

**Social Services Estimating Conference
Medicaid Caseloads and Expenditures
July 19, August 7, and August 14, 2023
Executive Summary**

The Social Services Estimating Conference (SSEC) develops its new materials for Medicaid over multiple conferences. For this cycle, it convened on July 19, 2023, to adopt a new Medicaid caseload forecast; on August 7, 2023, to revise the series of FMAP projections; and on August 14, 2023, to update the expenditure forecast, all for the period covering FY 2023-24 through FY 2028-29.

Caseload Estimating Conference – The Consolidated Appropriations Act, 2023 (P.L. 117-328), ended the continuous coverage provision on March 31, 2023. Effectively, this allowed redeterminations to begin in April 2023, which the prior conference incorporated into its forecast. Subsequent to that conference, the state schedule was modified, with the caseload not decreasing until May 2023 and at a much lower level than had been previously communicated to the conference. As a result of both the continued caseload increases over prior estimates and the end of the continuous coverage provision not materializing as anticipated, the total caseload for FY 2022-23 was 5,575,548—an increase of 96,149 or 1.75% over the forecast adopted in March 2023. This level was also well above the pre-pandemic peak of 4,017,726 seen in FY 2016-17.

Despite the end of continuous coverage, the caseload remains higher than the pre-pandemic peak throughout the remainder of the forecast. Even so, caseload is projected to decline by 9.98% to 5,019,308 in FY 2023-24. Caseload is then expected to decline further to 4,816,379 in FY 2024-25; 4,754,486 in FY 2025-26; 4,720,370 in FY 2026-27; 4,700,751 in FY 2027-28 and finally rise to 4,701,840 in FY 2028-29. At these levels, the revised caseload relative to the prior forecast is significantly higher: an increase of 304,424 or 6.46% above the prior estimate in FY 2023-24, before gradually declining to an increase of 74,205 or 1.60% in FY 2027-28. See the table below for more details on the first two years.

Total Medicaid Caseload			FY 2023-24			FY 2024-25
			5,019,308			4,816,379
	SMMC		FFS			
	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25		
TANF 0-13	1,644,028	1,594,965	Other FFS	366,505	369,141	
TANF 14+	1,445,109	1,315,919	Medically Needy	148,365	114,049	
SSI Medicaid	326,411	331,807	QMB/SLMB/QI	492,679	497,949	
SSI Dual	86,525	86,525	XXI Children (6-18)	4,289	4,287	
HIV/AIDS Medicaid	12,066	12,712	General Assistance	43,082	44,098	
HIV/AIDS Specialty Medicaid	11,793	12,245	Family Planning	109,157	109,157	
HIV/AIDS Dual	3,457	3,458	Relative Caregiver	8,390	8,390	
LTC Medicaid	11,667	12,221	Child Only	13,797	13,797	
LTC Dual	72,103	72,184	Families with Adults	24,190	22,349	
Child Welfare	66,812	67,557	Unemployed Parents	30,132	27,034	
CMSN	98,064	95,848				
PDN	686	686				

NOTE: While the names of some of the categories have been used consistently over time, significant changes in methodology that first appeared in July 2016 may prevent comparisons of the data before and after this date.

Expenditure Estimating Conference – The new expenditure forecast takes account of both the Medicaid caseload changes described above and the phaseout of the enhanced FMAP by the end of the 2023 calendar year, as required by the Consolidated Appropriations Act, 2023.

There are several other funding notes. First, the scheduled changes to Disproportionate Share Hospital Funding (DSH) have not been included as the federal Centers for Medicare & Medicaid Services (CMS) has yet to officially notify the state that the final adjustments are in place. Currently, the DSH reductions are set to go into effect beginning in Federal Fiscal Year 2024 unless federal action is taken to the contrary. Second, the Low Income Pool (LIP), along with the other supplemental payment programs funded through Intergovernmental Transfers (IGTs) from local taxing authorities, are contingent upon the future approval of a budget amendment by the Legislative Budget Commission (LBC). Third, the forecast assumes continuation of IGTs for DSH based on historical collections for this purpose for FY 2023-24 through FY 2028-29. While IGT collections for DSH have no impact on managed care plan capitation rates, the SSEC strongly cautions that IGTs for this purpose may be at risk beginning in FY 2023-24 and could result in lower payments to providers.

In the expenditure forecast, an overall rate increase of 4.0% was applied to the Prepaid Health Plans category at a granular level beginning October 1, 2023. This draft figure was suggested by the August 10, 2023 letter prepared by Milliman, Inc. (reference “Combined SMMC Rate Change for October 2023 through September 2024”). In subsequent years, the MMA capitation rate increase is projected to be 3.5% in October 2024, 2.67% in October 2025, 2.62% in October 2026, 2.60% in October 2027, and 2.50% in October 2028 as increases in medical inflation take hold.

For the Prepaid Health Plan – CMS category, a rate increase of 5.6% was applied on October 1, 2023. This draft figure was provided in the same August 10, 2023 letter referenced above. In the outer years, changes to CMS capitation rates are projected match the other Prepaid Health Plans.

For the Prepaid Health Plan – Long Term Care (LTC) category, a rate increase of 2.6% was applied October 1, 2023. This draft figure was provided in the same August 10, 2023 letter referenced above. In the outer years, LTC capitation rates are projected to increase 1.5% in October of each year.

For FY 2023-24, program expenditures are expected to top \$35,046.4 million. This level is higher than the appropriated level, but lower than forecasted in March. Overall, the new forecast anticipates a deficit in General Revenue dollars for the current year of \$218.0 million relative to the appropriated level. For FY 2024-25, program expenditures are expected to increase to \$35,438.4 million (1.1% above the new estimate for the 2023-24 fiscal year). The General Revenue requirement for FY 2024-25 is \$211.8 million above the base budget level. See the table below for more details on the first two years.

Expenditure Forecast (millions)	FY 2023-24 Forecast	Surplus/Deficit	FY 2024-25 Forecast	Comparison to Base Budget
General Revenue	\$10,320.4	(\$218.0)	\$10,330.8	(\$211.8)
Medical Care TF	18,803.5	(164.3)	18,139.8	519.3
Refugee Assistance TF	213.0	(178.2)	206.1	(171.2)
Public Medical Assistance TF	843.5	0.0	1,166.6	(323.1)
Other State Funds	838.4	0.5	870.1	(31.2)
Grants and Donations TF	3,041.1	0.0	3,684.9	(644.3)
Health Care Trust Fund	666.1	0.0	684.8	(18.7)
Tobacco Settlement TF	320.3	0.0	355.3	(35.0)
Total	\$35,046.4	(\$560.0)	\$35,438.4	(\$916.0)

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 Percentages (FMAP) which are the federal funding shares used for state budgeting purposes. Further adjustments were made to reflect the provisions of Section 6008 of the Families First Coronavirus Response Act (FFCRA) (Pub. L. 116-127), which first became effective for budgeting purposes in January 2020, as well as the phasedown of the FFCRA FMAP required by the Consolidated Appropriations Act, 2023. These provisions provided states and territories with a temporary 6.2 percentage-point increase in the regular FMAP through March 2023, and then phases it down from April to December 2023 before fully eliminating it in January 2024. Based on the Consolidated Appropriations Act, the Conference applied the adjusted enhancement through December 31, 2023. The base FMAP for 2022-23 and 2023-24 have both been confirmed at 60.05% and 57.96%, respectively. The preliminary base FMAP for 2024-25 is also 57.96%. After adjusting for the State’s fiscal year, the effective state FMAP is 59.48% for 2023-24 and 57.96% for FY 2024-25.