

MEDICAID DIVISIONS

2024/2025 Medicaid Caseload February Update

Summary:

Medicaid divisions and the Office of Health Data, Analytics & Financial Modeling perform traditional and expanded Medicaid projections monthly. The methodology for these projections are utilized to perform projections into FY 2024 and FY 2025 to inform present law decision package requests for the 2025 Biennium. The original estimates for FY 2024 and FY 2025 we completed in August.2022. The Department updates these estimates in January. The newest estimates have resulted in the following changes:

Medicaid Expansion

- A decrease in projected Medicaid Expansion expenditures in FY24 of \$31,533,530, or 2.9% of the original request of \$1,070,263,275
- A decrease in projected Medicaid Expansion expenditures in FY25 of \$7,168,652, or 0.7% of the original request of \$1,073,858,115

Traditional Medicaid

- An increase in projected Traditional Medicaid expenditures in FY24 of \$3,122,543, or 0.2% over the original request of \$1,290,956,381.
- An increase in projected Traditional Medicaid expenditures in FY25 of \$7,137,938, or 0.5% over the original request of \$1,331,864,679

Overall, for the biennium the department is decreasing its Medicaid projections by \$28,441,700, or 0.6% lower than the Governor's Budget request of \$4,766,952,450.

It is important to remember that these projections represent the change in funding the department is projecting to maintain programs under present law in FY24 and FY25. These decision packages that make up these caseload adjustments do not request new services be added or services be reduced. Changes to program services or delivery would be presented in a New Proposal Package.

Updated Assumptions

Enrollment Update

- Medicaid continuous eligibility requirement ends April 2023 with enrollment declines beginning June 1. The department assumes 70% of ineligible members will be disenrolled in first 6 months, with the remaining ineligible members disenrolled within 12 months. The change in continuous eligibility requirements impacts the departments original assumption by moving disenrollment up one month.
 - For traditional Medicaid this change decreased total member months in FY24 by 0.9%, but increased total member months by 1.3% in FY25 compared to enrollment projections used for the Governor's budget.

- For expanded Medicaid this decreased total member months in FY24 by 1.2% but increased total member months by 1.7% in FY25 compared to enrollment projections used for the Governor's budget.

Projected Enrollment Increase/Decrease in Total Member Months				
	Original Projections		Updated Projections	
	Traditional	Expansion	Traditional	Expansion
FY 2023	6.1%	8.1%	5.8%	7.6%
FY 2024	-13.7%	-18.0%	-14.6%	-19.3%
FY 2025	-7.6%	-10.5%	-6.3%	-8.8%

Utilization Update

Model analysis looks at how enrollment member months impact people served in FY22 for each provider type and then applies projected enrollment to generate the projected number served for FY 23 thru FY25.

- Provider rate increases in caseload decision packages are only applied for Physician, Podiatrist etc. – because these are statutory increase tied to CPI and is projected at 4.8% in both FY24 and FY25. This is an increase to the department’s original projection of a 3.2% annual increase.
- Correlation between enrollment increase and people served was recalculated utilizing and additional four months of data.
 - The largest change in correlation occurs in HRD where in both Traditional Medicaid and Medicaid Expansion many provider types showed a lower correlation between enrollment increases in FY23 and people served when compared to data used for Governor's budget.
 - Due to the utilization patterns observed since August, the Medicaid Expansion projections in HRD have decreased \$23.98 million when compared to the original budget. This represents a 2.4% decrease in the original budget.