



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: March 7, 2012

TO: Legislative Finance Committee

FROM: Lois Steinbeck, Senior Fiscal Analyst
Quinn Holzer, Fiscal Analyst I

RE: Update – SJ26 Impact of Medicaid Eligibility Expansion and Healthy Montana Kids Monitoring

The Legislative Finance Committee (LFC) decided to review Medicaid and Healthy Montana Kids (HMK) enrollment at each meeting as part of recommendations included in Senate Joint Resolution 26 (SJ26). This work item also includes LFC consideration of issues related to and estimated costs of the Medicaid expansion under the Patient Protection and Affordable Care Act of 2010 (ACA). This memorandum provides updates on both components of this SJ26 work item.

RECENT ENROLLMENT TRENDS

Several graphs attached to this memo show the most recent enrollment in Medicaid and HMK. Overall Medicaid enrollment is declining from its most recent peak of 105,237 in September 2011 to 104,019 in December.

Medicaid

Declines are most noticeable in family Medicaid (low-income parents and children), with enrollment levels dropping from a high of about 20,700 persons to 17,700 most recently. Throughout 2011 there have been small enrollment reductions in the number of persons over 65, with enrollment stabilizing at about 6,940 persons over the last several months. The number of Medicaid enrollees in the category aged and disabled in an institutional setting reached a high of 3,421 in March 2011 then declined through November 2011, with a slight uptick to 2,234 in December. The number of disabled individuals enrolled in Medicaid increased steadily from December 2010 until moderating slightly in November 2011.

Healthy Montana Kids

The final attachment shows HMK enrollment since passage of the initiative that created the program. Enrollment increased by about 600 children since the last report at the October LFC meeting, rising to 89,030 children. About 70% of HMK enrollment is children in families with the lowest incomes (below 100% of the federal poverty level - FPL), while about 23% is in higher income families (between 134% to 250% FPL). The remaining enrollment is children in families with incomes between 101% and 133% FPL.

The following table shows the 2011 session estimate for the annual HMK enrollment by group compared to average enrollment year to date (December 2011). Overall year to date average enrollment is about 10% lower than the session estimate.

FY 2012 Enrollment in Healthy Montana Kids Through December 2011 Compared to Session Estimate					
Session Estimate/ Year to Date	HMK	HMK Plus	HMK	HMK Plus*	
Average Enrollment/ Difference	Plus	Expansion	CHIP*	Presumptive	Total
Session Estimate	65,155	10,297	20,006	2,919	98,377
Year to Date Average	<u>62,953</u>	<u>6,039</u>	<u>19,906</u>	<u>84</u>	<u>88,982</u>
Over (Under) Session Estimate	(2,202)	(4,258)	(100)	(2,835)	(9,395)
% of Total Over (Under) Session Est.	23.4%	45.3%	1.1%	30.2%	100.0%
*The DPHHS HMK monthly enrollment report includes children who are determined to be presumptively eligible for HMK CHIP (an average of 35 year to date) in the HMK CHIP component rather than the Presumptive category. The LFD has followed this protocol to maintain a one to one data relationship with monthly HMK enrollment reports compiled by DPHHS.					

If monthly HMK enrollment were to increase at the same rate experienced over the last 12 months (about 510 children per month) average enrollment for FY 2012 would total about 89,700. That level would be about 8,700 children (9%) lower than estimated during session.

Year to date average enrollment for the CHIP component of HMK is the closest to estimates adopted during the legislative session. If monthly enrollment in HMK/CHIP in the latter part of FY 2012 continues to grow at the same rate as the first half (about 295 children per month), average monthly enrollment would exceed session estimates rising to about 20,800 children.

The greatest difference between session estimates and year to date experience is the number of children who are presumed to be eligible for HMK (presumptive category). Average enrollment in the first half of FY 2012 was 84, significantly lower than the 2,919 estimate. Enrollment in the remaining two components of HMK is also below session estimates and both would need to experience considerable monthly increases in order for actual enrollment to approach session estimates.

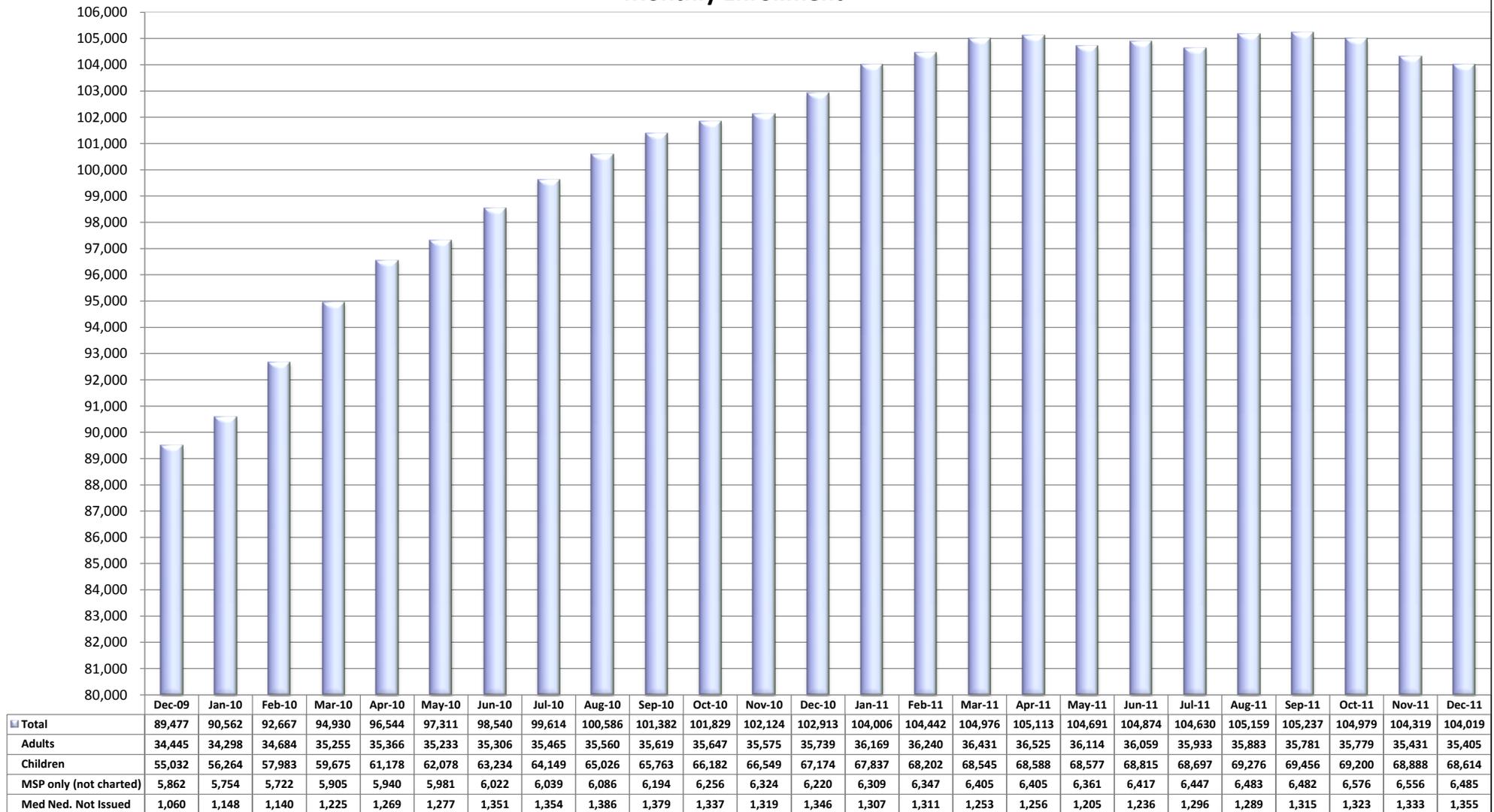
Medicaid Eligibility Expansion

ACA adds a new category of Medicaid eligibility for persons who are not pregnant, not disabled, or not over the age of 65. It raises financial eligibility to 138%¹ of the federal poverty level, eliminates consideration of assets for Medicaid eligibility, and requires Medicaid eligibility determination to be included in health insurance exchange functions.

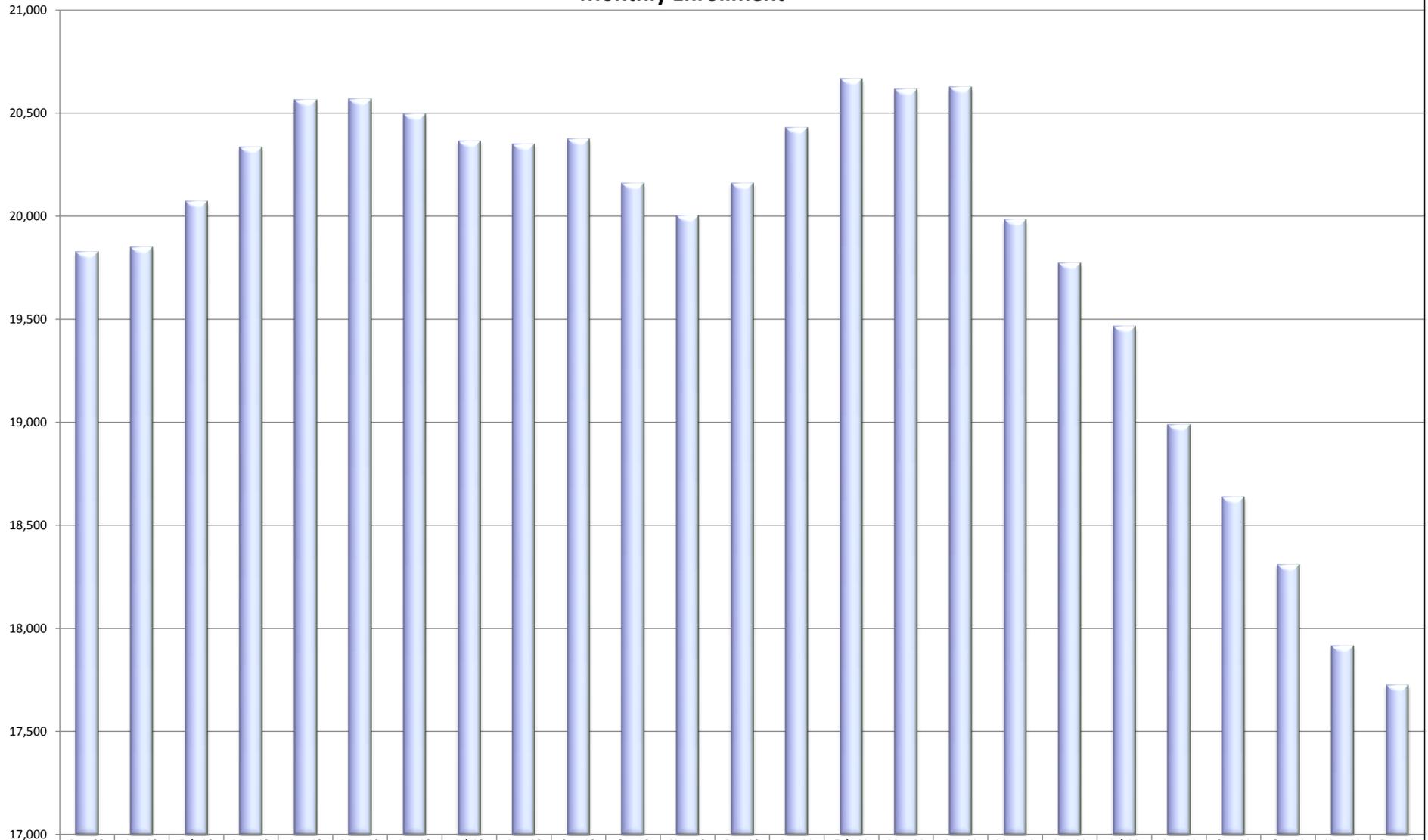
The original timeline for this SJ26 work item assumed that Legislative Fiscal Division (LFD) staff would provide an estimate of the cost of the expansion as part of the “Big Picture” report at the March 2012 LFC meeting. Since the “Big Picture” report was moved to the June LFC meeting, the estimate of the expansion cost has been moved as well.

¹ Financial eligibility is established at 133% of the federal poverty level with a 5% income disregard, which together create an effective financial eligibility threshold of 138%.

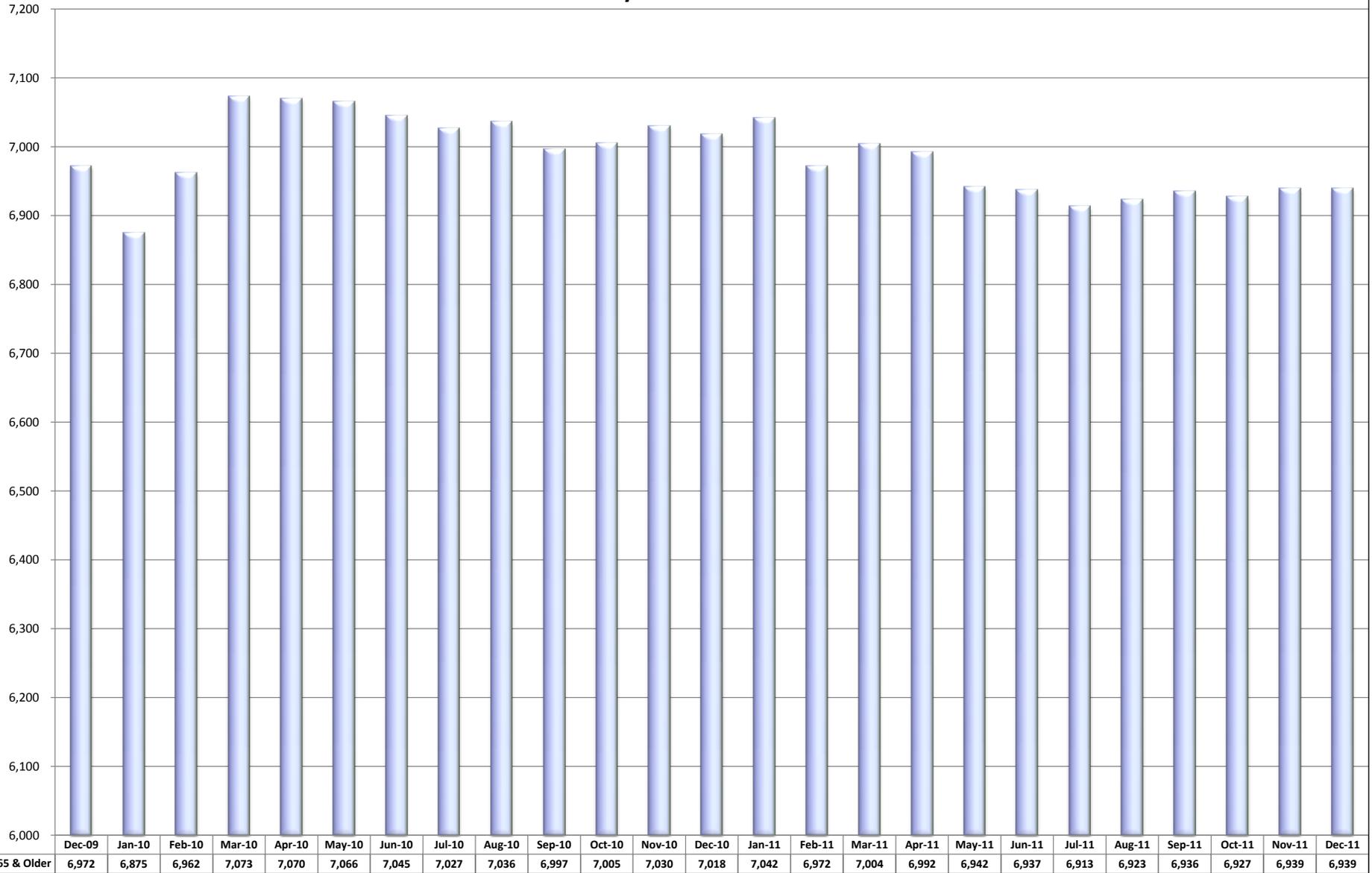
All Medicaid Eligibles Monthly Enrollment



Family Medicaid Monthly Enrollment

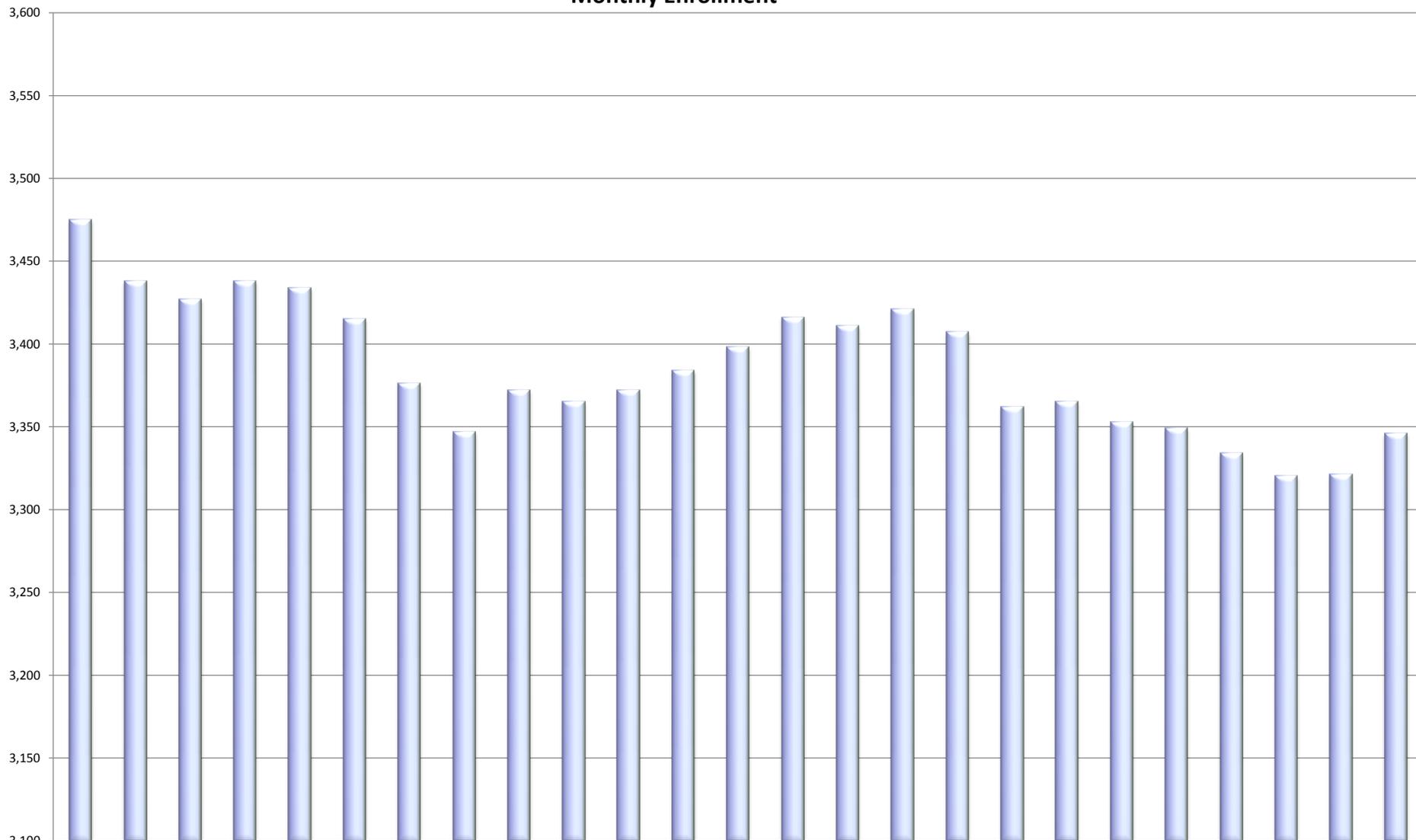


Medicaid Eligibles Age 65 & Over Monthly Enrollment



Age 65 & Older	6,972	6,875	6,962	7,073	7,070	7,066	7,045	7,027	7,036	6,997	7,005	7,030	7,018	7,042	6,972	7,004	6,992	6,942	6,937	6,913	6,923	6,936	6,927	6,939	6,939
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Aged & Disabled Eligibles in an Institutional Setting Monthly Enrollment



Chimes total shows all Medicaid and MSP only age 65 and older with Aged MSP only deprivation codes subtracted.

Medicaid Disabled Eligibles Monthly Enrollment

