



Budget Overview for the Department for Medicaid Services

Prepared for the Budget Review Subcommittee on Human Resources

Adam Meier, Secretary, CHFS

Jill Hunter, Commissioner, DMS

Steve Bechtel, DMS Chief Financial Officer

Eric Lowery, OFB Executive Director

August 30, 2018



Kentucky Medicaid at a Glance

- Approximately 1,442,685 Eligibles
 - Over 84,877 children in KCHIP
- 1,297,810 Eligibles in Managed Care (89.96%)
 - 5 Medicaid Managed Care Organizations
 - 482,015 covered under Medicaid Expansion (ACA)
 - 815,795 covered under Traditional (Non-ACA)
- Approximately 46,000 enrolled providers
- \$11.5 billion budget (Federal and State Funds)

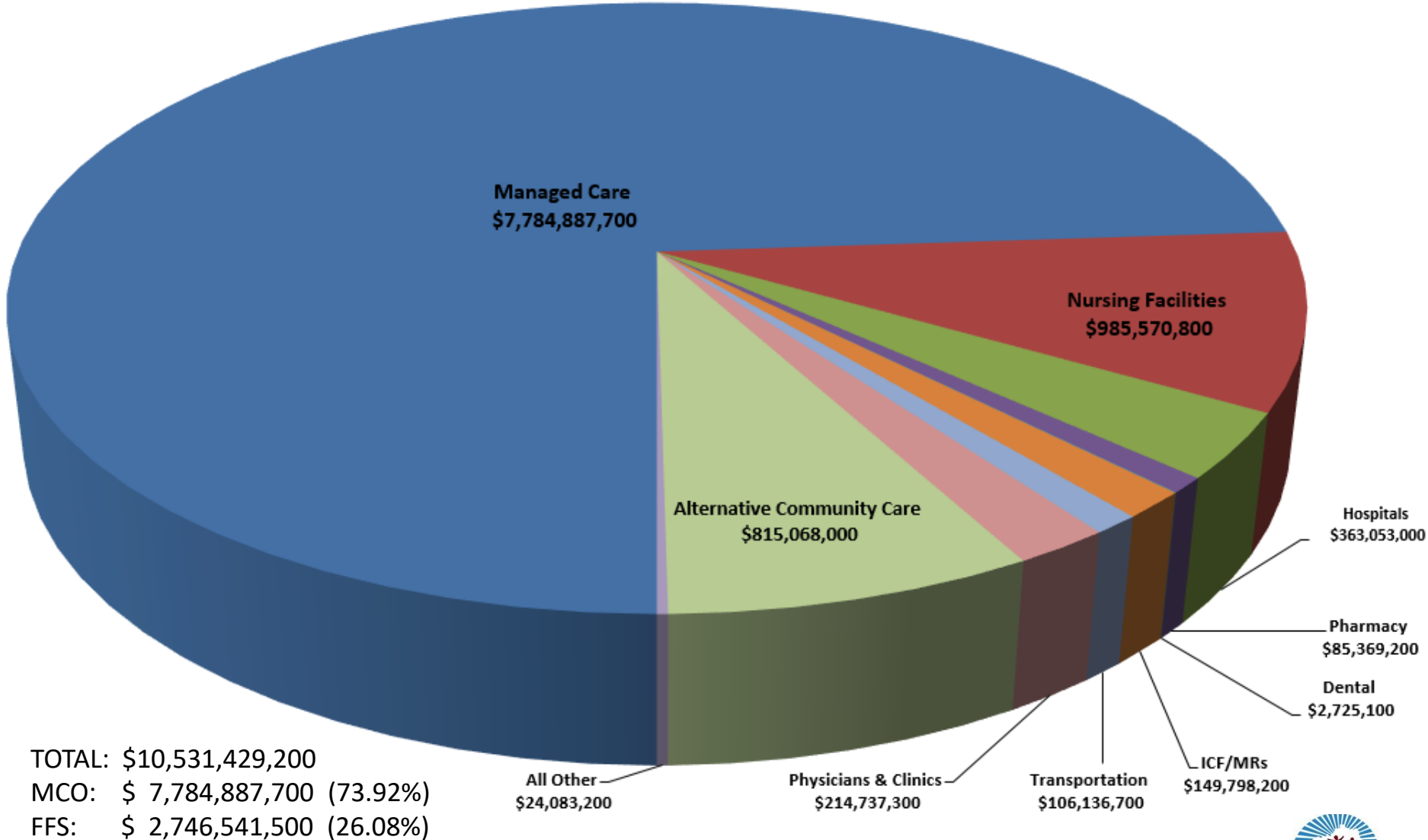
SFY 2018 Closeout Benefits Budget

MEDICAID EXPENDITURES BENEFITS (INCLUDES KCHIP)

Historical Expenditures and Enacted Budget

	SFY15 ACTUAL	SFY16 ACTUAL	SFY17 ACTUAL	SFY18 ACTUAL	SFY19 ENACTED	SFY20 ENACTED
General Fund	\$1,525,524,400	\$1,578,193,200	\$1,707,980,000	\$1,880,812,400	\$1,825,369,800	\$1,983,649,500
Restricted Agency Funds	\$505,812,700	\$509,663,700	\$491,271,700	\$500,620,600	\$536,245,100	\$521,341,800
Federal Funds	\$7,609,302,200	\$7,804,711,000	\$7,928,095,500	\$8,149,996,200	\$8,920,198,300	\$9,298,956,300
TOTAL	\$9,640,639,300	\$9,892,567,900	\$10,127,347,200	\$10,531,429,200	\$11,281,813,200	\$11,803,947,600

MEDICAID EXPENDITURES – BENEFITS SFY2018



TOTAL: \$10,531,429,200
MCO: \$ 7,784,887,700 (73.92%)
FFS: \$ 2,746,541,500 (26.08%)

MEDICAID EXPENDITURES BENEFITS

SFY2018 Budgeted vs. Actual

Benefits Budget	SFY18 Budgeted Appropriations	SFY18 Actual Expenditures	SFY18 \$ Variance
General Fund	\$1,880,812,400	\$1,880,812,400	\$0
Restricted Agency Funds	\$547,620,200	\$500,620,600	\$46,999,600
Federal Funds	\$8,586,627,900	\$8,149,996,200	\$436,631,700
TOTAL	<u>\$11,015,060,500</u>	<u>\$10,531,429,200</u>	<u>\$483,631,300</u>

- 90.28% of unobligated Benefits funding were in Federal Funds
- The remaining 9.72% of unobligated Benefits funding were in Restricted Agency Funds

SFY 2018 Closeout Administration Budget

MEDICAID EXPENDITURES ADMINISTRATION

Historical Expenditures and Enacted Budget

	SFY15 ACTUAL	SFY16 ACTUAL	SFY17 ACTUAL	SFY18 ACTUAL	SFY19 ENACTED	SFY20 ENACTED
General Fund	\$33,314,500	\$34,654,500	\$40,943,600	\$40,407,600	\$56,622,700	\$59,367,300
Restricted Agency Funds	\$15,897,300	\$20,703,300	\$14,627,400	\$20,273,800	\$19,027,200	\$10,266,400
Federal Funds	\$78,043,100	\$98,509,500	\$101,843,200	\$155,792,300	\$214,031,000	\$164,474,200
TOTAL	\$127,254,900	\$153,867,300	\$157,414,200	\$216,473,700	\$289,680,900	\$234,107,900

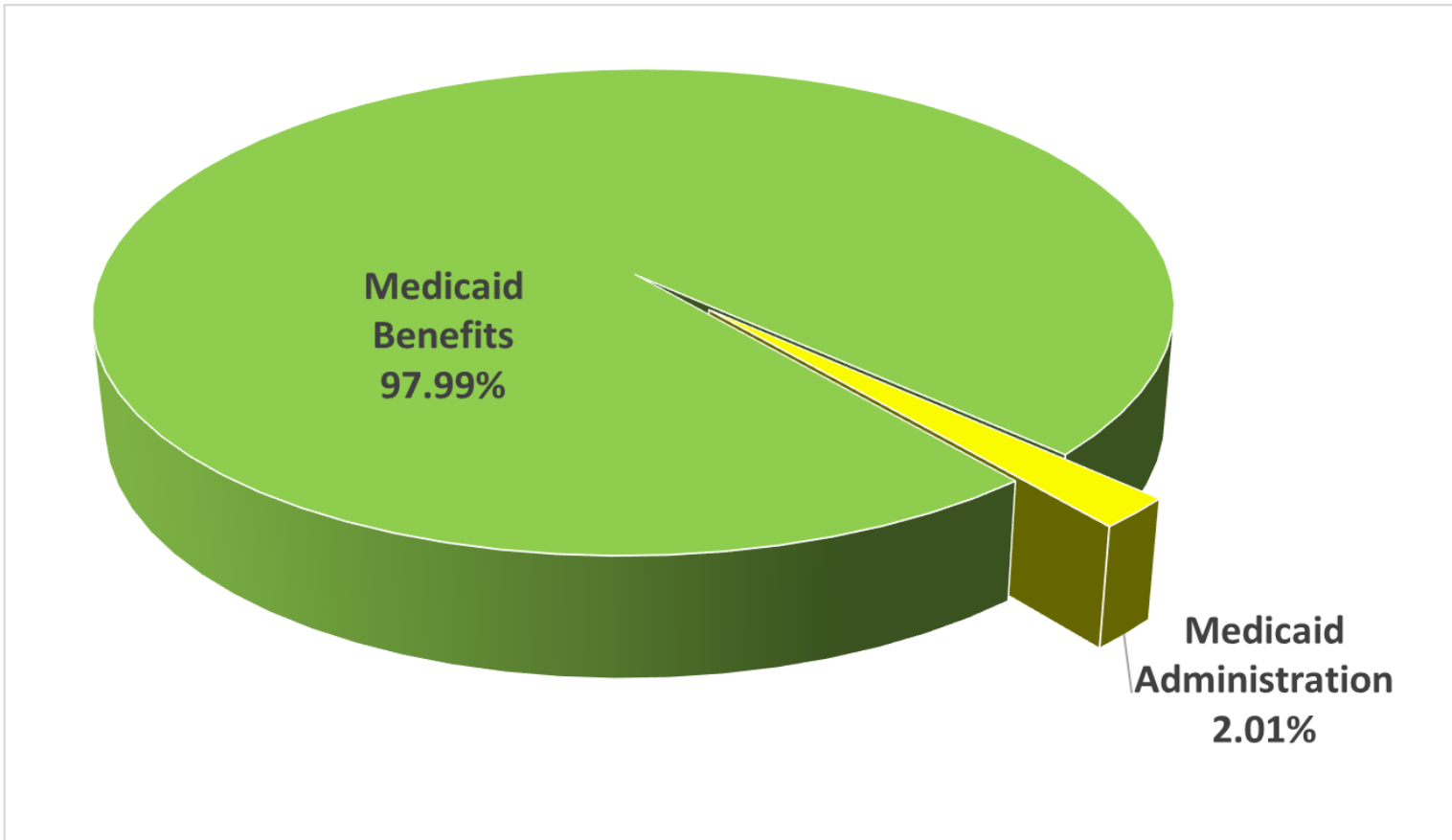
MEDICAID EXPENDITURES ADMINISTRATION

SFY 2018 Budgeted vs. Actual

Administration Budget	SFY18 Budgeted Appropriations	SFY18 Actual Expenditures	SFY18 \$ Variance
General Fund	\$40,407,600	\$40,407,600	\$0
Restricted Agency Funds	\$34,649,600	\$20,273,800	\$14,375,800
Federal Funds	324,579,600	\$155,792,300	\$168,787,300
TOTAL	<u>\$399,636,800</u>	<u>\$216,473,700</u>	<u>\$183,163,100</u>

- 92.15% of unobligated Administrative funding were in Federal Funds
- The remaining 7.85% of unobligated Administrative funding were in Restricted Agency Funds

MEDICAID EXPENDITURES



For every dollar received, DMS spent approximately 2.01% for administrative costs (salaries, supplies, etc.) in SFY 2018.

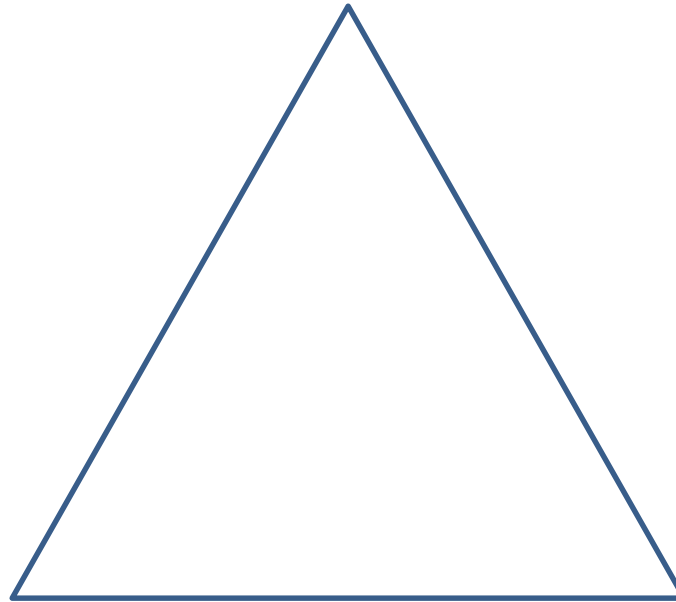
SFY 2019 and SFY 2020 Projected Budget Shortfall

Department for Medicaid Services - Medicaid Benefits Forecasted Expenditures/Budget Comparison SFY 2019 - SFY 2020

	SFY 2019			SFY 2020		
	State	Federal	Total	State	Federal	Total
Enacted Budget	2,361,614,900	8,920,198,300	11,281,813,200	2,504,991,300	9,298,956,300	11,803,947,600
Expenditures						
Consensus Forecast	2,465,605,500	8,895,630,500	11,361,236,000	2,601,501,300	9,079,957,700	11,681,459,000
SCL Rate Increase	10,529,000	24,567,800	35,096,800	10,529,000	24,567,800	35,096,800
Brain Injury Slots	-	-	-	2,550,400	6,330,500	8,880,900
Pharmacy Rate Increase	12,000,000	38,000,000	50,000,000	12,000,000	38,000,000	50,000,000
June 29 Cycle	10,517,400	30,199,400	40,716,800	-	-	-
DSH Reduction Freeze	19,048,500	48,189,300	67,237,800	19,048,500	48,189,300	67,237,800
Total Expenditures	2,517,700,400	9,036,587,000	11,554,287,400	2,645,629,200	9,197,045,300	11,842,674,500
Budget Shortfall	(156,085,500)	(116,388,700)	(272,474,200)	(140,637,900)	101,911,000	(38,726,900)

What Drives our Budget?

Eligibility



Benefits

Appropriations

QUESTIONS?