

Social Services Estimating Conference
Florida KidCare Program
July 7, August 1, and August 11, 2016
Executive Summary

The Social Services Estimating Conference convened on July 7, August 1, and August 11 to adopt caseload and expenditure forecasts for the KidCare Program through June 2020.

The total caseload projection under the new forecast for the KidCare Program is higher than the estimate adopted in December 2015 for each of the forecast years. This is driven by increases in the forecasted caseload for Healthy Kids Title XXI, MediKids Title XXI, and MediKids Full Pay that are greater in total than the decreases in the forecasted caseload for the Healthy Kids Full Pay and CMS programs. The increases in the Healthy Kids Title XXI and MediKids Title XXI enrollment since January 2016 were due in part to the correction in January 2016 of an administrative error involving the transfer of enrollees from Medicaid to KidCare; the administrative error suppressed KidCare enrollment beginning around May 2014, but that suppression ended when the error was corrected. Since January 2016, enrollment has increased because the transfers from Medicaid to KidCare are occurring correctly and because around 4% of the backlog of affected children has since enrolled in the program. It is expected that the higher enrollment rates will continue through the end of Fiscal Year 2016-17. Additionally, new legislation allowing lawfully residing immigrant children to enroll in KidCare went into effect on July 1, 2016. Prior to this, non-citizen children living in Florida were subject to a five-year waiting period before enrolling in the program. The increase in enrollment due to this statutory change is expected to ramp up over the first six months of the current fiscal year and last throughout the forecast.

In the Healthy Kids Full Pay program, the Stars Plus (platinum level) plans, which have higher premiums but more substantial coverage than the Stars (silver level) plans, are scheduled to be phased out on December 31, 2016. Due to adverse selection, in which only families with children more predisposed to health problems have chosen to enroll in the more expensive plan option, the costs of care have proven unsustainable for the health care plan organizations. To cover the costs, the plan organizations requested a substantial rate increase for the upcoming year, and resulting premiums would make the Stars Plus plans optimal for only the families with the sickest children. This would only exacerbate the existing problem and ultimately lead to an unsustainable financial outlook for those plans. Families currently enrolled in Stars Plus plans were notified in early July that those plans would terminate on December 31, 2016. As a result, enrollment is forecasted to slowly decline through December as families begin to leave the program, and a substantial decrease is anticipated in January 2017 when the Stars Plus option is no longer available. Only a subset of the families is expected to transition into Stars plans.

For Fiscal Year 2015-16, the program ended the year with a General Revenue deficit of \$0.5 million, an increase in the deficit projected in December. For Fiscal Year 2016-17, the General Revenue deficit is projected to be \$0.8 million, and for Fiscal Year 2017-18, the General Revenue shortfall from the recurring appropriation is projected to be \$1.8 million.

The Children's Health Insurance Program (CHIP) is currently authorized under federal law through September 30, 2019. The new forecast assumes that the program will be reauthorized prior to this date and continue throughout the remainder of the forecast. Federal funding for the program is currently authorized through September 30, 2017. If funding is reauthorized, federal funds will be sufficient to

support the federal share of the program costs through at least Federal Fiscal Year (FFY) 2017, assuming federal funding is maintained until then at the level of the FFY 2016 grant award, which was \$595.0 million (up from \$566.0 million in FFY 2015). If funding authorizations end September 30, 2017, federal funds will not be sufficient to support the federal share of the program costs beyond Federal Fiscal Year 2017.

Beginning with this Conference, the Medicaid Children under 1 and Children ages 6-18 funded under Title XXI are both shown as part of the Medicaid Expenditures Conference.

The first table that follows provides the actual average caseload for FY 2015-16 and the new caseload projections for the current and upcoming fiscal years. The second table that follows provides the updated expenditures for FY 2015-16 and the new expenditure forecast for FY 2016-17 through FY 2019-20.

KIDCARE AVERAGE MONTHLY ENROLLMENT PROJECTIONS

FLORIDA HEALTHY KIDS*	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
December 2015 SSEC	160,822	154,650	156,739	158,742	160,675
July 2016 SSEC	163,108	166,619	173,914	184,392	195,516
Change	2,286	11,969	17,175	25,650	34,841

MEDIKIDS**	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
December 2015 SSEC	28,017	27,751	27,967	28,176	28,381
July 2016 SSEC	28,454	30,537	32,186	33,758	35,427
Change	437	2,786	4,219	5,582	7,046

CHILDREN'S MEDICAL SERVICES	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
December 2015 SSEC	10,821	10,321	10,321	10,321	10,321
July 2016 SSEC	10,200	9,296	9,351	9,351	9,351
Change	(621)	(1,025)	(970)	(970)	(970)

BEHAVIORAL HEALTH	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
December 2015 SSEC	476	437	437	437	437
July 2016 SSEC	509	403	396	396	396
Change	33	(34)	(41)	(41)	(41)

TOTALS	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
December 2015 SSEC	200,137	193,159	195,464	197,676	199,813
July 2016 SSEC	202,272	206,855	215,847	227,897	240,690
Change	2,135	13,696	20,383	30,221	40,877

*Averages include Healthy Kids Full Pay enrollment

**Averages include MediKids Full Pay enrollment

FISCAL YEAR 2015-16	FY 2015-16 Appropriations	Projected Expenditures	Surplus/(Deficit)
General Revenue	\$31,510,215	\$32,048,557	(\$538,342)
Tobacco Settlement Trust Fund (State)	\$9,300,000	\$9,300,000	\$0
Grants and Donations Trust Fund (State)	\$17,747,807	\$17,059,789	\$688,018
Medical Care Trust Fund (Federal)	\$359,233,545	\$329,141,396	\$30,092,149
Total	\$417,791,567	\$387,549,741	\$30,241,825

FISCAL YEAR 2016-17	FY 2016-17 Recurring Appropriations	Projected Expenditures	Surplus/(Deficit)
General Revenue	\$16,286,653	\$17,081,954	(\$795,301)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$16,154,995	\$20,208,399	(\$4,053,404)
Medical Care Trust Fund (Federal)	\$362,323,583	\$379,988,050	(\$17,664,467)
Total	\$394,765,231	\$417,278,403	(\$22,513,172)

FISCAL YEAR 2017-18	FY 2016-17 Recurring Appropriations	Projected Expenditures	Surplus/(Deficit)
General Revenue	\$16,286,653	\$18,055,740	(\$1,769,087)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$16,154,995	\$18,172,636	(\$2,017,641)
Medical Care Trust Fund (Federal)	\$362,323,583	\$419,020,623	(\$56,697,040)
Total	\$394,765,231	\$455,248,999	(\$60,483,768)

FISCAL YEAR 2018-19	FY 2016-17 Recurring Appropriations	Projected Expenditures	Surplus/(Deficit)
General Revenue	\$16,286,653	\$19,348,796	(\$3,062,143)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$16,154,995	\$18,924,954	(\$2,769,959)
Medical Care Trust Fund (Federal)	\$362,323,583	\$462,261,665	(\$99,938,082)
Total	\$394,765,231	\$500,535,415	(\$105,770,184)

FISCAL YEAR 2019-20	FY 2016-17 Recurring Appropriations	Projected Expenditures	Surplus/(Deficit)
General Revenue	\$16,286,653	\$113,168,556	(\$96,881,903)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$16,154,995	\$19,769,113	(\$3,614,118)
Medical Care Trust Fund (Federal)	\$362,323,583	\$417,541,109	(\$55,217,526)
Total	\$394,765,231	\$550,478,779	(\$155,713,548)