MEDICAID CONSENSUS FORECASTING

LFA LEGISLATIVE FISCAL ANALYST
EXECUTIVE APPROPRIATIONS COMMITTEE
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ISSUE BRIEF

SUMMARY

The Medicaid consensus forecast team estimates changes from traditional Medicaid and Children's Health Insurance Program (CHIP) to the General Fund in FY 2024 of ($93.7) million reduction one-time and decreases of ($43.3) million ongoing and ($9.1) million one-time in FY 2025. Medicaid Expansion Fund ongoing revenues may exceed ongoing expenses by $123 million in FY 2024 and $117 million in FY 2025. The consensus team recommends an 11.8% buffer of $77.5 million from existing funds in the Medicaid Restricted Account for FY 2024. Further, the team recommends nonlapsing authority for up to $15.6 million of the buffer. These estimates do not include any new funding for state administration or any optional provider inflation.

RECOMMENDATIONS

By statute, the Legislature must include in the base budget $6.4 million ongoing General Fund in FY 2025 for accountable care organization costs, increases to funding for mental health, and mandated program changes. These increases are included in the overall estimate above.

Medicaid Consensus General Fund Cost/(Savings) Estimates, $ in Millions	FY 2024	1.5% & 2.5% Bump (6 Months)	FY 2025	One-time Offsets
Caseload	$592.0	($17.4)	$582.8	($7.0)
Inflationary Changes	$26.6	($2.5)	$41.3	($2.1)
Program Changes	$11.9	($0.3)	$16.4	$0.0
Human Services - FMAP (Federal Medical Assistance Percentage)	$0.0	$0.0	$8.1	$0.0
Corrections - FMAP	$0.0	($0.0)	$0.0	$0.0
Children's Health Insurance Program	($6.9)	($0.7)	($6.3)	$0.0
Less Base Medicaid Funding	($696.3)	($0.0)	($685.5)	$0.0
Total - Medicaid & CHIP	**($72.7)**	**($21.0)**	**($43.3)**	**($9.1)**
Medicaid Expansion Fund Balance Closing Year Fund Balance (Negative Number = Funds Available)	($420)		($538)	
Medicaid Expansion Fund Ongoing Expense vs Revenue - Above/(Below)	($123)		($117)	

DISCUSSION AND ANALYSIS

The table above has a summary of the consensus General Fund mandatory cost estimates for FY 2024 and FY 2025. All numbers for FY 2024 are as compared to the amounts expended in FY 2023 plus 2023 General Session appropriations for FY 2024 and ongoing appropriations for FY 2025.

Medicaid – What is Included in Consensus for Mandatory Costs?

The Medicaid consensus forecast team (Legislative Fiscal Analyst, Governor's Office of Planning and Budget, and the Department of Health and Human Services) estimates changes from traditional Medicaid and Children's Health Insurance Program (CHIP) to the General Fund in FY 2024 of ($93.7) million reduction one-time and decreases of ($43.3)million ongoing and ($9.1) million one-time in FY 2025. Medicaid Expansion Fund ongoing revenues may exceed ongoing expenses by $123 million in FY 2024 and $117 million in FY 2025. The consensus team recommends an 11.8% buffer of $77.5 million from existing funds in the Medicaid Restricted Account for FY 2024. All numbers for FY 2024 are as compared to the expenditures incurred in FY 2023. The cost increases mentioned for FY 2024 carry forward into FY 2025 unless specifically noted. The FY 2025 numbers are as compared to the updated FY 2024 estimates. The estimates are all ongoing changes unless specifically noted. Further, some inflationary changes take place mid-FY 2025, so the full ongoing cost has been projected with a one-time back out to account for the later start date of the changes.

Eligibility Category	GF PMPM	FY 2024 Est. Enrollment	FY 2024 Costs	FY 2025 Est. Enrollment	FY 2025 Costs
Adult	$ 129.13	32,825	$ 50,900,000	24,567	$ 38,100,000
Breast Cervical Cancer	$ 646.58	89	$ 700,000	94	$ 700,000
Aged	$ 1,846.53	2,083	$ 46,200,000	2,007	$ 44,500,000
Qualified Medicare Beneficiary (QMB)	$ 280.69	13,728	$ 46,200,000	13,490	$ 45,400,000
Blind/Disabled	$ 294.33	42,920	$ 151,600,000	40,931	$ 144,600,000
Tech Dependent	$ 3,759.42	140	$ 6,300,000	140	$ 6,300,000
Child	$ 44.09	152,962	$ 80,900,000	126,902	$ 67,100,000
Medically Needy Child (Spenddown)	$ 65.28	257	$ 200,000	121	$ 100,000
Newborns	$ 447.72	13,665	$ 73,400,000	13,527	$ 72,700,000
Pregnant	$ 197.77	7,379	$ 17,500,000	6,813	$ 16,200,000
Nursing Home	$ 1,891.98	3,872	$ 87,900,000	3,913	$ 88,800,000
Foster Care and Subsidized Adoption	$ 70.49	8,993	$ 7,600,000	8,870	$ 7,500,000
Grand Total		**278,900**	**$ 569,400,000**	**241,400**	**$ 532,000,000**

Caseload Changes – $1.2 Million Combined Ongoing and One-time Increases in FY 2025

1. ***Change in caseloads*** – estimated decrease over FY 2023 of (91,700) or (24.7%) clients in FY 2024 and a decrease of (129,300) or (34.9%) in FY 2025 compared to the FY 2023 actuals. The baseline caseload costs are $569.4 million in FY 2024 and $532.0 million in FY 2025.

2. ***Federal medical assistance percentage*** **–** unfavorable ongoing changes of 0.2% in FY 2024 at a cost of $3.9 million ongoing and 1.2% in FY 2025 for a cost of $28.8 million with a one-time offset of ($7.0) million. The one-time offset is to help capture the ongoing costs of the higher percentage change for the first three months of FY 2026 since the federal fiscal year runs from October 1 through September 30. Unfavorable match rate changes of 0.2% and 1.4% in FY 2024 and FY 2025 respectively as compared to FY 2023.

3. ***Recent General Session ongoing appropriations*** – Adds $21.2 million ongoing in FY 2024. The items over $0.1 million include:

    a. $4.9 million for Nursing Home Rate Add-On for Wages

    b. $3.4 million for Equal Medicaid Reimbursement Rate for Autism

    c. $2.9 million for S.B. 204, Autism Coverage Amendments

    d. $1.9 million for New Choices Waiver Rate Increase

    e. $1.7 million for Increase Air Ambulance Medicaid Rate

    f. $1.5 million for Increasing Acute and Continuous Private Duty Nursing Care

    g. $1.4 million for S.B. 133, Postpartum Medicaid Coverage Amendments

    h. $1.2 million for Increase Intermediate Care Facility Medicaid Payment Rates

    i. $0.7 million for Ramp Up for Medically Complex Children's Waiver

    j. $0.5 million for Home and Community Based Services Waiver Rates Increase

    k. $0.4 million for H.B. 290, Medicaid Waiver for Medically Complex Children

    l. $0.3 million for Quality Improvement Incentive Program for Care Facilities

    m. $0.2 million for Provide Medicaid Annual Wellcare Visits

    n. $0.1 million for Medically Assisted Treatment Administration Fee Increase

    o. $0.1 million for Long-term Services and Supports for Behaviorally Complex Individuals

    p. $0.1 million for One-time Offsets Originally Estimated for SB 161

    q. ($0.2) million for S.B. 214, Utah False Claims Act Amendments

    r. For all the items above there is a collective unfavorable match rate and ramp up cost of $2.5 million in FY 2025.

    For more information on the appropriations listed above, please visit https://cobi.utah.gov/2023/3593/issues.

4. ***Temporary bump in Federal medical assistance percentage*** – ($17.4) million one-time offset in FY 2024 from three months with a 2.5% and another three months with a 1.5% temporary increase in the federal match rate.

5. ***Transfer of Collections to Expansion*** – ($3.0) million in FY 2024 and an additional ($0.5) million in FY 2025 to transfer these to the Medicaid Expansion Fund. These collections are more appropriately reflected in the Medicaid Expansion Fund since that is where they took place.

6. ***Qualified Medicare Beneficiary Case mix*** - Billings from the federal government's Centers for Medicare and Medicaid Services based on the case mix of Qualified Medicare Beneficiaries may change which would result in savings of ($2.6) million one-time in FY 2024 and an increase of $0.1 million ongoing in FY 2025.

7. ***Collections by the Office of the Inspector General, Medicaid Fraud Control Unit, Department of Health and Human Services, and Department of Workforce Services***– the updated estimates assume that collections from these five entities will be lower (costing Medicaid more) by $2.6 million one-time in FY 2024 primarily due to a projected decrease in collections from the Office of Recovery Services and Medicaid Fraud Control Unit for restitution. For FY 2025 the estimates assume a $1.1 million ongoing cost impact primarily due to projected decrease in collections from the Recovery Audit Contractors and Medicaid Fraud Control Unit for restitution.

8. ***Transfer of Preferred Drug List Savings*** – As per UCA 26B-1-315(2)(f), Preferred Drug List savings from psychotropic drugs are to be transferred into the Medicaid Expansion Fund. Since FY 2023 saw $0.4 million General Fund more in savings than in FY 2022, ($0.4) million will be transferred beginning in FY 2024 from Medicaid savings into the Medicaid Expansion Fund to reflect the increase in savings.

9. ***Federally Qualified Health Center's Scope of Service Changes -*** $0.2 million increase to comply with federal requirements to update payment rates for Federally Qualified Health Centers to reflect changes in services provided.

10. ***COVID Vaccine Normal Match Rate Coverage Required -*** $0.1 million increase because the 100% federal match rate for COVID vaccines ends in September 2024 requiring state funds at the normal match rate to reimburse this service beginning in October 2024.

11. ***Other budget adjustments*** – The following items beginning in FY 2024 are not driven by caseload, are paid separately from caseload, and do not represent cost increases:

    a. Graduate Medical Education – ($1.8) million

    b. Disproportionate Share Hospital - $1.8 million

Inflationary Changes - $15.0 Million Combined Ongoing and One-time Increases in FY 2025

1. ***Clawback*** – Payments began in 2006 when the federal government took responsibility for the pharmacy costs of clients that are dually eligible for Medicaid and Medicare. State payments are projected to increase $17.1 million in FY 2024 and an additional $6.6 million in FY 2025 with a ($1.5) million one-time back out based on a 2.0% annual increase starting in January 2025. We had previously overstated the one-time vs ongoing impact of rate changes due to the temporary 6.2% federal match rate increase, which explains the large ongoing increases.

2. ***Accountable care organization contracts*** – $5.4 million in FY 2024 and an additional $4.8 million in FY 2025 to account for 2.0% increase that started in July of 2023 and a rate increase of 2.0% starting July 2024. Medicaid contracts with four accountable care organizations who utilize about 50% of the General Fund appropriated to Medicaid to perform services statewide. These organizations serve about 78% of clients. These contracts traditionally have annual increases.

3. ***Medicare buy-in*** – The federal government requires the State to pay Medicare premiums and coinsurance deductibles for aged, blind, and disabled persons with incomes up to 100 percent of the Federal Poverty Level. Medicare Part B premiums will increase from $164.90 to $174.70 or 5.9% for calendar year 2024. The estimates include a projected increase of $174.70 to $179.42 or 2.7% in calendar year 2025. Medicare cost sharing increases are projected to cost the State an additional

$1.8 million in FY 2024 and an additional $2.7 million with a ($0.7) million one-time offset in FY 2025.

4. ***Temporary bump in Federal medical assistance percentage*** – ($2.5) million one-time offset in FY 2024 from three months with a 2.5% and another three months with a 1.5% temporary increase in the federal match rate.

5. ***Mental Health Funding Increases*** – H.B. 236, *Behavioral Health Amendments*, from the 2022 General Session required total mental health funding to be increased up to 2% based on General Fund growth factor adjusted for county contribution. Increases are for mental health plans primarily run by the counties. This is a $0.8 million increase in FY 2024 and an additional increase of $0.8 million in FY 2025. This also requires more ongoing statewide match from the counties of $0.2 million in FY 2024 and an additional $0.1 million in FY 2025.

6. ***Forced provider inflation*** – This primarily includes cost changes to the State's fee-for-service program. The updated forecast includes an increase of $1.5 million for FY 2024 with a ($0.1) million reduction for FY 2025, primarily due to inflationary increase in pharmacy. The changes are areas over which the state has no control due to federal regulation or has opted not to exercise more state control over cost changes.

Program Changes – $4.8 Million Combined Ongoing and One-time Increases in FY 2025

1. ***CHIPicaid Adjustment*** – $10.6 million in FY 2024 and an increase of $3.8 million in FY 2025 to account for the consensus member growth among children enrolled in Medicaid. This is a transfer of Medicaid child costs, calculated based on a historical percentage and current caseload, to CHIP to receive higher, enhanced federal reimbursement to offset the effects of the Affordable Care Act that raised income requirements for Medicaid and moved a portion of the CHIP population to Medicaid.

2. ***Twelve Month Continuous Eligibility for Children*** – The federal government requires all States to provide twelve months of continuous eligibility for children beginning in January 2024. This may cost the State $0.6 million in FY 2024 and an additional $0.6 million in FY 2025.

3. ***Blockbuster drugs*** – The Department of Health and Human Services will be paying for new costly drugs statewide via a high-risk pool for accountable care organizations and fee-for-service. There are projected costs of $0.5 million in FY 2024 and an additional $0.1 million in FY 2025 for new and emerging drugs where the annual cost per member-drug combination exceeds $240,000.

4. ***Temporary bump in Federal medical assistance percentage*** – ($0.3) million one-time offset in FY 2024 from three months with a 2.5% and another three months with a 1.5% temporary increase in the federal match rate.

5. ***Sunsetting the Disparity of Benefits in the Adult Expansion Population (Medicaid Reform 1115 Demonstration)*** – increase of $0.2 million for a federal requirement to provide the same non-emergency transportation services to traditional and non-traditional clients beginning in 2024.

Human Services, Juvenile Justice Services, and Correctional Health Services – $8.1 Million Increase in FY 2025

Federal medical assistance percentage

FY 2025 – an unfavorable change of 1.2% for a cost of $8.2 million for the Medicaid parts previously in the Department of Human Services, but now in the Department of Health and Human Services as well as

$2,700 for Correctional Health Services overseen by the Social Services Appropriation Subcommittee and ($60,100) for the Juvenile Justice Services portion of Health and Human Services overseen by the Executive Offices and Criminal Justice Appropriations Subcommittee.

Children's Health Insurance Program (CHIP) – ($7.6) Million One-time Decrease in FY 2024 and ($6.3) Million Decrease in FY 2025

The consensus team estimates General Fund reductions of ($7.6) million one-time in FY 2024 and ($6.3) million ongoing in FY 2025. The federal government initially approved and subsequently rejected applying the same eligibility maintenance of effort requirements during the public health emergency to CHIP as those in Medicaid. This resulted in a large drop off CHIP clients until they completed their eligibility reviews. The consensus estimate for CHIP includes the following components:

1. ***Caseload*** – 44.7% or 2,600 client increase in FY 2024 and 11.9% or 1,000 client increase in FY 2025.
2. ***Per-member-per-month costs*** – 5% inflationary growth in managed care contracts forecasted for both FY 2024 and FY 2025.
3. ***Federal medical assistance percentage –*** Unfavorable ongoing changes of 0.2% in FY 2024 at a cost of $0.2 million and 1.0% in FY 2025 at an additional cost of $0.8 million.
4. ***Higher one-time federal match rates*** – ($0.7) million one-time in FY 2024 from three months with a 1.8% and another three months with a 1.1% temporary increase in the federal match rate.
5. ***Many CHIP clients now on Medicaid*** – Effective January 1, 2014, many former CHIP clients are now served by Medicaid. This primarily happened because Medicaid's asset test for children was removed. The federal government will still pay the higher CHIP match rate, but the benefits package for Medicaid costs more than CHIP's benefits package.

Medicaid Expansion Fund – Ongoing Revenue to Exceed Ongoing Expenses by $117 million in FY 2025

The Medicaid Expansion Fund may be used to pay the costs to the state of serving those newly eligible for Medicaid as of April 2019. The ongoing revenues may exceed ongoing expenses in the Medicaid Expansion Fund by $123 million in FY 2024 and $117 million in FY 2025. The Medicaid Expansion Fund might end FY 2024 with $420 million and $538 million in FY 2025. Below are the explanations behind the cost forecasts:

1. ***Caseload -*** FY 2024 enrollment vs FY 2023 actuals decreasing (31,600) or (23%). FY 2025 vs FY 2024 projected enrollment increasing 5,500 or 5%.
2. ***Sales 0.15% Tax Revenue Forecast*** - $6.0 million increase compared to FY 2023 actuals.
3. ***Transfer of Collections to Expansion*** – $3.0 million in FY 2024 and an additional $0.5 million in FY 2025 transferred into the Medicaid Expansion Fund from traditional Medicaid services. These collections are more appropriately reflected in the Medicaid Expansion Fund since that is where they took place.
4. ***Forced provider inflation*** – $1.1 million in FY 2024 and an additional $1.3 million in FY 2025 due to projected increases in rates paid to accountable care organizations of 2.0% in FY 2024 and 2.0% in FY 2025.
5. ***2023 General Session ongoing appropriations*** – Reduces ($0.7) million ongoing in FY 2024. The items over $0.1 million include:
    a. ($0.6) million for Charge Full Programming Costs to Medicaid Expansion Fund

b. ($0.2) million for Ongoing Maintenance of Medicaid Information Management System
c. ($0.1) million for Revisit Cost Allocation for Provider Reimbursement Information System for Medicaid
d. $0.1 million for Recreational Therapy Medicaid Coverage Amendments
e. $0.1 million for Medically Assisted Treatment Administration Fee Increase

For more information on the appropriations listed above, please visit https://cobi.utah.gov/2023/3593/issues.

6. ***Federal medical assistance percentage*** – unfavorable ongoing changes of 0.2% in FY 2024 for a cost of $0.3 million and another 1.2% in FY 2025 for a cost of an additional $0.2 million in FY 2025 for certain services (i.e. – 12-month continuous eligibility for higher income clients) and clients (i.e. – clients with disabilities but disabled per State rules) who do not qualify for the expansion federal match rate of 90%.
7. ***Transfer of Preferred Drug List Savings*** – As per UCA 26B-1-315(2)(f), Preferred Drug List savings from psychotropic drugs are to be transferred into the Medicaid Expansion Fund. Since FY 2023 saw $0.4 million General Fund more in savings than in FY 2022, the Medicaid Expansion Fund will receive a transfer of $0.4 million beginning in FY 2024 from Medicaid savings to reflect the increase in savings.
8. ***Housing supports*** – $0.1 million in FY 2024 and an additional $0.2 million ongoing in FY 2025 to provide housing supports to clients as per S.B. 96, *Medicaid Expansion Adjustments*, from the 2019 General Session. The federal government recently provided approval for housing supports starting December 2022.
9. ***Sunsetting the Disparity of Benefits in the Adult Expansion Population (Medicaid Reform 1115 Demonstration)*** – Increase of $0.1 million ongoing beginning in FY 2025 for a federal requirement to provide the same non-emergency transportation services to traditional and non-traditional clients beginning in 2024.
10. ***Mental Health Funding Increases*** – H.B. 236, *Behavioral Health Amendments*, from the 2022 General Session required total mental health funding to be increased up to 2% based on General Fund growth factor adjusted for county contribution. Increases are for mental health plans primarily run by the counties. This is a $20,000 increase in FY 2024 and an additional increase of $30,000 in FY 2025.

Why a $77.5 Million Buffer Recommendation for Medicaid?

The consensus team recommends an 11.8% buffer of $77.5 million from existing funds in the Medicaid Restricted Account for FY 2024. Further, the team recommends nonlapsing authority for up to $15.6 million of the buffer. The buffer amount is based on three parts:

1) $32.8 million for a five percent general buffer based on all recommended state appropriations for Medicaid.
2) $29.1 million for delayed payments from FY 2023 due to delays from the change to a new reimbursement system in FY 2023 called the Provider Reimbursement Information System for Medicaid.
3) $15.6 million for potential costs ultra-high cost drugs carved out of managed care that cost more than $1.0 million each annually.

Why Did FY 2023 Underspend by $8.3 Million for Medicaid Services?

Medicaid services ended FY 2023 $8.3 million General Fund under budget and did not use the $41.5 million buffer provided. The unexpected surplus was $8.3 million or 1.5%. There would have been $10.0 million not spent were it not for $1.7 million higher than expected collections. When you factor this out of the error rate for forecasting, there was a $10.0 million overestimate of costs which is a 1.8% error rate. The Department of Health and Human Services believes there was a surplus in FY 2023 due to PRISM claims processing issues.

Why Did FY 2023 Underspend by $2.6 Million for CHIP?

CHIP ended FY 2023 with a surplus of $2.6 million, which represents a 10.4% error rate. One of the reasons for the surplus is that the February 2022 consensus projected 17,400 clients for FY 2023, but only 8,500 enrolled.

Why Did the FY 2023 Medicaid Expansion Fund Balance Come in $23.6 Million Higher Than Forecasted?

The Medicaid Expansion Fund ended FY 2023 $23.6 million higher than forecasted ($298.0 vs $274.4 million), which represents a 8.6% error rate. February 2023 consensus projected 23,600 additional clients for FY 2023 and 25,300 enrolled, which is 1,700 more than estimated. The Department of Health and Human Services believes there was a surplus in FY 2023 due to PRISM claims processing issues and sales tax revenue collections combined with interest income coming in $7.0 million higher than projected.

Why Consensus Forecasting for Medicaid?

When arriving at final point estimates for tax revenue projections, economists from the Legislative Fiscal Analyst Office, the Governor's Office of Planning and Budget, and the State Tax Commission compare numbers and attempt to reach a consensus. The details of each projection are examined and critiqued against the other offices' numbers. By comparing competing forecasts, all involved parties attempt to flush out any errors or left out factors. These same reasons apply to Medicaid. From June 2000 to June 2012, Utah Medicaid grew from 121,300 clients to 252,600 clients, an increase of 108%. Over the same period, the percentage of the State's population on Medicaid grew from 5.4% to 8.8%.

Officially, Medicaid is an "optional" program, one that a state can elect to offer. However, if a state offers the program, then it must abide by strict federal regulations. As Utah has, to this point, chosen to offer Medicaid, it has established an entitlement program for qualified individuals. That is, anyone who meets specific eligibility criteria is "entitled" to Medicaid services. An accurate forecast is essential to adequately funding that entitlement.

What Must Be Included in the Base Budget?

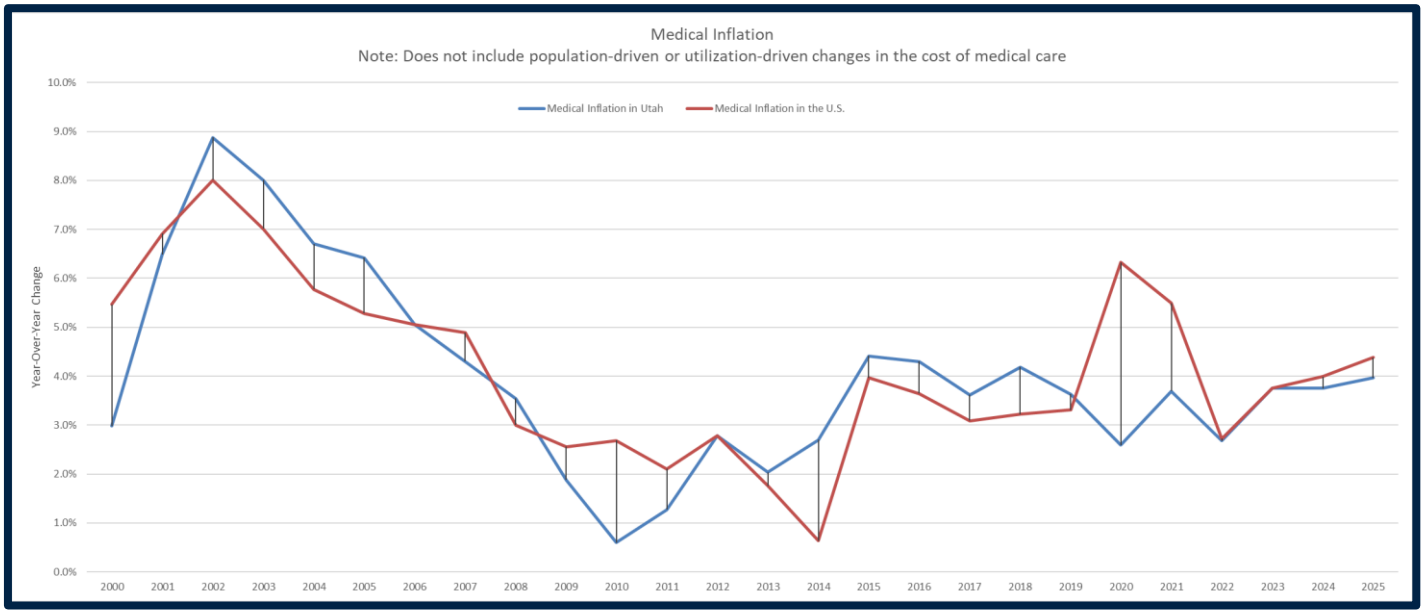
There is $6.4 million ongoing General Fund in FY 2025 that should be included as per statute in the base budget.

1. **UCA 26B-3-203** directs that rates paid to accountable care organizations increase at least up to 2% to match the General Fund growth factor. The General Fund growth factor for FY 2025 is not known currently. The growth factor used was 3.8%. New growth rates for FY 2024 and FY 2025 will be announced as part of the December 2023 Executive Appropriations Committee meeting. The costs are included under "Accountable care organization contracts," which is number two under the

"inflationary changes" section on page four. As per statute, the base budget should receive additional General Fund of $5.1 million in FY 2025.

2. ***H.B. 236, Behavioral Health Amendments***, from the 2022 General Session required total mental health funding to be increased up to 2% based on General Fund growth factor adjusted for county contribution. Increases are for mental health plans primarily run by the counties. This is a $0.8 million increase in FY 2025. The costs are included under "Mental Health Funding Increases", which is number five on page five.

3. **UCA 26B-3-202** directs that mandated program changes determined by the Department of Health and Human Services must be included in the base budget. The Department of Health and Human Services determined that Federally Qualified Health Center's Scope of Service Changes for $0.2 million on page four, COVID Vaccine Normal Match Rate Coverage Required for $0.1 million on page four, and Sunsetting the Disparity of Benefits in the Adult Expansion Population (Medicaid Reform 1115 Demonstration) for $0.2 million on page five are mandated program changes.



What is Projected Medical Inflation for Utah?

The fiscal analyst projects medical inflation for Utah at 3.8% in FY 2024 and 4.0% in FY 2025. Medical inflation is defined as the change in the price per unit. The Centers for Medicare and Medicaid Services provide medical expenditures by state and the Bureau of Labor Statistics provides medical care inflation data for the Mountain region. By combining that information with national health expenditure data from the Centers for Medicare and Medicaid Services for the remaining years, the fiscal analyst has a forecast of medical inflation in Utah. The graph above shows both Utah and national medical inflation trends. A figure reporting total medical expenditures would be higher because that would include both population and utilization increases.

The two preceding subsections are the report required by **JR3-2-402(1)(a)(iv)**.

What are the Ending Balances for the Two Medicaid Reserve Accounts?

There are two restricted funds that are used as reserve accounts for Medicaid. Below is a description of each and the uncommitted ending balance as of FY 2023:

1) Medicaid Reduction and Budget Stabilization Restricted Account with $113.9 million – The account receives a portion of General Fund revenue surplus if Medicaid expenditure growth is less than 8%. As per UCA 63J-1-315(7) the only approved uses for the fund are:
    a. "if Medicaid program expenditures for the fiscal year for which the appropriation is made are estimated to be 108% or more of Medicaid program expenditures for the previous year; and
    b. for the Medicaid program."
    c. Based on the current consensus forecast, this fund could not be used in FY 2024 nor FY 2025.
2) Medicaid Restricted Account with $101.1 million – The fund balance is not used unless the Legislature appropriates money out of it. As per UCA 26B-1-309, the account receives all the unspent monies in the Medicaid program. Statute suggests the following for fund uses: "The Legislature may appropriate money in the restricted account to fund programs that expand medical assistance coverage and private health insurance plans to low income persons who have not traditionally been served by Medicaid, including the Utah Children's Health Insurance Program."

What Assumptions Changed From the Prior Consensus?

1. Caseload methodology used – The consensus group changed some eligibility groupings used to forecast in order to align with public facing Medicaid enrollment dashboard available at https://medicaid.utah.gov/Documents/enrollment/Medicaid-Enrollment-REPORT-Dashboard.html#persons. The eligibility groupings used to forecast enrollment for traditional Medicaid changed as shown below:
    a. New eligibility groups used
        i. Foster Care and Subsidized Adoption
        ii. Nursing Home
    b. Eligibility groups dropped:
        i. Non-traditional Restriction
        ii. Traditional Restriction
        iii. Expansion Restriction Non-parent
        iv. Expansion Restriction Parent
2. Federal medical assistance percentage capturing full cost of change – for the first time this year, consensus includes the three months of the change in the federal match rate for the three months after the two forecasted fiscal years. This is consistent with how other mid-year changes are accounted for in consensus where a full ongoing fiscal year cost is estimated paired with a one-time offset to account for starting dates after the beginning of the fiscal year.
3. CHIPicaid Adjustment – prior year consensus the new year estimate was not accounting for the enrollment changes in the supplemental year. This has been fixed for this consensus cycle.