

STATE FISCAL YEAR

2022 INITIAL BUDGET REQUEST

Presented to the
Joint Legislative Budget Committee

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MISSISSIPPI DIVISION OF
MEDICAID

BUDGET HIGHLIGHTS

FY 2020 TOTAL STATE APPROPRIATION

\$931 million

- > Second consecutive year with no deficit appropriation request.
- > Ended year with a \$198M carry forward, driven by enhanced FMAP.

FY 2021 TOTAL STATE APPROPRIATION

\$899,173,333 million

- > Assumes enhanced FMAP for the first two quarters.

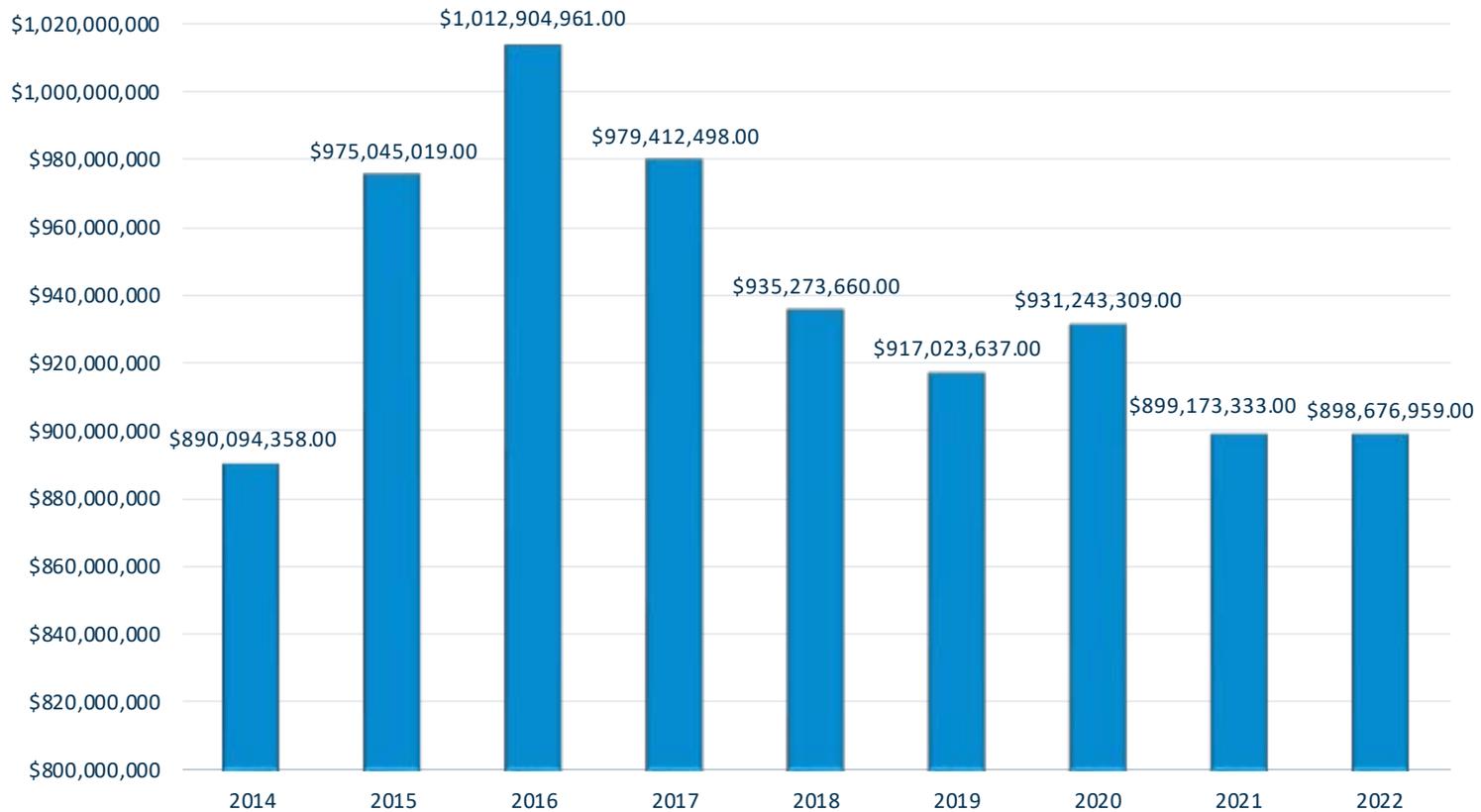
FY 2022 DIRECT STATE SUPPORT INITIAL REQUEST

\$898,676,959 million

- > Lowest direct state support request in nine years.
- > Projection to be updated in December 2020.

STATE SUPPORT FUNDING

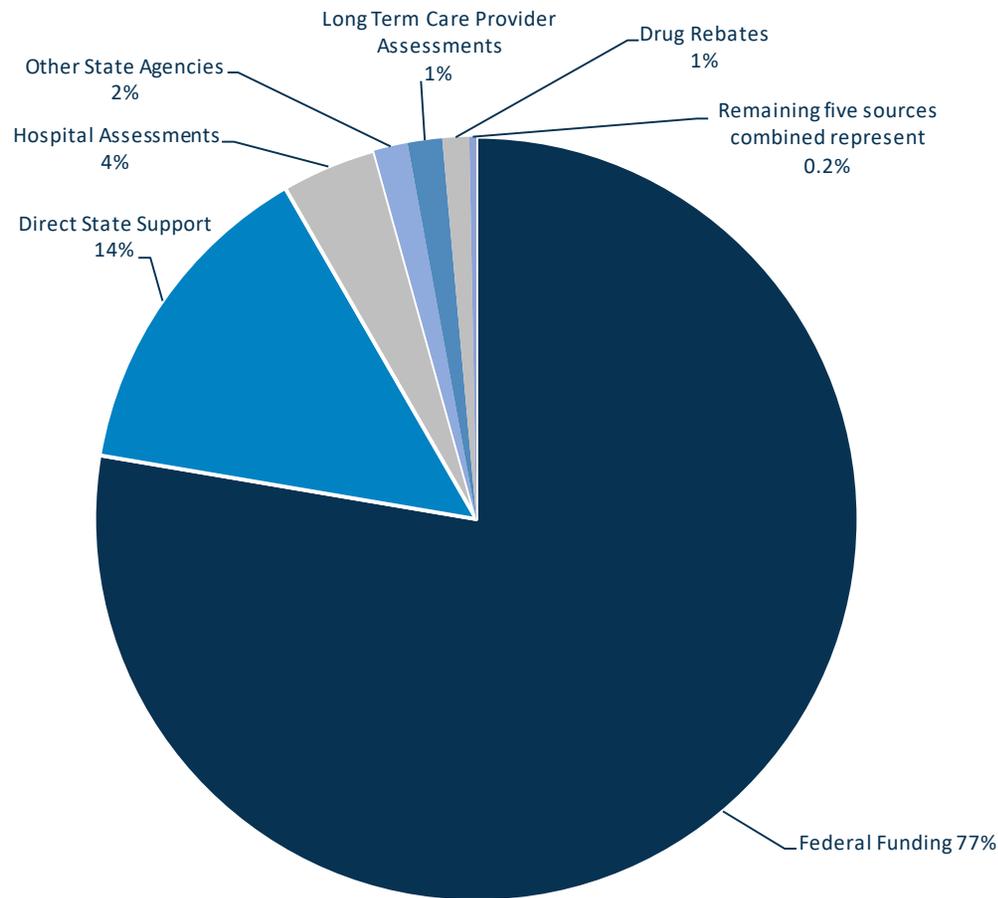
STATE FISCAL YEARS 2014-2022



Total state support funding, including deficit appropriations, by fiscal year over a nine-year period (2022 amount reflects initial budget request).

FUNDING SOURCES

SOURCES OF FY 2022 MEDICAID FUNDING



FY 2022 Funding Sources

> Federal Funding	\$4,989,986,654
> Direct State Support	\$898,676,959
> Hospital Assessments	\$258,577,740
> Other State Agencies - State Portion	\$91,830,349
> Long-Term Care Facility Provider Assessments	\$93,839,450
> Drug Rebates*	\$72,435,000
> MAPS - UMMC	\$8,381,016
> Provider Refund of Overpayment*	\$4,411,950
> Long-Term Care Facility UPL IGTs	\$3,154,108
> Physician UPL IGTs	\$2,500,000
> Interest, Misc. Collections	\$633,200

Total **\$6,424,426,426**

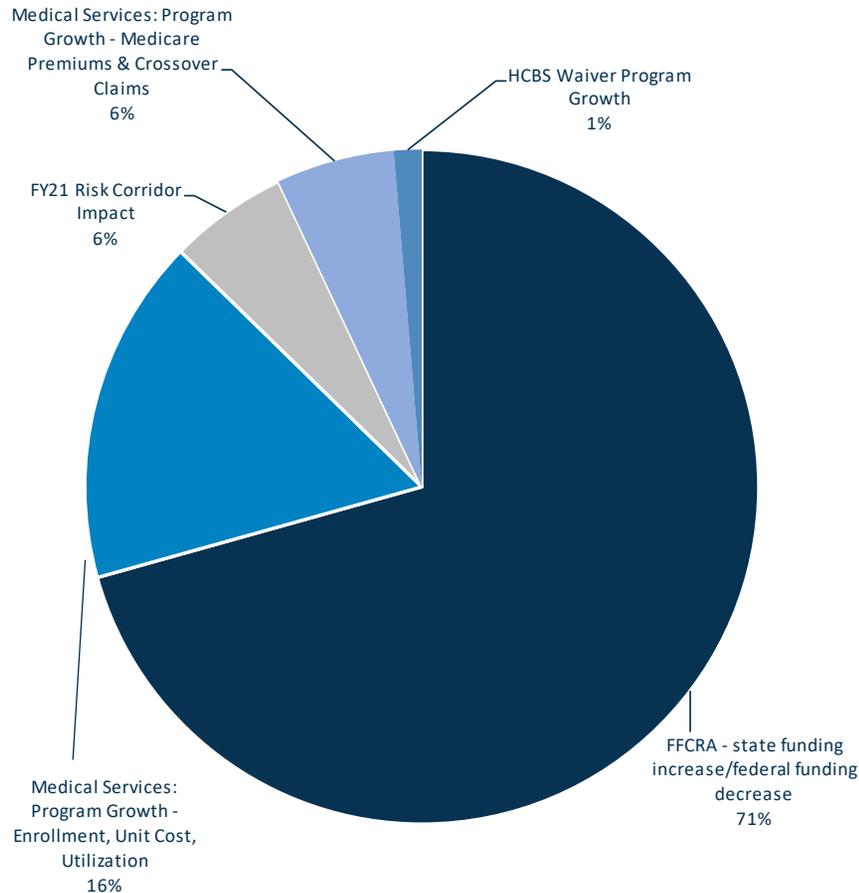
* Reported as reduction in medical expenditures instead of revenue.

> Federal	\$5,066,833,604
> State Share	\$1,357,592,822
> Total Spending	\$6,424,426,426

> Direct State Support	\$898,676,959
> Other State Support	\$91,830,349
> Provider Assessments	\$367,085,514
	\$1,357,592,822

COST FACTORS

KEY IMPACTS ON FY 2022 REQUEST



FY 2021 Appropriation:

> General Funds	\$750,895,203
> Capital Expense Funds	\$85,048,127
> Health Care Expendable Funds	\$63,230,003
FY 2021 Direct State Appropriated Funds	\$899,173,333

FY 2022 Impacts on State Funds Request:

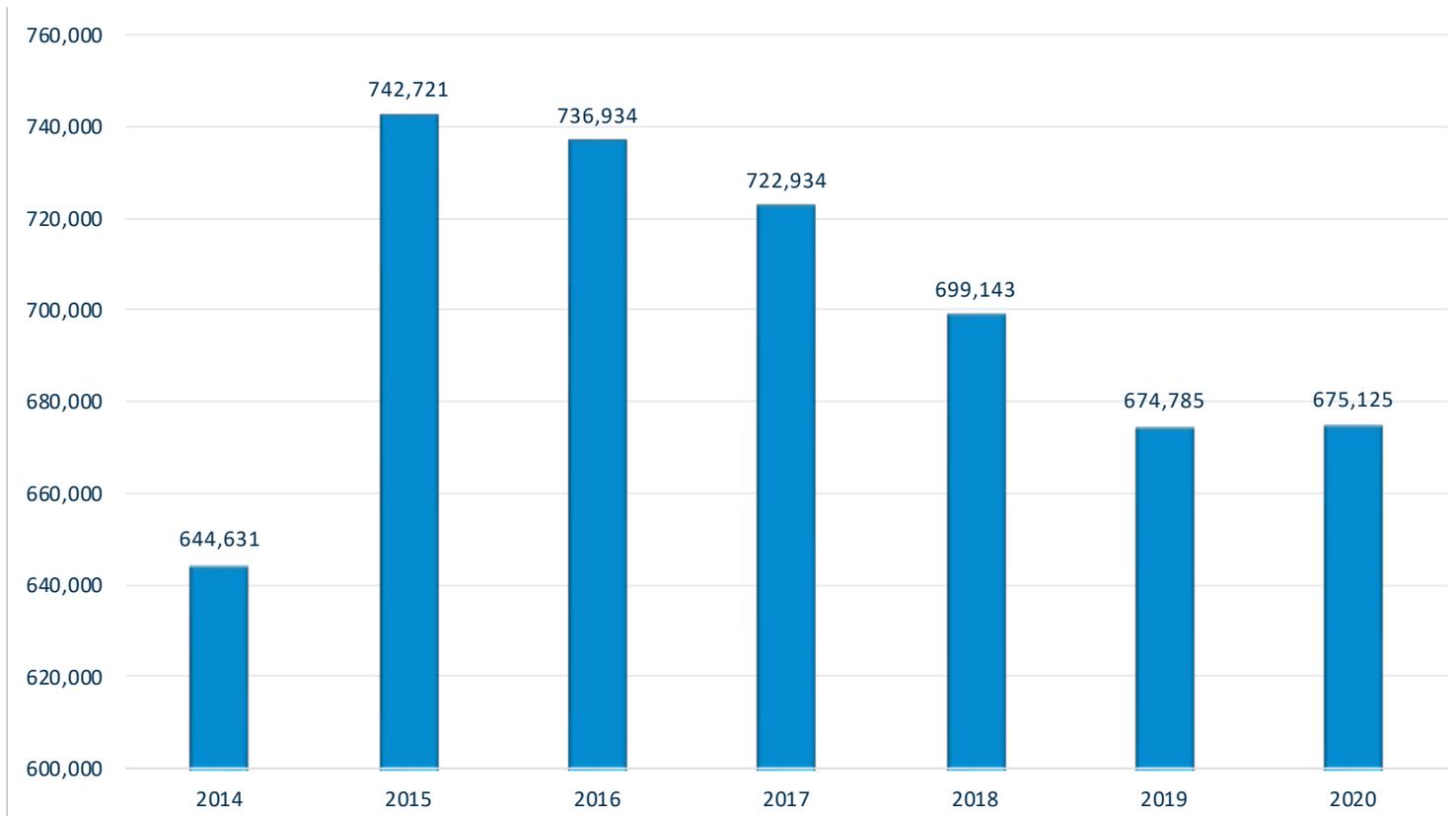
> FFCRA - state funding increase/federal funding decrease	\$158,361,216
> Difference in state funding including impact of carry forward from FY21 to FY22	(\$120,690,636)
> Reduction in Capital Expense Funds	(\$85,048,127)
> Medical Services: Program Growth - Enrollment, Unit Cost, Utilization	\$37,271,370
> FY21 Risk Corridor Impact	\$12,799,920
> Medical Services: Program Growth - Medicare Premiums & Crossover Claims	\$12,682,980
> Health Insurer Fee - MSCAN and CHIP	(\$9,209,920)
> Delivery kick payment methodology change	(\$4,234,560)
> 100% State Funded Grant - no funding requested in FY2022	(\$4,161,095)
> HCBS Waiver Program Growth - utilization and unit cost increases	\$2,987,817
> CHIP - enrollment and utilization changes	(\$641,691)
> Admin Services - reduction in IT infrastructure spending	(\$613,648)

Decrease in Direct State Funds Requested (\$496,374)

FY 2022 Direct State Funds Request \$898,676,959

ANNUAL ENROLLMENT

STATE FISCAL YEARS 2014-2020



The average annual Medicaid enrollment for the past seven state fiscal years excluding the 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 746,151 in March of 2015.

ON THE HORIZON

Risk Corridor

- > Subject to CMS approval, DOM will implement a risk corridor from April 2020 to June 2020 to address the extraordinary uncertainty of medical costs due to the COVID-19 pandemic. The capitation rates reflect a target medical loss ratio (MLR), which measures the projected medical service costs as a percentage of the total capitation rates.
- > With the reduction in medical services due to COVID-19 during the last quarter of FY2020, the medical costs are much lower than contemplated during the rate setting process. The risk corridor would further limit Managed Care Organization (MCO) gains and losses if the actual MLR is different than the target MLR. DOM estimates the return of \$79,800,000 from the MCOs to DOM in FY2021 through the implementation of the risk corridor. This creates an increase in expenditures in FY2022 of the same amount.

Emergency Telehealth Policy

- > As the state continues to combat the COVID-19 outbreak, DOM's enhanced telehealth services will remain in effect through the end of the public health emergency. The policy improves access for beneficiaries by allowing them to receive telehealth services in their homes without a telepresenter present, cutting back on unnecessary travel, clinic visits and possible exposure.