



CABINET FOR HEALTH
AND FAMILY SERVICES

Budget Overview for the Department for Medicaid Services

Prepared for the Budget Review Subcommittee on Health and Family Services

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Kentucky Medicaid at a Glance

Approximately 1.4 million members

Over 600,000 children – more than half of the children in Kentucky

485,000 expansion members

Over 69,000 enrolled providers

\$18.5 billion in total SFY 2024 expenditures
(Administrative and Benefits combined)

Medicaid Benefits Budget

Benefits w/KCHIP (Dept 748)

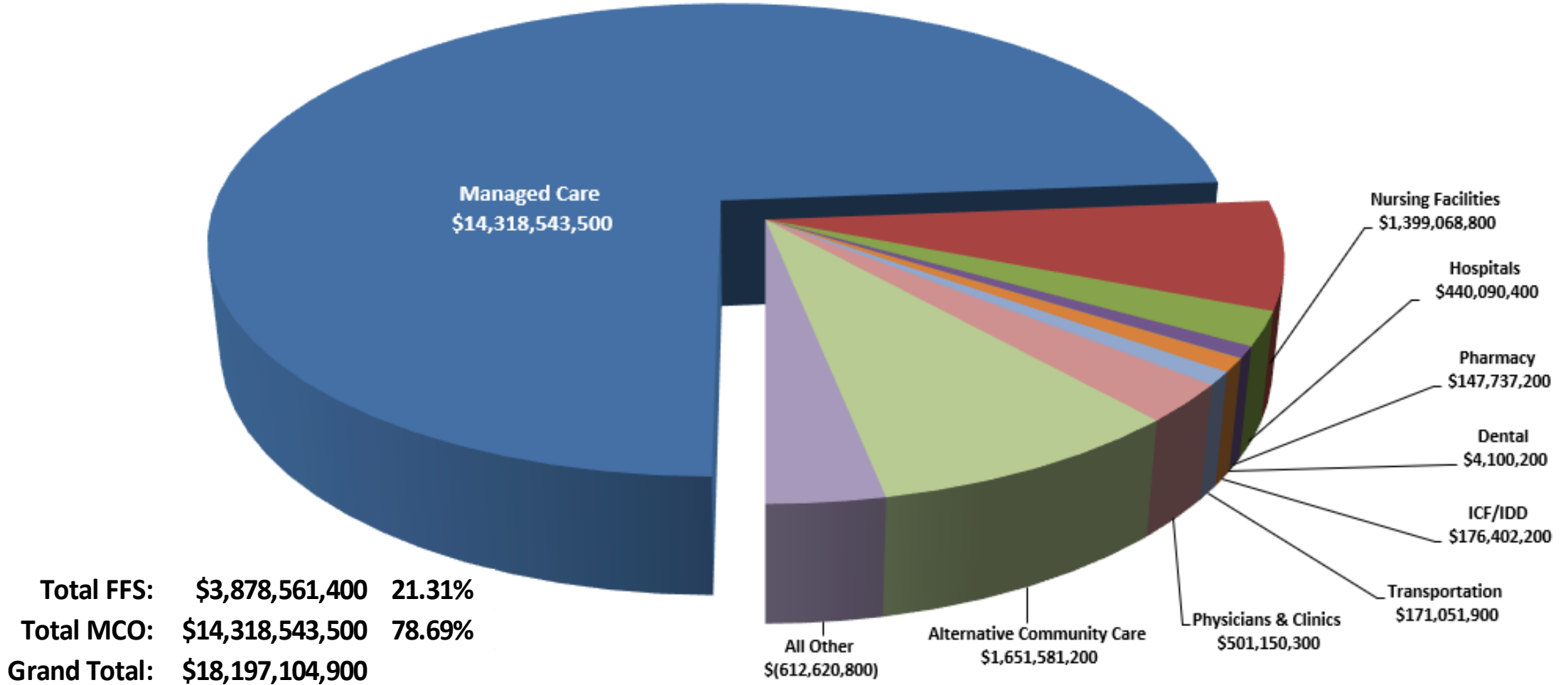
	SFY 2024 ACTUAL	SFY 2025 Budgeted
General Fund	\$2,402,688,700	\$2,563,029,800
Restricted Agency Funds	\$1,537,488,100	\$1,855,294,500
Federal Funds	\$14,256,928,100	\$14,747,533,400
TOTAL	\$18,197,104,900	\$19,165,857,700

Forecasting models were very successful for SFY 2024:

- Eligibility forecasts, including redeterminations, were within 0.45% of actuals.
- Actual expenditures were 0.41% lower than the projected expenditures.
- Agency funds on target for SFY 2025 expectations.

Medicaid Benefits

(Actual SFY 2024)



Medicaid Benefits Budget

	SFY 2023	SFY 2024	Increase/Decrease	% change from 2023
Managed Care (MCO)	\$ 13,001,486,400	\$ 14,318,543,500	\$ 1,317,057,100	10.13%
Non-Emergency Medical Transportation (NEMT)	\$ 155,004,800	\$ 162,737,100	\$ 7,732,300	4.99%
Drug Rebate	\$ (1,500,857,500)	\$ (1,559,412,800)	\$ (58,555,300)	3.90%
Fee-For-Service (FFS)	\$ 4,920,472,900	\$ 5,275,237,100	\$ 354,764,200	7.21%
	\$ 16,576,106,600	\$ 18,197,104,900	\$ 1,620,998,300	9.78%

- SFY 2024 expenditures increased by \$1.62B (9.8%) over SFY 2023 expenditures.
- Approximately \$233.7M (65.9%) of the FFS spending increase was due to an increase in waiver and nursing facility expenditures.
- The 10.13% increase in managed care payments is related to a \$1.4B increase in State Directed Payments

Medicaid Benefits Budget

- Approximately 30.5% of the managed care payments are related to directed payments. The following are the SFY 2024 Directed Payments that totaled \$4,366,289,200 paid in SFY 2024:

	SFY 2023	SFY 2024	Increase	% Change in SFY 2023
Hospital Rate Improvement Program (HRIP)	\$1,362,928,400	\$2,469,462,300	\$1,106,533,900	81.2%
Abulance Provider Assessment Program (APAP)	\$50,787,300	\$56,548,800	\$5,761,500	11.3%
University Directed Payment	\$1,548,118,300	\$1,840,378,100	\$292,259,800	18.9%
	<u>\$2,961,834,000</u>	<u>\$4,366,389,200</u>	<u>\$1,404,555,200</u>	<u>47.4%</u>

- This is expected to continue to grow in SFY 2025 due to SB280 and increase in average commercial rates

Medicaid Benefits Budget

	SFY 2023	SFY 2024	Increase/Decrease	% change from 2023
Supports for Community Living Waiver	\$ 482,832,100	\$ 505,683,200	\$ 22,851,100	4.73%
Michelle P Waiver	\$ 378,348,000	\$ 415,669,300	\$ 37,321,300	9.86%
HCB Waiver	\$ 521,109,700	\$ 605,514,400	\$ 84,404,700	16.20%
Model Waiver	\$ 1,737,700	\$ 1,410,000	\$ (327,700)	-18.86%
Brain Injury Waiver	\$ 30,477,500	\$ 34,403,200	\$ 3,925,700	12.88%
ABI LTC Waiver	\$ 40,428,500	\$ 42,974,300	\$ 2,545,800	6.30%
	\$ 1,454,933,500	\$ 1,605,654,400	\$ 150,720,900	10.36%

- In aggregate, the six Medicaid Waiver programs experienced a \$150.7M (10.4%) increase in total expenditures in SFY 2024 when compared to SFY 2023.

**QUESTIONS
and/or
Comments?**