

BNEADL01 LAS/PBS SYSTEM
BUDGET PERIOD: 2007-2018
STATE OF FLORIDA

SCHEDULE VIIIIB-2
PRIORITY LISTING FOR POSSIBLE REDUCTION
FOR REQUEST YEAR

SP 10/14/2016 15:48 PAGE: 1
ERROR REPORT

BUDGET ENTITY	D3A ISSUE CODE	COLUMN NUMBERS	CODE	ERROR MESSAGE	PAGE
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THERE WERE 0 ERRORS DETECTED

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

AGENCY/HEALTH CARE ADMIN			68000000
PGM: HEALTH CARE SERVICES			68500000
<u>MEDICAID SERV/INDIVIDUALS</u>			68501400
HEALTH AND HUMAN SERVICES			13
<u>HEALTH SVCS/INDIVIDUALS</u>			<u>1301.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
HOSPITAL OUTPATIENT ADJUSTMENT -			
INCLUDES HEALTH MAINTENANCE			
ORGANIZATION (HMO) IMPACT			33V0450
SPECIAL CATEGORIES			100000
HOSPITAL OUTPATIENT SVCS			101596
GENERAL REVENUE FUND	-MATCH	20,047,374-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	31,674,437-	2474 3
REFUGEE ASSISTANCE TF	-FEDERL	229,280-	2579 3

TOTAL APPRO.....		51,951,091-	
		=====	
PREPAID HEALTH PLANS			102673
GENERAL REVENUE FUND	-MATCH	58,300,031-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	92,112,846-	2474 3
REFUGEE ASSISTANCE TF	-FEDERL	1,022,797-	2579 3

TOTAL APPRO.....		151,435,674-	
		=====	
TOTAL: HOSPITAL OUTPATIENT ADJUSTMENT -			33V0450
INCLUDES HEALTH MAINTENANCE			
ORGANIZATION (HMO) IMPACT			
TOTAL ISSUE.....		203,386,765-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 17-18 NARRATIVE:

IT COMPONENT? NO

Priority #2

ISSUE TITLE: Hospital Outpatient Adjustment - Includes Health Maintenance Organization (HMO) Impact

ISSUE SUMMARY: This issue proposes a reduction of \$203,386,765 in the Hospital Outpatient Services and Prepaid Health Plans categories.

ISSUE DETAIL: The Agency for Health Care Administration (AHCA) will achieve the proposed reduction by imposing these financial reductions: 1) Remove the two percent inflationary rate increase consented upon at the August 11, 2016 Social Services Estimating Conference (SSEC); 2) Eliminate the hospitals' outpatient reimbursement rate enhancement amount for 27 hospitals whose profit margin is greater than the statewide profit margin of 9.6 percent based on 2015 Florida Hospital Uniform Hospital System (FHURS) data; and 3) Decrease the reimbursement rates for hospital outpatient services

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>MEDICAID SERV/INDIVIDUALS</u>		68501400
HEALTH AND HUMAN SERVICES		13
<u>HEALTH SVCS/INDIVIDUALS</u>		<u>1301.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
HOSPITAL OUTPATIENT ADJUSTMENT -		
INCLUDES HEALTH MAINTENANCE		
ORGANIZATION (HMO) IMPACT		33V0450

by 20.3 percent. Collectively, this issue proposes a 28 percent hospital inpatient fee for service reduction. All three proposed reduction methods utilize the pass-through impact on the prepaid health plans which goes into effect on October 1, 2017. The impact on the prepaid health plans will equate to a 1.4 percent reduction.

Hospital costs are driving increased costs in the Medicaid program. A total of 27 hospitals are more profitable than the statewide margin of 9.6 percent and will have either their outpatient reimbursement rate enhancement eliminated or partially eliminated based on their profit growth between 2014 and 2015. No hospital will be put in a worse financial position than it was already in entering into 2015 as a result of eliminating their outpatient reimbursement rate enhancement. The outpatient reimbursement rate enhancement amounts bear no relationship to improving access to quality of care for Medicaid recipients.

Managed care plans and hospitals negotiate rates to which the managed care plans shall pay the hospitals. As stated in Florida Statutes payments made by managed care plans to hospitals may not exceed 120 percent of the rate the AHCA sets. To reduce costs in the Medicaid program the reduction items in this issue could be taken, the 120 percent cap could be reduced, or some combination could occur.

Legislative authority is needed to achieve this reduction.

The following details reflect the calculations used as the basis for developing this issue.

Removal of the 2 Percent Inflation:

			Rate Change	FY 2017-18
			Difference	Reduction
HOSPITAL OUTPATIENT SERVICES		2%		
Medicaid Caseload	197,208	197,208		
Medicaid Utilization Rate	79.16%	79.16%		
Medicaid Services Per Month	156,116	156,116		
Medicaid Unit Cost	\$99.14	\$97.20	(\$1.94)	
Medicaid Total Cost	\$185,733,230	\$182,091,403	(\$3,641,827)	(\$3,641,827)
PREPAID HEALTH PLANS		0.1%		
Caseload	3,529,519	3,529,519		
Unit Cost	\$340.40	\$340.06	(\$0.34)	
Total Cost	\$14,417,282,029	\$14,402,864,747	(\$14,417,282)	(\$10,812,962)

Outpatient Rate Enhancement Removal:

Rate Change	FY 2017-18
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COL A93
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT

CODES

AGENCY/HEALTH CARE ADMIN 68000000
 PGM: HEALTH CARE SERVICES 68500000
MEDICAID SERV/INDIVIDUALS 68501400
 HEALTH AND HUMAN SERVICES 13
HEALTH SVCS/INDIVIDUALS 1301.00.00.00
 PROGRAM REDUCTIONS 33V0000
 HOSPITAL OUTPATIENT ADJUSTMENT -
 INCLUDES HEALTH MAINTENANCE
 ORGANIZATION (HMO) IMPACT 33V0450

			Difference	Reduction
HOSPITAL OUTPATIENT SERVICES		5.7%		
Medicaid Caseload	197,208	197,208		
Medicaid Utilization Rate	79.16%	79.16%		
Medicaid Services Per Month	156,116	156,116		
Medicaid Unit Cost	\$99.14	\$93.50	(\$5.65)	
Medicaid Total Cost	\$185,733,230	\$175,155,135	(\$10,578,095)	(\$10,578,095)
PREPAID HEALTH PLANS		0.28%		
Caseload	3,529,519	3,529,519		
Unit Cost	\$340.40	\$339.43	(\$0.97)	
Total Cost	\$14,417,282,029	\$14,376,226,538	(\$41,055,491)	(\$30,791,618)

Outpatient Rate Reduction:

			Rate Change Difference	FY 2017-18 Reduction
HOSPITAL OUTPATIENT SERVICES		20.3%		
Medicaid Caseload	197,208	197,208		
Medicaid Utilization Rate	79.16%	79.16%		
Medicaid Services Per Month	156,116	156,116		
Medicaid Unit Cost	\$99.14	\$79.00	(\$20.14)	
Medicaid Total Cost	\$185,733,230	\$148,002,061	(\$37,731,169)	(\$37,731,169)
PREPAID HEALTH PLANS		1.02%		
Caseload	3,529,519	3,529,519		
Unit Cost	\$340.40	\$336.94	(\$3.46)	
Total Cost	\$14,417,282,029	\$14,270,840,570	(\$146,441,459)	(\$109,831,094)

BUDGET SUMMARY: This issue proposes a reduction of \$203,386,765 in Fiscal Year 2017-2018 with an annualization of \$50,478,558 in Fiscal Year 2018-2019 as follows:

	RECURRING FY 2017-18	NON-RECURRING FY 2017-18	TOTAL FY 2017-18	ANNUALIZATION FY 2018-2019
Hospital Outpatient Services (101596)				
General Revenue (1000 - 2)	(\$ 20,047,374)	\$0	(\$ 20,047,374)	\$0
Medical Care Trust Fund (2474 - 3)	(\$ 31,674,437)	\$0	(\$ 31,674,437)	\$0
Refugee Assistance Trust Fund (2579 - 3)	(\$ 229,280)	\$0	(\$ 229,280)	\$0

COL A93				
SCH VIIIIB-2				
REDUCTIONS				
POS	AMOUNT			CODES
AGENCY/HEALTH CARE ADMIN				68000000
PGM: HEALTH CARE SERVICES				68500000
<u>MEDICAID SERV/INDIVIDUALS</u>				68501400
HEALTH AND HUMAN SERVICES				13
<u>HEALTH SVCS/INDIVIDUALS</u>				<u>1301.00.00.00</u>
PROGRAM REDUCTIONS				33V0000
HOSPITAL OUTPATIENT ADJUSTMENT -				
INCLUDES HEALTH MAINTENANCE				
ORGANIZATION (HMO) IMPACT				33V0450
Category Total	(\$ 51,951,091)	\$0	(\$ 51,951,091)	\$0
Prepaid Health Plans (102673)				
General Revenue (1000 - 2)	(\$ 58,300,031)	\$0	(\$ 58,300,031)	(\$ 19,433,344)
Medical Care Trust Fund (2474 - 3)	(\$ 92,112,846)	\$0	(\$ 92,112,846)	(\$ 30,704,282)
Refugee Assistance Trust Fund (2579 - 3)	(\$ 1,022,797)	\$0	(\$ 1,022,797)	(\$ 340,932)
Category Total	(\$151,435,674)	\$0	(\$151,435,674)	(\$ 50,478,558)
Issue Total	(\$203,386,765)	\$0	(\$203,386,765)	(\$ 50,478,558)

HOSPITAL INPATIENT DIAGNOSIS				
RELATED GROUP AUTOMATIC ADD-ON				
ADJUSTMENT - INCLUDES HEALTH				
MAINTENANCE ORGANIZATION IMPACT				33V0460
SPECIAL CATEGORIES				100000
HOSPITAL INPATIENT SERVICE				101582

GENERAL REVENUE FUND	-MATCH	95,704,779-		1000	2
MEDICAL CARE TRUST FUND	-FEDERL	151,211,575-		2474	3
REFUGEE ASSISTANCE TF	-FEDERL	435,577-		2579	3
TOTAL APPRO.....		247,351,931-			
		=====			

PREPAID HEALTH PLANS				102673	
GENERAL REVENUE FUND	-MATCH	233,211,399-		1000	2
MEDICAL CARE TRUST FUND	-FEDERL	368,469,196-		2474	3
REFUGEE ASSISTANCE TF	-FEDERL	4,091,384-		2579	3
TOTAL APPRO.....		605,771,979-			
		=====			

TOTAL: HOSPITAL INPATIENT DIAGNOSIS				33V0460
RELATED GROUP AUTOMATIC ADD-ON				
ADJUSTMENT - INCLUDES HEALTH				
MAINTENANCE ORGANIZATION IMPACT				
TOTAL ISSUE.....		853,123,910-		
		=====		

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>MEDICAID SERV/INDIVIDUALS</u>		68501400
HEALTH AND HUMAN SERVICES		13
<u>HEALTH SVCS/INDIVIDUALS</u>		<u>1301.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
HOSPITAL INPATIENT DIAGNOSIS		
RELATED GROUP AUTOMATIC ADD-ON		
ADJUSTMENT - INCLUDES HEALTH		
MAINTENANCE ORGANIZATION IMPACT		33V0460

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 17-18 NARRATIVE:
 Priority #1

IT COMPONENT? NO

ISSUE TITLE: Hospital Inpatient Diagnosis Related Group Automatic Add-on Adjustment - Includes Health Maintenance Organization Impact

ISSUE SUMMARY: This issue proposes a reduction of \$853,123,910 in the Hospital Inpatient Services and Prepaid Health Plans categories.

ISSUE DETAIL: The Agency for Health Care Administration (AHCA) will achieve the proposed reduction by imposing these financial reductions: 1) Remove the two percent inflationary rate increase consented upon at the August 11, 2016 Social Services Estimating Conference (SSEC); 2) Eliminate the hospitals' Diagnosis Related Group (DRG) add-on reimbursement rate enhancement amount for 29 hospitals whose profit margin is greater than the statewide profit margin of 9.6 percent based on 2015 Florida Hospital Uniform Hospital System (FHURS) data; and 3) Decrease the DRG base rate or policy adjustors for all hospital inpatient services by 19.6 percent. Collectively, this issue proposes a 28 percent hospital inpatient fee-for-service (FFS) reduction. All three proposed reduction methods utilize the pass-through impact on the prepaid health plans which goes into effect on October 1, 2017. The impact on the prepaid health plans will equate to a 5.6 percent reduction.

Hospital costs are driving increased costs in the Medicaid program. A total of 29 hospitals are more profitable than the statewide margin of 9.6 percent and will have either their full DRG add-on eliminated or partially eliminated based on their profit growth between 2014 and 2015. No hospital will be put in a worse financial position than it was already in entering into 2015 as a result of eliminating their DRG add-on. The DRG add-on reimbursement rate amounts bear no relationship to improving access to quality of care for Medicaid recipients but are rather based on obsolete methodologies that predate DRG pricing.

Managed care plans and hospitals negotiate rates to which the managed care plans shall pay the hospitals. As stated in Florida Statutes payments made by managed care plans to hospitals may not exceed 120 percent of the rate the AHCA sets. To reduce costs in the Medicaid program the reduction items in this issue could be taken, the 120 percent cap could be reduced, or some combination could occur.

Legislative authority is needed to achieve this reduction.

The following details reflect the calculations used as the basis for developing this issue.

COL A93
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT

CODES

AGENCY/HEALTH CARE ADMIN					68000000
PGM: HEALTH CARE SERVICES					68500000
<u>MEDICAID SERV/INDIVIDUALS</u>					68501400
HEALTH AND HUMAN SERVICES					13
<u>HEALTH SVCS/INDIVIDUALS</u>					<u>1301.00.00.00</u>
PROGRAM REDUCTIONS					33V0000
HOSPITAL INPATIENT DIAGNOSIS					
RELATED GROUP AUTOMATIC ADD-ON					
ADJUSTMENT - INCLUDES HEALTH					
MAINTENANCE ORGANIZATION IMPACT					33V0460

Removal of the 2 Percent Inflation:

			Rate Change Difference	FY 2017-18 Reduction
HOSPITAL INPATIENT SERVICES		2%		
Medicaid Caseload	197,208	197,208		
Medicaid Utilization Rate	3.97%	3.97%		
Medicaid Services Per Month	7,827	7,827		
Medicaid Unit Cost	\$9,414.83	\$9,230.23	(\$184.60)	
Medicaid Total Cost	\$884,278,798	\$866,939,999	(\$17,338,799)	(\$17,338,799)
PREPAID HEALTH PLANS		0.4%		
Caseload	3,529,519	3,529,519		
Unit Cost	\$340.40	\$339.04	(\$1.36)	
Total Cost	\$14,417,282,029	\$14,359,612,901	(\$57,669,128)	(\$43,251,846)

DRG Add-on Elimination:

			Rate Change Difference	FY 2017-18 Reduction
HOSPITAL INPATIENT SERVICES		6.4%		
Medicaid Caseload	197,208	197,208		
Medicaid Utilization Rate	3.97%	3.97%		
Medicaid Services Per Month	7,827	7,827		
Medicaid Unit Cost	\$9,414.83	\$8,813.06	(\$601.78)	
Medicaid Total Cost	\$884,278,798	\$827,757,394	(\$56,521,404)	(\$56,521,404)
PREPAID HEALTH PLANS		1.28%		
Caseload	3,529,519	3,529,519		
Unit Cost	\$340.40	\$336.05	(\$4.35)	
Total Cost	\$14,417,282,029	\$14,232,977,028	(\$184,305,001)	(\$138,228,751)

DRG Base Rate or Policy Adjustor Reduction:

			Rate Change Difference	FY 2017-18 Reduction
HOSPITAL INPATIENT SERVICES		19.6%		
Medicaid Caseload	197,208	197,208		
Medicaid Utilization Rate	3.97%	3.97%		

COL A93				
SCH VIIIIB-2				
REDUCTIONS				
POS	AMOUNT			CODES
AGENCY/HEALTH CARE ADMIN				68000000
PGM: HEALTH CARE SERVICES				68500000
<u>MEDICAID SERV/INDIVIDUALS</u>				68501400
HEALTH AND HUMAN SERVICES				13
<u>HEALTH SVCS/INDIVIDUALS</u>				<u>1301.00.00.00</u>
PROGRAM REDUCTIONS				33V0000
HOSPITAL INPATIENT DIAGNOSIS				
RELATED GROUP AUTOMATIC ADD-ON				
ADJUSTMENT - INCLUDES HEALTH				
MAINTENANCE ORGANIZATION IMPACT				33V0460

Medicaid Services Per Month	7,827	7,827		
Medicaid Unit Cost	\$9,414.83	\$7,567.68	(\$1,847.15)	
Medicaid Total Cost	\$884,278,798	\$710,787,071	(\$173,491,727)	(\$173,491,727)

PREPAID HEALTH PLANS		3.92%		
Caseload	3,529,519	3,529,519		
Unit Cost	\$340.40	\$327.04	(\$13.36)	
Total Cost	\$14,417,282,029	\$13,851,560,186	(\$565,721,843)	(\$424,291,382)

BUDGET SUMMARY: This issue proposes a reduction of \$853,123,910 in Fiscal Year 2017-2018 with an annualization of (\$201,923,994) in Fiscal Year 2018-2019 as follows:

	RECURRING FY 2017-18	NON-RECURRING FY 2017-18	TOTAL FY 2017-18	ANNUALIZATION FY 2018-2019
Hospital Inpatient Services (101582)				
General Revenue (1000 - 2)	(\$ 95,704,779)	\$0	(\$ 95,704,779)	\$0
Medical Care Trust Fund (2474 - 3)	(\$151,211,575)	\$0	(\$151,211,575)	\$0
Refugee Assistance Trust Fund (2579 - 3)	(\$ 435,577)	\$0	(\$ 435,577)	\$0
Category Total	(\$247,351,931)	\$0	(\$247,351,931)	\$0
Prepaid Health Plans (102673)				
General Revenue (1000 - 2)	(\$233,211,399)	\$0	(\$233,211,399)	(\$ 77,737,133)
Medical Care Trust Fund (2474 - 3)	(\$368,469,196)	\$0	(\$368,469,196)	(\$122,823,066)
Refugee Assistance Trust Fund (2579 - 3)	(\$ 4,091,384)	\$0	(\$ 4,091,384)	(\$ 1,363,795)
Category Total	(\$605,771,979)	\$0	(\$605,771,979)	(\$201,923,994)
Issue Total	(\$853,123,910)	\$0	(\$853,123,910)	(\$201,923,994)

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
AGENCY/HEALTH CARE ADMIN			68000000
PGM: HEALTH CARE SERVICES			68500000
<u>MEDICAID SERV/INDIVIDUALS</u>			68501400
HEALTH AND HUMAN SERVICES			13
<u>HEALTH SVCS/INDIVIDUALS</u>			<u>1301.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
PREPAID HEALTH PLAN CAPITATION RATE			
ADJUSTMENT			33V0690
SPECIAL CATEGORIES			100000
PREPAID HEALTH PLANS			102673
GENERAL REVENUE FUND	-MATCH	187,576,484-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	296,366,973-	2474 3
REFUGEE ASSISTANCE TF	-FEDERL	3,290,780-	2579 3
TOTAL APPRO.....		487,234,237-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 17-18 NARRATIVE:
 PRIORITY #3

IT COMPONENT? NO

ISSUE TITLE: Prepaid Health Plan Capitation Rate Adjustment

ISSUE SUMMARY: This issue proposes a reduction of \$487,234,237 in the Prepaid Health Plan category.

ISSUE DETAIL: The Agency for Health Care Administration (AHCA) will achieve the proposed reduction by decreasing the capitation rate paid to the Medicaid Managed Care plans for providing Medicaid benefit packages to Medicaid recipients by 4.51 percent. Service benefits will need to be adjusted to achieve this reduction. The reduction can only occur if the capitation rates can achieve an actuarial soundness certification per the AHCA's contracted actuaries. Legislative authority is needed to achieve this reduction.

The following details reflect the calculations used as the basis for developing this issue.

			Rate Change
			Difference
PREPAID HEALTH PLANS		4.5060%	
Caseload	3,529,519	3,529,519	
Unit Cost	\$340.40	\$325.06	(\$15.34)
Total Cost	\$14,417,282,029	\$13,767,636,380	(\$649,645,649)

BUDGET SUMMARY: This issue proposes a reduction of \$487,234,237 in Fiscal Year 2017-2018 with an annualization in the amount of \$162,411,412 in Fiscal Year 2018-2019 as follows:

RECURRING	NON-RECURRING	TOTAL	ANNUALIZATION
FY 2017-2018	FY 2017-18	FY 2017-18	FY 2018-19

 COL A93
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT CODES

AGENCY/HEALTH CARE ADMIN 68000000
 PGM: HEALTH CARE SERVICES 68500000
MEDICAID SERV/INDIVIDUALS 68501400
 HEALTH AND HUMAN SERVICES 13
HEALTH SVCS/INDIVIDUALS 1301.00.00.00
 PROGRAM REDUCTIONS 33V0000
 PREPAID HEALTH PLAN CAPITATION RATE
 ADJUSTMENT 33V0690

Prepaid Health Plans (102673)					
General Revenue (1000 - 2)	(\$187,576,484)	\$0	(\$187,576,484)	(\$62,525,494)	
Medical Care Trust Fund (2474 - 3)	(\$296,366,973)	\$0	(\$296,366,973)	(\$98,788,991)	
Refugee Assistance Trust Fund (2579 - 3)	(\$3,290,780)	\$0	(\$3,290,780)	(\$1,096,927)	
Issue Total	(\$487,234,237)	\$0	(\$487,234,237)	(\$162,411,412)	

MEDICALLY NEEDY REDUCTION EXCLUDING CHILDREN AND PREGNANT WOMEN 33V6050
 SPECIAL CATEGORIES 100000
 HOSPITAL INPATIENT SERVICE 101582

GENERAL REVENUE FUND -MATCH	95,072,746-			1000 2
MEDICAL CARE TRUST FUND -FEDERL	150,212,977-			2474 3
TOTAL APPRO.....	245,285,723-			
	=====			

HOSPITAL OUTPATIENT SVCS 101596

GENERAL REVENUE FUND -MATCH	32,917,437-			1000 2
MEDICAL CARE TRUST FUND -FEDERL	52,008,871-			2474 3
TOTAL APPRO.....	84,926,308-			
	=====			

PHYSICIAN/HCP SVCS 102542

GENERAL REVENUE FUND -MATCH	24,487,380-			1000 2
MEDICAL CARE TRUST FUND -FEDERL	38,689,554-			2474 3
TOTAL APPRO.....	63,176,934-			
	=====			

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
AGENCY/HEALTH CARE ADMIN			68000000
PGM: HEALTH CARE SERVICES			68500000
<u>MEDICAID SERV/INDIVIDUALS</u>			68501400
HEALTH AND HUMAN SERVICES			13
<u>HEALTH SVCS/INDIVIDUALS</u>			<u>1301.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
MEDICALLY NEEDED REDUCTION EXCLUDING			
CHILDREN AND PREGNANT WOMEN			33V6050
SPECIAL CATEGORIES			100000
PRESCRIBED MEDICINE/DRUGS			102681
GENERAL REVENUE FUND	-MATCH 22,814,904-		1000 2
	=====		
GRANTS AND DONATIONS TF	-MATCH 28,903,774-		2339 2
	-FEDERL 45,667,367-		2339 3

TOTAL GRANTS AND DONATIONS TF	74,571,141-		2339
	=====		
MEDICAL CARE TRUST FUND	-FEDERL 11,695,994-		2474 3
	=====		
TOTAL APPRO.....	109,082,039-		
	=====		
TOTAL: MEDICALLY NEEDED REDUCTION EXCLUDING			33V6050
CHILDREN AND PREGNANT WOMEN			
TOTAL ISSUE.....	502,471,004-		
	=====		

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 17-18 NARRATIVE:
 PRIORITY #4

IT COMPONENT? NO

ISSUE TITLE: Medically Needy Reduction Excluding Children and Pregnant Women

ISSUE SUMMARY: In Fiscal Year 2017-2018, the Agency for Health Care Administration (AHCA) proposes to limit participation in the Medically Needy Program by continuing to fund services for children and pregnant women only which would have an impact of \$502,471,004. This reduction includes rebates. This issue would be effective July 1, 2017.

ISSUE DETAIL: The Medically Needy Program is for persons who have income above regular Medicaid levels, but incur medical expenses that cause income to qualify. Currently, estimated for Fiscal Year 2017-2018, there are 28,450 individuals in this optional eligibility group who are above the income limit to qualify for Medicaid. This issue reduces the program eligibility and coverage to children and pregnant women. This change would result in an estimated total of 1,907 children and pregnant women who would continue to receive services through the Medically Needy program. Legislative Authority is needed to achieve reduction.

Crossover payments, premiums and deductibles would continue for Qualified Medicare Beneficiary (QMB) eligibles as well as premiums for Specified Low-Income Medicare Beneficiary (SLMB), and Qualified Individuals (QI) eligible. The estimate does not include the impact of these individuals transferring to the QMB eligibility category.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>MEDICAID SERV/INDIVIDUALS</u>		68501400
HEALTH AND HUMAN SERVICES		13
<u>HEALTH SVCS/INDIVIDUALS</u>		<u>1301.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
MEDICALLY NEEDY REDUCTION EXCLUDING CHILDREN AND PREGNANT WOMEN		33V6050

The top 89.5 percent of projected expenditures for Fiscal Year 2017-2018 under the Medically Needy program for current eligibles are as follows:

Hospital Inpatient -	\$192,768,564 - 38.36%
Hospital Outpatient -	\$84,926,308 - 16.90%
Prescribed Medicine -	\$109,082,038 - 21.71%
Physician -	\$63,176,934 - 12.57%
Other -	\$52,517,159 - 10.45%

The "Other" portion of this funding has been included in Hospital Inpatient for ease of presentation below.

BUDGET SUMMARY: This issue proposes a reduction of \$502,471,004 in Fiscal Year 2017-2018 as follows:

	RECURRING FY 2017-2018	NON-RECURRING FY 2017-18	TOTAL FY 2017-18	ANNUALIZATION FY 2018-19
Medicaid Services to Individuals (68501400)				
Hospital Inpatient Service (101582)				
General Revenue (1000 - 2)	(\$ 95,072,746)	\$0	(\$ 95,072,746)	\$0
Medical Trust Fund (2474 - 3)	(\$150,212,977)	\$0	(\$150,212,977)	\$0
Total	(\$245,285,723)	\$0	(\$245,285,723)	\$0
Hospital Outpatient Service (101596)				
General Revenue (1000 - 2)	(\$ 32,917,437)	\$0	(\$ 32,917,437)	\$0
Medical Trust Fund (2474 - 3)	(\$ 52,008,871)	\$0	(\$ 52,008,871)	\$0
Total	(\$ 84,926,308)	\$0	(\$ 84,926,308)	\$0
Physician/Health Care Practitioner Serv (102542)				
General Revenue (1000 - 2)	(\$ 24,487,380)	\$0	(\$ 24,487,380)	\$0
Medical Trust Fund (2474 - 3)	(\$ 38,689,554)	\$0	(\$ 38,689,554)	\$0
Total	(\$ 63,176,934)	\$0	(\$ 63,176,934)	\$0
Prescribed Medicine/Drugs (102681)				
General Revenue (1000 - 2)	(\$ 22,814,904)	\$0	(\$ 22,814,904)	\$0
Grants and Donations (2339 - 2)	(\$ 28,903,774)	\$0	(\$ 28,903,774)	\$0
Grants and Donations (2339 - 3)	(\$ 45,667,367)	\$0	(\$ 45,667,367)	\$0
Medical Trust Fund (2474 - 3)	(\$ 11,695,994)	\$0	(\$ 11,695,994)	\$0
Total	(\$109,082,039)	\$0	(\$109,082,039)	\$0

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

AGENCY/HEALTH CARE ADMIN			68000000
PGM: HEALTH CARE SERVICES			68500000
<u>MEDICAID SERV/INDIVIDUALS</u>			68501400
HEALTH AND HUMAN SERVICES			13
<u>HEALTH SVCS/INDIVIDUALS</u>			<u>1301.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
MEDICALLY NEEDY REDUCTION EXCLUDING			
CHILDREN AND PREGNANT WOMEN			33V6050

Issue Total (\$502,471,004) \$0 (\$502,471,004) \$0

TOTAL: HEALTH SVCS/INDIVIDUALS			<u>1301.00.00.00</u>
BY FUND TYPE			
GENERAL REVENUE FUND	770,132,534-		1000
TRUST FUNDS	1276,083,382-		2000

TOTAL PROG COMP.....	2046,215,916-		
	=====		

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
AGENCY/HEALTH CARE ADMIN			68000000
PGM: HEALTH CARE SERVICES			68500000
<u>MEDICAID LONG TERM CARE</u>			68501500
HEALTH AND HUMAN SERVICES			13
<u>LONG-TERM CARE</u>			<u>1303.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
HOME AND COMMUNITY-BASED SERVICES			
WAIVER REDUCTION - DOUBLE BUDGET			33V0120
SPECIAL CATEGORIES			100000
HOME & COMMUNITY BASED SVC			101554
MEDICAL CARE TRUST FUND	-MATCH	52,071,608-	2474 2
	-FEDERL	82,272,066-	2474 3
TOTAL MEDICAL CARE TRUST FUND		134,343,674-	2474
TOTAL APPRO.....		134,343,674-	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 17-18 NARRATIVE:
 PRIORITY #5

IT COMPONENT? NO

ISSUE TITLE: Home and Community-Based Services Waiver Reduction - Double Budget

ISSUE SUMMARY: This issue proposes a reduction of \$134,343,674 in the Home and Community Based Services (HCBS) category associated with the double budget appropriated to the Agency for Health Care Administration (AHCA) for the payment of claims for the HCBS waiver administrated by the Agency for Persons with Disabilities (APD).

ISSUE DETAIL: The General Revenue reduction would be achieved by the APD and a corresponding trust fund reduction would be reflected by the AHCA. This reduction would reflect a decrease in double budget utilized by the AHCA for the payment of claims for individuals enrolled in the HCBS waiver administered the APD.

BUDGET SUMMARY: This issue proposes a reduction of \$134,343,674 in Fiscal Year 2017-2018 as follows:

	RECURRING FY 2017-2018	NON-RECURRING FY 2017-18	TOTAL FY 2017-18	ANNUALIZATION FY 2018-19
Home and Community Based Services Waiver (101554)				
Medical Care Trust Fund (2474 - 2)	(\$ 52,071,608)	\$0	(\$ 52,071,608)	\$0
Medical Care Trust Fund (2474 - 3)	(\$ 82,272,066)	\$0	(\$ 82,272,066)	\$0
Issue Total	(\$134,343,674)	\$0	(\$134,343,674)	\$0

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
AGENCY/HEALTH CARE ADMIN			68000000
PGM: HEALTH CARE SERVICES			68500000
<u>MEDICAID LONG TERM CARE</u>			68501500
HEALTH AND HUMAN SERVICES			13
<u>LONG-TERM CARE</u>			<u>1303.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
INTERMEDIATE CARE FACILITY FOR			
THE DEVELOPMENTALLY DISABLED			
(ICF-DD) RATE REDUCTION			33V7050
SPECIAL CATEGORIES			100000
ICF/DD COMMUNITY			101649
GENERAL REVENUE FUND	-MATCH	3,999,936-	1000 2
MEDICAL CARE TRUST FUND	-FEDERL	6,319,817-	2474 3

TOTAL APPRO.....		10,319,753-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 17-18 NARRATIVE:
 PRIORITY #6

IT COMPONENT? NO

ISSUE TITLE: Intermediate Care Facilities for the Developmentally Disabled (ICF-DD) Rate Reduction

ISSUE SUMMARY: This issue proposes a reduction of \$10,319,753 in the Intermediate Care Facilities for the Developmentally Disabled - Community category associated with eliminating the rate increase provided in the Fiscal Year 2016-2017 General Appropriations Act (GAA).

ISSUE DETAIL: In Fiscal Year 2016-2017, the Intermediate Care Facilities for the Developmentally Disabled - Community category was appropriated \$10,319,753 for a rate increase. This issue would reduce General Revenue by \$3,999,936 and the Medical Care Trust Fund by \$6,319,817 for a total reduction of \$10,319,753.

BUDGET SUMMARY: This issue proposes a reduction of \$10,319,753 in Fiscal Year 2017-2018 as follows:

	RECURRING FY 2017-2018	NON-RECURRING FY 2017-18	TOTAL FY 2017-18	ANNUALIZATION FY 2018-19
Intermediate Care Facilities/DD-Community (101649)				
General Revenue (1000 - 2)	(\$ 3,999,936)	\$0	(\$ 3,999,936)	\$0
Medical Care Trust Fund (2474 - 3)	(\$ 6,319,817)	\$0	(\$ 6,319,817)	\$0
Issue Total	(\$10,319,753)	\$0	(\$10,319,753)	\$0

COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES

AGENCY/HEALTH CARE ADMIN		68000000
PGM: HEALTH CARE SERVICES		68500000
<u>MEDICAID LONG TERM CARE</u>		68501500
HEALTH AND HUMAN SERVICES		13
<u>LONG-TERM CARE</u>		<u>1303.00.00.00</u>
TOTAL: LONG-TERM CARE		<u>1303.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	3,999,936-	1000
TRUST FUNDS	140,663,491-	2000

TOTAL PROG COMP.....	144,663,427-	
	=====	
TOTAL: AGENCY/HEALTH CARE ADMIN		68000000
BY FUND TYPE		
GENERAL REVENUE FUND	774,132,470-	1000
TRUST FUNDS	1416,746,873-	2000

TOTAL DEPARTMENT.....	2190,879,343-	
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* NEADLP01                                STATISTICAL INFORMATION                                10/14/2016 15:48 *
* BUDGET PERIOD: 2007-2018                EXHIBIT A, D AND D-3A LIST REQUEST                KST 68 SP *
*                                                                                                     PAGE: 2 *
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* FUND GROUPS SET: _____ OR FUND: _____ *
* FUNDING SOURCE IDENTIFIER: _ _ _ _ _ *
* REPORT BY FSI (Y/N): Y *
* ===== *
* DEPARTMENT NARRATIVE SET: _____ *
* BUDGET ENTITY NARRATIVE SET: _____ *
* ISSUE/ACTIVITY NARRATIVE SET: A5 _ _ _ _ _ *
* *
* INCLUDE PROGRAM COMPONENT NARRATIVE (Y/N): N *
* ===== *
* ** FORMATTING ** *
* ===== *
* REPORT HEADING: SCHEDULE VIIIB-2 *
* PRIORITY LISTING FOR POSSIBLE REDUCTION *
* FOR REQUEST YEAR *
* ===== *
* PAGE BREAKS: LOWEST LEVEL PRC *
* (LEVEL 1, LEVEL 2, LEVEL 3, LOWEST LEVEL, *
* IOE, GRP, PRC, SIS, ISC) *
* ===== *
* COLUMN CODES (Y/N): Y FORMAT (L=LANDSCAPE, P=PORTRAIT): L *
* SORT OPTIONS: DEPARTMENT/BUDGET ENTITY (C=CODE, T=TITLE): C *
* PROGRAM COMPONENT (C=CODE, T=TITLE): C *
* ===== *
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* TOTAL RECORDS READ FROM CARD: 44 *
* TOTAL RECORDS READ FROM PAF: 0 *
* TOTAL RECORDS READ FROM OAF: 0 *
* TOTAL RECORDS READ FROM IEF: 0 *
* TOTAL RECORDS READ FROM BGF: 0 *
* TOTAL RECORDS READ FROM BEF: 6 *
* TOTAL RECORDS READ FROM PCF: 4 *
* TOTAL RECORDS READ FROM ICF: 8 *
* TOTAL RECORDS READ FROM INF: 333 *
* TOTAL RECORDS READ FROM ACF: 8 *
* TOTAL RECORDS READ FROM FCF: 5 *
* TOTAL RECORDS READ FROM FSF: 10 *
* TOTAL RECORDS READ FROM PCN: 0 *
* TOTAL RECORDS READ FROM BEN: 0 *
* TOTAL RECORDS READ FROM DPC: 0 *
* TOTAL RECORDS IN ERROR: 0 *
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* NEADLP01                               STATISTICAL INFORMATION                10/14/2016 15:48 *
* BUDGET PERIOD: 2007-2018              EXHIBIT A, D AND D-3A LIST REQUEST        KST 68   SP   *
*                                                                                       PAGE:    3 *
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*
* BUDGET ENTITIES SELECTED:
*   1-9: 68 _____
*  10-18: _____
*  19-27: _____
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