




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

MEMORANDUM

To: Distribution List

From: Ruth Johnson
Undersecretary 

Date: December 18, 2020

Subject: SFY 2020/21 Medicaid Monthly Forecast Report – November 2020

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

The November 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in Medicaid at the initial PHE declaration through the last day of the month in which the emergency declaration is rescinded or expires (with very limited exceptions).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 January 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, including CMS's expectations and timelines for removing those enrollees deemed ineligible from the Medicaid rolls, the November forecast reflects a conservative estimate of those additional expenses resulting from the pandemic.

Per the forecast report, the net effect of these expenditures results in a need for additional federal budget authority of \$664M; also, the reported shortfall in Statutory Dedication of \$53.5M 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 \$34M; 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>. 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**

November 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	1,904,206,390	(33,948,545)	(1.8)
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	1,144,798,339	(53,501,061)	(4.5)
Federal	11,933,037,311	12,597,159,291	664,121,980	5.6
Total Means of Finance	\$15,807,158,119	\$16,361,079,878	\$553,921,759	3.5

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

Program	Budget Appropriation (1.1) A	Current Forecast 2 B	(Over) / Under C = A - B	Percent Difference D = (C/A)*100
Private Providers	14,577,385,070	15,120,672,448	(543,287,378)	(3.7)
Public Providers	232,505,004	232,650,933	(145,929)	(0.1)
Buy-Ins & Supplements	570,267,490	580,755,942	(10,488,452)	(1.8)
Uncompensated Care	427,000,555	427,000,555	0	0.0
Total Program	\$15,807,158,119	\$16,361,079,878	(\$553,921,759)	(3.5)

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

		Initials (1,2)	Current Forecast (2)	Difference
		A	B	C = A - B
A: Private Providers Sub-Programs				
Ambulatory Surgical Clinics	A_01	2,239,855	1,902,992	336,863
Case Management Services	A_02	8,231,763	7,955,947	275,816
Durable Medical Equipment	A_03	10,923,663	10,971,252	(47,589)
EPSDT (Screening and Early Diagnosis)	A_04	23,300,000	18,857,833	4,442,167
Early Steps	A_05	12,699,522	11,671,764	1,027,758
Family Planning	A_06	491,838	436,677	55,161
Federally Qualified Health Centers	A_07	2,456,924	2,394,483	62,441
Hemodialysis Services	A_08	27,329,136	23,997,294	3,331,842
Home Health Services	A_09	14,545,640	15,831,322	(1,285,682)
Hospice Services	A_10	74,022,511	72,998,186	1,024,325
Hospital - Inpatient Services	A_11	165,304,139	180,956,546	(15,652,407)
Hospital - Outpatient Services	A_12	52,807,947	43,125,671	9,682,276
ICF-DD Community Homes	A_13	295,327,428	289,811,924	5,515,504
Laboratory and X - Ray Services	A_14	31,231,162	36,351,595	(5,120,433)
Long Term Personal Care Services (LT - PCS)	A_15	175,070,576	165,337,906	9,732,670
Mental Health - Inpatient Services	A_16	8,702,784	6,145,974	2,556,810
Nursing Homes	A_17	1,200,407,166	1,245,356,693	(44,949,527)
Program for All Inclusive Care for the Elderly (PACE)	A_18	17,520,233	16,048,791	1,471,442
Pediatric Day Health Care (PDHC)	A_19	2,694,673	2,173,930	520,743
Pharmacy Payments	A_20	86,169,294	75,124,043	11,045,251
Physician Services	A_21	34,635,850	45,297,367	(10,661,517)
Rural Health Clinics	A_22	5,314,068	4,409,683	904,385
Transportation: Emergency-Ambulance	A_23	5,246,526	4,485,897	760,629
Transportation: Non-Emergency-Ambulance	A_24	988,163	1,004,059	(15,896)
Waiver: Adult Day Health	A_25	7,874,497	8,933,883	(1,059,386)
Waiver: Community Choices	A_26	143,490,918	143,468,456	22,462
Waiver: Most Appropriate (MAW)	A_27	605,540,340	605,553,017	(12,677)
Waiver: Act 421/TEFRA	A_28	13,600,000	13,600,000	0
Other Private Providers	A_29	567,596	227,129	340,467
Supplemental	A_30	124,234,337	124,234,337	0
Sub-Total Traditional Private Providers		3,152,968,549	3,178,664,650	(25,696,101)
Managed Care Organizations				
Managed Care - Regular	A_31	6,752,775,519	6,972,604,247	(219,828,728)
Managed Care - Expansion	A_32	5,313,173,605	5,540,136,479	(226,962,874)
Dental Benefit Program - Regular	A_33	204,435,278	265,991,857	(61,556,579)
Dental Benefit Program - Expansion	A_34	16,994,690	26,881,204	(9,886,514)
Behavioral Health Partnership/CSOC	A_35	74,853,670	74,853,670	0
Sub-Total MCOs		12,362,232,762	12,880,467,458	(518,234,695)
Pharmacy Rebates - Regular	A_36	(514,989,621)	(513,587,269)	(1,402,352)
Pharmacy Rebates - Expansion	A_37	(422,826,620)	(424,872,391)	2,045,771
Sub-Total Rebates - (YTD - \$388,379,373)		(937,816,241)	(938,459,660)	643,419
Total Private Providers		\$14,577,385,070	\$15,120,672,448	(\$543,287,378)

LOUISIANA MEDICAID PROGRAM

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

		Initials (1.2)	Current Forecast (2)	Difference
		A	B	C = A - B
B: Public Providers Sub-Programs				
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	55,000	1,599,827
LDH - Office of Behavioral Health	B_06	3,429,879	3,797,248	(367,369)
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
			0	0
Total Public Providers		\$232,505,004	\$232,650,933	(\$145,929)
C: Buy-Ins & Supplements Sub-Programs				
Medicare Premiums & Supplements	C_01	412,146,332	437,301,954	(25,155,622)
Part-D Claw back (4)	C_02	158,121,158	143,453,987	14,667,171
Total Buy-Ins		\$570,267,490	\$580,755,942	(\$10,488,452)
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
			0	0
Total Uncompensated Care		\$427,000,555	\$427,000,555	\$0
Grand Total Medical Vendor Program		\$15,807,158,119	\$16,361,079,878	(\$553,921,759)

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
Jun'21 (Projected)	593,428	1,183,645	1,777,073

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://dh.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.