



# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

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**Director**  
AMY CARLSON

**DATE:** February 9, 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 104,319 in November with reduction in the number of both eligible adults and children.

#### ***Medicaid***

Enrollment declines are most noticeable in family Medicaid (low-income parents and children), with enrollment levels declining from a high of about 20,700 persons to 17,900 most recently. There have also been small enrollment declines in the number of persons over 65 as well as the number of aged and disabled persons in an institutional setting. However, there have been steady, but small increases, in disabled individuals enrolled in Medicaid.

#### ***Healthy Montana Kids***

The final attachment shows HMK enrollment since passage of the initiative that created the program. Enrollment has increased by nearly 1,000 children since the October LFC meeting, rising to 89,707 children. About 70% of HMK enrollment is children in families with incomes below 100% of the federal poverty level, while about 23% is in families with incomes between 134% to 250% of the federal poverty level.

The number of children who are presumed to be eligible for HMK (presumptive category) has averaged 90 enrollees over the last four months of data. This level is significantly lower than 2,919 estimated during the legislative session.

Figure 1 shows the 2011 session estimate for the annual HMK enrollment by group compared to average enrollment year to date (November 2011 enrollment). Overall year to date average enrollment is about 10% lower than the session estimate.

FY 2012 Enrollment in Healthy Montana Kids					
Estimate/Actual/Difference	HMK Plus		HMK		Total
	HMK Plus Expansion	CHIP	Presumptive		
Session Estimate	65,155	10,297	20,006	2,919	98,377
Year to Date Average	<u>63,004</u>	<u>6,064</u>	<u>19,769</u>	<u>87</u>	<u>88,923</u>
Over (Under) Session Estimate	(2,151)	(4,233)	(237)	(2,832)	(9,454)
% of Total Over (Under) Average	22.8%	44.8%	2.5%	30.0%	100.0%

If monthly enrollment were to increase at the same rate experienced over the last 12 months (about 560 children per month) average enrollment for FY 2012 would be just over 90,000, or about 8,500 children (8%) lower than estimated.

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 five months of FY 2012 (about 300 children per month), actual enrollment will exceed session estimates rising to about 20,500 children.

The other components of HMK would need to experience significant monthly increases in order for actual enrollment to approach session estimates. The largest difference between year to date average compared to session estimates is for presumptive eligibility.

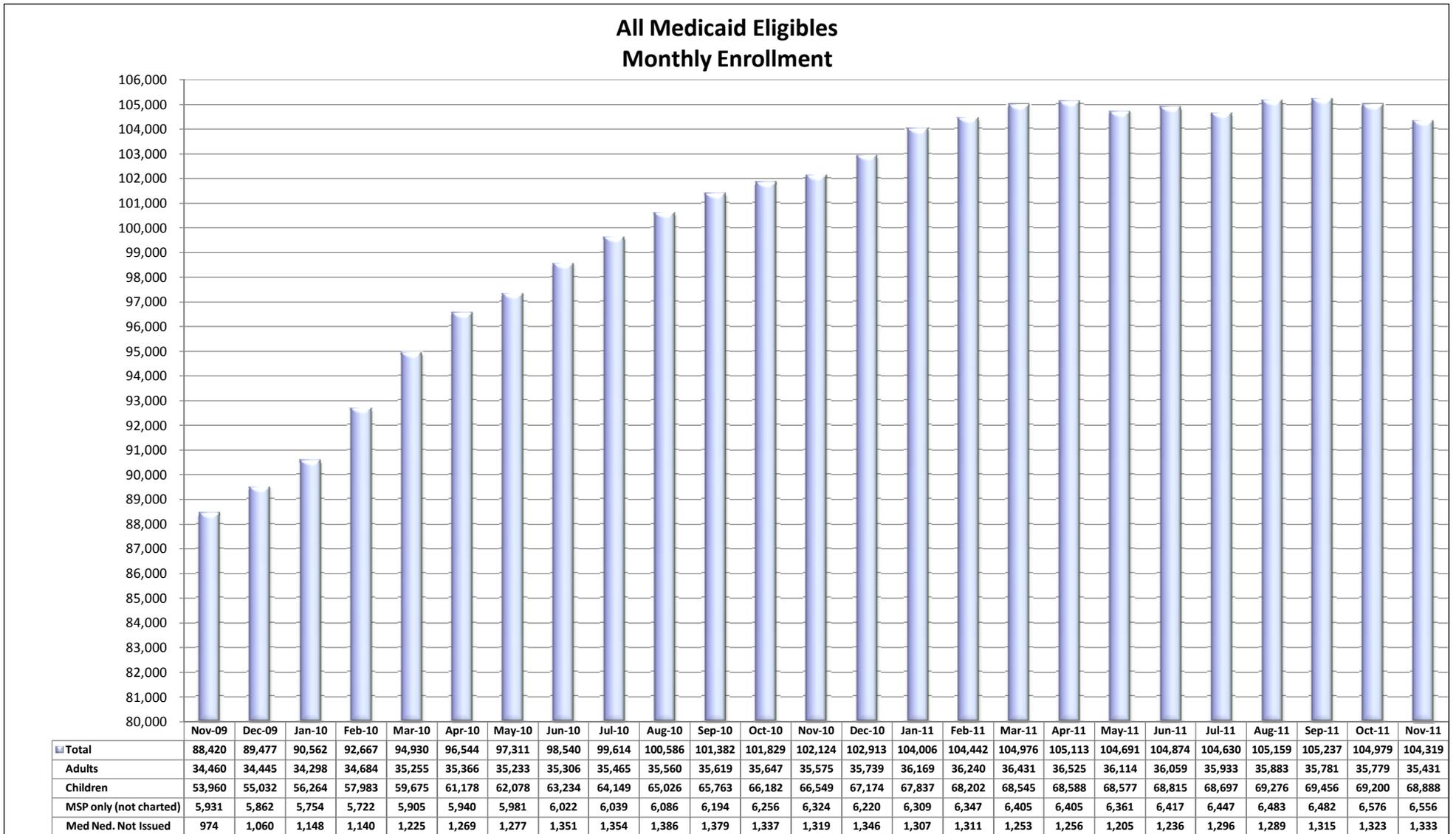
### ***Medicaid Eligibility Expansion***

ACA adds a new category of Medicaid eligibility for persons who are not pregnant, disabled or over the age of 65. It raises financial eligibility to 138%<sup>1</sup> 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.

<sup>1</sup> 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%.

## Medicaid Enrollment by Eligibility Category for Most Recent 24 Months



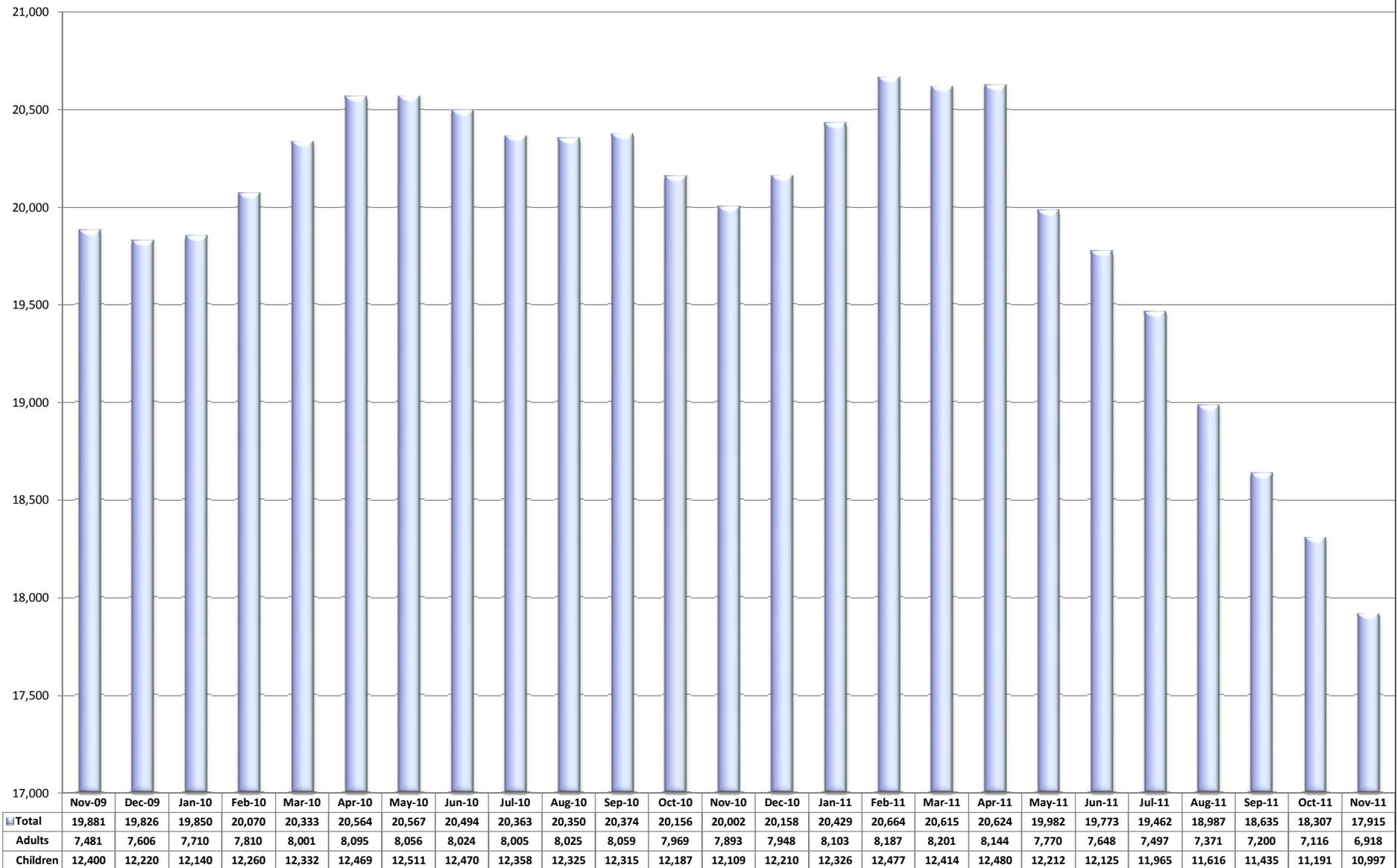
\*Healthy Montana Kids began in October 2009 and the Medicaid expansion accounts for much of the growth in children's enrollment. The HMK Plus expansion to date has added 6,016 clients to Medicaid.

\*Clients that only have a Medicare Savings Plan (MSP) (listed in the key table) are not accounted for in the total or charted because the State only pays coinsurance and deductible for these clients.

\*Clients listed as Medically Needy Not Issued (listed in the key table) are not accounted for in the total or charted because they may not become eligible for that month, however must remain in the system.

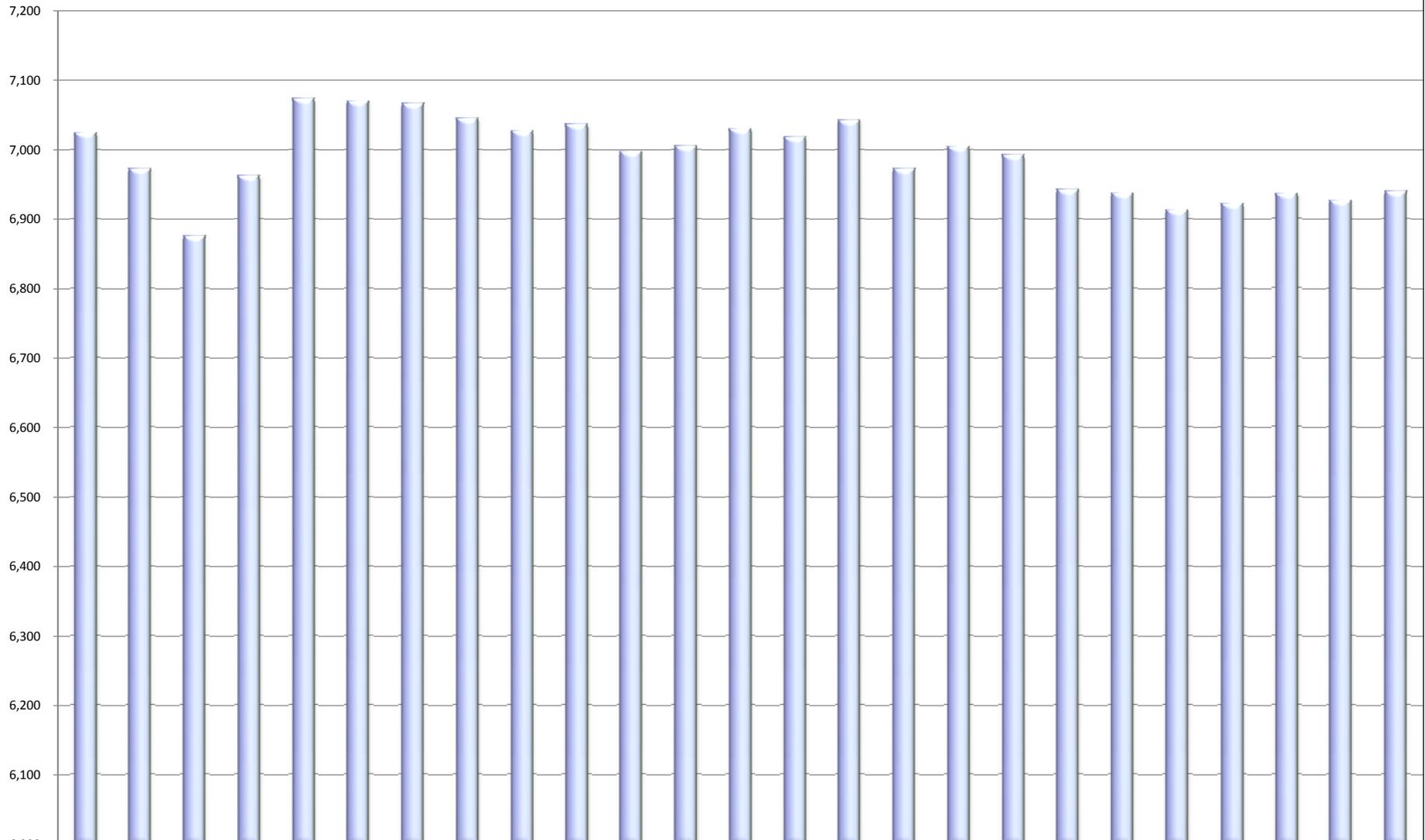
Source: Department of Public Health and Human Services, February 2012.

### Family Medicaid Monthly Enrollment



Source: Department of Public Health and Human Services, February 2012.

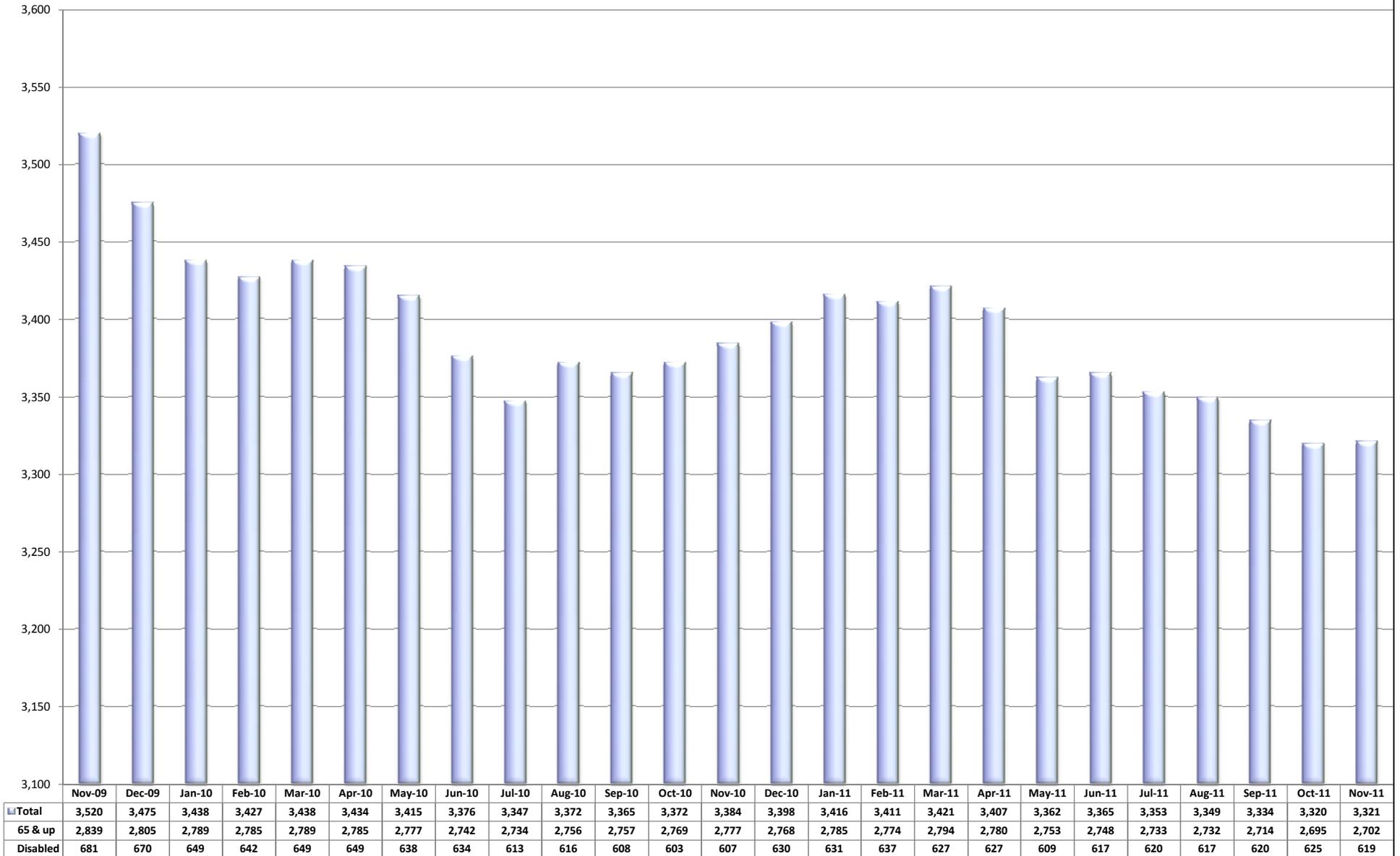
### Medicaid Eligibles Age 65 & Over Monthly Enrollment



	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Age 65 & Older	7,024	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

Source: Department of Public Health and Human Services, February 2012.  
Chimes total shows all Medicaid and MSP only age 65 and older with Aged MSP only deprivation codes subtracted.

### Aged & Disabled Eligibles in an Institutional Setting Monthly Enrollment



Source: Department of Public Health and Human Services, February 2012.

### Medicaid Disabled Eligibles Monthly Enrollment

