

**Social Services Estimating Conference
Medicaid Caseloads and Expenditures
July 25, 2019 and August 6, 2019
Executive Summary**

The Social Services Estimating Conference convened on July 25, 2019, to adopt a revised Medicaid caseload forecast and on August 6, 2019, to adopt a revised FMAP projection and to update the expenditure projection for the period covering FY 2019-20 through FY 2024-25. Expenditures for FY 2018-19 still reflect the forecast adopted in March 2019; they will not be finalized until the next conference.

Caseload Estimating Conference –The Conference adopted a caseload estimate for FY 2018-19 that was 32,682 (0.85%) lower than the one adopted in March and decreased the projection for FY 2019-20 by 93,241 (2.40%). The new projection for FY 2018-19 is 3,812,768. In the out-years, caseload is projected to be 3,793,795 in FY 2019-20; 3,830,858 in FY 2020-21; 3,867,192 in FY 2021-22; 3,902,993 in FY 2022-23; 3,938,325 in FY 2023-24; and 3,973,472 in FY 2024-25. It does not move above the prior peak of 4,017,726 seen in FY 2016-17 within the forecast horizon.

Caseload is projected separately for the 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. A new SMMC enrollment category, Private Duty Nursing (PDN) was added beginning in October of 2019. The FFS enrollment is forecasted by statewide 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 3.0% decline in Medicaid caseload for FY 2018-19 over the prior fiscal year and a 0.5% decrease in FY 2019-20. The table below summarizes the newly adopted estimates.

Total Medicaid Caseload			FY 2018-19	FY 2019-20	
			3,812,768	3,793,795	
SMMC			FFS		
	FY 2018-19	FY 2019-20		FY 2018-19	FY 2019-20
TANF 0-13	1,471,967	1,449,699	Other FFS	211,280	229,449
TANF 14+	883,698	857,737	Medically Needy	29,106	29,206
SSI Medicaid	298,538	293,888	QMB/SLMB/QI	449,950	461,567
SSI Dual	109,735	104,965	XXI Children (6-18)	4,608	4,609
HIV/AIDS Medicaid	6,232	6,270	General Assistance	1,456	2,588
HIV/AIDS Specialty Medicaid	6,938	6,853	Family Planning	68,503	69,312
HIV/AIDS Dual	4,600	4,519	Relative Caregiver	17,847	17,700
LTC Medicaid	8,219	8,847	Child Only	21,612	21,154
LTC Dual	77,610	81,273	Families with Adults	21,965	21,143
Child Welfare	62,700	63,030	Unemployed Parents	2,138	2,029
CMSN	54,066	56,778			
PDN	0	1,179			

Expenditure Estimating Conference – The new expenditure forecast takes account of the Medicaid caseload forecast adopted in July 2019 as 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 the general methodology that will be used in calculating state reductions, but has not formalized those actions. This forecast reflects the draft DSH allotments currently provided by CMS. The forecast also adheres to federal waiver authority for the maximum size of the Low Income Pool (LIP) while it continues to exist; it is currently set to expire in June 2022. 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 2019-20 through FY 2024-25. 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 2019-20 and may result in lower supplemental payments to providers.

In the current expenditure forecast, an overall rate increase of 1.2% was applied to the Prepaid Health Plans category at a granular level beginning October 1, 2019. This figure was provided in the August 1, 2019 letter prepared by Milliman, Inc., “Social Services Estimating Conference – RY 19/20 Final Estimates and Combined SMMC Rate Change for October 2019 through September 2020.” The overall rate change is comprised of two components, a 1.0% net increase from Rate Year 2018-19 to Rate Year 2019-20, excluding program changes, and an additional 0.2% reflecting several program changes.

In the out-years, the MMA capitation rate increase is projected to be 2.0% in October 2020, 2.5% in October 2021, 3.0% in October 2022, 3.2% in October 2023, and 3.5% in October 2024 as expected increases in medical inflation begin to take hold.

In the current expenditures forecast, a rate decrease of (1.1%) was applied to the Prepaid Health Plan – Long Term Care (LTC) category beginning October 1, 2019. This figure was provided in the August 1, 2019 letter prepared by Milliman, Inc., “Social Services Estimating Conference – RY 19/20 Final Estimates and Combined SMMC Rate Change for October 2019 through September 2020.” In the out-years, the LTC capitation rate increase is projected to increase 1.5% in October of each year.

Final, reconciled program expenditures for FY 2017-18 totaled \$25,203.7 million. For FY 2018-19, program expenditures are estimated to increase to \$27,728.7 million (10.0% above FY 2017-18, but still reflecting the March 2019 forecast). For FY 2019-20, program expenditures are expected to increase to \$28,114.6 million (1.4% above the fiscal year 2018-19 estimates); this level is lower than the appropriated level and lower than forecasted in March. The net decrease in the estimate since the last Conference is primarily driven by the lower than anticipated costs for the Prepaid Health Plan–Managed Medical Assistance Program. This decrease outweighed the increases in the Hospital Inpatient Services, Physician & Health Care Practitioner Services, and Other Fee for Service categories. Overall, the new forecast anticipates a surplus in General Revenue funds for the current year of \$198.0 million. For FY 2020-21, program expenditures are expected to increase to \$29,209.8 million (3.3% above the fiscal year 2019-20 estimate). The General Revenue requirement for Fiscal Year 2020-21 is \$110.5 million above the FY 2020-21 base budget level.

Expenditure Forecast (millions)	FY 2019-20		FY 2020-21	Comparison to
	Forecast	Surplus/Deficit	Forecast	Base Budget
General Revenue	\$6,758.6	\$198.0	\$7,067.2	(\$110.5)
Medical Care TF	15,871.5	110.7	16,418.4	(495.7)
Refugee Assistance TF	3.6	.3	3.7	.2
Public Medical Assistance TF	796.1	.0	726.5	69.6
Other State Funds	511.9	.6	507.8	4.6
Grants and Donations TF	3,183.1	.0	3,235.4	(89.8)
Health Care Trust Fund	720.7	18.0	727.0	11.7
Tobacco Settlement TF	269.1	.0	343.8	(74.7)
Total	\$28,114.6	\$327.6	\$29,029.8	(\$684.6)

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 (FMAP) levels used for state budgeting purposes. The confirmed FMAP for 2019-20 is 61.32% and for 2020-21 is projected to be 61.63%. The latter year shows a slight reduction in expected federal participation relative to the prior forecast.