**Social Services Estimating Conference**
**Medicaid Caseloads and Expenditures**
**December 22, 2021 and January 4 and 10, 2022**
**Executive Summary**

The Social Services Estimating Conference convened on December 22, 2021, to adopt a new Medicaid caseload forecast; on January 4, 2022, to revise the series of FMAP projections; and on January 10, 2022, to update the expenditure projection for the period covering FY 2021-22 through FY 2026-27.

**Caseload Estimating Conference –** As a result of the caseload increases that have already materialized, as well as the uncertainty arising from the future course of the current COVID-19 Public Health Emergency, the Conference increased total caseload in FY 2021-22 to 5,054,107—well above the pre-pandemic peak of 4,017,726 seen in FY 2016-17 that was first surpassed last year. This is an increase of 11,861 or 0.24% over the forecast adopted in July 2021.

Caseload remains higher than the pre-pandemic peak throughout the remainder of the forecast, despite its expected decline after the Public Health Emergency (PHE) is lifted. As of the Conference date, the PHE had been extended through January 16, 2021, but discussion was already underway about an additional extension beyond this date. As a result, the FY 2022-23 caseload is projected to increase to 5,084,503 or 2.92% above the prior forecast. Assuming an end to the PHE by the end of this fiscal year, caseload is expected to drop to 4,883,489 in FY 2023-24; 4,783,777 in FY 2024-25; and 4,688,268 in FY 2025-26. After three years of corrections, caseload begins to climb again, recording a total of 4,704,290 in FY 2026-27.

In terms of fiscal years, the new forecast shows an 11.7% increase in Medicaid caseload for FY 2021-22 over the prior fiscal year and a 0.6% increase in FY 2022-23. See the table below for additional detail.

| **Total Medicaid Caseload** | **FY 2021-22** | **FY 2022-23** |
|---|---|---|
| | **5,054,107** | **5,084,503** |

| SMMC | | | FFS | | |
|---|---|---|---|---|---|
| | FY 2021-22 | FY 2022-23 | | FY 2020-21 | FY 2021-22 |
| TANF 0-13 | 1,690,279 | 1,670,260 | Other FFS | 355,141 | 380,275 |
| TANF 14+ | 1,583,480 | 1,604,028 | Medically Needy | 141,068 | 117,101 |
| SSI Medicaid | 317,860 | 322,018 | QMB/SLMB/QI | 489,502 | 495,866 |
| SSI Dual | 100,969 | 103,036 | XXI Children (6-18) | 4,751 | 4,865 |
| HIV/AIDS Medicaid | 10,034 | 11,411 | General Assistance | 8,268 | 10,951 |
| HIV/AIDS Specialty Medicaid | 10,608 | 11,610 | Family Planning | 42,828 | 42,690 |
| HIV/AIDS Dual | 4,135 | 4,177 | Relative Caregiver | 11,874 | 11,756 |
| LTC Medicaid | 10,966 | 11,687 | Child Only | 16,669 | 16,734 |
| LTC Dual | 78,638 | 79,898 | Families with Adults | 19,679 | 20,314 |
| Child Welfare | 66,060 | 67,051 | Unemployed Parents | 3,425 | 2,907 |
| CMSN | 86,901 | 94,836 | | | |
| PDN | 974 | 1,030 | | | |

NOTE: While the names of some of the categories have been used consistently over time, significant changes in methodology that first appeared in July 2016 may prevent comparisons of the data before and after this date.

**Expenditure Estimating Conference –** The new expenditure forecast takes account of the Medicaid caseload changes described above. The current projections also include the 6.2% enhanced FMAP rate authorized by the Families First Coronavirus Response Act. Currently, the scheduled end of the public health emergency in January 2022 extends the FMAP enhancement for the entire quarter containing that date; however, it is possible that the underlying public health emergency—and therefore the enhanced FMAP—will be extended beyond the end of the quarter on March 31, 2022. If so, there will be a reduction to the required state funds suggested by this forecast. Conversely, no reductions in federal Disproportionate Share Hospital (DSH) funding have been included in the forecast, even though the DSH reductions are set to go into effect in 2024 unless additional federal action is taken.

All years of the forecast now reflect the federal waiver authority for the size of the Low Income Pool (LIP); this authority continues through June 2030. The forecast also assumes continuation of Intergovernmental Transfers (IGTs) from local taxing authorities, as well as continuation of IGTs for DSH based on historical collections for this purpose. While IGT collections for LIP and DSH have no impact on managed care plan capitation rates, the Social Services Estimating Conference strongly cautions that IGTs for these purposes may be at risk in the future, resulting in lower supplemental payments to providers.

In the expenditure forecast, an overall rate increase of 3.6% was applied to the Prepaid Health Plans category at a granular level beginning October 1, 2021. This figure was first suggested by the August 3, 2021 letter prepared by Milliman, Inc. (reference "Combined SMMC Rate Change for October 2021 through September 2022") and has been subsequently confirmed. In the outer years, the MMA capitation rate increase is projected to be 3.3% in October 2022, 3.5% in October 2023, 3.7% in October 2024, 3.9% in October 2025, and 4.1% in October 2026, as increases in medical inflation begin to take hold.

For the Prepaid Health Plan – Long Term Care (LTC) category, the actual rate increase on October 1, 2021, was 1.0%. This figure was initially provided in the same August 3, 2021 letter referenced above. In the outer years, LTC capitation rates are projected to increase 1.5% in October of each year.

For FY 2020-21, program expenditures totaled $29,281.4 million after final reconciliation. For FY 2021-22, program expenditures are expected to increase to $38,289.7 million (30.8% above FY 2020-21), which includes an additional $3,393.9 million nonrecurring appropriation for three new categories. This level is higher than the appropriated level and higher than forecasted in August—but the additional need for state funds has been suppressed by the temporary FMAP boost described above and below. Overall, the new forecast anticipates a surplus in General Revenue funds for the current year of $663.5 million relative to the appropriated level. For FY 2022-23, program expenditures are expected to decrease to $36,211.3 million (5.4% below the new estimate for the 2021-22 fiscal year). The General Revenue requirement for FY 2022-23 is $1,338.2 million above the FY 2022-23 base budget level, caused by the duel effects of an increasing caseload and the expected end of the supplementary federal funding.

| Expenditure Forecast (millions) | FY 2021-22 Forecast | Surplus/Deficit to Appropriated $ | FY 2022-23 Forecast | Comparison to Base Budget |
|---|---|---|---|---|
| General Revenue | $7,796.9 | 663.5 | $9,679.1 | (1,338.2) |
| Medical Care TF | 23,776.7 | (1,239.3) | 19,840.3 | (192.4) |
| Refugee Assistance TF | 21.9 | (18.1) | 23.1 | (19.3) |
| Public Medical Assistance TF | 839.6 | 0.0 | 900.6 | (61.0) |
| Other State Funds | 550.5 | 56.5 | 644.3 | (33.9) |
| Grants and Donations TF | 4,206.7 | 92.3 | 4,020.4 | (575.4) |
| Health Care Trust Fund | 762.6 | 18.6 | 743.3 | 37.9 |
| Tobacco Settlement TF | 334.8 | 0.0 | 360.1 | (25.3) |
| **Total** | **$38,289.7** | **($426.5)** | **$36,211.3** | **($2,207.5)** |

**Federal Medical Assistance Percentage –** Using new population and personal income data for the nation and for Florida, the Conference made modifications to the Federal Medical Assistance Percentages (FMAP) which are the federal funding shares used for state budgeting purposes. Further adjustments were made to reflect the provisions of Section 6008 of the Families First Coronavirus Response Act (FFCRA) (Pub. L. 116-127), which first became effective for budgeting purposes in January 2020. These provisions provided states and territories with a temporary 6.2 percentage-point increase in the regular FMAP. Based on the determination made October 18, 2021, by the US Secretary of Health and Human Services that a Public Health Emergency still exists, the Conference applied the FFCRA FMAP enhancement through March 31, 2022. The confirmed base federal FMAP for 2021-22 is 61.03%, and for 2022-23 is 60.05%. After adjusting for FFCRA and the State's fiscal year, the effective state FMAP for 2021-22 is 65.91%. The 2021-22 federal share is higher than expected in the prior forecast due to the consecutive extensions of the public health emergency.

***UPDATE:*** *On January 14, 2022, the US Secretary of Health and Human Services renewed, effective January 16, 2022, the January 31, 2020, determination that a public health emergency exists and has existed since January 27, 2020, nationwide. This extends the FFCRA FMAP enhancement through June 30, 2022, but this information was unknown at the time the Conference convened.*