

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

**FORECAST REPORT  
STATE FISCAL YEAR 2016/17**

**October 2016**



Enclosed is a copy of our SFY 2016/17 Medicaid Financial Report for the month of October 2016.

The attached report shows the Louisiana Department of Health and the Medicaid program in one of its strongest financial positions in six years, projecting a State General Fund surplus of \$2.85 million.

We are projecting a shortfall of \$394,582,325 in total expenditures in excess of the agency's SFY 2016/17 appropriation. The majority of this is for the Medicaid expansion population which is heavily federally-funded (see below) and surpluses in other parts of the Medicaid program; therefore, there is no SGF liability.

The chart below outlines the current and previous year forecasts in which LDH projected SGF shortfalls for five of the previous six years.

<b>Fiscal Year</b>	<b>Total Projected Shortfall</b>	<b>SGF Shortfall</b>
2016/17	(\$394.6 million)	\$2.85 million surplus
2015/16	(\$561 M)	(\$186.1 M)
2014/15	(\$170.7 M)	(\$61 M)
2013/14	(\$154.2 M)	(\$57 M)
2012/13	Surplus	surplus
2011/12	(\$413 M)	(\$126.7 M)
2010/11	(\$251 M)	(\$50 M)

#### *Expansion Population*

The current year shortfall includes \$376.1 million more in payments to our managed care organizations for the expansion population than originally estimated. Primary drivers of this increase are: 1) a larger total number of people enrolling in expansion, and 2) among expansion enrollees a larger share of older, higher cost adults than younger, lower cost ones. Based on current enrollment trends, the agency now estimates total expansion enrollment of more than 402,000 in FY17 and higher average per member per month rates. At the same time, fewer pregnant women and people with disabilities are enrolling in the non-expansion program than originally estimated because they are enrolling in expansion instead, resulting in a surplus of \$20.7 million in payments to managed care organizations for the non-expansion population.

#### *Impact to State Budget*

Notwithstanding changes in enrollment within the Healthy Louisiana program, the net impact of this report – including shortfalls in the Private Providers program and surpluses in the Public Providers and Buy-Ins & Supplements – is a \$2.85 million State General Fund surplus for the Medicaid program. This is in addition to the \$184 million in SGF savings from expansion included in the FY17 appropriation.

### *Medicaid Expansion At-A-Glance*

- As of October 31, **331,763** people have enrolled in Medicaid Expansion.
- Over **24,600** members have received preventative care visits with a provider.
- Almost **2,200** women have completed important screening and diagnostic breast imaging such as mammograms, MRI's and ultrasounds.
- Over **1,660** adults have completed colonoscopies; and **393** patients had precancerous polyps removed.
- Treatment has begun for **288** adults newly diagnosed with diabetes.
- **676** patients have been newly diagnosed with hypertension.
- As of June 30, 2017, we anticipate 402,333 new adult members (compared to earlier projections of 375,000).

**LOUISIANA MEDICAID PROGRAM**  
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## LOUISIANA MEDICAID PROGRAM

Table-1: Revenue Forecast - Means of Finance - SFY 2016/17

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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	2,347,201,044	2,347,201,044	0	0.0
Interagency Transfers	35,573,960	35,573,960	0	0.0
Self Generated Revenue	332,224,531	332,224,531	0	0.0
Statutory Dedications	690,684,380	676,533,263	(14,151,117)	(2.0)
<b>State Total</b>	<b>3,405,683,915</b>	<b>3,391,532,798</b>	<b>(14,151,117)</b>	<b>(0.4)</b>
Federal	7,601,175,451	7,601,175,451	0	0.0
<b>Total Means of Finance</b>	<b>11,006,859,366</b>	<b>10,992,708,249</b>	<b>(14,151,117)</b>	<b>(0.1)</b>
Contingency State General Fund	17,000,000	0	(17,000,000)	(100.0)
<b>Revised Means of Finance</b>	<b>11,023,859,366</b>	<b>10,992,708,249</b>	<b>(31,151,117)</b>	<b>(0.3)</b>

Table-2: Expenditure Forecast by Budget Program - SFY 2016/17

Program	Budget Appropriation (1.1)	Current Forecast (2)	(Over) / Under	Percent Difference
	A	B	C = A - B	D = (C/A)*100
Private Providers	9,361,744,027	9,757,758,272	(396,014,245)	(4.2)
Public Providers	215,495,865	204,439,797	11,056,068	5.1
Buy-Ins & Supplements	471,154,777	480,778,925	(9,624,148)	(2.0)
Uncompensated Care	958,464,697	958,464,697	0	0.0
<b>Total Program</b>	<b>\$11,006,859,366</b>	<b>\$11,401,441,691</b>	<b>(\$394,582,325)</b>	<b>(3.6)</b>
Contingency Private Providers	17,000,000	0	17,000,000	100.0
<b>Revised Total Program</b>	<b>\$11,023,859,366</b>	<b>\$11,401,441,691</b>	<b>(\$377,582,325)</b>	<b>(3.4)</b>

## LOUISIANA MEDICAID PROGRAM

Table-3: Expenditure Forecast by Budget Category of Service - SFY 2016/17

		Initials (1.2)	Current Forecast (2)	Difference	State Match (3)
		A	B	C = A - B	D
<b>A: Private Providers Sub-programs</b>					
Ambulatory Surgical Clinics	A_01	1,877,613	1,817,165	60,448	22,813
Applied Behavioral Analysis (4)	A_02	24,512,388	31,847,021	(7,334,633)	(2,768,091)
Case Management Services	A_03	7,178,445	7,095,692	82,753	31,231
Durable Medical Equipment	A_04	10,276,481	10,607,117	(330,636)	(124,782)
EPSDT (Screening and Early Diagnosis)	A_05	23,430,182	23,068,520	361,662	136,491
Early Steps	A_06	9,142,384	9,124,086	18,298	6,906
Family Planning	A_07	1,077,154	828,723	248,431	24,843
Federally Qualified Health Centers	A_08	2,150,484	1,797,982	352,502	133,034
Hemodialysis Services	A_09	17,913,116	18,307,615	(394,499)	(148,884)
Home Health Services	A_10	21,156,393	19,906,265	1,250,128	471,798
Hospice Services	A_11	60,210,427	60,370,897	(160,470)	(60,561)
Hospital - Inpatient Services	A_12	156,485,281	175,558,257	(19,072,976)	(7,198,141)
Hospital - Outpatient Services	A_13	47,252,522	52,340,836	(5,088,314)	(1,920,330)
ICF-DD Community Homes	A_14	266,256,347	260,630,459	5,625,888	2,123,210
Laboratory and X - Ray Services	A_15	6,956,904	6,471,049	485,855	183,362
Long Term Personal Care Services (LT - PCS)	A_16	153,712,748	154,314,787	(602,039)	(227,210)
Mental Health - Inpatient Services	A_17	6,976,435	7,388,691	(412,255)	(155,585)
Nursing Homes	A_18	1,025,252,214	1,018,877,485	6,374,729	2,405,823
Program for All Inclusive Care for the Elderly (PACE)	A_19	16,974,365	15,295,835	1,678,530	633,477
Pediatric Day Health Care (PDHC)	A_20	3,352,863	3,330,817	22,046	8,320
Pharmacy Payments	A_21	93,306,433	82,593,755	10,712,678	4,111,880
Physician Services	A_22	31,837,654	31,820,659	16,995	6,414
Rural Health Clinics	A_23	4,049,838	3,916,824	133,014	50,200
Transportation: Emergency-Ambulance	A_24	6,336,518	6,456,237	(119,719)	(45,182)
Transportation: Non-Emergency-Ambulance	A_25	1,079,904	962,789	117,115	44,199
Waiver: Adult Day Health	A_26	8,946,888	8,933,343	13,545	5,112
Waiver: Children's Choice	A_27	13,047,011	12,562,726	484,285	182,769
Waiver: Community Choices	A_28	110,149,222	109,706,963	442,259	166,909
Waiver: New Opportunities (NOW)	A_29	448,175,964	447,982,799	193,165	72,901
Waiver: Residential Options (ROW)	A_30	2,982,380	2,698,008	284,372	107,322
Waiver: Supports	A_31	13,287,511	13,004,287	283,224	106,889
Other Private Providers	A_32	3,514,396	2,635,797	878,599	331,583
Supplemental	A_33	171,434,281	171,434,281	0	0
<b>Sub-Total Traditional Private Providers</b>		<b>2,770,292,746</b>	<b>2,773,687,765</b>	<b>(3,395,019)</b>	<b>(1,281,280)</b>
<b>Managed Care Organizations</b>					
Managed Care - Regular *	A_34	4,885,554,876	4,864,798,879	20,755,997	(2,750,887)
Managed Care - Expansion	A_35	1,921,423,806	2,297,534,898	(376,111,092)	(13,163,888)
Dental Benefit Program - Regular	A_36	158,114,632	160,205,688	(2,091,056)	(789,164)
Dental Benefit Program - Expansion	A_37	9,910,376	11,425,085	(1,514,709)	(37,868)
Behavioral Health Partnership	A_38	42,530,591	57,169,958	(14,639,367)	(7,793,470)
<b>Sub-Total MCOs</b>		<b>7,017,534,281</b>	<b>7,391,134,507</b>	<b>(373,600,226)</b>	<b>(24,535,277)</b>
<b>Pharmacy Rebates: YTD (\$80,405,558)</b>		<b>(426,083,000)</b>	<b>(407,064,000)</b>	<b>(19,019,000)</b>	<b>12,581,297</b>
<b>Total Private Providers</b>		<b>9,361,744,027</b>	<b>9,757,758,272</b>	<b>(396,014,245)</b>	<b>(13,235,260)</b>

\* The SGF projected deficit for the Managed Care Non-Expansion line results from the absence of \$17 million in state general fund that is contingent revenue as identified in Act 17 of the 2016 regular legislative session.

## LOUISIANA MEDICAID PROGRAM

Table-3: Expenditure Forecast by Budget Category of Service - SFY 2016/17.. Continued

		Initials (1.2)	Current Forecast (2)	Difference	State Match (3)
		A	B	C = A - B	D
<b>B: Public Providers Sub-Programs</b>					
LSU - Facilities	B_01	3,294,291	3,294,291	0	0
LSU - Physicians	B_02	14,889,037	6,952,739	7,936,298	2,995,159
DHH - State Developmental Facilities	B_03	104,244,899	112,344,936	(8,100,037)	(3,056,954)
LDH - Villa Feliciana Nursing Home	B_04	18,057,109	17,600,000	457,109	172,513
LDH - Office of Public Health	B_05	9,610,204	635,047	8,975,157	3,387,224
LDH - Office of Behavioral Health	B_06	3,429,479	3,519,282	(89,803)	(33,892)
LDH - Human Services Districts	B_07	549,175	585,240	(36,065)	(13,611)
State - Education	B_08	18,668,912	16,755,504	1,913,408	722,120
Local Education Agencies	B_09	42,752,759	42,752,759	0	0
<b>Total Public Providers</b>		<b>\$215,495,865</b>	<b>\$204,439,797</b>	<b>\$11,056,068</b>	<b>\$4,172,560</b>
<b>C: Buy-Ins &amp; Supplements Sub-Programs</b>					
Medicare Premiums & Supplements	C_01	329,866,939	364,472,708	(34,605,769)	(13,060,217)
Part-D Clawback (5)	C_02	141,287,838	116,306,217	24,981,621	24,981,621
<b>Total Buy-Ins</b>		<b>\$471,154,777</b>	<b>\$480,778,925</b>	<b>(\$9,624,148)</b>	<b>\$11,921,404</b>
<b>D: Uncompensated Care Sub-Programs</b>					
LSU - Facilities	D_01	17,072,737	17,072,737	0	0
DHH - Office of Behavioral Health	D_02	74,841,407	74,841,407	0	0
Private Hospitals	D_03	863,461,441	863,461,441	0	0
GNOCHC - 1115 Waiver	D_04	3,089,112	3,089,112	0	0
<b>Total Uncompensated Care</b>		<b>\$958,464,697</b>	<b>\$958,464,697</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total Medical Vendor Program</b>		<b>\$11,006,859,366</b>	<b>\$11,401,441,691</b>	<b>(\$394,582,325)</b>	<b>\$2,858,704</b>

## LOUISIANA MEDICAID PROGRAM

Table-4: Public Private Partnership - Projected Payments - SFY 2016/17

Hospital	UPL	UCC/DSH	Total Payments
Bogalusa (Wash/St. Tamm)	16,362,941	23,049,069	39,412,010
Houma (LJ Chabert)	58,616,970	83,891,316	142,508,286
Baton Rouge - OLOL	135,500,000	0	135,500,000
Baton Rouge - Woman's	9,509,055	0	9,509,055
New Orleans (ILH)	155,876,597	256,121,160	411,997,757
Lafayette (Univ Med Cntr)	55,493,914	68,931,614	124,425,528
Independence (Lallie Kemp)	6,117,224	17,072,737	23,189,961
Lake Charles (WO Moss)	7,500,000	48,472,886	55,972,886
Monroe (EA Conway)	117,436,300	0	117,436,300
Alexandria (Huey P. Long)	0	50,482,811	50,482,811
Shreveport (LSU-HSC)	0	153,532,935	153,532,935
<b>Total</b>	<b>\$562,413,001</b>	<b>\$701,554,528</b>	<b>\$1,263,967,529</b>

Amounts listed in the chart are based on the current appropriation, including the BA-7 approved on October 28, 2016 by JLCB.



## LOUISIANA MEDICAID PROGRAM

### State Fiscal Year 2017 Expansion

Table-5: Assumed Distribution of Members vs. Actual Distribution of Members

Rate Cell	Statewide PMPM Avg	Assumed Distribution	Member Months	= PMPM * MM	Actual Distribution	Member Months	= PMPM * MM	Difference (Actual - Assumed)
Female, 19-24	\$368.91	22%	799,695	\$295,015,585	10%	404,573	\$149,250,885	(\$145,764,700)
Male, 19-24	\$321.58	7%	254,581	\$81,868,016	7%	287,869	\$92,572,906	\$10,704,890
Female, 25-39	\$487.31	31%	1,124,730	\$548,092,356	22%	871,387	\$424,635,687	(\$123,456,669)
Male, 25-39	\$443.11	11%	398,758	\$176,693,717	14%	560,177	\$248,220,240	\$71,526,523
Female, 40-49	\$687.81	9%	317,772	\$218,566,579	12%	466,815	\$321,079,723	\$102,513,144
Male, 40-49	\$673.55	5%	196,111	\$132,090,267	7%	287,869	\$193,894,151	\$61,803,884
Female, 50-64	\$794.95	8%	306,150	\$243,374,238	16%	602,969	\$479,330,053	\$235,955,815
Male, 50-64	\$888.97	6%	233,880	\$207,912,303	11%	408,463	\$363,111,122	\$155,198,819
Kickpayments				\$17,810,745			\$25,440,131	\$7,629,386
<b>Totals</b>			<b>3,631,677</b>	<b>\$1,921,423,806</b>		<b>3,890,121</b>	<b>\$2,297,534,898</b>	<b>\$376,111,092</b>

Table-6: Medicaid Expansion Enrollment Projections

July-16	actuals	279,632
August-16	actuals	301,026
September-16	actuals	315,209
October-16	projection	333,932
November-16	projection	350,315
December-16	projection	367,061
January-17	projection	377,197
February-17	projection	384,900
March-17	projection	389,562
April-17	projection	393,414
May-17	projection	397,873
June-17	projection	402,333

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

- 1.1 This column represents the Appropriation (Act 17) for the Medicaid Program's four (4) budget categories: (A) Payments to Private Providers, (B) Payments to Public Providers, (C) Medicare Buy-Ins, Part-D, and Supplements, and (D) Uncompensated Care Costs.
- 1.2 This column represents initial spread of Act 17 Medical Vendor Appropriation for private provider sub-programs, public providers, Medicare Buy-Ins & Supplements, and Uncompensated care payments.
- 2 This column represents SFY 2016/17 expenditures forecast based on the latest available data/information and reflects projected payments through the end of the State Fiscal Year.
- 3 State Match.
- 4 Applied Behavior Analysis (ABA) services for children age 0-20 pursuant to federal court order in pending lawsuit Chisholm v. Kliebert. ABA services must be provided to class members who have a diagnosis of Autism Spectrum Disorder (ASD), for whom services are determined medically necessary.
- 5 Part-D Clawback Expenditures - All State Funds.