

**DEPARTMENT OF HEALTH AND HOSPITALS
DIVISION OF HEALTH ECONOMICS**

**LOUISIANA MEDICAID
EXPENDITURE FORECAST REPORT
STATE FISCAL YEAR 2009/10**

OCTOBER 2009



**LOUISIANA MEDICAID PROGRAM
STATE FISCAL YEAR 2009/10**

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LOUISIANA MEDICAID PROGRAM

Table-1: Medical Vendor Program - Means of Finance - SFY 2009/10

Financing Category	Budget
State General Fund	1,038,003,899
Interagency Transfer	12,012,091
Self Generated Revenue	10,000,000
Statutory Dedications	324,772,519
State Total	1,384,788,509
Federal	5,120,651,690
Total Means of Finance	\$6,505,440,199

Table-2: Expenditure Forecast by Budget Program - SFY 2009/10

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Program	Budget (1.1) Appropriation	Current Forecast (2)	Difference	Percent Difference
	A	B	C=A-B	D = (C/A)*100
Private Providers *	4,438,768,471	4,683,839,622	(245,071,151)	(5.5)
Public Providers	803,883,592	803,883,592	0	0.0
Buy-Ins & Supplements	333,439,782	331,607,581	1,832,201	0.5
Uncompensated Care	929,348,354	929,348,354	0	0.0
Total Medical Vendor Program	6,505,440,199	6,748,679,149	(243,238,950)	(3.7)

Private Providers *	4,438,768,471	4,683,839,622	(245,071,151)
Less: 2 Quarters Hospital UPL for SFY 201	-62,666,667		
Balance of Appropriation	\$4,376,101,804	\$4,683,839,622	(\$307,737,818)

LOUISIANA MEDICAID PROGRAM

Table-3: Expenditure Forecast by Budget Category of Service - SFY 2009/10

		Initial Estimates (1.2) with Act 19 & BA 7s	Current Forecast (2)	Difference Initial Estimates - Current Forecast
Private Providers				
Adult Dentures	1	3,735,130	4,224,231	(489,101)
Ambulatory Surgical Clinics (3)	2	5,201,890	5,101,131	100,759
Case Management Services	3	16,697,318	16,728,595	(31,276)
Durable Medical Equipment	4	21,557,860	24,157,836	(2,599,975)
EPSDT (Screening and Early Diagnosis)	5	191,989,433	237,242,552	(45,253,119)
Early Steps (3)	6	5,366,780	7,316,466	(1,949,686)
Family Planning	7	17,317,955	19,516,411	(2,198,456)
Federally Qualified Health Centers	8	28,559,518	33,749,958	(5,190,439)
Hemodialysis Services	9	32,571,822	33,032,014	(460,192)
Home Health Services	10	35,774,559	38,807,525	(3,032,966)
Hospice Services	11	50,667,721	58,128,652	(7,460,931)
Hospital - Inpatient Services	12	860,142,319	868,947,214	(8,804,895)
Hospital - Outpatient Services	13	268,262,278	271,289,200	(3,026,922)
ICF-DD Community Homes	14	216,301,385	220,288,792	(3,987,406)
Laboratory and X - Ray Services	15	99,600,637	114,068,304	(14,467,667)
LT - PCS	16	234,892,175	241,337,287	(6,445,112)
Mental Health - Inpatient Services	17	17,031,528	18,164,113	(1,132,585)
Mental Health Rehabilitation	18	37,249,635	44,571,902	(7,322,267)
Nursing Homes	19	734,921,536	746,407,963	(11,486,428)
PACE	20	3,534,443	5,485,374	(1,950,931)
Pharmaceutical Products and Services	21	536,795,353	543,720,241	(6,924,888)
Physician Services (4)	22	466,472,978	508,957,447	(42,484,469)
Rural Health Clinics	23	42,433,346	52,390,045	(9,956,699)
Transportation:Emergency-Ambulance	24	37,334,753	39,491,583	(2,156,830)
Transportation:Non-Emergency-Ambulance	25	13,534,019	14,026,187	(492,168)
Transportation:Non-Emergency-Non-Ambulance	26	8,547,093	10,272,663	(1,725,570)
Waiver: Adult Day Health	27	7,839,606	9,070,566	(1,230,960)
Waiver: Adult Residential Care (ARC)	28	676,260	676,260	0
Waiver: Children's Choice	29	10,807,710	13,393,994	(2,586,284)
Waiver: Elderly & Disabled Adults	30	63,032,267	65,453,621	(2,421,354)
Waiver: Family Planning	31	8,914,968	11,817,719	(2,902,751)
Waiver: NOW DD-Community Services	32	343,922,324	386,209,702	(42,287,378)
Waiver: Residential Options (ROW)	33	390,305	390,305	0
Waiver: Supports	34	15,522,110	16,245,320	(723,210)
Other Private Providers (3)	35	1,169,457	3,158,452	(1,988,995)
Total Private Providers		\$4,438,768,471	\$4,683,839,622	(\$245,071,151)
Less: 2 Quarters Hospital UPL for SFY 2010/11		-\$62,666,667		
Balance of Appropriation		\$4,376,101,804	\$4,683,839,622	(\$307,737,818)

LOUISIANA MEDICAID PROGRAM

Table-3: Expenditure Forecast by Budget Category of Service - SFY 2009/10 ...Continued

<u>Public Providers</u>		Initial Estimates (1.2) with Act 19 & BA 7s	Current Forecast (2)	Difference Initial Estimates - Current Forecast
LSU - HCSD	36	251,142,834	251,142,834	0
LSU - EA Conway	37	25,655,317	25,655,317	0
LSU - Huey P. Long	38	15,216,202	15,216,202	0
LSUMC - Shreveport	39	164,112,870	164,112,870	0
DHH - State DD	40	235,600,212	235,600,212	0
DHH - State Nursing Homes	41	23,167,565	23,167,565	0
DHH - Office of Public Health	42	20,204,561	20,204,561	0
DHH - Community Mental Health	43	5,851,376	5,851,376	0
DHH - Psychiatric Free Standing Units	44	6,534,007	6,534,007	0
DHH - Local Governance Entities	45	6,207,676	6,207,676	0
State - Education	46	15,086,526	15,086,526	0
Local Education Agencies for SBH Services	47	32,104,446	32,104,446	0
Other Public Providers	48	3,000,000	3,000,000	0
Total Public Providers		803,883,592	803,883,592	0
Buy-Ins and Supplements				
Medicare Premiums & Supplements	49	233,567,379	234,594,810	(1,027,431)
Part-D Clawback (5)	50	94,052,667	91,193,035	2,859,632
LaCHIP V Buy-In	51	5,819,736	5,819,736	0
Total Buy-Ins		333,439,782	331,607,581	1,832,201
Uncompensated Care				
LSU - HCSD	51	455,269,165	455,269,165	0
LSU - EA Conway	52	36,521,776	36,521,776	0
LSU - Huey P. Long	53	28,558,096	28,558,096	0
LSUMC - Shreveport	54	136,905,872	136,905,872	0
Public Psychiatric Free Standing Units	55	104,442,871	104,442,871	0
Villa Feliciana	56	1,026,000	1,026,000	0
Private Hospitals	57	166,624,574	166,624,574	0
Total Uncompensated Care		929,348,354	929,348,354	0
Grand Total Medical Vendor Program		\$6,505,440,199	\$6,748,679,149	(\$243,238,950)

LOUISIANA MEDICAID PROGRAM

(Numbered Notes to the Monthly Financial Report)

- 1.1 This column represents the Appropriation (Act 19) for the Medicaid Program's four (4) budget categories: (i) Payments to Private Providers, (ii) Payments to Public Providers, (iii) Medicare Buy-Ins, Part-D, and Supplements, and (iv) Uncompensated Care Costs.

- 1.2 This column represents initial spread of Act 19 Medical Vendor Appropriation and subsequent BA-7s, including the Deficit Reduction Plan approved by the JLCB on 1/9/2009, for private provider sub-programs, public providers, Medicare Buy-In & Part-D, and uncompensated care payments. For those public providers who also receive uncompensated care, the sub-program distribution is based upon expending the exact amount of their budget. It assumes the full budget is expended, but not exceeded.

- 2 This column represents SFY 2009/10 expenditures forecast based on the latest available data/information and reflects projected payments through end of State Fiscal Year.

- 3 Ambulatory Surgical Clinics and Early Steps Programs are new Budget Category of Services (BCOS), earlier used to be in Other Private Providers BCOS.

- 4 Includes Certified RN Anesthetists (CRNA's) that used to be a separate BCOS.

- 5 Part-D Clawback Payments - All State Funds.

LOUISIANA MEDICAID PROGRAM
ISSUES THAT MAY IMPACT MEDICAID SPENDING

- 1 Department of Health and Human Services has issued a disallowance requesting the return of about \$310 million related to the payment of insurance premiums in the Road Hazard program by the Office of Risk Management (ORM) in the Division of Administration (DOA). The Division of Cost Allocation (DCA) of DHHS alleges, based on a 2002 audit report by the Legislative Auditor, that ORM improperly diverted cash from insurance lines with federal funding participation in premium costs to pay claims for insurance lines which had a cash deficit and for which there was no federal funding participation, such as the Road Hazard line. DOA has appealed this disallowance and that appeal is currently pending before the DAB, while interest on the amount in dispute is accruing. A final ruling is expected soon and if it is adverse to the state most of the recoupment of federal funds would come from the Medicaid program.
- 2 CMS has issued a disallowance requesting the return of the federal share (\$120m) related to upper payment limit payments made to non-state public nursing facilities. These payments were used to make Inter Governmental Transfers (IGT) that ultimately went to the Elderly Trust fund. DHH has appealed the disallowance. A final ruling is expected soon.
- 3 CMS has issued a disallowance requesting the return of the federal share of disproportionate share hospital (DSH) overpayments of \$362 million made to LSU-HCSD, which covers the period from 1996 through 2007. DHH plans to appeal this disallowance. Cost report settlements and alternate payment method may be sufficient to offset the disallowance.
- 4 In December 2008, CMS made final the proposed disproportionate share hospital (DSH) audit rule that implements Section 1001 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. The DSH audit rule will substantially reduce amount of federal match available for DSH payments to state and rural hospitals next SFY.
- 5 Increased expenditures are being identified to services related to H1N1 flu vaccination and treatment.