

**Social Services Estimating Conference
Medicaid Caseloads and Expenditures
July 28, 2020 and August 6, 2020
Executive Summary**

The Social Services Estimating Conference convened on July 28, 2020, to adopt a revised Medicaid caseload forecast and FMAP projection and on August 6, 2020, to update the expenditure projection for the period covering FY 2020-21 through FY 2025-26. Expenditures for FY 2019-20 still reflect the forecast adopted in January 2020; they will not be finalized until the next conference.

Caseload Estimating Conference –The revised caseload projection for FY 2019-20 is 3,816,590 or 37,237 (0.99%) higher than the estimate adopted in December 2019. As a result of the persistent pandemic-induced economic contraction, total caseload in FY 2020-21 moves well above the prior peak of 4,017,726 seen in FY 2016-17. Caseload then remains higher than the old peak throughout the forecast, despite its expected decline in the outer years as the unemployment rate improves.

The new projection for FY 2020-21 reaches 4,360,986, an increase of 548,676 (14.39%) of over the prior forecast. In the out-years, caseload is projected to decline to 4,359,189 in FY 2021-22; 4,282,817 in FY 2022-23; 4,199,848 in FY 2023-24; 4,121,895 in FY 2024-25; and 4,044,391 in FY 2025-26.

In terms of fiscal years, the new estimate shows a 0.11% increase in Medicaid caseload for FY 2019-20 over the prior fiscal year and a further 14.26% increase in FY 2020-21. See the table below for additional detail.

Total Medicaid Caseload	FY 2019-20		FY 2020-21		
	3,816,590		4,360,986		
SMMC			FFS		
	FY 2019-20	FY 2020-21		FY 2019-20	FY 2020-21
TANF 0-13	1,443,917	1,563,768	Other FFS	230,850	298,940
TANF 14+	883,056	1,149,501	Medically Needy	32,554	69,315
SSI Medicaid	294,020	294,941	QMB/SLMB/QI	464,694	483,510
SSI Dual	99,179	96,906	XXI Children (6-18)	4,479	4,783
HIV/AIDS Medicaid	6,769	7,452	General Assistance	1,811	1,785
HIV/AIDS Specialty Medicaid	7,154	8,146	Family Planning	67,245	61,417
HIV/AIDS Dual	4,410	4,424	Relative Caregiver	16,461	16,461
LTC Medicaid	8,988	9,780	Child Only	19,191	19,953
LTC Dual	81,515	84,530	Families with Adults	22,884	41,348
Child Welfare	63,395	64,422	Unemployed Parents	2,723	9,454
CMSN	60,622	69,188			
PDN	0	1,179			

NOTE: Caseload is projected separately for the Statewide Medicaid Managed Care (SMMC) and Fee for Service (FFS) categories. The SMMC enrollment is forecasted by enrollment categories that align with capitation rate cell groupings (e.g. TANF, SSI, HIV/AIDS, etc.) and by geographic Medicaid super-regions. The FFS enrollment is forecasted by statewide enrollment categories that align with Medicaid eligibility groupings (e.g. Medically Needy, QMB/SLMB/QI, Family Planning, etc.). While the names of some of the current FFS categories are unchanged from prior methodologies, the current groups are not directly comparable to the historical groups shown in forecasts prior to July 2016.

Expenditure Estimating Conference – The new expenditure forecast takes account of the Medicaid caseload growth described above. While the Conference is aware that reductions to hospital disproportionate share (DSH) funding are scheduled to go into effect December 1, 2020, unless additional federal action is taken, they are not reflected in this forecast. The federal Centers for Medicare & Medicaid Services (CMS) has only released amounts and the general methodology that will be used in calculating state reductions, but has not formalized those actions. Instead, this forecast reflects the draft DSH allotments currently provided by CMS. The forecast also adheres to federal waiver authority for the maximum size of the Low Income Pool (LIP) while it continues to exist; it is currently set to expire in June 2022. In this regard, the forecast assumes the continuation of Intergovernmental Transfers (IGTs) from local taxing authorities. The forecast also assumes continuation of IGTs for DSH based on historical collections for this purpose for FY 2020-21 through FY 2025-26. While IGT collections for LIP and DSH have no impact on managed care plan capitation rates, the SSEC strongly cautions that IGTs for these purposes may be at risk beginning in FY 2020-21 and may result in lower supplemental payments to providers. In addition, the Health Insurance Provider Fee, a tax related to the ACA, has been repealed effective 2021, but remains in effect for 2020.

In the current expenditure forecast, an overall rate increase of 1.5% was applied to the Prepaid Health Plans category at a granular level beginning October 1, 2020. This figure was suggested by the August 4, 2020 letter prepared by Milliman, Inc., “Social Services Estimating Conference – RY 20/21 Draft Estimates and Combined SMMC Rate Change for October 2020 through September 2021.” In the out-years, the MMA capitation rate increase is projected to be 2.0% in October 2021, 2.3% in October 2022, 2.5% in October 2023, 2.7% in October 2024, and 2.8% in October 2025 as expected increases in medical inflation begin to take hold.

In the current expenditures forecast, a rate decrease of 1.5% was applied to the Prepaid Health Plan – Long Term Care (LTC) category beginning October 1, 2020. This figure was provided in the same August 4, 2020 letter referenced above. In the out-years, the LTC capitation rate increase is projected to increase 1.5% in October of each year.

For FY 2019-20, program expenditures were held at \$28,268.2 million (the level adopted in January 2020) pending the final reconciliation for the year. For FY 2020-21, program expenditures are expected to increase to \$31,286.6 million (10.7% above the provisional 2019-20 fiscal year estimates). This level is higher than the appropriated level and higher than forecasted in January—but the need for state funds is suppressed by the temporary FMAP boost described below. Overall, the new forecast anticipates a surplus in General Revenue funds for the current year of \$141.0 million. For FY 2021-22, program expenditures are expected to increase to \$31,348.3 million (0.2% above the fiscal year 2020-21 estimate). The General Revenue requirement for Fiscal Year 2021-22 is \$553.7 million above the FY 2021-22 base budget level, primarily caused by the end of the additional federal funding.

Expenditure Forecast (millions)	FY 2020-21	Surplus/Deficit	FY 2021-22	Comparison to
	Forecast		Forecast	Base Budget
General Revenue	\$6,993.6	\$141.0	\$7,688.3	(\$553.7)
Medical Care TF	18,688.1	(1,872.8)	17,893.6	(1,167.4)
Refugee Assistance TF	15.5	(3.6)	15.5	(3.6)
Public Medical Assistance TF	766.5	.0	819.0	(52.5)
Other State Funds	521.5	46.1	560.1	7.6
Grants and Donations TF	3,242.7	67.0	3,347.1	(92.3)
Health Care Trust Fund	726.7	.0	753.0	(26.3)
Tobacco Settlement TF	331.9	.0	271.6	11.6
Total	\$31,286.6	(\$1,622.2)	\$31,348.3	(\$1,876.7)

Federal Medical Assistance Percentage – Using new population and personal income data for the nation and for Florida, the Conference made modifications to the Federal Medical Assistance Percentage (FMAP) levels used for state budgeting purposes. Further adjustments were made to reflect the Families First Coronavirus Response Act (FFCRA; P.L. 116-127), signed into law March 18, 2020, which provided states and territories with a temporary 6.2 percentage -point increase in the regular FMAP. Based on the July 25th determination by the US Secretary of Health and Human Services that a Public Health Emergency still exists, the Conference applied the FFCRA FMAP through December 2020. The confirmed base federal FMAP for 2019-20 is 61.47% and for 2020-21 is 61.96%. After adjusting for FFCRA and the State’s fiscal year, the effective state FMAP for 2019-20 is 64.42% and for 2020-21 is 64.94%. Both years are higher than expected in the prior forecast.