



TO: Members of the Iowa Senate and
Members of the Iowa House of Representatives

FROM: Jess Benson

DATE: February 24, 2012

Monthly Medicaid Forecast – February 2012

Forecasting Group. Staff members from the Department of Human Services (DHS), the Department of Management (DOM), and the Fiscal Services Division of the LSA met on January 27, 2012, to discuss estimated Medical Assistance (Medicaid) expenditures for FY 2012 and FY 2013. The forecasting group meets monthly to discuss estimated expenditures and agree on a range for the current and upcoming fiscal years.

Medicaid Balance Sheet			
	<i>Final</i> <i>FY2011</i>	<i>Estimated</i> <i>FY2012</i>	<i>Estimated</i> <i>FY2013</i>
Medicaid Funding			
Carryforward from Previous Year	\$ 57,523,302	\$ 27,700,401	\$ 0
Veterans Home Transfer	0	2,447,911	0
Behavioral Health Account Carryforward	2,082,504	1,790,859	0
Senior Living Trust Fund	40,437,372	0	0
Transfer from Decat Waiver Waiting List	1,925,000	0	0
Cash Reserve Fund	178,693,397	0	0
Medicaid Fraud Account	0	0	2,000,000
Health Care Transformation Account	0	1,956,245	1,956,245
Health Care Trust Fund	106,599,657	105,725,232	106,046,400
Nursing Facility Quality Assurance Fund	32,458,722	26,500,000	26,500,000
Hospital Trust Fund	31,036,672	36,957,766	33,898,400
hawk-i Performance Bonus	6,760,901	10,517,268	7,860,256
Total Non-General Fund for Medicaid	\$ 457,517,526	\$ 213,595,682	\$ 178,261,301
General Fund Appropriation	\$ 393,683,227	\$ 909,993,421	\$ 914,993,421
Covering All Children	2,297,649	0	0
Total All General Fund Sources	\$ 395,980,876	\$ 909,993,421	\$ 914,993,421
Total Medicaid Funding	\$ 853,498,402	\$ 1,123,589,103	\$ 1,093,254,722
Total Estimated State Medicaid Need	\$ 1,011,653,932	\$ 1,114,589,103	\$ 1,188,254,722
ARRA FMAP	-187,141,196	0	0
Behavioral Health Carryforward	1,285,265	0	0
Total Estimated Medicaid Need	\$ 825,798,001	\$ 1,114,589,103	\$ 1,188,254,722
Midpoint of Balance/(Under Funded)	\$ 27,700,401	\$ 9,000,000	\$ -95,000,000
ARRA - American Recovery and Reinvestment Act			
FMAP - Federal Medical Assistance Percentage			

FY 2012 Range. For FY 2012, the group agreed Medicaid will have a need of \$6.0 million to a surplus of \$24.0 million, with a midpoint of a \$9.0 million surplus. The range does not include SF 2071 (FY 2012 Supplemental Appropriations Bill), because the Governor has not yet signed this into law. In addition, Medicaid expenditures were \$5.7 million less than expected for the month of January. The estimating group believes the variance is mostly the result of transitioning from the HIPPA 4010 claims format to the HIPPA 5010 claims format.

FY 2013 Range. For FY 2013, the group agreed Medicaid will have a need of \$75.0 million to \$115.0 million, with a midpoint need of \$95.0 million for FY 2013. The range includes the following savings and expenditures as enacted in HF 649 (FY 2012 Health and Human Services Appropriations Act):

- An increase of \$36.4 million to reflect the declining FMAP rate.
- An increase of \$5.0 million to reduce the waiting list for all HCBS waivers.
- An increase of \$4.2 million to reflect a transfer of funds to the IowaCare Program.

Enrollment Increase. Medicaid continues to grow, but at a slower pace than the past several years. In FY 2009, the Program added a total of 31,794 individuals, including 25,935 children. In FY 2010, the Program added an additional 27,164, including 19,286 children. In FY 2011, the Program added 13,735 individuals, including 8,704 children. In the first eight months of FY 2012, the Program added 9,828 individuals for a total program enrollment of 396,164.

Medicaid Enrollment Increases/(Decreases) for FY 2012					
<u>FY 2012</u>	<u>Children</u>	<u>Adults</u>	<u>Aged</u>	<u>Disabled</u>	<u>Total</u>
July	271	93	34	288	686
August	1,377	733	123	445	2,678
September	376	-113	48	129	440
October	2,218	653	143	405	3,419
November	-825	-820	15	98	-1,532
December	551	-121	74	158	662
January	477	448	0	253	1,178
February	1,149	768	2	378	2,297
Total FY 2012	<u>5,594</u>	<u>1,641</u>	<u>439</u>	<u>2,154</u>	<u>9,828</u>
Grand Total	<u>226,524</u>	<u>63,841</u>	<u>30,116</u>	<u>75,683</u>	<u>396,164</u>