



State of Indiana  
Family and Social Services Administration

## Updated Medicaid Forecast Presentation

SFY 2015 through SFY 2019

Data through October 2016

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December 2016

# Medicaid Forecast – SFY 2016 and SFY 2017

Surplus recognized December 2015

	SFY 2016	SFY 2017
<b>Appropriation (state dollars)</b>	<b>\$1,884.7</b>	<b>\$2,117.0</b>
Carry Forward	128.0	
<b>Total Appropriation</b>	<b>\$2,012.7</b>	<b>\$2,117.0</b>
<b><u>Favorable Variance</u></b>		
Lower enrollment rebound due to renewal policy	(\$20.0)	(\$20.0)
MCO performance payment assumption modified to assume only 50% of the withhold is earned back	(5.0)	(10.0)
Decrease in retroactive enrollment (non-disabled)	(10.0)	(10.0)
Decrease in retroactive enrollment (disabled)	(30.0)	(30.0)
APR-DRG transition savings from inpatient reimbursement	(16.5)	(22.0)
Favorable institutional reimbursement	(19.0)	(20.0)
Other	(14.1)	3.0
<b>Appropriation Need Based on December 2015 Forecast</b>	<b>\$1,898.1</b>	<b>\$2,008.0</b>
<b>Forecasted Surplus</b>	<b>\$114.6</b>	<b>\$109.0</b>

# Medicaid Forecast – SFY 2016 and SFY 2017

## Additional variance after December 2015

	SFY 2016	SFY 2017
<b>Total Appropriation</b>	<b>\$2,012.7</b>	<b>\$2,117.0</b>
<b>Appropriation Need based on December 2015 Forecast</b>	<b>\$1,898.1</b>	<b>\$2,008.0</b>
<b>Forecasted Surplus</b>	<b>\$114.6</b>	<b>\$109.0</b>
<b><u>Favorable Variance</u></b>		
Favorable HCC (Disabled) Enrollment	(\$10.0)	(\$18.0)
Delay of capitation rate adjustments for Applied Behavior Analysis (ABA) and APR-DRG inpatient reimbursement	(25.0)	\$25.0
HHW capitation rate reductions for CY 2017 and decline in Pregnant Women enrollment		(30.0)
Lower Nursing Facility reimbursement	(12.0)	(18.0)
Favorable Other State Plan services experience (led by pharmacy, home health and hospital services)	(19.0)	
HIP 1.0 POWER account reconciliation		(26.2)
Pharmacy reimbursement change (April 2017)		(1.0)
ACA Drug rebate refund	(12.0)	
Favorable audit payments	(7.0)	
Adjustments that will be made in the following year	(19.0)	19.0
Other	0.0	(10.4)
<b>December 2016 Appropriation Need</b>	<b>\$1,794.1</b>	<b>\$1,948.4</b>
<b>Actual/Forecasted Surplus</b>	<b>\$218.6</b>	<b>\$168.6</b>

# Medicaid Forecast – SFY 2018 and SFY 2019

- Methodology
  - Update for experience through October 2016
  - Reflect enrollment growth and cost trend
  - Reflect policy and program changes

# Medicaid Forecast – SFY 2018 and SFY 2019

- Statutory Program changes reflected
  - Extension of 3% cost savings through SFY 2019 applied to hospitals, nursing homes, and home health services
  
- Other Program changes reflected
  - HHW pharmacy and dental services transition to managed care January 2017
  - Updated FFY 2018 FMAP: Adds \$58 million state dollar cost to SFY 2018, \$81 million to SFY 2019

## December 2016 Medicaid Assistance Forecast

<b>EXPENDITURES</b>	<b>FY 2015</b>	<i>Growth</i>	<b>FY 2016</b>	<i>Growth</i>	<b>FY 2017</b>	<i>Growth</i>	<b>FY 2018</b>	<i>Growth</i>	<b>FY 2019</b>
Healthy Indiana Plan 2.0	\$786.2	191.8%	\$2,294.0	16.4%	\$2,671.1	1.8%	\$2,719.3	2.6%	\$2,789.2
Hoosier Care Connect	53.5	2480%	1,381.3	0.8%	1,391.7	2.4%	1,424.7	4.7%	1,491.8
Hoosier Healthwise	1,861.6	(9.5%)	1,683.9	2.9%	1,732.7	1.1%	1,751.6	3.2%	1,806.8
Healthy Indiana Plan 1.0	260.9	(99.0%)	2.7	(3016%)	(78.8)	(100%)	0.0	0.0%	0.0
Fee for Service	3,060.2	(50.2%)	1,524.9	0.9%	1,538.5	4.8%	1,611.7	4.1%	1,677.1
Long Term Care Institutional Care	1,751.5	(3.3%)	1,694.4	1.8%	1,724.8	2.0%	1,758.9	1.7%	1,788.9
Long Term Care Community Care	846.2	7.8%	912.3	10.2%	1,005.8	7.8%	1,084.6	5.7%	1,146.2
Medicare Buy-In, Clawback	372.7	9.0%	406.2	15.7%	469.8	8.6%	510.5	4.8%	535.2
Rebates and Collections	(637.1)	21.0%	(770.6)	2.8%	(792.0)	10.4%	(874.7)	5.2%	(920.4)
Remove CHIP, HIP 1.0, MFP, CA-PRTF	(222.5)	(26.4%)	(163.8)	(5.8%)	(154.4)	18.7%	(183.3)	3.4%	(189.5)
Other Expenditures (DSH, UPL, etc.)	1,174.0	18.4%	1,390.1	2.0%	1,417.2	7.2%	1,519.4	2.0%	1,549.4
<b>Medicaid Expenditures (State and Federal)</b>	<b>\$9,307.2</b>	<b>11.3%</b>	<b>\$10,355.3</b>	<b>5.5%</b>	<b>\$10,926.5</b>	<b>3.6%</b>	<b>\$11,322.5</b>	<b>3.1%</b>	<b>\$11,674.6</b>
<b>FUNDING</b>	<b>FY 2015</b>	<i>Growth</i>	<b>FY 2016</b>	<i>Growth</i>	<b>FY 2017</b>	<i>Growth</i>	<b>FY 2018</b>	<i>Growth</i>	<b>FY 2019</b>
Federal Funds	\$6,335.0	13.7%	\$7,204.9	6.1%	\$7,646.4	1.9%	\$7,787.9	2.3%	\$7,966.1
IGTs	585.9	1.9%	597.1	(1.6%)	587.6	3.5%	608.1	2.0%	620.5
Provider Tax Receipts	177.3	4.1%	184.7	(1.0%)	182.8	(0.1%)	182.5	0.0%	182.5
HAF Funding	420.5	7.7%	452.7	4.9%	475.0	5.9%	502.9	3.6%	521.1
HIP 2.0 Funding	89.2	91.6%	170.9	(21.1%)	134.8	37.4%	185.2	9.9%	203.6
QAF Transfer to SBA	(46.9)	4.6%	(49.1)	(1.2%)	(48.5)	(0.1%)	(48.4)	0.0%	(48.4)
<b>Non-Medicaid Assistance Funds</b>	<b>\$7,561.0</b>	<b>13.2%</b>	<b>\$8,561.2</b>	<b>4.9%</b>	<b>\$8,978.1</b>	<b>2.7%</b>	<b>\$9,218.3</b>	<b>2.5%</b>	<b>\$9,445.4</b>
<b>Forecasted Medicaid GF Assistance Need</b>	<b>\$1,746.2</b>	<b>2.7%</b>	<b>\$1,794.1</b>	<b>8.6%</b>	<b>\$1,948.4</b>	<b>8.0%</b>	<b>\$2,104.2</b>	<b>5.9%</b>	<b>\$2,229.2</b>
<b>General Fund Medicaid Assistance Appropriation</b>	<b>\$2,008.8</b>	<b>(6.2%)</b>	<b>\$1,884.7</b>	<b>12.3%</b>	<b>\$2,117.0</b>				
<b>Sub-total (Shortfall)/Surplus</b>	<b>\$262.6</b>		<b>\$90.6</b>		<b>\$168.6</b>				
<b>Carry forward of unexpended appropriations</b>			<b>\$128.0</b>						

# Enrollment Forecast - SFY 2015 – SFY 2019

## Average Monthly Enrollment – Managed Care

Average Monthly Enrollment	FY 2015	<i>Growth</i>	FY 2016	<i>Growth</i>	FY 2017	<i>Growth</i>	FY 2018	<i>Growth</i>	FY 2019
<b><i>Healthy Indiana Plan 2.0</i></b>									
HIP State Plan Benefits Package	37,719	181.8%	106,304	4.2%	110,735	0.7%	111,529	0.5%	112,086
HIP Expansion	44,247	319.8%	185,743	30.0%	241,556	11.5%	269,411	1.0%	272,105
HIP Medically Frail	5,243	472.0%	29,988	43.2%	42,932	4.8%	44,975	1.0%	45,425
HIP Pregnant Females	1,758	371.4%	8,290	3.5%	8,580	(0.8%)	8,515	(1.0%)	8,430
HIP Link			13	6056%	780	157.1%	2,005	0.5%	2,015
HIP Hospital Presumptive Eligibility	5,618	237.3%	18,951	(33.7%)	12,566	(23.6%)	9,605	(21.5%)	7,537
<b><i>Total Healthy Indiana Plan 2.0</i></b>	<b>94,586</b>	<b>269.3%</b>	<b>349,288</b>	<b>19.4%</b>	<b>417,149</b>	<b>6.9%</b>	<b>446,040</b>	<b>0.3%</b>	<b>447,598</b>
<b><i>Hoosier Care Connect</i></b>									
Adult	3,354	1937%	68,328	(0.9%)	67,741	0.8%	68,317	1.0%	69,000
Child	705	3679%	26,641	(3.7%)	25,660	0.6%	25,805	1.0%	26,063
Foster	126	1463%	1,976	26.7%	2,503	6.1%	2,655	1.0%	2,681
<b><i>Total Hoosier Care Connect</i></b>	<b>4,186</b>	<b>2216%</b>	<b>96,945</b>	<b>(1.1%)</b>	<b>95,904</b>	<b>0.9%</b>	<b>96,777</b>	<b>1.0%</b>	<b>97,745</b>
<b><i>Hoosier Healthwise</i></b>									
Adults	55,573	(98.1%)	1,070	(44.0%)	599	(1.5%)	590	0.5%	593
Children	495,918	1.0%	501,055	(0.8%)	496,914	1.0%	501,977	1.0%	506,997
Pregnant Females	20,381	(0.9%)	20,192	(7.0%)	18,789	(0.8%)	18,632	(1.0%)	18,445
CHIP	70,987	14.0%	80,954	9.9%	88,957	1.4%	90,183	1.0%	91,084
<b><i>Total Hoosier Healthwise</i></b>	<b>642,858</b>	<b>(6.2%)</b>	<b>603,271</b>	<b>0.3%</b>	<b>605,259</b>	<b>1.0%</b>	<b>611,382</b>	<b>0.9%</b>	<b>617,120</b>
<b><i>Healthy Indiana Plan 1.0</i></b>	<b>34,108</b>								

# Enrollment Forecast - SFY 2015 – SFY 2019

## Average Monthly Enrollment – Fee-for-Service

Average Monthly Enrollment	FY 2015	<u>Growth</u>	FY 2016	<u>Growth</u>	FY 2017	<u>Growth</u>	FY 2018	<u>Growth</u>	FY 2019
<b><i>Fee For Service</i></b>									
Institutionalized	33,877	(0.0%)	33,865	0.0%	33,878	0.1%	33,910	0.1%	33,931
Waiver\State Plan HCBS No Level of Care	34,941	9.3%	38,192	10.6%	42,240	7.5%	45,427	4.9%	47,666
Hoosier Healthwise FFS	79,894	(22.3%)	62,108	3.8%	64,492	0.6%	64,846	0.7%	65,295
Dual	78,297	0.6%	78,764	2.4%	80,631	2.5%	82,617	2.5%	84,682
Non-Dual	130,556	(69.2%)	40,178	3.6%	41,644	1.5%	42,277	1.4%	42,879
Medicare Savings Program	51,195	11.6%	57,114	8.7%	62,090	5.1%	65,238	3.5%	67,492
Limited Benefit Populations	30,321	(10.7%)	27,080	26.1%	34,141	11.3%	37,990	2.0%	38,750
<b><i>Total Fee For Service</i></b>	<b>439,080</b>	<b>(23.2%)</b>	<b>337,301</b>	<b>6.5%</b>	<b>359,116</b>	<b>3.7%</b>	<b>372,306</b>	<b>2.3%</b>	<b>380,695</b>
<b><i>OVERALL TOTAL</i></b>	<b>1,214,817</b>	<b>14.2%</b>	<b>1,386,806</b>	<b>6.5%</b>	<b>1,477,428</b>	<b>3.3%</b>	<b>1,526,505</b>	<b>1.1%</b>	<b>1,543,158</b>

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The services provided for this project were performed under the contract between Milliman and FSSA approved December 16, 2015.