



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

MEMORANDUM

To: Distribution List
From: Ruth Johnson
Undersecretary
Date: January 29, 2021
Subject: SFY 2020/21 Medicaid Monthly Forecast Report – December 2020

Attached, please find the Medicaid Forecast Report for December 2020. The report utilizes actual revenue and expenditures through December 31, 2020 and trends expenditures forward through June 30, 2021.

The December report reflects the enduring impacts of COVID-19 and the additional expenditures as a result of the pandemic and the extension of the Public Health Emergency (PHE). While the extension of the PHE does offer the state an additional Federal Medical Assistance Percentage (FMAP) of 6.2% on qualifying expenditures, that additional federal funding requires the state to maintain eligibility for members who were enrolled in Medicaid at the initial PHE declaration through the last day of the month in which the emergency declaration is rescinded or expires (with very limited exceptions). The SFY 21 budget assumed the PHE would expire in July 2020 and therefore did not account for the extension through April 2021 and the additional costs of testing and treatment of COVID and the Maintenance of Effort costs which have a significant impact on our managed care expenditures. Given the unknowns around the full impact of COVID, the December forecast reflects a conservative estimate of those additional expenses resulting from the pandemic.

Per the forecast report, the net effect of these expenditures and the impact of the enhanced FMAP results in a need for additional federal budget authority of \$592M; also, the reported shortfall in Statutory Dedication of \$54.3M is primarily due to estimated undercollections in premium tax as a result of the delayed implementation of the hospital directed payment program. Due to the enhanced FMAP available to the state as previously noted, the report reflects excess State General Fund (SGF) authority of approximately \$94.9M; it's important to note that this projected variance in SGF is an estimate and may vary from actual results. Given this, it's recommended that these dollars be held to hedge against any variances from projections and any additional costs related to COVID 19. Lastly, this forecast does account for the impact of HB 39 from the 2020 Second Extraordinary Session and the resulting \$117.7M reduction in SGF.

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>. In regards to the COVID-19 public health emergency and its continued impact on the forecast, LDH worked to update its

assumptions based on the interim final rule published by CMS in November, however, many uncertainties remain for which LDH is still seeking additional clarification from CMS. CMS guidance on expectations for unwinding the eligibility Maintenance of Effort after the public health emergency ends was not received by the department until December 22, 2020, which impacted our forecasted projections. In addition, the public health emergency was extended on January 8, 2021, further impacting our analysis. Thank you for your patience with the delayed reporting caused by these recent changes in federal policy. 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 ruth.johnson3@la.gov. Thanks.

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

**FORECAST REPORT
STATE FISCAL YEAR 2020/21**

December 2020



LOUISIANA MEDICAID PROGRAM
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Table-1: Revenue Forecast - Means of Finance - SFY 2020/21

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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	1,938,154,935	1,843,254,731	(94,900,204)	(4.9)
Interagency Transfers	223,203,018	219,821,509	(3,381,509)	(1.5)
Self Generated Revenue	514,463,455	495,094,348	(19,369,107)	(3.8)
Statutory Dedications	1,198,299,400	1,143,913,474	(54,385,926)	(4.5)
Federal	11,933,037,311	12,525,113,599	592,076,288	5.0
Total Means of Finance	\$15,807,158,119	\$16,227,197,660	\$420,039,541	2.7

Table-2: Expenditure Forecast by Budget Program - SFY 2020/21

Program	Budget Appropriation (1.1) A	Current Forecast 2 B	(Over) / Under C = B - A	Percent Difference D = (C/A)*100
Private Providers	14,577,385,070	14,976,893,245	(399,508,175)	(2.7)
Public Providers	232,505,004	232,505,592	(588)	(0.0)
Buy-Ins & Supplements	570,267,490	590,798,268	(20,530,778)	(3.6)
Uncompensated Care	427,000,555	427,000,555	0	0.0
Total Program	\$15,807,158,119	\$16,227,197,660	(\$420,039,541)	(2.7)

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Table-3: Expenditure Forecast by Budget Category of Service - SFY 2020/21

		Initials (1.2)	Current Forecast (2)	Difference
A: Private Providers Sub-Programs		A	B	C = A - B
Ambulatory Surgical Clinics	A_01	2,239,855	1,986,500	253,355
Case Management Services	A_02	8,231,763	6,447,647	1,784,116
Durable Medical Equipment	A_03	10,923,663	10,779,549	144,114
EPSDT (Screening and Early Diagnosis)	A_04	23,300,000	18,597,656	4,702,344
Early Steps	A_05	12,699,522	11,260,329	1,439,193
Family Planning	A_06	491,838	426,001	65,837
Federally Qualified Health Centers	A_07	2,456,924	2,342,381	114,543
Hemodialysis Services	A_08	27,329,136	22,361,139	4,967,997
Home Health Services	A_09	14,545,640	15,604,437	(1,058,797)
Hospice Services	A_10	74,022,511	72,941,715	1,080,796
Hospital - Inpatient Services	A_11	165,304,139	178,194,357	(12,890,218)
Hospital - Outpatient Services	A_12	52,807,947	44,380,116	8,427,831
ICF-DD Community Homes	A_13	295,327,428	289,461,719	5,865,709
Laboratory and X - Ray Services	A_14	31,231,162	35,447,989	(4,216,827)
Long Term Personal Care Services (LT - PCS)	A_15	175,070,576	158,507,200	16,563,376
Mental Health - Inpatient Services	A_16	8,702,784	5,980,253	2,722,531
Nursing Homes	A_17	1,200,407,166	1,237,424,423	(37,017,257)
Program for All Inclusive Care for the Elderly (PACE)	A_18	17,520,233	15,934,420	1,585,813
Pediatric Day Health Care (PDHC)	A_19	2,694,673	2,124,262	570,411
Pharmacy Payments	A_20	86,169,294	74,958,907	11,210,387
Physician Services	A_21	34,635,850	43,415,923	(8,780,073)
Rural Health Clinics	A_22	5,314,068	4,336,899	977,169
Transportation: Emergency-Ambulance	A_23	5,246,526	4,475,679	770,847
Transportation: Non-Emergency-Ambulance	A_24	988,163	1,044,306	(56,143)
Waiver: Adult Day Health	A_25	7,874,497	8,746,932	(872,435)
Waiver: Community Choices	A_26	143,490,918	125,930,100	17,560,819
Waiver: Most Appropriate (MAW)	A_27	605,540,340	605,553,017	(12,677)
Other Private Providers	A_28	567,596	198,749	368,847
Supplemental	A_29	124,234,337	124,234,337	0
Sub-Total Traditional Private Providers		3,139,368,549	3,123,096,944	16,271,605
<u>Managed Care Organizations</u>				
Managed Care - Regular	A_30	6,766,375,519	6,933,810,942	(167,435,423)
Managed Care - Expansion	A_31	5,313,173,605	5,500,084,207	(186,910,602)
Dental Benefit Program - Regular	A_32	204,435,278	255,128,932	(50,693,654)
Dental Benefit Program - Expansion	A_33	16,994,690	27,734,791	(10,740,101)
Behavioral Health Partnership/CSOC	A_34	74,853,670	74,853,670	0
Sub-Total MCOs		12,375,832,762	12,791,612,542	(415,779,780)
Pharmacy Rebates - Regular	A_35	(514,989,621)	(514,989,621)	0
Pharmacy Rebates - Expansion	A_36	(422,826,620)	(422,826,620)	0
Sub-Total Rebates - (YTD - \$388,379,373)		(937,816,241)	(937,816,241)	0
Total Private Providers		\$14,577,385,070	\$14,976,893,245	(\$399,508,175)

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Table-3: Expenditure Forecast by Budget Category of Service - SFY 2020/21... Continued

		Initials (1.2)	Current Forecast (2)	Difference
B: Public Providers Sub-Programs		A	B	C = A - B
LSU - Facilities	B_01	1,116,496	1,116,496	0
LSU - Physicians	B_02	14,889,037	14,889,037	0
LDH - State Developmental Facilities	B_03	147,465,066	150,480,331	(3,015,265)
LDH - Villa Feliciana Nursing Home	B_04	20,334,640	18,700,000	1,634,640
LDH - Office of Public Health	B_05	1,654,827	43,052	1,611,775
LDH - Office of Behavioral Health	B_06	3,429,879	3,663,855	(233,976)
LDH - Human Services Districts	B_07	302,238	300,000	2,238
State - Education (3)	B_08	1,277,321	1,277,321	0
Local Education Agencies (3)	B_09	42,035,500	42,035,500	0
Total Public Providers		\$232,505,004	\$232,505,592	(\$588)
C: Buy-Ins & Supplements Sub-Programs				
Medicare Premiums & Supplements	C_01	412,146,332	453,386,709	(41,240,377)
Part-D Claw back (4)	C_02	158,121,158	137,411,559	20,709,599
Total Buy-Ins		\$570,267,490	\$590,798,268	(\$20,530,778)
D: Uncompensated Care Sub-Programs				
LSU - Facilities	D_01	13,647,057	13,647,057	0
LDH - Office of Behavioral Health	D_02	84,781,034	84,781,034	0
Private Hospitals	D_03	328,572,464	328,572,464	0
Total Uncompensated Care		\$427,000,555	\$427,000,555	\$0
Grand Total Medical Vendor Program		\$15,807,158,119	\$16,227,197,660	(\$420,039,541)

LOUISIANA MEDICAID PROGRAM
Public Private Partnership - SFY 2020/21

NOTE: Payments to the Public Private Partners will be finalized pending CMS's disposition on the hospital directed payment proposal (Money Follows the Patient - "MFP") currently under their review and the subsequent Cooperative Endeavor Agreements to be executed with the funded entities.

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Table-5: Enrollment for State Fiscal Year 2020/21 (5)

Month	Expansion	Non-Expansion	Total
Jul '20	538,114	1,183,375	1,721,489
Aug	550,576	1,192,114	1,742,690
Sep	562,374	1,200,080	1,762,454
Oct	572,485	1,206,218	1,778,703
Nov	586,031	1,211,162	1,797,193
Dec	599,463	1,218,067	1,817,530
Jun'21 (Projected)	601,819	1,186,253	1,788,072

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

- 1.1 This column represents the Appropriation (Act 1 of the 2020 First Extraordinary Session) 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 Appropriation (Act 1 of the 2020 First Extraordinary Session) and approved BA-7s for the Medical Vendor Payments for private provider sub-programs, public providers, Medicare Buy-Ins & Supplements, and Uncompensated care payments.
- 2 This column represents the SFY 2020/21 expenditures forecast. It is based on the latest available data/information and reflects projected payments through the end of the State Fiscal Year.
- 3 From FY 21 and onwards, Thrive Academy (149430) is included in B_08 and removed from B_09
- 4 Claw back Expenditures are financed with 100% state funds to pay Part-D premiums.
- 5 Medicaid enrollment information can be found at <http://ldh.la.gov/index.cfm/page/1275>
Numbers reported for July 20 through the current period represent actual enrollment while the June 21 numbers are projected. Enrollment is calculated by counting anyone enrolled at any point in the month.