

December 2020 Medicaid Forecast update

State of Indiana
Family and Social Services Administration

Projections through SFY 2023

Updated data through September 2020

JANUARY 27, 2021



December 2020 Medicaid Assistance Forecast

SFY 2019 through SFY 2023 – PHE ending January 2021

EXPENDITURES	FY 2019	<i>Growth</i>	FY 2020	<i>Growth</i>	FY 2021	<i>Growth</i>	FY 2022	<i>Growth</i>	FY 2023
Healthy Indiana Plan	\$3,853.9	13.0%	\$4,355.2	24.0%	\$5,401.0	(9.8%)	\$4,872.6	3.9%	\$5,060.5
Hoosier Care Connect	1,349.3	11.8%	1,508.0	0.7%	1,518.5	5.4%	1,599.8	(3.0%)	1,552.5
Hoosier Healthwise	1,591.6	8.7%	1,730.3	2.9%	1,780.1	3.1%	1,835.0	1.1%	1,855.6
Fee for Service	1,756.7	8.4%	1,903.9	7.2%	2,040.6	9.7%	2,238.1	4.5%	2,338.2
Long Term Care Institutional Care	1,916.5	7.0%	2,050.1	5.0%	2,152.7	6.9%	2,301.4	6.6%	2,453.4
Long Term Care Community Care	1,229.3	10.5%	1,358.8	12.7%	1,530.9	8.4%	1,659.6	7.7%	1,786.6
Medicare Buy-In, Clawback	554.1	2.3%	567.0	0.3%	568.6	16.0%	659.7	8.3%	714.7
Rebates and Collections	(1,050.9)	0.8%	(1,059.5)	4.2%	(1,103.8)	4.7%	(1,155.5)	(1.0%)	(1,143.5)
Remove CHIP, HIP 1.0, MFP, Admin	(220.8)	19.3%	(263.4)	(12.7%)	(229.9)	18.9%	(273.4)	(1.9%)	(268.3)
Other Expenditures (DSH, UPL, etc.)	1,420.0	34.3%	1,907.5	(24.8%)	1,435.0	(1.0%)	1,420.2	2.7%	1,459.0
Medicaid Expenditures (State and Federal)	\$12,399.8	13.4%	\$14,057.8	7.4%	\$15,093.7	0.4%	\$15,157.4	4.3%	\$15,808.8
FUNDING	FY 2019	<i>Growth</i>	FY 2020	<i>Growth</i>	FY 2021	<i>Growth</i>	FY 2022	<i>Growth</i>	FY 2023
Federal Funds	\$8,523.4	18.7%	\$10,120.3	10.6%	\$11,191.6	(4.7%)	\$10,667.1	4.7%	\$11,163.1
IGTs	631.6	(19.5%)	508.3	(18.6%)	414.0	16.2%	480.8	1.5%	488.2
Provider Tax Receipts	182.0	0.3%	182.5	17.5%	214.5	(2.5%)	209.2	0.6%	210.4
HAF Funding	544.2	23.5%	671.9	(19.6%)	540.3	18.1%	638.0	(0.1%)	637.7
HIP 2.0 Funding	338.1	5.0%	354.9	40.6%	499.0	(3.3%)	482.5	4.4%	503.8
QAF Transfer to SBA	(48.3)	(1.4%)	(47.7)	(6.5%)	(44.6)	4.2%	(46.4)	0.0%	(46.4)
Non-Medicaid Assistance Funds	\$10,170.9	15.9%	\$11,790.2	8.7%	\$12,814.7	(3.0%)	\$12,431.2	4.2%	\$12,956.8
<i>IGT Base Shift</i>			135.5	0.0%	135.5				
Forecasted Medicaid GF Assistance Need	\$2,228.8	1.7%	\$2,267.6	0.5%	\$2,279.0	19.6%	\$2,726.2	4.6%	\$2,852.0
General Fund Medicaid Assistance Appropriation	\$2,238.5	11.0%	\$2,485.1	5.4%	\$2,618.6	4.1%	\$2,726.2	4.6%	\$2,852.0
Dedicated funding/ Carry forward	\$6.0		\$25.0		\$15.0				
Additional HCBS Funding			\$7.0						
Strategic Plan Reserve Target					(\$17.8)				
Sub-total (Shortfall)/Surplus	\$15.7		\$249.5		\$336.8				

Estimated FFCRA funding

(\$238.7)

(\$373.0)

CHIP

Funding projections

Increasing cost due to end of the higher FMAP

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	\$227.7	\$268.6	\$263.0
Applicable FMAP	99.11%	92.66%	81.13%	76.33%	76.41%
State share	\$1.9	\$19.2	\$43.0	\$63.6	\$62.0
Projected HAF Funding (Cap)	<u>\$0.2</u>	<u>\$2.6</u>	<u>\$7.3</u>	<u>\$10.0</u>	<u>\$10.0</u>
Projected appropriation need	\$1.7	\$16.7	\$35.7	\$53.6	\$52.1
Appropriation - CHIP Assistance	\$0.7	\$19.6	\$44.4		
Surplus / (Shortfall)	(\$1.0)	\$2.9	\$8.7		

* Assumes that PHE ends in January 2021.

Comparison to December 2019 Medicaid forecast

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

	SFY 2020	SFY 2021
December 2019 forecast expenditures	\$14,170.3	\$13,728.9
New enrollment (MOE and COVID-related)	164.6	1,551.5
Nursing facility temporary rate increases	28.1	55.2
NF: other reimbursement variance	24.1	90.3
Lower fee-for-service utilization, including waiver	(121.7)	(97.7)
Risk corridor (interim reconciliation)		(185.9)
Capitation amendments: timing, updates	(324.9)	4.6
August 2020 HAF changes		133.0
Part D clawback payment reduction (FFCRA)		(49.1)
Other (NF UPL, DSH, FQHC, rebates)	117.5	(137.2)
<i>Total changes</i>	<i>(\$112.5)</i>	<i>\$1,364.8</i>
December 2020 forecast expenditures	\$14,057.8	\$15,093.7

Reconciliation to December 2019 Medicaid forecast

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

	SFY 2020	SFY 2021
December 2019 forecast expenditures	\$2,478.4	\$2,649.1
New enrollment (MOE and COVID-related)	19.0	122.4
NF other reimbursement variance (non-relief funds)	8.2	30.9
Lower fee-for-service utilization, including waiver	(35.8)	(29.9)
Risk corridor (interim reconciliation)		(23.6)
Capitation amendments: timing, updates	(41.5)	19.9
Part D clawback payment reduction (FFCRA)		(49.1)
Other (NF UPL, DSH, FQHC, rebates)	(19.1)	(45.1)
IGT variance, timing	97.1	(22.7)
FFCRA funding	(238.7)	(373.0)
<i>Total changes</i>	<i>(\$210.9)</i>	<i>(\$370.1)</i>
December 2020 forecast expenditures	\$2,267.6	\$2,279.0

December 2020 Medicaid Assistance Forecast

Average monthly enrollment projections – managed care – PHE ending January 2021

Average Monthly Enrollment	FY 2019	<i>Growth</i>	FY 2020	<i>Growth</i>	FY 2021	<i>Growth</i>	FY 2022	<i>Growth</i>	FY 2023
<i>Healthy Indiana Plan</i>									
HIP State Plan Benefits Package	78,821	8.1%	85,224	40.5%	119,744	(6.7%)	111,711	0.4%	112,115
HIP Expansion	211,250	(0.2%)	210,788	28.0%	269,863	(5.9%)	254,075	0.4%	254,985
HIP Medically Frail	76,724	30.7%	100,303	39.4%	139,860	(11.8%)	123,341	0.3%	123,650
HIP Pregnant Females	18,532	1.8%	18,873	65.2%	31,187	(32.2%)	21,146	(1.1%)	20,912
HIP Bridge					1,667	380.0%	8,000	0.0%	8,000
HIP Hospital Presumptive Eligibility	13,388	(13.4%)	11,595	(37.9%)	7,206	(0.2%)	7,194	0.5%	7,229
<i>Total Healthy Indiana Plan</i>	398,714	7.0%	426,784	33.4%	569,527	(7.7%)	525,467	0.3%	526,891
<i>Hoosier Care Connect</i>									
Adult	60,485	(1%)	59,580	1.6%	60,504	(0.4%)	60,249	(0.5%)	59,952
Child	21,985	(2%)	21,508	3.2%	22,186	(1.0%)	21,956	(0.5%)	21,845
Foster	8,118	22%	9,924	23.2%	12,222	(1.9%)	11,985	5.8%	12,681
<i>Total Hoosier Care Connect</i>	90,589	0%	91,011	4.3%	94,912	(0.8%)	94,190	0.3%	94,478
<i>Hoosier Healthwise</i>									
Adults	50	(46.6%)	27	71.6%	46	(24.6%)	35	(0.2%)	35
Children	490,870	1.0%	495,926	16.3%	576,783	(5.6%)	544,208	0.4%	546,283
Pregnant Females	4,225	(11.6%)	3,737	78.0%	6,651	(23.4%)	5,094	(1.0%)	5,042
CHIP	108,962	1.7%	110,814	(3.1%)	107,354	3.3%	110,882	0.5%	111,484
<i>Total Hoosier Healthwise</i>	604,107	1.1%	610,504	13.2%	690,834	(4.4%)	660,219	0.4%	662,843

December 2020 Medicaid Assistance Forecast

Average monthly enrollment projections – fee for service – PHE ending January 2021

Average Monthly Enrollment	FY 2019	<i>Growth</i>	FY 2020	<i>Growth</i>	FY 2021	<i>Growth</i>	FY 2022	<i>Growth</i>	FY 2023
Fee For Service									
Institutionalized									
Nursing Home	28,754	(1.3%)	28,375	(5.5%)	26,807	4.0%	27,878	0.0%	27,878
Hospice	2,439	1.5%	2,476	(6.4%)	2,317	1.0%	2,340	1.0%	2,364
ICF/ID	3,143	(1.1%)	3,110	(1.3%)	3,070	0.0%	3,071	0.0%	3,071
PRTF	181	6.7%	194	8.6%	210	(0.1%)	210	0.0%	210
Total Institutionalized	34,518	(1.1%)	34,154	(5.1%)	32,404	3.4%	33,500	0.1%	33,523
Waiver\State Plan HCBS	50,325	11.7%	56,231	10.7%	62,269	9.7%	68,297	9.6%	74,820
No Level of Care									
Hoosier Healthwise FFS	38,793	17.1%	45,431	(8.5%)	41,564	1.6%	42,213	0.3%	42,357
Dual	80,655	0.9%	81,372	4.7%	85,157	0.1%	85,245	1.0%	86,069
Non-Dual	36,699	0.7%	36,959	7.8%	39,851	(1.4%)	39,295	0.3%	39,408
Medicare Savings Program	70,228	3.7%	72,856	2.9%	74,985	0.8%	75,618	2.9%	77,836
Limited Benefit Populations	51,410	13.2%	58,189	17.3%	68,250	(1.4%)	67,300	7.8%	72,522
Total Fee For Service	362,628	6.2%	385,191	5.0%	404,481	1.7%	411,466	3.7%	426,535
OVERALL TOTAL	1,456,038	3.9%	1,513,490	16.3%	1,759,755	(3.9%)	1,691,343	1.1%	1,710,747

- Populations affected by the MOE peak and fall during SFY 2021
- Growth rates from SFY 2022 to SFY 2023 mostly reflect ultimate trend assumptions
- The LTSS population is growing quickly, with growth channeled mainly to community LTSS

Impact of a PHE Extension to April 2021

- Enhanced FMAP will be extended through the quarter ending 06/30/2021
- MOE requirements related to enhanced FMAP will remain in place for same time period
- Largest impact will be seen in SFY 2021

	SFY2020	Growth	SFY2021	Growth	SFY2022	Growth	SFY2023
Forecasted Medicaid Expenditures							
PHE Ends Jan 2021	\$14,057.8	7.4%	\$15,093.7	0.4%	\$15,157.4	4.3%	\$15,808.8
PHE Ends April 2021	14,057.8	9.6%	15,407.2	-0.8%	15,286.0	3.6%	15,833.5
Increase			313.5		128.6		24.7
Forecasted Medicaid GF Appropriation Need							
PHE Ends Jan 2021	\$2,267.6	0.5%	\$2,279.0	19.6%	\$2,726.2	4.6%	\$2,852.0
PHE Ends April 2021	2,267.6	-6.4%	2,122.4	28.0%	2,716.3	4.9%	2,850.7
Increase			(156.6)		(9.9)		(1.3)
Forecasted Enrollment							
PHE Ends Jan 2021	1,513,490	16.3%	1,759,755	-3.9%	1,691,343	1.2%	1,710,747
PHE Ends April 2021	1,513,490	19.8%	1,813,188	-5.2%	1,718,351	-0.4%	1,711,766
Increase			53,433		27,008		1,019

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.

These results are expected to be made publicly available. Milliman makes no representation or warranties regarding the contents of this correspondence to third parties. Likewise, third parties are instructed to place no reliance upon this correspondence prepared for FSSA by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties.

In performing this analysis, we relied on data and other information provided by FSSA and its vendors. The values in this correspondence are dependent upon this reliance. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

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 5, 2018.



Thank you

Presenter Name

Rob.Damler@milliman.com