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# KENTUCKY CABINET FOR HEALTH AND FAMILY SERVICES

**Budget Overview for the Department for Medicaid Services**  
Prepared for the Medicaid Oversight and Advisory Committee

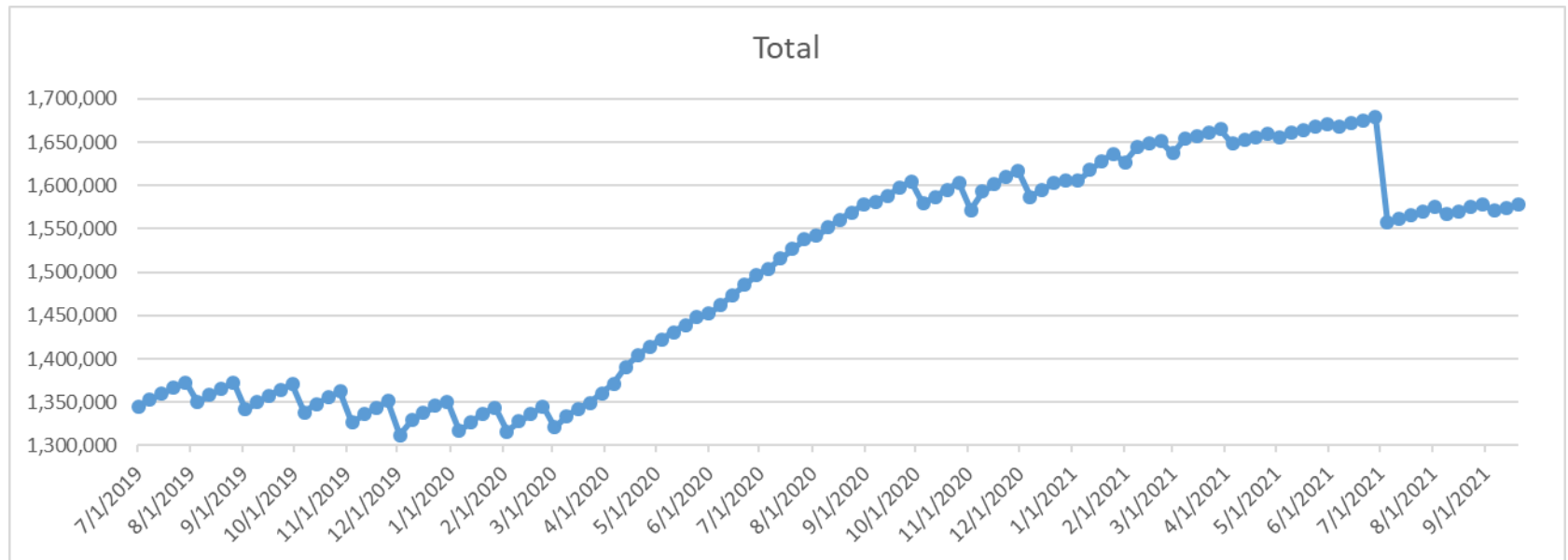
**Lisa Lee, Commissioner, DMS**  
**Steve Bechtel, Chief Financial Officer, DMS**

**September 30, 2021**

# Kentucky Medicaid at a Glance

- Approximately 1,631,834 eligible Kentuckians (SFY 2021 monthly average)
  - 101,092 children covered under KCHIP
  - 627,254 covered under Medicaid expansion (ACA)
  - 903,488 covered under traditional (Non-ACA)
- Over 59,300 enrolled providers
- \$14.7 billion in total SFY 2021 expenditures (administrative and benefits combined)

# ELIGIBILITY EXPERIENCE



- The above graph illustrates our enrollment since July 2019:
  - Monthly average enrollment experienced a 17.8% increase in SFY 2021 compared to SFY 2020.
  - Since the end of SFY 2021, enrollment has experienced a 6.0% decrease from June 30, 2021 to August 30, 2021. This is mainly due to a 120,000 drop in presumptive eligibility on July 1, 2021.

# **SFY 2021 Closeout Benefits Budget**

# MEDICAID EXPENDITURES BENEFITS (INCLUDES KCHIP)

## Historical Expenditures and Budgeted

	SFY 2018 ACTUAL	SFY 2019 ACTUAL	SFY 2020 ACTUAL	SFY 2021 ACTUAL	SFY 2022 BUDGETED
General Fund	\$1,880,812,400	\$1,825,369,800	\$1,983,649,500	\$2,018,893,700	\$1,934,395,200
Restricted Agency Funds	\$500,620,700	\$506,680,600	\$478,112,300	\$662,841,900	\$1,510,913,700
Federal Funds	\$8,149,996,200	\$8,068,252,600	\$9,381,017,300	\$11,703,230,300	\$11,483,841,700
<b>TOTAL</b>	\$10,531,429,300	\$10,400,303,000	\$11,842,779,100	\$14,384,965,900	\$14,929,150,600

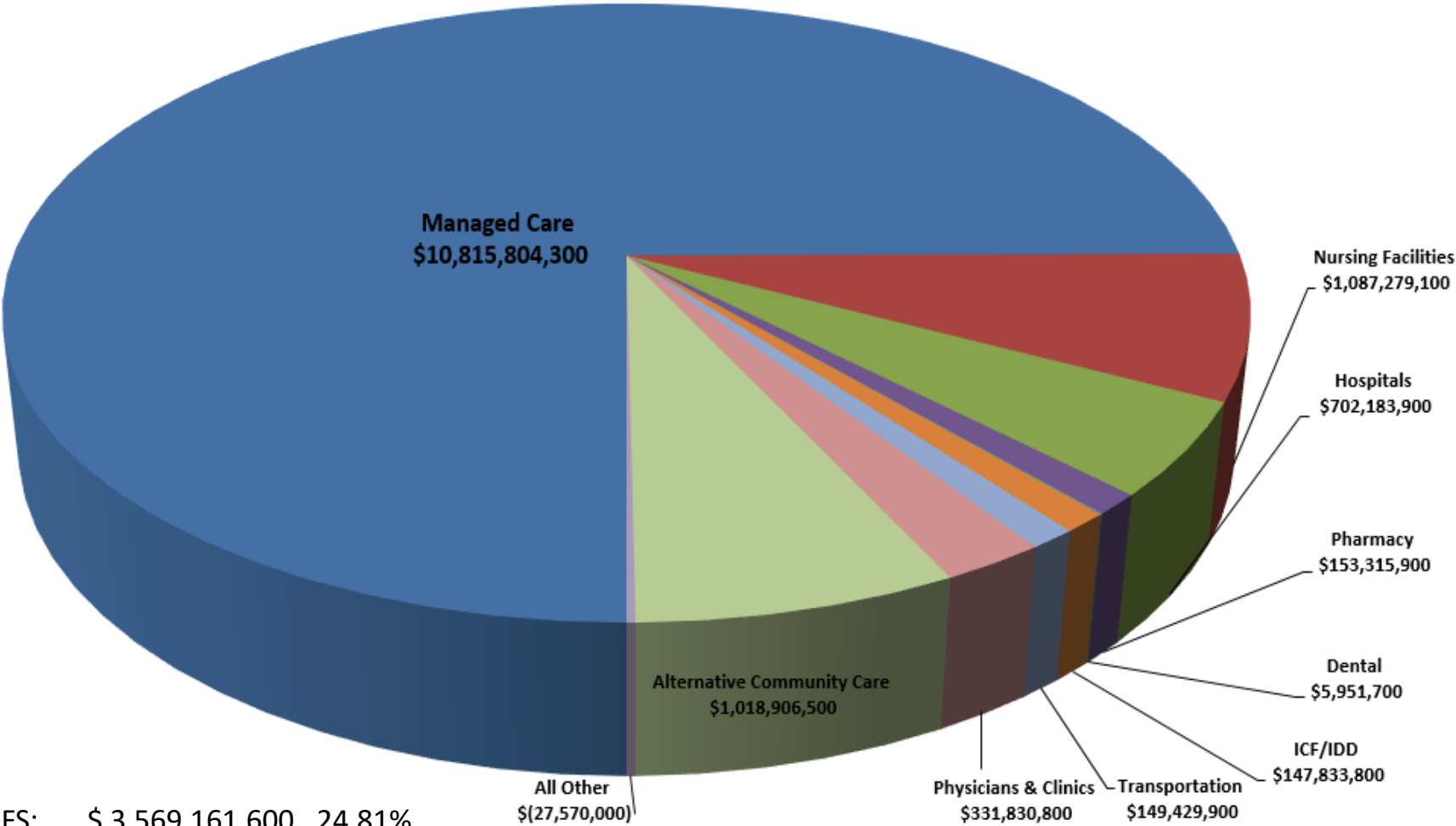
# MEDICAID EXPENDITURES

## BENEFITS

SFY 2021 Budgeted vs. Actual

Benefits Budget	SFY 2021 Budgeted Appropriations	SFY 2021 Actual Expenditures	SFY 2021 \$ Variance
General Funds	\$2,018,893,700	\$2,018,893,700	\$0
Restricted Agency Funds	\$713,921,500	\$662,841,900	\$51,079,600
Federal Funds	\$11,745,488,200	\$11,703,230,300	\$42,257,900
<b>TOTAL</b>	<b><u>\$14,478,303,400</u></b>	<b><u>\$14,384,965,900</u></b>	<b><u>\$93,337,500</u></b>

# MEDICAID EXPENDITURES – BENEFITS SFY 2021



Total FFS: \$ 3,569,161,600 24.81%  
 Total MCO: \$10,815,804,300 75.19%  
 Grand Total: \$14,384,965,900

# MEDICAID EXPENDITURES

	SFY 2020	SFY 2021	\$ Variance	% of Variance
Managed Care (MCO)	\$ 8,219,759,100.00	\$ 10,815,804,300.00	\$ 2,596,045,200.00	31.58%
Managed Care (NEMT)	\$ 103,779,100.00	\$ 142,994,248.33	\$ 39,215,148.33	37.79%
Drug Rebate	\$ (659,184,700.00)	\$ (827,591,000.00)	\$ (168,406,300.00)	25.55%
FFS	\$ 4,178,425,600.00	\$ 4,253,758,351.67	\$ 75,332,751.67	1.80%
	\$ 11,842,779,100.00	\$ 14,384,965,900.00	\$ 2,542,186,800.00	21.47%

- SFY 2021 total expenditures increased by \$2.5B (21.5%) over SFY 2020
- The 31.58% increase in managed care payments were mainly due to the following:
  - \$1,338M (51.54%) estimated increase due to increased enrollment and program changes
  - \$ 683M (26.31%) increase due to implementation of HB183 from the 2021 legislative session for the Hospital Reimbursement Improvement Plan (HRIP)
  - \$ 332M (12.79%) increase in university directed payments
  - \$ 26M ( 1.00%) increase due to implementation of HB8 from the 2020 legislative session for an ambulance per trip add-on payment



# Per Member Per Month (PMPM)

<b>Monthly Average ELIGIBLES</b>	<b>SFY 2020</b>	<b>SFY 2021</b>	<b>% Change</b>
Traditional Medicaid	836,468	903,488	8.01%
ACA Expansion	458,669	627,254	36.76%
CHIP	90,122	101,092	12.17%
	<b>1,385,259</b>	<b>1,631,834</b>	<b>17.80%</b>

<b>PMPM</b>	<b>SFY 2020</b>	<b>SFY 2021</b>	<b>% Change</b>
Traditional Medicaid	\$831.45	\$894.52	7.59%
ACA Expansion	\$591.47	\$584.01	-1.26%
CHIP	\$223.36	\$239.76	7.35%
	<b>\$712.43</b>	<b>\$734.60</b>	<b>3.11%</b>

# **SFY 2021 Closeout Administration Budget**

# MEDICAID EXPENDITURES ADMINISTRATION

## Historical Expenditures and Enacted Budget

	SFY 2018 ACTUAL	SFY 2019 ACTUAL	SFY 2020 ACTUAL	SFY 2021 ACTUAL	SFY 2022 BUDGETED
<b>General Fund</b>	\$40,407,600	\$56,622,700	\$58,701,800	\$59,304,800	\$59,310,400
<b>Restricted Agency Funds</b>	\$20,273,900	\$15,112,400	\$4,263,000	\$10,643,664	\$12,568,700
<b>Federal Funds</b>	\$155,792,300	\$169,265,600	\$137,671,700	\$152,392,789	\$165,864,500
<b>TOTAL</b>	\$216,473,800	\$241,000,700	\$200,636,500	\$222,341,253	\$237,743,600

# MEDICAID EXPENDITURES

## ADMINISTRATION

SFY 2021 Budgeted vs. Actual

Administration Budget	SFY 2021 Budgeted Appropriations	SFY 2021 Actual Expenditures	SFY 2021 \$ Variance
General Funds	\$59,304,800	\$59,304,800	\$0
Restricted Agency Funds	\$12,547,500	\$10,643,700	\$1,903,800
Federal Funds	\$165,853,300	\$152,392,800	\$13,460,500
<b>TOTAL</b>	<b><u>\$237,705,600</u></b>	<b><u>\$222,341,300</u></b>	<b><u>\$15,364,300</u></b>

# Looking Ahead

- Current Pre-Prints
  - Pharmacy
  - Hospital
  - Durable medical equipment (DME)
- Any new federal or state mandates impacting services
- 1915 C waiver redesign
- SMI waiver
- Assisted living facilities
- SUD for incarcerated
- Information technology – electronic visit verification
- Improved Health Outcomes
  - Maternal and Child Health (KY ranks 37<sup>th</sup> in low birthweight)

# **QUESTIONS and/or Comments?**