

STATE FISCAL YEAR

2021 INITIAL BUDGET REQUEST

Presented to the
Joint Legislative Budget Committee

September 13, 2019

Drew L. Snyder

Executive Director

Mississippi Division of Medicaid



MISSISSIPPI DIVISION OF
MEDICAID

BUDGET HIGHLIGHTS

FY 2019 TOTAL STATE APPROPRIATION

\$917 million

- > A decrease of \$95.8 million in state support compared to record high of \$1.012 billion in 2016.
- > First time in years no deficit appropriation requested.
- > Ended year with budget surplus.

FY 2020 TOTAL STATE APPROPRIATION

\$931 million

- > Currently on track to avoid budget deficit for second consecutive year.

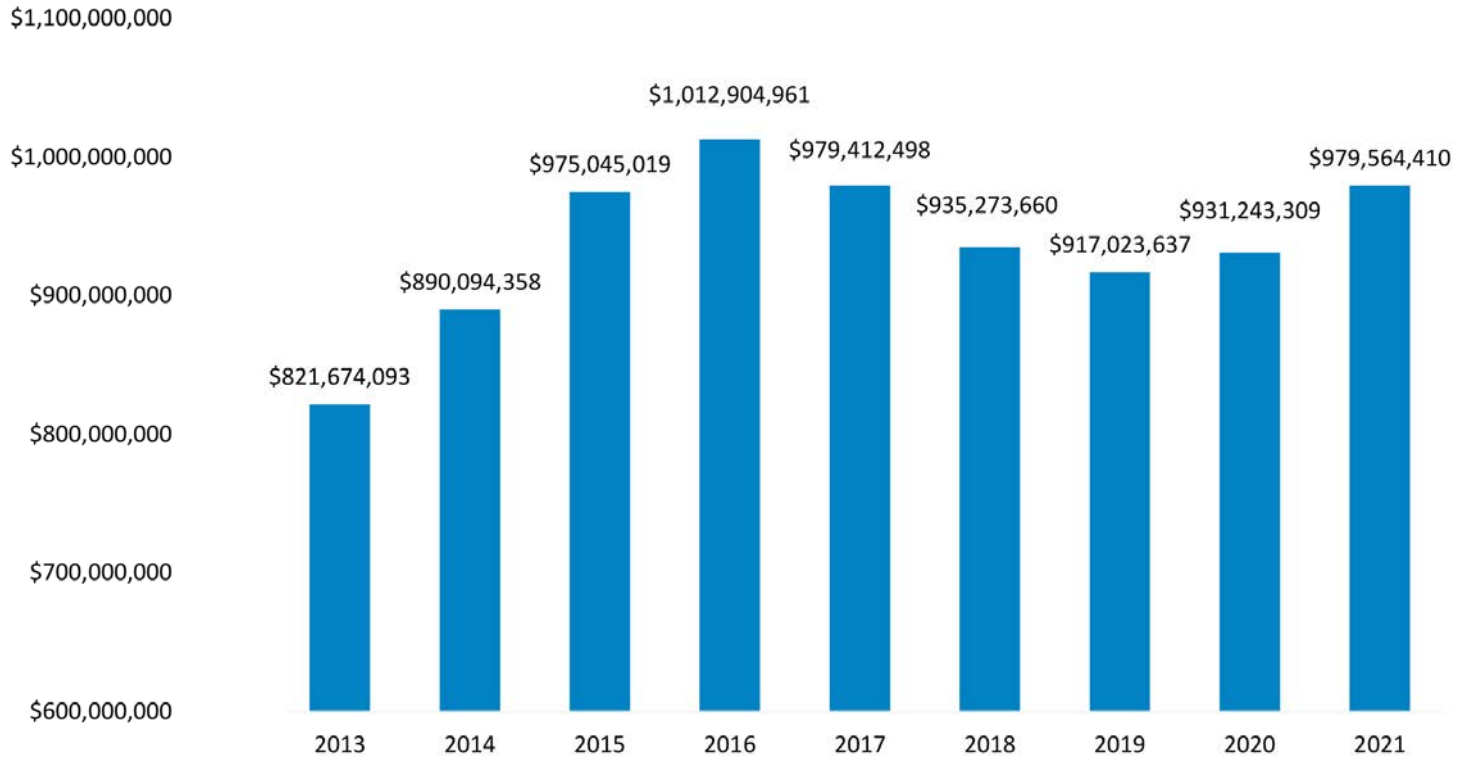
FY 2021 DIRECT STATE SUPPORT INITIAL REQUEST

\$979 million

- > Potential to adjust request downward if current trends continue.

STATE SUPPORT FUNDING

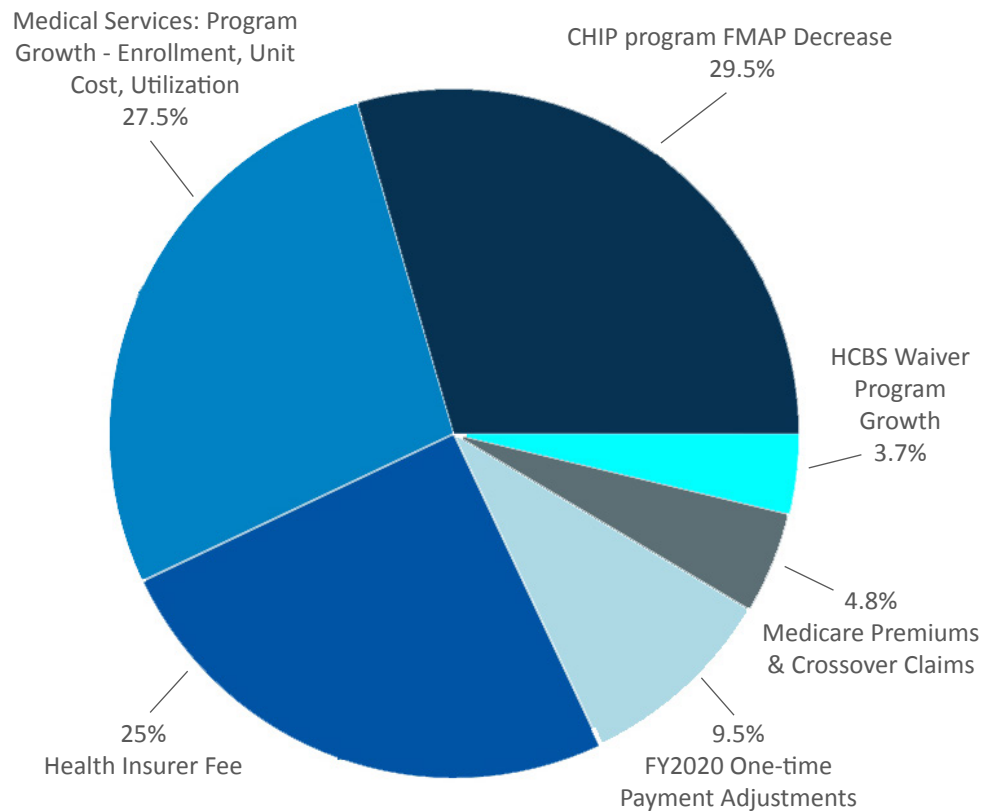
STATE FISCAL YEARS 2012-2021



Total state support funding, including deficit appropriations, by fiscal year over a nine-year period (2021 amount reflects initial budget request).

COST FACTORS

KEY IMPACTS ON FY 2021 REQUEST



> In FY 2021, the federal funding rate for CHIP will decrease from 95.39% to 84.10%.

FY 2020 Appropriation:

> General Funds	\$868,013,306
> Health Care Expendable Funds	\$63,230,003

FY 2020 Direct State Appropriated Funds **\$931,243,309**

FY 2021 Impacts on State Funds Request:

> CHIP program FMAP Decrease and Program Growth	\$15,960,227
> Medical Services: Program Growth - Enrollment, Unit Cost, Utilization *	\$14,873,275
> Health Insurer Fee -MSCAN and CHIP	\$13,497,224
> FY 2020 One-time Payment Adjustments	\$5,113,338
> Medicare Premiums & Crossover Claims	\$2,598,175
> HCBS Waiver Program Growth - Enrollment, Utilization, Unit Cost	\$2,012,326
> Administrative Services - reduction in IT infrastructure expenditures	(\$1,572,369)
> 100% State Funded Grant - no funding requested in FY 2021	(\$4,161,095)

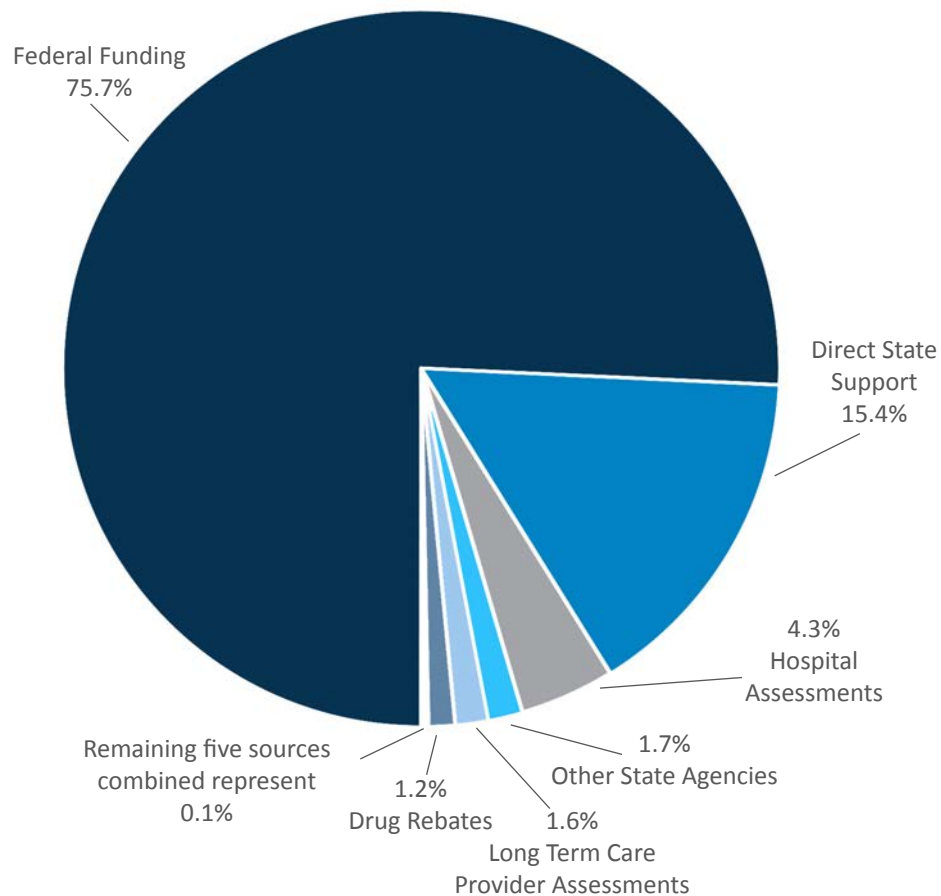
Additional Direct State Funds Requested **\$48,321,101**

FY 2021 Direct State Funds Request **\$979,564,410**

* Includes \$1 million in state funding for increases in Graduate Medical Education payments.

FUNDING SOURCES

SOURCES OF FY 2021 MEDICAID FUNDING



FY 2021 Funding Sources

> Federal Funding	\$4,813,781,793
> Direct State Support	\$979,564,410
> Hospital Assessments	\$273,798,534
> Other State Agencies - State Portion	\$97,908,454
> Long-Term Care Facility Provider Assessments	\$94,275,897
> Drug Rebates*	\$75,207,000
> MAPS - UMMC	\$8,457,171
> Provider Refund of Overpayment*	\$4,580,790
> Long-Term Care Facility UPL IGTs	\$3,772,359
> Physician UPL IGTs	\$2,500,000
> Interest, Misc. Collections	\$1,858,200

Total **\$6,355,704,608**

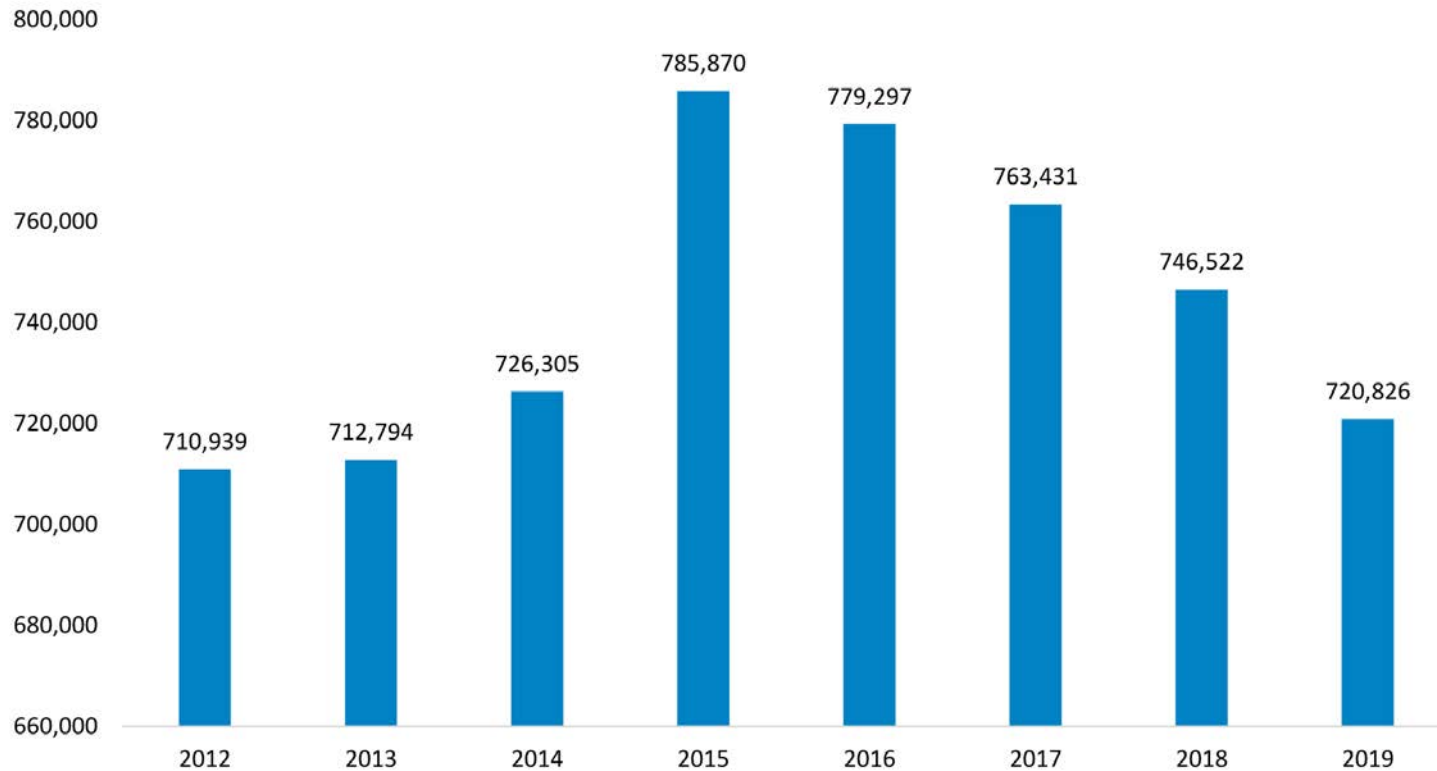
* Reported as reduction in medical expenditures instead of revenue.

> Federal	\$4,813,781,739
> State Share	\$1,462,135,025
> Total Spending	\$6,355,704,608

> Direct State Support	\$979,564,410
> Other State Support	\$99,516,654
> Provider Assessments	\$383,053,961
	\$1,462,135,025

ANNUAL ENROLLMENT

STATE FISCAL YEARS 2012-2019



The average annual enrollment for the past eight state fiscal years including Medicaid and Children’s Health Insurance Program (CHIP). Modified Adjusted Gross Income eligibility guidelines, required by the Affordable Care Act, took effect Jan. 1, 2014. Total enrollment subsequently peaked at 796,103 in March of 2015.

ON THE HORIZON

Graduate Medical Education

- > Due to the increasing percentage of medical services being delivered on an out-patient basis, this December DOM will begin reimbursing accredited teaching hospitals for direct graduate medical education costs at a per resident rate rather than based on the number of inpatient hospital stays.

High-Cost Pharmacy

- > In May of 2019, the Federal Drug Administration approved an extremely expensive new gene therapy and Spinal Muscular Atrophy treatment called Zolgensma.

Quality Initiative Programs

- > In FY 2020, DOM introduced three new quality incentive programs: The Quality Incentive Payment Program (QIPP), which is a new component of the Mississippi Hospital Access Program (MHAP) for hospitals; the Mississippi Medicaid Access to Physician Services (MAPS), a new directed payment program developed in conjunction with UMMC; and the Managed Care Incentive/Withhold Program.

Value-based Payment Incentives in LTC

- > DOM is looking to move as much as 10% of long term care expenditures into value-based payment incentives, making additional payments to facilities providing higher quality care.