

# December 2022 Medicaid Forecast update

State of Indiana  
Family and Social Services Administration

Projections through SFY 2025

Updated data through August 2022

DECEMBER 15, 2022



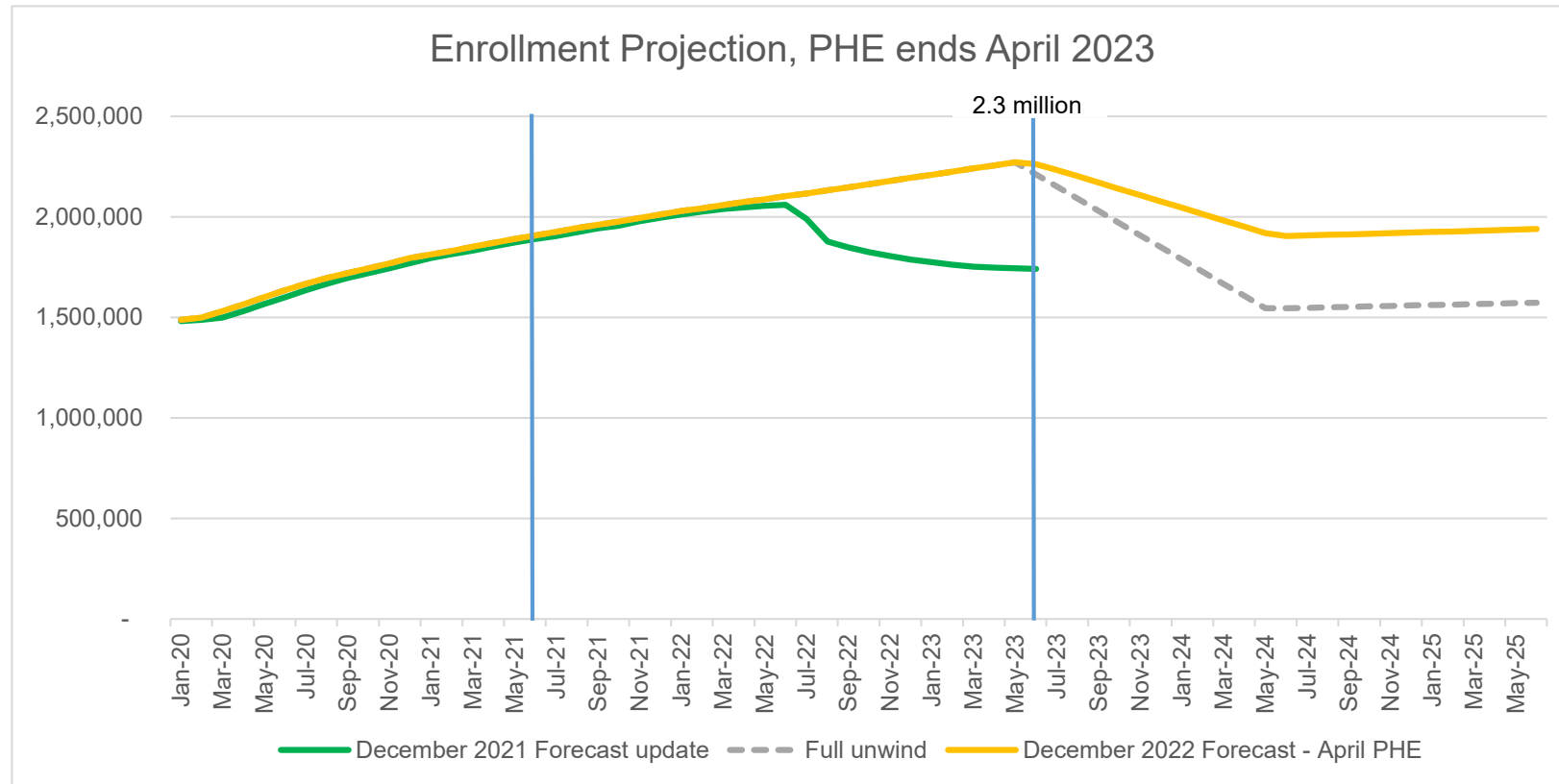
# December 2022 Medicaid Assistance Forecast Update

SFY 2021 through SFY 2025 – PHE ending April 2023

EXPENDITURES	FY 2021	Growth	FY 2022	Growth	FY 2023	Growth	FY 2024	Growth	FY 2025
Healthy Indiana Plan	\$6,048.7	(0.1%)	\$6,041.0	6.8%	\$6,449.5	2.8%	\$6,628.8	(7.9%)	\$6,105.0
Hoosier Care Connect	1,613.0	(2.1%)	1,579.6	(0.7%)	1,568.9	4.6%	1,640.3	(28.6%)	1,172.0
Hoosier Healthwise	1,831.9	16.7%	2,138.4	5.7%	2,260.8	20.3%	2,720.8	(1.4%)	2,683.5
MLTSS							1,295.8	213.5%	4,062.6
Fee for Service	1,964.2	1.3%	1,990.5	7.2%	2,133.6	0.3%	2,139.8	(6.8%)	1,994.5
Long Term Care Institutional Care	1,846.8	11.9%	2,066.9	11.2%	2,299.2	(18.3%)	1,879.2	(61.9%)	715.6
Long Term Care Community Care	1,506.2	15.9%	1,746.1	16.3%	2,031.1	(5.2%)	1,925.4	(21.6%)	1,510.5
Medicare Buy-In, Clawback	567.3	13.7%	645.1	10.3%	711.3	9.0%	775.4	7.4%	832.8
Rebates and Collections	(1,242.4)	10.3%	(1,369.8)	1.8%	(1,394.9)	12.0%	(1,561.6)	(7.2%)	(1,448.7)
Remove CHIP and MFP	(248.4)	(0.2%)	(248.0)	(2.9%)	(240.9)	33.0%	(320.2)	(5.0%)	(304.2)
Other Expenditures (DSH, UPL, etc.)	1,518.8	15.6%	1,756.2	(2.7%)	1,708.4	2.0%	1,742.1	1.2%	1,763.7
<b>Medicaid Expenditures (State and Federal)</b>	<b>\$15,406.1</b>	<b>6.1%</b>	<b>\$16,345.9</b>	<b>7.2%</b>	<b>\$17,526.9</b>	<b>7.6%</b>	<b>\$18,865.7</b>	<b>1.2%</b>	<b>\$19,087.2</b>
FUNDING	FY 2021	Growth	FY 2022	Growth	FY 2023	Growth	FY 2024	Growth	FY 2025
Federal Funds	\$11,644.8	7.9%	\$12,561.2	4.9%	\$13,176.9	0.4%	\$13,229.1	0.1%	\$13,236.8
IGTs	453.3	(11.4%)	401.5	(1.9%)	394.0	20.9%	476.1	(0.0%)	476.1
Provider Tax Receipts	191.2	6.9%	204.5	(1.0%)	202.5	5.1%	212.9	5.2%	224.0
HAF Funding	479.2	3.9%	497.8	54.2%	767.9	15.2%	884.4	4.2%	921.5
HIP 2.0 Funding	522.5	0.4%	524.7	24.6%	653.6	(9.9%)	588.9	(6.8%)	549.1
QAF Transfer to SBA	(49.2)	(4.9%)	(46.7)	(7.6%)	(43.2)	3.1%	(44.5)	2.3%	(45.5)
<b>Non-Medicaid Assistance Funds</b>	<b>\$13,241.9</b>	<b>6.8%</b>	<b>\$14,143.0</b>	<b>7.1%</b>	<b>\$15,151.7</b>	<b>1.3%</b>	<b>\$15,346.9</b>	<b>0.1%</b>	<b>\$15,361.8</b>
<b>Forecasted Medicaid GF Assistance Need</b>	<b>\$2,164.2</b>	<b>1.8%</b>	<b>\$2,203.0</b>	<b>7.8%</b>	<b>\$2,375.2</b>	<b>48.1%</b>	<b>\$3,518.8</b>	<b>5.9%</b>	<b>\$3,725.4</b>
<b>General Fund Medicaid Assistance Appropriation</b>	<b>\$2,618.6</b>	<b>(1.3%)</b>	<b>\$2,584.6</b>	<b>13.4%</b>	<b>\$2,931.9</b>				
Dedicated funding/ Carry forward	\$15.0								
<b>Sub-total (Shortfall)/Surplus</b>	<b>\$469.4</b>		<b>\$381.6</b>		<b>\$556.7</b>				
Available ARPA HCBS funding			\$193.3		\$167.8		\$152.9		

# Enrollment projection

Compared to the December 2021 forecast update



“Full unwind” is illustrated for reference only.

## Dec 2022 projection notes

- The PHE is assumed to end in April 2023
- The wind-down is projected to occur over 12 months – from mid-June 2023 to mid-June 2024
- Growth: Over 780,000 from 1.49 million in January 2020 to 2.27 million in May 2023
- Over 375,000 members projected to lose eligibility
- 100,000+ additional aid group shifts

# PHE Impact on Enrollment by Population – Medicaid/CHIP

Population	Jan 2020 Pre-PHE	<i>Growth</i>	May 2023 Peak	<i>Growth</i>	Jun 2024 After unwind	Net Growth 2020 - 2024
HIP						
Non-Pregnant	390,611	370,487	761,098	(168,605)	592,493	201,882
Pregnant Women	17,387	53,474	70,861	(34,057)	36,803	19,416
HCC	90,438	13,916	104,354	(4,069)	100,285	9,847
HHW						
Children/CHIP	598,251	286,551	884,802	(153,594)	731,207	132,956
Pregnant Women	3,529	20,532	24,061	(16,193)	7,867	4,338
LTSS	90,794	14,108	104,902	7,305	112,207	21,413
Other FFS	296,607	25,233	321,840	(5,894)	315,946	19,339
<b>Total</b>	<b>1,487,617</b>	<b>784,300</b>	<b>2,271,917</b>	<b>(375,108)</b>	<b>1,896,809</b>	<b>409,192</b>

# December 2022 Medicaid Assistance Forecast

Average monthly enrollment projections – managed care – PHE ending April 2023

Average Monthly Enrollment	FY 2021	<i>Growth</i>	FY 2022	<i>Growth</i>	FY 2023	<i>Growth</i>	FY 2024	<i>Growth</i>	FY 2025
<b><i>Healthy Indiana Plan</i></b>									
HIP State Plan Benefits Package	124,849	16.5%	145,422	18.8%	172,828	(11.1%)	153,665	(12.7%)	134,105
HIP Expansion	279,058	8.5%	302,801	3.9%	314,538	(3.1%)	304,770	(4.4%)	291,399
HIP Medically Frail	148,232	33.9%	198,442	20.7%	239,585	(16.2%)	200,842	(18.8%)	163,000
HIP Pregnant Females	38,363	56.0%	59,841	10.5%	66,128	(22.7%)	51,112	(28.2%)	36,703
HIP Bridge					395	1923.1%	8,000	0.0%	8,000
HIP Hospital Presumptive Eligibility	5,329	(41.3%)	3,130	(20.7%)	2,483	62.3%	4,030	38.8%	5,592
<b><i>Total Healthy Indiana Plan</i></b>	<b>595,830</b>	<b>19.1%</b>	<b>709,636</b>	<b>12.2%</b>	<b>795,956</b>	<b>(9.2%)</b>	<b>722,418</b>	<b>(11.6%)</b>	<b>638,800</b>
<b><i>Hoosier Care Connect</i></b>									
Adult	61,001	2%	62,433	1.5%	63,347	(10.8%)	56,531	(22.0%)	44,119
Child	22,506	6%	23,925	1.6%	24,318	(3.2%)	23,545	(2.3%)	23,012
Foster	12,890	15%	14,882	6.3%	15,815	2.2%	16,156	2.0%	16,480
<b><i>Total Hoosier Care Connect</i></b>	<b>96,396</b>	<b>5%</b>	<b>101,241</b>	<b>2.2%</b>	<b>103,480</b>	<b>(7.0%)</b>	<b>96,232</b>	<b>(13.1%)</b>	<b>83,610</b>
<b><i>Hoosier Healthwise</i></b>									
Adults	46	420.7%	239	134.7%	561	(32.9%)	377	(48.5%)	194
Children	598,281	15.4%	690,446	6.9%	737,799	(7.9%)	679,181	(8.2%)	623,470
Pregnant Females	8,483	93.6%	16,422	32.8%	21,803	(32.7%)	14,671	(46.5%)	7,846
CHIP	106,248	(5.3%)	100,567	19.2%	119,875	(3.2%)	116,091	(2.9%)	112,728
<b><i>Total Hoosier Healthwise</i></b>	<b>713,057</b>	<b>13.3%</b>	<b>807,674</b>	<b>9.0%</b>	<b>880,038</b>	<b>(7.9%)</b>	<b>810,320</b>	<b>(8.2%)</b>	<b>744,238</b>

# December 2022 Medicaid Assistance Forecast

Average monthly enrollment projections – fee for service – PHE ending April 2023

Average Monthly Enrollment	FY 2021	<i>Growth</i>	FY 2022	<i>Growth</i>	FY 2023	<i>Growth</i>	FY 2024	<i>Growth</i>	FY 2025
<b>MLTSS</b>									
Nursing Home							8,346	201.1%	25,127
HCBS							9,534	231.1%	31,570
Acute							24,762	201.9%	74,764
<b>Total MLTSS</b>							<b>42,642</b>	<b>208.3%</b>	<b>131,461</b>
<b>Fee For Service</b>									
Institutionalized	30,992	0.6%	31,167	1.8%	31,712	(23.6%)	24,224	(67.7%)	7,836
Waiver\State Plan HCBS	61,801	7.1%	66,194	7.5%	71,144	(5.7%)	67,073	(22.5%)	51,998
No Level of Care									
Hoosier Healthwise FFS	32,702	(14.8%)	27,864	(14.2%)	23,917	22.7%	29,341	19.6%	35,102
Dual	93,494	6.3%	99,371	5.4%	104,748	(20.5%)	83,253	(48.3%)	43,054
Non-Dual	38,397	(7.1%)	35,684	(3.7%)	34,366	2.3%	35,155	2.5%	36,020
Medicare Savings Program	67,416	(3.2%)	65,241	1.3%	66,108	7.1%	70,776	5.2%	74,450
Limited Benefit Populations	66,506	10.4%	73,434	20.2%	88,302	(8.4%)	80,878	(4.8%)	76,991
<b>Total Fee For Service</b>	<b>391,307</b>	<b>2.0%</b>	<b>398,954</b>	<b>5.3%</b>	<b>420,296</b>	<b>(7.0%)</b>	<b>390,699</b>	<b>(16.7%)</b>	<b>325,450</b>
<b>OVERALL TOTAL</b>	<b>1,796,591</b>	<b>12.3%</b>	<b>2,017,505</b>	<b>9.0%</b>	<b>2,199,770</b>	<b>(6.2%)</b>	<b>2,062,311</b>	<b>(6.7%)</b>	<b>1,923,559</b>

- MLTSS implementation during SFY 2024
- Growth of over 780,000 from January 2020 to peak at 2.27 million as of May 2023
- Almost half of the new enrollment is retained after the MOE

# Comparison to the December 2021 Medicaid forecast

Total expenditures (state and federal), in \$millions

	SFY 2023
December 2021 forecast expenditures	<b>\$16,457.4</b>
Capitation changes – amendments, mainly acuity adjustments	(1,294.1)
Enrollment variance due to the MOE	2,201.6
Vaccine administration	(14.4)
Nursing facility	(4.6)
Community LTSS	131.6
Stabilization grant	90.7
Other	(41.3)
<i>Total changes</i>	<i>\$1,069.5</i>
December 2022 forecast expenditures	<b>\$17,526.9</b>

# Comparison to the December 2021 Medicaid forecast

Appropriation need (state GF impact), in \$millions

	SFY 2023
December 2021 forecast appropriation need	<b>\$2,934.8</b>
Capitation changes – amendments, acuity adjustments, risk corridor	(116.4)
Managed care program enrollment variance	209.3
Nursing facility	(1.6)
Community LTSS	45.0
Include NE MRO payments in the MRO IGT	12.6
Pharmacy rebates	19.6
Deferred HAF and HIP collections	(229.4)
Extra FFCRA federal funding (6.2%)	(540.0)
Other	41.3
<i>Total changes</i>	<i>(\$559.6)</i>
December 2022 forecast appropriation need	<b>\$2,375.2</b>



# Projected expenditure growth from SFY 2023 to SFY 2024

	Total Expenditures	Appropriation Basis	Notes
SFY 2023	<b>\$17,526.9</b>	<b>\$2,375.2</b>	
Deferred HAF and HIP collections		229.4	One-time
Extra FFCRA federal funding (6.2%)		540.0	Ends with PHE
Part D clawback	65.8	65.8	Increases post PHE
Pharmacy rebates	(155.0)	(35.5)	
Nursing home expenditures	166.9	57.4	3.2% Enr, 5.8% Cost
Community LTSS, mainly DA	153.6	52.8	12.9% Enr, 0.5% Cost
Other FFS expenditures	135.9	32.2	
Managed care (HIP, HHW, HCC)	835.1	173.8	
MLTSS, HIP eq, other	191.9	54.9	
Stabilization grant/Other	(55.4)	(27.2)	
<i>Total changes</i>	<i>\$1,338.8</i>	<i>\$1,143.6</i>	
SFY 2024	<b>\$18,865.7</b>	<b>\$3,518.8</b>	

# Items Included in the SFY 2024 – SFY 2025 Base

Projected Cost on an Appropriation Basis

	SFY 2023	SFY 2024	SFY 2025
Program Changes			
HIP Equalization	0.0	9.4	23.0
MLTSS	0.0	32.4	67.5
Additional births (SEA 1)	0.0	4.6	9.0
Emergency Medical Services (EMS) Reimbursement	0.0	2.4	4.7
Durable Medical Equip (DME) Phase II	0.0	0.3	0.7
Prenatal screening	0.1	0.4	1.9
LARC carve-out	0.0	0.1	0.1
Remove Aged/Blind/Disabled copays	0.0	0.2	0.8
Donated breast milk	0.0	1.1	1.1
Former foster youth	0.4	0.9	1.2
Vaccines	0.0	3.6	3.6
<b>Total Program Changes</b>	<b>\$0.5</b>	<b>\$55.4</b>	<b>\$113.6</b>

# Projected expenditure growth from SFY 2024 to SFY 2025

	Total Expenditures	Appropriation Basis	
SFY 2024	<b>\$18,865.7</b>	<b>\$3,518.8</b>	
Part D clawback	26.6	26.6	
Pharmacy rebates	109.4	25.0	
Nursing home expenditures	134.5	46.2	1.4% Enr, 5.3% Cost
Community LTSS, mainly DA	185.7	63.8	15.4% Enr, 0.5% Cost
Other FFS expenditures	167.1	41.6	
Managed care - HIP	(534.4)	(31.1)	
Managed care – HCC/HHW	(218.7)	(52.8)	
NF UPL	51.3	0	
MLTSS, HIP eq, other	219.7	58.2	
Other	80.3	29.1	
<i>Total changes</i>	<i>\$221.5</i>	<i>\$206.6</i>	
SFY 2025	<b>\$19,087.2</b>	<b>\$3,725.4</b>	

# CHIP

## Funding projections

- Increasing cost due to end of the higher FMAP
- Decreased appropriation need for SFY 2021 – SFY 2023 due to extension of increased FMAP through June 2023 and lower enrollment during the PHE.

<b>State of Indiana Family and Social Services Administration Analysis of CHIP State Funding (Values illustrated in Millions)</b>					
	<b>SFY 2021</b>	<b>SFY 2022</b>	<b>SFY 2023</b>	<b>SFY 2024</b>	<b>SFY 2025</b>
Projected CHIP expenditures	\$245.5	\$240.7	\$230.8	\$309.4	\$293.1
Applicable FMAP	83.30%	80.67%	80.41%	75.94%	75.93%
State share	\$41.0	\$46.5	\$45.2	\$74.4	\$70.5
Projected HAF Funding (Cap)	<u>\$6.9</u>	<u>\$7.4</u>	<u>\$7.9</u>	<u>\$13.2</u>	<u>\$12.4</u>
Projected appropriation need	\$34.1	\$39.1	\$37.3	\$61.2	\$58.2
Appropriation - CHIP Assistance	\$44.4	\$46.2	\$51.1		
Surplus / (Shortfall)	\$10.2	\$7.1	\$13.8		

# Medicaid forecast

## Limitations

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Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Guidelines issue by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. We are members of the American Academy of Actuaries, and meet the qualification standards for performing the analyses in this report.

The services provided for this project were performed under the contract between Milliman and FSSA approved January 4, 2022.



# Thank you

**Presenter Name**

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