

**MEDICAID VOLATILITY
HISTORIC ACCURACY OF ESTIMATES IN MONTANA &
STATES' APPROACHES TO BUDGETING**

A Report Prepared for the
Legislative Finance Committee

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INTRODUCTION

Medicaid is one of the largest items in the state budget. Additionally, its costs are harder to estimate than those of many other services provided by the state. Fluctuations can be caused by rule changes, statutory changes, and changes in the greater economy, among many others. Timing related to both final expenditures and budget presentations create additional barriers to accuracy.

With Medicaid, a 2 or 3% difference between the estimate and the actual expenditures leads to differences upwards of \$50 million. This margin is so large that if the actuals come in high they cannot be easily absorbed into the budget and if they come in low then a lot of authority is left on the table that could have been appropriated elsewhere. In Montana, the 2015 Legislature partially addressed this issue by building a triggering mechanism into the budget to allow a cushion in the event that expenditures exceed the initial Medicaid budget.

This report examines Montana's estimates and actuals in recent years, and concludes by summarizing the approaches taken by other states to account for the volatility and challenges associated with budgeting Medicaid.

ESTIMATE HISTORY

This section discusses the projections, appropriations, and eventual expenditures for Medicaid services. Due to the time required to collect these histories and the small window between LFC meetings, the history is limited to the last three biennia: 2013, 2015, and 2017. Tables and discussion cover FYs 2012-2016.

METHODOLOGY

In creating estimate comparisons, an effort was made for consistency in source material across the years. The source material and information included are as follows.

- Present Law Projections: the final present law projections provided to the legislature by DPHHS using the department's roll up to type of expenditure and program. "Present Law" refers to the services and population currently being supported by the state, changes in present law expenditures may be due to increased costs of specific services or additional people coming into the supported population.
- Legislative Appropriation: the total Medicaid services appropriation provided by the legislature, with any changes made to the present law assumptions as well as any new proposals or initiatives that affected the Medicaid budget
- November, February, and FYE Projections: anticipated expenditures as provided by the department in its monthly budget status report document (FYE projections are used to determine accruals)
- Total after Prior Year Adjustments and Actuals: includes the adjustments made to the FYE projections at the end of each of the next two fiscal years (adjustments taken from SABHRS)

At the bottom of each table (for reference, the first two are on the next page), there are two rows of percentages. The first row shows each column total as a percentage of the department's present law projection. Note that the expenditures (and appropriations) include new proposals appropriated by the legislature while the present law projections do not. This is not an "apples-to-apples" comparison. The second row shows each column total as a percentage of the legislative appropriation. The appropriation does include the new proposals, and so this comparison is more straightforward.

The expenditures for FYs 2014-2016 are not finalized, and tables have been filled in as far as the data allows at this point. For more detailed information regarding the breakdown of the appropriations by type of service, please see the Appendix at the end of the report.

2013 BIENNIUM APPROPRIATIONS

The 2011 Legislature contemplated and adopted appropriations for Medicaid expenditures in FYs 2012 and 2013. Final estimates for present law expenditures were provided by the department in February of 2011. The following tables show the change in projections for expenditures over time for each of these fiscal years.

Present Law

The present law budget adopted by the legislature was almost entirely in line with the February update as submitted by DPHHS. There were reductions of about \$100,000 in each year for the comprehensive waiver in the Disability Services division. Physician rates were decreased due to a separate bill instituting a statutory formula for those rate increases, with the initial impact of reducing the appropriation by \$25.6 million over the biennium ([53-6-125, MCA](#)).

New Proposals

In addition to present law adjustments, the legislature implemented various changes to current services in FYs 2012 and 2013. The legislative adjustments included:

- Provider Rate Increases – increased appropriation by \$4.8 and \$4.9 million
- 5% plan adjustments – increased appropriation by \$4.5 and \$4.4 million
- Community services and waivers – increased appropriation by \$5.5 million in each year
- Adjustment for federal rules regarding pharmacy rebates – increased appropriation by \$2.3 million in each year
- Various smaller adjustments – decreased appropriation by about \$1.4 million in each year

All legislative adjustments led to an appropriation of about \$1.4 million or 0.1% below the DPHHS present law projections in FY 2012 and \$0.2 million or 0.0% in FY 2013.

Medicaid Services Expenditure Expectations for FY 2012 (\$ Millions)							
	Present Law Projection	Legislative Appropriation	November Projection	February Projection	FYE Projection	Total After Prior Year Adj.	Actuals After Second Year
Health Resources	\$567.8	\$557.3	\$525.4	\$524.5	\$504.0	\$487.8	\$479.3
Addictive & Mental Disorders	57.4	55.4	55.3	53.0	52.0	50.2	50.4
Developmental Services ¹	170.7	176.7	170.4	169.4	171.1	169.8	169.8
Senior & Long-term Care	<u>230.6</u>	<u>235.7</u>	<u>236.8</u>	<u>239.0</u>	<u>245.4</u>	<u>248.1</u>	<u>249.1</u>
Total Medicaid	\$1,026.5	\$1,025.1	\$987.9	\$985.9	\$972.5	\$955.9	\$924.8
% Present Law Projection		99.86%	96.24%	96.04%	94.74%	93.12%	90.09%
% Appropriation			96.37%	96.18%	94.87%	93.25%	90.22%

1. In the middle of FY 2012, School-Based Children's Mental Health services were moved from Health Resources to Developmental Services. For the purposes of these comparisons, the projections for those services were pooled in Health Resources all of FY 2012.

Medicaid Services Expenditure Expectations for FY 2013 (\$ Millions)							
	Present Law Projection	Legislative Appropriation	November Projection	February Projection	FYE Projection	Total After Prior Year Adj.	Actuals After Second Year
Health Resources	\$572.9	\$559.7	\$497.5	\$504.8	\$504.1	\$491.8	\$490.3
Addictive & Mental Disorders	59.6	57.6	57.4	56.4	55.2	53.0	53.5
Developmental Services ¹	200.3	210.0	210.9	214.2	205.8	204.4	204.0
Senior & Long-term Care	<u>232.7</u>	<u>238.0</u>	<u>249.2</u>	<u>245.1</u>	<u>245.0</u>	<u>244.1</u>	<u>245.2</u>
Total Medicaid	\$1,065.5	\$1,065.3	\$1,015.0	\$1,020.5	\$1,010.1	\$993.3	\$993.0
% Present Law Projection		99.98%	95.26%	95.78%	94.80%	93.22%	93.20%
% Appropriation			95.28%	95.79%	94.82%	93.24%	93.21%

1. In the middle of FY 2012, School-Based Children's Mental Health services were moved from Health Resources to Developmental Services. For the purposes of these comparisons, the original appropriation for those services was pooled into Developmental Services for FY 2013.

As the tables on the previous page show, the final expenditures for Medicaid services in FY 2012 were 90.2% and those for FY 2013 were 93.2% of the final legislative appropriation for each year.

2015 BIENNIUM APPROPRIATIONS

The 2013 Legislature contemplated and adopted appropriations for Medicaid expenditures in FYs 2014 and 2015. Final estimates for present law expenditures were provided by the department in February of 2013. The following tables show the change in projections for expenditures over time for each of these fiscal years.

Present Law

The subcommittee reduced the final Medicaid requests for the Children's Mental Health program and for the entire Health Resources division (aside from the hospital utilization fee) by 2.0% in each year of the biennium, for reductions totaling \$10.9 million in FY 2014 and \$11.5 million in FY 2015. The remainder of the February caseload update was adopted as presented by DPHHS.

New Proposals

In addition to present law adjustments, the legislature implemented various changes to current services in FYs 2014 and 2015. The legislative adjustments included:

- Provider Rate Increases – increased appropriation by \$20.2 and \$35.5 million
- Community services and waivers – increased appropriation by \$10.2 and \$13.2 million
- Various smaller adjustments – increased appropriation by about \$0.6 million in FY 2014 and decreased by about \$0.7 in FY 2015

This led to the total increase of about \$41.1 million or 3.9% from the DPHHS present law projections to the legislative appropriation for FY 2014 and about \$46.5 million or 4.2% for FY 2015.

Medicaid Services Expenditure Expectations for FY 2014							
(\$ Millions)							
	Present Law Projection	Legislative Appropriation	November Projection	February Projection	FYE Projection	Total After Prior Year Adj.	Actuals After Second Year
Health Resources	\$518.9	\$529.7	\$530.9	\$537.7	\$542.7	\$536.4	
Addictive & Mental Disorders	60.2	59.7	56.6	59.6	60.2	59.3	
Developmental Services	227.6	238.5	233.1	222.3	195.3	193.8	
Senior & Long-term Care	249.7	269.6	268.0	246.1	248.3	243.1	
Total Medicaid	\$1,056.4	\$1,097.5	\$1,088.6	\$1,065.7	\$1,046.5	\$1,032.6	
% Present Law Projection		103.89%	103.05%	100.88%	99.06%	97.75%	
% Appropriation			99.19%	97.10%	95.35%	94.09%	

Medicaid Services Expenditure Expectations for FY 2015							
(\$ Millions)							
	Present Law Projection	Legislative Appropriation	November Projection	February Projection	FYE Projection	Total After Prior Year Adj.	Actuals After Second Year
Health Resources	\$543.9	\$556.6	\$598.6	\$598.5	\$581.7		
Addictive & Mental Disorders	62.4	62.3	67.9	67.8	68.1		
Developmental Services	243.4	249.9	240.1	240.0	231.2		
Senior & Long-term Care	253.8	281.2	269.5	268.8	250.9		
Total Medicaid	\$1,103.5	\$1,150.0	\$1,176.1	\$1,175.1	\$1,131.9		
% Present Law Projection		104.21%	106.58%	106.49%	102.57%		
% Appropriation			102.27%	102.18%	98.43%		

As the tables above show, the final expenditures for Medicaid services in FY 2014 are currently projected to come in at 94.1% of the legislative appropriation, and those for FY 2015 are projected to come in at 98.4%.

2017 BIENNIUM APPROPRIATIONS

The 2015 Legislature contemplated and adopted appropriations for Medicaid expenditures in FYs 2016 and 2017. Final estimates for present law expenditures were provided by the department in February of 2015. The following table shows the change in projections for expenditures over time for FY 2016.

Present Law

The subcommittee chose to adopt caseload estimates as prepared by the LFD instead of those presented by DPHHS; this led to reductions in Medicaid present law of \$25.1 million in FY 2016 and \$33.5 million in FY 2017 from the February DPHHS request.

New Proposals

In addition to present law adjustments, the legislature implemented various changes to current services in FYs 2016 and 2017. The legislative adjustments included:

- Provider Rate Increases – increased appropriation by \$16.3 and \$34.7 million
- Community services and waivers – increased appropriation by \$3.4 and \$6.6 million
- An adjustment for savings associated with Medicaid expansion – decreased appropriation by \$10.8 million in FY 2017
- Various smaller adjustments netting – increased appropriation by about \$2.0 million in each year

This led to the total increase of about \$9.8 million or 0.8% from the DPHHS present law projections to the legislative appropriation for FY 2016.

The following table is slightly different than the tables associated with the other biennia. The first column is the DPHHS final present law projection. The second column is the LFD present law projection that was adopted by the legislature. The last three columns correspond to those in the other tables: the legislative appropriation includes both present law and any additional changes to Medicaid, and the November and February projections also include expenditures related to those changes.

Medicaid Services Expenditure Expectations for FY 2016 (\$ Millions)					
	DPHHS Present Law Projection	LFD Present Law Projection	Legislative Appropriation	November Projection	February Projection
Health Resources	\$626.9	\$621.2	\$628.1	\$637.3	\$628.6
Addictive & Mental Disorders	81.2	77.9	79.9	79.0	80.8
Developmental Services	252.5	248.5	257.1	240.7	244.7
Senior & Long-term Care	273.7	268.4	279.0	264.1	262.0
Total Medicaid	\$1,234.3	\$1,216.0	\$1,244.1	\$1,221.1	\$1,216.1
% Present Law Projection			100.79%	98.93%	98.53%
% Appropriation			100.00%	98.15%	97.75%

As the table above shows, the final expenditures for Medicaid services in FY 2016 are currently projected by the department to come in at 97.8% of the legislative appropriation.

SECTION SUMMARY

In all three of the biennia contained in this report, the legislature used a different mechanism to decrease the present law request from the executive projection. They then added a number of new

initiatives, or new proposals¹, which brought the final appropriation either essentially even with or slightly higher than the projection.

The tables show that as more data came in for each of these years, the projections for final expenditures decreased to fall well within the legislative appropriation – and even within the original present law requests. The size of that margin between the appropriation and the actual expenditures has been decreasing over time.

Budgeting Procedures

The majority of other states budget Medicaid every year which allows for the regular use of supplemental requests if necessary. Most states have not tried anything unique or particularly interesting to address the size of even small forecasting errors. However, there are a few approaches and features from various states' treatment of Medicaid that the legislature may wish to discuss or consider.

State Approaches

Both California and Indiana have state codes requiring that the Medicaid agencies take steps to adjust payment levels or other cost factors – as allowed within federal law – to remain within the appropriation. Montana has a similar mechanism, but it is an administrative rule rather than a statutory requirement.

Minnesota and Wisconsin both use biennial appropriations for Medicaid expenditures which allow for movement of appropriated authority between the two fiscal years in the biennium. This approach allows for shortfalls in the first year to be backfilled by authority from the second year (or excess in the first year to roll over into the second year), and for shortfalls in the second year to be addressed by the legislature via supplemental appropriations during the session. In addition, Minnesota passes a “forecast adjustment” bill every session to adjust the appropriations up or down to match most up-to-date forecast for the current year.

Vermont budgets annually, but as part of the process there is an agreement reached between executive and legislative branch parties as to a reasonable estimate for final expenditures in the current year. This approach guarantees that the next appropriation begins from a specified baseline and the discussion is only regarding the next year's increase. During the 2015 Session in Montana, a large part of the difference between the LFD and DPHHS estimates was due to the difference in estimates for final FY 2015 expenditures.

Utah is currently contemplating a 1% conditional appropriation including language that is similar to Montana's triggers instituted for this current biennium, but it has yet to be enacted.

¹ New proposals adopted by the legislature may be proposed by the executive in the initial budget request or they may be initiated entirely by the legislature. The executive generally submits some new proposals for consideration, but these may be adopted, changed, or left entirely unfunded by the legislature according to its goals for the agency.

APPENDIX A

FY 2012 DETAIL

Medicaid Services Expenditure Expectations for FY 2012 (\$ Millions)							
	Present Law Projection	Legislative Appropriation	November Projection	February Projection	FYE Projection	Total After Prior Year Adj.	Actuals After Second Year
Health Resources							
Hospitals and Clinics	\$186.5	\$189.4	\$178.9	\$176.3	\$175.7	\$169.1	\$172.8
Managed Care Services	73.9	72.1	68.3	65.7	66.3	68.6	63.8
Acute Services and Pharmacy Costs	156.3	152.7	150.6	143.9	123.8	127.8	122.5
Indian Health Services	54.4	48.7	30.7	43.5	47.6	31.7	29.8
Medicare Buy-In	29.7	27.4	29.9	28.1	27.9	27.9	27.9
Hospital Utilization Fee	<u>67.0</u>	<u>67.0</u>	<u>67.0</u>	<u>67.0</u>	<u>62.7</u>	<u>62.7</u>	<u>62.5</u>
Total HRD	567.8	557.3	525.4	524.5	504.0	487.8	479.3
% Present Law Projection		98.15%	92.53%	92.37%	88.76%	85.91%	84.41%
% Appropriation			94.28%	94.11%	90.44%	87.53%	86.00%
Addictive & Mental Disorders							
Facility Reimbursement	2.7	1.3	2.8	2.4	2.0	2.0	2.0
Adult Mental Health	39.2	38.8	39.2	37.9	37.7	37.5	37.6
HIFA Waiver	9.7	9.7	7.5	7.3	7.1	5.6	5.7
Community Based Services	3.8	3.8	3.8	3.3	3.2	3.2	3.2
Chemical Dependency	<u>2.0</u>	<u>1.8</u>	<u>2.0</u>	<u>2.1</u>	<u>2.0</u>	<u>1.9</u>	<u>1.9</u>
Total AMDD	57.4	55.4	55.3	53.0	52.0	50.2	50.4
% Present Law Projection		96.52%	96.34%	92.33%	90.59%	87.46%	87.80%
% Appropriation			99.82%	95.67%	93.86%	90.61%	90.97%
Developmental Services							
Waivers	86.5	90.1	90.6	90.7	90.8	89.0	90.2
Targeted Case Management	3.0	3.1	3.3	3.3	3.4	3.4	3.3
Montana Developmental Center	8.9	9.1	9.1	9.1	6.7	7.1	6.7
School-based Children's Mental Health ¹							
Children's Mental Health	<u>72.3</u>	<u>74.4</u>	<u>67.4</u>	<u>66.3</u>	<u>70.2</u>	<u>70.3</u>	<u>69.6</u>
Total DSD	170.7	176.7	170.4	169.4	171.1	169.8	169.8
% Present Law Projection		103.51%	99.82%	99.24%	100.23%	99.47%	99.47%
% Appropriation			96.43%	95.87%	96.83%	96.10%	96.10%
Senior & Long-term Care							
Nursing Homes	149.2	149.8	150.7	153.7	162.0	161.5	162.3
Home-based Services	47.5	48.2	48.2	47.3	46.2	47.9	48.0
Community-based Waiver Services	32.8	36.8	36.8	36.9	36.0	37.5	37.6
Montana Veterans' Home Reimb.	<u>1.1</u>	<u>0.9</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>
Total SLTC	230.6	235.7	236.8	239.0	245.4	248.1	249.1
% Present Law Projection		102.21%	102.69%	103.64%	106.42%	107.59%	108.02%
% Appropriation			100.47%	101.40%	104.12%	105.26%	105.69%
Total Medicaid	\$1,026.5	\$1,025.1	\$987.9	\$985.9	\$972.5	\$955.9	\$948.6
% Present Law Projection		99.86%	96.24%	96.04%	94.74%	93.12%	92.41%
% Appropriation			96.37%	96.18%	94.87%	93.25%	92.54%

1. In the middle of FY 2012, School-Based Children's Mental Health services were moved from Health Resources to Developmental Services. For the purposes of these comparisons, the projections for those services were pooled in Health Resources under Acute Services for all of FY 2012.

FY 2013 DETAIL

Medicaid Services Expenditure Expectations for FY 2013 (\$ Millions)							
	Present Law Projection	Legislative Appropriation	November Projection	February Projection	FYE Projection	Total After Prior Year Adj.	Actuals After Second Year
Health Resources							
Hospitals and Clinics	\$189.7	\$193.3	\$177.3	\$179.7	\$183.3	\$181.3	\$190.0
Managed Care Services	75.6	74.8	64.5	65.2	66.4	69.2	66.1
Acute Services and Pharmacy Costs	141.4	136.0	103.0	106.7	111.9	113.9	107.8
Indian Health Services	68.0	60.9	57.4	58.7	50.5	35.4	34.4
Medicare Buy-In	31.7	28.2	28.6	27.8	28.2	28.2	28.2
Hospital Utilization Fee	66.5	66.5	66.7	66.7	63.8	63.8	63.8
Total HRD	572.9	559.7	497.5	504.8	504.1	491.8	490.3
% Present Law Projection		97.70%	86.84%	88.11%	87.99%	85.84%	85.58%
% Appropriation			88.89%	90.19%	90.07%	87.87%	87.60%
Addictive & Mental Disorders							
Facility Reimbursement	2.7	1.3	2.2	2.2	2.5	2.2	2.5
Adult Mental Health	39.6	39.7	38.4	38.0	37.9	38.9	38.7
HIFA Waiver	11.4	11.0	11.0	10.7	9.2	7.4	7.4
Community Based Services	3.8	3.8	3.8	3.8	3.8	2.7	3.1
Chemical Dependency	2.1	1.8	2.0	1.7	1.8	1.8	1.8
Total AMDD	59.6	57.6	57.4	56.4	55.2	53.0	53.5
% Present Law Projection		96.64%	96.31%	94.63%	92.62%	88.93%	89.77%
% Appropriation			99.65%	97.92%	95.83%	92.01%	92.88%
Developmental Services							
Waivers	87.8	92.7	96.8	97.5	91.7	91.3	91.8
Targeted Case Management	3.1	3.1	3.5	3.5	3.7	3.6	3.8
Montana Developmental Center	9.1	9.1	6.7	9.1	7.7	7.7	7.7
School-based Children's Mental Health ¹	26.9	26.9	28.3	27.7	26.5	26.1	26.2
Children's Mental Health	73.4	78.2	75.6	76.4	76.2	75.7	74.5
Total DSD	200.3	210.0	210.9	214.2	205.8	204.4	204.0
% Present Law Projection		104.84%	105.29%	106.94%	102.75%	102.05%	101.85%
% Appropriation			100.43%	102.00%	98.00%	97.33%	97.14%
Senior & Long-term Care							
Nursing Homes	149.1	151.3	162.4	158.0	157.7	159.0	159.4
Home-based Services	49.7	48.9	49.0	48.1	48.5	46.1	46.7
Community-based Waiver Services	32.8	36.9	36.6	37.8	37.5	37.7	37.8
Montana Veterans' Home Reimb.	1.1	0.9	1.2	1.2	1.3	1.3	1.3
Total SLTC	232.7	238.0	249.2	245.1	245.0	244.1	245.2
% Present Law Projection		102.28%	107.09%	105.33%	105.29%	104.90%	105.37%
% Appropriation			104.71%	102.98%	102.94%	102.56%	103.03%
Total Medicaid	\$1,065.5	\$1,065.3	\$1,015.0	\$1,020.5	\$1,010.1	\$993.3	\$993.0
% Present Law Projection		99.98%	95.26%	95.78%	94.80%	93.22%	93.20%
% Appropriation			95.28%	95.79%	94.82%	93.24%	93.21%

1. In the middle of FY 2012, School-Based Children's Mental Health services were moved from Health Resources to Developmental Services. For the purposes of these comparisons, the original appropriation for those services was pooled into Developmental Services for FY 2013.

FY 2014 DETAIL

Medicaid Services Expenditure Expectations for FY 2014							
(\$ Millions)							
	Present Law Projection	Legislative Appropriation	November Projection	February Projection	FYE Projection	Total After Prior Year Adj.	Actuals After Second Year
Health Resources							
Hospitals and Clinics	\$183.5	\$182.0	\$194.8	\$206.7	\$201.3	\$194.7	
Managed Care Services	71.6	68.4	72.6	71.2	72.4	75.0	
Acute Services and Pharmacy Costs	110.3	118.6	119.1	118.9	124.2	125.8	
Indian Health Services	56.6	63.8	47.2	44.9	48.8	44.9	
Medicare Buy-In	30.2	30.2	30.5	30.3	30.3	30.3	
Hospital Utilization Fee	66.7	66.7	66.7	65.7	65.7	65.7	
Total HRD	518.9	529.7	530.9	537.7	542.7	536.4	
% Present Law Projection		102.08%	102.31%	103.62%	104.59%	103.37%	0.00%
% Appropriation			100.23%	101.51%	102.45%	101.26%	0.00%
Addictive & Mental Disorders							
Facility Reimbursement	2.2	2.2	2.2	3.4	3.4	3.2	
Adult Mental Health	41.0	40.5	41.1	41.1	41.5	41.1	
HIFA Waiver	11.5	11.2	7.5	9.8	9.8	9.7	
Community Based Services	3.4	3.9	3.9	3.3	3.5	2.9	
Chemical Dependency	2.1	1.9	1.9	2.0	2.0	2.4	
Total AMDD	60.2	59.7	56.6	59.6	60.2	59.3	
% Present Law Projection		99.17%	94.02%	99.00%	100.00%	98.50%	0.00%
% Appropriation			94.81%	99.83%	100.84%	99.33%	0.00%
Developmental Services							
Waivers	101.4	109.0	106.9	99.2	99.3	98.6	
Targeted Case Management	4.1	4.2	4.0	4.1	4.1	4.0	
Montana Developmental Center	6.1	6.1	6.1	7.2	7.2	7.2	
School-based Children's Mental Health	34.1	34.6	30.7	29.2	29.4	29.4	
Children's Mental Health	81.9	84.6	85.4	82.6	55.3	54.6	
Total DSD	227.6	238.5	233.1	222.3	195.3	193.8	
% Present Law Projection		104.79%	102.42%	97.67%	85.81%	85.15%	0.00%
% Appropriation			97.74%	93.21%	81.89%	81.26%	0.00%
Senior & Long-term Care							
Nursing Homes	162.4	169.2	168.4	160.3	161.6	159.0	
Home-based Services	49.7	57.9	57.1	47.5	47.0	46.0	
Community-based Waiver Services	36.4	41.3	41.3	37.0	38.4	36.8	
Montana Veterans' Home Reimb.	1.2	1.2	1.2	1.3	1.3	1.3	
Total SLTC	249.7	269.6	268.0	246.1	248.3	243.1	
% Present Law Projection		107.97%	107.33%	98.56%	99.44%	97.36%	0.00%
% Appropriation			99.41%	91.28%	92.10%	90.17%	0.00%
Total Medicaid	\$1,056.4	\$1,097.5	\$1,088.6	\$1,065.7	\$1,046.5	\$1,032.6	
% Present Law Projection		103.89%	103.05%	100.88%	99.06%	97.75%	0.00%
% Appropriation			99.19%	97.10%	95.35%	94.09%	0.00%

FY 2015 DETAIL

Medicaid Services Expenditure Expectations for FY 2015							
(\$ Millions)							
	Present Law Projection	Legislative Appropriation	November Projection	February Projection	FYE Projection	Total After Prior Year Adj.	Actuals After Second Year
Health Resources							
Hospitals and Clinics	\$190.2	\$193.2	\$225.8	\$230.3	\$217.7		
Managed Care Services	76.3	69.4	80.3	80.3	84.8		
Acute Services and Pharmacy Costs	116.2	125.2	142.0	137.4	135.3		
Indian Health Services	61.6	69.2	52.0	52.0	48.9		
Medicare Buy-In	32.9	32.9	31.8	31.8	30.4		
Hospital Utilization Fee	66.7	66.7	66.7	66.7	64.6		
Total HRD	543.9	556.6	598.6	598.5	581.7		
% Present Law Projection		102.33%	110.06%	110.04%	106.95%	0.00%	0.00%
% Appropriation			107.55%	107.53%	104.51%	0.00%	0.00%
Addictive & Mental Disorders							
Facility Reimbursement	2.2	2.2	3.4	3.4	3.3		
Adult Mental Health	42.6	42.7	43.1	43.3	42.0		
HIFA Waiver	12.0	11.5	15.2	15.2	17.1		
Community Based Services	3.4	3.9	4.2	3.9	3.5		
Chemical Dependency	2.2	2.0	2.0	2.0	2.2		
Total AMDD	62.4	62.3	67.9	67.8	68.1		
% Present Law Projection		99.84%	108.81%	108.65%	109.13%	0.00%	0.00%
% Appropriation			108.99%	108.83%	109.31%	0.00%	0.00%
Developmental Services							
Waivers	103.5	113.6	107.1	107.1	102.5		
Targeted Case Management	4.1	4.4	4.4	4.3	4.3		
Montana Developmental Center	6.1	6.1	7.2	7.2	7.2		
School-based Children's Mental Health	42.0	43.0	32.7	32.7	30.4		
Children's Mental Health	87.7	82.8	88.7	88.7	86.8		
Total DSD	243.4	249.9	240.1	240.0	231.2		
% Present Law Projection		102.67%	98.64%	98.60%	94.99%	0.00%	0.00%
% Appropriation			96.08%	96.04%	92.52%	0.00%	0.00%
Senior & Long-term Care							
Nursing Homes	163.7	173.4	165.3	165.5	160.2		
Home-based Services	52.5	63.8	61.3	62.7	49.6		
Community-based Waiver Services	36.4	42.8	41.7	39.4	39.8		
Montana Veterans' Home Reimb.	1.2	1.2	1.3	1.3	1.3		
Total SLTC	253.8	281.2	269.6	268.9	250.9		
% Present Law Projection		110.80%	106.23%	105.95%	98.86%	0.00%	0.00%
% Appropriation			95.87%	95.63%	89.22%	0.00%	0.00%
Total Medicaid	\$1,103.5	\$1,150.0	\$1,176.2	\$1,175.2	\$1,131.9		
% Present Law Projection		104.21%	106.59%	106.50%	102.57%	0.00%	0.00%
% Appropriation			102.28%	102.19%	98.43%	0.00%	0.00%

FY 2016 DETAIL

Medicaid Services Expenditure Expectations for FY 2016 (\$ Millions)						
	DPHHS	LFD	Legislative Appropriation	November Projection	February Projection	
	Present Law Projection	Present Law Projection				
Health Resources						
Hospitals and Clinics	\$238.0	\$231.0	\$183.7	\$228.1	\$218.5	
Managed Care Services	82.5	83.6	136.2	88.6	95.7	
Acute Services and Pharmacy Costs	141.3	150.4	151.1	161.8	159.3	
Indian Health Services	65.3	55.7	55.7	55.6	54.9	
Medicare Buy-In	34.1	34.8	34.1	38.6	33.5	
Hospital Utilization Fee	<u>65.7</u>	<u>65.7</u>	<u>67.3</u>	<u>64.6</u>	<u>66.7</u>	
Total HRD	626.9	621.2	628.1	637.3	628.6	
% Present Law Projection		99.09%	100.19%	101.66%	100.27%	0.00%
% Appropriation			100.00%	101.46%	100.08%	0.00%
Addictive & Mental Disorders						
Facility Reimbursement	3.4	2.2	2.0	2.8	2.8	
Adult Mental Health	46.9	44.6	46.4	44.4	44.0	
HIFA Waiver	24.6	24.6	24.8	25.1	26.8	
Community Based Services	3.9	4.5	4.6	4.4	4.9	
Chemical Dependency	<u>2.3</u>	<u>2.0</u>	<u>2.1</u>	<u>2.3</u>	<u>2.3</u>	
Total AMDD	81.1	77.9	79.9	79.0	80.8	
% Present Law Projection		96.05%	98.52%	97.41%	99.63%	0.00%
% Appropriation			100.00%	98.87%	101.13%	0.00%
Developmental Services						
Waivers	107.1	107.7	113.6	103.1	106.7	
Targeted Case Management	4.4	4.5	4.5	4.4	4.4	
Montana Developmental Center	7.2	7.2	7.2	7.2	7.2	
School-based Children's Mental Health	38.1	36.6	35.6	31.4	30.7	
Children's Mental Health	<u>95.7</u>	<u>92.5</u>	<u>96.2</u>	<u>94.6</u>	<u>95.7</u>	
Total DSD	252.5	248.5	257.1	240.7	244.7	
% Present Law Projection		98.42%	101.82%	95.33%	96.91%	0.00%
% Appropriation			100.00%	93.62%	95.18%	0.00%
Senior & Long-term Care						
Nursing Homes	166.4	163.0	167.8	166.0	166.1	
Home-based Services	64.7	62.8	64.3	51.7	50.4	
Community-based Waiver Services	41.3	41.3	45.6	45.1	44.2	
Montana Veterans' Home Reimb.	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	
Total SLTC	273.7	268.4	279.0	264.1	262.0	
% Present Law Projection		98.06%	101.94%	96.49%	95.73%	0.00%
% Appropriation			100.00%	94.66%	93.91%	0.00%
Total Medicaid	\$1,234.2	\$1,216.0	\$1,244.1	\$1,221.1	\$1,216.1	
% Present Law Projection		98.53%	100.80%	98.94%	98.53%	0.00%
% Appropriation			100.00%	98.15%	97.75%	0.00%