching Rate (FMAP) for Medicaid & Multiplier (%)		
FY2004	64.42%	52.95%
FY2005	61.15%	50%
FY2006	61.93%	50%
FY2007	61.6%	50%
State Medicaid Spending		
Total State Medicaid Spending, SFY2004 (in millions)	\$5,745	\$5,816
General Funds	\$1,097	\$2,908
Federal Funds	\$3,691	\$2,908
Other Funds	\$957	\$0
Medicaid Enrollment		
Medicaid Enrollment as a % of Total Population, 2003	19%	19%
Distribution by Enrollment Group and percent of total ⁽²⁾ , FY2003		
Children	1,157,231 (100%)	1,193,533 (100%)
Adults	598,712 (52%)	480,534 (40%)
Elderly	264,744 (23%)	339,338 (28%)
Blind and Disabled	100,220 (9%)	117,067 (10%)
	167,827 (15%)	255,925 (21%)
Medicaid Enrollment, 2006 ⁽³⁾	865,834	1,027,455
SCHIP		
Total SCHIP Spending, FY2004	\$109,851,766	\$184,178,646
State Share	\$29,627,083	\$119,097,274
Federal Share	\$80,224,683	\$184,178,646
Monthly SCHIP Enrollment, Dec 2004	94,457	57,450
Percent Change in SCHIP Enrollment, 2003-04	5.2%	-7.3%
SCHIP Program Type	Medicaid Expansion	Combo
Federal Matching Rate		
FY2003	72.86%	65%
FY2004	73.03%	65%
FY2005	72.81%	65%
FY2006	73.35%	65%

SOURCES: See endnotes¹²

2.C. Private Insurance Premium Assistance

- Massachusetts also used its 1115 waiver to enact two Medicaid premium assistance programs funded by a combination of Medicaid and SCHIP funds. The premium assistance programs help low income workers who cannot afford their share of employer sponsored health insurance, and provides subsidies to both workers and qualifying small employers.
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- To participate in the premium assistance programs, an employer must cover at least 50 percent of the costs of health insurance and the insurance benefits must meet a state-defined basic benefit level. As of mid-year 2004, these two programs assisted over 22,000 individuals.¹³

2.D. Covered services

- In the early 2000's, both Missouri and Massachusetts offered relatively generous Medicaid benefit packages covering not only mandatory services, but most categories of optional services for adults. However, as a result of recent cuts, Missouri Medicaid now offers a less extensive benefit package for adults than does Massachusetts (Table 9).
- (bullet)In 2002, Massachusetts eliminated a few optional Medicaid services for adults including dental care, eyeglasses, and prosthetics. However, the program still covers 25 of 30 optional services for adults.
- In comparison, budget cuts in Missouri resulted in substantial adult coverage reductions in 2005 including the elimination not only of adult dental care, eyeglasses, but also physical therapy, occupational therapy, speech therapy and most rehabilitation services.
- Both states offer more limited benefit packages for some higher income waiver expansion groups, excluding coverage for nursing home care and non-emergency transportation. In Massachusetts, Medicaid premium assistance coverage subsidizes employer sponsored insurance which meets minimum coverage requirements but does not provide private insurance that mimics Medicaid's more generous benefit package.

Missouri now offers a less generous benefits package as compared to Massachusetts, as a result of changes to optional services

Table 9. Medicaid Optional Services for Adults, May 2006

ADULT OPTIONAL SERVICES COVERED	MISSOURI	MASSACHUSETTS
Pharmacy	Yes	Yes
Clinic	Yes	Yes
Dental	ER only	ER only
Denture	No	Yes
Orthodontia	No	No
PT, OT, speech therapy, Rehab	No	Yes
Prosthetics & orthotics	Limited	Yes
Optical	Limited	Limited
Eyeglasses	Yes	Yes
Hearing aids & audiology	No	No
Personal care	No	Yes
Private duty nursing	Yes	Yes
Hospice	Yes	Yes
ICF/MR	Yes	Yes
Mental institutions over age 65	Yes	Yes
Ambulance	Yes	Yes
Organ transplants	Yes	Yes

SOURCE: Massachusetts and Missouri Medicaid State Plans

2.E. Section 1115 Waiver Authority

- In 1997, Massachusetts implemented a comprehensive Section 1115 Medicaid/SCHIP expansion, called MassHealth. MassHealth expands Medicaid coverage in all categories, usually up to 200% FPL and with no upper income limit for children and adults with disabilities who pay premiums. The waiver extends Medicaid coverage to the long-term unemployed, the working and nonworking disabled, low-income workers, individuals with HIV, and women with breast and cervical cancer. The waiver also creates a premium assistance program to help low-income workers purchase and employers offer private health insurance. Massachusetts has implemented all the waiver expansions although some of the adult expansion categories have been subject to enrollment caps.¹⁴
- Missouri's 1115 Waiver, implemented in 1998, is called Missouri Managed Care Plus or MC+. The waiver authorizes Missouri to offer Medicaid/SCHIP coverage to children up to age 19 with family incomes up to 300% of the PFL. The waiver also allows the state to expand Medicaid eligibility to parents transitioning off welfare with incomes up to 300%, to other custodial parents with incomes up to 100% FPL, and to non-custodial parents with incomes up to 125% FPL. However, Missouri never fully implemented the expansions for parent eligibility, and by 2005 the state eliminated MC+ coverage for non-custodial parents and cut the income limit for custodial parents to 22% of FPL. However, Missouri retains authority pursuant to the 1115 Waiver to expand parent eligibility up to the limits set forth in the waiver. Missouri Medicaid Section 1115 Health Care Reform Demonstration Proposal (Managed Care Plus (MC+), as modified May 1, 2003.¹⁵

- The Section 1115 waivers means that the federal government retains more control and discretion over both Massachusetts and Missouri's Medicaid programs than would otherwise exist. Any Medicaid expansions that affect the Section 1115 populations are likely to be subject to the federal funding caps negotiated as part of the waivers. However, expansions that are otherwise allowed by federal Medicaid and SCHIP law may be able to operate outside the federal funding ceilings negotiated as part of the Section 1115 waivers.

2.F. Sources of State Matching Funds

- In Massachusetts, most of the state's Medicaid match comes from general revenues sources including personal and business income taxes and sales taxes (Table 10). In addition to provider assessments, the state also used intergovernmental transfers (IGTs) from local governments and the state university, to generate some of the state's Medicaid match. However, effective June 30, 2005, the federal government prohibited the Commonwealth from using IGTs. At that point, the state stood to lose \$650 million in federal Medicaid dollars if it could not find an acceptable source of state matching funds to replace the IGTs.¹⁶
- In contrast, most of Missouri's Medicaid state match comes from non-general revenue sources. In 2006, Missouri general revenues accounted for only 18.4% of Medicaid spending, compared with 20.2% from state provider assessments and 6.5% for other dedicated revenue sources. The hospital assessment, implemented in 1992 and called the hospital Federal Reimbursement Allowance (FRA), allowed the state to expand children's eligibility with only limited growth in general revenue funding. However, the federal government questioned the Missouri hospital FRA, and the state is now subject to a special agreement that authorizes CMS annually to review the projected state Medicaid budget and places several limits on the use of provider taxes, including limiting further expansion of the hospital FRA. Nevertheless, in recent years Missouri has instituted new provider taxes including a pharmacy RA, Medicaid Managed Care RA, and a Nursing Facility RA. Missouri, like Massachusetts is no longer allowed to use IGTs as state matching funds.

Table 10. Sources of Medicaid Funds, Fiscal Year 2006

	Missouri FY 2006	Massachusetts FY 2004
Federal funds	54.6%	50%
State funds (Missouri general revenue)	45.4%	50%
Source of state funds		
General revenue	18.4%	n.a. ⁽¹⁾
Provider taxes	20.2%	n.a. ⁽¹⁾
Other:	6.5%	n.a. ⁽¹⁾
Tobacco Tax Funds		
Uncompensated Care Funds		
Pharmacy Rebates		
Premiums		
Third Party Liability		
MO Prescription Plan		

SOURCE: "Missouri Medicaid Basics," Missouri Foundation for Health (Winter 2006), statistics are program budget for DMS, does not include administrative appropriations or Medicaid funds appropriated to other state departments such as DHSS or DMH;

Massachusetts: : Kaiser Family Foundation, retrieved from the World Wide Web at:

<http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi>

NOTE: (1) These figures are not available at the present time.

3. PRIVATE INSURANCE COVERAGE INITIATIVES

Missouri and Massachusetts have taken different approaches to using state law to expand access to private insurance coverage. Missouri has focused primarily on the individual market, operating a high risk pool for those priced out of the individual market. Massachusetts has focused on both the small group employer market and individual market through multiple programs.

- Missouri's high risk pool, the Missouri Health Insurance Pool (MHIP), is supervised by the Missouri Department of Insurance and administered by two private insurance companies, Blue Cross and Blue Shield of Missouri, and Blue Cross and Blue Shield of Kansas City. The MHIP is funded by premiums paid by enrollees and assessments paid by health insurers and HMOs that issue coverage to state residents.¹⁷ In 2004, 2,800 people were enrolled in the pool.¹⁸
- Massachusetts operates two reinsurance pools: one for small group plans and one for individual plans.¹⁹ The Massachusetts Small Employer Health Reinsurance Plan, reinsures commercial plans, excluding HMOs which are not eligible to participate. The Massachusetts Nongroup Health Reinsurance Plan reinsures in the individual market. The Small Employer Plan pays all claims above \$55,000; the Nongroup Plan pays 100% of claims above \$50,000. Both plans are supported participating insurers.
- Massachusetts subsidizes employer provided health insurance through two programs, the Insurance Partnership and Family Assistance Premium Assistance. Both are part of the state's Section 1115 Medicaid Waiver. The Insurance Partnership provides small employers, who offer a qualifying benefit package, subsidies to help cover the cost of premiums paid on behalf of qualified employees. Family Assistance subsidizes low income families with children who work for larger employers who offer qualifying benefit packages. Both programs assist workers with family income below 200% FPL. In 2004, almost 5,000 (4,963) small employers received assistance through the Insurance Partnership Program and 22,083 employees and their dependents participated in the two programs.
- Children's Medical Security Program (CMSP) is a health insurance program for Massachusetts children under the age of 19 who do not qualify for full Medicaid benefits and do not have access to primary or preventive health care. Children with family incomes up to 400% FPL may qualify. Premiums are set on a sliding-scale.
- Medical Security Plan provides health insurance to laid-off workers who are receiving unemployment insurance payments. Depending on the worker's circumstance, the program provides either direct, state-based coverage or helps pay the cost of coverage

While Missouri operates a High Risk Pool to help the uninsured, Massachusetts operates a variety of pools and subsidies to assist the uninsured and underinsured

available through the former employers. The Plan provides coverage for both former workers and their families with incomes up to 400 percent of the FPL. Massachusetts' Section 1115 Medicaid waiver provides federal Medicaid funds to help support this program. In 2004, the average monthly enrollment was 10,374, which includes both former workers and their dependents.²⁰

4. DIRECT PAYMENTS FOR MEDICAL CARE PROVIDED TO THE UNINSURED

- The Massachusetts Uncompensated Care Pool provides substantial amounts— estimates ranges from \$700 million to \$1 billion annually--in direct payments to hospitals and community health clinics for medical services provided to the uninsured. Begun in 1997, the pool fully covers the cost of care for patients with family incomes up to 200% of FPL and makes partial payment for those with incomes between 200-400%.²¹ The pool pays providers based upon their charges which results in some providers receiving higher reimbursement from the Uncompensated Care Pool than MassHealth, and creating a financial disincentive for providers to carefully screen patients for Medicaid eligibility.²²
- Funding for the Pool comes from a variety of sources, including assessments on hospitals and insurers, intergovernmental transfers, state funds, federal matching Medicaid DSH funds, and tobacco settlement money.²³
- In FY 2004, the Uncompensated Care Pool paid for 44,000 inpatient and 2.0 million outpatient visits for 454,288 different individuals. The most common users of the pool were young adults ages 25-44 with incomes below the FPL. Over 85% of inpatient services paid for by the Pool were provided on an emergency or urgent basis. Almost 20% of outpatient services paid for by the Pool were provided in emergency departments.²⁴
- In contrast, Missouri has no stand-alone state Uncompensated Care Pool. In 2006, the General Assembly appropriated \$91 million for “uncompensated care.” However, that money helped fund the state’s Medicaid match rather than being used to reimburse individual providers for care to the uninsured.²⁵

Massachusetts operates an Uncompensated Care Pool funding up to \$1 billion annually, while Missouri has no such earmarked pool of funding for uncompensated care

5. HEALTH CARE PROVIDERS AND SERVICE USE

The size and scope of the medical care systems in Missouri and Massachusetts will affect the ability to expand access to the uninsured, and afford any initiatives to expand access. How do Missouri and Massachusetts compare on the size of the medical care sector?

5.A. HOSPITALS

- Although Missouri has a smaller population than Massachusetts, Missouri has more hospitals (119 as compared to 78) and more hospital beds per thousand persons (3.3 as compared to 2.5) (Table 11);
- Missouri and Massachusetts have about the same number of private non-profit hospitals, but Missouri has many more public hospitals (36 as compared to 3) and for-profit hospitals (19 as compared to 9);
- Although there was virtually no growth in the total number of hospitals in either state, there was a shift from non-profit hospitals to for-profit hospitals in both states, especially in Missouri over the 1999-2004;
- Research has suggested for years that there is a correlation between higher capacity for health care and health care utilization.²⁶

Table 11. Comparison of Health Care Providers and Service Use in Missouri and Massachusetts

	Missouri	Massachusetts
Hospitals, 2004		
Total Hospitals	119	78
Hospitals by Ownership		
State/Local Government	36	3
Non-profit	64	66
For-profit	19	9
Beds per 1000 Population	3.3	2.5
Beds by Ownership		
State/Local Government	0.5	0.1
Non-profit	2.3	2.2
For-profit	0.5	0.2
Admissions per 1000 Population	144	125
Admissions by Ownership		
State/Local Government	19	3
Non-profit	106	114
For-profit	19	8
Hospital Trends		
Total Hospitals, 1999-2004		
1999	118	79
2004	119	78
Hospitals by Ownership, 1999-2004		
State/Local Government, 1999	35	4
State/Local Government, 2004	36	3
Non-profit, 1999	71	69
Non-profit, 2004	64	66
For-profit, 1999	12	6
For-profit, 2004	19	9
Beds, 1999-2004 (per 1,000 population)		
1999	3.7	2.6
2000	3.6	2.6
2001	3.4	2.6
2002	3.3	2.5
2003	3.4	2.5
2004	3.3	2.5
Beds by Ownership, 1999-2004		
State/Local Government, 1999	0.5	0.1
State/Local Government, 2004	0.5	0.1
Non-profit, 1999	2.8	2.3
Non-profit, 2004	2.3	2.2
For-profit, 1999	0.4	0.2
For-profit, 2004	0.5	0.2

Source: Kaiser Family Foundation statehealthfacts.org retrieved from the World Wide Web at:
<http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi>

5.B. PHYSICIANS AND OTHER PROVIDERS

- Massachusetts has almost 90 percent more physicians than Missouri does (almost 29,000 as compared to about 15,000 in Missouri) and about 70% more per capita than Missouri does (451 per 1000 population, as compared to 267 in Missouri) (Table 12);
- Massachusetts also has more nurses than Missouri does – about 40% more, and about 20% more on a per capita basis (112 per 1000 persons as compared to 90 in Missouri) and almost three times as many physician assistants;
- Overall, a similar share of the population in both states is employed in the health sector – about 9% of the population;
- Evidence from health research for years has suggested that a higher supply of health care providers is significantly correlated with higher health care utilization.²⁷ On the other hand, the higher supply of health care providers in Massachusetts may reflect its more significant role as a regional medical hub, or a more significant presence of academic medical centers than is true in Missouri.

Table 12. Comparison of Physicians and Other Health Care Providers in Missouri and Massachusetts

	Missouri	Massachusetts
Physicians, 2004		
Total Nonfederal Physicians	15,350	28,970
Nonfederal Physicians per 100,000 Population	267	451
Non-Physician Providers		
Total Registered Nurses, 2002	50,790	71,750
Registered Nurses per 10,000 Population	90	112
Total Physician Assistants, 2004	408	1,108
Physician Assistants per 10,000 Population	1	2
Health Care Employment, 2004		
Total Health Care Employment	224,290	283,750
Health Care as a % of Total Employment	8.5%	9.1%
Health Care Employment by Occupation Type		
Medical and Health Services Managers	3,820	7,190
Healthcare Practitioners and Technical Operations	147,640	184,890
Healthcare Support Occupations	72,830	91,670

Source: Kaiser Family Foundation statehealthfacts.org retrieved from the World Wide Web at: <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi>

5.C. EMERGENCY ROOM VISITS

Research for years has suggested that the uninsured are more likely to use emergency rooms as their primary source of care. How do Missouri and Massachusetts compare?

- Missouri and Massachusetts had similar rates of emergency room visits in 2004 (445 and 449 per 1,000 population, respectively), perhaps reflecting relatively similar uninsurance rates in the two states, although of course not all people seeking ER care are uninsured (Table 13);
- In comparison to Missouri, those seeking emergency care in Massachusetts are much more likely to seek that care in non-profit hospitals, instead of government or for-profit hospitals (413 visits per thousand as compared to 312), most likely reflecting the different distribution of hospital types in the different states (see above);
- Although the trend is not consistent, there has been a slight increase in the use of ERs in both Missouri and Massachusetts since 2000.

Table 13. Comparison of Hospital Emergency Room Visits in Missouri and Massachusetts

	Missouri	Massachusetts
Emergency Room Visits per 1000 Population, 2004	445	449
Emergency Room Visits by Ownership		
State/Local Government	75	14
Non-profit	312	413
For-profit	57	22
Hospital Trends		
Emergency Room Visits, 1999-2004		
2000	415	427
2001	434	425
2002	437	449
2003	459	456
2004	445	449
ER Visits by Ownership, 1999-2004		
State/Local Government, 1999	66	19
State/Local Government, 2004	75	14
Non-profit, 1999	342	403
Non-profit, 2004	312	413
For-profit, 1999	33	19
For-profit, 2004	57	22

Source: Kaiser Family Foundation statehealthfacts.org retrieved from the World Wide Web at: <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi>

5.D. SAFETY NET PROVIDERS

States often use safety net providers such as Federal Qualified Health Centers (FQHCs) or Rural Health Clinics to fill in some of the holes in access for the uninsured and underinsured, at least helping provide them with some primary care services (the uninsured still would need to access hospitals, physicians, or other providers for other specialty services). How do Missouri and Massachusetts compare in their availability?

- In 2004, Missouri had 271 Rural Health Clinics and 11 FQHCs with 101 delivery sites. In contrast, Massachusetts had 33 FQHCs with 290 delivery sites (Table 14);
- The FQHCs in Massachusetts served over 400,000 persons and delivered over 2 million encounters, more than twice the delivery in Missouri through FQHCs;
- Medicaid and state and local federal sources were a significant source of revenue for FQHCs in both Missouri and Massachusetts, although these sources provided about 50% of revenue in Massachusetts but over 70% of revenue in Missouri.

Table 14. Comparison of Health Care Safety Net Providers in Missouri and Massachusetts

	Missouri	Massachusetts
<u>Rural Health Clinics</u>		
Total Health Clinics, 2004	271	0
<u>Federally Qualified Health Centers (FQHCs), 2004</u>		
Total FQHCs	17	33
Total FQHCs Service Delivery Sites	101	290
Total Patients Served by FQHCs	270,500	423,596
Total FQHC Encounters or Visits	990,579	2,047,931
FQHC Revenue by Source		
Federal Grants	28.1%	18.3%
State & Local Grants/Contracts	7%	10.1%
Foundation/Private Grants/Contracts	4.1%	6.1%
Medicaid	39.5%	22.7%
Medicare	5.1%	4.7%
Other Public Insurance	0%	1.1%
Private Insurance	5.4%	7.7%
Patient Self-Pay	5.9%	2.4%
Other Revenue	4.7%	27.0%

Source: Kaiser Family Foundation statehealthfacts.org retrieved from the World Wide Web at: <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi>

6. DEMOGRAPHICS OF THE POPULATION

Understanding the demographics of a state's population is likely to be useful in determining where (e.g. urban vs. rural setting) and for whom health care resources may be required (e.g. children vs. adults). Are there differences between Missouri and Massachusetts?

- The distributions of the populations of the 2 states are similar overall with the biggest difference being almost 600,000 more adults aged 19-64 in Massachusetts than in Missouri. (Table 15)
- There is a greater percentage of African-Americans in Missouri compared to Massachusetts (11% vs. 6%) and a significantly lower percentage of Hispanics (3% vs. 8%) (Table 16). Massachusetts has a greater share of non-citizen population than Missouri (8% vs. 2%) which is likely due to having a greater share of Hispanics and Other race/ethnicity who are not citizens (Table 17). These factors are likely to be important considerations in comparing the health landscapes between the 2 states, given the research on disparities in health care by race/ethnicity and given that Hispanics are known to have the highest rate of uninsurance among all ethnic groups.
- Missouri has a much greater share of its population living in non-metropolitan areas when compared to Massachusetts (24% vs. 3%) (Table 18). This may be an important consideration in setting policy for the achievement of access to medical care, since the availability of facilities such as hospitals, health centers and other providers will affect the delivery of health care services.

Missouri has a higher share of African Americans; but a lower share of Hispanics, as compared to Massachusetts

Table 15. Population Distribution by Age, states (2003-2004), U.S. (2004)

	Children, 18 & under	Adults 19-64	65+	65-74	75+	Total
United States	77,796,940	177,276,200	35,213,200	18,388,060	16,825,140	290,286,350
Massachusetts	1,578,250	4,004,020	777,830	354,830	423,010	6,360,110
Missouri	1,478,070	3,378,280	755,080	364,120	390,970	5,611,440
United States	27%	61%	12%	6%	6%	100%
Massachusetts	25%	63%	12%	6%	7%	100%
Missouri	26%	60%	13%	6%	7%	100%

For table notes see endnote 26.²⁸ Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements). <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

Table 16. Population Distribution by Race/Ethnicity, states (2003-2004), U.S. (2004)

	White	Black	Hispanic	Other	Total
United States	194,704,740	35,183,420	41,767,050	18,631,150	290,286,350
Massachusetts	5,159,810	354,870	500,300	345,140	6,360,110
Missouri	4,585,950	635,420	180,110	209,960	5,611,440
United States	67%	12%	14%	6%	100%
Massachusetts	81%	6%	8%	5%	100%
Missouri	82%	11%	3%	4%	100%

For table notes see endnote 26. Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements). <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

Table 17. Population Distribution by Citizenship Status, states (2003-2004), U.S. (2004)

	Citizen	Non-Citizen	Total
United States	268,637,100	21,649,240	290,286,350
Massachusetts	5,848,740	511,370	6,360,110
Missouri	5,504,410	107,030	5,611,440
United States	93%	7%	100%
Massachusetts	92%	8%	100%
Missouri	98%	2%	100%

For table notes see endnote 26 and 27.²⁹ Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements). <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

Table 18. Population Distribution by Metropolitan Status, states (2003-2004), U.S. (2004)

	Metropolitan	Non-Metropolitan	Total
United States	239,989,940	50,296,400	290,286,350
Massachusetts	6,162,150	197,960	6,360,110
Missouri	4,285,430	1,326,010	5,611,440
United States	83%	17%	100%
Massachusetts	97%	3%	100%
Missouri	76%	24%	100%

For table notes see endnote 26 and 28.³⁰ Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements). <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

7. ECONOMIC COMPARISONS

The economic health of Missouri and Massachusetts is compared along a number of critical dimensions including income, poverty rates, employment and unemployment, and output of each state (Gross State Product, GSP). In addition, the tax revenues and general fund expenditures of both states are compared. What is the current size of each state's government? What is the tax base of the population in terms of average income, poverty, employment, etc.? In other words, how much capacity is there for increasing the size of each state's government?

7.A. INCOME AND POVERTY

- Median income in Missouri is \$8,366 less than in Massachusetts (Table 19). As a result of this, Missouri has a larger number and a larger share of its population living in poverty (12% vs. 9% in Massachusetts) based on household income (Table 19). Poverty rates in states are likely to be one of the factors that policymakers consider when determining income eligibility for public programs such as Medicaid and SCHIP.

Massachusetts has a higher median income and a lower percentage of the population living in poverty

Table 19. Household Income, states (2003-2004), U.S. (2004)

	Median Annual Hhld Income (\$), 2002-2004*	Poverty Rate based on Household Income, 2004**	Total Number of Persons Living in Poverty based on Household Income (In Thousands), 2004**
United States	44,473	13%	36,997
Massachusetts	52,354	9%	586
Missouri	43,988	12%	687

For table notes see endnote 29.³¹ Sources: *U.S. Census Bureau, Current Population Survey, 2003, 2004, and 2005 Annual Social and Economic Supplements. Three-Year-Average Median Household Income by State: 2002-2004, available at <http://www.census.gov/hhes/www/income/income04/statemhi.html>. **U.S. Census Bureau, Current Population Survey, 2005 Annual Social and Economic Supplement. Poverty Status by State: 2004, available at http://pubdb3.census.gov/macro/032005/pov/new46_100125_01.htm.

- Poverty, as measured by <200% of the Federal Poverty Level (FPL), is slightly higher in Missouri than in Massachusetts (34% vs. 30%) (Table 20)
- It is worth noting the FPL is the same across the country, regardless of the cost of living in various states and localities. Thus, an individual could be identified as above the poverty line in Boston even if their income, when adjusted for price differences would buy less goods and services than it would, say, in St. Louis or Kansas City, and thus they might be considered in poverty in Missouri.³² This factor may lead to a couple of

important effects of the comparisons between the states. First, the extent of poverty in Massachusetts may be understated. Second, the affordability of insurance under health reform plans may be overstated.

- Missouri has a greater share of children living in poverty relative to Massachusetts (21% vs. 15%) while Massachusetts has a greater share of elderly living in poverty (16% vs. 11%) (Table 21). This is likely to have implications regarding Medicaid and SCHIP costs for states as well as the income eligibility criterion for children in the two states. Similarly, as seen in Table 22, more families with children are living in poverty in Missouri than in Massachusetts (17% vs. 12%).
- Massachusetts has similar rates of poverty across urban/rural areas (14%) however Missouri finds a larger share of rural poor to urban poverty (19% vs. 14%). Comparing the 2 states (Table 23), there is a larger share of individuals in poverty in rural areas in Missouri compared to Massachusetts (19% vs. 13%).

Table 20. Distribution of Total Population by Federal Poverty Level, states (2003-2004), U.S. (2004)

	Under 100%	100-199%	<200% (subtotal)	200% +	Total
United States	50,481,410	54,647,220	105,128,620	185,157,720	290,286,350
Massachusetts	887,910	1,022,760	1,910,670	4,449,440	6,360,110
Missouri	858,370	1,043,430	1,901,800	3,709,650	5,611,440
United States	17%	19%	36%	64%	100%
Massachusetts	14%	16%	30%	70%	100%
Missouri	15%	19%	34%	66%	100%

For table notes see endnote 26 and 31.³⁵ Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements).

<http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

Table 21. Poverty Rate by Age, states (2003-2004), U.S. (2004)

	Children 18 and under	Adults 19-64	Elderly 65+
United States	18,039,980	27,797,390	4,644,040
Massachusetts	235,990	529,480	122,440
Missouri	305,200	473,200	79,970
United States	23%	16%	13%
Massachusetts	15%	13%	16%
Missouri	21%	14%	11%

For table notes see endnote 26 and 31. Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements). <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

Table 22. Poverty Rate by Family Structure, states (2003-2004), U.S. (2004)

	Adults with Children	Adults with No Children
United States	30,368,150	20,113,260
Massachusetts	398,050	489,860
Missouri	497,600	360,770
United States	19%	15%
Massachusetts	12%	16%
Missouri	17%	14%

For table notes see endnote 26 and 31. Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements).

<http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

Table 23. Poverty Rate by Metropolitan Status, states (2003-2004), U.S. (2004)

	Metropolitan	Non-Metropolitan
United States	40,904,900	9,576,510
Massachusetts	861,600	26,310
Missouri	602,830	255,540
United States	17%	19%
Massachusetts	14%	13%
Missouri	14%	19%

For table notes see endnote 26 and 31. Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements).

<http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

7.B. EMPLOYMENT AND UNEMPLOYMENT

- Missouri and Massachusetts show similar trends in employment with 72-73% of households having at least one full-time worker (Table 24).
- In March 2005, Missouri had a slightly higher unemployment rate (5.5%) than Massachusetts (4.9%) though they had approximately the same number of unemployed workers at that time (Table 25).
- From March 2005 to March 2006, Missouri's unemployment fell by 1 percentage point or nearly 30,000 while Massachusetts saw the same amount of unemployment. This likely resulted in an increase in income for Missourians and also an increase in tax revenues to the State of Missouri over that year period of time.

Table 24. Population Distribution by Household Employment Status, states (2003-2004), U.S. (2004)

	At Least 1 Full Time Worker	Part Time Workers	Non Workers	Total
United States	212,176,070	21,886,670	56,223,610	290,286,350
Massachusetts	4,595,950	576,780	1,187,380	6,360,110
Missouri	4,115,510	411,190	1,084,750	5,611,440
United States	73%	8%	19%	100%
Massachusetts	72%	9%	19%	100%
Missouri	73%	7%	19%	100%

For table notes see endnote 26. Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements). <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

Table 25. Unemployment Rate (Seasonally Adjusted), 2006 Compared to 2005

	Mar-05	Mar-06
United States	7,616,000	7,011,000
Massachusetts	163,900	165,900
Missouri	166,700	137,100
United States	5.1%	4.7%
Massachusetts	4.9%	4.9%
Missouri	5.5%	4.5%

For table notes see endnote 32.³⁴ Sources: State and territory figures from the Table 3, *Regional and State Employment and Unemployment: March 2006*, Bureau of Labor Statistics, available at <http://www.bls.gov/news.release/pdf/laus.pdf>. US figures from Bureau of Labor Statistics, available at <http://data.bls.gov/cgi-bin/surveymost?bls>.

7.C. FISCAL CAPACITY, STATE BUDGETS AND TAX LEVELS

- Missouri's Gross State Product (GSP) or output is approximately two-thirds the size of that of Massachusetts (Table 26). This is likely due to 600,000 more adults aged 19-65 in Massachusetts (Table 15), for which a significant share are working and contributing to Massachusetts's production.
- As a result, both federal and state tax collections in Massachusetts are greater than for Missouri, both in total dollars as well as a share of GSP (Table 27). This suggests that the State of Massachusetts collects more in tax revenue dollars but also that its individual tax rate is higher than in Missouri.
- Missouri and Massachusetts spend similar shares of general revenue expenditures on Medicaid (16.5%, 15.9%, respectively) though in dollar terms Missouri spends only one-third (\$1,097) of what Massachusetts spends (\$2,908) on Medicaid (Table 29).

Missouri tax revenues are a lower share of Gross State Product, as compared to Massachusetts

Table 26. Total Gross State Product (GSP) (millions of current dollars), 2004

Massachusetts	317,798
Missouri	203,294

For table notes see endnote 33.³⁵ Sources: Table 1, Regional Economic Accounts, U.S. Bureau of Economic Analysis, 2005, available at <http://www.bea.gov/bea/regional/gsp.htm>.

Table 27. Total Tax Collections (millions of current dollars), 2004

	Total IRS Gross Collections (in millions), 2004*	State Government Tax Collections (in thousands), 2004**	State Government Tax Collections per Capita, 2004**	State Government Tax Collections as percent of gross state product (GSP)**
Massachusetts	59,060,000	16,698,723	2,602	5.25%
Missouri	38,326,485	9,119,664	1,585	4.49%

For table notes see endnote 34.³⁶ Sources: *Table 6, Based on figures from the IRS Data Book, FY2004, Internal Revenue Service, Department of the Treasury, 2005. Available at <http://www.irs.gov/pub/irs-soi/04db06co.xls>. **State Government Tax Collections: 2004, U.S. Bureau of the Census, available at <http://ftp2.census.gov/govs/statetax/04staxss.xls>.

Table 28. Total State General Fund Expenditures (in millions), SFY2004

	Total State Spending*	Per Capita State Spending**	State Government Spending as percent of gross state product (GSP)
Massachusetts	25,683	4,008	8.1%
Missouri	17,945	3,116	8.8%

Sources: *Table 1, 2004 State Expenditure Report, National Association of State Budget Officers, 2006. Available at <http://www.nasbo.org/Publications/PDFs/2004ExpendReport.pdf>. ** Calculations by Kaiser Family Foundation based on Table 1, 2004 State Expenditure Report, National Association of State Budget Officers, 2006. Available at <http://www.nasbo.org/Publications/PDFs/2004ExpendReport.pdf> and the Annual Population Estimates by State, July 1, 2004 Population, U.S. Census Bureau; available at <http://www.census.gov/popest/states/NST-ann-est.html>.

Table 29. Distribution of State General Fund Expenditures (in millions), SFY2004

	Elementary & Secondary	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
Massachusetts	4,225	827	550	2,908	967	94	8,740	18,311
Missouri	2,447	815	43	1,097	492	11	1,755	6,660
Massachusetts	23.1%	4.5%	3%	15.9%	5.3%	0.5%	47.7%	100%
Missouri	36.7%	12.2%	0.6%	16.5%	7.4%	0.2%	26.4%	100%

For table notes see endnote 35.³⁷ Sources: Tables 1 (All expenditures), Table 7 (Elementary and Secondary Education), Table 12 (Higher Education), Table 18 (Public Assistance), Table 28 (Medicaid), Table 32 (Corrections), Table 38 (Transportation), Table 43 (All Other), 2004 State Expenditure Report, National Association of State Budget Officers. Available at <http://www.nasbo.org/Publications/PDFs/2004ExpendReport.pdf>.

CONCLUSION

As the Commonwealth of Massachusetts begins implementing H4479 (An Act Promoting Access to Health Care), to expand health coverage for people in Massachusetts who are uninsured, other states will look to the Massachusetts model as a possible model for reform. This Report compares the landscape of Missouri with that of Massachusetts on a variety of levels, providing background for understanding whether it might be possible to adapt the Massachusetts model to Missouri. In general some of the major findings are that:

Insurance coverage

- The uninsurance rate among the non-elderly was very similar in Missouri (12.7%) and Massachusetts (13.6%) in 2003-04;
- Over 130,000 Missourians, most below the poverty line, lost insurance coverage, through Missouri Senate Bill 539;
- Missouri covered a higher proportion of children in poverty, but a lower proportion of adults in poverty through Medicaid in 2003-04;

Medicaid and Public Funding

- Missouri covers a higher proportion of children through Medicaid, due to a more generous SCHIP program; leading to a low 8% uninsurance rate;
- Missouri adults experienced a significant drop in employer coverage from 2000 to 2004, due to economic difficulties in the state;
- Missouri and Massachusetts used waivers in the 1990s to expand Medicaid eligibility, but as a result of 2005 Legislative changes, adult eligibility levels are now much lower in Missouri but children can qualify at higher incomes;
- Missouri now offers a less generous Medicaid benefits package as compared to Massachusetts, as a result of changes to optional services;
- While Missouri operates a High Risk Pool to help the uninsured, Massachusetts operates a variety of pools and subsidies to assist the uninsured and underinsured, including an Uncompensated Care Pool with funds up to \$1 billion annually to pay for uncompensated care. Missouri has no such earmarked pool of funding for uncompensated care.

Economic and Demographic Comparisons

- Massachusetts has a higher median income and a lower percentage of the population living in poverty;
- Missouri tax revenues are a lower share of Gross State Product, as compared to Massachusetts;
- Missouri has a higher share of African Americans; but a lower share of Hispanics, as

compared to Massachusetts.

These findings point out key ways in which Missouri and Massachusetts are similar, but also different. The similarities may represent opportunities for applying the Massachusetts model to Missouri, while the differences may present challenges. Subsequent reports will explore these similarities and differences, as well the Massachusetts legislation and its applicability to Missouri, in much more depth.

APPENDIX

Data Sources and Methods

This report was prepared using a number of data sources. Most of these sources are enumerated specifically in the footnotes to tables or endnotes to text or tables. However, in general, most of the data used to prepare this report was drawn from secondary sources, for two main reasons. First, this insures consistency across the two states, Missouri and Massachusetts. And, second, the sources used below are generally well know and well-respected and use methods that are well understood.

In general, much of the state-level data used in this report was drawn from the Kaiser Family Foundation's Statehealthfacts.org Internet page: [<http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi>] If this is not the source, the text indicates the source that was used.

The data on health insurance coverage are drawn from the raw data files available on this page. As noted on the Kaiser web page, the data there are based on Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates of the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements). These data are very useful for state estimates for two reasons. First, they are based on 2-year averages of health insurance data. Second, while the data based on the Current Population Survey is the best source for the distribution of the population's health insurance coverage, the estimates are adjusted for undercounting of Medicaid coverage based on CMS counts.

ENDNOTES

¹ John Holahan and Allison Cook. 2006. "The Missouri Economy and Changes in Health Insurance Coverage, 2000-2004," Cover Missouri Project Report 3, Missouri Foundation for Health, March 2006.

² Allison Cook. 2006. "Health Insurance Coverage in Missouri: 2003-2004," Cover Missouri Project Data Book 1, Missouri Foundation for Health.

³ To see this, compare the number of uninsured poor in each state presented in Table 2 to the total uninsured presented in Table 1.

⁴ John Holahan and Allison Cook. 2006. "The Missouri Economy and Changes in Health Insurance Coverage, 2000-2004," Cover Missouri Project Report 3, Missouri Foundation for Health, March 2006.

⁵ NOTES For Table:

¹ Family Support Division/Division of Medical Services-Monthly Management Report, Table 23, (<http://www.dss.mo.gov/re/fsmsmr.htm>). This is a point-in-time count at the end of each month. Medicaid/MC+ Enrollees (Eligibles) are categorized from Table 23 based on the following: Persons with Disabilities = Permanently and Totally Disabled (PTD), Aid to Blind, Blind Pension, Workers with Disabilities MAWD Premium, Workers with Disabilities MAWD Non Premium; Elderly = Old Age Assistance (OAA), Qualified Medicare Beneficiary (QMB); Adults = Medical Assistance for Families(MAF)-Adult, General Relief (GR), Refugee, 1115 Waiver Adult - Extended Transitional Medical Assistance (prior to July 2005), Women with Breast or Cervical Cancer (BCCP), Voluntary Placement; Children = Medical Assistance for Families(MAF)-Child, Foster Care, Child Welfare, Children in a Vendor Institution, DYS- GR, Medicaid for Children, Title XIX HDN, Missouri Children with Developmental Disabilities, MC+ for Kids (SCHIP), Presumptive Eligibility for Kids; Pregnant Women = Medicaid for Pregnant Women MAF Income, Medicaid for Pregnant Women (Poverty), 1115 Waiver Adult - Extended Women's Health, Presumptive Eligibility.

² Missouri Automated Child Support System (MACSS) Monthly Report. The count represents active IV-D cases as of the last day of the month. IV-D cases are where the custodial party is receiving Child Support services offered by the state.

³ Family Support Division/Division of Medical Services-Monthly Management Report, Table 24, (<http://www.dss.mo.gov/re/fsmsmr.htm>). This count represents anyone eligible during the month.

⁴ Family Support Division/Division of Medical Services-Monthly Management Report, Table 1, (<http://www.dss.mo.gov/re/fsmsmr.htm>). This count represents anyone eligible during the month.

⁵ Children's Services Management Report, Table 25, Legal Status 1 only, (<http://www.dss.mo.gov/re/csmr.htm>). This is a point-in-time count at the end of each month.

⁶ Children's Services Management Report, Table 23, Children with a goal of adoption--termination of parental rights (TPR) both complete and incomplete, (<http://www.dss.mo.gov/re/csmr.htm>). This is a point-in-time count at the end of each month.

⁷ Child Care Monthly Management Report, Table 4, Child Care Development Block Grant (CCDBG) only, (<http://www.dss.mo.gov/re/oecmmr.htm>). This count represents anyone eligible during the month.

⁸ Division of Youth Services (DYS) Monthly Extract file. The count represents children in custody on the last day of the month.

⁶ John Holahan and Allison Cook. 2006. "The Missouri Economy and Changes in Health Insurance Coverage, 2000-2004," Cover Missouri Project Report 3, Missouri Foundation for Health, March 2006.

⁷ There is evidence that the recent declines in employer-sponsored insurance led to an increased uptake in public Medicaid coverage. See John Holahan and Allison Cook. 2006. "The Missouri Economy and Changes in Health Insurance Coverage, 2000-2004," Cover Missouri Project Report 3, Missouri Foundation for Health, March 2006.

⁸ Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2004 and 2005 Current Population Survey (CPS: Annual Social and Economic Supplements). <http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=rawdata>

⁹ John Holahan and Allison Cook. 2006. "The Missouri Economy and Changes in Health Insurance Coverage, 2000-2004," Cover Missouri Project Report 3, Missouri Foundation for Health, March 2006.

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- ¹⁰ John Holahan and Allison Cook. 2006. "The Missouri Economy and Changes in Health Insurance Coverage, 2000-2004," Cover Missouri Project Report 3, Missouri Foundation for Health, March 2006.
- ¹¹ John Holahan and Mindy Cohen. 2006. "Missouri Medicaid Spending Growth: 2001-2005," Cover Missouri Project Report 4, Missouri Foundation for Health, March 2006.
- ¹² Sources for Table 8:
Kaiser Family Foundation, retrieved from the World Wide Web at:
<http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi>; (1) J. Holahan and M. Cohen, "Missouri Medicaid Growth: 2001-2005," Cover Missouri Project Report 4, March 2006; (2) Medicaid Statistical Information System (MSIS) data, Center for Medicare and Medicaid Services (CMS),
http://www.cms.hhs.gov/MedicaidDataSourcesGenInfo/02_MSISData.asp#TopOfPage; (3) Missouri, data for Mar. 2006: Family Support Division/Division of Medical Services-Monthly Management Report, Table 23, (<http://www.dss.mo.gov/re/fsmsmr.htm>); Massachusetts, data for Feb. 2006: Massachusetts Medicaid Policy Institute, <http://www.massmedicaid.org/>
- ¹³ Sharon Silow-Carroll and Tanya Aleras, Stretching State Health Care Collars: Building on Employer-based Coverage, The Commonwealth Fund, October 2004.
- ¹⁴ Commonwealth of Massachusetts MassHealth Waiver Extension Request (June 30, 2004). NOTE: Massachusetts Medicaid Policy, Institute, the Mass Health Wavier, April 2005, available at http://www.massmedicaid.org/pdfs/MassHealth_Waiver.pdf
- ¹⁵ Find this Missouri waiver on the Internet at the following address:
<http://www.cms.hhs.gov/MedicaidStWaivProgDemoPGI/MWDL/itemdetail.asp?filterType=none&filterByDID=-99&sortByDID=2&sortOrder=ascending&itemID=CMS043843>
- ¹⁶ Holahan, et al., Roadmap to Coverage: Synthesis of Findings, at 27(October 2005).
- ¹⁷ Karen Pollitz. 2006. "The Missouri Health Insurance Pool: Issues for Policymakers," Cover Missouri Project Report 6, Missouri Foundation for Health, March 2006.
- ¹⁸ The source for this is the MHIP website: <http://www.mhip.org>
- ¹⁹ Enrollment in these Massachusetts plans is not available as of the publication of this document.
- ²⁰ MassHealth 1115 Demonstration Project Annual Report SFY 2004, <http://www.mass.gov>.
- ²¹ Massachusetts Health and Human Services Uncompensated Care Pool, <http://www.mass.gov>
- ²² Commonwealth of Massachusetts, MassHealth Section 1115 Waiver Amendment (May 1, 2006).
- ²³ Sharon Silow-Carroll and Tanya Aleras, Stretching State Health Care Dollars: Innovative Use of Uncompensated Care Funds, New York: The Commonwealth Fund, October 2004.
- ²⁴ Mass Health and Human Services Uncompensated Care Pool, <http://www.mass.gov>
- ²⁵ Various local entities do provide funding for care the uninsured. For example, St. Louis City and St. Louis County provide revenue to fund Connectcare, a private entity providing outpatient services to the region's uninsured.
- ²⁶ John E. Wennberg and Alan Gittleson. 1982. "Variation in Medical Care Among Small Areas," *Scientific American* 246: 120-134; David C. Goodman, Thérèse A. Stukel, Chiang-hua Chang and John E. Wennberg. 2006. "End-Of-Life Care at Academic Medical Centers: Implications For Future Workforce Requirements," *Health Affairs* 25: (2): 521-531.
- ²⁷ John E. Wennberg and Alan Gittleson. 1982. "Variation in Medical Care Among Small Areas," *Scientific American* 246: 120-134; David C. Goodman, Thérèse A. Stukel, Chiang-hua Chang and John E. Wennberg. 2006. "End-Of-

Life Care at Academic Medical Centers: Implications For Future Workforce Requirements," *Health Affairs* 25: (2): 521-531.

²⁸ For all topics based on the CPS on statehealthfacts.org, the grouping used for analysis is the health insurance unit (HIU), which groups individuals according to their insurance eligibility, rather than by relatedness or household. For more details, see "Notes to Demographic and Health Coverage Topics Based on the CPS" at <http://www.statehealthfacts.kff.org/methodology>.

²⁹ Definitions: Persons of Hispanic origin may be of any race; all other racial/ethnic groups are non-Hispanic. "Other" includes Asian-Americans, Pacific Islanders, American Indians, Aleutians, Eskimos and persons of "Two or More Races". These groups have been combined due to their small populations in many states which prevent meaningful statistical analyses of the groups individually. The distribution of the U.S. population by Race/Ethnicity is: White, 194,704,737 (67.1%), Black, 35,183,416 (12.1%), Hispanic, 41,767,046 (14.4%), American Indian, 1,594,612 (0.6%), Asian-Americans and Pacific Islanders, 12,696,704 (4.4%), and Two or More Races, 4,339,831 (1.5%).

³⁰ Notes: Non-Metropolitan includes both respondents living in non-metropolitan areas and areas not classified in either category. Definitions: A Metropolitan Statistical Area must include at least one city with 50,000 or more inhabitants, or a Census-Bureau defined urbanized area of at least 50,000 inhabitants and a total metropolitan population of 100,000 or more (75,000 in New England). For more information, visit the Census Bureau website at <http://www.census.gov/population/www/estimates/aboutmetro.html>.

³¹ Notes: A household consists of all the people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The 3-year average median is the sum of 3 inflation-adjusted single-year medians divided by 3. The figures in columns 2 and 3 are from the Census Bureau and differ from the other poverty-related topics on the site. The Census Bureau groups individuals by households. A household consists of all the people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The basis of analysis for the other demographic and health coverage topics on statehealthfacts.org is the health insurance unit (HIU). See the notes to those topics for more information on these differences.

³² Comparing cost of living across geographic areas is very difficult and there are no readily accepted methods for doing so, nor widely accepted measures, especially for entire states. The Consumer Price Index (CPI), the widely accepted price measure is a measure for the entire US across time, but cannot be used at a point in time to compare different locations. There are some organizations, however, that have compared some major metropolitan areas, such as Boston and St. Louis, for example. In 2005, the American Chamber of Commerce Researchers Association found that the cost of living in Boston was 43.5% higher than it was in St. Louis, for example [<http://www.stlrcga.org/x436.xml>]. However, these results, even if they are helpful for these two locations at that point in time, are not definitive for determining relative costs of living for the rest of Missouri or the rest of Massachusetts, or for other points in time.

³³ Definitions: Persons in poverty are defined as those who make less than 100% of the Federal Poverty Level (FPL). The federal poverty level for a family of three in the 48 contiguous states and D.C. was \$14,680 in 2003 and \$15,067 in 2004. For more information, please see a detailed description of the federal poverty level provided by the U.S. Department of Health and Human Services, available at <http://aspe.hhs.gov/poverty/faq.shtml>.

³⁴ Notes: The unemployment rate measures unemployment within the civilian noninstitutional population. March 2006 state figures are preliminary.

³⁵ Definitions: GSP: Gross State Product is a measurement of a state's output; it is the sum of value added from all industries in the state. GSP is the state counterpart to the Nation's gross domestic product (GDP). GDP is the market value of goods and services produced by labor and property in the United States, regardless of nationality. Current dollar GSP components are compensation of employees, taxes on production and imports, and gross-operating surplus.

³⁶ Notes: Excludes excise taxes collected by the Customs Service and the Bureau of Alcohol, Tobacco and Firearms. Amounts include adjustments to prior years made in Fiscal Year 2004.

³⁷ Definitions: SFY2004: state fiscal year 2004.

NA: Data not available.

General Fund: the predominant fund for financing a state's operations. Revenues are received from broad-based state taxes. There are differences in how specific functions are financed from state to state.

Elementary and Secondary Education: excludes local funds raised for education purposes. States also were asked to include, where applicable, state expenditures that support the state's Department of Education, transportation of school children, adult literacy programs, handicapped education programs, programs for other special populations (i.e., gifted and talented programs), anti-drug programs, and vocational education. States were asked to exclude spending for day care programs in the school system and spending for school health and immunization programs.

Higher Education: states were requested to include expenditures made for capital construction, community colleges, vocational education, law, medical, veterinary, nursing and technical schools, and assistance to private colleges and universities, as well as tuition and fees and student loan programs. Higher education expenditures exclude federal research grants and endowments to universities.

Public Assistance: includes expenditures for cash assistance under the Temporary Assistance for Needy Families (TANF) programs, and other cash assistance (i.e., state supplements to the Supplemental Security Income program, general or emergency assistance). States were asked to exclude administrative costs from reported expenditures.

Medicaid: exclude administrative costs, while including spending from state funds, federal matching funds and other funds and revenue sources used as Medicaid match such as provider taxes, fees, assessments, donations, and local funds. Medicaid general funds include all funds appropriated to the Medicaid agency and any other agency which are used for direct Medicaid matching purposes under Title XIX. All other general funds include state functions not tracked individually, such as hospitals, economic development, housing, environmental programs, health programs (including the State Child Health Insurance Program), parks and recreation, natural resources, air transportation, and water transportation and terminals.

Corrections: states were asked to include, where applicable, expenditures for capital construction, aid to local governments for jails, parole programs, prison industries, and community corrections, as well as expenditures made for juvenile correction programs. States were asked to exclude expenditures for drug abuse rehabilitation programs and institutions for the criminally insane.

Transportation: includes capital and operating expenditures for highways, mass transit, and airports. States were also asked to include expenditures for road assistance for local governments, the administration of the department of transportation, truck and train/railroad programs, motor vehicle licensing, and gas tax and fee collection. The data exclude spending for port authorities, state police and highway patrol.

All Other: includes all remaining programs not captured in the functional categories previously described, including the State Children's Health Insurance Program and any debt service for other state programs (i.e., environmental projects, housing). States with lotteries were asked to exclude prizes paid to lottery winners. States were also asked to exclude expenditures for state-owned utilities and liquor stores.