

**Social Services Estimating Conference
Medicaid Caseloads and Expenditures
November 17, November 28, and December 7, 2016
Executive Summary**

The Social Services Estimating Conference convened on November 17, 2016 to adopt revised Medicaid caseload projections, on November 28, 2016 to adopt a revised FMAP projection, and on December 7, 2016 to update the expenditure projection for the period covering FY 2016-17 through FY 2020-21.

Caseload Estimating Conference – The Conference adopted a caseload projection for FY 2016-17 that was 99,417 (2.40%) lower than the one adopted in July 2016 and decreased the projection for FY 2017-18 by 163,892 (3.77%). The new projection for FY 2016-17 is 4,045,610. In the out-years, caseload is projected to be 4,186,492 in FY 2017-18; 4,326,375 in FY 2018-19; 4,468,729 in FY 2019-20; and 4,608,561 in FY 2020-21.

Beginning in the July 2016 Conference, caseload is projected separately for 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. Beginning with this Conference, the TANF category is also split by age, into TANF Age 0-13 and TANF Age 14+, and the HIV/AIDS and LTC categories were collapsed into fewer groupings. The FFS enrollment is forecasted by enrollment categories that align with Medicaid eligibility groupings (e.g. Medically Needy, QMB/SLMB/QI, Family Planning, etc.). Note that 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.

The new forecast anticipates a 2.0% increase in Medicaid caseload in FY 2016-17 over the prior fiscal year and a 3.5% increase in FY 2017-18. The table below summarizes the newly adopted forecast.

Total Medicaid Caseload	FY 2016-17		FY 2017-18	
	4,045,610		4,186,492	
	SMMC		FFS	
	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
TANF 0-13	1,583,164	1,657,573	Other FFS	149,833
TANF 14+	1,037,351	1,075,733	Medically Needy	27,616
SSI Medicaid	311,251	323,079	QMB/SLMB/QI	413,617
SSI Dual	151,380	164,432	XXI Children (6-18)	4,409
HIV/AIDS Medicaid	11,206	11,784	XXI Children (Under 1)	3
HIV/AIDS Specialty Medicaid	3,908	4,115	General Assistance	9,487
HIV/AIDS Dual	5,599	5,678	Family Planning	67,191
LTC Medicaid	6,542	6,881	Relative Caregiver	18,983
LTC Dual	74,207	74,728	Child Only	26,046
Child Welfare	61,462	65,722	Families with Adults	27,724
CMSN	50,874	50,827	Unemployed Parents	3,755

Expenditure Estimating Conference – The new expenditure forecast takes account of the Medicaid caseload growth adopted in November 2016 and described above. Likely reductions that are scheduled to be taken to hospital disproportionate share (DSH) funding are not included because the federal Centers for Medicare & Medicaid Services (CMS) has not released guidance as to the amounts or methodology that will be used in calculating state reductions. The forecast adheres to federal waiver authority for the size of the Low Income Pool (LIP) for FY 2016-17, which is the final year of the LIP demonstration; the forecast for FY 2017-18 through FY 2019-20 does not include any LIP expenditures. The forecast assumes continuation of Intergovernmental Transfers (IGTs) from local taxing authorities based on appropriated levels for FY 2016-17. While the forecast in the out-years assumes continuation of IGTs for Statewide Issues (SWI) and DSH based on historical collections of this funding, the SSEC strongly cautions that IGTs for these purposes may be at risk beginning in FY 2016-17 and may result in lower Fee for Service and supplemental payments to providers (IGT collections for LIP, DSH, and SWIs have no impact on managed care plan capitation rates). Revisions to the long-term Medicaid expenditures forecast could also be required based on final approvals and guidance from CMS.

In the current expenditures forecast, an overall rate increase of 8.2% was applied to the Prepaid Health Plans category at a granular level beginning September 1, 2016. This figure was provided in the September 22, 2016 final report prepared by Milliman, Inc., “State of Florida Agency for Health Care Administration September 2016 – September 2017 Capitation Rate Development, Statewide Medicaid Managed Care Managed Medical Assistance Program.” The overall 8.2% rate increase is comprised of two components, a 5.8% net increase from Rate Year 2015-16 to Rate Year 2016-17, excluding program changes, and an additional 2.4% reflecting several program changes: Revenue Code 0636 Payment Change, Hepatitis C Prior Authorization Change, MMA Enrollment of Lawfully Residing Children, Maternity Kick Payment Adjustment, Elimination of Kick Payment for Hepatitis C Medications for HIV/AIDS Rate Cells, and Including LTC Services for MMA Members Under Age 18. The latter two program changes are not expected to increase overall Medicaid expenditures because these two services were previously funded through a Medicaid funding source outside of Statewide Medicaid Managed Care.

In the out-years, the MMA capitation rate increase is projected to be 5.15% in October 2017, 5.35% in October 2018, 5.50% in October 2019, and 5.65% in October 2020.

In the current expenditures forecast, a rate increase of 0.9% was applied to the Prepaid Health Plan – Long Term Care category beginning September 1, 2016. This figure was provided in the September 23, 2016 letter prepared by Milliman, Inc., “Re: Combined SMMC Rate Change for September 2016 – September 2017.” In the out-years, the LTC capitation rate increase is projected to be 1.5% in October of each year.

Express Enrollment, which was introduced in January 2016, was taken into account in the new forecast. Previously, Medicaid participants received care under the FFS Program until they selected a managed care plan and were enrolled in the MMA Program. Under Express Enrollment, most Medicaid participants are now enrolled in the MMA program on the first day of eligibility. This has reduced “churn” between the FFS and MMA populations.

For FY 2016-17, program expenditures are expected to increase to \$25,842.7 million (11.1% above the FY 2015-16 estimate); this level is higher than the appropriated level, but lower than forecast in August. The decrease in the estimate since the last Conference is primarily driven by lower than expected caseload. Overall, the new forecast anticipates a surplus in General Revenue funds for the current year of \$103.7 million.

For FY 2017-18, program expenditures are expected to increase to \$26,327.8 million (1.9% above the revised fiscal year 2016-17 estimate). The General Revenue requirement for Fiscal Year 2017-18 is \$174.5 million above the FY 2017-18 base budget level.

Expenditure Forecast (millions)	FY 2016-17 Forecast	Surplus/Deficit	FY 2017-18 Forecast	Comparison to Base Budget
General Revenue	\$6,381.5	\$103.7	\$6,644.4	(\$174.5)
Medical Care Trust Fund	14,493.6	(50.9)	14,922.6	(505.5)
Refugee Assistance Trust Fund	58.5	23.4	62.3	19.6
Public Medical Assistance Trust Fund	632.4	.0	743.6	(111.3)
Other State Funds	495.7	(2.2)	473.6	4.5
Grants and Donations Trust Fund	2,647.9	(200.2)	2,419.6	28.1
Health Care Trust Fund	867.1	41.2	795.5	112.7
Tobacco Settlement Trust Fund	266.0	.0	266.0	.0
Total	\$25,842.7	(\$85.1)	\$26,327.8	(\$626.4)

Federal Medical Assistance Percentage – Based on new population and personal income data for the nation and for Florida, the Conference made modifications to the Federal Medical Assistance Percentage levels used for state budgeting purposes. The confirmed FMAP for FY 2016-17 is 60.99%, and the confirmed percentage for FY 2017-18 is 61.62%.