



State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

MEMORANDUM

To: Distribution List
From: Cindy Rives *Cindy Rives*
Undersecretary
Date: June 18, 2020
Subject: SFY 2019/20 Medicaid Monthly Forecast Report – May 2020

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

The May report has been revised downward from the April report by \$220.5M primarily due to the following: 1) initial COVID expenditures in our Fee for Service population not approaching original estimates 2) non-COVID expenditures falling short of expectations due to the temporary moratorium on elective/non-emergent services and the quarantine directives from local/state governments and 3) lower than projected COVID related unemployment enrollment in managed care. Given the predominant participation of our Medicaid population in managed care, enrollment is a large driver of anticipated costs. It's presumed that slower enrollment growth may be impacted by individuals being furloughed as opposed to being laid off which would allow that individual to maintain employer health coverage, individuals being more focused on immediate needs like unemployment and SNAP benefits and 3) individuals may not be seeking coverage until a medical need emerges which would prompt the need for health coverage. Therefore, as COVID related projections in the current year have not fully materialized, it appears that much of the fiscal impact will be realized in SFY 21 and, while unclear exactly how the COVID experience will play out, additional resources may be needed to address impacts that outpace current budget projections in the coming fiscal year.

From a revenue perspective, LDH is projecting excess authority in State General Fund and a need for additional federal budget authority due to the 6.2% enhanced FMAP previously referenced. A Means of Finance swap was required to move funds from Self-Generated Revenue (SGR) to Interagency Transfers (IAT) to account for the IGTs from LSU. These IGTs were initially budgeted as SGR; however, they should have been budgeted as IAT given that LSU is another state agency. Statutory Dedications are expected to be under-collected due primarily to the MATF carryforward shortfall from the prior year, revised estimates on Tobacco Tax Medicaid Match Fund collections and revised projections on expenditures eligible for NOW fund participation.

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**

May 2020



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)	Forecast Revenue Collections	Over / (Under)	Percent Difference
	A	B	C = B - A	D = (C/A)*100
State General Fund	1,972,822,724	1,732,203,548	(240,619,176)	(12.2)
Interagency Transfers	102,020,133	134,301,250	32,281,117	31.6
Self Generated Revenue	481,336,101	430,763,920	(50,572,181)	(10.5)
Statutory Dedications	908,258,941	888,280,598	(19,978,343)	(2.2)
Federal	9,823,487,079	9,978,123,672	154,636,593	1.6
Total Means of Finance	\$13,287,924,978	\$13,163,672,988	(\$124,251,990)	(0.9)

1) A Means of Finance swap was required to move funds from Self-Generated Revenue (SGR) to Interagency Transfers (IAT) to account for the IGTs from LSU. These IGTs were initially budgeted as SGR; however, they should have been budgeted as IAT given that LSU is another state agency.

2) Additional federal authority is required due to the enhanced FMAP of 6.2% received by the state through the Families First Coronavirus Response Act.

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

Program	Budget Appropriation (1.1)	Current Forecast (2)	(Over) / Under	Percent Difference
	A	B	C = A - B	D = (C/A)*100
Private Providers	11,332,633,714	11,185,105,787	147,527,927	1.3
Public Providers	231,715,318	225,386,897	6,328,421	2.7
Buy-Ins & Supplements	546,556,636	576,160,993	(29,604,357)	(5.4)
Uncompensated Care	1,177,019,310	1,177,019,310	0	0.0
Total Program	\$13,287,924,978	\$13,163,672,988	\$124,251,990	0.9

1) 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
A: Private Providers Sub-Programs				
Ambulatory Surgical Clinics	A_01	2,129,962	2,091,655	38,307
Case Management Services	A_02	7,731,565	7,563,095	168,470
Durable Medical Equipment	A_03	10,414,097	11,162,139	(748,042)
EPSDT (Screening and Early Diagnosis)	A_04	22,095,786	18,704,595	3,391,191
Early Steps	A_05	11,454,293	11,392,477	61,816
Family Planning	A_06	338,235	434,518	(96,283)
Federally Qualified Health Centers	A_07	2,314,513	2,065,772	248,741
Hemodialysis Services	A_08	25,206,422	23,773,438	1,432,984
Home Health Services	A_09	13,884,410	12,318,618	1,565,792
Hospice Services	A_10	69,695,765	74,515,227	(4,819,462)
Hospital - Inpatient Services	A_11	120,462,896	118,018,779	2,444,117
Hospital - Outpatient Services	A_12	48,590,806	47,700,046	890,760
ICF-DD Community Homes	A_13	272,605,154	263,509,476	9,095,678
Laboratory and X - Ray Services	A_14	5,782,699	10,287,464	(4,504,765)
Long Term Personal Care Services (LT - PCS)	A_15	208,570,110	185,906,301	22,663,809
Mental Health - Inpatient Services	A_16	8,362,578	7,177,418	1,185,160
Nursing Homes	A_17	1,093,583,526	1,124,865,496	(31,281,970)
Program for All Inclusive Care for the Elderly (PACE)	A_18	19,892,050	16,201,985	3,690,065
Pediatric Day Health Care (PDHC)	A_19	2,681,253	2,065,721	615,532
Pharmacy Payments	A_20	80,004,561	78,368,961	1,635,600
Physician Services	A_21	30,227,207	30,083,502	143,705
Rural Health Clinics	A_22	4,954,726	4,947,986	6,740
Transportation: Emergency-Ambulance	A_23	5,611,192	4,305,646	1,305,546
Transportation: Non-Emergency-Ambulance	A_24	838,242	1,014,456	(176,214)
Waiver: Adult Day Health	A_25	9,271,894	7,484,378	1,787,516
Waiver: Community Choices	A_26	122,467,105	105,818,222	16,648,883
Waiver: Most Appropriate (MAW)	A_27	585,040,340	560,955,284	24,085,056
Other Private Providers	A_28	716,179	253,142	463,037
Supplemental	A_29	181,233,969	241,238,268	(60,004,299)
Sub-Total Traditional Private Providers		2,966,161,535	2,974,224,065	(8,062,530)
Managed Care Organizations				
Managed Care - Regular	A_30	4,901,358,172	5,089,667,519	(188,309,347)
Managed Care - Expansion	A_31	3,895,482,730	3,660,308,760	235,173,970
Dental Benefit Program - Regular	A_32	185,213,022	167,428,879	17,784,143
Dental Benefit Program - Expansion	A_33	16,289,124	14,889,918	1,399,206
Behavioral Health Partnership/CSOC	A_34	71,595,567	71,256,444	339,123
Sub-Total MCOs		9,069,938,615	9,003,551,520	66,387,095
Pharmacy Rebates - Regular	A_35	(434,858,823)	(440,579,953)	5,721,130
Pharmacy Rebates - Expansion	A_36	(268,607,613)	(352,089,844)	83,482,231
Sub-Total Rebates - (YTD - \$721,881,956)		(703,466,436)	(792,669,797)	89,203,361
Total Private Providers		\$11,332,633,714	\$11,185,105,787	\$147,527,927

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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	143,257,535	137,631,949	5,625,586
LDH - Villa Feliciana Nursing Home	B_04	17,570,203	18,412,253	(842,050)
LDH - Office of Public Health	B_05	1,654,827	29,979	1,624,848
LDH - Office of Behavioral Health	B_06	3,429,879	3,643,333	(213,454)
LDH - Human Services Districts	B_07	473,676	340,185	133,491
State - Education (3)	B_08	1,017,321	1,017,321	0
Local Education Agencies	B_09	46,969,746	46,969,746	0
Total Public Providers		\$231,715,318	\$225,386,897	\$6,328,421
C: Buy-Ins & Supplements Sub-Programs (4)				
Medicare Premiums & Supplements	C_01	393,783,221	408,286,570	(14,503,349)
Part-D Claw back (5)	C_02	152,773,415	167,874,423	(15,101,008)
Total Buy-Ins		\$546,556,636	\$576,160,993	(\$29,604,357)
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	\$13,163,672,988	\$124,251,990

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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
Jan'20	482,806	1,123,566	1,606,372
Feb	472,427	1,132,530	1,604,957
Mar	483,759	1,132,855	1,616,614
Apr	505,153	1,145,118	1,650,271
May	516,116	1,158,536	1,674,652
Jun'20 (Projected)	537,892	1,175,910	1,713,802

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(Numbered Notes to the Monthly Financial Report)

- 1.1 This column represents the Appropriation (Act 10) and approved BA-7s 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 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 Through December 2019, "State Education" included 5 provider IDs – La Special Education Center (ID #s 71209 and 71234), La School for the Deaf (ID #s 70176 and 12793) and the La School for the Visually Impaired (ID# 12916). Per Act 411, management responsibilities for the La Special Education Center transferred to LDH effective January 2020 and the provider IDs associated with the Center is now reported on the "LDH-State Development Facilities" line. The remaining provider IDs and facilities continue to be reported on the "State Education" line.
- 4 The Buy-Ins & Supplements program is projected to be over budget based on higher than expected enrollment of dually eligible recipients.
- 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 through current period represent actual enrollment while the June 20 numbers are projected. Enrollment is calculated by counting anyone enrolled at any point in the month