

Social Services Estimating Conference
Florida KidCare Program
December 5 and 17, 2019 and January 13, 2020
Executive Summary

The Social Services Estimating Conference convened on December 5 and 17, 2019 and January 13, 2020, to adopt caseload and expenditure forecasts for the KidCare Program through FY 2024-25.

Beginning in FY 2019-20, the annual caseload projections for the entire KidCare Program are lower than the July estimates. The net decrease in the forecast results from lower projected enrollments for Healthy Kids (Title XXI and Full Pay) and Medikids (Title XXI). The adopted increase for the CMS Network was not enough to offset the overall decline.

The caseload forecast for the Medikids Full Pay Program was also increased; however, the Conference was unable to consense on the associated expenditure projection. Current law (s. 409.814(6)(a), F.S., and s. 409.811(22), F.S.), requires that the family pay the full cost of the premium. Today, the premium level fails to generate funds that are sufficient to cover the costs. Further, as shown in the proposed forecast submitted by the Agency for Health Care Administration, no definitive plans exist to increase the premium. Since the expenditure forecast did not have the full cost of the program covered by premiums paid by the families, it implied that the program cost would be subsidized with state funds which is seemingly not allowed without a law change. Ultimately, there were differing views on the appropriate balance between current law and current administration with respect to this issue, preventing the principals from reaching consensus on the forecast. As a result, the conference materials now contain no expenditures for the Medikids Full Pay Program. For information only, a supplemental schedule has been developed at the request of the House and Senate to show the projected cost of the Medikids Full Pay Program under the assumption that premiums fully reflect the costs with no additional subsidy from state funds.

Other changes also affected the expenditure forecast. Florida Healthy Kids Corporation has awarded contracts to two statewide carriers and one south Florida carrier that will serve both the subsidized and the full-pay Healthy Kids populations. Starting January 1, 2020, members in the full-pay plan gained enhanced benefits that match the benefits of subsidized members, including the elimination of medical and pharmacy deductibles, the elimination of coinsurance and the lowering of all copays. Beginning with the new contracts, the separate risk pools for the subsidized and full-pay populations were combined with some cross-subsidization between the two—effectively, increasing the cost for the subsidized population premium and lowering it for the full-pay population. As a result, the Conference expects increased enrollment in the full-pay program beginning January 1, 2020, leveling out at approximately 15% of total Healthy Kids enrollment by July 1, 2020.

Federal changes have also influenced the forecast. On January 22, 2018, Congress passed a six-year extension of the Children's Health Insurance Program (CHIP) funding as part of a broader continuing resolution to fund the federal government. The Healthy Kids Act (H.R. 195, Division C) provides federal funding for CHIP for six years (through September 30, 2023) and provides an 11.5 percentage point increase to the regular CHIP Enhanced FMAP for October 1, 2019 through September 30, 2020.¹

¹ "Summary of the 2018 CHIP Funding Extension," <https://www.kff.org/medicaid/fact-sheet/summary-of-the-2018-chip-funding-extension/>, accessed February 9, 2018.

On December 19, 2019, Congress passed funding legislation to authorize government spending through September 30, 2020. Among other things, this legislation repealed the Health Insurance Providers Fee (referred to in FHK materials as the “ACA Insurer Fee”), for calendar years beginning after December 31, 2020. The fee has now been removed from all projections. Note that a one-time payment of \$8.75 million to Healthy Kids’ medical carriers is required in CY 2020 (FY 2020-21) for CY 2019 premium revenue; this payment has been built into the forecast.

For FY 2019-20, a General Revenue surplus of \$2.9 million is expected relative to the current year’s appropriation. In the future, the need for additional General Revenue each year rises from \$74.7 million in FY 2020-21 to \$147.6 million in FY 2024-25. The magnitude of the difference from the recurring appropriation base is a result of the expected decline in the Enhanced FMAP rate; the special add-on that resulted from the Affordable Care Act is eliminated in its entirety on September 30, 2020, affecting the state funding need for a portion of FY 2019-20 as it begins to unwind and all subsequent years.

The first table that follows provides the new caseload projections for the current and upcoming fiscal years. The second table that follows provides the final expenditure forecast for FY 2019-20 through FY 2024-25, minus the MediKids Full Pay component.

KIDCARE AVERAGE MONTHLY ENROLLMENT PROJECTIONS

FLORIDA HEALTHY KIDS*	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
July 2019 SSEC	222,624	255,168	273,691	289,532	302,529
December 2019 SSEC	217,036	240,840	253,561	265,286	275,550
Change	(5,588)	(14,328)	(20,130)	(24,246)	(26,979)
MEDIKIDS**	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
July 2019 SSEC	41,924	44,836	47,143	49,019	50,399
December 2019 SSEC	41,213	43,978	46,287	48,115	49,459
Change	(711)	(858)	(856)	(904)	(940)
CHILDREN'S MEDICAL SERVICES	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
July 2019 SSEC	13,339	14,328	15,157	15,837	16,342
December 2019 SSEC	13,443	14,444	15,363	16,252	16,982
Change	104	116	206	415	640
BEHAVIORAL HEALTH	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
July 2019 SSEC	337	415	455	491	507
December 2019 SSEC	335	419	461	504	526
Change	(2)	4	6	13	19
TOTALS	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
July 2019 SSEC	278,225	314,747	336,446	354,878	369,777
December 2019 SSEC	272,026	299,680	315,672	330,157	342,518
Change	(6,199)	(15,067)	(20,774)	(24,721)	(27,259)

*Averages include Healthy Kids Full Pay enrollment

**Averages include MediKids Full Pay enrollment

KIDCARE PROJECTED EXPENDITURES

	FISCAL YEAR 19-20	FY 19-20 Recurring Appropriations	Projected Expenditures	Surplus/(Deficit)
	General Revenue	\$73,319,799	\$70,407,350	\$2,912,449
	General Revenue (Prior Year Exp)	\$0	\$8,969	(\$8,969)
	Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
FY 19-20	Grants & Donations Trust Fund (State)	\$27,618,469	\$6,081,944	\$21,536,525
	Medical Care Trust Fund (Federal)	\$497,048,236	\$480,477,485	\$16,570,751
	Medical Care Trust Fund (Prior Year Exp)	\$0	\$2,632,593	(\$2,632,593)
	Total	\$597,986,504	\$559,608,341	\$38,378,163
	General Revenue	\$73,319,799	\$148,065,655	(\$74,745,856)
	Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
FY 20-21	Grants & Donations Trust Fund (State)	\$27,618,469	\$6,468,708	\$21,149,761
	Medical Care Trust Fund (Federal)	\$497,048,236	\$474,956,163	\$22,092,073
	Total	\$597,986,504	\$629,490,525	(\$31,504,021)
	General Revenue	\$73,319,799	\$178,606,780	(\$105,286,981)
	Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
FY 21-22	Grants & Donations Trust Fund (State)	\$27,618,469	\$6,811,781	\$20,806,688
	Medical Care Trust Fund (Federal)	\$497,048,236	\$491,517,069	\$5,531,167
	Total	\$597,986,504	\$676,935,630	(\$78,949,126)
	General Revenue	\$73,319,799	\$194,088,128	(\$120,768,329)
	Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
FY 22-23	Grants & Donations Trust Fund (State)	\$27,618,469	\$7,105,567	\$20,512,902
	Medical Care Trust Fund (Federal)	\$497,048,236	\$536,421,862	(\$39,373,626)
	Total	\$597,986,504	\$737,615,557	(\$139,629,053)
	General Revenue	\$73,319,799	\$208,447,936	(\$135,128,137)
	Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
FY 23-24	Grants & Donations Trust Fund (State)	\$27,618,469	\$7,331,707	\$20,286,762
	Medical Care Trust Fund (Federal)	\$497,048,236	\$581,707,289	(\$84,659,053)
	Total	\$597,986,504	\$797,486,931	(\$199,500,427)
	General Revenue	\$73,319,799	\$220,955,680	(\$147,635,881)
	Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
FY 24-25	Grants & Donations Trust Fund (State)	\$27,618,469	\$7,484,682	\$20,133,787
	Medical Care Trust Fund (Federal)	\$497,048,236	\$626,666,666	(\$129,618,430)
	Total	\$597,986,504	\$855,107,028	(\$257,120,524)