

**Social Services Estimating Conference  
Florida KidCare Program  
July 17 and August 7, 2017  
Executive Summary**

The Social Services Estimating Conference convened on July 17 and August 7, 2017 to adopt caseload and expenditure forecasts for the KidCare Program through June 2022.

The annual caseload projections for the entire KidCare Program are higher than the February estimates. The net increase in the forecast results from higher recent actual than projected enrollment for the Healthy Kids Full Pay, MediKids Full Pay, and CMS programs.

In the Healthy Kids Full Pay program, the Stars Plus (platinum level) plans, which had higher premiums but more substantial coverage than the Stars (silver level) plans, were phased out on December 31, 2016. Families who were enrolled in Stars Plus plans were notified in early July 2016 that those plans would terminate on December 31. In December, in anticipation of the termination of these plans, the Conference forecasted a substantial decrease in enrollment in January 2017. It was expected that only a subset of the families would transition into Stars plans. However, actual enrollment since January 2017 has not declined significantly from previous months. The Conference held the current forecast at the level of the most recent enrollment figures and continues to monitor the impact of the plan phase out and the potential for attrition of families from the program.

For Fiscal Year 2017-18, a General Revenue deficit is projected of \$0.3 million. For Fiscal Year 2018-19, the General Revenue shortfall from the recurring appropriation is projected to be \$1.7 million.

The Children's Health Insurance Program (CHIP) is currently authorized under federal law through September 30, 2019, but funding expires September 30, 2017. The new forecast assumes that the program will be reauthorized prior to this date and continue throughout the remainder of the forecast with sufficient federal funding to support the forecasted enrollments and federal matching at the Enhanced FMAP rate as planned through September 30, 2019. If instead, future federal funding is continued at the current 2017 Federal Grant award amount of \$686.6 million, Florida would likely experience a shortfall in federal funds ranging from \$33.7 million in SFY 2019-20 up to \$260.1 million in SFY 2021-22; depending upon the policy response adopted by the Legislature, this lack of federal funding would also reduce the need for the state match. At this time, it is unknown what actions Congress will ultimately take. See "Special Notes" on page 2 for more information related to these issues.

Beginning with the July 2016 Conference, the Medicaid Children under 1 and Children ages 6-18 funded under Title XXI are both shown as part of the Medicaid Expenditures Conference.

The table on page 3 provides the new caseload projections for the current and upcoming fiscal years, and the subsequent table provides the new expenditure forecast for FY 2017-18 through FY 2021-22.

## Special Notes

Currently allotted Federal funds are not sufficient to support the federal share of the program costs throughout the forecast, but unspent CHIP allotments may be redistributed to shortfall states if any such funds are available.

If federal CHIP funding expires after September 30, 2017, the loss of funding and the Affordable Care Act (ACA) Maintenance of Effort (MOE) requirements would impact Florida's CHIP enrollees differently depending on whether they are **CHIP Medicaid Expansion Program** or **Separate CHIP Program enrollees**.

<b>Eligibility Levels for CHIP in Florida as of January 1, 2017</b>			
	Ages 0-1	Ages 1-5	Ages 6-18
CHIP Medicaid Expansion	192-211% FPL	N/A	112-138% FPL
Separate CHIP Program	N/A	145-215% FPL	139-215% FPL

Note: January 2017 income limits reflect Modified Adjusted Gross Income (MAGI)-converted income standards and include a disregard equal to five percentage points of the federal poverty level (FPL) applied at the highest income level for Medicaid and separate CHIP coverage.

For the **CHIP Medicaid Expansion Program**, there is an ACA MOE requirement that requires states to maintain income eligibility levels for CHIP children through September 30, 2019 as a condition for receiving any Medicaid funding (notwithstanding the lack of corresponding federal CHIP appropriations for FFY 2018 and FFY 2019). This switch would cause the federal share of expenditures for these enrollees to decrease from the Enhanced FMAP rate to the regular FMAP rate, which means the cost of covering these children would increase for the state.

Additionally, the ACA requires all states to have a process for screening children in the **Separate CHIP Program** for Medicaid eligibility if federal CHIP funding expires. Those that are ineligible for Medicaid must then be enrolled in a certified qualified health plan – a marketplace plan that has been certified by the Secretary of Health and Human Services (HHS) to be “at least comparable” to CHIP in terms of benefits and cost sharing. In a review released November 25, 2015, the HHS Secretary was not able to certify any qualified health plans as comparable to CHIP coverage because out-of-pocket costs were higher under the qualified health plans and the CHIP benefits were generally more comprehensive for child-specific services (e.g., dental, vision, and habilitation services). Under the ACA MOE requirements, states are required only to establish procedures to enroll children in qualified health plans certified by the Secretary. If there are no certified plans, the MOE requirement does not obligate states to provide coverage to these children. Even when there are certified plans, not all CHIP children may be eligible for subsidized exchange coverage due to the “family glitch,” among other reasons.

Sources:

“Federal Financing for the State Children’s Health Insurance Program (CHIP),” Congressional Research Service, September 19, 2016, <https://fas.org/sgp/crs/misc/R43949.pdf>.

“Medicaid and CHIP Income Eligibility Limits for Children as a Percent of the Federal Poverty Level, as of January 1, 2017,” KFF State Health Facts, <http://kff.org/health-reform/state-indicator/medicaid-and-chip-income-eligibility-limits-for-children-as-a-percent-of-the-federal-poverty-level>.

**KIDCARE AVERAGE MONTHLY ENROLLMENT PROJECTIONS**

<b>FLORIDA HEALTHY KIDS*</b>	<b>FY17-18</b>	<b>FY18-19</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>FY21-22</b>
March 2017 SSEC	177,127	187,029	197,542	208,703	N/A
August 2017 SSEC	177,312	187,475	197,920	209,005	220,790
Change	185	446	378	302	N/A

<b>MEDIKIDS**</b>	<b>FY17-18</b>	<b>FY18-19</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>FY21-22</b>
March 2017 SSEC	32,571	34,179	35,291	36,059	N/A
August 2017 SSEC	32,247	34,031	35,331	36,295	36,981
Change	(324)	(148)	40	236	N/A

<b>CHILDREN'S MEDICAL SERVICES</b>	<b>FY17-18</b>	<b>FY18-19</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>FY21-22</b>
March 2017 SSEC	9,456	9,456	9,456	9,456	N/A
August 2017 SSEC	11,109	11,248	11,383	11,520	11,658
Change	1,653	1,792	1,927	2,064	N/A

<b>BEHAVIORAL HEALTH</b>	<b>FY17-18</b>	<b>FY18-19</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>FY21-22</b>
March 2017 SSEC	507	507	507	507	N/A
August 2017 SSEC	581	603	610	617	625
Change	74	96	103	110	N/A

<b>TOTALS</b>	<b>FY17-18</b>	<b>FY18-19</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>FY21-22</b>
March 2017 SSEC	219,661	231,172	242,796	254,726	N/A
August 2017 SSEC	221,249	233,357	245,244	257,437	270,054
Change	1,588	2,185	2,448	2,711	N/A

\*Averages include Healthy Kids Full Pay enrollment

\*\*Averages include MediKids Full Pay enrollment

<b>FISCAL YEAR 2017-18</b>	<b>FY 2017-18 Appropriations</b>	<b>Projected Expenditures</b>	<b>Surplus/(Deficit)</b>
General Revenue	\$16,998,939	\$17,273,650	(\$274,711)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$17,745,350	\$17,001,059	\$744,291
Medical Care Trust Fund (Federal)	\$422,722,123	\$429,555,809	(\$6,833,686)
<b>Total</b>	<b>\$457,466,412</b>	<b>\$463,830,518</b>	<b>(\$6,364,106)</b>

<b>FISCAL YEAR 2018-19</b>	<b>FY 2017-18 Recurring Appropriations</b>	<b>Projected Expenditures</b>	<b>Surplus/(Deficit)</b>
General Revenue	\$16,998,939	\$18,727,340	(\$1,728,401)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$17,745,350	\$17,632,623	\$112,727
Medical Care Trust Fund (Federal)	\$422,722,123	\$468,795,798	(\$46,073,675)
<b>Total</b>	<b>\$457,466,412</b>	<b>\$505,155,761</b>	<b>(\$47,689,349)</b>

<b>FISCAL YEAR 2019-20</b>	<b>FY 2017-18 Recurring Appropriations</b>	<b>Projected Expenditures</b>	<b>Surplus/(Deficit)</b>
General Revenue	\$16,998,939	\$112,289,603	(\$95,290,664)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$17,745,350	\$18,278,390	(\$533,040)
Medical Care Trust Fund (Federal)	\$422,722,123	\$418,570,687	\$4,151,436
<b>Total</b>	<b>\$457,466,412</b>	<b>\$549,138,679</b>	<b>(\$91,672,267)</b>

<b>FISCAL YEAR 2020-21</b>	<b>FY 2017-18 Recurring Appropriations</b>	<b>Projected Expenditures</b>	<b>Surplus/(Deficit)</b>
General Revenue	\$16,998,939	\$154,120,855	(\$137,121,916)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$17,745,350	\$18,933,558	(\$1,188,208)
Medical Care Trust Fund (Federal)	\$422,722,123	\$423,410,050	(\$687,927)
<b>Total</b>	<b>\$457,466,412</b>	<b>\$596,464,463</b>	<b>(\$138,998,051)</b>

<b>FISCAL YEAR 2021-22</b>	<b>FY 2017-18 Recurring Appropriations</b>	<b>Projected Expenditures</b>	<b>Surplus/(Deficit)</b>
General Revenue	\$16,998,939	\$166,513,370	(\$149,514,431)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$17,745,350	\$19,583,913	(\$1,838,563)
Medical Care Trust Fund (Federal)	\$422,722,123	\$462,163,706	(\$39,441,583)
<b>Total</b>	<b>\$457,466,412</b>	<b>\$648,260,989</b>	<b>(\$190,794,577)</b>