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**Changes in Missouri Medicaid Enrollment:
Adult Expansion Group and Disability Over the 2021-2024 Period***Authors: Timothy D. McBride, Sarah A. Eisenstein, Claire Pavlides***KEY FINDINGS****PURPOSE**

The expansion of Medicaid in Missouri was approved by voters in Missouri through the passage of a constitutional amendment in August 2020, implemented in July 2021.¹ Enrollment in the Adult Expansion Group (AEG) grew to over 350,000 at its peak in Missouri in June 2023,² but at the same time applications for coverage and enrollment counts of persons with disabilities dropped significantly. This brief explores the changes in applications for Medicaid coverage by persons with disabilities, and enrollment under the disability category, with analysis of the implications for the budgetary costs for Missouri's general revenue budget.

BACKGROUND

An expansion of the Missouri Medicaid program was approved by voters in Missouri through the passage of a constitutional amendment in August 2020, later upheld by the Missouri Supreme Court in July 2021.³ Expansion led to over 350,000 enrolled in the Adult Expansion Group (AEG) at its peak.⁴ Under the Medicaid expansion, individuals qualify to join the program under the AEG if their adjusted income is below 138% of the federal poverty level (FPL), which is \$21,597 for an individual, \$36,777 for a family of three.⁵

There are a few types of benefits only available as a permanently and totally disabled (PTD) enrollee, but generally the coverage is the same.⁶ Moreover, an AEG individual can earn up to 138% of the FPL and still qualify, while a PTD individual is restricted to earning no more than 85% of the FPL, or participating in the "spenddown" program, which allows a person with high medical costs to demonstrate that those high costs effectively put their net income in the eligible range.

Importantly, the federal match rate (FMAP) for the PTD population was lower (65.3%) in 2025 than it is for the AEG population (90%), meaning that the state's general revenue (GR) share of the costs are higher (34.7%) for a person who is PTD as compared to a person who qualifies as AEG (10%).⁷ However, if a subset of individuals with disabilities who otherwise would have enrolled as PTD instead become part of the AEG, this may have implications for the average total utilization and spending in both groups. For this reason, analyzing the relationship over time between PTD and AEG enrollment in Missouri post-expansion is useful to inform budgetary and policy discussions.

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- The net change in Modified Adjusted Gross Income (MAGI) applications approved after the COVID-19 Public Health Emergency (PHE), relative to before the expansion, has increased by over 5,600 per month, while the number of non-MAGI applications approved has dropped by almost 2,000 per month.
- Prior to the PHE, the disability enrollment was relatively stable, hovering around 150,000 (for the 2018-2019 period).
 - The effect of the PHE led to increases in enrollment in all categories of MOHealthNET enrollees, but after the unwinding of the PHE the disability population dropped by about a total of 27,000 enrollees by October 2024, relative to the pre-2020 baseline.
- Approximately 54% of the state's cost of the Adult Expansion Group (AEG) is directly offset due to individuals choosing to apply for expansion instead of disability.
- Ongoing analysis will be needed to assess whether the number of permanently and totally disabled (PTD) enrollees has stabilized or whether the drop in non-MAGI applications is continuing, relative to the pre-expansion baseline. If so, the fiscal offset will continue to grow over time.

A complicating factor in analyzing this topic is the contemporaneous COVID public health emergency (PHE). Due to PHE-related federal rules, states retained all individuals enrolled in their Medicaid programs without requiring reverification of income. During the PHE annual reverifications of Medicaid enrollment were paused by the federal government, which meant that those enrolled in Medicaid during that period were not disenrolled. Nationwide, Medicaid enrollment rose to a record high during the pandemic,⁸ and in Missouri the enrollment also rose to over 1.5 million,⁹ a record high. Federal law passed at the end of 2022 established standards for ending the PHE, and a resumption of the recertification process, commonly called the “unwinding” process. The usual process of recertifying individuals’ and families’ eligibility for Medicaid on an annual basis began again in June 2024.¹⁰ In this brief, we provide some comparisons to counterfactual reference points that likely would have prevailed in the absence of the PHE, in order to assess the effect of the expansion policy.

MOHealthNET recipients:

choosing between disability and AEG

The option of expansion created a new and more straightforward coverage option for adults, including those with disabilities, applying for Medicaid coverage for the first time. Prior to expansion, the only way for a childless adult to obtain coverage was to apply to the permanently and totally disabled (PTD) category. Qualifying for coverage under the PTD category entails a lengthy application process in which an individual must prove a permanent disability, obtaining certification by physicians. Unlike most states, which use qualification for Supplemental Security Income (SSI) as an automatic qualifier, Missouri is a 209(b) state, meaning that it retains the right to place additional restrictions on eligibility. However, under the Medicaid expansion, a low-income individual with disabilities (under 138% of the FPL) seeking health insurance qualifies for the AEG solely based on their income, so they may decide to forgo the PTD application in favor of applying for Medicaid under expansion as part of the AEG.

DATA AND METHODS

The Missouri Monthly Management Report series¹¹ documents the number of applications received and approved by MO HealthNet, as well as monthly enrollment totals and summary information regarding spending, by eligibility category. This data source was supplemented by information from the Kaiser Family Foundation on Missouri’s Federal Matching Assistance Percentage (FMAP), which changes slightly in each federal fiscal year.

This brief presents a descriptive analysis of enrollment trends over time. Moreover, we further illustrate changes in the PTD population over time by separating it into existing enrollment, net of attrition, and newly approved enrollment. This allows us to depict the trends relating to attrition, which are compared to the predicted values from our pre-expansion, pre-pandemic model of PTD enrollment and attrition that we expected to see after the implementation of Medicaid expansion.

Finally, we aggregate monthly spending data and enrollment data, apply the appropriate FMAP rates to each population, and thereby calculate the effect on state (General Revenue or Other Sources) spending. Each month, the dollar savings are calculated by comparing the FMAP for the AEG to the FMAP for a person with disabilities (roughly a 35 percent difference currently).

RESULTS

Applications. One piece of evidence on what has happened post-expansion is to observe what has happened to the applications for MOHealthNET since, as described above, a new applicant can choose between signing up for AEG or PTD. After the Medicaid expansion took effect in October 2021, the number of Modified Adjusted Gross Income (MAGI) applications increased significantly by an average of over 10,500 applications per month while the number of non-MAGI applications dropped significantly, by an average of over 3,300 applications per month (see Table 1). Some of these applications were rejected; but the number of MAGI applications approved still increased by over 7,000 monthly in the July 2021 to May 2023 period, while the number of non-MAGI applications dropped significantly almost 2,000 in the same period.

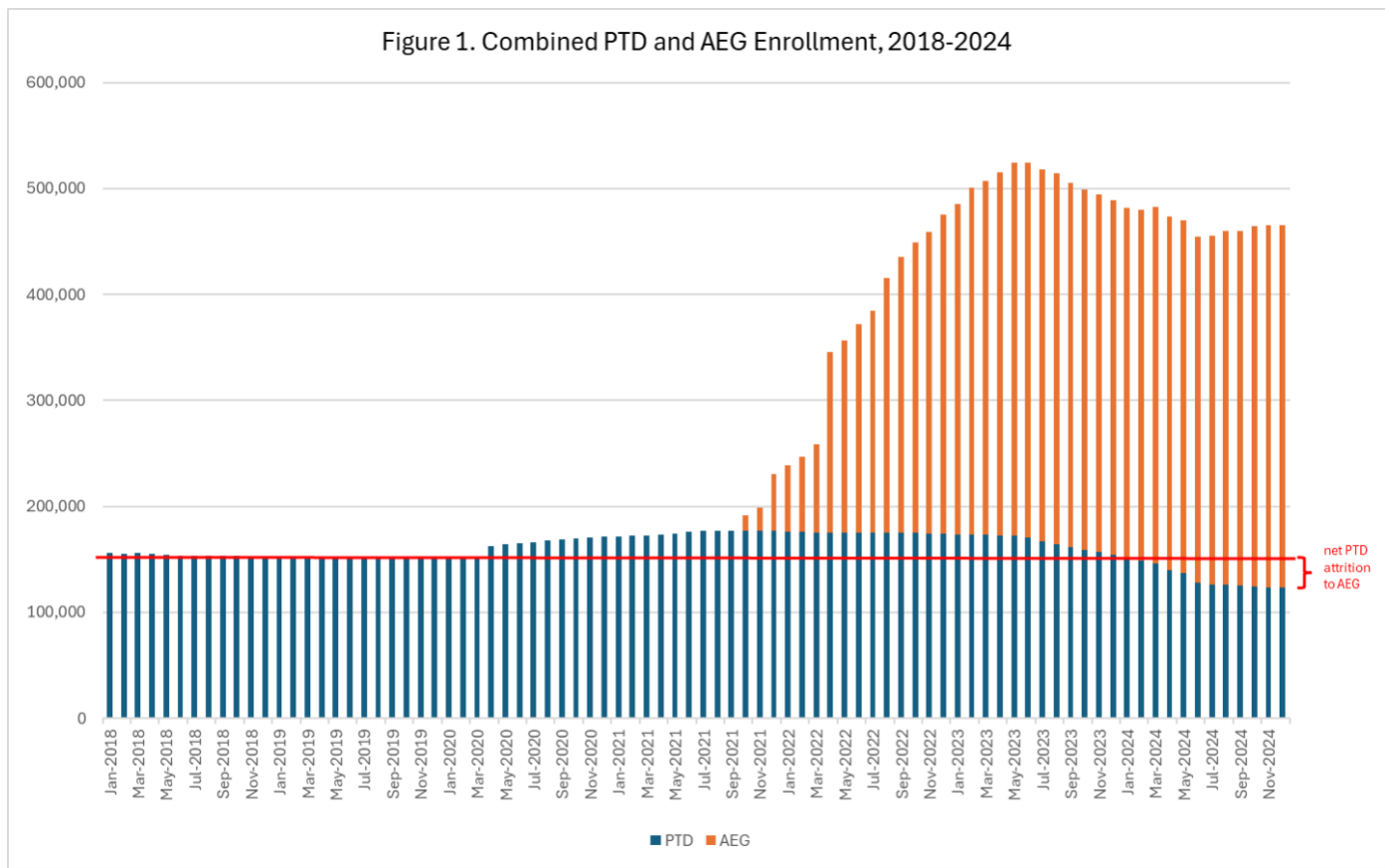
Table 1. Monthly Average Applications for Missouri MAGI and non-MAGI, 2020-2025				
	MAGI*		Non-MAGI*	
	Applications	Approved	Applications	Approved
Pre-Expansion: 1/2020-6/2021	9,081	3,495	9,746	4,119
Expansion: 7/2021-5/2023	19,594	10,631	6,384	2,162
Post-PHE: 6/2023-1/2025	24,617	9,168	6,791	2,121
Change				
Expansion less pre-Expansion	+10,513	+7,136	-3,362	-1,957
Post-PHE less Expansion	+5,023	-1,463	+407	-41
NET: post-PHE level compared to pre-expansion level	+15,536	+5,673	-2,955	-1,998
SOURCE: Family Support Division Monthly Management Report: https://dss.mo.gov/re/fsd_mhdmr.htm				
NOTE: *MAGI =Modified Adjusted Gross Income, i.e. this is the income standard used for the population to qualify.				

In the post-PHE period, the MAGI applications remained robust and continued to grow (by over 5,000 per month), but the number of *approved* applications dropped. The number of non-MAGI applications stabilized in the post-PHE period after May 2023, but remains well below the flow of applications received before the expansion started in Missouri. As shown in Table 1, the net change in MAGI applications approved after the PHE, relative to before the expansion, is up over 5,600 per month, while the number of non-MAGI applications approved has dropped by almost 2,000 per month. All of this evidence is consistent with the theory that some new applicants who might have otherwise sought coverage as PTD individuals are applying instead as AEG.

Enrollment. Prior to the PHE which began in March 2020, PTD enrollment was relatively stable, hovering around 150,000 to 152,000 for the two years prior. The average for 2019 was 151,628. The effect of the PHE can be seen almost immediately in the ensuing months. Lack of redetermination meant that PTD enrollment continued to grow, peaking in November 2021 with 177,390 people. Meanwhile, expansion enrollment began officially in October 2021 with 14,005 people in the AEG. This number grew rapidly and did not peak until June 2023 at 354,187. This was the month that the PHE “unwinding” began, meaning that individuals’ incomes had to be reverified by the Department of Social Services’ Family Support Division (FSD). This process ended in June 2024.

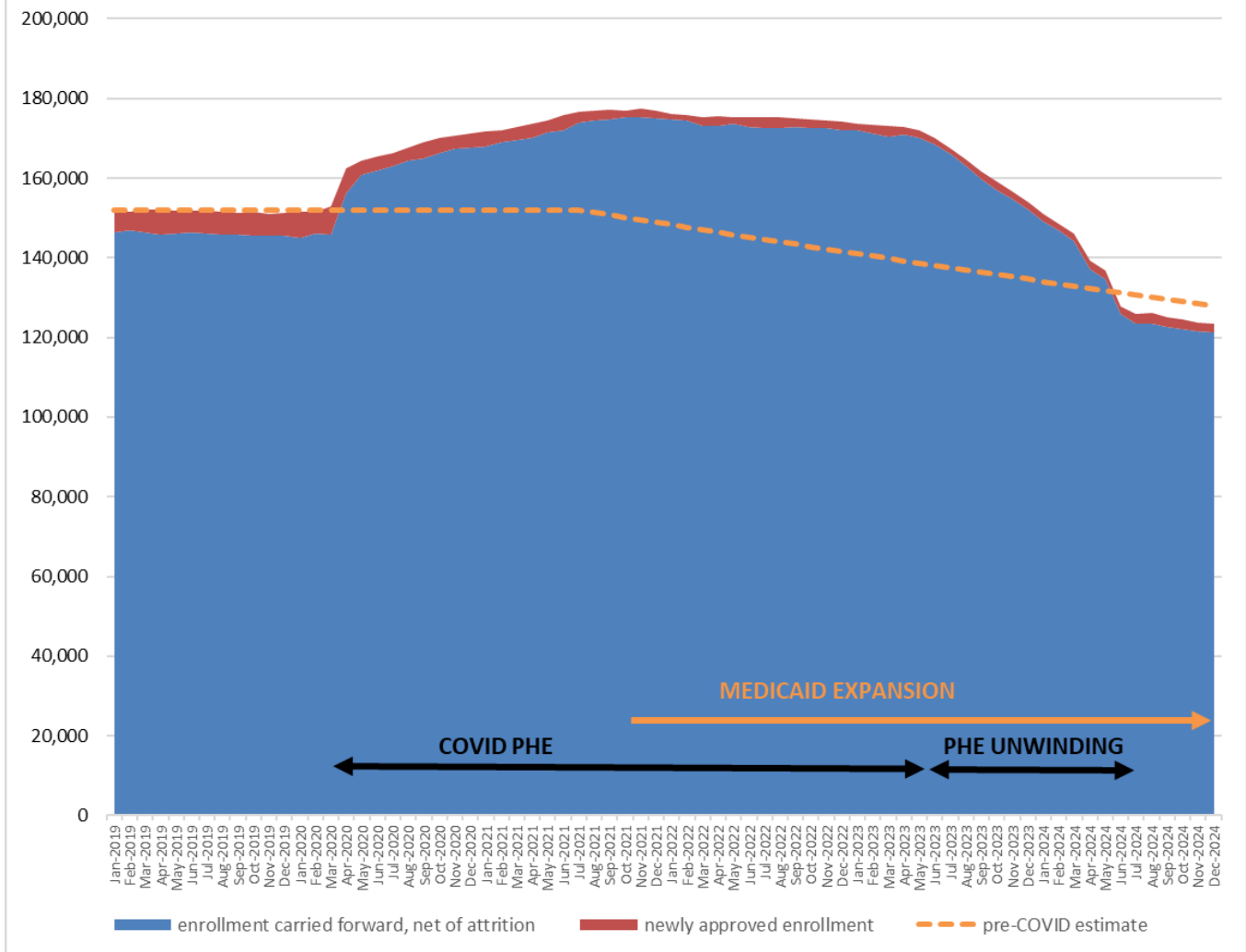
Extending the pre-COVID trend forward in time, we estimate that, absent expansion, there would have continued to be about 151,000 individuals enrolled in the PTD group after the unwinding ended. (Even though new enrollees are added each month, about the same number are typically removed. The most common reasons are a switch to Medicare as the main coverage source and death.) Instead, we find that 123,562 were enrolled as of December 2024, a net drop of about 28,000 enrollees by December 2024.

This difference is indicated in Figure 1 with a red bracket. We term this “PTD attrition,” which means *not* that any individual PTD enrollees switched to the AEG group, but rather that the constant inflows and outflows for each eligibility group resulted in a net decrease from the PTD group and a net increase for the AEG group, likely for the reasons explained above.



Another way to depict this finding is to focus on the PTD group alone, displaying the overall enrollment that is carried forward from month to month as well as the net new members of the group. In Figure 2, we show this trend in comparison to our own pre-expansion estimates, which informed a fiscal analysis of Missouri Medicaid expansion published in February 2019. The red area, which shows new approved applications, becomes smaller during the PHE and unwinding. Both values combined are slightly below the originally projected number for December 2024. Figures 1 and 2 demonstrate that the hypothesized benefit of expansion to persons with disabilities – namely an easier pathway to coverage with a less restrictive income requirement – has been realized. This is true as an effect of expansion, separate from the PHE coverage policies.

Figure 2. PTD Total and Newly Approved Enrollment, Actual vs. Projected, 2019-2024



Spending. In terms of spending patterns, we found that PTD costs are rising faster than inflation, while AEG costs are not (Figure 3). With the exception of the first few months, when AEG enrollment was slow and was likely dominated by individuals with urgent medical needs, AEG nominal spending per month has held relatively steady around \$780 per month. When adjusting for inflation (to October 2024 dollars), real spending is closer to \$800 per month. On the other hand, PTD spending has increased by about 50% in nominal dollars and about 30% in inflation-adjusted dollars to over \$3,200 per month. This suggests that those who are choosing to enroll through AEG may be individuals with comparatively better health. It also suggests that those who chose the AEG pathway to obtain coverage are not particularly high utilizers – although it is also possible that other, healthier individuals who comprise the AEG are counterbalancing any effect that this crossover population might have.

It is beyond the scope of this brief to conduct a full fiscal analysis of Medicaid expansion, but it is useful to apply the values that have been calculated here to understand the fiscal impact of the PTD attrition phenomenon on its own. Thus, combining the values in the tables and figures above, we focus on the state’s share (General Revenue and Other Sources) of costs, using the 10% FMAP for the AEG and the 65.3% FMAP for the PTD population.

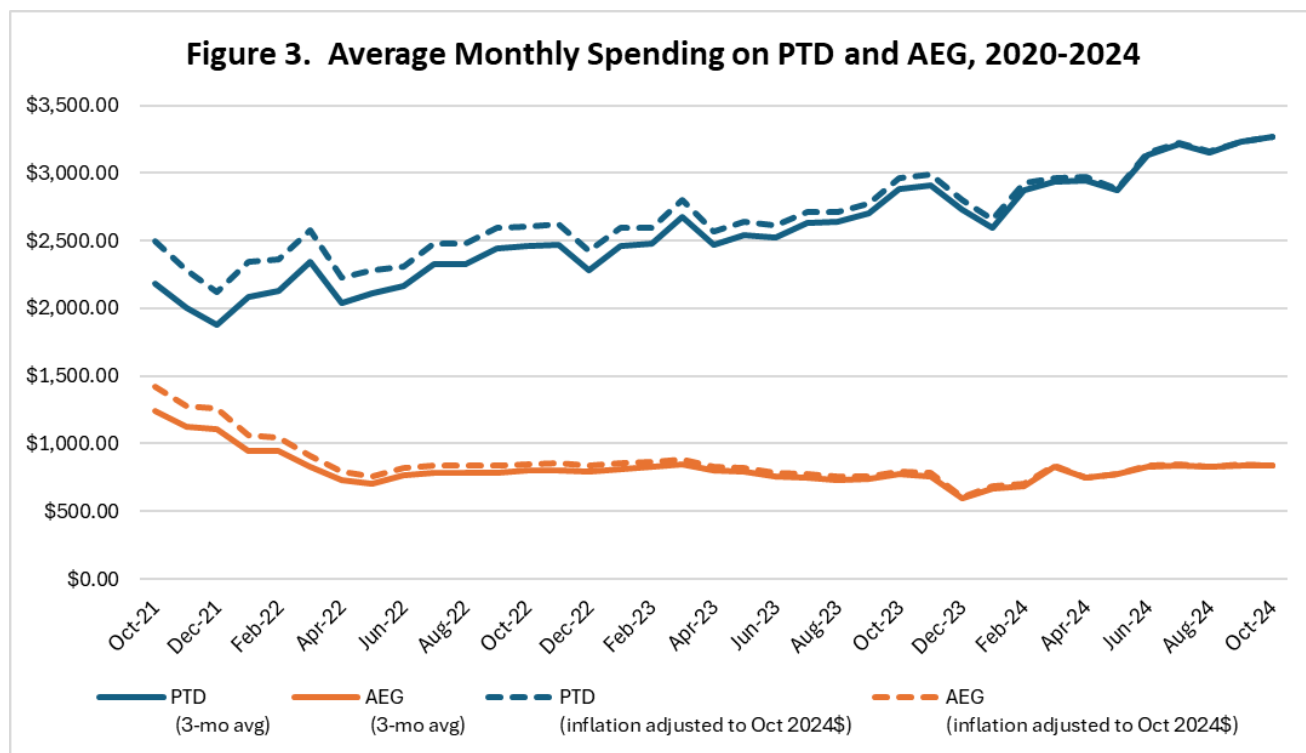


Table 2. State’s Share of Cost of AEG Group, Net of PTD Attrition Savings

	Average per month* (thousands of dollars)	Annualized (thousands of dollars)	Percentage
Total cost to State of Missouri of AEG group	\$28,075.8	\$336,910.2	100.0%
State of Missouri’s budgetary savings due to PTD attrition	\$15,019.3	\$180,231.7	54%
State of Missouri’s cost of AEG group, net of PTD attrition savings	\$13,056.5	\$156,678.4	46%

* Monthly average based on Sept-Dec 2024 post-unwinding data.

Notes: All values are calculated relative to a baseline of 151,620, which is the average for 2019, with PTD enrollment estimated as having dropped about 27,000 by October 2024. Savings are also computed using the difference between the FMAP for the AEG (90%) and the FMAP for the disability group (65.3%) in FY2025, a difference of roughly 25%. Total spending is calculated based on the per-member, per-month costs above for FY2025, with a moving average of roughly \$3,266 per month for disability recipients and \$842 per month for AEG recipients.

This suggests that approximately 54% of the state’s cost of the expansion is directly offset due to individuals choosing to apply for AEG rather than wait for a disability determination.

IMPLICATIONS

This analysis explores the impact of the Medicaid expansion on choices recipients have made to apply for the expansion category (AEG) if they are in fact disabled, on the theory that this is an easier and quicker path to obtaining coverage than waiting for coverage through the PTD designation. While it is found that in the four years after the expansion has been implemented in Missouri, there has been a significant drop in the number of disability (non-MAGI) applications while the applications for AEG has grown, with an expected drop in the disability rolls, ongoing analysis will be needed to assess whether the number of PTD enrollees has stabilized or may be continuing to decline. If the drop in non-MAGI applications continues to persist, then assuming the current FMAP structure is not revised at the federal level, the fiscal offset will continue to grow. These trends are worth tracking over time.

Another issue worth tracking is the per-member spending for the AEG and disability groups, which show very different trends. The reasons for these trends are worth exploring over time. One possibility is that the less healthy disabled recipients are not choosing to enroll in AEG, perhaps because they would be put on a managed care plan. If that is the case, then there is a “selection effect” happening in these trends that is worth tracking. Other explanations for these trends are worth exploring as well.

REFERENCES

¹ Missouri Supreme Court: <https://www.courts.mo.gov/file.jsp?id=178955>

² See Missouri Medicaid Enrollment Dashboard: <https://publichealth.wustl.edu/items/missouri-medicaid-enrollment-tracking-dashboard/>. Under expansion the Adult Expansion Group (AEG) includes adults aged 19-64 earning up to 138% of the federal poverty line (FPL; \$30,305 for a family of three.)

³ Missouri Supreme Court: <https://www.courts.mo.gov/file.jsp?id=178955>

⁴ See Missouri Medicaid Enrollment Dashboard: <https://publichealth.wustl.edu/items/missouri-medicaid-enrollment-tracking-dashboard/>. Under expansion the Adult Expansion Group (AEG) includes adults aged 19-64 earning up to 138% of the federal poverty line (FPL; \$30,305 for a family of three.)

⁵ Department of Health and Human Services, <https://aspe.hhs.gov/sites/default/files/documents/dd73d4f00d8a819d10b2fdb70d254f7b/detailed-guidelines-2025.pdf>

⁶ Missouri DSS, “Benefit Table Master List of Covered Services,” <https://mydss.mo.gov/media/pdf/benefit-tables-master-list-covered-services>

⁷ Kaiser Family Foundation, Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier: <https://www.kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/>

⁸ CMS, November 2024 Medicaid & CHIP Enrollment Data Highlights, <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html>

⁹ Missouri DSS, Caseload Counter, <https://dss.mo.gov/mis/clcounter/history.htm>

¹⁰ Missouri DSS, Renewing Your MO HealthNET Coverage, <https://mydss.mo.gov/renew>

¹¹ Missouri DSS, Management Report, Family Support Division and MOHealthNET, https://dss.mo.gov/re/fsd_mhdmr.htm