

**Social Services Estimating Conference  
Medicaid Caseloads and Expenditures  
July 25, August 6, and August 17, 2018  
Executive Summary**

The Social Services Estimating Conference convened on July 25, 2018 to adopt revised Medicaid caseload projections and on August 6 and August 17, 2018 to adopt a revised FMAP projection and to update the expenditure projection for the period covering FY 2018-19 through FY 2023-24. Expenditures for FY 2017-18 reflect the forecast adopted in January 2018.

**Caseload Estimating Conference** – FY 2016-17 Medicaid caseload was 4,017,726. The Conference adopted a caseload estimate for FY 2017-18 that was 49,393 (1.24%) lower than the one adopted in December and decreased the projection for FY 2018-19 by 155,894 (3.88%). The new projection for FY 2017-18 is 3,931,787. In the out-years, caseload is projected to be 3,865,083 in FY 2018-19; 3,893,429 in FY 2019-20; 3,922,048 in FY 2020-21; 3,950,663 in FY 2021-22; 3,979,281 in FY 2022-23; and 4,007,901. In FY 2023-24.

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 2.1% decrease in Medicaid caseload for FY 2017-18 over the prior fiscal year and a 1.7% decrease in FY 2018-19. The table below summarizes the newly adopted estimates.

| <b>Total Medicaid<br/>Caseload</b> | <b>FY 2017-18</b> |            | <b>FY 2018-19</b>    |            |
|------------------------------------|-------------------|------------|----------------------|------------|
|                                    | <b>3,931,787</b>  |            | <b>3,865,083</b>     |            |
|                                    | SMMC              |            | FFS                  |            |
|                                    | FY 2017-18        | FY 2018-19 | FY 2017-18           | FY 2018-19 |
| TANF 0-13                          | 1,538,720         | 1,505,122  | Other FFS            | 185,208    |
| TANF 14+                           | 957,710           | 916,656    | Medically Needy      | 27,608     |
| SSI Medicaid                       | 313,064           | 305,643    | QMB/SLMB/QI          | 430,686    |
| SSI Dual                           | 122,782           | 114,820    | XXI Children (6-18)  | 4,340      |
| HIV/AIDS Medicaid                  | 6,360             | 6,437      | General Assistance   | 1,291      |
| HIV/AIDS Specialty Medicaid        | 7,071             | 6,811      | Family Planning      | 68,264     |
| HIV/AIDS Dual                      | 5,107             | 4,644      | Relative Caregiver   | 18,360     |
| LTC Medicaid                       | 7,432             | 8,387      | Child Only           | 23,784     |
| LTC Dual                           | 74,417            | 74,826     | Families with Adults | 24,718     |
| Child Welfare                      | 61,677            | 62,770     | Unemployed Parents   | 2,776      |
| CMSN                               | 50,411            | 50,550     |                      | 2,533      |

**Expenditure Estimating Conference** – The new expenditure forecast takes account of the Medicaid caseload forecast adopted in July 2018 and described above. While the Conference is aware that reductions to hospital disproportionate share (DSH) funding are possible, they are not reflected in this forecast. The federal Centers for Medicare & Medicaid Services (CMS) has only released amounts and methodology that will be used in calculating state reductions. This forecast reflects the draft 2018 DSH allotment provided by CMS. The forecast adheres to federal waiver authority for the size of the Low Income Pool (LIP) in FY 2018-19, which is currently set to expire in June 2022 and is contingent upon approval of a budget amendment per the General Appropriations Act. In this regard, the forecast assumes the continuation of Intergovernmental Transfers (IGTs) from local taxing authorities. The forecast also assumes continuation of IGTs for DSH based on historical collections for this purpose for FY 2018-19 through FY 2023-24. While IGT collections for LIP and DSH have no impact on managed care plan capitation rates, the SSEC strongly cautions that IGTs for these purposes may be at risk beginning in FY 2018-19 and may result in lower supplemental payments to providers. The forecast assumes that retroactive eligibility will begin on January 2019, but the Agency will implement upon federal approval.

In the current expenditures forecast, an overall rate increase of 1.58% was applied to the Prepaid Health Plans category at a granular level beginning October 1, 2018. This figure was provided in the August 15, 2018 letter prepared by Milliman, Inc., “Social Services Estimating Conference – RY 18/19 High Level Estimates for SMMC Program – Alternate Scenario Removing Adult Nursing Facility Services from MMA Program.” The overall rate change is comprised of two components, a 0.89% net increase from Rate Year 2017-18 to Rate Year 2018-19, excluding program changes, and an additional 0.69% reflecting several program changes.

In the out-years, the MMA capitation rate increase is projected to be 3.10% in October 2019, 3.50% in October 2020, 3.90% in October 2021, 4.00% in October 2022, and 4.10% in October 2023.

In the current expenditures forecast, a rate increase of 1.63% was applied to the Prepaid Health Plan – Long Term Care category beginning October 1, 2018. This figure was provided in the August 15, 2018 letter prepared by Milliman, Inc., “Social Services Estimating Conference – RY 18/19 High Level Estimates for SMMC Program – Alternate Scenario Removing Adult Nursing Facility Services from MMA 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.

Final, reconciled program expenditures for FY 2016-17 totaled \$25,261.8 million. For FY 2017-18, program expenditures are estimated to increase to \$26,855.7 million (6.3% above the FY 2016-17 estimate). For FY 2018-19, program expenditures are expected to increase to \$27,594.1 million (2.7% above the fiscal year 2017-18 estimate); this level is lower than the appropriated level and the higher than forecasted in February. The net increase in the estimate since the last Conference is primarily driven by higher than anticipated expenditures for Low Income Pool, Community Mental Health Services, Prepaid Health Plan – Long Term Care program, and Supplemental Medical Insurance. 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 \$170.0 million.

For FY 2019-20, program expenditures are expected to increase to \$27,489.0 million (0.4% below the fiscal year 2018-19 estimate). The General Revenue requirement for Fiscal Year 2019-20 is \$140.0 million above the FY 2019-20 base budget level.

| <b>Expenditure Forecast (millions)</b> | <b>FY 2018-19 Forecast</b> | <b>Surplus/Deficit</b> | <b>FY 2019-20 Forecast</b> | <b>Comparison to Base Budget</b> |
|--|----------------------------|------------------------|----------------------------|----------------------------------|
| General Revenue                        | \$6,663.3                  | \$170.0                | \$6,920.0                  | (\$140.0)                        |
| Medical Care Trust Fund                | 15,440.6                   | 495.0                  | 15,272.4                   | 523.6                            |
| Refugee Assistance Trust Fund          | 5.9                        | 35.9                   | 5.9                        | 35.8                             |
| Public Medical Assistance Trust Fund   | 749.8                      | 2.5                    | 673.6                      | 78.8                             |
| Other State Funds                      | 482.3                      | .5                     | 485.6                      | (2.7)                            |
| Grants and Donations Trust Fund        | 3,154.5                    | (37.3)                 | 3,125.5                    | (43.9)                           |
| Health Care Trust Fund                 | 819.6                      | 19.7                   | 740.3                      | 99.0                             |
| Tobacco Settlement Trust Fund          | 278.1                      | 29.1                   | 265.7                      | 41.5                             |
| <b>Total</b>                           | <b>\$27,594.1</b>          | <b>\$715.3</b>         | <b>\$27,489.0</b>          | <b>\$592.1</b>                   |

**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 2018-19 is 61.10%, and the estimated FMAP for 2019-20 is 60.84%.