

December 2021 Medicaid Forecast update

State of Indiana
Family and Social Services Administration

Projections through SFY 2023

Updated data through September 2021

DECEMBER 16, 2021



December 2021 Medicaid Assistance Forecast

SFY 2019 through SFY 2023 – PHE ending January 2022

EXPENDITURES	FY 2019	Growth	FY 2020	Growth	FY 2021	Growth	FY 2022	Growth	FY 2023
Healthy Indiana Plan	\$3,853.9	12.9%	\$4,352.0	39.0%	\$6,049.0	(0.2%)	\$6,039.2	(4.6%)	\$5,763.9
Hoosier Care Connect	1,349.3	12.5%	1,518.2	6.3%	1,613.1	(0.7%)	1,601.8	2.7%	1,645.4
Hoosier Healthwise	1,591.6	9.6%	1,744.9	5.0%	1,831.9	14.2%	2,091.7	(3.8%)	2,012.8
Fee for Service	1,756.7	6.3%	1,867.6	5.0%	1,961.1	4.5%	2,050.3	10.9%	2,274.6
Long Term Care Institutional Care	1,916.6	7.0%	2,050.1	(9.9%)	1,846.6	15.6%	2,134.3	7.3%	2,290.6
Long Term Care Community Care	1,229.3	10.5%	1,358.8	10.8%	1,506.2	14.2%	1,719.8	10.5%	1,899.5
Medicare Buy-In, Clawback	554.1	2.3%	567.0	0.1%	567.3	13.9%	646.2	19.7%	773.6
Rebates and Collections	(1,050.9)	0.8%	(1,059.5)	17.3%	(1,242.4)	8.1%	(1,343.6)	8.5%	(1,457.7)
Remove CHIP, HIP 1.0, MFP, Admin	(220.8)	19.3%	(263.4)	(5.7%)	(248.4)	(14.5%)	(212.4)	20.8%	(256.6)
Other Expenditures (DSH, UPL, etc.)	1,419.9	35.4%	1,922.2	(20.8%)	1,521.9	11.7%	1,700.4	(11.1%)	1,511.2
Medicaid Expenditures (State and Federal)	\$12,399.8	13.4%	\$14,057.8	9.6%	\$15,406.3	6.6%	\$16,427.6	0.2%	\$16,457.4
FUNDING	FY 2019	Growth	FY 2020	Growth	FY 2021	Growth	FY 2022	Growth	FY 2023
Federal Funds	\$8,523.4	18.7%	\$10,120.3	15.1%	\$11,644.8	5.2%	\$12,252.8	(5.1%)	\$11,625.0
IGTs	631.6	(19.5%)	508.3	(10.8%)	453.3	(10.1%)	407.7	5.7%	430.8
Provider Tax Receipts	182.0	0.3%	182.5	4.7%	191.2	23.9%	236.9	(15.2%)	200.9
HAF Funding	544.2	23.5%	671.9	(28.7%)	479.2	37.7%	660.1	10.6%	730.1
HIP 2.0 Funding	338.1	5.0%	354.9	47.3%	522.5	2.3%	534.5	8.3%	579.0
QAF Transfer to SBA	(48.3)	(1.4%)	(47.7)	3.1%	(49.2)	(5.3%)	(46.5)	(7.1%)	(43.2)
Non-Medicaid Assistance Funds	\$10,170.9	15.9%	\$11,790.2	12.3%	\$13,241.9	6.1%	\$14,045.4	(3.7%)	\$13,522.6
<i>IGT Base Shift</i>			135.5	0.0%	135.5				
Forecasted Medicaid GF Assistance Need	\$2,228.8	1.7%	\$2,267.6	(4.6%)	\$2,164.4	10.1%	\$2,382.2	23.2%	\$2,934.8
General Fund Medicaid Assistance Appropriation	\$2,238.5	11.0%	\$2,485.1	5.4%	\$2,618.6	(1.3%)	\$2,584.6	13.4%	\$2,931.9
Dedicated funding/ Carry forward	\$6.0		\$25.0		\$15.0				
Additional HCBS Funding			\$7.0						
Sub-total (Shortfall)/Surplus	\$15.7		\$249.5		\$469.2		\$202.4		(\$2.9)

Available ARPA HCBS funding

\$212.5

Disposition of prior year surplus amounts

SFY 2019 through SFY 2021

- The SFY 2019 surplus amount was transferred to the DOC to help cover increased Hepatitis C costs.
- The SFY 2020 surplus amount was reverted back to the General Fund at the end of SFY 2020.
- SFY 2021 Surplus: Only \$214.5 million of the \$469.2 surplus is still available.
 - \$214.7 million was reverted/transferred to the Medicaid reserve account
 - Another \$40.0 million was transferred to the Department of Corrections to cover contracted medical services for SFY 2022.

Comparison to the April 2021 Medicaid forecast

Total expenditures (state and federal), in \$millions

	SFY 2022	SFY 2023
April 2021 forecast expenditures	\$15,337.6	\$16,331.6
Capitation: mainly final CY 2020 risk corridor payment, no proj cost for 2021 RC	(361.2)	(156.8)
Enrollment variance due to the MOE	1,334.4	503.6
Part D Clawback	(20.5)	9.4
Vaccination administration experience and assumption changes	(50.5)	26.6
Nursing Facility	(14.2)	(63.1)
DDRS, Home Health, and Assisted Living increases	123.7	155.6
Pharmacy rebates	(49.1)	(201.5)
Nursing Facility UPL	31.8	(153.0)
Stabilization grant funding	174.9	
Opening balance increase	(89.0)	
Other	9.7	5.0
<i>Total changes</i>	<i>\$1,090.0</i>	<i>\$125.8</i>
December 2021 forecast expenditures	\$16,427.6	\$16,457.4

Comparison to the April 2021 Medicaid forecast

Appropriation need (state GF impact), in \$millions

	SFY 2022	SFY 2023
April 2021 forecast appropriation need	\$2,531.6	\$2,878.9
Reduction to FFY 2023 FMAP		42.4
Capitation changes	(63.7)	(15.7)
Enrollment variance due to the MOE	128.6	38.6
Part D Clawback	(20.5)	9.4
Vaccination administration experience and assumption changes	1.1	4.5
Nursing Facility	(4.8)	(21.6)
DDRS, Home Health, and Assisted Living increases	41.8	53.2
Pharmacy rebates	(19.5)	(79.6)
Delay audit payments from SFY 2021 to SFY 2022 and SFY 2023	3.5	17.0
Extra FFCRA federal funding (6.2%)	(265.8)	
Other	49.9	7.7
<i>Total changes</i>	<i>(\$149.4)</i>	<i>\$55.9</i>
December 2021 forecast appropriation need	\$2,382.2	\$2,934.8

December 2021 Medicaid Assistance Forecast

Average monthly enrollment projections – managed care – PHE ending January 2022

Average Monthly Enrollment	FY 2019	<u>Growth</u>	FY 2020	<u>Growth</u>	FY 2021	<u>Growth</u>	FY 2022	<u>Growth</u>	FY 2023
Healthy Indiana Plan									
HIP State Plan Benefits Package	78,839	7.9%	85,077	46.7%	124,804	13.6%	141,741	(14.5%)	121,165
HIP Expansion	211,269	(0.3%)	210,636	32.5%	279,168	8.9%	304,090	(8.5%)	278,117
HIP Medically Frail	76,707	30.9%	100,400	47.6%	148,195	30.3%	193,094	(26.9%)	141,134
HIP Pregnant Females	18,532	2.7%	19,030	101.4%	38,329	62.5%	62,280	(68.5%)	19,612
HIP Bridge							352	2169.2%	7,991
HIP Hospital Presumptive Eligibility	13,383	(13.4%)	11,585	(53.9%)	5,343	(45.2%)	2,929	113.3%	6,248
Total Healthy Indiana Plan	398,731	7.0%	426,728	39.6%	595,839	18.2%	704,485	(18.5%)	574,267
Hoosier Care Connect									
Adult	60,443	(1%)	59,547	2.5%	61,012	1.0%	61,641	(1.8%)	60,536
Child	21,983	(2%)	21,508	4.6%	22,508	4.8%	23,592	(4.0%)	22,644
Foster	8,118	22%	9,922	29.9%	12,893	17.7%	15,182	(14.6%)	12,959
Total Hoosier Care Connect	90,544	0%	90,977	6.0%	96,414	4.1%	100,415	(4.3%)	96,140
Hoosier Healthwise									
Adults	50	(47.8%)	26	85.4%	49	252.3%	172	(34.8%)	112
Children	490,687	1.1%	495,840	20.7%	598,389	14.5%	684,927	(14.3%)	587,323
Pregnant Females	4,224	(11.6%)	3,732	127.5%	8,491	99.3%	16,918	(76.2%)	4,029
CHIP	109,096	1.6%	110,870	(4.1%)	106,299	(5.9%)	100,066	7.2%	107,237
Total Hoosier Healthwise	604,057	1.1%	610,468	16.8%	713,227	12.5%	802,084	(12.9%)	698,701

December 2021 Medicaid Assistance Forecast

Average monthly enrollment projections – fee for service – PHE ending January 2022

Average Monthly Enrollment	FY 2019	<u>Growth</u>	FY 2020	<u>Growth</u>	FY 2021	<u>Growth</u>	FY 2022	<u>Growth</u>	FY 2023
<i>Fee For Service</i>									
Institutionalized	34,816	(0.9%)	34,499	(9.7%)	31,164	0.3%	31,272	2.2%	31,961
Waiver\State Plan HCBS	50,207	11.7%	56,060	10.7%	62,034	8.9%	67,552	9.6%	74,063
No Level of Care									
Hoosier Healthwise FFS	38,811	16.8%	45,345	(28.6%)	32,355	(18.9%)	26,226	53.8%	40,330
Dual	80,592	1.0%	81,438	14.5%	93,282	5.5%	98,420	(1.7%)	96,732
Non-Dual	36,706	0.7%	36,972	4.2%	38,531	(2.5%)	37,581	(0.7%)	37,321
Medicare Savings Program	70,115	3.6%	72,661	(7.0%)	67,570	(3.0%)	65,521	0.5%	65,849
Limited Benefit Populations	51,390	13.0%	58,095	14.6%	66,576	3.7%	69,019	(0.8%)	68,442
<i>Total Fee For Service</i>	362,635	6.2%	385,069	1.7%	391,510	1.0%	395,591	4.8%	414,700
<i>OVERALL TOTAL</i>	1,455,967	3.9%	1,513,242	18.8%	1,796,990	11.4%	2,002,575	(10.9%)	1,783,808

- Populations affected by the MOE peak in early summer 2022 and fall in early SFY 2023
- Almost half of the new enrollment is retained after the MOE
- The LTSS population is growing quickly, with growth channeled mainly to community LTSS. The MOE did not have a material effect on this population.

CHIP

Funding projections

- Increasing cost due to end of the higher FMAP
- Decreased appropriation need for SFY 2021 – SFY 2023 due to extension of increased FMAP through March 2022, a decrease in enrollment, and a projected CY 2020 risk corridor remittance in SFY 2022.

State of Indiana Family and Social Services Administration Analysis of CHIP State Funding (Values illustrated in Millions)					
	SFY 2019	SFY 2020	SFY 2021	SFY 2022	SFY 2023
Projected CHIP expenditures	\$215.3	\$262.0	\$245.5	\$206.4	\$248.3
Applicable FMAP	99.11%	92.65%	83.30%	79.58%	76.07%
State share	\$1.9	\$19.2	\$41.0	\$42.1	\$59.4
Projected HAF Funding (Cap)	<u>\$0.2</u>	<u>\$2.6</u>	<u>\$6.5</u>	<u>\$7.7</u>	<u>\$10.2</u>
Projected appropriation need	\$1.7	\$16.7	\$34.5	\$34.4	\$49.2
Appropriation - CHIP Assistance	\$0.7	\$19.6	\$44.4	\$46.2	\$51.1
Surplus / (Shortfall)	(\$1.0)	\$2.9	\$9.9	\$11.8	\$1.9

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 4, 2020.



Thank you

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