



# Why Refusing to Fund Medicaid Expansion is Lawful and Good Policy

Implementing Medicaid expansion would conflict with Missouri's commitment to a balanced budget, would pose a grave threat to the state's long-term fiscal outlook, would leave Missouri at the mercy of federal mandates, and would divert scarce Medicaid resources away from those who truly need them the most. Missouri should decline to pursue this irresponsible policy.

## MEDICAID EXPANSION IN OTHER STATES



### Harming the truly needy

Whereas the initial iteration of the Medicaid program focused on giving care to those who could not fend for themselves—such as the disabled and poor families with young children—the expansion population includes able-bodied adults without children who are far less in need of public benefits. **By expanding coverage to these individuals, the state would divert scarce resources away from those who need it the most.**



### Worse access to care

Medicaid coverage does not automatically translate into care. Due to complex paperwork, administrative burdens and low reimbursement rates, **many health care providers do not accept Medicaid patients at all.** Expansion would thus place even more strain on the providers who serve such patients, resulting in delays in receiving care and potentially lower quality care for those currently enrolled in the Medicaid program.



### No improvement in health outcomes

There is no good evidence suggesting that Medicaid expansion actually improves health outcomes. Between 2013 and 2017, **overall mortality and drug overdose deaths were worse in states that expanded Medicaid than those that did not.** And a pilot program in Oregon in which some uninsured adults were randomly selected by lottery to receive Medicaid benefits found no improvement in health outcomes between those who received the benefits and those who did not. There is also no evidence that Medicaid expansion has helped in the fight against COVID-19—to the contrary, 70 percent of the 10 states with the highest deaths per capita are expansion states.



# Why Refusing to Fund Medicaid Expansion is Lawful and Good Policy

## KEY LEGAL ARGUMENTS



### Initiatives cannot be used for appropriations

- Article III, section 51 of Missouri's Constitution provides that an initiative "shall not be used for the appropriation of money other than of new revenues created and provided for thereby."



### Medicaid expansion amendment initiative did not appropriate funds

- The Missouri Court of Appeals allowed initiative to go to voters because "there are no words on the face of the Proposed Measure that appropriate funds."
- The General Assembly has the sole power to appropriate funds—to make or to refuse to make an appropriation. As the Court of Appeals explained, "[t]he Proposed Measure does not direct or restrict the General Assembly's ability to change the amount of appropriations for the MO HealthNet program or to increase or decrease funding for the program based on health-care-related costs." The amendment thus leaves any funding decisions to the ordinary legislative process.



### Appropriation language is lacking

- Wherever the General Assembly is constitutionally required to make a particular expenditure, the Constitution uses mandatory and unambiguous terms to set the appropriation. There is no mandatory appropriation language in the Medicaid expansion amendment.



### The Constitution closely regulates Executive Branch ability to draw funds from the treasury: Article IV §28

- Supreme Court interpreted Article IV §28 to encompass only a law enacted through ordinary appropriation legislation or an initiative that includes a dedicated revenue source. A number of state statutes also prohibit the executive from incurring obligations or making payments that exceed existing appropriations.
- Because there is currently no appropriation to fund Medicaid expansion, the Executive Branch would violate the Constitution if it took steps to implement the expansion, such as submitting a state plan amendment (SPA) to the federal government.

## BOTTOM LINE

**Nothing in the Medicaid expansion amendment compels the General Assembly and governor to take steps to implement Medicaid expansion absent an appropriation through the normal legislative process.**