

Executive Summary

The Social Services Estimating Conference convened on October 11 to revisit the estimates of Medicaid caseloads, and reconvened on November 7 to reestimate Medicaid expenditures for FY2005-06 and adopt a new forecast for FY2006-07.

Caseload estimating conference- The conference adopted a caseload projection for the current fiscal year that is slightly lower from the projection upon which the appropriation was based. Caseload groups representing the elderly and disabled were reduced by less than 1%, while the groups comprising women and children were unchanged.

For the upcoming fiscal year, elderly and disabled groups are expected to decline by 2.7% from this fiscal year, while women and children are projected to rise by 4.0%. Currently, approximately 11.6% of Floridians are entitled to receive full Medicaid services, with another 0.9% receiving a subset of Medicaid services.

Expenditure estimating conference- With regard to expenditures, the conference adopted a forecast for FY2005-06 that is \$4.5 million lower than the appropriation, for a total cost of \$15,059.0 million (up 7.8% from the prior year). The new forecast anticipates a surplus in General Revenue funding of \$39.1 million for the current fiscal year. Higher than expected costs are contributing to an expenditures deficit in prescribed medicine services, but this will be offset by increased rebates. Small surpluses are projected in institutional services such as hospital inpatient, nursing home care, and hospice care. The projection for FY2005-06 anticipates full and immediate implementation of the new Medicare prescription drug coverage plan (Part D) beginning January 2006.

For the upcoming fiscal year, program expenditures are expected to rise to \$15,997.4 million, an increase of 6.2% from the current year recurring appropriation base. The General Revenue share of the increase is projected at \$596.3 million (+13.5%) above the recurring FY2005-06 base appropriation.

2005 Legislative session- Appropriations for the Medicaid program for FY 05-06 totaled \$15.05 billion, a 5% increase from the FY 04-05 estimated spending. Highlights of legislative action affecting the Medicaid program are as follows-

- 1) Continue coverage for Medically Needy in full, originally scheduled to be limited to prescribed drugs only on July 1, 2005 (+\$393.3 million).
- 2) Continue coverage for pregnant women with incomes between 150%-185% of the Federal Poverty Level, originally scheduled to be eliminated on July 1, 2005 (+\$60.8 million).
- 3) Limit institutional provider reimbursement rates to the FY2004-05 levels (-\$413.5 million).
- 4) Revise the Medicaid preferred drug list (-\$292.0 million).
- 5) Revise HMO capitation rates for infant age (-\$75.0 million).
- 6) Eliminate full Medicaid coverage for non-institutionalized MEDS AD recipients (-\$84.7 million).
- 7) Delay enhanced nursing home staffing requirements (-\$67.8 million).

SOCIAL SERVICES ESTIMATING CONFERENCE - MEDICAID SERVICES EXPENDITURES (\$ Millions)
November 7, 2005

FY 2005-06
APPROPRIATION COMPARED TO NEW FORECAST

	Appropriation	New Forecast	Surplus/ (Deficit)
Physician Services	766.4	774.4	(8.0)
Hospital Inpatient Services	2293.0	2257.5	35.4
Special Payments to Hospitals	695.6	695.6	0.0
G/A RIPPC DSH	0.2	0.2	0.0
Graduate Medical Education-DSH	0.0	0.0	0.0
Mental Health DSH	61.0	61.0	0.0
G/A Rural Health Financial Assistance	12.7	12.7	0.0
TB Hospital DSH	2.4	2.4	0.0
Primary Care DSH	0.0	0.0	0.0
Hospital DSH	200.7	200.7	0.0
Hospital Insurance Benefits	143.6	132.5	11.1
Nursing Home Care	2530.7	2496.8	33.9
Prescribed Medicine Services	2073.6	2230.9	(157.4)
Hospital Outpatient Services	642.6	616.4	26.2
Other Lab & X-ray Services	47.3	49.9	(2.7)
Family Planning Services	8.1	8.9	(0.8)
Clinic Services	93.5	86.6	6.9
Dev Eval/Early Intervention-Part H	4.3	3.9	0.5
Supplemental Medical Services	739.0	735.6	3.4
State Mental Health Hospital	8.7	14.1	(5.4)
Home Health Services	172.8	161.3	11.5
EPSDT	134.0	130.8	3.2
Adult Dental, Visual, & Hearing	24.7	24.7	(0.0)
Patient Transportation	114.7	114.7	(0.0)
Inter. Care Facilities/Sunland	127.4	125.1	2.3
Inter. Care Facilities/Community	203.0	200.0	3.0
Rural Health Clinics	63.0	62.8	0.1
Birthing Center Services	1.4	1.4	(0.1)
Nurse Practitioner Services	5.9	5.2	0.7
Hospice	252.9	212.3	40.6
Community Mental Health Services	38.3	57.4	(19.2)
Physician Assistant Services	2.4	2.2	0.2
Home & Community Based Services	815.4	812.6	2.8
Community Supported Living Waiver	28.5	28.5	0.0
ACLF Resident Waiver	32.6	32.5	0.1
Dialysis Center	16.6	16.2	0.3
Assistive Care Services Waiver	32.9	32.9	0.0
Healthy Start Waiver	14.8	14.8	0.0
Nursing Home Diversion Waiver	210.0	164.3	45.7
Prepaid Health Plan	1885.8	1885.3	0.5
Case Management Services	110.5	102.3	8.2
Therapeutic Services for Children	146.8	171.0	(24.2)
Personal Care Services	23.5	22.9	0.6
Physical Therapy Services	16.5	20.3	(3.7)
Occupational Therapy Services	20.2	24.9	(4.7)
Speech Therapy	27.5	35.7	(8.2)
Respiratory Therapy Services	5.1	5.2	(0.1)
Private Duty Nursing Services	133.0	131.3	1.7
MediPass Services	30.0	30.1	(0.1)
Medicaid School Financing	50.0	50.0	0.0
TOTAL	15063.5	15059.0	4.5
General Revenue	4416.4	4377.3	39.1
Medical Care Trust Fund	8483.0	8395.4	87.6
Refugee Assistance Trust Fund	22.3	20.3	2.0
Public Medical Assistance Trust Fund	506.4	506.4	0.0
Other State Funds	448.6	446.7	1.9
Grants and Donations Trust Fund	1104.2	1230.3	(126.1)
Tobacco Settlement Trust Fund	82.6	82.6	0.0

SOCIAL SERVICES ESTIMATING CONFERENCE - MEDICAID SERVICES EXPENDITURES (\$ Millions)
November 7, 2005

FY 2006-07
APPROPRIATION BASE COMPARED TO NEW FORECAST

	FY 2005-06 Appropriation Base	New Forecast	Surplus/ (Deficit)
Physician Services	766.4	842.2	(75.8)
Hospital Inpatient Services	2293.0	2448.4	(155.5)
Special Payments to Hospitals	695.6	695.6	0.0
G/A RIPPC DSH	0.2	0.2	0.0
Graduate Medical Education-DSH	0.0	0.0	0.0
Mental Health DSH	61.0	61.0	0.0
G/A Rural Health Financial Assistance	12.7	12.7	0.0
TB Hospital DSH	2.4	2.4	0.0
Primary Care DSH	0.0	0.0	0.0
Hospital DSH	200.7	201.0	(0.3)
Hospital Insurance Benefits	143.6	153.6	(10.0)
Nursing Home Care	2530.7	2867.8	(337.2)
Prescribed Medicine Services	2073.6	1948.5	125.0
Hospital Outpatient Services	642.6	695.5	(52.9)
Other Lab & X-ray Services	47.3	55.3	(8.0)
Family Planning Services	8.1	9.5	(1.3)
Clinic Services	93.5	100.3	(6.8)
Dev Eval/Early Intervention-Part H	4.3	4.0	0.3
Supplemental Medical Services	739.0	869.6	(130.6)
State Mental Health Hospital	8.7	14.8	(6.1)
Home Health Services	172.8	185.5	(12.7)
EPSDT	134.0	134.5	(0.5)
Adult Dental, Visual, & Hearing	24.7	24.6	0.1
Patient Transportation	114.7	123.2	(8.5)
Inter. Care Facilities/Sunland	127.4	130.3	(2.9)
Inter. Care Facilities/Community	203.0	204.8	(1.8)
Rural Health Clinics	63.0	70.1	(7.2)
Birthing Center Services	1.4	1.6	(0.3)
Nurse Practitioner Services	5.9	5.5	0.4
Hospice	252.9	267.1	(14.2)
Community Mental Health Services	38.3	35.9	2.4
Physician Assistant Services	2.4	2.3	0.1
Home & Community Based Services	815.4	813.2	2.2
Community Supported Living Waiver	28.5	28.5	0.0
ACLF Resident Waiver	32.6	32.5	0.1
Dialysis Center	16.6	16.2	0.3
Assistive Care Services Waiver	32.9	32.9	0.0
Healthy Start Waiver	14.8	14.8	0.0
Nursing Home Diversion Waiver	210.0	203.3	6.7
Prepaid Health Plan	1885.8	2101.9	(216.1)
Case Management Services	110.5	106.1	4.3
Therapeutic Services for Children	146.8	141.5	5.3
Personal Care Services	23.5	24.7	(1.2)
Physical Therapy Services	16.5	21.8	(5.3)
Occupational Therapy Services	20.2	26.8	(6.6)
Speech Therapy	27.5	38.5	(11.0)
Respiratory Therapy Services	5.1	5.6	(0.5)
Private Duty Nursing Services	133.0	140.7	(7.7)
MediPass Services	30.0	30.5	(0.5)
Medicaid School Financing	50.0	50.0	0.0
TOTAL	15063.5	15997.4	(933.9)
General Revenue	4416.4	5012.8	(596.3)
Medical Care Trust Fund	8483.0	8939.6	(456.6)
Refugee Assistance Trust Fund	22.3	21.9	0.3
Public Medical Assistance Trust Fund	506.4	468.6	37.8
Other State Funds	448.6	450.9	(2.3)
Grants and Donations Trust Fund	1104.2	1021.1	83.1
Tobacco Settlement Trust Fund	82.6	82.6	0.0

SOCIAL SERVICES ESTIMATING CONFERENCE - MEDICAID SERVICES EXPENDITURES (\$ Millions)

November 7, 2005

	FY01-02	% chg	FY02-03	% chg	FY03-04	% chg
Physician Services	529.6	16.5%	601.4	13.6%	723.8	20.3%
Hospital Inpatient Services	1293.4	7.6%	1488.4	15.1%	1887.9	26.8%
Special Payments to Hospitals	352.4	244.2%	422.3	19.8%	596.9	41.4%
G/A RIPPC DSH	6.9	-1.6%	7.4	7.0%	7.5	1.1%
Graduate Medical Education-DSH	19.7	-0.4%	20.7	4.9%	20.9	1.2%
Mental Health DSH	82.8	-2.3%	51.8	-37.5%	61.0	17.7%
G/A Rural Health Financial Assistance	12.1	12.9%	12.2	0.6%	12.7	4.8%
TB Hospital DSH	2.4	0.0%	2.4	-0.9%	2.4	0.9%
Primary Care DSH	10.2	-0.4%	10.7	4.9%	10.8	1.2%
Hospital DSH	175.2	10.0%	131.0	-25.2%	160.6	22.6%
Hospital Insurance Benefits	91.2	9.5%	98.1	7.5%	107.1	9.1%
Nursing Home Care	1837.9	8.5%	2091.1	13.8%	2239.0	7.1%
Prescribed Medicine Services	1668.0	15.1%	1985.8	19.1%	2362.6	19.0%
Hospital Outpatient Services	372.9	-2.3%	429.6	15.2%	475.4	10.7%
Other Lab & X-ray Services	32.8	12.5%	38.6	17.5%	44.0	14.0%
Family Planning Services	10.8	10.7%	10.5	-2.5%	7.8	-26.3%
Clinic Services	50.6	20.6%	59.5	17.6%	64.3	8.0%
Dev Eval/Early Intervention-Part H	2.0	-6.3%	2.2	6.3%	2.2	-0.8%
Supplemental Medical Services	404.9	9.1%	438.2	8.2%	485.0	10.7%
State Mental Health Hospital	6.4	-32.4%	6.1	-5.5%	8.0	30.7%
Home Health Services	99.1	17.1%	118.2	19.3%	130.3	10.2%
EPSDT	109.8	8.0%	123.7	12.7%	128.9	4.2%
Adult Dental, Visual, & Hearing	37.5	17.2%	19.3	-48.6%	4.3	-77.6%
Patient Transportation	99.1	9.7%	109.9	11.0%	116.1	5.6%
Inter. Care Facilities/Sunland	129.1	1.1%	131.6	1.9%	123.4	-6.2%
Inter. Care Facilities/Community	0.0	NA	0.0	NA	185.0	NA
Rural Health Clinics	40.7	14.1%	47.3	16.4%	51.3	8.5%
Birthing Center Services	0.9	0.8%	1.0	8.0%	1.1	6.9%
Nurse Practitioner Services	5.8	16.4%	5.7	-1.5%	5.6	-2.1%
Hospice	107.2	28.7%	141.8	32.2%	184.8	30.4%
Community Mental Health Services	55.8	-1.3%	56.6	1.5%	60.6	7.0%
Physician Assistant Services	2.0	26.8%	2.3	14.3%	2.2	-1.8%
Home & Community Based Services	933.7	35.9%	902.2	-3.4%	775.9	-14.0%
Community Supported Living Waiver	0.0	-61.6%	0.0	8.1%	0.0	39.0%
ACLF Resident Waiver	22.0	6.9%	28.0	27.2%	27.3	-2.5%
Dialysis Center	8.7	3.8%	10.5	20.5%	11.8	12.6%
Assistive Care Services Waiver	27.9	NA	35.5	27.1%	35.8	0.9%
Healthy Start Waiver	0.0	NA	0.0	NA	11.7	NA
Nursing Home Diversion Waiver	24.1	10.0%	25.2	4.7%	49.9	97.6%
Prepaid Health Plan	1014.5	13.5%	1191.4	17.4%	1252.4	5.1%
Case Management Services	76.4	8.5%	78.9	3.3%	94.8	20.1%
Therapeutic Services for Children	184.2	9.8%	200.8	9.0%	212.7	5.9%
Personal Care Services	18.2	5.0%	19.1	5.0%	20.2	5.9%
Physical Therapy Services	13.7	26.6%	15.9	16.0%	17.9	12.7%
Occupational Therapy Services	15.5	27.9%	18.9	21.6%	21.8	15.4%
Speech Therapy	20.9	22.3%	24.7	17.8%	29.4	19.3%
Respiratory Therapy Services	3.4	17.6%	3.7	8.8%	4.4	19.9%
Private Duty Nursing Services	124.7	10.6%	126.3	1.3%	127.0	0.6%
MediPass Services	23.6	4.2%	26.0	10.4%	27.6	6.0%
Medicaid School Financing	58.8	18.8%	64.2	9.2%	56.2	-12.5%
TOTAL	10219.6	14.8%	11436.6	11.9%	13050.3	14.1%
General Revenue	2865.7	17.8%	3285.0	14.6%	3263.1	-0.7%
Medical Care Trust Fund	5695.4	14.4%	6478.8	13.8%	7825.0	20.8%
Refugee Assistance Trust Fund	14.3	-4.2%	14.7	2.8%	16.7	13.7%
Public Medical Assistance Trust Fund	358.6	-5.7%	364.5	1.6%	410.4	12.6%
Other State Funds	486.9	30.3%	471.8	-3.1%	390.6	-17.2%
Grants and Donations Trust Fund	668.3	47.3%	771.4	15.4%	1072.5	39.0%
Tobacco Settlement Trust Fund	130.5	-51.5%	50.5	-61.3%	72.0	42.4%

SOCIAL SERVICES ESTIMATING CONFERENCE - MEDICAID SERVICES EXPENDITURES (\$ Millions)
November 7, 2005

	FY04-05	% chg	FY05-06	% chg	FY06-07	% chg
Physician Services	768.6	6.2%	774.4	0.8%	842.2	8.8%
Hospital Inpatient Services	1937.3	2.6%	2257.5	16.5%	2448.4	8.5%
Special Payments to Hospitals	582.2	-2.5%	695.6	19.5%	695.6	0.0%
G/A RIPPC DSH	0.2	-97.7%	0.2	0.0%	0.2	0.0%
Graduate Medical Education-DSH	0.0	-100.0%	0.0	#DIV/0!	0.0	NA
Mental Health DSH	68.6	12.5%	61.0	-11.1%	61.0	0.0%
G/A Rural Health Financial Assistance	12.7	0.0%	12.7	0.0%	12.7	-0.2%
TB Hospital DSH	2.4	0.0%	2.4	0.0%	2.4	0.0%
Primary Care DSH	0.0	-100.0%	0.0	#DIV/0!	0.0	NA
Hospital DSH	226.9	41.3%	200.7	-11.6%	201.0	0.2%
Hospital Insurance Benefits	116.8	9.1%	132.5	13.4%	153.6	15.9%
Nursing Home Care	2265.3	1.2%	2496.8	10.2%	2867.8	14.9%
Prescribed Medicine Services	2526.4	6.9%	2230.9	-11.7%	1948.5	-12.7%
Hospital Outpatient Services	537.1	13.0%	616.4	14.8%	695.5	12.8%
Other Lab & X-ray Services	48.7	10.7%	49.9	2.6%	55.3	10.7%
Family Planning Services	8.2	6.2%	8.9	8.6%	9.5	5.7%
Clinic Services	71.7	11.6%	86.6	20.6%	100.3	15.8%
Dev Eval/Early Intervention-Part H	1.9	-10.4%	3.9	100.6%	4.0	3.0%
Supplemental Medical Services	589.4	21.5%	735.6	24.8%	869.6	18.2%
State Mental Health Hospital	6.2	-22.2%	14.1	127.7%	14.8	4.7%
Home Health Services	141.9	8.9%	161.3	13.7%	185.5	15.0%
EPSDT	120.6	-6.4%	130.8	8.5%	134.5	2.9%
Adult Dental, Visual, & Hearing	9.6	122.3%	24.7	157.9%	24.6	-0.6%
Patient Transportation	118.4	2.0%	114.7	-3.1%	123.2	7.4%
Inter. Care Facilities/Sunland	117.0	-5.2%	125.1	6.9%	130.3	4.1%
Inter. Care Facilities/Community	188.8	NA	200.0	5.9%	204.8	2.4%
Rural Health Clinics	58.3	13.6%	62.8	7.7%	70.1	11.6%
Birthing Center Services	1.3	20.3%	1.4	10.4%	1.6	14.3%
Nurse Practitioner Services	4.8	-13.7%	5.2	8.2%	5.5	6.1%
Hospice	197.9	7.1%	212.3	7.3%	267.1	25.8%
Community Mental Health Services	72.5	19.7%	57.4	-20.8%	35.9	-37.6%
Physician Assistant Services	2.1	-7.3%	2.2	5.3%	2.3	8.1%
Home & Community Based Services	766.9	-1.2%	812.6	6.0%	813.2	0.1%
Community Supported Living Waiver	4.7	9481.1%	28.5	503.3%	28.5	0.0%
ACLF Resident Waiver	26.3	-3.7%	32.5	23.8%	32.5	0.0%
Dialysis Center	12.3	4.2%	16.2	32.0%	16.2	0.0%
Assistive Care Services Waiver	33.2	-7.1%	32.9	-1.1%	32.9	0.0%
Healthy Start Waiver	11.3	NA	14.8	30.9%	14.8	0.0%
Nursing Home Diversion Waiver	130.5	161.6%	164.3	25.9%	203.3	23.8%
Prepaid Health Plan	1553.3	24.0%	1885.3	21.4%	2101.9	11.5%
Case Management Services	97.2	2.6%	102.3	5.2%	106.1	3.7%
Therapeutic Services for Children	231.5	8.8%	171.0	-26.1%	141.5	-17.3%
Personal Care Services	21.6	6.7%	22.9	6.2%	24.7	8.0%
Physical Therapy Services	18.2	1.8%	20.3	11.1%	21.8	7.6%
Occupational Therapy Services	22.7	4.2%	24.9	9.8%	26.8	7.7%
Speech Therapy	32.6	10.8%	35.7	9.4%	38.5	7.9%
Respiratory Therapy Services	5.0	12.5%	5.2	5.0%	5.6	7.5%
Private Duty Nursing Services	120.4	-5.2%	131.3	9.1%	140.7	7.1%
MediPass Services	28.7	3.9%	30.1	4.8%	30.5	1.5%
Medicaid School Financing	50.0	-11.0%	50.0	0.0%	50.0	0.0%
TOTAL	13970.4	7.1%	15059.0	7.8%	15997.4	6.2%
General Revenue	3968.9	21.6%	4377.3	10.3%	5012.8	14.5%
Medical Care Trust Fund	7898.6	0.9%	8395.4	6.3%	8939.6	6.5%
Refugee Assistance Trust Fund	18.7	12.1%	20.3	8.4%	21.9	8.2%
Public Medical Assistance Trust Fund	407.8	-0.6%	506.4	24.2%	468.6	-7.5%
Other State Funds	406.6	4.1%	446.7	9.9%	450.9	0.9%
Grants and Donations Trust Fund	1188.0	10.8%	1230.3	3.6%	1021.1	-17.0%
Tobacco Settlement Trust Fund	81.8	13.7%	82.6	1.0%	82.6	0.0%

SOCIAL SERVICES ESTIMATING CONFERENCE - BASIC MEDICAID CASELOADS, HISTORICAL AND FORECASTED
 AVERAGE MONTHLY CASELOADS BY FISCAL YEAR, FY 1998-99 TO FY 2008-09
 results of Social Services Estimating Conference of October 11, 2005

	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
SSI (A)	432,012	437,605	451,694	464,240	468,142	480,185	489,615	499,579	510,494	521,414	532,334
TANF (B)	508,570	500,647	572,041	600,234	624,195	655,986	700,392	717,251	752,250	788,480	824,789
Categorically Eligible (C)	67,115	63,141	71,984	88,662	95,295	107,127	120,460	119,905	130,162	140,505	150,861
Medically Needy (D)	12,870	14,967	18,384	20,981	27,077	30,730	35,646	38,197	42,898	47,650	52,402
General Assistance (E)	4,785	6,516	6,687	6,839	6,392	7,878	8,518	8,215	8,266	8,266	8,266
MEDS Elderly & Disabled (F)	83,988	88,014	91,275	94,437	97,052	104,501	117,518	86,793	54,075	59,697	65,544
Qualified Medicare Beneficiaries(G)	41,129	47,422	57,035	63,788	70,776	78,428	87,763	147,118	208,655	223,468	238,039
MEDS Pregnant Women <100% FPL (H)	31,024	31,038	32,313	35,229	38,343	40,809	44,867	51,081	56,273	61,520	66,767
MEDS Pregnant Women > 100% FPL (I)	9,595	10,396	11,276	12,169	13,697	15,298	16,482	18,237	19,643	21,111	22,578
Family Planning Waiver	22,843	83,193	117,150	109,314	111,062	25,417	2,180	2,972	3,570	4,158	4,746
MEDS Children <100% FPL (H)	200,597	261,557	312,080	368,412	434,404	450,387	445,367	494,580	501,285	501,969	502,653
MEDS Children > 100% FPL (I)	33,089	43,050	54,894	68,575	80,970	85,486	82,528	81,411	82,207	83,191	84,175
Children Title XXI (J)	23,621	20,854	15,728	8,397	2,026	1,457	1,265	1,248	1,256	1,256	1,256
TOTAL	1,471,238	1,608,400	1,812,541	1,941,277	2,069,431	2,083,689	2,152,601	2,266,587	2,371,034	2,462,685	2,554,410

(A) Elderly or disabled individuals of low income who are determined eligible for supplemental security income as determined by the Social Security Administration.

(B) Individuals in single-parent low-income families who meet the AFDC eligibility standards effective in September 1996 or meet TANF eligibility guidelines.

(C) Unemployed parents and children under 18, children under 21 in intact families, or children born after 9/83 living with non-relatives, where family income meets AFDC standards.

(D) Individuals who meet SSI or AFDC eligibility after expenses for medical care are deducted.

(E) This category is 100% federally funded and covers the first eight months in the U.S. for individuals who generally meet the TANF and SSI eligibility requirements.

(F) Elderly and disabled individuals with income above the criteria for supplemental security income but less than 90% of the Federal Poverty Level.

(G) Medicaid covers certain Medicare-related expenses for elderly and disabled individuals between 90-120% of the Federal Poverty Level (excludes Silver Saver program).

(H) Pregnant women under 100% of the Federal Poverty Level and children age 6 and older in families under 100% of the Federal Poverty Level.

(I) Children age 1 to 6 under 133% of the Federal Poverty Level; pregnant women and infants less than one year old with incomes less than 185% of the Federal Poverty Level.

(J) Children born after 10/93 under age 19 and under 100% of the Federal Poverty Level; and children under 200% of the Federal Poverty Limit and under 1 year of age.

**2005 Legislative Session
Major Appropriation Highlights
Health and Human Services Appropriations Committee
FY 2005-06**

MEDICAID PROGRAM

Additions

- ✓ **Medicaid Price Level and Workload - \$1,862.1 million**
Provides \$725.9 for Medicaid workload because of changes in caseloads and utilization of services and \$1,146.5 million related to price level increases in reimbursement rates for institutional facilities, rural health clinics, federally qualified health centers, county health departments, prescription drugs, and other services. The Medicaid caseload for FY 2005-06 is projected to be 2.3 million people.

- ✓ **Restore Medically Needy Program – \$393.3 million**
Restores all Medicaid services to an estimated 36,000 Medically Needy program eligibles, effective July 1, 2005. The Medically Needy program would have limited services to prescribed drugs only beginning July 1, 2005.

- ✓ **Restore Medicaid Coverage for Adult Dentures - \$20.7 million**
Restores funding to continue coverage for Medicaid adult denture services to an estimated 25,000 indigent adults. The service provides complete dentures and services required to seat dentures, the repair and relining of dentures, and the extraction of necessary teeth and other surgical procedures essential to prepare the mouth for dentures. This program would have been eliminated July 1, 2005.

- ✓ **Restore Medicaid Pregnant Women with Incomes between 150 – 185% of the Federal Poverty Level - \$60.8 million**
Restores funding to provide Medicaid services to an estimated 3,400 Medicaid eligible pregnant women with incomes between 150%-185% of the federal poverty level. This program would have been eliminated July 1, 2005.

- ✓ **Increase Reimbursement for Kidney Dialysis - \$4.5 million**
Increases reimbursement for kidney dialysis treatment in freestanding dialysis centers from \$85 to \$150 per treatment.

- ✓ **Continue Goldstandard Multimedia Hand Held PDA Device - \$3.4 million**
Provides funding for the operation and maintenance for 3,000 hand-held devices that provide physicians with information related to a Medicaid recipient's drug history and utilization. The device provides physicians with various clinical references to complement their practices and includes the most recent Medicaid preferred drug list.

- ✓ **Medical Encounter Data System – \$3.2 million**
Provides funding to allow the agency to pursue the development of a medical encounter data system. The system will be used to collect encounter data from managed care companies to assist the agency with analysis and the calculation of capitation rates. Federal rules require Medicaid programs to collect encounter data from participating managed care providers.

Reductions

✓ **Maintain Institutional Provider Reimbursement Rates –(\$413.5 million)**

Reduces the price level increase for Hospital Inpatient, Hospital Outpatient, Nursing Home, and Health Maintenance Organization reimbursement rates for FY 2005-06. This allows for restoration of price level reductions in fiscal year 2004-05 for the following providers and rates will be frozen at the per-diem amounts in place as of June 30, 2005 .

Reduction Amount by Provider Type

	GR	TF	Total
Nursing Home Rates:	(\$60.4)	(\$86.6)	(\$147.0)
Inpatient Hospital Rates:	(\$36.6)	(\$52.5)	(\$89.1)
Outpatient Hospital Rates:	(\$6.2)	(\$9.0)	(\$15.2)
Prepaid Health Plans:	<u>(\$66.4)</u>	<u>(\$95.8)</u>	<u>(\$162.2)</u>
	(\$169.6)	(\$243.9)	(\$413.5)

✓ **Impact to Hospice Rates - (\$5.6 million)**

Reduces hospice rates as a direct result from modifying nursing home reimbursement rates. Medicaid hospice room and board rates are paid at a discounted percentage of nursing home rates; therefore, if nursing home rates are modified, a corresponding savings in hospice will occur.

✓ **Delay Nursing Home Staffing Increase – (\$67.8 million)**

Reduces nursing home services due to the delay in nursing home staffing from 2.6 hours of direct care per resident per day to 2.9 hours effective July 1, 2006.

✓ **Revised Medicaid Preferred Drug List – (\$292.0 million)**

Reduces prescribed drug services as a result of modifications to the Medicaid preferred drug list which includes cost-effective therapeutic options, step therapies, and prior authorization of drugs not on the preferred drug list.

✓ **Prior Authorization in Excess of Eight Prescriptions Per Month – (\$48.7 million)**

Reduces prescribed drug services by requiring prior authorization for the use of more than eight prescriptions in a month. Currently, 90% of all prescription drug users in the Medicaid program use less than eight prescription drugs per month.

✓ **Set HMO Rates Using Two Infant Groups – (\$75.0 million)**

Age grouping is currently used as part of the methodology in calculating HMO capitation rates. This proposal will divide the current age group for infants (0-12 months) into two separate groups; ages 0-3 months and 4-12 months.

✓ **Expand Nursing Home Diversion Program – (\$23.1 million)**

This issue will expand the current nursing home diversion program by 3,000 slots. This program currently serves approximately 6,000 individuals through a fully capitated program. The program gives individuals an alternative to institutional care in a less costly setting.

✓ **Eliminate Full Medicaid Coverage for Non-Institutionalized Medicare Eligible Recipients in the MEDS AD Eligibility Category – (\$84.7 million)**

Eliminates full Medicaid coverage for an estimated 77,000 non-institutionalized Medicare eligible recipients in the Medicaid Aged and Disabled (MEDS AD) eligibility category, effective January 1, 2006.

MEDICAID SERVICES EXPENDITURES
\$ MILLIONS

	<u>FY 99-00</u>	<u>FY00-01</u>	<u>FY01-02</u>	<u>FY 02-03</u>	<u>FY 03-04</u>	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>
PHYSICIAN SERVICES	\$410.4 7.2%	\$454.6 10.8%	\$529.6 16.5%	\$601.4 13.6%	\$723.8 20.3%	\$768.6 6.2%	\$774.4 0.8%	\$842.2 8.8%	\$937.5 11.3%	\$1,041.0 11.0%
HOSPITAL INPATIENT SERVICES	\$1,033.5 8.4%	\$1,193.8 15.5%	\$1,268.5 6.3%	\$1,437.5 13.3%	\$1,834.1 27.6%	\$1,885.9 2.8%	\$2,195.6 16.4%	\$2,386.2 8.7%	\$2,623.5 9.9%	\$2,884.5 9.9%
NURSING HOME SERVICES	\$1,552.0 11.4%	\$1,693.8 9.1%	\$1,837.9 8.5%	\$2,091.1 13.8%	\$2,239.0 7.1%	\$2,265.3 1.2%	\$2,496.8 10.2%	\$2,867.8 14.9%	\$3,148.8 9.8%	\$3,442.3 9.3%
PRESCRIBED MEDICINE	\$1,313.4 27.8%	\$1,448.6 10.3%	\$1,668.0 15.1%	\$1,985.8 19.1%	\$2,362.6 19.0%	\$2,526.4 6.9%	\$2,230.9 -11.7%	\$1,948.5 -12.7%	\$2,186.1 12.2%	\$2,452.0 12.2%
HOSPITAL OUTPATIENT SERVICES	\$371.6 9.7%	\$381.7 2.7%	\$372.9 -2.3%	\$429.6 15.2%	\$475.4 10.7%	\$537.1 13.0%	\$616.4 14.8%	\$695.5 12.8%	\$755.7 8.7%	\$820.3 8.5%
SUPPLEMENTAL MEDICAL INSURANCE	\$348.5 4.3%	\$371.0 6.4%	\$404.9 9.1%	\$438.2 8.2%	\$485.0 10.7%	\$589.4 21.5%	\$735.6 24.8%	\$869.6 18.2%	\$974.1 12.0%	\$1,090.8 12.0%
HOME & COMMUNITY BASED SERVICES	\$586.2 35.0%	\$686.8 17.2%	\$923.2 34.4%	\$902.2 -2.3%	\$775.9 -14.0%	\$766.9 -1.2%	\$812.6 6.0%	\$813.2 0.1%	\$814.3 0.1%	\$815.3 0.1%
PREPAID HEALTH PLAN	\$715.2 -1.7%	\$894.0 25.0%	\$1,014.5 13.5%	\$1,191.4 17.4%	\$1,252.4 5.1%	\$1,553.3 24.0%	\$1,885.3 21.4%	\$2,101.9 11.5%	\$2,266.1 7.8%	\$2,435.1 7.5%
OTHER MEDICAID SERVICES	\$1,432.3 5.7%	\$1,776.6 24.0%	\$2,200.3 23.8%	\$2,359.4 7.2%	\$2,902.0 23.0%	\$3,077.5 6.0%	\$3,311.3 7.6%	\$3,472.4 4.9%	\$3,632.2 4.6%	\$3,801.7 4.7%
TOTAL MEDICAID SERVICES	\$7,763.2 11.8%	\$8,900.8 14.7%	\$10,219.6 14.8%	\$11,436.6 11.9%	\$13,050.3 14.1%	\$13,970.4 7.1%	\$15,059.0 7.8%	\$15,997.4 6.2%	\$17,338.2 8.4%	\$18,782.8 8.3%

MEDICAID SERVICES EXPENDITURES
\$ MILLIONS

	<u>FY 99-00</u>	<u>FY00-01</u>	<u>FY01-02</u>	<u>FY 02-03</u>	<u>FY 03-04</u>	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>
TOTAL MEDICAID SERVICES	\$7,763.2 11.8%	\$8,900.8 14.7%	\$10,219.6 14.8%	\$11,436.6 11.9%	\$13,050.3 14.1%	\$13,970.4 7.1%	\$15,059.0 7.8%	\$15,997.4 6.2%	\$17,338.2 8.4%	\$18,782.8 8.3%
FEDERAL SHARE	\$4,285.1 11.7%	\$4,991.9 16.5%	\$5,709.7 14.4%	\$6,493.5 13.7%	\$7,841.7 20.8%	\$7,917.3 1.0%	\$8,415.7 6.3%	\$8,961.5 6.5%	\$9,734.9 8.6%	\$10,530.2 8.2%
STATE SHARE	\$3,478.1 11.8%	\$3,908.9 12.4%	\$4,509.9 15.4%	\$4,943.2 9.6%	\$5,208.6 5.4%	\$6,053.1 16.2%	\$6,643.3 9.8%	\$7,035.9 5.9%	\$7,603.3 8.1%	\$8,252.6 8.5%
TOTAL GENERAL REVENUE	\$2,349.4	\$2,432.2	\$2,865.7	\$3,285.0	\$3,263.1	\$3,968.9	\$4,377.3	\$5,012.8	\$5,523.9	\$6,104.0
TOTAL MEDICAL CARE TRUST FUND	\$4,272.7	\$4,977.0	\$5,695.4	\$6,478.8	\$7,825.0	\$7,898.6	\$8,395.4	\$8,939.6	\$9,711.2	\$10,504.3
TOTAL REFUGEE ASSISTANCE TF	\$12.4	\$14.9	\$14.3	\$14.7	\$16.7	\$18.7	\$20.3	\$21.9	\$23.7	\$25.9
TOTAL PUBLIC MEDICAL ASSIST TF	\$390.2	\$380.3	\$358.6	\$364.5	\$410.4	\$407.8	\$506.4	\$468.6	\$468.6	\$468.6
TOTAL OTHER STATE FUNDS	\$319.1	\$373.7	\$486.9	\$471.8	\$390.6	\$406.6	\$446.7	\$450.9	\$460.9	\$465.2
TOTAL GRANTS & DONATIONS TF	\$351.5	\$453.8	\$668.3	\$771.4	\$1,072.5	\$1,188.0	\$1,230.3	\$1,021.1	\$1,067.2	\$1,132.2
TOTAL TOBACCO SETTLEMENT TF	\$67.9	\$268.9	\$130.5	\$50.5	\$72.0	\$81.8	\$82.6	\$82.6	\$82.6	\$82.6
GROWTH FACTORS										
Total Caseload	9.3%	12.7%	7.1%	6.6%	0.7%	3.3%	5.3%	4.6%	3.9%	3.7%
Elderly Caseload	1.9%	3.3%	2.9%	1.2%	3.4%	3.8%	-3.4%	-3.7%	2.9%	2.9%
Children Caseload	8.5%	16.6%	10.5%	9.9%	4.6%	3.1%	5.3%	3.3%	2.8%	2.8%
Adult Caseload	-1.3%	13.6%	5.2%	4.4%	5.3%	7.0%	3.3%	5.3%	5.2%	4.9%
Nursing Home Caseload	0.6%	0.1%	-1.0%	1.3%	0.2%	-1.4%	0.0%	3.0%	2.5%	2.0%
Prescribed Medicine Utilization	-1.8%	0.3%	6.3%	9.1%	9.5%	5.8%	-12.7%	-17.5%	3.5%	3.5%
Hospital Inpatient Inflation	13.8%	-2.6%	3.3%	6.5%	12.1%	1.7%	6.3%	3.9%	6.0%	6.0%
Nursing Home Inflation	10.1%	9.9%	8.8%	12.1%	5.9%	1.9%	8.3%	11.6%	7.0%	7.0%
Prescribed Medicine Inflation	15.5%	-1.6%	5.0%	5.1%	8.0%	1.8%	4.0%	6.3%	6.0%	6.0%
Hospital Outpatient Inflation	4.4%	8.2%	0.9%	10.0%	3.6%	8.4%	5.0%	4.5%	5.0%	5.0%
Consumer Price Index-Medical Services	2.5%	3.5%	3.0%	3.0%	3.5%	2.8%	3.2%	3.9%	3.8%	3.6%
Federal Medical Assistance Percentage (FMAP)	56.20%	56.61%	56.45%	58.63%	61.40%	58.90%	58.89%	58.80%	58.80%	58.80%