

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

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

**January 2018**



**LOUISIANA MEDICAID PROGRAM**  
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## Medicaid Forecast Report

### Executive Summary

January 2018

Enclosed is a copy of our SFY 2017/18 Medicaid Monthly Projection for the month of January 2018. The report shows the Louisiana Department of Health and the Medicaid program continue to be in a strong financial position, with a projected total **Medicaid surplus of \$612 million.**

Most of this surplus is attributable to savings related to Medicaid expansion. As shown on Table 3, spending attributable to Medicaid expansion is projected to be under budget by more than \$535 million, most of which are federal funds.

#### *Impact to State Budget*

The net impact of this report is a projected surplus of \$26 million in State match for the Medicaid program.

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

- As of January 31, 2018 **446,527** people have enrolled in Medicaid Expansion and 75 percent of these patients have visited a physician.
- Over **162,000** members have received preventative care visits with a provider.
- More than **30,700** women have completed important screening and diagnostic breast imaging such as mammograms, MRI's and ultrasounds.
- Over **18,700** adults have completed colonoscopies; and **5,916** patients had precancerous polyps removed.
- Treatment has begun for almost **5,700** adults newly diagnosed with diabetes.
- More than **14,500** patients have been newly diagnosed with hypertension.
- More than **51,000** people have received mental health services.
- More than **15,800** people have been treated for substance abuse.

## LOUISIANA MEDICAID PROGRAM

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	24,603,787	0	0.0
Self Generated Revenue	430,505,205	430,505,205	0	0.0
Statutory Dedications	821,238,138	821,238,138	0	0.0
State Total	3,211,629,683	3,211,629,683	0	0.0
Federal	8,739,568,913	8,739,568,913	0	0.0
Total Means of Finance	11,951,198,596	11,951,198,596	0	0.0

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	10,294,415,784	9,613,651,927	680,763,857	6.6
Public Providers	220,123,243	185,873,796	34,249,447	15.6
Buy-Ins & Supplements	522,424,563	507,295,718	15,128,845	2.9
Uncompensated Care	914,235,006	1,032,353,101	(118,118,095)	(12.9)
Total Program	\$11,951,198,596	\$11,339,174,542	\$612,024,054	5.1

## LOUISIANA MEDICAID PROGRAM

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

		Initials (1.2)	Current Forecast (2)	Difference
<b>A: Private Providers Sub-Programs</b>		A	B	C = A - B
Ambulatory Surgical Clinics	A_01	2,143,341	2,058,920	84,421
Applied Behavioral Analysis (3)	A_02	28,043,436	27,040,818	1,002,618
Case Management Services	A_03	7,126,518	7,248,025	(121,507)
Durable Medical Equipment	A_04	12,096,199	11,586,892	509,307
EPSDT (Screening and Early Diagnosis)	A_05	23,803,035	22,434,154	1,368,881
Early Steps	A_06	9,568,562	10,406,522	(837,960)
Family Planning	A_07	528,278	754,616	(226,338)
Federally Qualified Health Centers	A_08	2,026,010	1,915,530	110,480
Hemodialysis Services	A_09	19,707,005	19,531,390	175,615
Home Health Services	A_10	19,406,735	17,960,064	1,446,671
Hospice Services	A_11	65,646,448	62,118,610	3,527,838
Hospital - Inpatient Services	A_12	164,361,640	135,336,634	29,025,006
Hospital - Outpatient Services	A_13	51,236,483	46,926,101	4,310,382
ICF-DD Community Homes	A_14	254,652,900	246,076,560	8,576,340
Laboratory and X - Ray Services	A_15	6,862,804	6,641,261	221,543
Long Term Personal Care Services (LT - PCS)	A_16	158,917,012	156,862,662	2,054,350
Mental Health - Inpatient Services	A_17	7,989,209	7,216,303	772,906
Nursing Homes	A_18	1,032,575,671	1,033,979,729	(1,404,058)
Program for All Inclusive Care for the Elderly (PACE)	A_19	19,123,790	15,715,034	3,408,756
Pediatric Day Health Care (PDHC)	A_20	2,950,392	3,252,759	(302,367)
Pharmacy Payments	A_21	99,866,230	93,322,577	6,543,653
Physician Services	A_22	38,742,707	34,268,905	4,473,802
Rural Health Clinics	A_23	4,325,276	4,118,990	206,286
Transportation: Emergency-Ambulance	A_24	6,245,870	5,733,205	512,665
Transportation: Non-Emergency-Ambulance	A_25	1,340,611	1,127,554	213,057
Waiver: Adult Day Health	A_26	8,946,888	7,787,181	1,159,707
Waiver: Children's Choice	A_27	13,852,466	11,707,816	2,144,650
Waiver: Community Choices	A_28	111,052,502	107,369,407	3,683,095
Waiver: New Opportunities (NOW)	A_29	450,043,854	454,736,275	(4,692,421)
Waiver: Residential Options (ROW)	A_30	6,717,377	1,975,466	4,741,911
Waiver: Supports	A_31	15,079,129	12,862,082	2,217,047
Other Private Providers	A_32	3,519,024	1,015,834	2,503,190
Supplemental	A_33	141,164,346	141,164,346	0
<b>Sub-Total Traditional Private Providers</b>		<b>2,789,661,748</b>	<b>2,712,252,218</b>	<b>77,409,530</b>
<b>Managed Care Organizations</b>				
Managed Care - Regular	A_34	4,355,113,754	4,319,672,985	35,440,769
Managed Care - Expansion	A_35	3,449,992,211	2,914,637,301	535,354,910
Dental Benefit Program - Regular	A_36	156,940,481	153,201,586	3,738,895
Dental Benefit Program - Expansion	A_37	14,021,404	13,775,379	246,025
Behavioral Health Partnership	A_38	25,043,284	21,863,656	3,179,628
<b>Sub-Total MCOs</b>		<b>8,001,111,134</b>	<b>7,423,150,908</b>	<b>577,960,226</b>
Pharmacy Rebates - Regular	A_39	(369,798,447)	(346,739,490)	(23,058,957)
Pharmacy Rebates - Expansion	A_40	(126,558,651)	(175,011,709)	48,453,058
<b>Sub-Total Rebates: YTD (\$246,318,526)</b>		<b>(496,357,098)</b>	<b>(521,751,199)</b>	<b>25,394,101</b>
<b>Total Private Providers</b>		<b>10,294,415,784</b>	<b>9,613,651,927</b>	<b>680,763,857</b>

Budget Adjustments: A BA-7 will be proposed 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.

## LOUISIANA MEDICAID PROGRAM

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
<b>B: Public Providers Sub-Programs</b>				
LSU - Facilities	B_01	3,294,291	2,453,094	841,197
LSU - Physicians	B_02	14,889,037	8,993,412	5,895,625
LDH - State Developmental Facilities	B_03	114,728,008	108,442,000	6,286,008
LDH - Villa Feliciana Nursing Home	B_04	18,751,841	17,152,371	1,599,470
LDH - Office of Public Health	B_05	4,006,602	500,000	3,506,602
LDH - Office of Behavioral Health	B_06	3,419,479	2,935,387	484,092
LDH - Human Services Districts	B_07	1,466,660	756,474	710,186
State - Education	B_08	16,814,566	18,637,658	(1,823,092)
Local Education Agencies	B_09	42,752,759	26,003,400	16,749,359
<b>Total Public Providers</b>		<b>\$220,123,243</b>	<b>\$185,873,796</b>	<b>\$34,249,447</b>
<b>C: Buy-Ins &amp; Supplements Sub-Programs</b>				
Medicare Premiums & Supplements	C_01	368,887,737	367,752,128	1,135,609
Part-D Clawback (4)	C_02	153,536,826	139,543,590	13,993,236
<b>Total Buy-Ins</b>		<b>\$522,424,563</b>	<b>\$507,295,718</b>	<b>\$15,128,845</b>
<b>D: Uncompensated Care Sub-Programs</b>				
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	836,956,636	955,074,731	(118,118,095)
<b>Total Uncompensated Care</b>		<b>\$914,235,006</b>	<b>\$1,032,353,101</b>	<b>(\$118,118,095)</b>
<b>Grand Total Medical Vendor Program</b>				
		<b>\$11,951,198,596</b>	<b>\$11,339,174,542</b>	<b>\$612,024,054</b>

\* Budget Adjustments: A BA-7 will be proposed 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.

## LOUISIANA MEDICAID PROGRAM

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
<b>Total</b>	<b>\$521,270,366</b>	<b>\$626,477,941</b>	<b>\$1,147,748,307</b>

## 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 <sup>1</sup> (Actual - Original)
Female, 19-24	335.62	13.3%	753,869	\$253,013,614	\$329.60	13.4%	724,509	238,799,523	(\$14,214,091)
Male, 19-24	291.35	7.7%	437,704	\$127,523,648	\$284.17	7.9%	434,284	123,411,517	(\$4,112,131)
Female, 25-39	446.34	25.7%	1,460,105	\$651,699,641	\$440.61	25.9%	1,384,709	610,117,089	(\$41,582,553)
Male, 25-39	404.95	13.4%	761,619	\$308,419,816	\$393.79	13.8%	761,221	299,764,082	(\$8,655,734)
Female, 40-49	633.10	10.4%	591,916	\$374,741,979	\$621.82	10.4%	563,368	350,311,569	(\$24,430,410)
Male, 40-49	619.59	6.4%	365,142	\$226,238,939	\$604.27	6.6%	361,974	218,728,797	(\$7,510,142)
Female, 50-64	732.96	13.6%	772,253	\$566,033,713	\$716.24	13.1%	718,829	514,856,200	(\$51,177,512)
Male, 50-64	821.27	9.3%	529,881	\$435,177,091	\$800.40	9.2%	508,345	406,881,089	(\$28,296,002)
High Need	1,475.83	0.2%	10,046	\$14,825,979	\$1,324.93	0.0%	3,423	4,534,853	(\$10,291,126)
Kickpayments				\$298,345,769				\$147,232,583	(\$151,113,186)
Budget Adjustments <sup>2</sup>				\$193,972,023				\$0	(\$193,972,023)
<b>Total</b>			<b>5,682,535</b>	<b>\$3,449,992,211</b>			<b>5,460,662</b>	<b>\$2,914,637,301</b>	<b>(\$535,354,910)</b>

<sup>1</sup>Difference 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.

<sup>2</sup>Budget 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	Projection	466,061
February-18	Projection	473,909
March-18	Projection	483,214
April-18	Projection	492,475
May-18	Projection	503,194
June-18	Projection	512,455



**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.