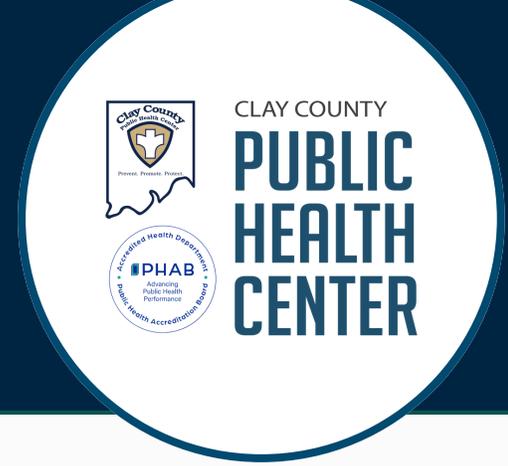


# MISSOURI MEDICARE: KEY CHANGES FOR PROVIDERS

## Budget Reconciliation Act Changes – Provider Summary

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### Key Changes

- **Medicare Savings Programs (MSPs) Enrollment**
  - New federal rules to simplify enrollment/renewal in MSPs will no longer be implemented, effective immediately.
  - An estimated 1.3 million low-income Medicare beneficiaries nationwide could lose support with premiums, cost-sharing, and supplemental benefits.
  - Higher risk of coverage gaps
  - Expect more patients facing premium burdens, unpaid balances, and delays in seeking care.
- **Temporary Physician Payment Adjustment**
  - A 2.5% increase in the Medicare Physician Fee Schedule conversion factor applies for services between January 1, 2026 – January 1, 2027.
  - Short-term relief only; payments revert afterward unless extended.
- **Sequestration Cuts (Deficit Reduction)**
  - Unless Congress intervenes, Medicare will face automatic spending cuts totaling ~\$500 billion (2026–2034).
  - Potential impacts include downward pressure on reimbursement, hospital payment updates, and Medicare Advantage/Part D subsidies.

### Why This Matters

- **Uncompensated Care:**
  - Patients losing MSP coverage are more likely to delay care and present to emergency departments in crisis.
  - Many of these patients' balances are likely to remain unpaid.
- **Access Strain:**
  - Hospitals, rural providers, and FQHCs may see higher uncompensated care loads, especially where dual-eligible patients are concentrated.
- **Temporary Payment Boost:**
  - The 2026 physician rate increase may ease pressure briefly but creates uncertainty about long-term financial stability.
- **Program Stability:**
  - Sequestration cuts risk further squeezing provider margins and limiting participation in Medicare.

### For More Information

- Missouri CLAIM (Medicare counseling for patients): 1-800-390-3330
- Kaiser Family Foundation Medicare Updates: [kff.org/medicare](https://www.kff.org/medicare)
- Missouri Hospital Association Policy Briefs: [web.mhanet.com](https://www.web.mhanet.com)



### What Providers Can Do

- **Screen for Eligibility:**
  - Encourage patients to reapply for MSPs/Extra Help annually to avoid lapses.
- **Prepare for Unpaid Costs:**
  - Plan for higher rates of patient financial assistance and charity care needs.
- **Monitor Reimbursement:**
  - Adjust practice and hospital financial planning for the temporary 2026 payment bump and potential sequestration cuts in 2026+.
- **Advocate:**
  - Engage with state associations (e.g., Missouri Hospital Association, Missouri Primary Care Association) to keep legislators informed and encourage Congressional fixes.