

**Social Services Estimating Conference
Medicaid Caseloads and Expenditures
March 12, 15 and 30, 2021
Executive Summary**

The Social Services Estimating Conference convened on March 12, 2021, to adopt a new Medicaid caseload forecast; on March 15, 2021, to revise the series of FMAP projections; and on March 30, 2021, to update the expenditure projection for the period covering FY 2020-21 through FY 2025-26.

Caseload Estimating Conference – As a result of the caseload increases that have already materialized, as well as the uncertainty arising from the future course of the COVID-19 pandemic and its differential effects on the economy, the Conference increased total caseload in FY 2020-21 to 4,513,419—well above the prior peak of 4,017,726 seen in FY 2016-17. This is an increase of 71,406 or 1.61% over the prior forecast.

Caseload remains higher than the old peak of 4,017,726 throughout the remainder of the forecast, despite its expected decline in the outer years as the unemployment rate improves. The caseload is projected to rise to 4,835,582 in FY 2021-22, before beginning a period of decline to 4,705,164 in FY 2022-23; 4,614,028 in FY 2023-24; 4,529,933 in FY 2024-25; and 4,452,362 in FY 2025-26.

In terms of fiscal years, the new forecast shows a 18.3% increase in Medicaid caseload for FY 2020-21 over the prior fiscal year and a further 7.1% increase in FY 2021-22. See the table below for additional detail.

Total Medicaid Caseload			FY 2020-21			FY 2021-22
			4,513,419			4,835,582
	SMMC		FFS			
	FY 2020-21	FY 2021-22		FY 2020-21	FY 2021-22	
TANF 0-13	1,602,548	1,667,137	Other FFS	275,362	300,970	
TANF 14+	1,244,165	1,412,884	Medically Needy	112,026	153,141	
SSI Medicaid	306,618	312,444	QMB/SLMB/QI	484,743	501,380	
SSI Dual	101,682	103,308	XXI Children (6-18)	5,007	5,810	
HIV/AIDS Medicaid	8,324	9,290	General Assistance	466	305	
HIV/AIDS Specialty Medicaid	8,850	9,649	Family Planning	50,771	48,233	
HIV/AIDS Dual	4,392	4,391	Relative Caregiver	14,558	14,028	
LTC Medicaid	10,003	10,777	Child Only	19,478	19,556	
LTC Dual	80,520	80,808	Families with Adults	36,330	31,724	
Child Welfare	65,145	66,122	Unemployed Parents	7,423	5,125	
CMSN	73,990	77,394				
PDN	1,017	1,106				

NOTE: Caseload is projected separately for the Statewide Medicaid Managed Care (SMMC) and Fee for Service (FFS) categories. The SMMC enrollment is forecasted by enrollment categories that align with capitation rate cell groupings (e.g. TANF, SSI, HIV/AIDS, etc.) and by geographic Medicaid super-regions. The FFS enrollment is forecasted by statewide enrollment categories that align with Medicaid eligibility groupings (e.g. Medically Needy, QMB/SLMB/QI, Family Planning, etc.). While the names of some of the current FFS categories are unchanged from prior methodologies, the current groups are not directly comparable to the historical groups shown in forecasts prior to July 2016.

Expenditure Estimating Conference – The new expenditure forecast takes account of the Medicaid caseload growth described above. The current projections also include a 6.2% enhanced FMAP rate through June 30, 2021, as authorized by the Families First Coronavirus Response Act. The underlying public health emergency may be further extended into FY 2021-22 which would result in a reduction to the required state funds suggested by this forecast. Conversely, no reductions in federal Disproportionate Share Hospital (DSH) funding have been included in the forecast, even though the DSH reductions are set to go into effect in 2024 unless additional federal action is taken.

All years of the forecast now reflect the federal waiver authority for the size of the Low Income Pool (LIP); this authority continues through June 2030. The forecast also assumes continuation of Intergovernmental Transfers (IGTs) from local taxing authorities, as well as continuation of IGTs for DSH based on historical collections for this purpose. While IGT collections for LIP and DSH have no impact on managed care plan capitation rates, the Social Services Estimating Conference strongly cautions that IGTs for these purposes may be at risk in the future, resulting in lower supplemental payments to providers.

In the expenditure forecast, an overall rate increase of 1.5% was applied to the Prepaid Health Plans category at a granular level beginning October 1, 2020. This figure was initially suggested by the August 4, 2020 letter prepared by Milliman, Inc. (reference “Social Services Estimating Conference – RY 20/21 Draft Estimates and Combined SMMC Rate Change for October 2020 through September 2021”) and has been subsequently confirmed. In the outer years, the MMA capitation rate increase is projected to be 2.0% in October 2021, 2.3% in October 2022, 2.5% in October 2023, 2.7% in October 2024, and 2.8% in October 2025, as expected increases in medical inflation begin to take hold.

For the Prepaid Health Plan – Long Term Care (LTC) category, the actual rate increase on October 1, 2020, was 1.5%. This figure was initially provided in the same August 4, 2020 letter referenced above. In the outer years, LTC capitation rates are projected to increase 1.5% in October of each year.

Final, reconciled program expenditures for FY 2019-20 totaled \$26,648.0 million. For FY 2020-21, program expenditures are expected to increase to \$32,052.6 million (20.3% above the 2019-20 fiscal year total). This level is higher than the appropriated level and higher than forecasted in December—but the additional need for state funds has been suppressed by the temporary FMAP boost described above and below. Overall, the new forecast anticipates a surplus in General Revenue funds for the current year of \$618.8 million relative to the appropriated level. For FY 2021-22, program expenditures are expected to increase to \$33,765.3 million (5.3% above the new estimate for the 2020-21 fiscal year). The General Revenue requirement for FY 2021-22 is \$1,662.2 million above the FY 2021-22 base budget level, caused by the dual effects of an increasing caseload and the expected end of the supplementary federal funding.

Expenditure Forecast (millions)	FY 2020-21 Forecast	Comparison to Prior Forecast*	FY 2021-22 Forecast	Comparison to Prior Forecast*
General Revenue	\$6,515.8	\$276.0	\$8,756.8	(377.3)
Medical Care TF	20,087.1	(732.9)	19,037.0	(704.6)
Refugee Assistance TF	3.3	12.6	3.8	13.1
Public Medical Assistance TF	766.5	0.0	839.6	(8.7)
Other State Funds	476.3	22.4	577.0	(0.5)
Grants and Donations TF	3,110.3	55.6	3,426.9	(50.0)
Health Care Trust Fund	726.7	0.0	781.2	(1.8)
Tobacco Settlement TF	366.6	(45.8)	343.0	(68.7)
Total	\$32,052.6	(\$412.1)	\$33,765.3	(\$1,198.5)

*Gain from Lower Costs / (Additional Cost) relative to the December 2020 forecast

Federal Medical Assistance Percentage – Using new population and personal income data for the nation and for Florida, the Conference made modifications to the Federal Medical Assistance Percentage (FMAP) levels used for state budgeting purposes. Further adjustments were made to reflect the Families First Coronavirus Response Act (FFCRA; P.L. 116-127), signed into law March 18, 2020, which provided states and territories with a temporary 6.2 percentage-point increase in the regular FMAP. Based on the recent determination by the US Secretary of Health and Human Services that a Public Health Emergency still exists, the Conference applied the FFCRA FMAP enhancement through June 30, 2021. The confirmed base federal FMAP for 2019-20 is 61.47%, for 2020-21 is 61.96%, and for 2021-22 is 61.03%. After adjusting for FFCRA and the State’s fiscal year, the effective state FMAP for 2020-21 is 68.04% and for 2021-22 is 61.26%. The 2020-21 federal share is higher than expected in the prior forecast due to the extension of the public health emergency.