

Impact of Medicaid Expansion 2015

Part 3: Phases 1, 2, and 3

(Impact: SB 2512 First Engrossed, All years)

Phase 1: Simple Expansion
Phase 2: FHI
Phase 3: Healthy Kids Transition

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Phase 3 – Healthy Kids Assumptions...

- Phase 3 is interpreted to have two independent and simultaneously occurring components:
 - The continuation of Phase Two without further changes.
 - The transition of Florida Healthy Kids Title XXI to the FHIX marketplace.
- This analysis assumes that each of the three eligibility requirements for the FHIX Program [(1)(a); (1)(b); and (1)(c)] provided in s. 409.723, Florida Statutes, stands alone and should be evaluated in that manner. The following is from Section 5 of the bill:

409.723 Participation.—

- (1) ELIGIBILITY.—In order to participate in FHIX, an individual must be a resident and must meet the following requirements, **as applicable**:
 - (a) Qualify as a newly eligible enrollee, who must be an individual as described in s. 1902(a)(10)(A)(i)(VIII) of the Social Security Act or s. 2001 of the Affordable Care Act and as may be further defined by federal regulation.
 - (b) Meet and maintain the responsibilities under subsection(4).
 - (c) Qualify as a participant in the Florida Healthy Kids program under s. 624.91, subject to the implementation of Phase Three under s. 409.727.

Phase 3 – Healthy Kids Assumptions...

- For Phase 3, the bill language states:
 - (4)(b) Eligibility during this phase is based on meeting the requirements of Phase Two **and** s. 409.723(1)(c).
- This analysis assumes that Phase 3 eligibility for adults aged 19-64 is contingent upon meeting the requirements outlined in s. 409.723 (1)(a) and (1)(b), while eligibility for Florida Healthy Kids children aged 5-18 eligibility is contingent upon meeting the requirements of s. 409.723 (1)(c), Florida Statutes. As these are distinct qualifying populations, the analysis effectively treats the “**and**” used in the bill language as an “**or**”.
- This assumption is further supported by the distinction between the terms enrollee and Healthy Kids enrollee.
 - Proposed sections 409.727(4)(c), (e), and (f) of the Florida Statutes concern all enrollees, while the language in sections 409.727(4)(a), (d), and (g) only addresses Florida Healthy Kids enrollees.

Phase 3 – Healthy Kids Assumptions...

- The eligibility requirements are assumed to correspond with the three phases of the program as follows:

Eligibility Requirements	Phase 1	Phase 2	Phase 3
Adults Aged 19-64	(a)	(a) & (b)	(a) & (b)
Florida Healthy Kids Children Aged 5-18			(c)

- This analysis further assumes that the Healthy Kids children (current and new) will be exempt from the “Participant Responsibilities” listed below:
 - Annually provide evidence of participation in one of the following activities:
 - Proof of employment.
 - On-the-job training or job placement activities.
 - Pursuit of educational opportunities.

Phase 3 – Healthy Kids Transition...

- Current Healthy Kids Title XXI (133% - 200% FPL):
 - Current enrollees will transition to FHIX on July 1, August 1, and September 1 2016 (one-third each month).
 - The monthly premium amount for these children will be the maximum \$25 because all have family incomes above 100% FPL (the current average monthly premium is \$12.48; the shift to FHIX will reduce costs to the state due to the increase in premiums).
- Current Healthy Kids Full Pay (above 200% FPL):
 - This analysis assumes Healthy Kids Full Pay enrollees will not be eligible for the FHIX marketplace (today, these families pay 100% of their insurance costs; if they transition to FHIX, they would receive heavily subsidized insurance).
 - Instead of moving to FHIX, Full Pay enrollees will shift to private insurance coverage on July 1, 2016.
 - The private insurance coverage that this population selects will be subject to the Insurance Premium Tax, thereby increasing state Insurance Premium Tax collections.

Phase 3 – Healthy Kids Assumptions...

- All Phase 3 participants will pay premiums in a timely manner.
- The relative shares of Federal and State expenditures for Healthy Kids in FHIX will be determined by the Enhanced FMAP, which was estimated by the February 2015 Social Services Estimating Conference (SSEC) and is currently used by the Healthy Kids program.
- Premiums will be deducted from total expenses before application of the Federal/State split, mirroring the current Healthy Kids program.

Phase 3 – Healthy Kids Title XXI Fiscal Impact...

Phase 3 - Healthy Kids Title XXI	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Average Monthly Enrollees		158,837	162,305	164,740	167,211
Total Expenditures		\$249,670,639	\$265,319,749	\$280,071,684	\$295,643,500
Average FMAP		95.79%	95.93%	96.04%	78.96%
Healthy Kids Title XXI w/o SB 2512					
Monthly Family Premium Contribution		\$12.48	\$12.48	\$12.48	\$12.48
Total Enrollee Premium Revenue		\$23,787,379	\$24,306,797	\$24,671,412	\$25,041,469
Total Net Expenditures (Premium Revenue subtracted)	Phase 3 Not	\$225,883,260	\$241,012,952	\$255,400,272	\$270,602,030
Federal Expenditures	in Effect	\$216,372,540	\$231,198,830	\$245,283,139	\$213,078,298
State Expenditures		\$9,510,720	\$9,814,122	\$10,117,133	\$57,523,732
Healthy Kids Title XXI w/ SB 2512					
Monthly Family Premium Contribution		\$25.00	\$25.00	\$25.00	\$25.00
Total Enrollee Premium Revenue		\$45,686,508	\$48,691,500	\$49,421,900	\$50,163,200
Total Net Expenditures (Premium Revenue subtracted)		\$203,984,131	\$216,628,249	\$230,649,784	\$245,480,300
Federal Expenditures		\$195,389,990	\$207,807,178	\$221,513,348	\$193,251,430
State Expenditures		\$8,594,141	\$8,821,071	\$9,136,436	\$52,228,870
State Impact: Phase 3 - Healthy Kids Title XXI		(\$916,578)	(\$993,051)	(\$980,697)	(\$5,294,863)

Notes:

- Positive Impact = Additional Cost; Negative Impact = Savings
- Figures for Healthy Kids without SB 2512 are from the February 2015 SSEC.
- It is assumed that the Healthy Kids FMAP would apply to Phase 3 Expenditures as it is currently applied to Healthy Kids Expenditures.
- Expenditures were computed monthly and summarized on the table above; see Supplemental Materials for underlying monthly analysis.

Phase 3 – Healthy Kids Full Pay Fiscal Impact...

Phase 3 - Healthy Kids Full Pay	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Healthy Kids Full Pay w/o SB 2512					
Average Monthly Enrollees		37,607	37,607	37,607	37,607
Total Expenditures		\$59,563,224	\$59,563,224	\$59,563,224	\$59,563,224
Total Enrollee Premium Revenue		\$59,563,224	\$59,563,224	\$59,563,224	\$59,563,224
Total Net Expenditures (Premium Revenue subtracted)		\$0	\$0	\$0	\$0
Federal Expenditures		\$0	\$0	\$0	\$0
State Expenditures	Phase 3 Not in Effect	\$0	\$0	\$0	\$0
Healthy Kids Full Pay w/ SB 2512					
Average Monthly Enrollees		0	0	0	0
Monthly Family Premium Contribution		\$0	\$0	\$0	\$0
Total Enrollee Premium Revenue		\$0	\$0	\$0	\$0
Total Net Expenditures (Premium Revenue subtracted)		\$0	\$0	\$0	\$0
Federal Expenditures		\$0	\$0	\$0	\$0
State Expenditures		\$0	\$0	\$0	\$0
State Impact: Phase 3 - Healthy Kids Full Pay		\$0	\$0	\$0	\$0

Notes:

- Figures for Healthy Kids without SB 2512 are from the February 2015 SSEC.
- Expenditures were computed monthly and summarized on the table above; see Supplemental Materials for underlying monthly analysis.

Phases 1, 2, and 3 – Annual Expenditures...

Phases 1, 2, and 3 - Annual Expenditures	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Expansion, Crowd out, and Medically Needy					
Enrollees	Varies by Month	390,650	395,478	400,282	405,048
Expenditures	\$2,608,558,179	\$2,050,446,176	\$2,112,416,159	\$2,176,557,459	\$2,242,889,303
Enrollee Premium Revenue	\$32,089,126	\$77,988,980	\$78,958,272	\$79,922,591	\$80,879,530
Net Expenditures (Premium Revenue subtracted)	\$2,576,469,053	\$1,972,457,196	\$2,033,457,887	\$2,096,634,868	\$2,162,009,773
Expansion FMAP	100.00%	97.50%	94.50%	93.50%	91.50%
Federal Expenditures w/o Phase 3 Healthy Kids	\$2,576,469,053	\$1,923,145,766	\$1,921,617,703	\$1,960,353,601	\$1,978,238,943
State Expenditures w/o Phase 3 Healthy Kids	\$0	\$49,311,430	\$111,840,184	\$136,281,266	\$183,770,831
Healthy Kids Title XXI					
Enrollees	Phase 3 Not in Effect	158,837	162,305	164,740	167,211
Expenditures		\$249,670,639	\$265,319,749	\$280,071,684	\$295,643,500
Enrollee Premium Revenue		\$45,686,508	\$48,691,500	\$49,421,900	\$50,163,200
Net Expenditures (Premium Revenue subtracted)		\$203,984,131	\$216,628,249	\$230,649,784	\$245,480,300
Expansion FMAP		95.79%	95.93%	96.04%	78.96%
Federal Expenditures Phase 3 Healthy Kids		\$195,389,990	\$207,807,178	\$221,513,348	\$193,251,430
State Expenditures Phase 3 Healthy Kids	\$8,594,141	\$8,821,071	\$9,136,436	\$52,228,870	
Federal Expenditures Phases 1, 2, and 3	\$2,576,469,053	\$2,118,535,756	\$2,129,424,881	\$2,181,866,949	\$2,171,490,373
State Expenditures Phases 1, 2, and 3	\$0	\$57,905,571	\$120,661,255	\$145,417,703	\$235,999,700

Phases 1, 2, and 3 – Medicaid Coverage...

Phases 1, 2, and 3 Medicaid Coverage Summary	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Medicaid Expansion Population	742,677	753,446	764,167	774,835	785,423
FHIX Phase 1 Enrolled	742,677				
FHIX Phase 2 Enrolled	339,806	344,733	349,639	354,520	359,364
FHIX Phase 2 or 3 Disenrolled/Not Enrolled	402,871	408,713	414,528	420,315	426,059
Percent of Population Not Enrolled	54.2%	54.2%	54.2%	54.2%	54.2%
Crowd out Population	20,031	20,031	20,031	20,031	20,031
FHIX Phase 1 Enrolled	0				
FHIX Phase 2 Enrolled	20,031	20,031	20,031	20,031	20,031
FHIX Phase 2 or 3 Disenrolled/Not Enrolled	0	0	0	0	0
Percent of Population Not Enrolled	0.0%	0.0%	0.0%	0.0%	0.0%
Medically Needy Shift	25,964	25,886	25,808	25,731	25,653
FHIX Phase 1 Enrolled	25,964				
FHIX Phase 2 Enrolled	25,964	25,886	25,808	25,731	25,653
FHIX Phase 2 or 3 Disenrolled/Not Enrolled	0	0	0	0	0
Percent of Population Not Enrolled	0.0%	0.0%	0.0%	0.0%	0.0%
Medically Needy Children and Pregnant Women Population	937	934	931	928	925
Medically Needy Medicaid Enrolled	937	934	931	928	0
Medically Needy Medicaid Disenrolled/Not Enrolled ¹	0	0	0	0	925
Percent of Population Not Enrolled	0.0%	0.0%	0.0%	0.0%	100.0%
Medically Needy Non Pregnant Adults 19-64 above 133%	3,212	3,203	3,193	3,184	3,174
Medically Needy Medicaid Enrolled	0	0	0	0	0
Medically Needy Medicaid Disenrolled/Not Enrolled	3,212	3,203	3,193	3,184	3,174
Percent of Population Not Enrolled	100.0%	100.0%	100.0%	100.0%	100.0%
Medically Needy Adults 65+ All Income Levels	1,902	1,896	1,891	1,885	1,879
Medically Needy Medicaid Enrolled	0	0	0	0	0
Medically Needy Medicaid Disenrolled/Not Enrolled	1,902	1,896	1,891	1,885	1,879
Percent of Population Not Enrolled	100.0%	100.0%	100.0%	100.0%	100.0%
Healthy Kids Title XXI		158,837	162,305	164,740	167,211
Healthy Kids or FHIX Enrolled		158,837	162,305	164,740	167,211
Healthy Kids or FHIX Disenrolled/Not Enrolled		0	0	0	0
Percent of Population Not Enrolled		0.0%	0.0%	0.0%	0.0%
Healthy Kids Full Pay		37,607	37,607	37,607	37,607
Healthy Kids or FHIX Enrolled		0	0	0	0
Healthy Kids or FHIX Disenrolled/Not Enrolled		37,607	37,607	37,607	37,607
Percent of Population Not Enrolled		100.0%	100.0%	100.0%	100.0%
Total all groups	794,723	1,001,839	1,015,933	1,028,940	1,041,904
Total Enrolled	386,737	550,420	558,714	565,950	572,259
Total Disenrolled/Not Enrolled	407,986	451,419	457,219	462,991	469,645
Percent of Population Not Enrolled	51.3%	45.1%	45.0%	45.0%	45.1%

Phase 3
Healthy
Kids

Phase 3 not
in effect

¹Children and pregnant women are disenrolled from the Medically Needy program when it ends on October 1, 2019.

Phases 1, 2, and 3 – Insurance Premium Tax...

	Insurance Premium Tax				
	FY 2015-16	FY 2016-17	FY2017-18	FY 2018-19	FY 2019-20
Phase 1 - Impact of Simple Expansion	(\$7,226,394)	(\$6,187,003)	(\$6,570,490)	(\$6,807,356)	(\$7,108,618)
Phase 2 - Impact of Crowd Out Leaving Private Insurance	\$0	(\$403,304)	(\$311,722)	(\$307,841)	(\$317,198)
Phase 2 - Impact of FHIX Plan Selection	\$0	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Impact of Disenrolled	\$0	Indeterminate	Indeterminate	Indeterminate	Indeterminate
Phase 3 - Impact of Healthy Kids Full Pay Purchasing Insurance	\$0	\$362,106	\$629,801	\$525,205	\$548,440
Total Cash Impact of Insurance Premium Tax	(\$7,226,394)	(\$6,228,201)	(\$6,252,411)	(\$6,589,992)	(\$6,877,376)

Overall Fiscal Impacts...

Expansion Program	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	Caseload	State \$\$\$	Caseload	State \$\$\$	Caseload	State \$\$\$	Caseload	State \$\$\$	Caseload	State \$\$\$
<i>Uninsured Presenters (new)*</i>	742,677	-	753,446	(75.1)	764,167	(172.3)	774,835	(212.3)	785,423	(289.3)
<i>Crowd-Out (new)</i>	122,704	-	122,704	(12.2)	122,704	(27.6)	122,704	(33.5)	122,704	(45.0)
<i>Medically Needy Shift (net)**</i>	-	237.4	-	218.9	-	200.2	-	193.5	-	180.4
<i>Medicaid Subtotal</i>	865,381	237.4	876,150	131.6	886,871	0.3	897,539	(52.3)	908,127	(153.9)
<i>Insurance Premium Revenue Adj.</i>	-	(8.9)	0	(8.0)	0	(8.4)	0	(8.7)	0	(9.1)
Total	865,381	228.5	876,150	123.6	886,871	(8.1)	897,539	(61.0)	908,127	(163.0)

SB 2512 Phases 1 and 2	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	Caseload***	State \$\$\$	Caseload	State \$\$\$	Caseload	State \$\$\$	Caseload	State \$\$\$	Caseload	State \$\$\$
<i>Uninsured Presenters (new)*</i>	339,806	-	344,733	(32.5)	349,639	(75.0)	354,520	(92.1)	359,364	(125.7)
<i>Crowd-Out (new)</i>	20,301	-	20,031	(1.9)	20,031	(4.3)	20,031	(5.2)	20,031	(7.0)
<i>Medically Needy Shift (net) †</i>	-	237.4	-	219.0	-	200.5	-	193.9	-	180.8
<i>Medically Needy Sunset‡</i>	N/A	33.6	N/A	44.2	N/A	44.1	N/A	44.0	N/A	47.1
<i>Phase 1 and 2 Subtotal</i>	360,107	271.0	364,764	228.8	369,670	165.3	374,551	140.6	379,395	95.2
<i>Insurance Premium Revenue Adj.</i>	-	(7.2)	-	(6.6)	-	(6.9)	-	(7.1)	-	(7.4)
Total	360,107	263.8	364,764	222.2	369,670	158.4	374,551	133.5	379,395	87.8
Compared to Expansion Program	-505,274	+35.3	-511,386	+98.6	-517,201	+166.5	-522,988	+194.5	-528,732	+250.8

SB 2512 Phases 1, 2, and 3	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
	Caseload***	State \$\$\$	Caseload	State \$\$\$	Caseload	State \$\$\$	Caseload	State \$\$\$	Caseload	State \$\$\$
<i>Uninsured Presenters (new)*</i>	339,806	-	344,733	(32.5)	349,639	(75.0)	354,520	(92.1)	359,364	(125.7)
<i>Crowd-Out (new)</i>	20,301	-	20,031	(1.9)	20,031	(4.3)	20,031	(5.2)	20,031	(7.0)
<i>Medically Needy Shift (net) †</i>	-	237.4	-	219.0	-	200.5	-	193.9	-	180.8
<i>Medically Needy Sunset ††</i>	N/A	33.6	N/A	44.2	N/A	44.1	N/A	44.0	N/A	47.1
<i>Healthy Kids Title XXI ‡</i>	N/A	N/A	-	0.9	-	1.0	-	1.0	-	5.3
<i>Phase 1, 2, and 3 Subtotal</i>	360,107	271.0	364,764	229.7	369,670	166.3	374,551	141.6	379,395	100.5
<i>Insurance Premium Revenue Adj.</i>	-	(7.2)	-	(6.2)	-	(6.3)	-	(6.6)	-	(6.9)
Total	360,107	263.8	364,764	223.5	369,670	160.0	374,551	135.0	379,395	93.6
Compared to Expansion Program	-505,274	+35.3	-511,386	+99.9	-517,201	+168.1	-522,988	+196.0	-528,732	+256.6
Compared to SB 2512 Phases 1 and 2	0	0.0	0	+1.3	0	+1.6	0	+1.5	0	+5.8

Note: Dollars in Millions; Positive Total = Surplus; Negative Total = Shortfall

Overall Fiscal Impacts Table Notes...

*Includes qualifying persons on the waitlist for the APD Developmental Services Waiver and service recipients in the DCF Substance Abuse and Mental Health Program.

**Assumes approximately 26,000 non-pregnant adults aged 19-64 shift from the Medically Needy Program to the Expansion Program, with no other changes.

*** The caseload figures for FY 2015-16 represent the number enrolled at the end of the fiscal year.

† Assumes approximately 26,000 non-pregnant adults aged 19-64 under 133% FPL shift from the Medically Needy Program to Phase 1 and 2. State savings result from the higher federal match rate for Phase 1 and 2 expenditures and from enrollee premium payments, which are exclusive to Phase 2.

†† Caseload in this row is not shown because individuals are included in current Medicaid program enrollment numbers. Non-pregnant adults ages 19-64 above 133% FPL and adults ages 65+ at all income levels (about 5,100 individuals in total) will be disenrolled from the program October 1, 2015. Children and pregnant women (about 930 individuals in total) will be disenrolled when the program is terminated on October 1, 2019. State savings in this row result from the disenrollment of these individuals at these points in time.

‡ State savings result from the increase in enrollee premium payments for Healthy Kids Title XXI from \$12.48 per month (February 2015 SSEC) to \$25.00 per month (cost sharing rate for those above 100% FPL). Assumes approximately 38,000 Healthy Kids Full Pay enrollees will transition to private insurance coverage on July 1, 2016 because they will not have a path to insurance through the FHIX marketplace.

Overall Coverage Status after Full Implementation...

Current Coverage Status	Coverage Status under SB 2512 (after Phase 3 full implementation)		Description	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Uninsured	FHIX		This group is currently uninsured and would qualify for the FHIX marketplace (school/work requirements and premium payment requirements).	344,733	349,639	354,520	359,364
Private Insurance	FHIX		This group currently has private insurance and would transition to the FHIX marketplace; they will meet all FHIX requirements and will opt for a FHIX plan over their current private insurance plan.	20,031	20,031	20,031	20,031
Medicaid Medically Needy	FHIX		This group is currently in Medicaid Medically Needy and would be transitioned to FHIX because they would meet all the requirements. This group, which has not paid premiums in Medicaid, would be subject to premium payments starting in Phase 2.	25,886	25,808	25,731	25,653
Healthy Kids Title XXI	FHIX		This group comprises the current Healthy Kids Title XXI population. They would be transitioned to FHIX in Phase 3; premiums would increase from the current average of \$12.48 per month to \$25.00 per month (all are above 100% FPL).	158,837	162,305	164,740	167,211
FHIX Enrollment Subtotal				549,486	557,783	565,021	572,259
Medicaid Medically Needy	Medicaid Medically Needy		This group is children or pregnant women currently in Medicaid Medically Needy. They would remain in Medicaid until the Medically Needy program is terminated on October 1, 2019.	934	931	928	- 925
Medicaid Medically Needy	No longer with a state-sponsored program		This group includes the elderly at all income levels and the individuals with incomes above 133% FPL who are currently in Medicaid Medically Needy. This group would not meet income and/or age requirements for FHIX. They would be disenrolled from Medicaid on October 1, 2015.	- 5,099	- 5,084	- 5,069	- 5,053
Healthy Kids Full Pay	No longer with a state-sponsored program		This group comprises the Healthy Kids Full Pay population (all have incomes above 200% FPL). It is assumed that they would not have a path to insurance through the FHIX marketplace.	- 37,607	- 37,607	- 37,607	- 37,607
Uninsured	Not with a state-sponsored program		This group is currently uninsured and would not qualify for the FHIX marketplace (school/work requirements and/or premium payment requirements).	~ 408,713	~ 414,528	~ 420,315	~ 426,059

A negative sign (-) indicates individuals who are currently enrolled in a state-sponsored program but would be disenrolled under SB 2512.

A tilde (~) indicates individuals who are currently uninsured and would not become eligible for a state-sponsored program through SB 2512.