



## **HHS, DOM and LSA Joint Projection Medicaid/CHIP Meeting Summary**

### Attachments:

1. Medicaid Consensus Projection – with 3% Trend
2. CHIP Consensus Projection – with 3% Trend
3. Pre vs. Post Pandemic Enrollment
4. Medicaid Funded and Unfunded Increases
5. Medicaid Projection Glossary
6. Medicaid Consensus Projection – No Trend (for reference)
7. CHIP Consensus Projection – No Trend (for reference)

### HHS/LSA/DOM Consensus - August 29, 2024

**SFY23-29 Medical Assistance Appropriation Analysis - WITH TREND**

**Medical Assistance Projection**

**FY26-FY29 - Add'l 3% Trend Adj on MCO & Legislative Adjustments; Non-MCO Add'l 1.5% trend adjustment FY27-FY29; Trend estimates for MCO Premium Tax Revenue and Expenditures**

	SFY27-SFY29 with MCO Trend						
	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	
	Consensus						
<u>State Revenue</u>	<u>SFY23</u>	<u>SFY24</u>	<u>SFY25</u>	<u>SFY26</u>	<u>SFY27</u>	<u>SFY28</u>	<u>SFY29</u>
Prior Year Carry-Forward	\$273,039,252	\$367,990,615	\$285,062,689	\$118,992,283	\$0	\$0	\$0
General Fund - Medical Assistance	\$1,510,127,388	\$1,543,626,779	\$1,605,063,804	\$1,605,063,804	\$1,605,063,804	\$1,605,063,804	\$1,605,063,804
Health Care Trust Fund	\$183,706,173	\$159,770,706	\$170,503,000	\$166,692,000	\$166,692,000	\$166,692,000	\$166,692,000
Quality Assurance Trust Fund	\$57,161,022	\$106,556,027	\$111,216,205	\$111,216,205	\$111,216,205	\$111,216,205	\$111,216,205
Hospital Health Care Access Trust Fund	\$33,920,554	\$33,920,554	\$33,920,554	\$33,920,554	\$33,920,554	\$33,920,554	\$33,920,554
Medicaid Fraud Fund	\$58,806	\$16,986	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Decatogерization	\$880,576	\$0	\$0	\$0	\$0	\$0	\$0
MCO Premium Tax	\$0	\$0	117,266,499	80,486,707	80,690,171	81,988,969	84,448,638
<b>Total State Funds Available</b>	<b>\$2,058,893,771</b>	<b>\$2,211,881,667</b>	<b>\$2,323,182,751</b>	<b>\$2,116,521,553</b>	<b>\$1,997,732,734</b>	<b>\$1,999,031,532</b>	<b>\$2,001,491,201</b>
<b>State Expenditures</b>							
IA Health Link	\$1,611,837,207	\$1,750,034,275	\$2,021,200,378	\$2,049,624,452	\$2,049,624,452	\$2,049,624,452	\$2,049,624,452
Non-IA Health Link	\$79,065,949	\$176,784,702	\$158,268,567	\$198,096,773	\$201,068,225	\$204,084,248	\$207,145,512
Legislative Adjustments	\$0	\$0	\$24,721,523	\$24,721,523	\$24,721,523	\$24,721,523	\$24,721,523
MCO Premium Tax Expenditures	\$0	-	-	-	-	-	-
SFY24 Trend Adj.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SFY25 Trend Adj.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SFY26 Trend Adj.	\$0	\$0	\$0	\$62,230,379	\$62,230,379	\$62,230,379	\$62,230,379
SFY27 Trend Adj.	\$0	\$0	\$0	\$0	\$64,097,291	\$64,097,291	\$64,097,291
SFY28 Trend Adj.	\$0	\$0	\$0	\$0	\$0	\$66,020,209	66,020,209
SFY29 Trend Adj.	\$0	\$0	\$0	\$0	\$0	\$0	\$68,000,816
<b>Total State Expenditures</b>	<b>\$1,690,903,156</b>	<b>\$1,926,818,978</b>	<b>\$2,204,190,468</b>	<b>\$2,334,673,127</b>	<b>\$2,401,741,869</b>	<b>\$2,470,778,102</b>	<b>\$2,541,840,181</b>
<b>Surplus/Deficit</b>	<b>\$367,990,615</b>	<b>\$285,062,689</b>	<b>\$118,992,283</b>	<b>(\$218,151,574)</b>	<b>(\$404,009,136)</b>	<b>(\$471,746,570)</b>	<b>(\$540,348,981)</b>
			<b>General Fund Need</b>	<b>\$218,151,574**</b>	<b>\$185,857,561</b>	<b>\$67,737,435</b>	<b>\$68,602,410</b>

\*The 3.0% trend includes both enrollment increases and changes in the MCO capitation rate.

\*\*The projected need from the March forecast meeting was \$264.6 million for SFY 2026. The August projection is a \$46.5 million decrease compared to March projection.

## HHS/LSA/DOM Consensus - August 29, 2024

SFY23-29 CHIP Appropriation Analysis - **WITH TREND**  
 FY26-FY29 - Add'l 3% Trend Adjustment

	Consensus							
	SFY23	SFY24	SFY25	SFY26	SFY27	SFY28	SFY29	
<b>State Revenue</b>								
Prior Year Carry-Forward	\$6,715,260	\$13,696,387	\$6,421,065	\$0	\$0	\$0	\$0	
General Fund - Medical Assistance	\$38,661,688	\$38,661,688	\$41,322,970	\$41,322,970	\$41,322,970	\$41,322,970	\$41,322,970	
			\$3,047,474	\$2,255,582	\$2,255,582	\$2,255,582	\$2,255,582	
Total State Funds Available	\$45,376,948	\$52,358,075	\$50,791,509	\$43,578,552	\$43,578,552	\$43,578,552	\$43,578,552	
<b>State Expenditures</b>								
Hawki/Dental Only/MCHIP	\$34,078,968	\$46,965,236	\$57,381,586	\$59,492,089	\$59,492,089	\$59,492,089	\$59,492,089	
MCO Premium Tax Expenditures		-	-	-	-	-	-	
Other Adjustments	(\$2,398,407)	(\$1,028,227)	(\$2,324,444)	(\$2,135,569)	(\$2,149,264)	(\$2,163,164)	(\$2,177,272)	
SFY24 Trend Adj.	-	-	-	-	-	-	-	
SFY25 Trend Adj.	-	-	-	-	-	-	-	
SFY26 Trend Adj.	-	-	-	\$1,720,696	\$1,720,285	\$1,719,868	\$1,719,445	
SFY27 Trend Adj.	-	-	-	-	\$1,771,893	\$1,771,464	\$1,771,028	
SFY28 Trend Adj.	-	-	-	-	-	\$1,824,608	\$1,824,159	
SFY29 Trend Adj.	-	-	-	-	-	-	\$1,878,883	
Total State Expenditures	\$31,680,561	\$45,937,009	\$55,057,142	\$59,077,215	\$60,835,003	\$62,644,864	\$64,508,331	
<b>Surplus/Deficit</b>	<b>\$13,696,387</b>	<b>\$6,421,066</b>	<b>(\$4,265,632)</b>	<b>(\$15,498,664)</b>	<b>(\$17,256,452)</b>	<b>(\$19,066,313)</b>	<b>(\$20,929,780)</b>	
			General Fund Need	\$4,265,632	\$11,233,031	\$1,757,788	\$1,809,861	\$1,863,467

\*The 3.0% trend includes both enrollment increases and changes in the MCO capitation rate.

**Iowa Department of Health and Human Services**  
**Medicaid and CHIP Enrollment**  
**Pre vs Post PHE**  
**9/10/2024**

	<b>Feb-20</b>	<b>May-24</b>	<b>Change</b>	<b>Percent Change</b>
<b>Medicaid</b>				
Child	241,970	241,350	(620)	-0.26%
Adult	67,108	68,084	976	1.45%
Aged	33,081	32,585	(496)	-1.50%
Disabled	79,452	75,251	(4,201)	-5.29%
<b>Total - Regular Medicaid</b>	<b>421,611</b>	<b>417,270</b>	<b>(4,341)</b>	<b>-1.03%</b>
Iowa Health and Wellness Plan	175,680	183,109	7,429	4.23%
<b>Total - All Medicaid</b>	<b>597,291</b>	<b>600,379</b>	<b>3,088</b>	<b>0.52%</b>
<b>CHIP</b>				
Hawki	56,780	61,832	5,052	8.90%
Hawki Dental Only	4,816	6,511	1,695	35.20%
MCHIP	16,914	17,525	611	3.61%
<b>Total - CHIP</b>	<b>78,510</b>	<b>85,868</b>	<b>7,358</b>	<b>9.37%</b>

<b>SFY</b>	<b>Description of Increase</b>	<b>Total Amount</b>	<b>Funded Amount (State)</b>	<b>Unfunded Amount (State)</b>
<b>SFY20</b>	Capitation Rate Increases*	\$ 89,000,000	\$ -	\$ 89,000,000
<b>SFY21</b>	Capitation Rate Increases	15,000,000	-	15,000,000
<b>SFY22</b>	Capitation Rate Increases	13,500,000	-	13,500,000
	HCBS Program Increase	11,002,240	11,002,240	-
	PMIC Provider Increase	3,900,000	3,900,000	-
	NF Rebase	19,080,860	19,080,860	-
	Air Ambulance Rate Increase	100,000	100,000	-
	Home Health Rate Increase	2,000,000	2,000,000	-
	Home- Based Hab Rate Increase	7,134,214	7,134,214	-
	CMH Waitlist Reduction	1,031,530	1,031,530	-
	Pharmacy Dispensing Fee Increase	567,445	-	567,445
<b>SFY23</b>	Capitation Rate Increases	58,000,000	-	58,000,000
	Home Health Rural Incentives	1,777,082	1,777,082	-
	ICF/ID Rate Increases	1,339,971	1,339,971	-
	BHIS Increase	1,277,082	1,277,082	-
	Psychiatric Tiered Rates (1/2 Year)	1,500,000	1,500,000	-
	Applied Behavioral Analysis Rates	385,000	385,000	-
	HCBS Rate Increases (ARPA Funded)	22,000,000	5,500,000	16,500,000
	FFT/MST Services	118,799	-	118,799
	Medicaid Refunds and Offsets	909,000	-	909,000
<b>SFY24</b>	Capitation Rate Increases	41,100,000	-	41,100,000
	Capitation Rate Increases- Acuity Adjustments	56,800,000	-	56,800,000
	Nursing Facilities Rebase	15,000,000	15,000,000	-
	Mental Health Service Rates Increase	3,000,000	3,000,000	-
	Mental Health Therapy	7,000,000	7,000,000	-
	Substance Abuse Provider Rates	3,000,000	3,000,000	-
	Annualized Impact of Psychiatric Tiered Rates	1,500,000	-	1,500,000
<b>Total</b>		<b>\$ 377,023,223</b>	<b>\$ 84,027,979</b>	<b>\$ 292,995,244</b>

\*Funded with a supplemental appropriation in SFY20, but this supplemental appropriation was not maintained in SFY21 and beyond.

Revenue/Expense	Description
<b>Revenues</b>	
Prior Year Carry-Forward	Prior Year Carry-Forward dollars are funds available from the prior fiscal year that have accumulated due the 6.2% enhanced FMAP which was in place throughout the COVID-19 pandemic.
General Fund - Medical Assistance	The General Fund - Medical Assistance appropriation is the annual appropriation to Medicaid in the Health and Human Services (HHS) appropriations bill.
Medical Assistance - Health Care Trust Fund (HCTF)	The Health Care Trust Fund collects all tax receipts related to the sale of tobacco products (excluding vape products). The balance of the fund is appropriated to Medicaid annually in the HHS appropriations bill.
Medical Assistance - Quality Assurance Trust Fund (QATF)	A quality assurance assessment fee is assessed on nursing facilities for each patient day. The assessment applies to all for-profit and nonprofit private nursing facilities, but not to State nursing facilities. Revenue received from the assessment is deposited in the Quality Assurance Trust Fund. Revenues from the fund are used to increase nursing facility rates and are appropriated to Medicaid annually in the HHS appropriations bill.
Medical Assistance - Hospital Health Care Access Trust Fund (HHCATF)	A hospital health care access assessment fee is assessed on privately owned hospitals paid on a Prospective Payment System (PPS) basis by Medicare and Medicaid. Revenue received from the assessment is deposited in the Hospital Health Care Access Trust Fund. The moneys in the Fund are used to increase hospital reimbursement for PPS hospitals to the upper payment limit and are appropriated to Medicaid annually in the HHS appropriations bill. This Program is separate from the hospital directed payment program.
Medical Assistance - Medicaid Fraud Fund (MFF)	The Medicaid Fraud Fund consists of moneys collected from penalties, investigative costs recouped by the Medicaid Fraud Control Unit, and other amounts received as a result of prosecutions stemming from DIA investigations and audits to ensure compliance with the Medicaid Program. The balance of the fund is appropriated to Medicaid annually.
Decategorization	Decategorization funds are funds the child welfare decategorization boards did not spend within their allotted timeframe and that revert to the Medicaid appropriation.
MCO Premium Tax	The Managed Care Organization (MCO) premium tax is a tax on the gross amount of premiums received by the Medicaid MCO. Revenue received from the tax are used to offset Medicaid expenditures.
<b>Expenditures</b>	
IA Health Link	IA Health Link expenditures reflect the states cost for managed care. The MCOs are paid by the state through a per member per month capitation payment.
Non-IA Health Link	Non-IA Health Link expenditures reflect the state expenditure and expenditure offsets which are not part of managed care. These include but are not limited to, fee-for-service expenditures, Medicare Buy-In and Part D clawback, drug rebates, and other recoveries.
Legislative Adjustments	Legislative adjustments are changes made by the Legislature and approved by the Governor during the legislative session, but have not yet been folded into the capitation rates or Non-IA Health Link categories above.
SFYXX Trend Adj.	The trend adjustment is a place holder for cost both enrollment increases and increases related to the status quo array of services. The trend assumes a 3.0% increase.

## HHS/LSA/DOM Consensus - August 29, 2024

## SFY23-26 Medical Assistance Appropriation Analysis - No Trend

	SFY25-SFY26 No MCO Trend		0.00%	
	Consensus			
	SFY23	SFY24	SFY25	SFY26
<b>State Revenue</b>				
Prior Year Carry-Forward	\$273,039,252	\$367,990,615	285,062,689	118,992,283
General Fund - Medical Assistance	\$1,510,127,388	\$1,543,626,779	\$1,605,063,804	\$1,605,063,804
Health Care Trust Fund	\$183,706,173	\$159,770,706	\$170,503,000	\$166,692,000
Quality Assurance Trust Fund	\$57,161,022	\$106,556,027	\$111,216,205	\$111,216,205
Hospital Health Care Access Trust Fund	\$33,920,554	\$33,920,554	\$33,920,554	\$33,920,554
Medicaid Fraud Fund	\$58,806	\$16,986	\$150,000	\$150,000
Decatogerization	\$880,576	\$0	\$0	\$0
MCO Premium Tax	\$0	\$0	\$117,266,499	\$77,002,792
Total State Funds Available	\$2,058,893,771	\$2,211,881,667	\$2,323,182,751	\$2,113,037,638
<b>State Expenditures</b>				
IA Health Link	\$1,611,837,207	\$1,750,034,275	\$2,021,200,378	\$2,049,624,452
Non-IA Health Link	\$79,065,949	\$176,784,702	\$158,268,567	\$198,096,773
Legislative Adjustments	\$0	\$0	\$24,721,523	\$24,721,523
MCO Premium Tax Expenditures	\$0	\$0	\$0	\$0
Total State Expenditures	\$1,690,903,156	\$1,926,818,978	\$2,204,190,468	\$2,272,442,748
<b>Surplus/Deficit w/o MCO Prem Tax</b>	<b>\$367,990,615</b>	<b>\$285,062,689</b>	<b>\$118,992,283</b>	<b>(\$159,405,110)</b>
<b>ARPA HCBS Balance</b>				
ARPA HCBS Freed-Up State Funds	\$100,567,287	\$53,388,793	-	-
ARPA HCBS State Spending	(47,178,494)	(53,388,793)	-	-
ARPA State Dollar Spend	\$53,388,793	-	-	-
<b>Ending State Balance</b>	<b>\$421,379,408</b>	<b>\$285,062,689</b>	<b>\$118,992,283</b>	<b>(\$159,405,110)</b>

## HHS/LSA/DOM Consensus - August 29, 2024

SFY24-26 CHIP Appropriation Analysis - **No Trend**

SFY24-SFY26 No Trend

0.00%

	Consensus			
	SFY23	SFY24	SFY25	SFY26
<b>State Revenue</b>				
Prior Year Carry-Forward	\$6,715,260	\$13,696,387	\$6,421,065	\$0
General Fund - Medical Assistance	\$38,661,688	\$38,661,688	\$41,322,970	\$41,322,970
MCO Premium Tax Revenue		\$0	\$3,047,474	\$2,185,495
Total State Funds Available	\$45,376,948	\$52,358,075	\$50,791,509	\$43,508,465
<b>State Expenditures</b>				
Hawki/Dental Only/MCHIP	\$34,078,968	\$46,965,236	\$57,381,586	\$59,492,089
MCO Premium Tax Expenditures		\$0	\$0	\$0
Other Adjustments	(\$2,398,407)	(\$1,028,227)	(\$2,324,444)	(\$2,135,569)
SFY24 Trend Adj.	-	-	-	-
SFY25 Trend Adj.	-	-	-	-
Total State Expenditures	\$31,680,561	\$45,937,009	\$55,057,142	\$57,356,520
<b>Surplus/Deficit</b>	<b>\$13,696,387</b>	<b>\$6,421,066</b>	<b>(\$4,265,632)</b>	<b>(\$13,848,055)</b>