

**Social Services Estimating Conference
Medicaid Caseloads and Expenditures
December 20, 2019 and January 7, 2020
Executive Summary**

The Social Services Estimating Conference convened on December 20, 2019, to adopt a revised Medicaid caseload forecast and a revised series of FMAP projections; and on January 7, 2020, to update the expenditure forecast for the period covering FY 2019-20 through FY 2024-25.

Caseload Estimating Conference –The final Medicaid caseload for FY 2018-19 was 3,812,142, a 3.0% decline over the prior year. The Conference further lowered the estimate for FY 2019-20 by 14,442 (0.38%), generating a new projected caseload of 3,779,353, a decline over the prior year of 0.9%. In the out years, caseload is projected to be 3,812,310 in FY 2020-21; 3,843,821 in FY 2021-22; 3,874,523 in FY 2022-23; 3,904,713 in FY 2023-24; and 3,934,599 in FY 2024-25. Once growth resumes in FY 2020-21, the rate of annual change remains well less than overall population growth. 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 table below summarizes the newly adopted estimates.

Total Medicaid Caseload	FY 2019-20	FY 2020-21
	3,779,353	3,812,311

	SMMC		FFS		
	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	
TANF 0-13	1,440,710	1,441,364	Other FFS	222,046	226,663
TANF 14+	857,439	859,394	Medically Needy	29,635	30,506
SSI Medicaid	294,258	294,357	QMB/SLMB/QI	463,893	478,664
SSI Dual	102,204	102,311	XXI Children (6-18)	4,609	4,685
HIV/AIDS Medicaid	6,549	6,682	General Assistance	2,578	2,771
HIV/AIDS Specialty Medicaid	6,963	7,065	Family Planning	68,881	69,215
HIV/AIDS Dual	4,450	4,462	Relative Caregiver	17,149	17,191
LTC Medicaid	8,968	9,610	Child Only	19,815	19,938
LTC Dual	81,991	85,294	Families with Adults	21,706	21,876
Child Welfare	63,344	64,810	Unemployed Parents	2,018	2,039
CMSN	58,890	61,754			
PDN	1,256	1,660			

Expenditure Estimating Conference – The new expenditure forecast incorporates the Medicaid caseload forecast adopted in December 2019 that is 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 provided by CMS that contain no reductions. 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 outer 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 outer years, the LTC capitation rate is projected to increase 1.5% in October of each year.

Final, reconciled program expenditures for FY 2018-19 totaled \$25,948.6 million. For FY 2019-20, program expenditures are estimated to increase to \$28,262.9 million (8.9% above FY 2018-19); this level is lower than the appropriated level, but \$148.3 million higher than forecasted in August. For FY 2020-21, program expenditures are expected to increase to \$29,246.0 million (3.5% above the revised FY 2019-20 estimate); this level is higher than the base budget expected to continue into next year *and* \$216.2 million higher than forecasted in August. The net increase in the estimate since the last Conference is primarily driven by the higher than anticipated costs for the Prepaid Health Plan–Managed Medical Assistance Program. This increase outweighed the decreases that were primarily seen in Hospital Insurance Benefit and Hospital Outpatient Services.

Overall, the new forecast anticipates a surplus in General Revenue funds for the current year of \$154.5 million (\$43.5 million lower than anticipated in August). The General Revenue requirement for FY 2020-21 is \$144.5 million above the FY 2020-21 base budget level (\$34.0 million higher than anticipated in August).

Expenditure Forecast (millions)	FY 2019-20		FY 2020-21	
	Forecast	Surplus/Deficit	Forecast	Comparison to Base Budget
General Revenue	\$6,802.1	\$154.5	\$7,101.2	(\$144.5)
Medical Care TF	15,969.4	12.8	16,557.2	(634.5)
Refugee Assistance TF	11.5	(7.7)	11.8	(8.0)
Public Medical Assistance TF	796.1	.0	766.5	29.6
Other State Funds	510.8	1.6	504.0	8.5
Grants and Donations TF	3,183.1	.0	3,241.1	(95.6)
Health Care Trust Fund	720.7	18.0	726.7	12.0
Tobacco Settlement TF	269.1	.0	337.4	(68.3)
Total	\$28,262.9	\$179.3	\$29,246.0	(\$900.7)

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 (FMAP) levels used for state budgeting purposes. The confirmed FMAP for 2019-20 is 61.32% and for 2020-21 is 61.84%. For the subsequent years, slight increases in federal participation are expected each year.