

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

**FORECAST REPORT
STATE FISCAL YEAR 2017/18**

May 2018



LOUISIANA MEDICAID PROGRAM
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Table-1: Revenue Forecast - Means of Finance - SFY 2017/18

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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 | 1,935,282,553 | 1,935,282,553 | 0 | 0.0 |
| Interagency Transfers | 24,603,787 | 21,563,784 | (3,040,003) | (12.4) |
| Self Generated Revenue | 456,023,321 | 456,023,321 | 0 | 0.0 |
| Statutory Dedications | 821,238,138 | 806,238,138 | (15,000,000) | (1.8) |
| State Total | 3,237,147,799 | 3,219,107,796 | (18,040,003) | (0.6) |
| Federal | 8,784,329,277 | 8,784,329,277 | 0 | 0.0 |
| Total Means of Finance | 12,021,477,076 | 12,003,437,073 | (18,040,003) | (0.2) |

Table-2: Expenditure Forecast by Budget Program - SFY 2017/18

| Program | Budget Appropriation (1.1) A | Current Forecast (2) B | (Over) / Under C = A - B | Percent Difference D = (C/A)*100 |
|-----------------------|------------------------------------|------------------------------|-----------------------------|--|
| Private Providers | 10,176,297,689 | 9,920,142,843 | 256,154,846 | 2.5 |
| Public Providers | 220,123,243 | 181,574,514 | 38,548,729 | 17.5 |
| Buy-Ins & Supplements | 522,424,563 | 503,917,991 | 18,506,572 | 3.5 |
| Uncompensated Care | 1,102,631,581 | 1,102,631,581 | 0 | 0.0 |
| Total Program | \$12,021,477,076 | \$11,708,266,929 | \$313,210,147 | 2.6 |

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Table-3: Expenditure Forecast by Budget Category of Service - SFY 2017/18

| | | Initials (1.2) | Current Forecast (2) | Difference |
|---|------|-----------------------|----------------------|--------------------|
| A: Private Providers Sub-Programs | | A | B | C = A - B |
| Ambulatory Surgical Clinics | A_01 | 2,143,341 | 1,978,769 | 164,572 |
| Applied Behavioral Analysis (3) | A_02 | 28,043,436 | 24,549,482 | 3,493,954 |
| Case Management Services | A_03 | 7,126,518 | 7,325,137 | (198,619) |
| Durable Medical Equipment | A_04 | 12,096,199 | 11,002,643 | 1,093,556 |
| EPSDT (Screening and Early Diagnosis) | A_05 | 23,803,035 | 19,548,216 | 4,254,819 |
| Early Steps | A_06 | 9,568,562 | 9,972,947 | (404,385) |
| Family Planning | A_07 | 528,278 | 476,541 | 51,737 |
| Federally Qualified Health Centers | A_08 | 2,026,010 | 1,868,478 | 157,532 |
| Hemodialysis Services | A_09 | 19,707,005 | 20,356,872 | (649,867) |
| Home Health Services | A_10 | 19,406,735 | 16,289,848 | 3,116,887 |
| Hospice Services | A_11 | 65,646,448 | 61,951,496 | 3,694,952 |
| Hospital - Inpatient Services | A_12 | 164,361,640 | 116,872,005 | 47,489,635 |
| Hospital - Outpatient Services | A_13 | 51,236,483 | 41,823,568 | 9,412,915 |
| ICF-DD Community Homes | A_14 | 254,652,900 | 239,592,928 | 15,059,972 |
| Laboratory and X - Ray Services | A_15 | 6,862,804 | 5,930,414 | 932,390 |
| Long Term Personal Care Services (LT - PCS) | A_16 | 158,917,012 | 150,167,823 | 8,749,189 |
| Mental Health - Inpatient Services | A_17 | 7,989,209 | 7,111,076 | 878,133 |
| Nursing Homes | A_18 | 1,032,575,671 | 1,021,646,681 | 10,928,990 |
| Program for All Inclusive Care for the Elderly (PACE) | A_19 | 19,123,790 | 15,418,060 | 3,705,730 |
| Pediatric Day Health Care (PDHC) | A_20 | 2,950,392 | 2,991,666 | (41,274) |
| Pharmacy Payments | A_21 | 99,866,230 | 85,016,058 | 14,850,172 |
| Physician Services | A_22 | 38,742,707 | 32,067,197 | 6,675,510 |
| Rural Health Clinics | A_23 | 4,325,276 | 4,433,281 | (108,005) |
| Transportation: Emergency-Ambulance | A_24 | 6,245,870 | 5,309,074 | 936,796 |
| Transportation: Non-Emergency-Ambulance | A_25 | 1,340,611 | 960,812 | 379,799 |
| Waiver: Adult Day Health | A_26 | 8,946,888 | 7,275,124 | 1,671,764 |
| Waiver: Children's Choice | A_27 | 13,852,466 | 10,823,756 | 3,028,710 |
| Waiver: Community Choices | A_28 | 111,052,502 | 105,283,168 | 5,769,334 |
| Waiver: New Opportunities (NOW) | A_29 | 450,043,854 | 450,977,417 | (933,563) |
| Waiver: Residential Options (ROW) | A_30 | 6,717,377 | 1,164,121 | 5,553,256 |
| Waiver: Supports | A_31 | 15,079,129 | 12,878,936 | 2,200,193 |
| Other Private Providers | A_32 | 3,519,024 | 543,942 | 2,975,082 |
| Supplemental | A_33 | 141,164,346 | 141,164,346 | 0 |
| Sub-Total Traditional Private Providers | | 2,789,661,748 | 2,634,771,882 | 154,889,866 |
| Managed Care Organizations | | | | |
| Managed Care - Regular | A_34 | 4,270,050,305 | 4,570,081,116 | (300,030,811) |
| Managed Care - Expansion | A_35 | 3,416,937,565 | 3,071,585,997 | 345,351,568 |
| Dental Benefit Program - Regular | A_36 | 156,940,481 | 152,226,487 | 4,713,994 |
| Dental Benefit Program - Expansion | A_37 | 14,021,404 | 13,612,959 | 408,445 |
| Behavioral Health Partnership | A_38 | 25,043,284 | 15,219,975 | 9,823,309 |
| Sub-Total MCOs | | 7,882,993,039 | 7,822,726,534 | 60,266,505 |
| Pharmacy Rebates - Regular | A_39 | (369,798,447) | (339,625,763) | (30,172,684) |
| Pharmacy Rebates - Expansion | A_40 | (126,558,651) | (197,729,810) | 71,171,159 |
| Sub-Total Rebates: YTD (\$483,573,184) | | (496,357,098) | (537,355,573) | 40,998,475 |
| Total Private Providers | | 10,176,297,689 | 9,920,142,843 | 256,154,846 |

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Table-3: Expenditure Forecast by Budget Category of Service - SFY 2017/18.. Continued

| | | Initials (1.2) | Current Forecast (2) | Difference |
|---|------|-------------------------|-------------------------|----------------------|
| | | A | B | C = A - B |
| <u>B: Public Providers Sub-Programs</u> | | | | |
| LSU - Facilities | B_01 | 3,294,291 | 2,453,094 | 841,197 |
| LSU - Physicians | B_02 | 14,889,037 | 8,958,261 | 5,930,776 |
| LDH - State Developmental Facilities | B_03 | 114,728,008 | 105,272,951 | 9,455,057 |
| LDH - Villa Feliciana Nursing Home | B_04 | 18,751,841 | 16,759,466 | 1,992,375 |
| LDH - Office of Public Health | B_05 | 4,006,602 | 59,803 | 3,946,799 |
| LDH - Office of Behavioral Health | B_06 | 3,419,479 | 2,845,601 | 573,878 |
| LDH - Human Services Districts | B_07 | 1,466,660 | 587,310 | 879,350 |
| State - Education | B_08 | 16,814,566 | 18,634,629 | (1,820,063) |
| Local Education Agencies | B_09 | 42,752,759 | 26,003,400 | 16,749,359 |
| Total Public Providers | | \$220,123,243 | \$181,574,514 | \$38,548,729 |
| <u>C: Buy-Ins & Supplements Sub-Programs</u> | | | | |
| Medicare Premiums & Supplements | C_01 | 368,887,737 | 368,233,892 | 653,845 |
| Part-D Clawback (4) | C_02 | 153,536,826 | 135,684,099 | 17,852,727 |
| Total Buy-Ins | | \$522,424,563 | \$503,917,991 | \$18,506,572 |
| <u>D: Uncompensated Care Sub-Programs</u> | | | | |
| LSU - Facilities | D_01 | 13,572,737 | 13,572,737 | 0 |
| LDH - Office of Behavioral Health | D_02 | 63,705,633 | 63,705,633 | 0 |
| Private Hospitals | D_03 | 1,025,353,211 | 1,025,353,211 | 0 |
| Total Uncompensated Care | | \$1,102,631,581 | \$1,102,631,581 | \$0 |
| Grand Total Medical Vendor Program | | \$12,021,477,076 | \$11,708,266,929 | \$313,210,147 |

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Table-4: Public Private Partnership - Projected Payments - SFY 2017/18

| Hospital | UPL | UCC/DSH | Total 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 | 103,500,000 | 0 | 103,500,000 |
| Baton Rouge - Woman's | 10,203,122 | 0 | 10,203,122 |
| New Orleans (ILH) | 144,247,827 | 243,672,891 | 387,920,718 |
| Lafayette (Univ Med Cntr) | 62,006,681 | 56,225,260 | 118,231,941 |
| Independence (Lallie Kemp) | 6,117,224 | 13,572,737 | 19,689,961 |
| Lake Charles (WO Moss) | 3,500,000 | 38,082,958 | 41,582,958 |
| Monroe (EA Conway) | 117,099,066 | 0 | 117,099,066 |
| Alexandria (Huey P. Long) | 0 | 46,078,961 | 46,078,961 |
| Shreveport (LSU-HSC) | 0 | 134,070,590 | 134,070,590 |
| Total | \$521,270,366 | \$626,477,941 | \$1,147,748,307 |

LOUISIANA MEDICAID PROGRAM State Fiscal Year 2017/18 Expansion

Table-5: Original Distribution of Members and Member Months vs. Actual Distribution of Members and Member Months

| Rate Cell | Statewide PMPM Avg | Original Distribution Assumed | Original Member Months | = PMPM * MM | Updated Statewide PMPM Avg | Updated Distribution | Updated Member Months | = PMPM * MM | Difference ¹ (Actual - Original) |
|---------------------------------|--------------------|-------------------------------|------------------------|------------------------|----------------------------|----------------------|-----------------------|------------------------|---|
| Female, 19-24 | 335.62 | 13.3% | 753,869 | \$253,013,614 | \$310.09 | 13.2% | 779,939 | 241,852,012 | (\$11,161,602) |
| Male, 19-24 | 291.35 | 7.7% | 437,704 | \$127,523,648 | \$261.13 | 7.9% | 467,264 | 122,017,767 | (\$5,505,881) |
| Female, 25-39 | 446.34 | 25.7% | 1,460,105 | \$651,699,641 | \$422.48 | 25.7% | 1,513,463 | 639,414,201 | (\$12,285,440) |
| Male, 25-39 | 404.95 | 13.4% | 761,619 | \$308,419,816 | \$399.67 | 13.9% | 819,499 | 327,532,620 | \$19,112,805 |
| Female, 40-49 | 633.10 | 10.4% | 591,916 | \$374,741,979 | \$622.91 | 10.3% | 608,505 | 379,043,144 | \$4,301,165 |
| Male, 40-49 | 619.59 | 6.4% | 365,142 | \$226,238,939 | \$609.25 | 6.6% | 389,496 | 237,301,606 | \$11,062,667 |
| Female, 50-64 | 732.96 | 13.6% | 772,253 | \$566,033,713 | \$738.85 | 13.0% | 767,116 | 566,781,262 | \$747,549 |
| Male, 50-64 | 821.27 | 9.3% | 529,881 | \$435,177,091 | \$811.57 | 9.2% | 540,238 | 438,443,055 | \$3,265,964 |
| High Need | 1,475.83 | 0.2% | 10,046 | \$14,825,979 | \$1,150.85 | 0.0% | 2,341 | 2,694,284 | (\$12,131,695) |
| Kickpayments | | | | \$298,345,769 | | | | \$116,506,047 | (\$181,839,722) |
| Budget Adjustments ² | | | | \$160,917,377 | | | | \$0 | (\$160,917,377) |
| Total | | | 5,682,535 | \$3,416,937,565 | | | 5,887,861 | \$3,071,585,997 | (\$345,351,568) |

¹Difference is due to several factors:

- a. Reduction in PMPMs by an average of -10% effective with the 2/1/18 rate certification.
- b. Reduction in member months due to slowed enrollment growth.
- c. Kickpayment adjustment to reflect slowed shift of pregnant women into the New Adult Group.

²Budget Adjustments: To reverse a hospital "base rate" payment adjustment associated with changes to hospital payment methods intended for implementation in SFY18 but deferred pending the outcome of a hospital payment study in progress.

Table-6: Medicaid Expansion Enrollment Projections

| | | |
|--------------|------------|---------|
| July-17 | Actuals | 432,463 |
| August-17 | Actuals | 435,195 |
| September-17 | Actuals | 438,594 |
| October-17 | Actuals | 444,137 |
| November-17 | Actuals | 453,815 |
| December-17 | Actuals | 459,783 |
| January-18 | Actuals | 463,679 |
| February-18 | Actuals | 466,936 |
| March-18 | Actuals | 469,935 |
| April-18 | Actuals | 474,959 |
| May-18 | Projection | 480,510 |
| June-18 | Projection | 484,991 |

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

- 1.1 This column represents the Appropriation (Act 3) 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 3 Medical Vendor Appropriation for private provider sub-programs, public providers, Medicare Buy-Ins & Supplements, and Uncompensated care payments.
- 2 This column represents SFY 2017/18 expenditures forecast based on the latest available data/information and reflects projected payments through the end of the State Fiscal Year.
- 3 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.
- 4 Part-D Clawback Expenditures - All State Funds.
- 5 The managed care projection includes a payment of 88.76% of the total June PMPMs. This payment is funded by additional state general fund that was authorized in the 2018 supplemental appropriations bill, a projected surplus in the Medicaid program, and one-time FEMA funds received for prior year's disasters."