



Budget Overview for the Department for Medicaid Services

Prepared for the Budget Review Subcommittee on Human Resources

**Lisa Lee, Commissioner, DMS
Steve Bechtel, DMS Chief Financial Officer**

September 16, 2020

Kentucky Medicaid at a Glance

- Approximately 1,385,259 eligibles (SFY 2020 monthly average)
 - 90,122 children covered under KCHIP
 - 458,669 covered under Medicaid Expansion (ACA)
 - 836,468 covered under Traditional (Non-ACA)
- Over 58,000 enrolled providers
- \$12.04 billion in total SFY 2020 expenditures (administrative and benefits combined)

SFY 2020 Closeout Benefits Budget

MEDICAID EXPENDITURES BENEFITS (INCLUDES KCHIP)

Historical Expenditures and Enacted Budget

	SFY17 ACTUAL	SFY18 ACTUAL	SFY19 ACTUAL	SFY20 ACTUAL	SFY21 ENACTED
General Fund	\$1,707,980,000	\$1,880,812,400	\$1,825,369,800	\$1,983,649,500	\$2,002,581,200
Restricted Agency Funds	\$491,271,700	\$500,620,700	\$506,680,600	\$478,112,300	\$820,676,300
Federal Funds	\$7,928,095,500	\$8,149,996,200	\$8,068,252,600	\$9,381,017,300	\$9,368,265,900
TOTAL	\$10,127,347,200	\$10,531,429,300	\$10,400,303,000	\$11,842,779,100	\$12,191,523,400

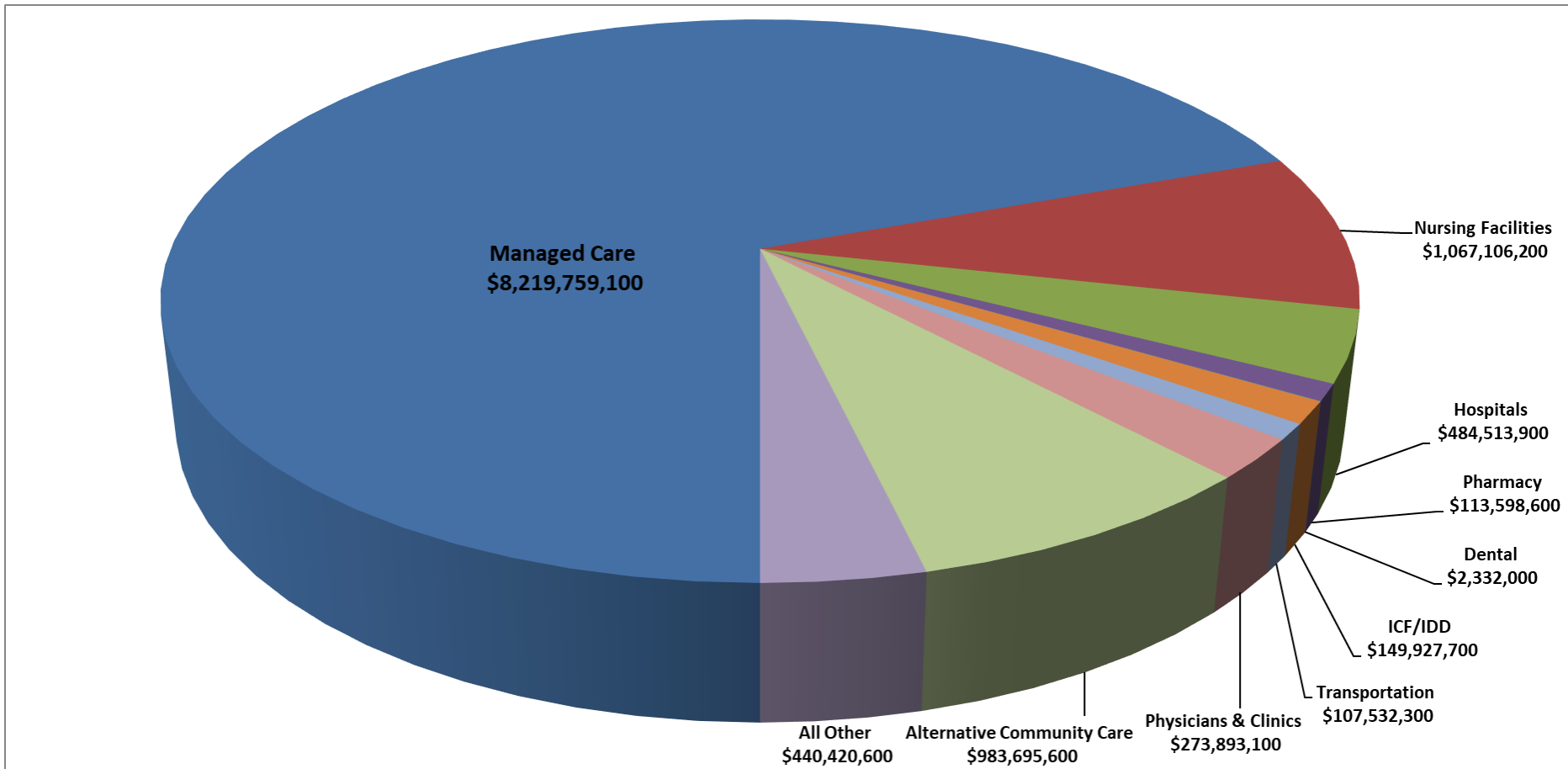
MEDICAID EXPENDITURES

BENEFITS

SFY 2020 Budgeted vs. Actual

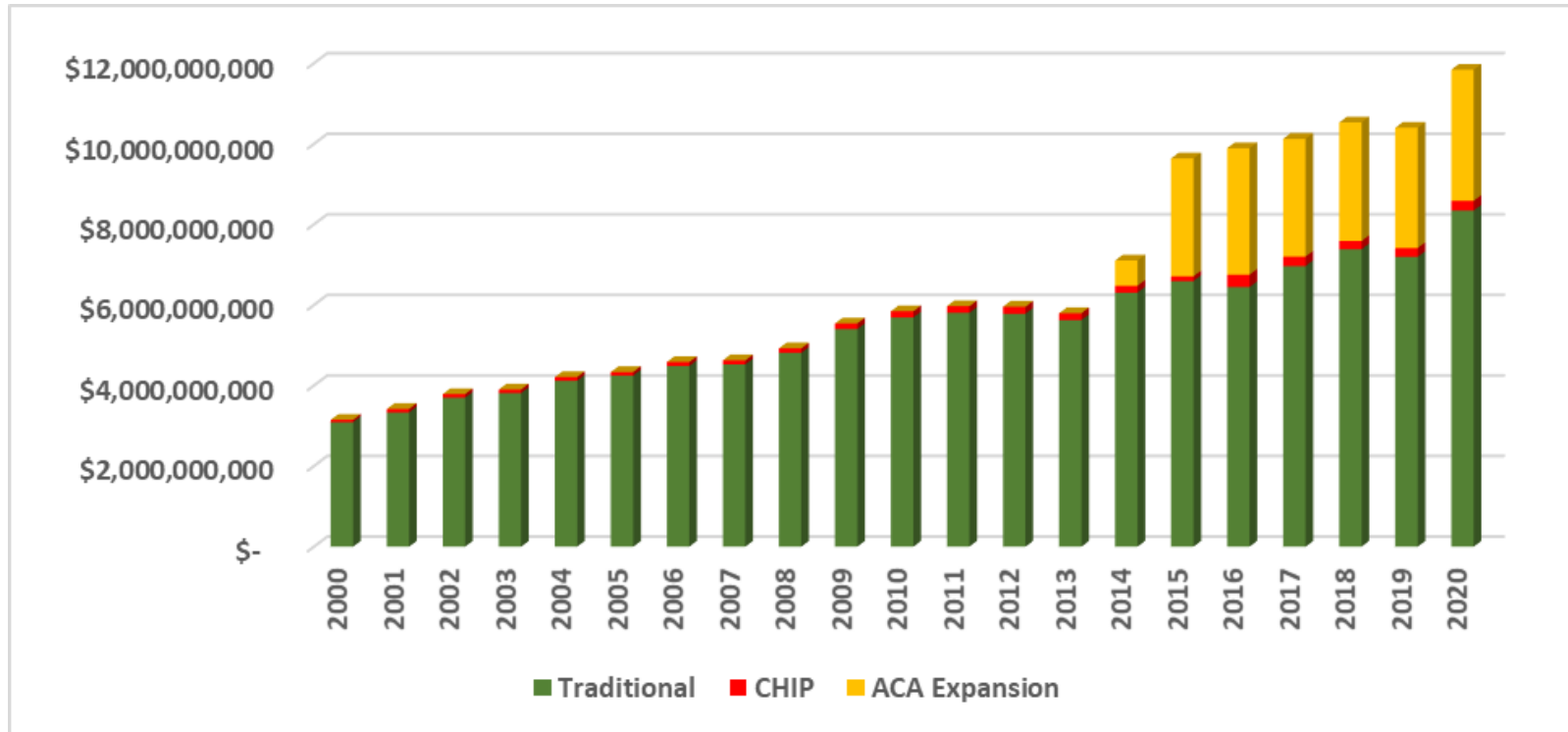
Benefits Budget	SFY20 Budgeted Appropriations	SFY20 Actual Expenditures	SFY20 \$ Variance
General Funds	\$1,983,649,500	\$1,983,649,500	\$0
Restricted Agency Funds	\$741,341,800	\$478,112,300	\$263,229,500
Federal Funds	\$9,408,956,300	\$9,381,017,300	\$27,939,000
TOTAL	<u><u>\$12,133,947,600</u></u>	<u><u>\$11,842,779,100</u></u>	<u><u>\$291,168,500</u></u>

MEDICAID BENEFIT EXPENDITURES SFY 2020



Total FFS: \$ 3,623,020,000 30.59%
 Total MCO: \$ 8,219,759,100 69.41%
 Grand Total: \$11,842,779,100

20-Year Historical Expenditures



- Yearly benefit expenditures increased in SFY 2020 by \$1,442,476,100 (13.87%)

Per Member Per Month (PMPM)

Monthly Average ELIGIBLES	SFY 2019	SFY 2020
MEDICAID	844,677	836,468
EXPANSION	452,183	458,669
CHIP	88,928	90,122
TOTAL AVG	1,385,787	1,385,259

PMPM	SFY 2019	SFY 2020	% Change
MEDICAID	\$709.97	\$831.45	17.11%
EXPANSION	\$550.12	\$591.47	7.52%
CHIP	\$205.17	\$223.36	8.87%
Aggregate PMPM	\$625.41	\$712.43	13.91%

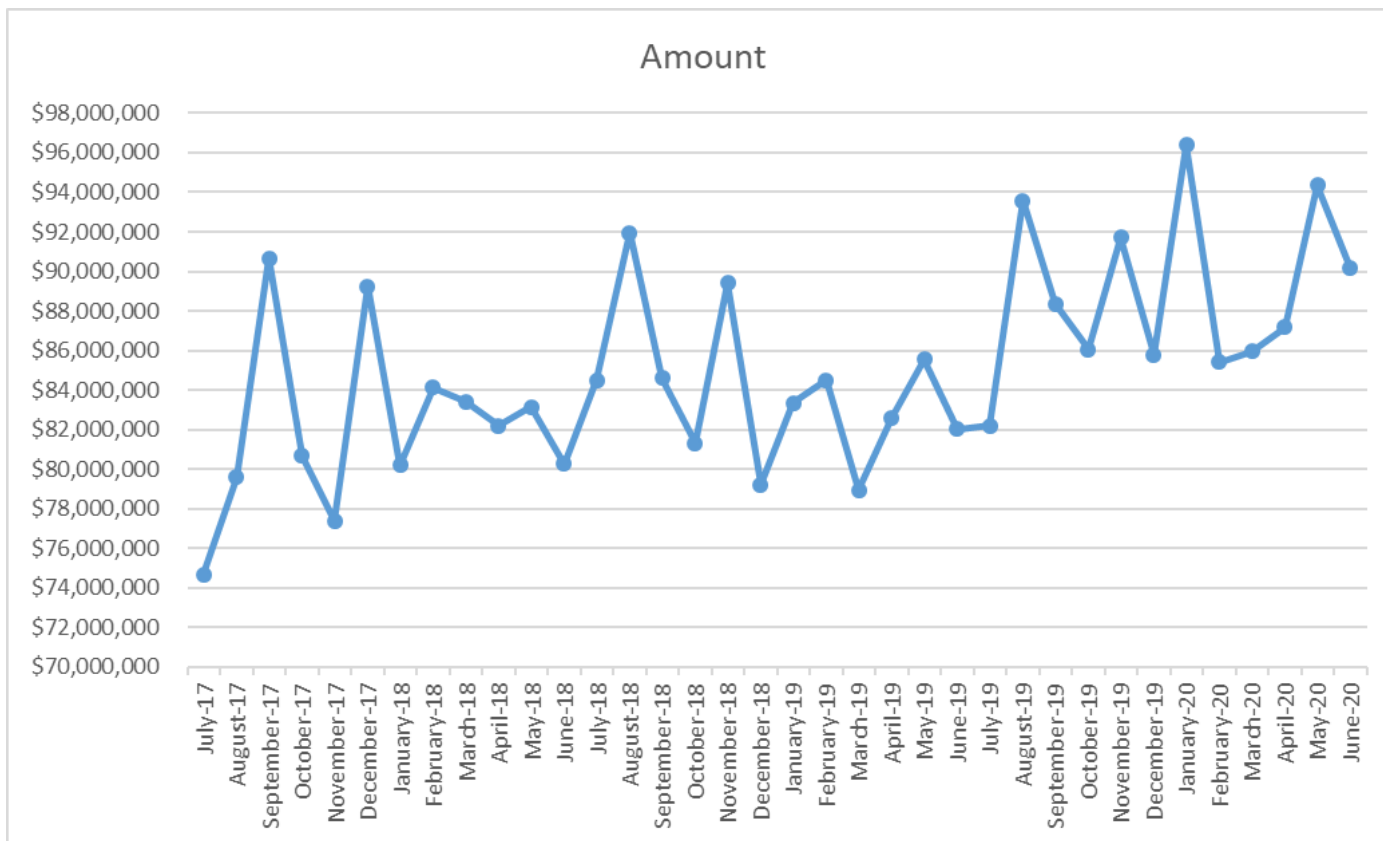
Expenditure Analysis

	SFY 2019	SFY 2020	\$ Variance	% of Variance
Managed Care (NEMT & MCO)	\$ 7,553,770,600	\$ 8,323,538,200	\$ 769,767,500	53.36%
DRG Lawsuit	\$ -	\$ 308,921,100	\$ 308,921,100	21.42%
Drug Rebate	\$ (805,658,500)	\$ (659,184,700)	\$ 146,473,800	10.15%
FFS	\$ 3,652,190,900	\$ 3,869,504,600	\$ 217,313,700	15.07%
	\$ 10,400,303,000	\$ 11,842,779,200	\$ 1,442,476,100	13.87%

Top 10 Increases in FFS

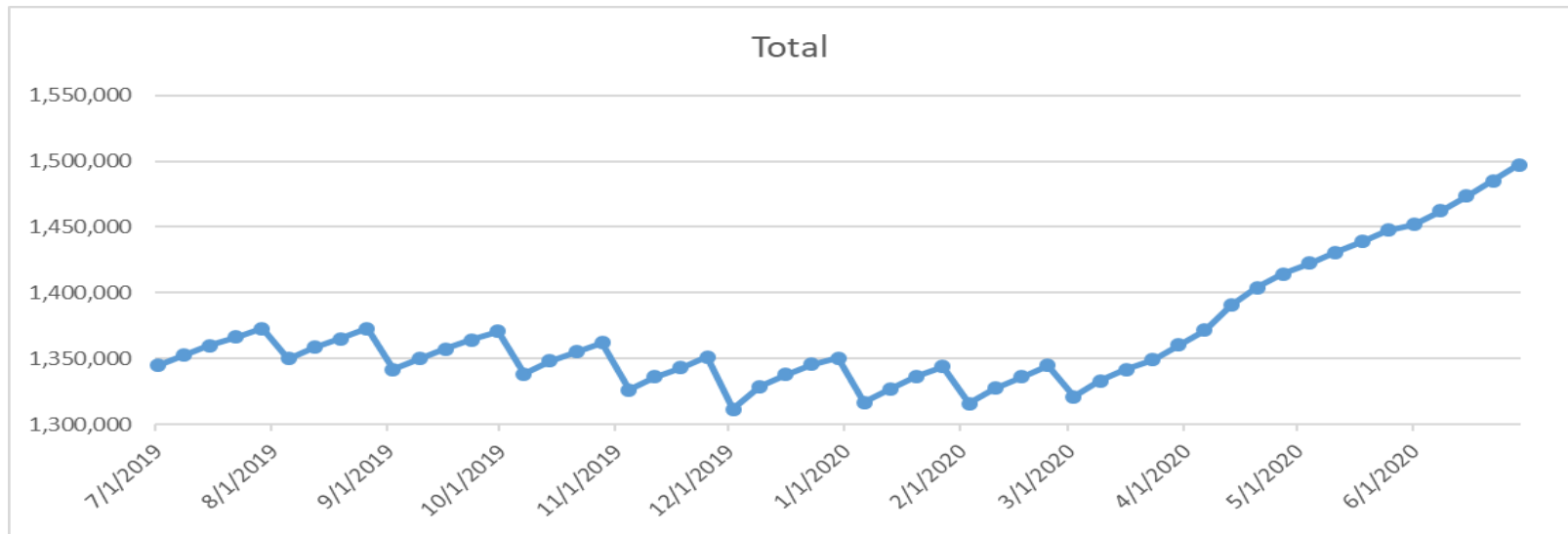
TOP 10 FFS Increases in SFY 2020	SFY 2019	SFY 2020	Variance
CASE MIX- NURSING FACILITY	\$ 1,007,966,100	\$ 1,067,106,200	\$ 59,140,100
HOME & COMM BASED ADULT DAY CARE	\$ 128,227,700	\$ 158,563,500	\$ 30,335,800
INPATIENT HOSPITAL ACUTE CARE	\$ 134,757,200	\$ 161,107,500	\$ 26,350,300
PHARMACY	\$ 95,433,500	\$ 113,598,600	\$ 18,165,100
TITLE V DSS SERVICES	\$ 191,476,000	\$ 206,520,700	\$ 15,044,700
MICHELE P. WAIVER	\$ 335,146,700	\$ 348,849,500	\$ 13,702,800
RURAL HEALTH CLINIC	\$ 118,846,500	\$ 131,009,400	\$ 12,162,900
SUPPLEMENTAL MEDICAL INSURANCE (SMI)	\$ 242,764,000	\$ 254,498,800	\$ 11,734,800
INSTITUTIONAL- ICF/IDD	\$ 142,511,900	\$ 149,927,700	\$ 7,415,800
HOSPICE	\$ 29,134,600	\$ 34,964,100	\$ 5,829,500
			\$ 199,881,800

Nursing Facility Pay History



	Total	%	Monthly Average
SFY 2018	\$ 985,570,800		\$ 82,130,900
SFY 2019	\$ 1,007,966,100	2.27%	\$ 83,997,200
SFY 2020	\$ 1,067,106,200	5.87%	\$ 88,925,500

ELIGIBILITY EXPERIENCE



- The above graph illustrates Medicaid enrollment in SFY 2020:
 - Enrollment experienced an overall increase of 11.31% over the fiscal year.
 - Enrollment was on a downward trend until the COVID-19 pandemic hit in March 2020.
 - From March 1 thru June 30, Medicaid experienced an increase in eligibility of 176,067 (13.33%) recipients. Presumptive Eligibility accounts for 85,233 (48.41%) of the overall eligibility increase.

SFY 2020 Closeout Administration Budget

MEDICAID EXPENDITURES ADMINISTRATION

Historical Expenditures and Enacted Budget

	SFY17 ACTUAL	SFY18 ACTUAL	SFY19 ACTUAL	SFY20 ACTUAL	SFY21 ENACTED
General Fund	\$40,943,600	\$40,407,600	\$56,622,700	\$58,701,800	\$59,304,800
Restricted Agency Funds	\$14,627,400	\$20,273,900	\$15,112,400	\$4,263,000	\$10,547,500
Federal Funds	\$101,843,200	\$155,792,300	\$169,265,600	\$137,671,700	\$165,853,300
TOTAL	\$157,414,200	\$216,473,800	\$241,000,700	\$200,636,500	\$235,705,600

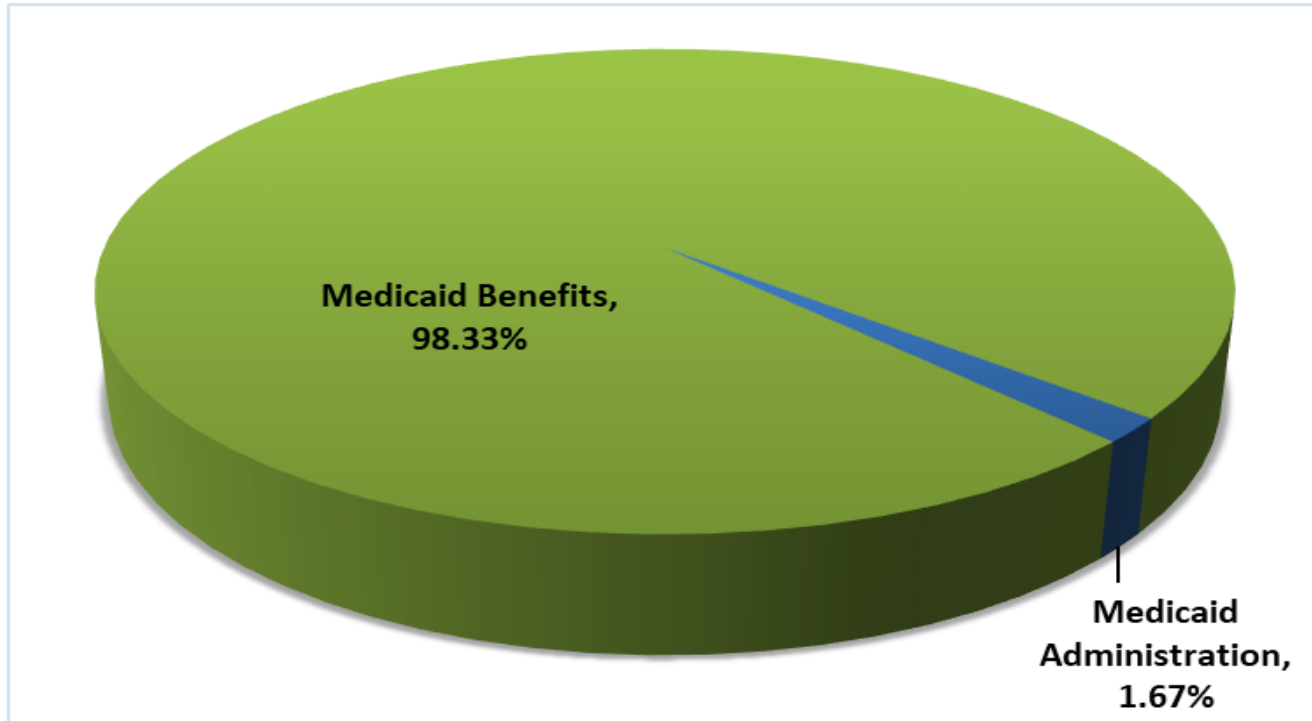
MEDICAID EXPENDITURES

ADMINISTRATION

SFY 2020 Budgeted vs. Actual

Administration Budget	SFY 2020 Budgeted Appropriations	SFY 2020 Actual Expenditures	SFY 2020 \$ Variance
General Funds	\$59,367,300	\$58,701,800	\$665,500
Restricted Agency Funds	\$10,266,400	\$4,263,000	\$6,003,400
Federal Funds	\$164,474,200	\$137,671,700	\$26,802,500
TOTAL	<u>\$234,107,900</u>	<u>\$200,636,500</u>	<u>\$33,471,400</u>

MEDICAID EXPENDITURES



For every dollar received, DMS spent approximately 1.67% for administrative costs (salaries, supplies, etc.) in SFY 2020.

QUESTIONS and/or Comments?