

**Social Services Estimating Conference
Medicaid Caseloads and Expenditures
July 17, August 3, and August 9, 2017
Executive Summary**

The Social Services Estimating Conference convened on July 17, 2017 to adopt revised Medicaid caseload projections, on August 3 to adopt a revised FMAP projection, and on August 9 to update the expenditure projection for the period covering FY 2017-18 through FY 2021-22. Final expenditure projections for FY 2016-17 are not completed until after the certified forward period ends in Fall 2017.

Caseload Estimating Conference – FY 2016-17 Medicaid caseload is expected to total 4,018,554. The Conference adopted a caseload estimate for FY 2017-18 that was 83,708 (2.02%) lower than the one adopted in February and decreased the projection for FY 2018-19 by 114,342 (2.70%). The new projection for FY 2017-18 is 4,056,582. In the out-years, caseload is projected to be 4,115,027 in FY 2018-19; 4,172,754 in FY 2019-20; 4,230,276 in FY 2020-21; and 4,287,742 in FY 2021-22.

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. 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 shown in forecasts prior to July 2016.

The new estimate shows a 0.9% increase in Medicaid caseload for FY 2017-18 over the prior fiscal year and a 1.4% increase in FY 2018-19. The table below summarizes the newly adopted estimates.

Total Medicaid Caseload	FY 2017-18		FY 2018-19	
	4,056,582		4,115,027	
	SMMC		FFS	
	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19
TANF 0-13	1,603,724	1,632,141	Other FFS	173,544
TANF 14+	1,017,485	1,027,422	Medically Needy	28,516
SSI Medicaid	313,866	317,082	QMB/SLMB/QI	427,198
SSI Dual	128,073	129,034	XXI Children (6-18)	4,127
HIV/AIDS Medicaid	8,458	8,629	XXI Children (Under 1)	0
HIV/AIDS Specialty Medicaid	7,699	7,756	General Assistance	4,552
HIV/AIDS Dual	5,639	5,682	Family Planning	67,073
LTC Medicaid	7,077	7,430	Relative Caregiver	18,700
LTC Dual	74,274	74,763	Child Only	25,085
Child Welfare	62,147	64,014	Families with Adults	25,439
CMSN	50,310	50,305	Unemployed Parents	3,596

Expenditure Estimating Conference – The new expenditure forecast takes account of the Medicaid caseload forecast adopted in July 2017 and described above. While the Conference is aware that reductions to hospital disproportionate share (DSH) funding are likely, they are not reflected in this forecast because the federal Centers for Medicare & Medicaid Services (CMS) has yet to release its final rule regarding the amounts and methodology that will be used in calculating the specific state reductions. However, the forecast does adhere to federal waiver authority for the size of the Low Income Pool (LIP) in FY 2017-18, even though it is contingent upon approval of a budget amendment. In this regard, the forecast assumes the continuation of Intergovernmental Transfers (IGTs) from local taxing authorities based on appropriated levels for FY 2017-18. 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 2017-18 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 decrease of 3.6% was applied to the Prepaid Health Plans category at a granular level beginning October 1, 2017. This figure was provided in the August 2, 2017 draft final report prepared by Milliman, Inc., “State of Florida Agency for Health Care Administration September 2017 – September 2018 Capitation Rate Development, Statewide Medicaid Managed Care Managed Medical Assistance Program.” The overall rate change is comprised of two components, a -0.7% net decrease from Rate Year 2016-17 to Rate Year 2017-18, excluding program changes, and an additional -2.9% reflecting several program changes: Physician Compensation Increase related to MMA Physician Incentive Program, Legislative Hospital Reimbursement Reduction, Removal of Rate Year Seasonality Adjustment (reflecting movement from a 13-month rate year to a 12-month rate year), and an IMD adjustment.

In the out-years, the MMA capitation rate increase is projected to be 3.75% in October 2018, 3.75% in October 2019, 3.85% in October 2020, and 3.90% in October 2021.

In the current expenditures forecast, a rate increase of 2.9% was applied to the Prepaid Health Plan – Long Term Care category beginning October 1, 2017. This figure was provided in the August 2, 2017 report prepared by Milliman, Inc., “State of Florida Agency for Health Care Administration October 1, 2017 – September 30, 2018 Capitation Rate Development for Statewide Medicaid Managed Care Long Term Care Program.” 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.

Program expenditures for FY 2016-17 will not be final until the conclusion of the certified forward period in the Fall of 2017 and were not revised by this Conference from the numbers adopted in March (projecting a total of \$25,960.8 million). For FY 2017-18, program expenditures are expected to increase to \$26,849.0 million (3.4% above the FY 2016-17 estimate); this level is lower than the appropriated level but higher than forecasted in March. The net increase in the estimate since the last Conference is primarily driven by the inclusion of the Low Income Pool and higher than anticipated costs for the Prepaid Health Plan – Long Term Care program. Both of these factors outweigh the lower than expected costs for the Prepaid Health Plan –

Managed Medical Assistance Program. Overall, the new forecast anticipates a surplus in General Revenue funds for the current year of \$104.6 million.

For FY 2018-19, program expenditures are expected to decrease to \$26,085.5 million (2.8% below the revised fiscal year 2017-18 estimate), in part because the Low Income Program is eliminated from the forecast. The General Revenue requirement for Fiscal Year 2018-19 is \$326.2 million above the FY 2018-19 base budget level.

Expenditure Forecast (millions)	FY 2017-18 Forecast	Surplus/Deficit	FY 2018-19 Forecast	Comparison to Base Budget
General Revenue	\$6,323.9	\$104.6	\$6,703.2	(\$326.2)
Medical Care Trust Fund	15,168.1	296.9	14,702.2	(392.9)
Refugee Assistance Trust Fund	42.0	22.5	41.8	22.6
Public Medical Assistance Trust Fund	767.9	.0	748.5	19.5
Other State Funds	471.4	1.8	470.3	.8
Grants and Donations Trust Fund	2,989.5	1.6	2,341.4	(23.6)
Health Care Trust Fund	787.0	.1	779.0	8.1
Tobacco Settlement Trust Fund	299.1	.0	299.1	.0
Total	\$26,849.0	\$427.4	\$26,085.5	(\$691.7)

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 2017-18 is 61.62%, and the estimated percentage for FY 2018-19 is 61.66%.