

# December 2018 Medicaid Forecast

State of Indiana  
Family and Social Services Administration

Projections through SFY 2021

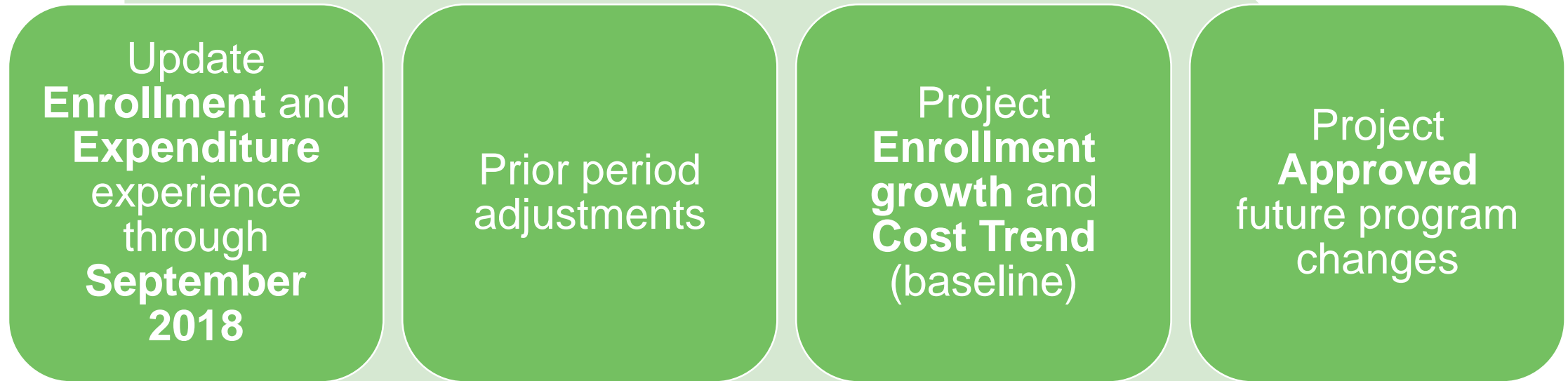
Updated data through September 2018

DECEMBER 17, 2018



# Medicaid forecast

Projection methodology



# December 2018 Medicaid Assistance Forecast

SFY 2017 through SFY 2021

EXPENDITURES	FY 2017	Growth	FY 2018	Growth	FY 2019	Growth	FY 2020	Growth	FY 2021
Healthy Indiana Plan	\$3,081.4	2.1%	\$3,147.1	18.3%	\$3,724.6	7.4%	\$3,999.9	4.5%	\$4,180.5
Hoosier Care Connect	1,343.9	10.7%	1,487.5	1.3%	1,506.7	(1.4%)	1,485.2	5.0%	1,559.9
Hoosier Healthwise	1,716.3	3.8%	1,781.5	1.3%	1,805.4	(4.1%)	1,731.7	3.6%	1,794.2
Healthy Indiana Plan 1.0	(85.1)	(100%)	(0.0)	(100%)	0.0	0%	0.0	0.0%	0.0
Fee for Service	1,444.8	10.2%	1,591.6	9.1%	1,736.4	17.3%	2,037.2	5.5%	2,148.5
Long Term Care Institutional Care	1,810.2	(2.3%)	1,768.9	6.0%	1,874.4	3.7%	1,943.6	4.1%	2,023.2
Long Term Care Community Care	1,005.7	9.9%	1,105.5	11.1%	1,228.4	5.0%	1,289.9	5.1%	1,355.2
Medicare Buy-In, Clawback	469.5	(1.2%)	463.7	14.0%	528.7	5.5%	557.8	7.4%	599.3
Rebates and Collections	(807.0)	11.7%	(901.6)	12.0%	(1,009.7)	4.4%	(1,053.6)	20.2%	(1,265.9)
Remove CHIP, HIP 1.0, MFP	(188.2)	44.7%	(272.3)	(11.0%)	(242.2)	(4.5%)	(231.4)	3.7%	(240.0)
Other Expenditures (DSH, UPL, etc.)	1,694.5	(26.4%)	1,247.5	26.9%	1,582.6	2.7%	1,625.7	2.1%	1,659.1
<b>Medicaid Expenditures (State and Federal)</b>	<b>\$11,485.9</b>	<b>(0.6%)</b>	<b>\$11,419.3</b>	<b>11.5%</b>	<b>\$12,735.4</b>	<b>5.1%</b>	<b>\$13,386.2</b>	<b>3.2%</b>	<b>\$13,813.9</b>
FUNDING	FY 2017	Growth	FY 2018	Growth	FY 2019	Growth	FY 2020	Growth	FY 2021
Federal Funds	\$8,155.6	(0.8%)	\$8,087.9	10.1%	\$8,905.7	4.6%	\$9,311.4	2.6%	\$9,549.3
IGTs	641.9	(6.6%)	599.4	3.4%	619.9	(16.1%)	520.0	0.7%	523.4
Provider Tax Receipts	196.7	(4.0%)	188.8	8.9%	205.6	1.6%	209.0	0.8%	210.7
HAF Funding	422.3	(5.9%)	397.4	48.0%	588.2	3.8%	610.3	2.0%	622.7
HIP 2.0 Funding	151.3	71.1%	258.9	2.5%	265.5	23.8%	328.7	15.2%	378.7
QAF Transfer to SBA	(49.4)	(0.2%)	(49.3)	1.5%	(50.0)	1.5%	(50.8)	1.5%	(51.6)
<b>Non-Medicaid Assistance Funds</b>	<b>\$9,518.4</b>	<b>(0.4%)</b>	<b>\$9,483.1</b>	<b>11.1%</b>	<b>\$10,534.7</b>	<b>3.7%</b>	<b>\$10,928.7</b>	<b>2.8%</b>	<b>\$11,233.2</b>
IGT Base Shift							135.5	0.0%	135.5
<b>Forecasted Medicaid GF Assistance Need</b>	<b>\$1,967.5</b>	<b>(1.6%)</b>	<b>\$1,936.3</b>	<b>13.7%</b>	<b>\$2,200.6</b>	<b>11.7%</b>	<b>\$2,457.6</b>	<b>5.0%</b>	<b>\$2,580.7</b>
<b>General Fund Medicaid Assistance Appropriation</b>	<b>\$2,117.0</b>	<b>(6.4%)</b>	<b>\$1,980.6</b>	<b>13.0%</b>	<b>\$2,238.5</b>				
Dedicated funding			\$6.0		\$6.0				
<b>Sub-total (Shortfall)/Surplus</b>	<b>\$149.5</b>		<b>\$50.3</b>		<b>\$43.9</b>				
<b>Carry forward of unexpended appropriations</b>			<b>\$127.7</b>						

# Medicaid forecast

Adjustments reflected in the forecast

- **Capitation:** approved capitation rate increases, not yet paid
  - Additional payments for CY 2017 and prior (\$161.7 million, GF impact - \$11.9 million)
  - CY 2018 capitation is still being paid at CY 2017 rates (\$379.3 million, GF impact - \$40.0 million)
- **Health insurer fee** potentially payable (none in SFY 2018 or SFY 2020)
  - SFY 2019 (for CY 2018): \$122.6 million, \$25.0 million GF
  - SFY 2021 (for CY 2020): \$127.6 million, \$25.6 million GF
- **CY 2015 MLR recoupment** (\$114.5 million, GF Impact - \$18.4 million reduction)
- **HHW retroactive eligibility** settlement: \$38.3 million estimated cost (GF impact - \$16.5 million)
- **3% cost savings** reductions for hospitals and nursing homes through SFY 2021
  - General Fund impact – savings approximately \$30 million per year
- **Community engagement** for HIP begins in 2019
  - Administrative costs – cost of approximately \$19 million per year (GF impact - \$1.4 million cost)

# Medicaid forecast

Adjustments reflected in the forecast (Continued)

- **Hepatitis C**

- Projects treating **9,000** members in each of SFY 2020 and SFY 2021 (up from 1,200 in SFY 2018, an increase of 7,800)
- Cost approximately **\$48,000** per treated member, with 60% rebate received several months later
- Fiscal impact of \$317.6 million for SFY 2020 and \$147.7 million for SFY 2021 (GF impact - \$47.0 million for SFY 2020, \$24.6 million for SFY 2021)

- **IGTs:** Elimination of IGTs – move funding into Medicaid Assistance appropriation

- Eliminate \$29.5 million HCI IGT
- Eliminate \$13.1 million MAW IGT
- Eliminate \$92.9 million residential services IGT
- General Fund impact of \$135.5 million

# CHIP forecast

Increasing need for funding from the state (TMSF)

- **Federal funding percentage**
  - +23% through FFY 2019
  - +11.5% in FFY 2020
  - Reverts to normal CHIP enhanced FMAP for FFY 2021 and beyond
- Assumes no change in CHIP eligibility (up to 250% FPL)
- Values below are CHIP assistance only (does not reflect CHIP admin)

	SFY 2017	SFY 2018	SFY 2019	SFY 2020	SFY 2021
Projected CHIP expenditures	\$186.0	\$231.8	\$216.2	\$231.0	\$239.9
Applicable FMAP	99.70%	99.11%	99.11%	90.49%	78.97%
State share	\$0.6	\$2.1	\$1.9	\$22.0	\$50.5
Projected HAF Funding (Cap)	<u>\$0.1</u>	<u>\$0.2</u>	<u>\$0.3</u>	<u>\$3.6</u>	<u>\$8.2</u>
Projected appropriation need	\$0.5	\$1.8	\$1.6	\$18.4	\$42.3
Appropriation - CHIP Assistance	\$0.7	\$0.7	\$0.7		
Surplus / (Shortfall)	\$0.2	(\$1.1)	(\$0.9)		

# December 2018 Medicaid Assistance Forecast

Average monthly enrollment projection – managed care

Average Monthly Enrollment	FY 2017	<i>Growth</i>	FY 2018	<i>Growth</i>	FY 2019	<i>Growth</i>	FY 2020	<i>Growth</i>	FY 2021
<b>Healthy Indiana Plan</b>									
HIP State Plan Benefits Package	109,151	(4.7%)	104,014	(21.7%)	81,422	(1.4%)	80,291	(0.1%)	80,190
HIP Expansion	226,863	0.4%	227,729	(6.0%)	214,080	(2.9%)	207,818	(2.7%)	202,245
HIP Medically Frail	45,935	27.8%	58,722	22.5%	71,964	11.3%	80,131	7.2%	85,927
HIP Pregnant Females	10,535	12.3%	11,833	55.4%	18,386	0.8%	18,530	(0.5%)	18,438
HIP Link	56	(45.1%)	31						
HIP Hospital Presumptive Eligibility	12,213	(8.8%)	11,142	30.3%	14,518	0.9%	14,645	0.5%	14,719
<b>Total Healthy Indiana Plan</b>	<b>404,754</b>	<b>2.2%</b>	<b>413,471</b>	<b>(3.2%)</b>	<b>400,370</b>	<b>0.3%</b>	<b>401,415</b>	<b>0.0%</b>	<b>401,518</b>
<b>Hoosier Care Connect</b>									
Adult	66,011	(8%)	60,818	0.5%	61,098	(0.1%)	61,026	0.0%	61,026
Child	25,137	(8%)	23,176	(3.1%)	22,453	(0.2%)	22,415	0.0%	22,415
Foster	3,258	77%	5,760	38.1%	7,953	15.5%	9,184	15.0%	10,562
<b>Total Hoosier Care Connect</b>	<b>94,407</b>	<b>(5%)</b>	<b>89,754</b>	<b>1.9%</b>	<b>91,504</b>	<b>1.2%</b>	<b>92,625</b>	<b>1.5%</b>	<b>94,003</b>
<b>Hoosier Healthwise</b>									
Adults	503	(73.0%)	136	(61.5%)	52	(3.8%)	50	1.0%	51
Children	499,555	5.3%	525,823	(5.7%)	495,594	(0.2%)	494,617	0.5%	497,090
Pregnant Females	18,130	(4.1%)	17,389	(72.9%)	4,706	(10.0%)	4,237	(0.5%)	4,216
CHIP	92,671	15.4%	106,931	1.4%	108,424	0.6%	109,111	0.5%	109,656
<b>Total Hoosier Healthwise</b>	<b>610,858</b>	<b>6.5%</b>	<b>650,278</b>	<b>(6.4%)</b>	<b>608,776</b>	<b>(0.1%)</b>	<b>608,015</b>	<b>0.5%</b>	<b>611,013</b>

# December 2018 Medicaid Assistance Forecast

Average monthly enrollment projection – fee for service

Average Monthly Enrollment	FY 2017	<i>Growth</i>	FY 2018	<i>Growth</i>	FY 2019	<i>Growth</i>	FY 2020	<i>Growth</i>	FY 2021
<b><i>Fee For Service</i></b>									
Institutionalized	34,039	0.8%	34,305	0.9%	34,605	0.7%	34,850	0.5%	35,019
Waiver\State Plan HCBS	41,724	9.7%	45,788	9.7%	50,233	6.8%	53,673	5.7%	56,746
No Level of Care									
Hoosier Healthwise FFS	46,758	(74.7%)	11,850	299.2%	47,303	5.3%	49,819	0.4%	50,008
Dual	79,991	1.2%	80,989	1.0%	81,787	1.8%	83,233	2.3%	85,124
Non-Dual	38,657	(4.5%)	36,935	3.0%	38,057	5.9%	40,319	4.3%	42,037
Medicare Savings Program	62,269	6.8%	66,520	5.3%	70,028	4.2%	72,945	3.0%	75,100
Limited Benefit Populations	44,264	11.2%	49,206	6.2%	52,233	5.0%	54,863	5.0%	57,606
<b><i>Total Fee For Service</i></b>	<b>347,703</b>	<b>(6.4%)</b>	<b>325,593</b>	<b>14.9%</b>	<b>374,245</b>	<b>4.1%</b>	<b>389,703</b>	<b>3.1%</b>	<b>401,639</b>
<b><i>OVERALL TOTAL</i></b>	<b>1,457,723</b>	<b>1.5%</b>	<b>1,479,097</b>	<b>(0.3%)</b>	<b>1,474,895</b>	<b>1.1%</b>	<b>1,491,757</b>	<b>1.1%</b>	<b>1,508,173</b>



# Medicaid forecast

## Limitations

The information contained in this correspondence has been prepared solely for the business use of FSSA and their advisors. The forecast and other information included in this report has been developed to assist with planning and budget development, and may not be appropriate for any other purpose.

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Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Guidelines issue by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. We are members of the American Academy of Actuaries, and meet the qualification standards for performing the analyses in this report.

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



# Thank you

**Presenter Names**

Rob.damler@milliman.com

Christine.mytelka@milliman.com