

**Social Services Estimating Conference  
Medicaid Caseloads and Expenditures  
February 12 and March 4, 2015  
Executive Summary**

The Social Services Estimating Conference convened on February 12, 2015 to adopt a revised Medicaid caseload projection and reconvened on March 4, 2015 to update the expenditure projections for Fiscal Year 2014-15 and Fiscal Year 2015-16.

**Caseload Estimating Conference**—The Conference adopted a caseload projection for Fiscal Year 2014-15 that was 7,703 (0.21%) lower than the one adopted in November 2014, and increased the projection for Fiscal Year 2015-16 by 1,946 (0.05%). Changes related to the Patient Protection and Affordable Care Act (PPACA) had a significant impact on the June 2014 forecast, but the impact moderated with results of the November 2014 conference and this conference. Still persisting are the impacts of coding modifications to the FLORIDA system and new entrants through the federal health insurance exchange, as well as the transition to the use of the Modified Adjusted Gross Income (MAGI) as the basis for Medicaid eligibility determination, all of which continue to result in the need for caseload adjustments for several eligibility categories. The ‘TANF’, ‘Categorically Eligible,’ and ‘Medically Needy’ groups required smaller adjustments than were necessary for the November 2014 conference, with changes in caseload estimates now ranging from -6.28% to +3.37% in FY 2014-15 and -10.20% to +5.42% in FY 2015-16. The most substantial adjustment to this caseload forecast was seen in the ‘Children >100% Federal Poverty Level (FPL)’ category. At the November 2014 conference, the forecast included an anticipated shift of 44,000 children from the ‘TANF’ category to the ‘Children >100% FPL’ category, but the actual data showed that these children were shifted instead to the ‘Children <100% FPL’ category. Therefore, the forecasts for the ‘Children >100% FPL’ category were adjusted by -28.67% in FY 2014-15 and -34.03% in FY 2015-16. The updated forecasts for the ‘Children <100% FPL’ category include the 44,000 children; the shift is not readily apparent in the percentage change due to the large size of the eligibility group. Another large adjustment was seen in the ‘General Assistance’ category; this adjustment was due to recent actual caseloads that came in higher than projected at the previous conference.

With the forecast modifications, the new forecast anticipates a 7.7% increase in Medicaid caseloads in Fiscal Year 2014-15 over the prior fiscal year.

The table below summarizes the revisions to the forecast relative to the estimates adopted in November 2014.

Caseload Changes	FY 2014-15			FY 2015-16		
	New	Change	% Change	New	Change	% Change
SSI	668,315	(1,759)	-0.26%	686,116	(2,792)	-0.41%
MEDS Elderly & Disabled	40,504	253	0.63%	43,448	1,906	4.59%
Medically Needy	32,231	(1,834)	-5.38%	32,016	(3,636)	-10.20%
TANF	694,253	22,656	3.37%	742,205	38,192	5.42%
Categorically Eligible	6,791	(455)	-6.28%	4,498	(5)	-0.11%
MEDS Pregnant Women <100% FPL	91,188	(284)	-0.31%	92,833	(896)	-0.96%
MEDS Pregnant Women >100% FPL	16,872	(388)	-2.25%	17,033	(954)	-5.30%
MEDS Children <100% FPL	1,514,453	9,403	0.62%	1,573,311	18,317	1.18%
MEDS Children >100% FPL	78,840	(31,696)	-28.67%	81,213	(41,884)	-34.03%

Children Title XXI	114,706	(2,968)	-2.52%	109,018	(4,527)	-3.99%
Qualified Medicare Beneficiaries	390,733	(2,568)	-0.65%	410,628	(4,730)	-1.14%
Family Planning Waiver	59,532	673	1.14%	61,324	898	1.49%
General Assistance	14,131	1,263	9.81%	15,752	2,056	15.01%
<b>Total</b>	<b>3,722,552</b>	<b>(7,703)</b>	<b>-0.21%</b>	<b>3,869,392</b>	<b>1,946</b>	<b>0.05%</b>

**Expenditure Estimating Conferences**—The General Appropriations Act for FY 2014-15 reflected the re-alignment of expenditures specific to the Managed Long Term Care component of Statewide Medicaid Managed Care. The budget re-alignment of expenditures under Managed Medical Assistance was accomplished just prior to the December 2014 expenditure conference via the budget consultation review process as authorized in the Implementing Bill for SFY 2014-15 (Ch. 2014-53, L.O.F.). As with the Summer and Fall 2014 conference results, there are several issues to keep in mind when reviewing this forecast. While the expenditure estimates reflect what the Agency for Health Care Administration anticipates in terms of expenditures for Managed Medical Assistance, the caseload estimates in what will be the remaining fee-for-service components have not yet been fully adjusted. In addition, the detail for FY 2014-15 does not reflect a “steady state” of managed care implementation since the final areas of the state were not transitioned to managed medical assistance until August 1, 2014. Further “clouding” the fiscal implications of managed care implementation are the payment timing, enrollee “churn,” and delayed requests for payment for previously rendered fee-for-service services for those individuals newly enrolled in managed care plans. As would be expected, the transition of Medicaid enrollees to managed care has had a dramatic impact on the forecast for expenditures in multiple service components within Medicaid that are impacted by the transition, especially Hospital Inpatient Services, Clinic Services, Prescribed Medicine, Physician Services, and Hospital Outpatient Services, though the changes required from one Conference to the next have moderated substantially with the availability of more expenditure data reflecting actual managed care experience.

Per the Special Terms and Conditions of the Medicaid 1115 demonstration waiver that was granted by federal CMS on July 31, 2014, which states the Low Income Pool (LIP) is extended only through June 30, 2015, LIP expenditures are not included in FY 2015-16 and subsequent years. Moreover, the expenditure estimates do not include the reductions specified in the PPACA that are scheduled to be taken to hospital disproportionate share funding since allocations of the reductions to individual states are not yet known. However, this forecast does include costs associated with the children's caseload growth to the Medicaid program resulting from PPACA.

The Conference revised the total estimate of expenditures for Fiscal Year 2014-15 upward from the previous forecast to \$23,520.5 million (8.0% above the FY 2013-14 expenditures). The new forecast is lower than the modified appropriation for FY 2014-15 by \$59.4 million. The updated estimate is largely driven by increases in the estimated expenditures for Hospital Inpatient Services, Clinic Services, and Nursing Home Care, and reductions in the estimated expenditures for those services impacted by the transition of enrollees to managed care. Overall, the new forecast anticipates a surplus in General Revenue funds for the current year of \$150.6 million.

For Fiscal Year 2015-16, program expenditures are expected to decrease to \$21,955.6 million (6.7% below the revised fiscal year 2014-15 estimate); this level is higher than expected in December 2014. The revised General Revenue requirement for Fiscal Year 2015-16 is \$93.4 million above the FY 2015-16 appropriation base.

<b>Expenditure Forecast (millions)</b>	<b>FY 2014-15 Forecast</b>	<b>Surplus/Deficit</b>	<b>FY 2015-16 Forecast</b>	<b>Comparison to Appropriation Base</b>
General Revenue	\$5,142.9	\$150.6	\$5,385.1	(\$93.4)
Medical Care TF	12,954.1	326.9	12,043.2	1,238.4
Refugee Assistance TF	39.4	0.5	43.7	(3.8)
Public Medical Assistance TF	583.7	0.0	592.5	(8.8)
Other State Funds	476.4	1.3	463.8	14.9
Grants and Donations TF	3,237.1	(420.0)	2,317.0	500.1
Health Care Trust Fund	780.2	0.0	803.7	(23.5)
Tobacco Settlement TF	306.7	0.0	306.7	0.0
<b>Total</b>	<b>\$23,520.5</b>	<b>\$59.4</b>	<b>\$21,955.6</b>	<b>\$1,623.9</b>

**Federal Medical Assistance Percentage**—Based on new population and income data for the nation and for Florida, the Conference made modifications to the expected Federal Medical Assistance Percentage levels used for state budgeting purposes. The percentages for FY 2014-15 and FY 2015-16 were unchanged at 59.56% and 60.51%, respectively.