



State of Louisiana
Louisiana Department of Health
Office of Management and Finance

MEMORANDUM

To: Distribution List
From: Cindy Rives *Cindy Rives*
Undersecretary
Date: January 2, 2020
Subject: SFY 2019/20 Medicaid Monthly Forecast Report – December 2019

Attached, please find the Medicaid Forecast Report for December 2019. The report utilizes actual revenue and expenditures through December 31, 2019 and trends expenditures forward through June 30, 2020.

The increased expenditure trends are driven by the following: 1) higher than budgeted premiums and enrollment in the Medicare Savings Buy-In program and 2) higher than budgeted Per Member Per Month premiums for the Managed Care Organizations (MCO) with the new rating period effective January 1, 2020.

The decreased expenditure trends resulting in excess budget authority are driven by the following: 1) decreased enrollment in the MCO Expansion population resulting in decreases in Inter-Governmental Transfers which are classified as Self-Generated Revenue, and decreases in Premium Taxes which are classified as Statutory Dedications 2) the excess Federal budget authority is also associated with the lower MCO Expansion population enrollment; however, the main driver is excess budget authority resulting from the Medical Loss Ratio refund (\$162M).

Included in the report is the recipient enrollment numbers which can also be accessed via the department's web site at <http://ldh.la.gov/index.cfm/page/1275>. The department continues to monitor enrollment data and will update the associated assumptions and trends in our budget model in future monthly reports.

If you have any questions, please contact me at 225-342-6726 or via e-mail at cindy.rives@la.gov.
Thanks.

**DEPARTMENT OF HEALTH
LOUISIANA MEDICAID PROGRAM
BUREAU OF HEALTH SERVICES FINANCING**

**FORECAST REPORT
STATE FISCAL YEAR 2019/20**

December 2019



LOUISIANA MEDICAID PROGRAM
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Table-1: Revenue Forecast - Means of Finance - SFY 2019/20

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Financing Category	Budget Appropriation (1.1) A	Forecast Revenue Collections B	Over / (Under) C = B - A	Percent Difference D = (C/A)*100
State General Fund	1,972,822,724	1,972,383,798	(438,926)	(0.0)
Interagency Transfers	102,020,133	102,020,133	0	0.0
Self Generated Revenue	481,336,101	470,339,632	(10,996,469)	(2.3)
Statutory Dedications	908,258,941	894,183,380	(14,075,561)	(1.5)
Federal	9,823,487,079	9,560,291,856	(263,195,223)	(2.7)
Total Means of Finance	\$13,287,924,978	\$12,999,218,799	(\$288,706,179)	(2.2)

1) MATF premium tax is projected to be under-collected by \$6,607,268.

2) MATF carryforward shortfall of \$7,468,293.

Table-2: Expenditure Forecast by Budget Program - SFY 2019/20

Program	Budget Appropriation (1.1) A	Current Forecast (2) B	(Over) / Under C = A - B	Percent Difference D = (C/A)*100
Private Providers	11,332,633,714	11,024,498,471	308,135,243	2.7
Public Providers	231,715,318	223,409,702	8,305,616	3.6
Buy-Ins & Supplements	546,556,636	574,291,316	(27,734,680)	(5.1)
Uncompensated Care	1,177,019,310	1,177,019,310	0	0.0
Total Program	\$13,287,924,978	\$12,999,218,799	\$288,706,179	2.2

1) This report projects expenditures through the state fiscal year which ends on June 30th. However, the Medicaid program, which is funded by the federal government, operates on a federal fiscal year which ends on September 30th. Excess federal budget authority is used by the department to reconcile the 4th quarter of the federal fiscal year.

2) For revenues (Table-1), positive variances reported in the Over/(Under) column mean that projected revenues are greater than budget appropriations while negative variances indicate revenue shortfalls. However, for expenditures (Table-2), positive variances mean that projections are less than budget appropriations while negative variances indicate projections in excess of budget.

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Table-3: Expenditure Forecast by Budget Category of Service - SFY 2019/20

		Initials (1.2)	Current Forecast (2)	Difference
		A	B	C = A - B
<u>A: Private Providers Sub-Programs</u>				
Ambulatory Surgical Clinics	A_01	2,129,962	2,070,804	59,158
Case Management Services	A_02	7,731,565	7,634,225	97,340
Durable Medical Equipment	A_03	10,414,097	10,118,426	295,671
EPSDT (Screening and Early Diagnosis)	A_04	22,095,786	20,025,625	2,070,161
Early Steps	A_05	11,454,293	11,789,069	(334,776)
Family Planning	A_06	338,235	455,626	(117,391)
Federally Qualified Health Centers	A_07	2,314,513	2,229,226	85,287
Hemodialysis Services	A_08	25,206,422	24,074,976	1,131,446
Home Health Services	A_09	13,884,410	12,901,598	982,812
Hospice Services	A_10	69,695,765	70,677,126	(981,361)
Hospital - Inpatient Services	A_11	120,462,896	103,947,757	16,515,139
Hospital - Outpatient Services	A_12	48,590,806	47,309,796	1,281,010
ICF-DD Community Homes	A_13	275,605,154	270,406,525	5,198,629
Laboratory and X - Ray Services	A_14	5,782,699	5,188,830	593,869
Long Term Personal Care Services (LT - PCS)	A_15	238,570,110	187,894,807	20,675,303
Mental Health - Inpatient Services	A_16	8,362,578	7,556,314	806,264
Nursing Homes	A_17	1,090,583,526	1,090,375,309	208,217
Program for All Inclusive Care for the Elderly (PACE)	A_18	19,892,050	17,058,473	2,833,577
Pediatric Day Health Care (PDHC)	A_19	2,681,253	2,353,799	327,454
Pharmacy Payments	A_20	30,004,561	77,849,426	2,155,135
Physician Services	A_21	30,227,207	25,663,288	4,563,919
Rural Health Clinics	A_22	4,954,726	4,535,749	418,977
Transportation: Emergency-Ambulance	A_23	5,611,192	4,821,833	789,359
Transportation: Non-Emergency-Ambulance	A_24	838,242	977,190	(138,948)
Waiver: Adult Day Health	A_25	9,271,894	8,068,950	1,202,944
Waiver: Community Choices	A_26	122,467,105	107,482,853	14,984,252
Waiver: Most Appropriate (MAW)	A_27	535,040,340	584,070,153	970,187
Other Private Providers	A_28	716,179	392,373	323,806
Supplemental	A_29	131,233,969	181,233,969	0
Sub-Total Traditional Private Providers		2,956,161,535	2,889,164,096	76,997,439
<u>Managed Care Organizations</u>				
Managed Care - Regular	A_30	4,901,358,172	5,051,671,755	(150,313,583)
Managed Care - Expansion	A_31	3,895,482,730	3,561,624,117	333,858,613
Dental Benefit Program - Regular	A_32	185,213,022	181,155,405	4,057,617
Dental Benefit Program - Expansion	A_33	16,289,124	15,235,206	1,053,918
Behavioral Health Partnership/CSOC	A_34	71,595,567	72,863,229	(1,267,662)
Sub-Total MCOs		9,069,938,615	8,882,549,712	187,388,903
Pharmacy Rebates - Regular	A_35	(434,858,823)	(451,839,107)	16,980,284
Pharmacy Rebates - Expansion	A_36	(268,607,613)	(295,376,230)	26,768,617
Sub-Total Rebates - (YTD - \$326,277,336)		(703,466,436)	(747,215,337)	43,748,901
Total Private Providers		\$11,332,633,714	\$11,024,498,471	\$308,135,243

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Table-3: Expenditure Forecast by Budget Category of Service - SFY 2019/20.. Continued

		Initials (1.2)	Current Forecast (2)	Difference
		A	B	C = A - B
B: Public Providers Sub-Programs				
LSU - Facilities	B_01	2,453,094	2,453,094	0
LSU - Physicians	B_02	14,889,037	14,889,037	0
LDH - State Developmental Facilities (3)	B_03	124,495,619	117,019,208	7,476,411
LDH - Villa Feliciana Nursing Home	B_04	17,570,203	18,460,497	(890,294)
LDH - Office of Public Health	B_05	1,654,827	48,576	1,606,251
LDH - Office of Behavioral Health	B_06	3,429,879	3,480,767	(50,888)
LDH - Human Services Districts	B_07	473,676	309,540	164,136
State - Education (3)	B_08	19,779,237	19,779,237	0
Local Education Agencies	B_09	46,969,746	46,969,746	0
Total Public Providers		\$231,715,318	\$223,409,702	\$8,305,616
C: Buy-Ins & Supplements Sub-Programs (4)				
Medicare Premiums & Supplements	C_01	393,783,221	416,822,102	(23,038,881)
Part-D Claw back (5)	C_02	152,773,415	157,469,214	(4,695,799)
Total Buy-Ins		\$546,556,636	\$574,291,316	(\$27,734,680)
D: Uncompensated Care Sub-Programs				
LSU - Facilities	D_01	13,647,057	13,647,057	0
LDH - Office of Behavioral Health	D_02	84,868,114	84,868,114	0
Private Hospitals	D_03	1,078,504,139	1,078,504,139	0
Total Uncompensated Care		\$1,177,019,310	\$1,177,019,310	\$0
Grand Total Medical Vendor Program		\$13,287,924,978	\$12,999,218,799	\$288,706,179

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Table-4: Public Private Partnership - Projected Payments - SFY 2019/20

Hospital	UPL/FMP	UCC/DSH	Total Projected Payments
Bogalusa (Wash/St. Tamm)	15,979,476	18,883,228	34,862,704
Houma (LJ Chabert)	58,616,970	75,891,316	134,508,286
Baton Rouge - OLOL	75,000,000	0	75,000,000
Baton Rouge - Woman's	9,894,611	0	9,894,611
New Orleans (ILH)	123,247,827	240,672,891	363,920,718
Lafayette (Univ Med Cntr)	62,006,681	56,225,260	118,231,941
Independence (Lallie Kemp)	6,117,224	13,647,057	19,764,281
Lake Charles (WO Moss)	3,500,000	38,082,958	41,582,958
Monroe (EA Conway)	160,099,066	0	160,099,066
Alexandria (Huey P. Long)	0	46,078,961	46,078,961
Shreveport (LSU-HSC)	0	134,070,590	134,070,590
Total	\$514,461,855	\$623,552,261	\$1,138,014,116

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Table - 5: Enrollment for State Fiscal Year 2019/20 (6)

Month	Expansion	Non-Expansion	Total
Jul'19	450,347	1,112,032	1,562,379
Aug	459,691	1,128,357	1,588,048
Sep	466,943	1,134,842	1,601,785
Oct	466,251	1,143,091	1,609,342
Nov	456,357	1,132,527	1,588,884
Dec	468,415	1,113,510	1,581,925
Jun'20 (Projected)	454,720	1,103,714	1,558,434

**LOUISIANA MEDICAID PROGRAM
(Numbered Notes to the Monthly Financial Report)**

- 1.1 This column represents the Appropriation (Act 10) and approved BA-7s through October 31, 2019 for Means of Finance and for the Medicaid Program's four (4) budget expenditure categories: (A) Payments to Private Providers, (B) Payments to Public Providers, (C) Medicare Buy-Ins & Supplements, and (D) Uncompensated Care Costs.
- 1.2 This column represents the initial spread of Act 10 and approved BA-7s through October 31, 2019 for the Medical Vendor Payments Appropriation for private provider sub-programs, public providers, Medicare Buy-Ins & Supplements, and Uncompensated care payments.
- 2 This column represents SFY 2019/20 expenditures forecast based on the latest available data/information and reflects projected payments through the end of the State Fiscal Year.
- 3 State Education includes three provider IDs, 70176 (LA School for the Deaf), and 71209, 71234 (LA Special Education Center). Per Act 411, management responsibilities for the Special Education Centers will be transferred to LDH effective January 2020. With the January 2020 forecast the centers will maintain their own Budget Category of Service line item.
- 4 The Buy-Ins & Supplements program is projected to be over budget based on higher than expected enrollment of dually eligible recipients. The Part-D premium expenditures of the Buy-Ins & Supplements are financed with 100% State funds.
- 5 Claw back Expenditures are financed with 100% state funds to pay Part-D premiums.
- 6 Medicaid enrollment information can be found at <http://ldh.la.gov/index.cfm/page/1275>
Numbers reported for July 19 - Dec 19 represent actual enrollment while the June 20 numbers are projected.
Enrollment is calculated by counting anyone enrolled at any point in the month