



# **SFY-2015 BUDGET UPDATE FOR MO HEALTHNET OVERSIGHT COMMITTEE**

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Finance Director  
April 10, 2014

# MO HealthNet Oversight Committee

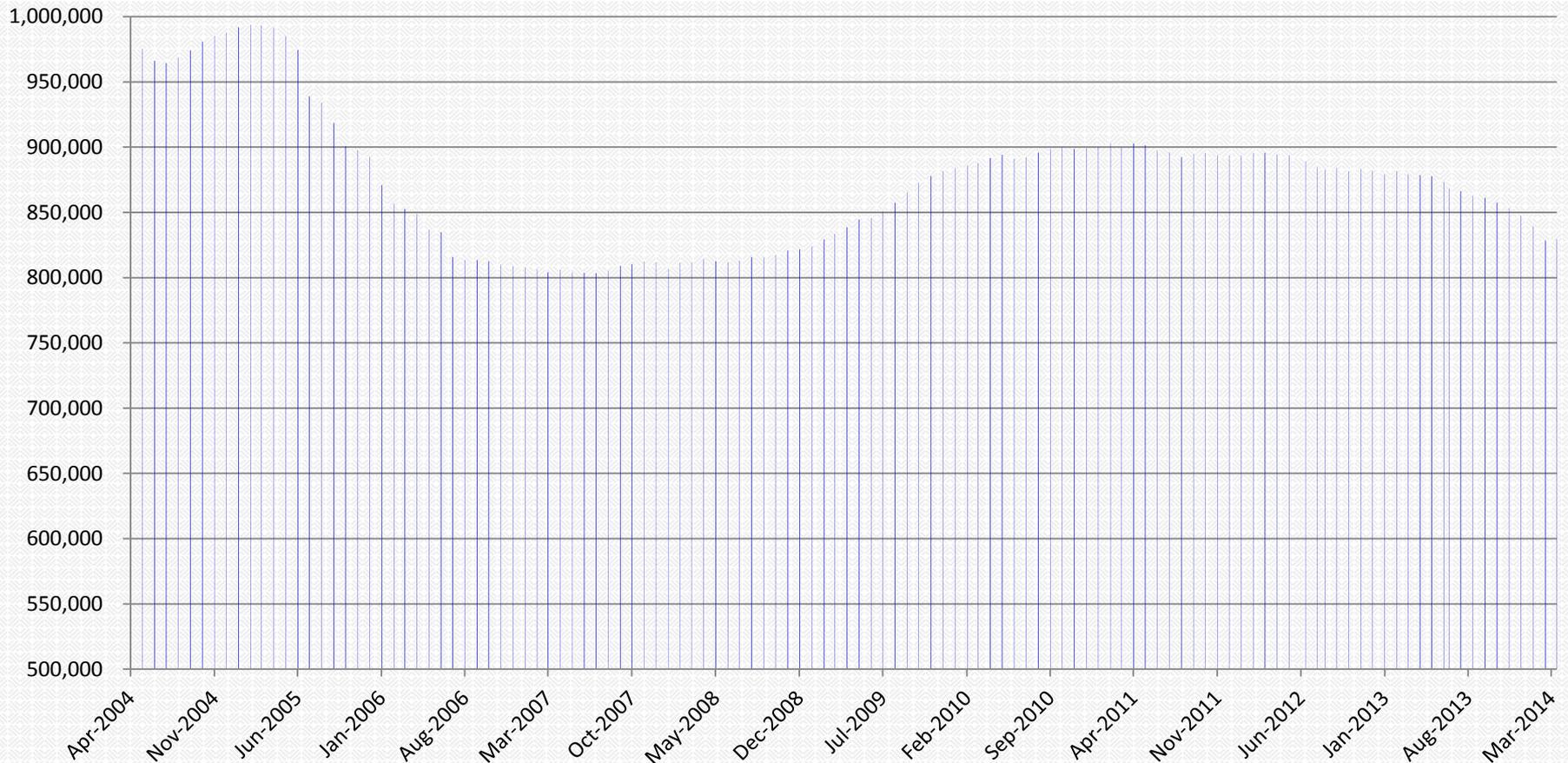
## MHN Monthly Enrollment - Last 10 Years



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### MO HealthNet Enrollment

Enrollment as of the End of the Month, April 2004 to March 2014



Does not include women enrolled the Women's Health Services category

# MO HealthNet Oversight Committee

## Total State Medicaid Budget



| SFY-2015 Governor Recommended State Medicaid Budget |                        |                        |                        |                         |
|---|------------------------|------------------------|------------------------|-------------------------|
| Department  | General Revenue        | Federal Funds          | Other Funds            | Total Funds             |
| Elementary and Secondary Education                  | \$0                    | \$1,000,000            | \$7,000,000            | \$8,000,000             |
| Health and Senior Services                          | \$248,401,618          | \$522,065,138          | \$510,831              | \$770,977,587           |
| Mental Health                                       | \$396,841,885          | \$930,910,285          | \$33,345,580           | \$1,361,097,750         |
| Social Services                                     | \$1,189,319,718        | \$5,314,852,476        | \$2,334,417,270        | \$8,838,589,464         |
| <b>Total</b>  | <b>\$1,834,563,221</b> | <b>\$6,768,827,899</b> | <b>\$2,375,273,681</b> | <b>\$10,978,664,801</b> |

| SFY-2015 State Medicaid Budget - House Recommendation |                        |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|
| Department  | General Revenue        | Federal Funds          | Other Funds            | Total Funds            |
| Elementary and Secondary Education                    | \$0                    | \$1,000,000            | \$10,000,000           | \$11,000,000           |
| Health and Senior Services                            | \$248,290,175          | \$510,523,499          | \$510,831              | \$759,324,505          |
| Mental Health   | \$412,001,061          | \$859,765,331          | \$33,175,395           | \$1,304,941,787        |
| Social Services                                       | \$1,228,973,363        | \$3,743,316,902        | \$2,780,382,375        | \$7,752,672,640        |
| <b>Total</b>  | <b>\$1,889,264,599</b> | <b>\$5,114,605,732</b> | <b>\$2,824,068,601</b> | <b>\$9,827,938,932</b> |

# MO HealthNet Oversight Committee

## SFY-2015 Budget



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|  | (in millions) | Governor Recommended |                  | HB 2011 Passed in House |                  |
|--|---------------|----------------------|------------------|-------------------------|------------------|
|  |               | Total                | GR               | Total                   | GR               |
| <b>SFY-2015 Core Budget</b>  |               | <b>\$7,063.8</b>     | <b>\$1,185.3</b> | <b>\$6,911.1</b>        | <b>\$1,083.9</b> |
| <b>SFY-2015 Major Decision Items</b>   |               |                      |                  |                         |                  |
| <b>Medicaid Cost to Continue</b><br>Cost to Continue based on SFY-2014 ongoing need based on SFY-2014 supplemental request for the following:<br>Pharmacy, Physicians, Premium Payments, Home Health, PACE, Women's Health, Blind Medical  |               | <b>\$11.4</b>        | <b>\$0.0</b>     | <b>\$39.5</b>           | <b>\$26.8</b>    |
| <b>Medicaid GR Pickup</b><br>Funding is requested to replace:<br>Pharmacy Rebates funding due to projected revenues that are less than appropriated amounts;<br>Missouri Senior Services Protection Fund and Blind Pension Premium Fund as one-time funding;<br>Premium Fund due to cash shortfall |               | <b>\$41.6</b>        | <b>\$41.6</b>    | <b>\$28.2</b>           | <b>\$28.2</b>    |
| <b>Pharmacy PMPM Increase</b><br>Funding for the ongoing inflation of pharmaceuticals and the anticipated increase in pharmacy expenditures due to increased utilization. Increase is 4.23%  |               | <b>\$27.0</b>        | <b>\$0.0</b>     | <b>\$37.5</b>           | <b>\$10.5</b>    |

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## SFY-2015 Budget



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|   | (in millions) | Governor Recommended |       | HB 2011 Passed in House |        |
|---|---------------|----------------------|-------|-------------------------|--------|
|   |               | Total                | GR    | Total                   | GR     |
| Managed Care Actuarial Increase   |               | \$37.5               | \$0.0 | \$59.5                  | \$21.9 |
| Funding for Managed Care medical, delivery and Neonatal Intensive Care Unit services to ensure that managed care payments are actuarially sound.  |               |                      |       |                         |        |
| Sustain MO HealthNet Technology Infrastructure  |               | \$5.0                | \$0.9 | \$5.0                   | \$0.9  |
| Funding to ensure that the Medicaid Management Information System (MMIS) is in compliance with federal requirements and continue funding technology initiatives for better care management/care coordination. |               |                      |       |                         |        |
| FQHC Health Homes   |               | \$2.0                | \$2.0 | \$2.0                   | \$2.0  |
| Funding for change in FMAP rate.  |               |                      |       |                         |        |
| Medicare Premium Increase   |               | \$8.3                | \$3.1 | \$8.3                   | \$3.1  |
| Funding for increase in Medicare Part A and Part B premiums.  |               |                      |       |                         |        |
| Hospice Rate Increase   |               | \$0.3                | \$0.1 | \$0.3                   | \$0.1  |
| Funding for required increase in Hospice Rates  |               |                      |       |                         |        |

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|  | (in millions) | Governor Recommended |                 | HB 2011 Passed in House |              |
|--|---------------|----------------------|-----------------|-------------------------|--------------|
|  |               | Total                | GR              | Total                   | GR           |
| <b>FMAP Adjustment</b><br>Funding for change in FMAP   |               | <b>\$56.0</b>        | <b>\$0.0</b>    | <b>\$56.0</b>           | <b>\$0.0</b> |
| <b>Transitional Medicaid</b><br>Federal law allows states to expand health care coverage under the Medicaid program to non-elderly, low income adults up to 133% of the FPL. This same law includes a 5% disregard of income when determining eligibility for health care benefits; thus, adults with incomes up to 138% FPL will qualify. All costs for this population will be paid by the Federal government through calendar year 2016. Thereafter, the State share will phase in to a maximum of 10% by calendar year 2020. |               | <b>\$1,540.1</b>     | <b>(\$54.7)</b> | <b>\$0.0</b>            | <b>\$0.0</b> |
| <b>Long Term Care Rate Increase</b><br>Funding to increase the average nursing facility per diem by \$3.75.  |               | <b>\$34.6</b>        | <b>\$8.9</b>    | <b>\$36.1</b>           | <b>\$9.5</b> |

# MO HealthNet Oversight Committee

## SFY-2015 Budget



|  | (in millions) | Governor Recommended |                | HB 2011 Passed in House |                |
|--|---------------|----------------------|----------------|-------------------------|----------------|
|  |               | Total                | GR             | Total                   | GR             |
| FY 2014 Pay Plan Cost to Continue<br>Continue \$500 annual pay raise for all state employees.  |               | <b>\$0.059</b>       | <b>\$0.016</b> | <b>\$0.059</b>          | <b>\$0.016</b> |
| FY 2015 Pay Plan<br>Three percent pay raise for state employees, beginning January 1, 2015.  |               | <b>\$0.136</b>       | <b>\$0.038</b> | <b>\$0.045</b>          | <b>\$0.013</b> |
| FY 2015 PAB Recommended Position Increases<br>Funding for Personnel Advisory Board (PAB) proposed targeted, class specific salary increases for certain registered nurse, youth specialist and children's service worker positions to improve recruitment and retention. |               | <b>\$0.011</b>       | <b>\$0.003</b> | <b>\$0.003</b>          | <b>\$0.001</b> |

# MO HealthNet Oversight Committee

## SFY-2015 Budget



### Decision Items Added by the House

### Governor Recommended

### HB 2011 Passed in House

| (in millions)  | Governor Recommended |    | HB 2011 Passed in House |               |
|--|----------------------|----|-------------------------|---------------|
|  | Total                | GR | Total                   | GR            |
| <b>Fraud/Abuse Prevention and Detection System</b><br>Fund a fully integrated healthcare waste, fraud and abuse prevention system                              |                      |    | <b>\$12.0</b>           | <b>\$3.0</b>  |
| <b>Pharmacy PFRA Increase</b><br>Due to increased provider revenues  |                      |    | <b>\$1.0</b>            | <b>\$0.0</b>  |
| <b>Primary Care Physician Rate Increase</b><br>Increased payments to physicians that began with ACA funding to bring certain physician rates to Medicare level |                      |    | <b>\$26.8</b>           | <b>\$9.9</b>  |
| <b>Adult Dental Benefits</b><br>Restoration of the dental benefit for MO HealthNet adults  |                      |    | <b>\$48.2</b>           | <b>\$17.8</b> |
| <b>Adult Therapy Benefits</b><br>Restoration of the therapy benefit for MO HealthNet adults  |                      |    | <b>\$19.8</b>           | <b>\$7.3</b>  |
| <b>Helicopter Emergency Medical</b><br>Increased reimbursement for helicopter emergency medical services (HEMS)  |                      |    | <b>\$1.8</b>            | <b>\$0.7</b>  |

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|  | Governor Recommended |    | HB 2011 Passed in House |       |
|--|----------------------|----|-------------------------|-------|
|  | Total                | GR | Total                   | GR    |
| <b>Ambulance Rate Increase</b><br>Increased reimbursement for ambulance base rate by \$45  |                      |    | \$9.5                   | \$0.0 |
| <b>Community Health Access Programs</b><br>Provides state matching funds for Community Health Access Programs (CHAPS)  |                      |    | \$1.0                   | \$1.0 |
| <b>Complex Rehabilitation Technology Products</b><br>Separates Complex Rehabilitation Technology Products from Rehab and Specialty Services appropriation and funding for specific codes |                      |    | \$1.4                   | \$0.5 |
| <b>Medicaid for DOC Inmates</b><br>Department of Correction Inmates who leave facility to receive treatment in a hospital or nursing home  |                      |    | \$0.6                   | \$0.0 |
| <b>In-Home Telemonitoring</b><br>Increased funding for In-Home Telemonitoring  |                      |    | \$0.1                   | \$0.1 |

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|  | Governor Recommended |                  | HB 2011 Passed in House |                  |
|--|----------------------|------------------|-------------------------|------------------|
|  | Total                | GR               | Total                   | GR               |
| <b>Foster Kids Health Home Pilot</b><br>Pilot program for medical and behavior health homes for foster care children   |                      |                  | \$2.5                   | \$0.3            |
| <b>Asthma Services</b><br>Provides funding for asthma educational services and environmental home assessments  |                      |                  | \$5.2                   | \$0.5            |
| <b>Regional Care Coordination Model</b><br>To develop Regional Care Coordination Models among existing networks of health care providers to reduce emergency department usage. |                      |                  | \$5.0                   | \$0.5            |
| <b>FRA Authority</b><br>Increased FRA authority to meet needs of program   |                      |                  | \$429.4                 | \$0.0            |
| <b>MO HealthNet Division Total</b>   | <b>\$8,828.0</b>     | <b>\$1,187.9</b> | <b>\$7,748.0</b>        | <b>\$1,228.6</b> |