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The Monthly Medicaid Financial Report for April 2024 was released today.

Note to Readers

The forecasted monthly Medicaid expenditures, enrollment and funding are based on the December 2023 Medicaid forecast, which considered data through September 2023. Information on the latest forecast is available here.

Fiscal Year 2024 began on July 1, 2023, and ends on June 30, 2024.

Results and Commentary

Enrollment

- As of April 2024, Medicaid enrollment across all programs and delivery systems totaled 1,990,822 individuals, which is 105,046 (5.6%) above the forecasted amount. Compared to the actual enrollment in April 2023 of 2,230,620 enrollment is down 239,798. Year-to-date average monthly enrollment is 98,575 (9.6%) below the average monthly enrollment year-to-date in April 2023. Average monthly enrollment year-to-date (YTD) for SFY 2024 through April was 2,093,177.

- Through April 2024, FSSA had completed the full 12 months of the Medicaid return to normal operations period following the conclusion of the federal public health emergency. FSSA continues to process the remaining pending redeterminations. Through this process, eligibility redeterminations resumed for the first time since March 2020.

- Since the redetermination process began in April 2023, approximately 393,821 individuals were disenrolled via the redetermination process through April 2024, consistent with the December 2023 forecast assumption that 400,000 individuals would lose coverage due to redeterminations during the 12-month unwind period. On average, 20-25% of individuals who were disenrolled due to the redetermination process regained coverage within 90 days following submission of required eligibility verification information.

- The December forecast projected an increased number of disenrollments during the period of January 2024 through March 2024, however this has not occurred.

- Implementation of continuous eligibility for children up to the age of 19 effective January 1, 2024, in accordance with the Consolidated Appropriations Act, 2023, and House Enrolled Act 1091 (2023), remains a driver of increased enrollment year-over-year, most notably in the Hoosier Healthwise (HHW) program and Children's Health Insurance Program (CHIP).

Expenditures

- Medicaid expenditures YTD through April 2024 totaled $16.65B, which is $189M (1.1%) above the estimated amount in the December 2023 Medicaid forecast and $2.23B (15.4%) above expenditures YTD in April 2023.

- Managed care expenditures are based on capitated per-member-per-month (PMPM) payments to managed care entities (MCEs), as opposed to utilization experience or actual claims paid by MCEs. As a result, enrollment is the primary driver of managed care variances. An unfavorable variance to forecast in SFY 2024 YTD managed care expenditures is predominately seen in the Healthy Indiana Plan (HIP) due to higher than forecasted enrollment. The HIP program is funded through an increased federal medical assistance percentage (FMAP), a portion of state cigarette tax revenue, and hospital assessment fees. As a result, these expenditures do not impact the State's general fund.

- Fee-for-service (FFS) expenditures reflect a slightly unfavorable YTD variance to forecast. Variance in Long-Term Institutional Care expenditures is driven by forecasted Nursing Facility rate adjustments effective July 1, 2023, that were retroactively adjusted in April and will continue through the end of the fiscal year. Nursing Facility YTD expenditures total $1.76B, an increase of $173M (11%) from SFY 2023 YTD.

- Home and Community-Based Services (HCBS) expenditures under the Aged & Disabled (A&D) waiver continue to outpace forecast. A&D Waiver Attendant Care expenditures YTD totaled $1.14B, exceeding December 2023 YTD forecast by $40M and exceeding budget by $442M. These expenditures are offset by favorable variances in the Community Integration & Habilitation (CIH) waiver program in Long-Term Community Care. A&D Waiver YTD expenditures total $1.8B, a significant increase over the SFY 2023 YTD expenditures through April 2023 of $856M. This is driven by increases in enrollment and utilization as well as provider rate increases.

- Manual expenditures include supplemental payments paid to providers throughout the year but have no impact on the State's general funds as the state share of this cost is paid through Intergovernmental Transfers (IGTs), or assessment fees. Provider supplemental payment timing, specifically acceleration of Disproportionate Share Hospital (DSH) payments, is one of the primary drivers of the SFY 2024 YTD variance to forecast for supplemental payments. The timing of Nursing Facility upper payment limit (UPL) payments compared to forecast is an additional driver of this variance.

- A positive variance to forecast in the Other Expenditures category is primarily driven by the timing of the anticipated pharmacy rebate collections, which provides an offset for the cost of drugs provided to Medicaid recipients. Rebates originally forecasted to be collected in the month of March were collected in April.

- Children Health Insurance Plan (CHIP) and Money Follows the Person (MFP) expenditures are not paid through the Medicaid Assistance fund, and therefore are pulled out of the total expenditures reported.

- Overall, increased SFY 2024 YTD expenditures compared to prior year expenditures continue to be driven by increased HCBS expenditures and strategic rate investments for providers.

Funding

- General fund usage year-to-date through April 2024 totaled $3.30B, which is $58.7M (94%) below the forecasted amount in the December 2023 Medicaid forecast.

- Year-to-date, federal funds are the source of approximately 71% of overall funding for Medicaid Assistance expenditures while 20% comes from the State's general fund with the remaining 9% being provided through Intergovernmental Transfers (IGTs), Cigarette Tax Revenue and Assessment Fees.

- Through April 2024 the current SFY funding shortfall is estimated at $196.5M YTD compared to the forecasted amount of $255.2M for the entirety of SFY 2024. This variance is being driven by the increased revenue seen in April from assessment fee collections applied to Medicaid expenditures along with an increase in federal revenue. This shortfall is expected to fluctuate throughout the year based on the timing of funding and expenditures. Month-to-month changes are to be interpreted within the full fiscal year forecast.

- Monthly funding variances will fluctuate due to the timing of receipts and transfers to the Medicaid Assistance fund, particularly as it pertains to non-federal and non-state funds such as IGTs and assessment fees.