

April 2021 Medicaid Forecast update

State of Indiana
Family and Social Services Administration

Projections through SFY 2023

Updated data through January 2021

APRIL 15, 2021



April 2021 Medicaid Assistance Forecast

SFY 2019 through SFY 2023 – PHE ending July 2021

EXPENDITURES	FY 2019	Growth	FY 2020	Growth	FY 2021	Growth	FY 2022	Growth	FY 2023
Healthy Indiana Plan	\$3,853.9	13.0%	\$4,355.1	39.5%	\$6,073.6	(14.2%)	\$5,213.8	4.7%	\$5,459.2
Hoosier Care Connect	1,349.3	11.8%	1,508.0	4.4%	1,574.7	2.2%	1,610.1	3.2%	1,662.3
Hoosier Healthwise	1,591.6	8.7%	1,730.3	5.2%	1,820.0	7.0%	1,947.3	(1.0%)	1,927.6
Fee for Service	1,756.7	8.4%	1,903.8	4.7%	1,993.0	7.7%	2,145.7	7.2%	2,301.2
Long Term Care Institutional Care	1,916.5	7.0%	2,049.9	(2.2%)	2,004.3	6.0%	2,124.5	10.2%	2,341.1
Long Term Care Community Care	1,229.3	10.5%	1,358.8	10.9%	1,507.6	9.3%	1,647.5	9.5%	1,804.4
Medicare Buy-In, Clawback	554.1	2.3%	567.0	0.6%	570.3	15.2%	657.1	11.3%	731.6
Rebates and Collections	(1,050.9)	0.8%	(1,059.5)	8.0%	(1,144.1)	14.3%	(1,307.4)	(3.8%)	(1,257.1)
Remove CHIP, HIP 1.0, MFP, Admin	(220.8)	19.3%	(263.4)	(12.6%)	(230.4)	7.6%	(247.8)	6.3%	(263.5)
Other Expenditures (DSH, UPL, etc.)	1,420.0	34.4%	1,907.9	(25.7%)	1,418.2	9.1%	1,546.7	5.1%	1,624.8
Medicaid Expenditures (State and Federal)	\$12,399.8	13.4%	\$14,057.8	10.9%	\$15,587.2	(1.6%)	\$15,337.6	6.5%	\$16,331.6
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	16.5%	\$11,785.7	(6.2%)	\$11,051.0	4.7%	\$11,575.4
IGTs	631.6	(19.5%)	508.3	(26.1%)	375.6	16.5%	437.5	9.6%	479.6
Provider Tax Receipts	182.0	0.3%	182.5	11.9%	204.3	(4.2%)	195.7	4.4%	204.3
HAF Funding	544.2	23.5%	671.9	(20.0%)	537.2	25.9%	676.4	5.6%	714.1
HIP 2.0 Funding	338.1	5.0%	354.9	46.6%	520.3	(5.9%)	489.4	7.2%	524.7
QAF Transfer to SBA	(48.3)	(1.4%)	(47.7)	(8.8%)	(43.5)	1.0%	(43.9)	3.3%	(45.4)
Non-Medicaid Assistance Funds	\$10,170.9	15.9%	\$11,790.2	13.5%	\$13,379.7	(4.3%)	\$12,806.0	5.0%	\$13,452.6
<i>IGT Base Shift</i>			135.5	0.0%	135.5				
Forecasted Medicaid GF Assistance Need	\$2,228.8	1.7%	\$2,267.6	(2.6%)	\$2,207.5	14.7%	\$2,531.6	13.7%	\$2,878.9
General Fund Medicaid Assistance Appropriation	\$2,238.5	11.0%	\$2,485.1	5.4%	\$2,618.6	(3.3%)	\$2,531.6	13.7%	\$2,878.9
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		\$408.2				

Estimated FFCRA funding

\$238.7

\$489.8

\$120.9

Comparison to December 2020 Medicaid forecast

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

	SFY 2021	SFY 2022	SFY 2023
December 2020 forecast expenditures	\$15,093.7	\$15,157.4	\$15,808.8
Capitation shifted From SFY 2021 to SFY 2022: Initial CY 2020 HIP rates and CY 2017 HCC MLR	273.3	(273.3)	
2021 rates for HHW – treatment reductions		(88.0)	
CY 2021 2% risk corridor and Higher increase for CY 2022 and 2023		73.7	220.3
Higher MOE enrollment (excluding LTSS, HIP Bridge and PE)	428.4	542.5	219.5
Other PHE extension related changes: HIP Bridge delay, PE enrollment reduction and Part D clawback	(57.9)	(46.6)	(14.2)
LTSS impacts: Primarily Nursing Facility enrollment	(164.8)	(237.7)	(152.6)
Vaccine Administration costs and distribution timing change	(2.6)	1.3	
DSH allotment increase	131.9	221.1	221.1
Other Expenditures Decrease: NF UPL, FFS PFAC, CARES Act Payments	(138.4)	(78.1)	(44.3)
Sunsetting the 3% NF reduction		56.4	66.2
Extension of post-partum period for pregnant women		27.6	30.8
Other, including PW payments for Pregnant women	23.5	(18.8)	(24.1)
<i>Total changes</i>	\$493.5	\$180.2	\$522.8
April 2021 forecast expenditures	\$15,587.2	\$15,337.6	\$16,331.6

Comparison to December 2020 Medicaid forecast

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

	SFY 2021	SFY 2022	SFY 2023
December 2020 forecast expenditures	\$2,279.0	\$2,726.2	\$2,852.0
Capitation Amendments	18.6	(29.7)	30.4
Higher enrollment (excluding LTSS, HIP Bridge and PE)	42.3	54.5	25.6
Other PHE extension related changes: HIP Bridge delay, <i>PE enrollment reduction</i> and Part D clawback	(15.4)	(13.4)	10.3
LTSS impacts: <i>Nursing Facility enrollment reduction, A&D enrollment growth, DDRS enrollment</i>	(56.3)	(80.4)	(51.4)
Vaccine Administration costs, distribution, and 100% FMAP	(4.3)	(13.8)	
Sunsetting the 3% NF reduction		19.1	22.3
Extension of post-partum period for pregnant women		4.2	3.9
Extra FFCRA federal funding (6.2%)	(116.8)	(120.9)	
Other	60.5	(14.2)	(14.2)
<i>Total changes</i>	<i>(\$71.5)</i>	<i>(\$194.6)</i>	<i>\$26.9</i>
April 2021 forecast expenditures	\$2,207.5	\$2,531.6	\$2,878.9

CHIP

Funding needed

- Increasing cost due to end of the higher FMAP
- Decreased appropriation need for SFY 2021 – SFY 2023 due to extension of increased FMAP through September 2021 and a decrease in enrollment

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	\$227.9	\$242.3	\$257.2
Applicable FMAP	99.11%	92.65%	83.30%	77.41%	76.41%
State share	\$1.9	\$19.2	\$38.1	\$54.7	\$60.7
Projected HAF Funding (Cap)	<u>\$0.2</u>	<u>\$2.6</u>	<u>\$6.3</u>	<u>\$8.5</u>	<u>\$9.6</u>
Projected appropriation need	\$1.7	\$16.7	\$31.7	\$46.2	\$51.1
Appropriation - CHIP Assistance	\$0.7	\$19.6	\$44.4		
Surplus / (Shortfall)	(\$1.0)	\$2.9	\$12.6		

April 2021 Medicaid Assistance Forecast

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

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	78,819	8.0%	85,100	48.0%	125,906	0.7%	126,818	(7.8%)	116,909
HIP Expansion	211,256	(0.3%)	210,668	36.7%	288,084	2.8%	296,057	(8.5%)	271,026
HIP Medically Frail	76,724	30.9%	100,412	48.4%	149,009	1.6%	151,406	(11.4%)	134,122
HIP Pregnant Females	18,532	2.3%	18,960	97.6%	37,456	(1.7%)	36,806	(20.1%)	29,397
HIP Bridge							11,766	200.3%	35,330
HIP Hospital Presumptive Eligibility	13,386	(13.4%)	11,588	(52.6%)	5,489	(17.5%)	4,527	0.2%	4,534
Total Healthy Indiana Plan	398,717	7.0%	426,726	42.0%	605,944	3.5%	627,380	(5.7%)	591,319
Hoosier Care Connect									
Adult	60,464	(2%)	59,556	2.6%	61,112	0.1%	61,159	(1.1%)	60,504
Child	21,984	(2%)	21,505	4.6%	22,503	0.2%	22,552	(1.7%)	22,163
Foster	8,119	22%	9,923	29.1%	12,812	1.3%	12,975	(3.5%)	12,521
Total Hoosier Care Connect	90,567	0%	90,984	6.0%	96,426	0.3%	96,686	(1.5%)	95,188
Hoosier Healthwise									
Adults	50	(47.1%)	27	63.9%	44	(4.7%)	42	(32.2%)	28
Children	490,780	1.0%	495,785	21.4%	601,678	0.7%	606,081	(6.3%)	567,623
Pregnant Females	4,224	(11.7%)	3,731	119.8%	8,200	17.4%	9,624	(17.9%)	7,898
CHIP	109,032	1.7%	110,922	(4.1%)	106,361	0.1%	106,504	3.0%	109,693
Total Hoosier Healthwise	604,087	1.1%	610,464	17.3%	716,282	0.8%	722,251	(5.1%)	685,242

April 2021 Medicaid Assistance Forecast

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

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
Fee For Service									
Institutionalized	34,701	(1.1%)	34,332	(8.5%)	31,403	0.6%	31,598	2.9%	32,524
Waiver\State Plan HCBS	50,237	11.6%	56,052	11.4%	62,433	10.2%	68,813	10.8%	76,272
No Level of Care									
Hoosier Healthwise FFS	38,798	16.8%	45,330	(13.9%)	39,029	2.2%	39,886	0.4%	40,032
Dual	80,611	1.0%	81,379	14.7%	93,377	2.4%	95,618	(0.6%)	95,065
Non-Dual	36,704	0.7%	36,972	5.9%	39,138	(0.2%)	39,045	(1.5%)	38,451
Medicare Savings Program	70,174	3.7%	72,742	(6.9%)	67,719	(2.2%)	66,242	0.9%	66,818
Limited Benefit Populations	51,403	13.1%	58,121	17.6%	68,357	(0.1%)	68,292	(0.2%)	68,124
Total Fee For Service	362,628	6.1%	384,928	4.3%	401,457	2.0%	409,493	1.9%	417,285
OVERALL TOTAL	1,455,999	3.9%	1,513,102	20.3%	1,820,109	2.0%	1,855,810	(3.6%)	1,789,034

- Populations affected by the MOE peak and fall during SFY 2022
- The LTSS population is growing quickly, with growth channeled to community LTSS
- Shift of Medicare Savings Program to Full Duals effective September 2020

Medicaid forecast

Limitations

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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

Presenter Name

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