



# Overview of the FY 2020 – 2022 Budget Department for Medicaid Services

Prepared for the Budget Review Subcommittee on Human Resources

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# Kentucky Medicaid at a Glance

- Approximately 1,350,566 eligible Kentuckians (December 2019)
  - 91,946 children covered under KCHIP
  - 439,792 covered under Medicaid Expansion (ACA)
  - 818,828 covered under Traditional (Non-ACA)
  - 90.64% of total eligible Kentuckians are enrolled in Managed Care (approximately 1,256,038)
- Over 56,000 enrolled providers

# Medicaid Priorities for FY 2020-2022

## ➤ KCHIP Enrollment:

- The Cabinet will make every effort to identify and enroll all eligible children in the children's health program

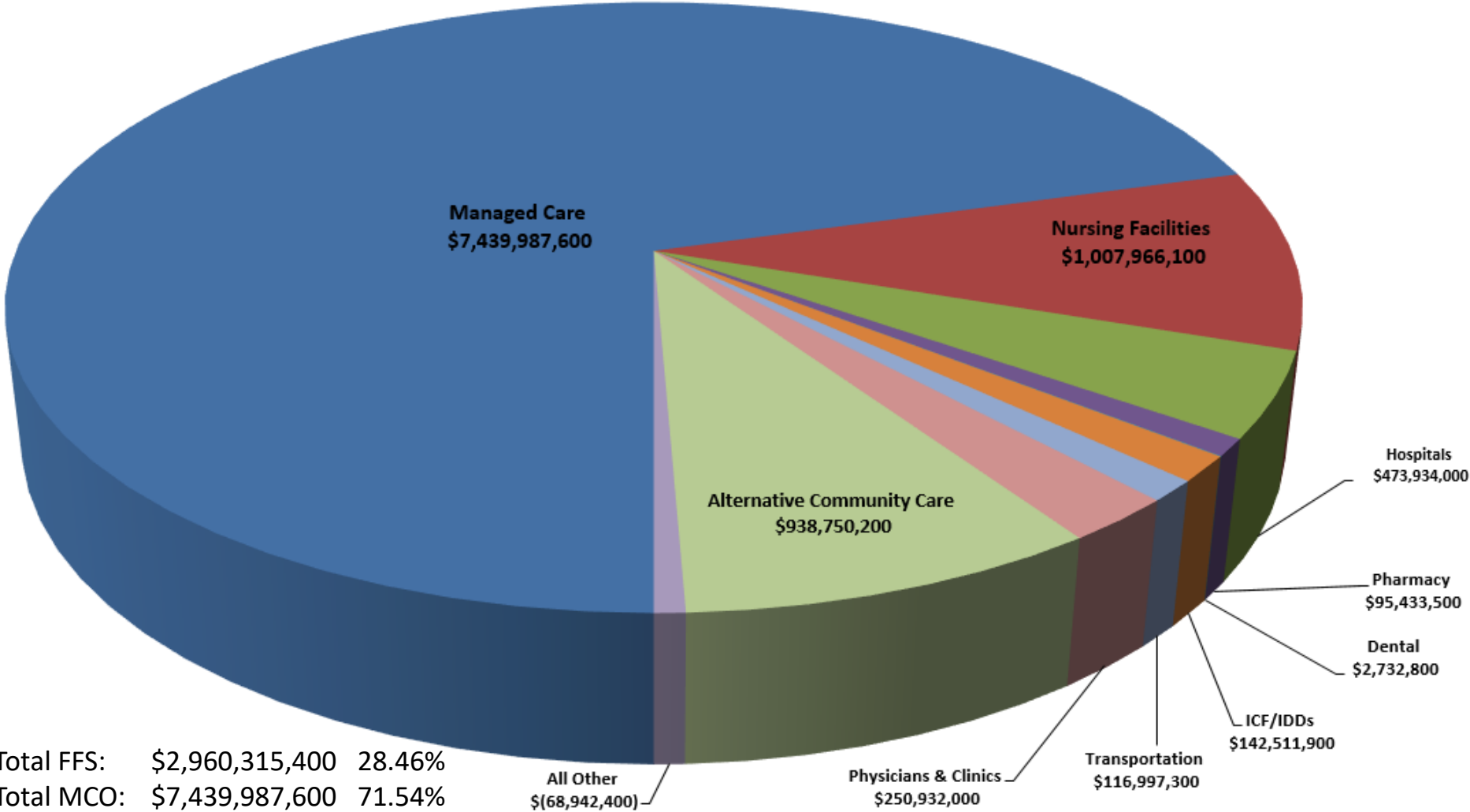
## ➤ Expand Access:

- Collaboration with Medicaid and Education to expand access to medical services to Medicaid eligible children in schools, and signing up all Medicaid eligible adults.

## ➤ Home and Community Based Waivers:

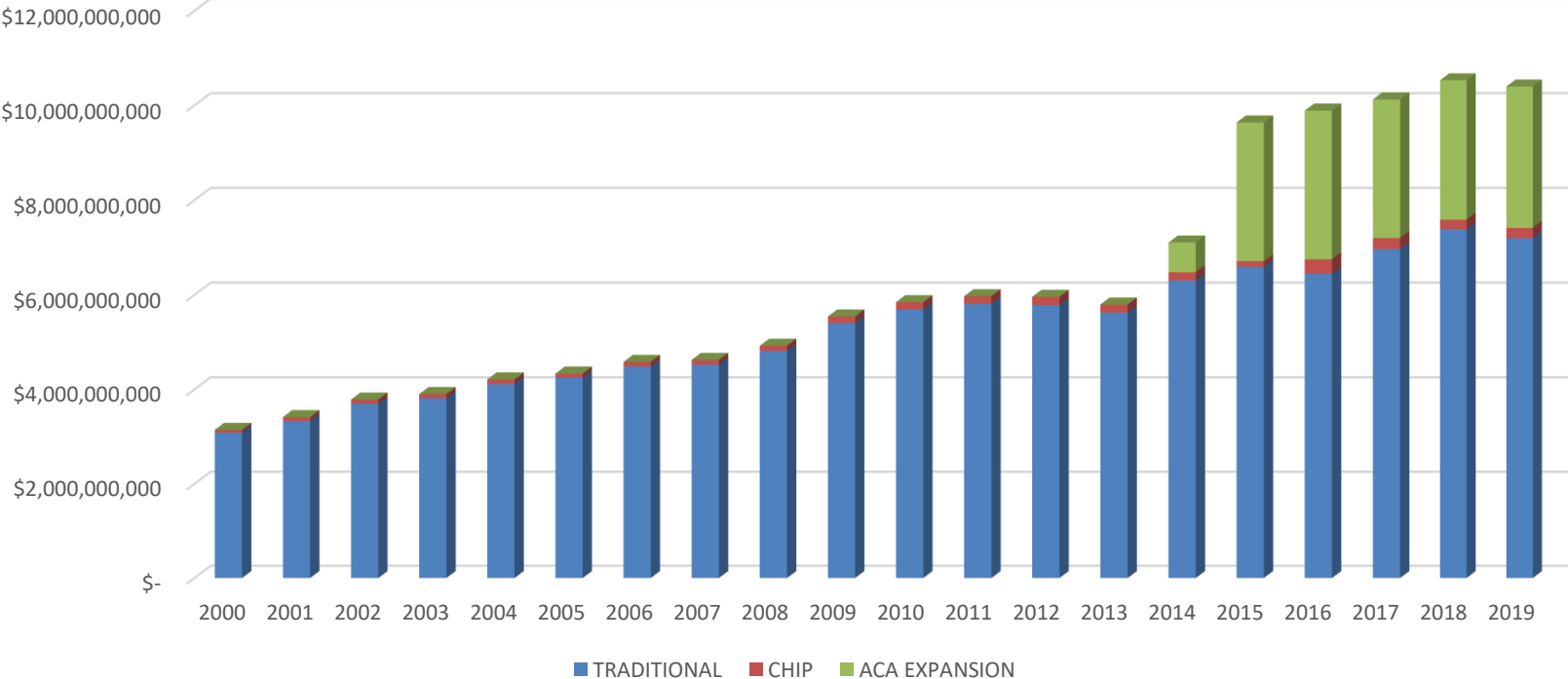
- Waiting Lists for Michelle P and Supports for Community Living Waivers
- Allocated 50 additional slots for SCL for FY 2021 and FY 2022
- Allocated 250 additional slots for Michelle P for FY 2021 and FY 2022

# Medicaid Expenditures – Benefits SFY 2019



Total FFS: \$2,960,315,400 28.46%  
 Total MCO: \$7,439,987,600 71.54%  
 Grand Total: \$10,400,303,000

# 20-year Historical Expenditures



Yearly benefit expenditures decreased in SFY2019 for only the third time in the past 20 years. The other two times were in SFY2012 and SFY2013

# What makes up the budget for the Department for Medicaid Services (DMS)?

The overall budget is made up of two completely separate budgets:

➤ **Benefits Budget (Department 748):**

- FFS Mandatory Services
- FFS Optional Services
- Managed Care (MCO and NEMT)
- “Below the Line” items
- Any Funding for Additional Budget Requests (ABRs)

➤ **Administration Budget (Department 746):**

- Contracts
- State Share Transfers
- Advance Planning Documents (APDs)
- Personnel, Travel, and Operating Costs
- Any Funding for Additional Budget Requests (ABRs)

# Medicaid Expenditures

## Benefits (Includes KCHIP)

### Historical Expenditures - Enacted Budget - Governor's Recommended Budget

	SFY2017 ACTUAL	SFY2018 ACTUAL	SFY2019 ACTUAL	SFY2020 ENACTED	SFY2021 Rec. Budget	SFY2022 Rec. Budget
<b>General Fund</b>	\$1,707,980,000	\$1,881,812,400	\$1,825,369,800	\$1,983,649,500	\$2,027,094,600	\$2,190,657,700
<b>Restricted Agency Funds</b>	491,271,700	500,620,600	506,680,600	741,341,800	800,676,300	763,341,800
<b>Federal Funds</b>	7,928,095,500	8,149,996,200	8,068,252,600	9,298,956,300	9,382,275,000	9,519,390,900
<b>TOTAL</b>	\$10,127,347,200	\$10,532,429,200	\$10,400,303,000	\$12,023,947,600	\$12,210,045,900	\$12,473,390,400

# Medicaid Expenditures

## Benefits (Total Funds)

	<b>SFY2021</b>	<b>SFY2022</b>
	<b>Rec. Budget</b>	<b>Rec. Budget</b>
Baseline (SFY2020)	\$12,023,947,600	\$12,023,947,600
SCL SLOTS (50 slots/year)	\$4,032,800	\$8,058,300
Michelle P SLOTS (250 slots/year)	\$8,515,100	\$16,985,300
GROWTH ABR	\$167,572,200	\$419,286,700
Additional Funding for KCHIP Enroll	\$5,978,200	\$5,112,500
Governor's Rec. Budget	<u>\$12,210,045,900</u>	<u>\$12,473,390,400</u>



# Benefits Budget

We receive various levels of federal funding based on the Federal Medical Assistance Percentages (aka FMAP or FFP). The following are the blended rates assumed in our budget projection:

	Blended Federal Match			Blended State Match		
	SFY2020	SFY2021	SFY2022	SFY2020	SFY2021	SFY2022
Traditional Medicaid	71.53%	71.99%	72.05%	28.47%	28.01%	27.95%
CHIP	93.83%	83.27%	80.44%	6.17%	16.73%	19.56%
ACA Expansion	91.50%	90.00%	90.00%	8.50%	10.00%	10.00%

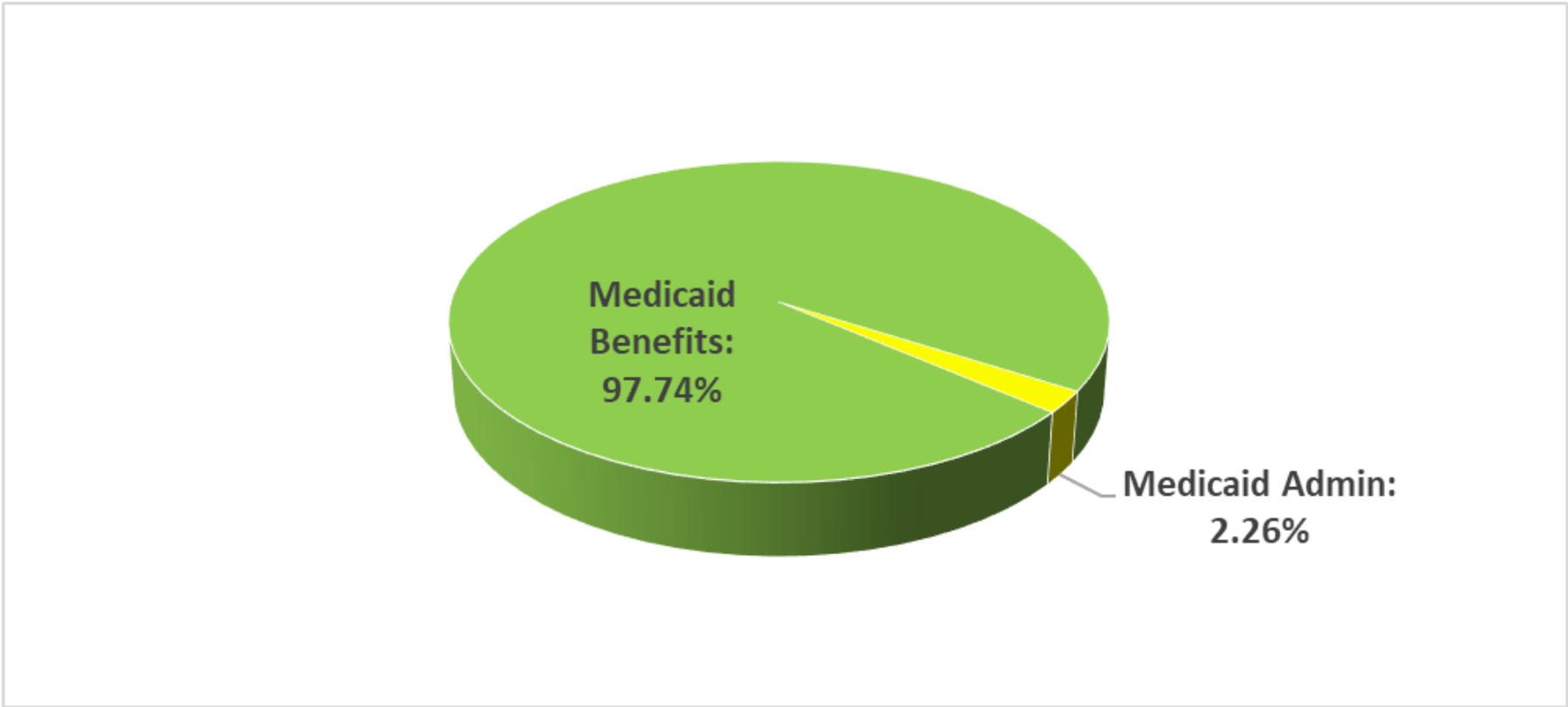
# Medicaid Expenditures

## Administration

### Historical Expenditures - Enacted Budget - Governor's Recommended Budget

	SFY2017 ACTUAL	SFY2018 ACTUAL	SFY2019 ACTUAL	SFY2020 ENACTED	SFY2021 Rec. Budget	SFY2022 Rec. Budget
General Fund	\$40,943,600	\$40,407,600	\$56,622,700	\$59,367,300	\$59,406,600	\$59,448,300
Restricted Agency Funds	14,627,400	20,273,800	15,112,400	10,266,400	10,609,700	10,597,800
Federal Funds	101,843,200	155,792,300	169,265,600	164,474,200	165,890,300	166,143,500
<b>TOTAL</b>	<b>\$157,414,200</b>	<b>\$216,473,700</b>	<b>\$241,000,700</b>	<b>\$234,107,900</b>	<b>\$235,906,600</b>	<b>\$236,189,600</b>

# Medicaid Expenditures - Administration



In SFY2019, DMS spent approximately 2.26% for administrative costs and 97.74% on benefits.

# Questions