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Medicaid: A Long-Term Perspective



Agenda



Starting Point



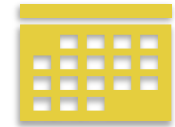
**Data and
Methodology**



Challenges



**Trends: By
Population and
Budgetary**



**Historical
Perspectives**

Setting the Stage with the Congressional Budget Office

CBO Baseline Projections

- Average Monthly Enrollment by Eligibility Category (Millions of people)
- Average Federal Spending on Benefit Payments per Enrollee (Dollars)

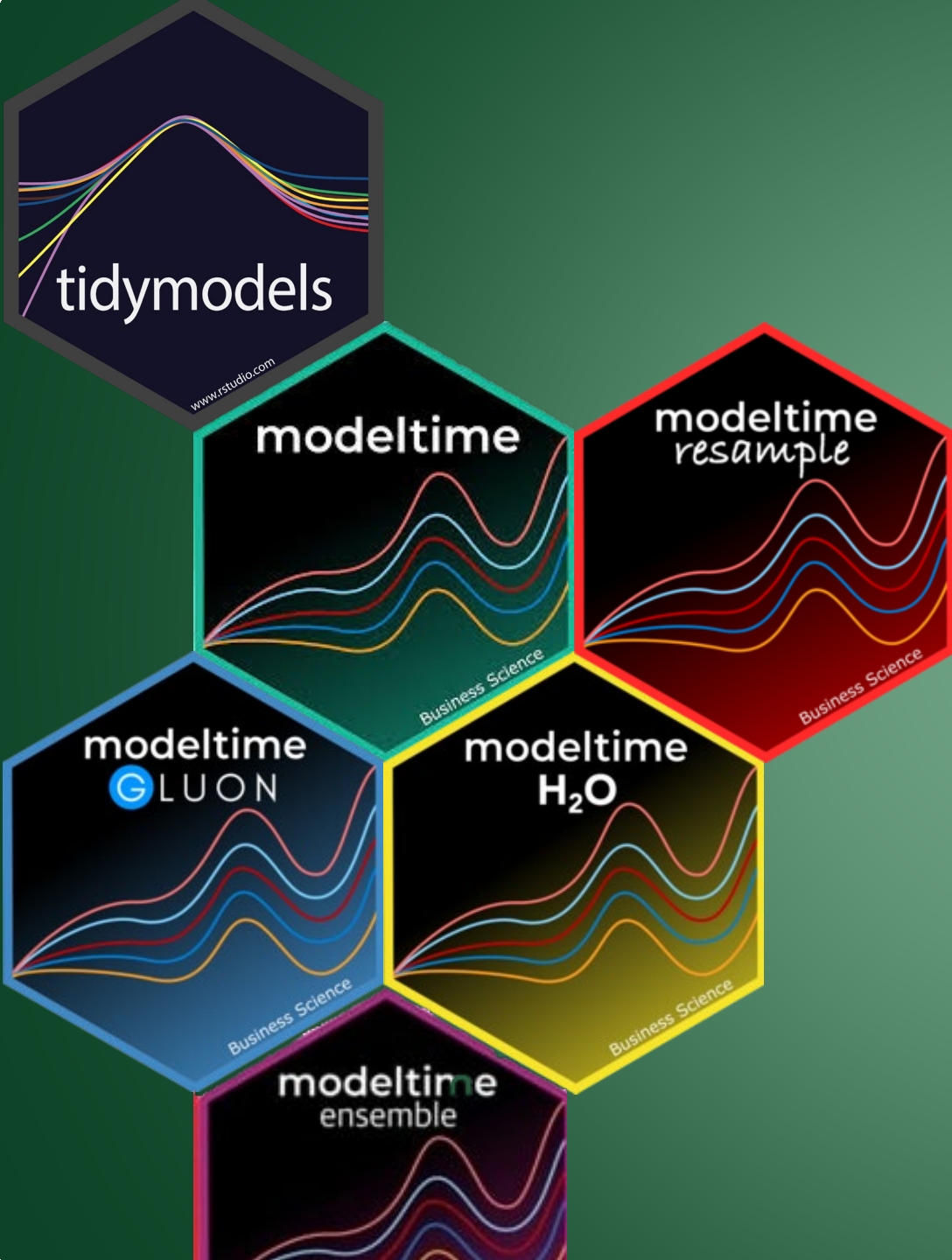
	Actual, 2023*	2024
Average Monthly Enrollment by Eligibility Category (Millions of people)^D		
Aged	8	7
Blind and Disabled	10	9
Children	37	33
Adults—Traditional eligibility categories	23	19
Adults—Made eligible by the ACA	<u>20</u>	<u>15</u>
Total	97	83

	Actual, 2023*	2024
Average Federal Spending on Benefit Payments per Enrollee (Dollars)^C		
Aged	14,930	16,810
Blind and Disabled	18,630	20,960
Children	2,010	2,150
Adults—Traditional eligibility categories	3,310	3,630
Adults—Made eligible by the ACA	6,630	7,630

Data

- Per Member Per Month (PMPM) cost – yearly average – by population
 - ✓ 2007-2023
- Average Monthly enrollment by population on an annual basis
 - ✓ 2007-2024

Building off the Biennial
Medicaid Model
presented in July...



ModelTime

- Builds on the well established tidymodels ecosystem
- Brings together classic time series functionality, machine learning and deep learning
- Model chosen using best fit metrics
- Allows for different structures to forecast at scale

Models Explored

Baselines

- Naïve
- Window Function

ARIMA

Exponential Smoothing

- Various parameter weights

XGBoost

Multivariate
Adaptive
Regression Spline

Linear Regression

Generalized Linear
Model (GLM)

h2o Machine
Learning

Challenges

- Projecting the long run from “short-run,” or limited data
- Normalcy of Data
 - Redetermination
 - Expansion inception and policy changes since

Key Insights

- Simpler is better
- Due to redetermination, past values and trends played a more important roll in projections than more current values
- **Policy Change will outweigh any external factor**

Trends by Population

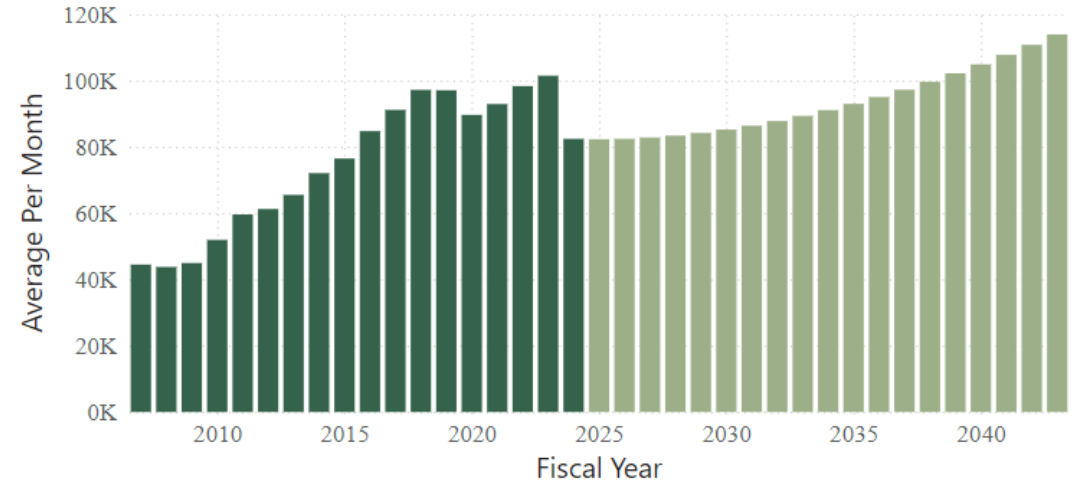
Average Per Month Enrollment
Per Member Per Month Cost

Children

Though infants (0-1) and 1–5-year-olds are projected to decrease, 6-18-year-old enrollment is projected to increase for an overall increase in child enrollment through 2043. PMPM cost is projected to increase in all age categories.

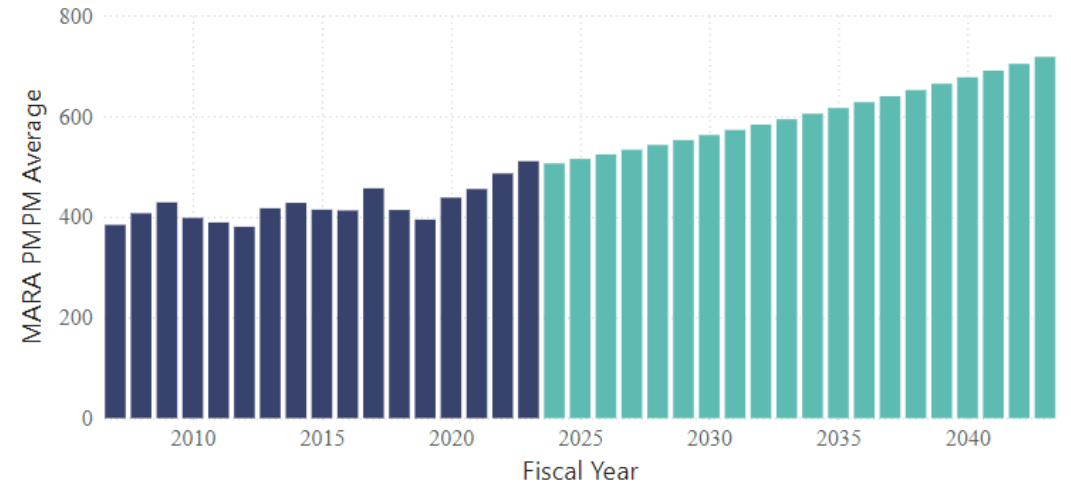
Medicaid Average per Month Enrollment: Children

Legend ● Actual ● Forecast



Medicaid PMPM Cost: Children

Legend ● Actual ● Forecast

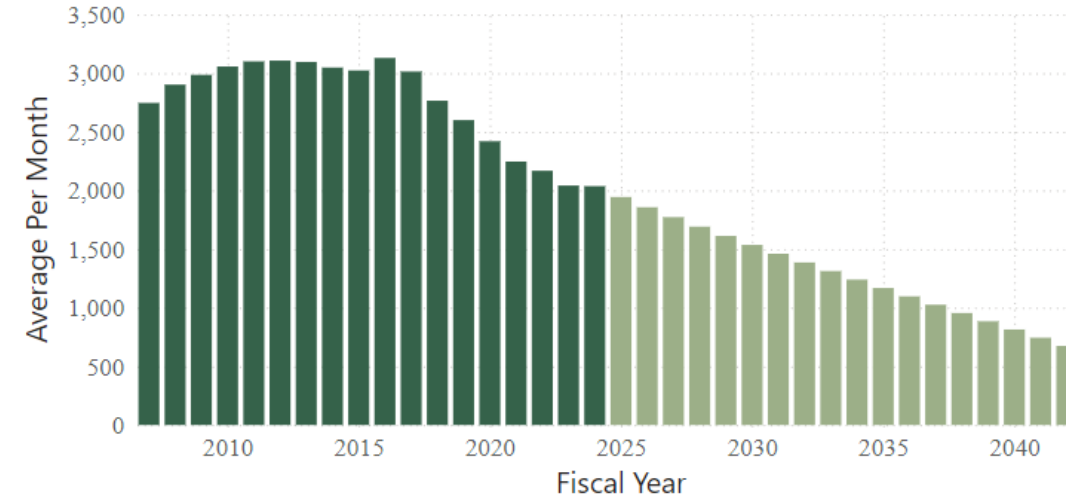


Children

Blind and Disabled: The 1-18 population is projected to decrease in total enrollment with costs decreasing over the long-run. Infants are projected to stay relatively constant in enrollment and cost.

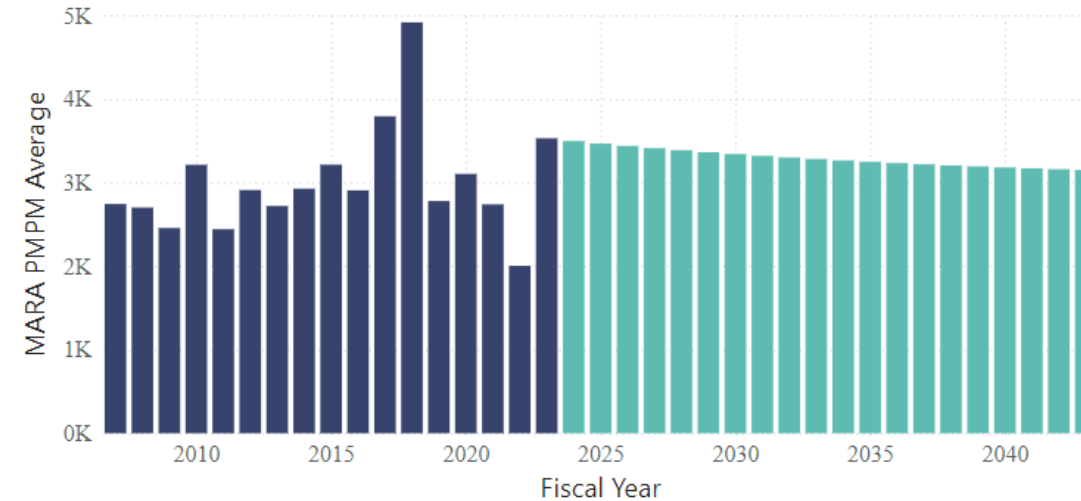
Medicaid Average per Month Enrollment: B/D Children

Legend ● Actual ● Forecast



Medicaid PMPM Cost: B/D Children

Legend ● Actual ● Forecast



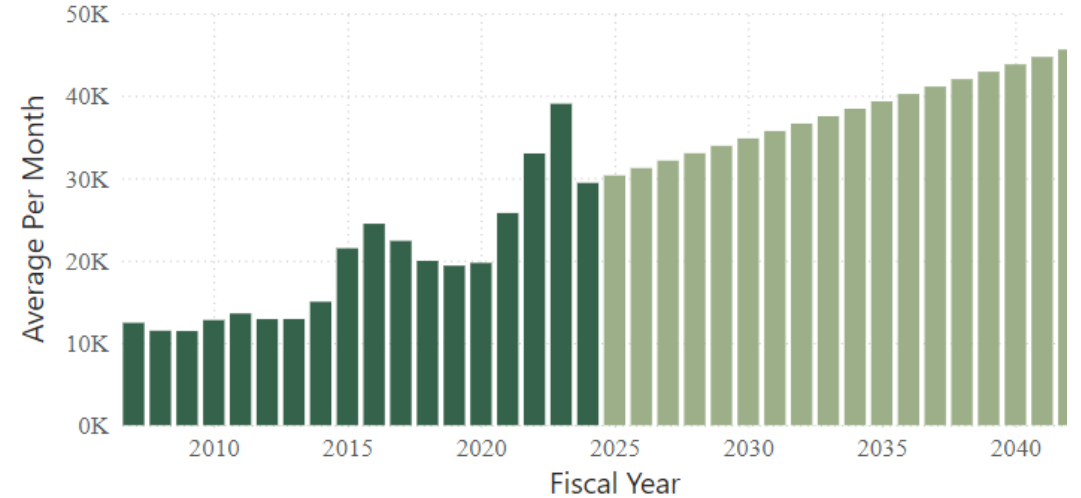
Adults: Traditional

In the traditional populations, PMPM costs are projected to decrease while enrollment increases.

- Enrollment for the 19-20-year-old population is projected to stay relatively constant with the increase being driven by the 21-64-year-old population.

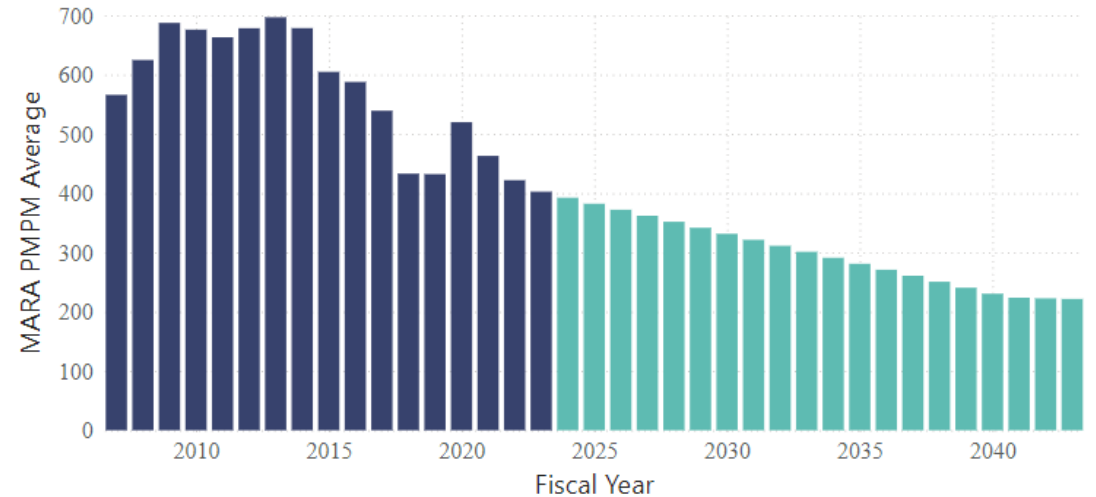
Medicaid Average per Month Enrollment: Traditional Adults

Legend ● Actual ● Forecast



Medicaid PMPM Cost: Traditional Adults

Legend ● Actual ● Forecast

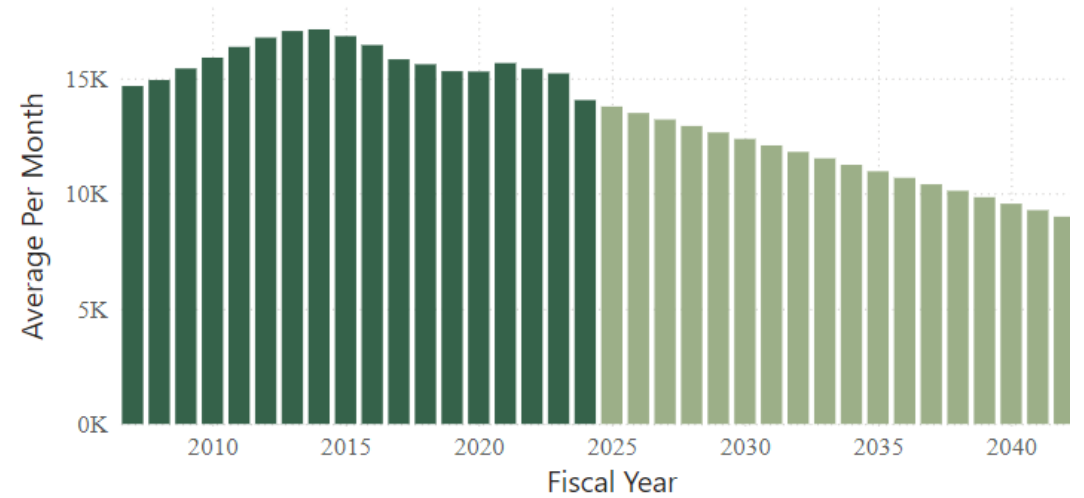


Adults: Traditional

Blind and Disabled: The 19-64 population is projected to increase in PMPM cost but enrollment of this population is generally declining and has been since 2014

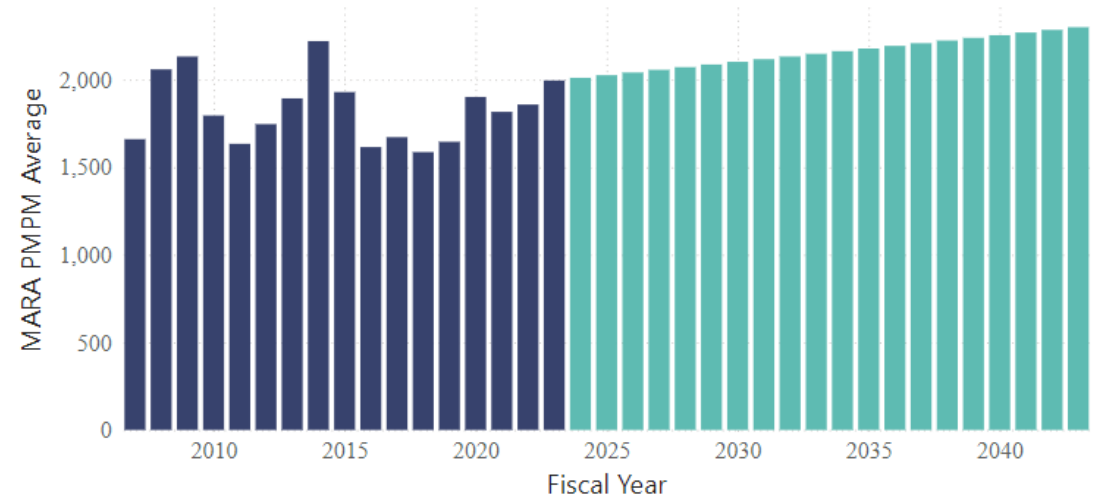
Medicaid Average per Month Enrollment: B/D Traditional Adults

Legend ● Actual ● Forecast



Medicaid PMPM Cost: B/D Traditional Adults

Legend ● Actual ● Forecast

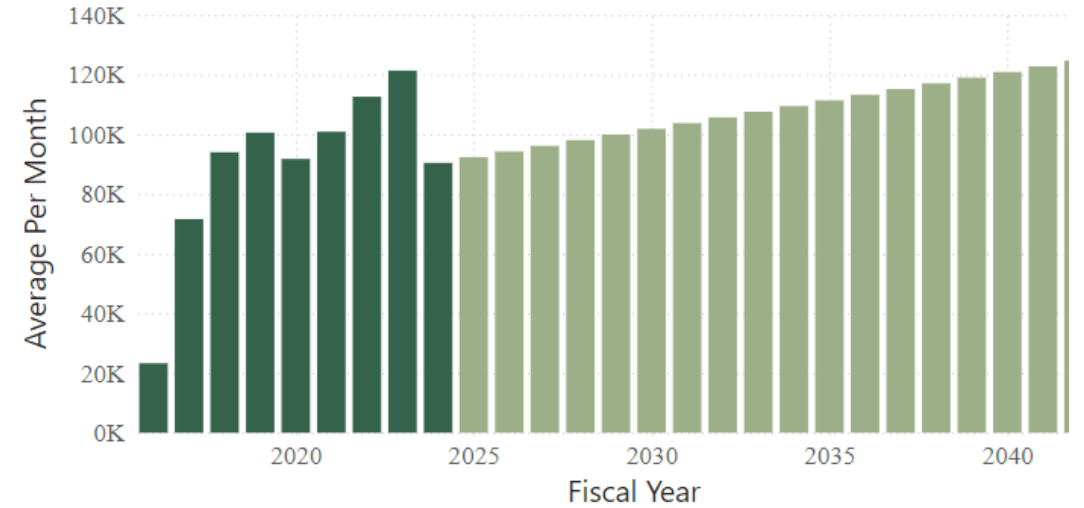


Adults: Expansion

The **expansion** population is projected to grow in both areas.

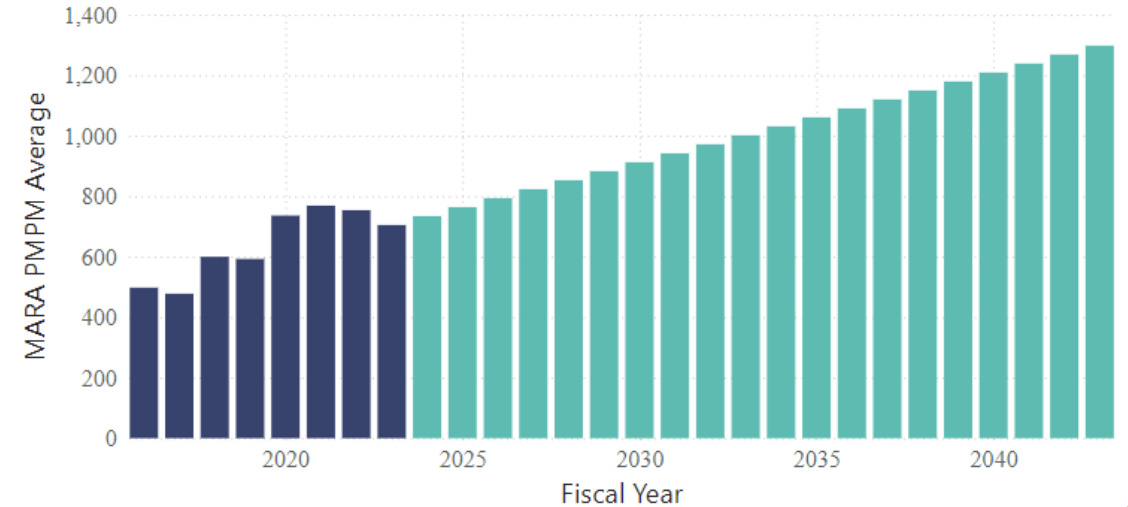
Medicaid Average per Month Enrollment: Expansion Adults

Legend ● Actual ● Forecast



Medicaid PMPM Cost: Expansion Adults

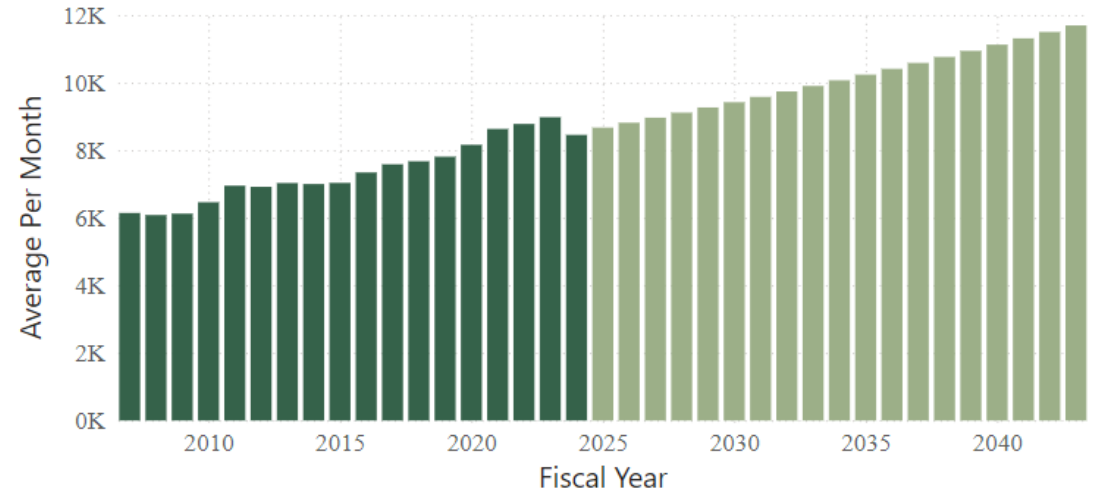
Legend ● Actual ● Forecast



65 and Over

Medicaid Average per Month Enrollment: 65 and Over

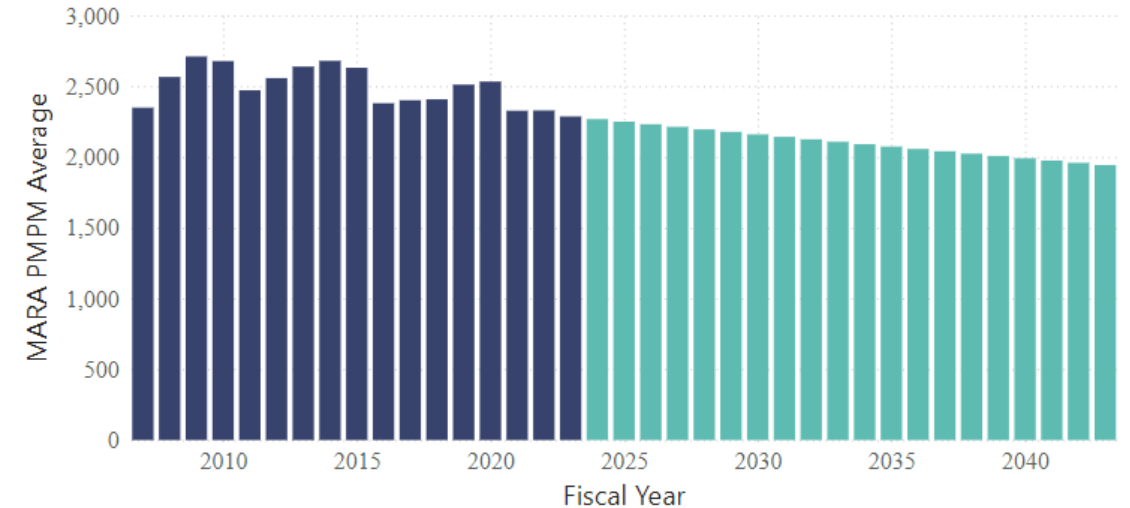
Legend ● Actual ● Forecast



The aged population is growing in number of individuals but has been declining in PMPM cost since 2009

Medicaid PMPM Cost: 65 and Over

Legend ● Actual ● Forecast

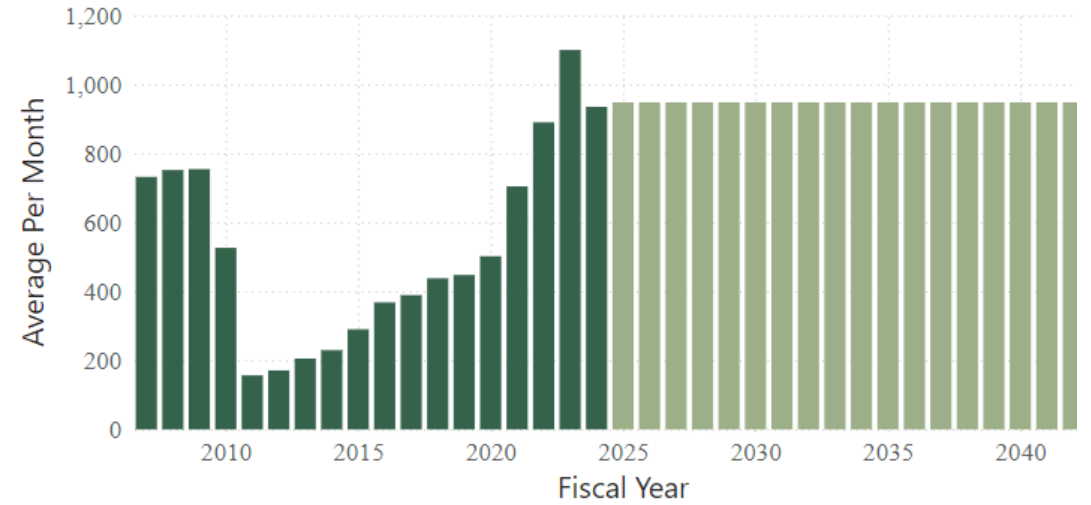


65 and Over

Blind and Disabled: The 65 and over population is projected to be relatively unchanging over time with rising PMPM costs of care

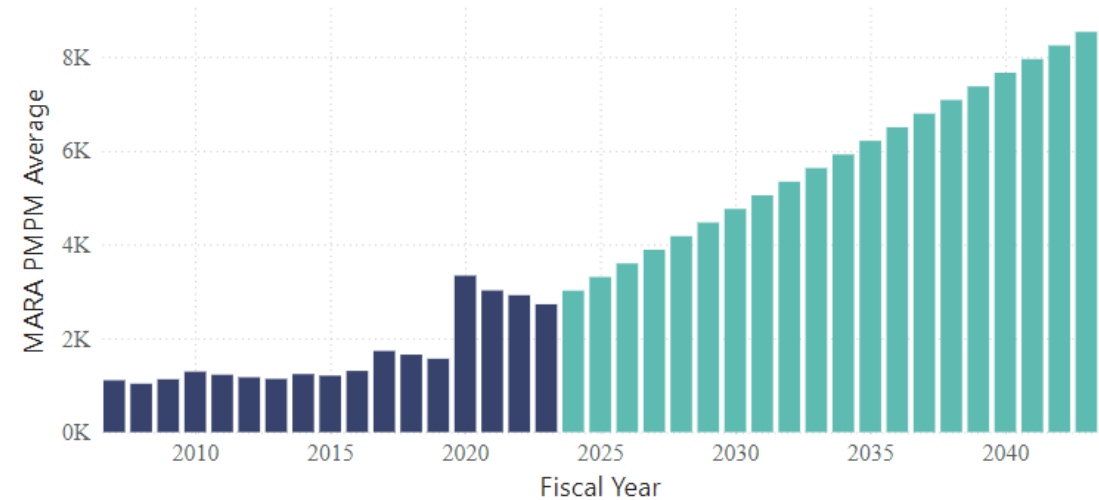
Medicaid Average per Month Enrollment: B/D 65 and Over

Legend ● Actual ● Forecast



Medicaid PMPM Cost: B/D 65 and Over

Legend ● Actual ● Forecast



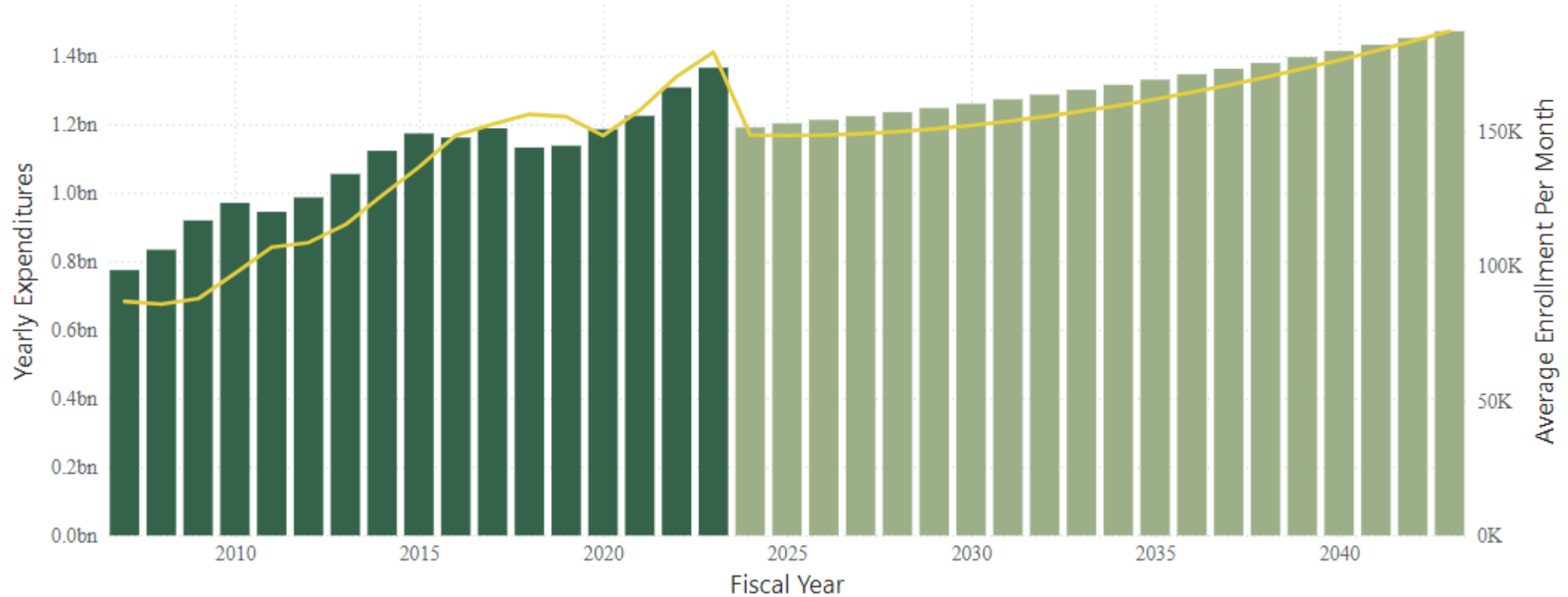
Long-Run Budgetary Trends

Traditional
Expansion

Projected Expenditure Growth: Traditional

Projected Expenditure Growth

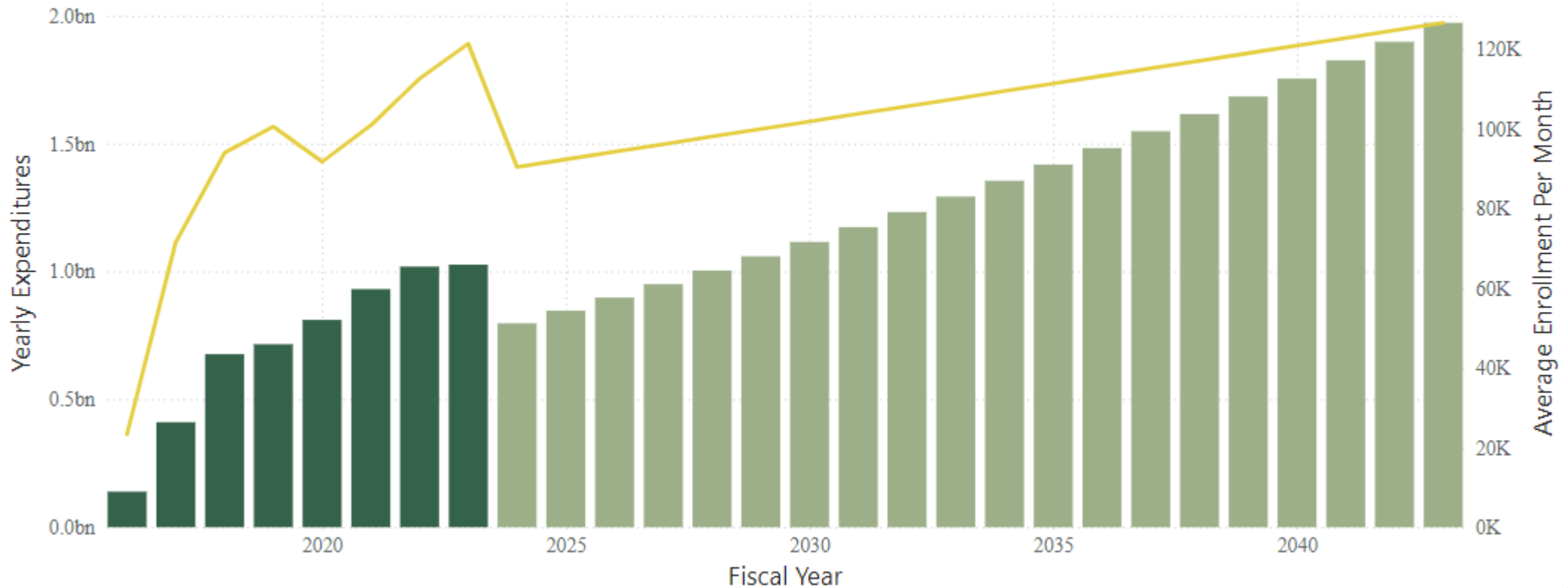
Legend ● Actual ● Forecast ● Average Enrollment Per Month



Projected Expenditure Growth: Expansion

Projected Expenditure Growth

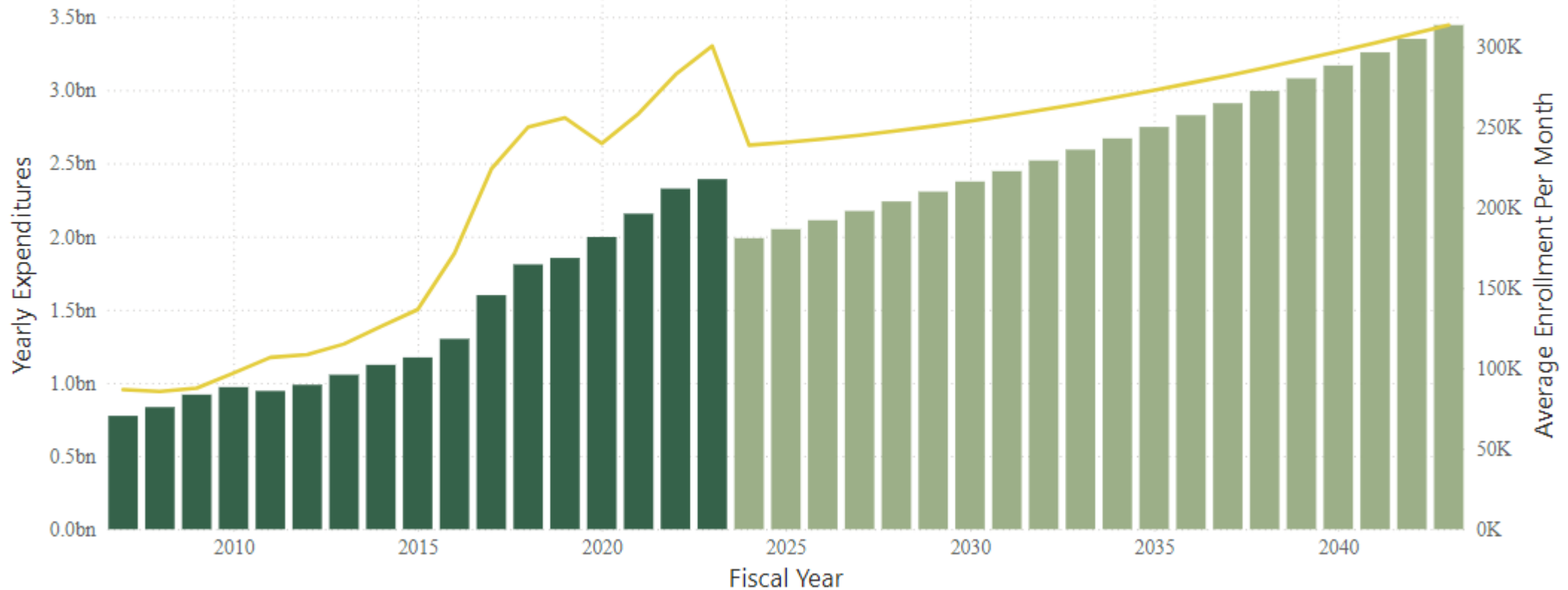
Legend ● Actual ● Forecast ● Average Enrollment Per Month



Projected Expenditure Growth: Traditional and Expansion

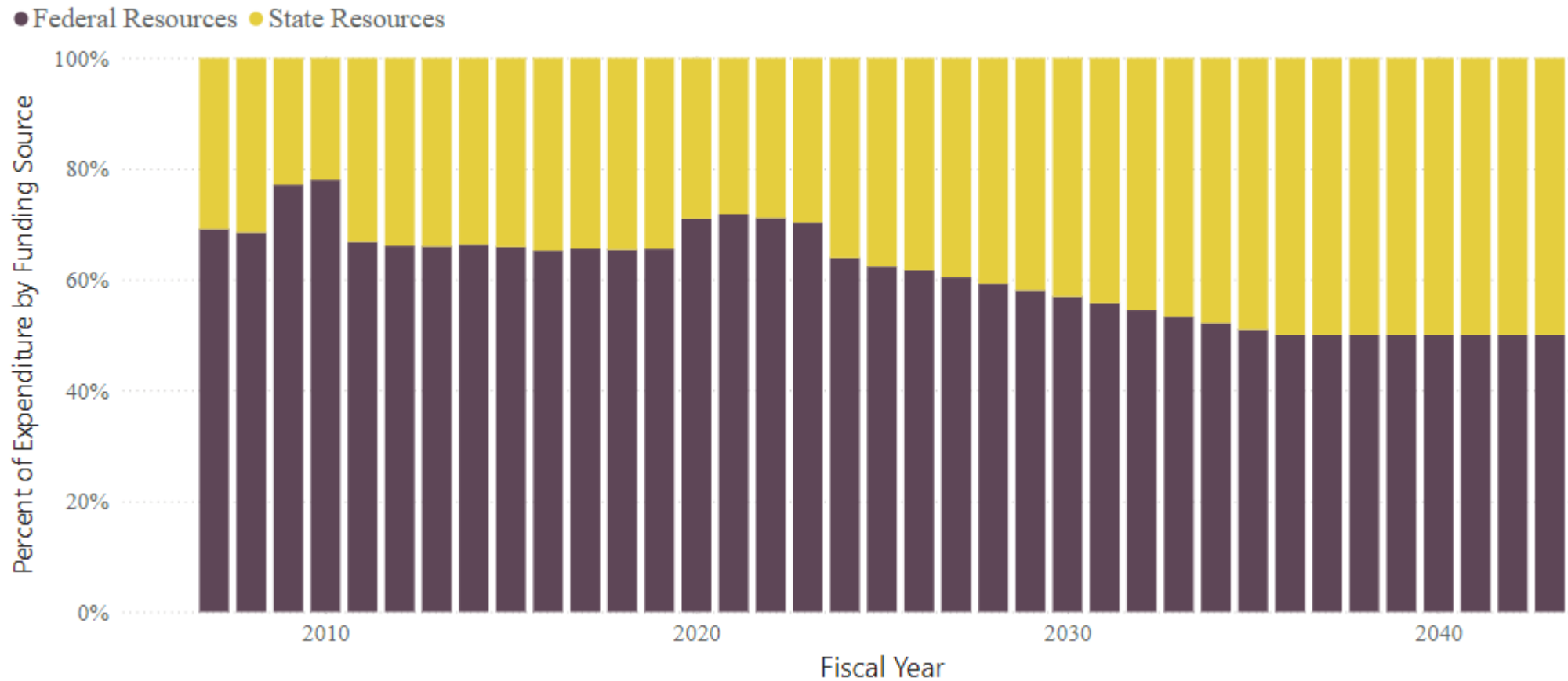
Projected Expenditure Growth

Legend ● Actual ● Forecast ● Average Enrollment Per Month



Funding Sources: Traditional

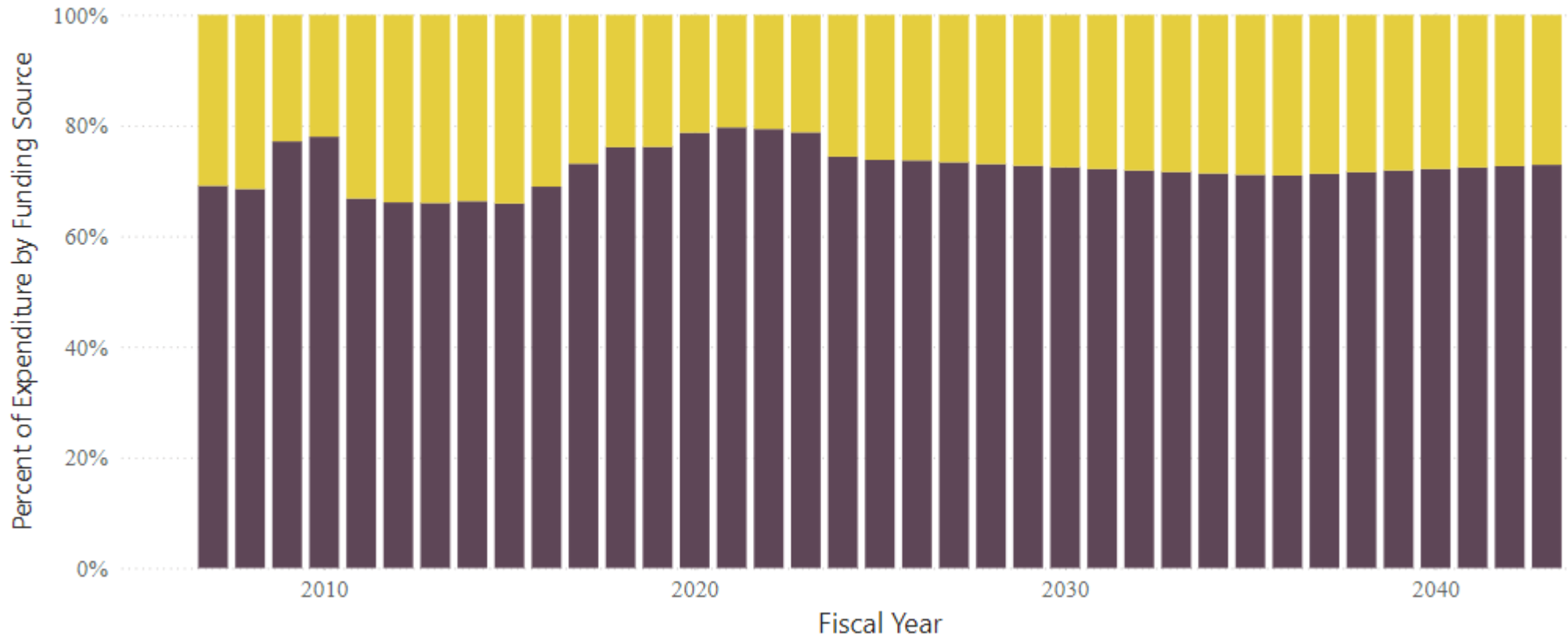
Federal and State Resources as a Percent of Overall Projected Expenditure



Funding Sources: Traditional and Expansion

Federal and State Resources as a Percent of Overall Projected Expenditure

● Federal Resources ● State Resources



Historical Insights

Past Expenditures by Provider Type

Sources

Congressional Budget Office. (2021, July). **HISIM Technical Documentation**. <https://www.cbo.gov/system/files/2021-07/57205-HISIM.pdf>

Congressional Budget Office. (2023, September). **Health Insurance Coverage for People Under Age 65: Definitions and Estimates for 2019 to 2023**. <https://www.cbo.gov/system/files/2023-09/59273-health-coverage.pdf>

Congressional Budget Office. (2024, June). **Medicaid: Projected Spending and Enrollment, June 2024**. <https://www.cbo.gov/system/files/2024-06/51301-2024-06-medicaid.pdf>