



**Department
of Health**

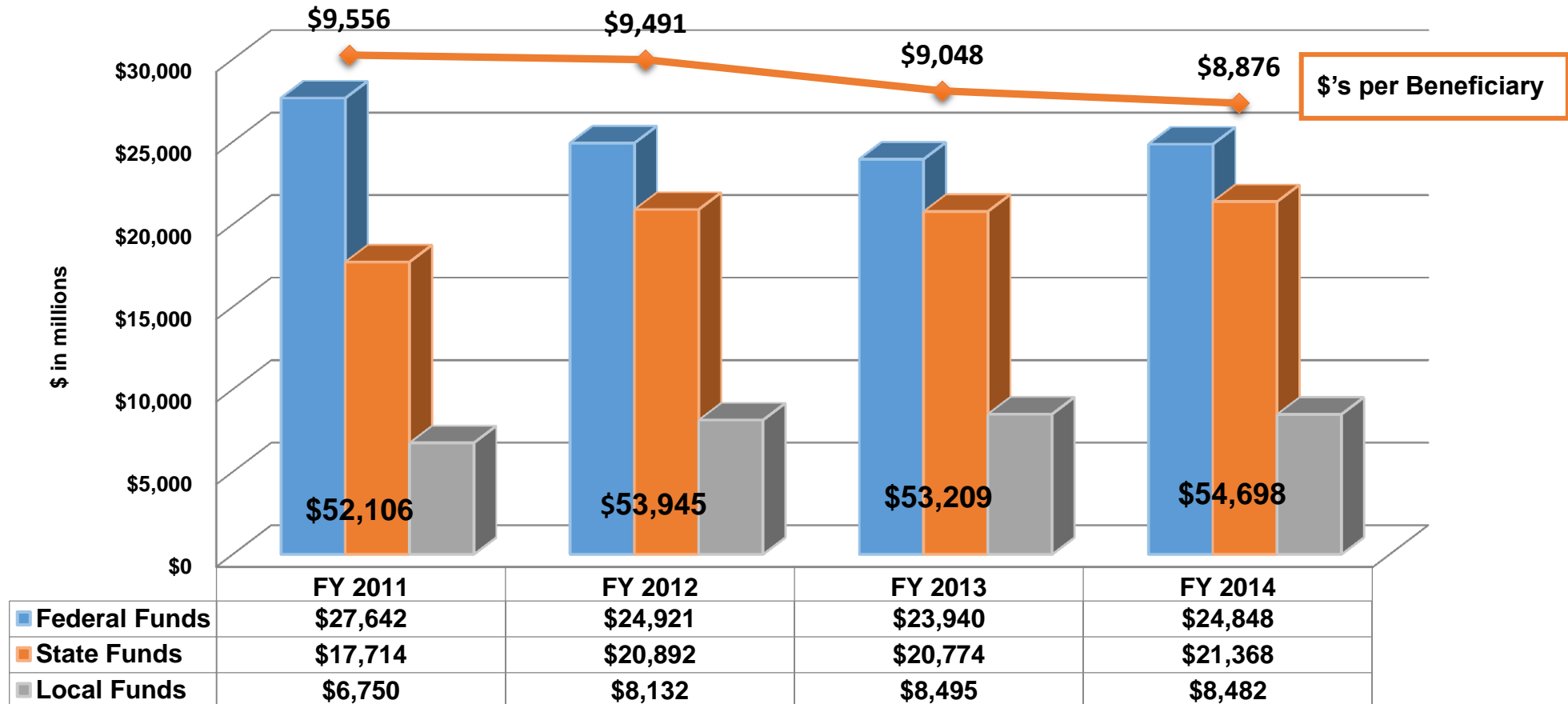
Medicaid
Redesign Team

FY 2016 Executive Budget and Global Cap Update

February 2015

Medicaid All Funds Spending (FY2011-14)

“Bending” the Cost Curve



Results through November 2014

- Medicaid expenditures through November 2014 are \$10 million or 0.09% below projections.

Medicaid Spending November 2014 (dollars in millions)			
Category of Service	Estimated	Actual	Variance
Medicaid Managed Care	\$8,058	\$8,061	\$3
Mainstream Managed Care	\$5,820	\$5,842	\$22
Long Term Managed Care	\$2,238	\$2,219	(\$19)
Family Health Plus	\$289	\$314	\$25
Total Fee For Service	\$6,312	\$6,304	(\$8)
Inpatient	\$1,973	\$1,977	\$4
Outpatient/Emergency Room	\$265	\$271	\$6
Clinic	\$379	\$368	(\$11)
Nursing Homes	\$2,208	\$2,223	\$15
Other Long Term Care	\$477	\$473	(\$4)
Non-Institutional	\$1,010	\$992	(\$18)
Medicaid Administration Costs	\$292	\$318	\$26
OHIP Budget / State Operations	\$111	\$100	(\$11)
Medicaid Audits	(\$270)	(\$218)	\$52
All Other	\$1,620	\$1,523	(\$97)
Local Funding Offset	(\$4,966)	(\$4,966)	\$0
TOTAL	\$11,446	\$11,436	(\$10)

Results through November 2014

- Medicaid enrollment through November 2014 increased by 287,397 recipients since April 1, 2014.

Medicaid Enrollment Summary FY 2015			
	March 2014	November 2014	Increase / (Decrease)
Managed Care	4,126,307	4,529,526	403,219
New York City	2,589,618	2,809,361	219,743
Rest of State	1,536,689	1,720,165	183,476
Fee-For-Service	1,578,130	1,462,308	(115,822)
New York City	790,996	713,374	(77,622)
Rest of State	787,134	748,934	(38,200)
TOTAL	5,704,437	5,991,834	287,397
New York City	3,380,614	3,522,735	142,121
Rest of State	2,323,823	2,469,099	145,276

Closeout Strategy

- DOH monitors the Global Cap spending closely and expects to end the year on target
- Major rate packages to be processed before the fiscal year ends
 - ✓ April 2014 Mainstream Managed Care Rates (\$420 million)
- Other scheduled rate packages are at risk due to CMS delay and will roll into FY 2016:
 - ✓ MLTC / MMC, 2% ATB , VAP
- Federal credits in the Global Cap are also at risk due to CMS delay:
 - ✓ SSHS Cost Study
 - ✓ Additional Federal Revenue from Emergency Services (Aliessa population)
- If necessary to balance rolled liabilities, the Department may consider advancing FY 2016 payments into FY 2015 (i.e., DSH)

FY 2016 Global Cap Projections

- The Global Spending Cap will increase to \$17.7 billion in FY 2016, reflects growth of \$779 million; highlights include:

Price (+\$403 million)	<ul style="list-style-type: none"> 4% trend increases for mainstream managed care and long term managed care (\$353 million); Various FFS rate packages (\$50 million).
Utilization (+\$480 million)	<ul style="list-style-type: none"> Annualization of FY 2015 net enrollment; New enrollment for FY 2016, including the ACA “woodwork”.
MRT/One-Timers/Other (-\$104 million)	<ul style="list-style-type: none"> Basic Health Program (-\$945 million); ACA FMAP (-\$294 million); offset by MH Stabilization funds (\$200 million, incl. Financial Plan relief); VAP Funding (\$290 million); Medicaid 53rd cycle (\$207 million); Loss in one-time Federal Revenue (\$200 million); Additional Funding to support the Waiver (\$100 million); Hospital Quality and Essential/Rural Community Provider Investment (\$100 million); and Executive Order on Immigration (\$38 million).

Managed Care Initiatives

- Managed Care Initiatives (\$72 million gross in 2015-16):
 - ✓ Eliminate Prescriber Prevails (\$8 million);
 - ✓ Implement Managed Care Pharmacy Efficiencies (\$27 million);
 - ✓ 340B Pricing in Managed Care (\$22 million)
 - ✓ Managed Long Term Care Transportation (excludes PACE) Carve Out (\$15 million);
 - ✓ Shift Recruitment, Training and Retention (RTR) MLTC Funding to the Base (\$0); and
 - ✓ Mainstream Managed Care Profit Cap (\$0)
- Article VII Highlights
 - ✓ Extends Global Cap;
 - ✓ Extends Indigent Care; and
 - ✓ Value Based Payments

Questions

