



WEEKLY REPORT

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Medicaid Needs Oversight to Serve Those Truly In Need

My Senate and House colleagues and I recently met in joint session to hear Governor Blunt's State-of-the-State address, which included his budget plan.

While many leading economic indicators project favorable revenue growth, one-time funding mechanisms used over the last two budget years have put us some \$300 million in the red for the 2005-2006 cycle by some estimates.

As Missouri's Constitution requires a balanced budget, and as voters have forcefully (and rightly) rejected statewide tax increases, it's clear that considerable belt-tightening is in order. While some aspects of streamlining Missouri's programs and services might appear difficult to bear at first glance, careful examination of the governor's plan reveals a thoughtful strategy for ensuring that the people of Missouri are well served, well educated and fairly taxed.

To lawmakers, Governor Blunt reiterated his fiscally responsible plan of balancing the state budget *and increasing school funding* without raising taxes. One of the many steps necessary to achieve this is strengthening oversight of our state's Medicaid program.

Nearly one in five Missourians receive Medicaid benefits, which consume more than one of every four dollars from the state's \$19 billion budget. Only one other state expends more per capita on Medicaid benefits; and Missouri leads the nation for Medicaid spending growth.

To be clear, I believe Medicaid is an essential humanitarian program – not all are fortunate enough to enjoy the blessings of complete self-sufficiency. This in mind, it is imperative that we take a closer look at how benefits are being applied for, distributed and received to ensure that these benefits will still be available to those truly in need.

The focus of this closer look is verification.

A deafening roar of indignation has followed the governor's address. "Hundreds of thousands will be tossed on the streets," goes the loud but misinformed assertions made on TV, in print and on the Capitol steps.

Drawing on the calming quiet of reality, I can assure you it is not possible to back any such claims. The way Medicaid is run now, no one in the state knows the impact of proposed reforms *because no one knows who is rightly and who is wrongly receiving benefits*. We don't know because there are no – zero – eligibility verification processes in place. An applicant says they earn less than \$1,000 a year, and Missouri assumes it to be true. This and other application information is taken as submitted, not verified at *any* stage, filed away in a drawer and the checks start coming.

To be sure, the overwhelming majority of Medicaid applicants are presenting the genuine facts of their circumstances. To be equally sure, Missouri owes its taxpayers and current Medicaid participants the implementation of a trust-but-verify Medicaid application process.

It's in our nature to think the best of our fellow man, but the real world offers harsh realities. With respect to Medicaid, there are outfits selling their abilities to help hide assets. There is unreported income. There is the renting of P.O. boxes in Missouri and people moving to Missouri solely for the state's lucrative and virtually unrestrained benefits.

These realities are why I will be working hard this session to advance the governor's Medicaid eligibility verification initiative. The process has no impact on those deservedly applying for benefits. But verification will go a long way toward cutting fraud from a worthy program in place to help those whose lives would truly be bleak were they not able to draw assistance from those who can provide.

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