

# Health and Human Services Commission

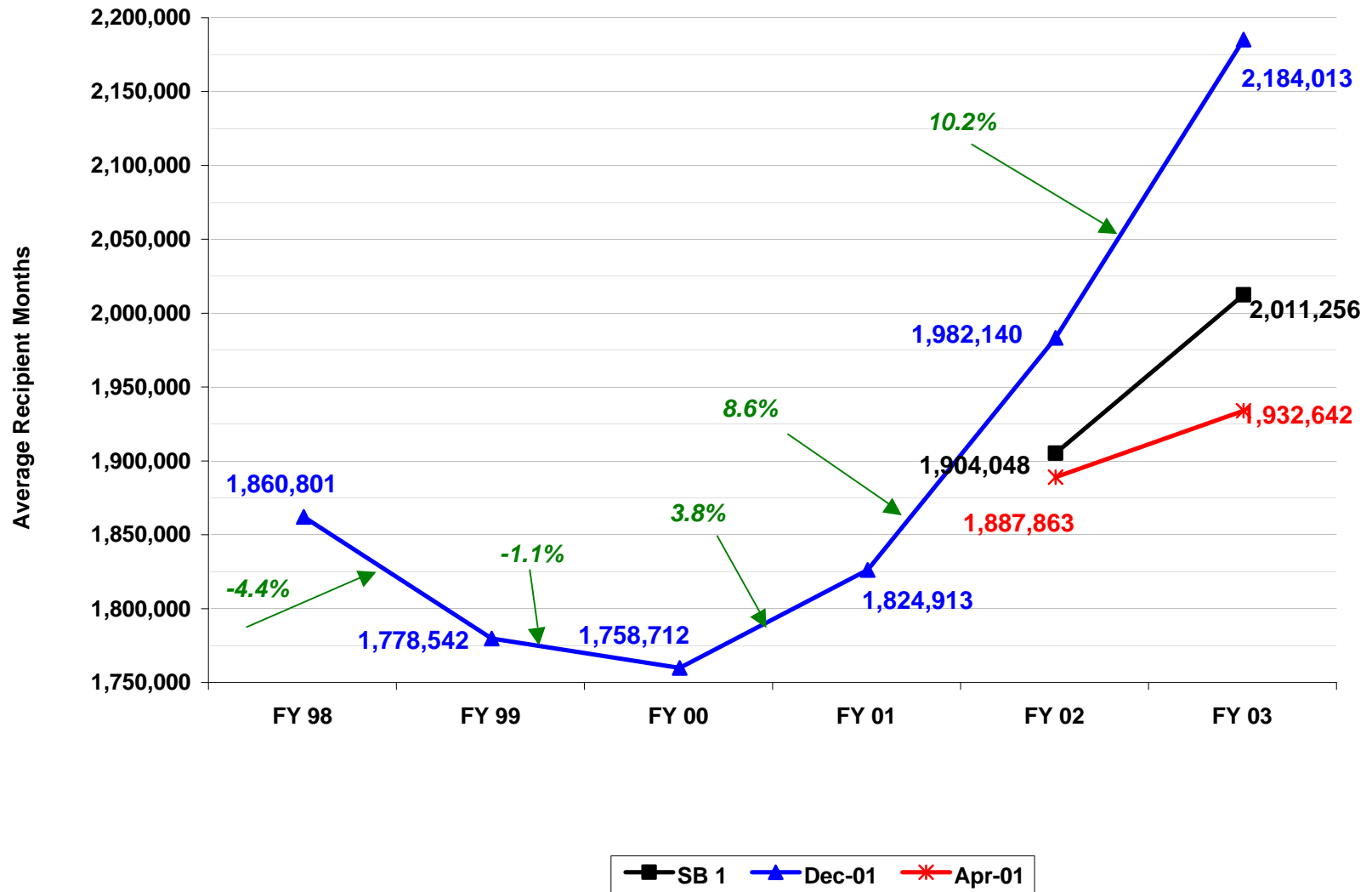


Don A. Gilbert, Commissioner

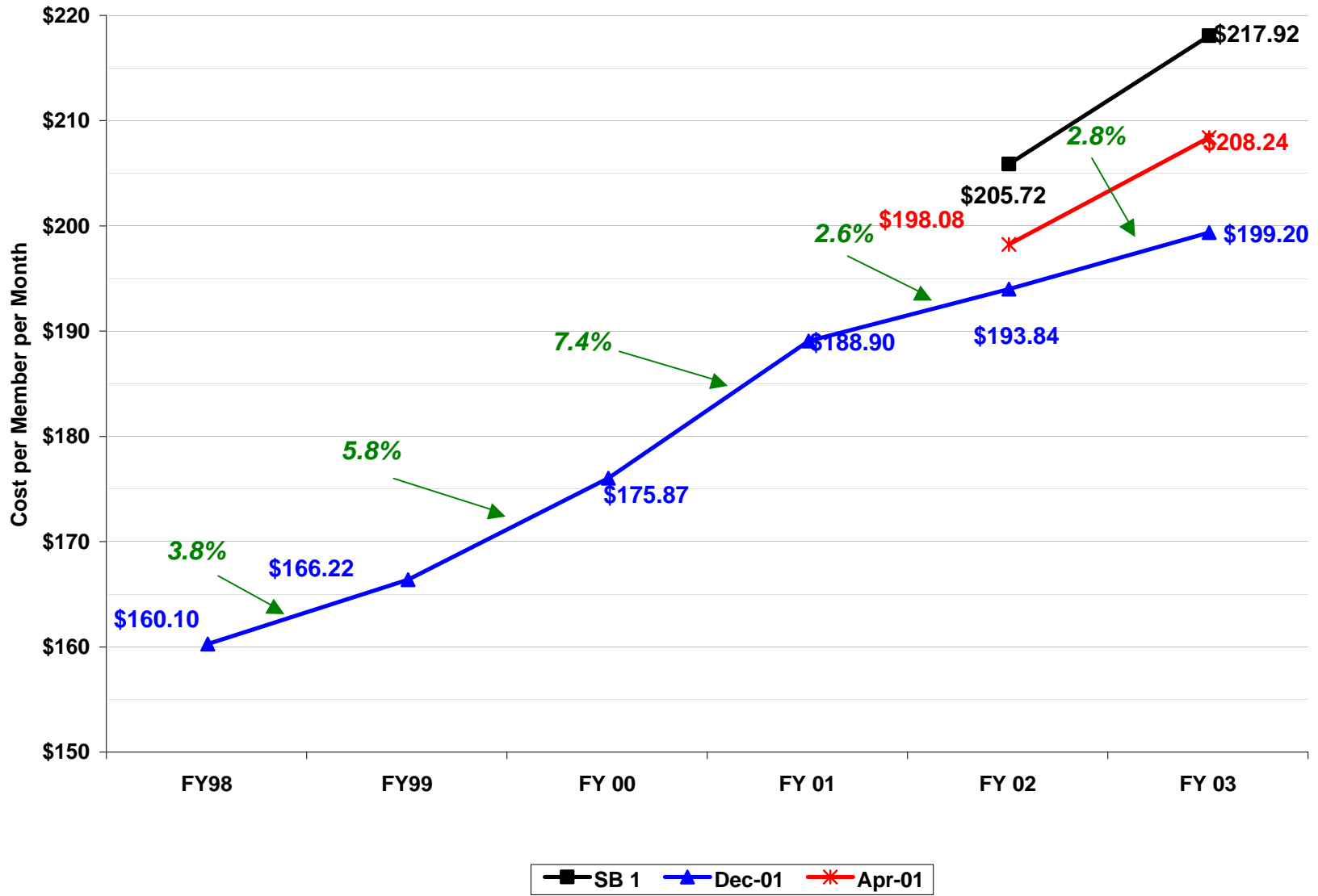
Presented  
to the  
Joint Interim  
Committee on  
Health Services

*February 8, 2002*

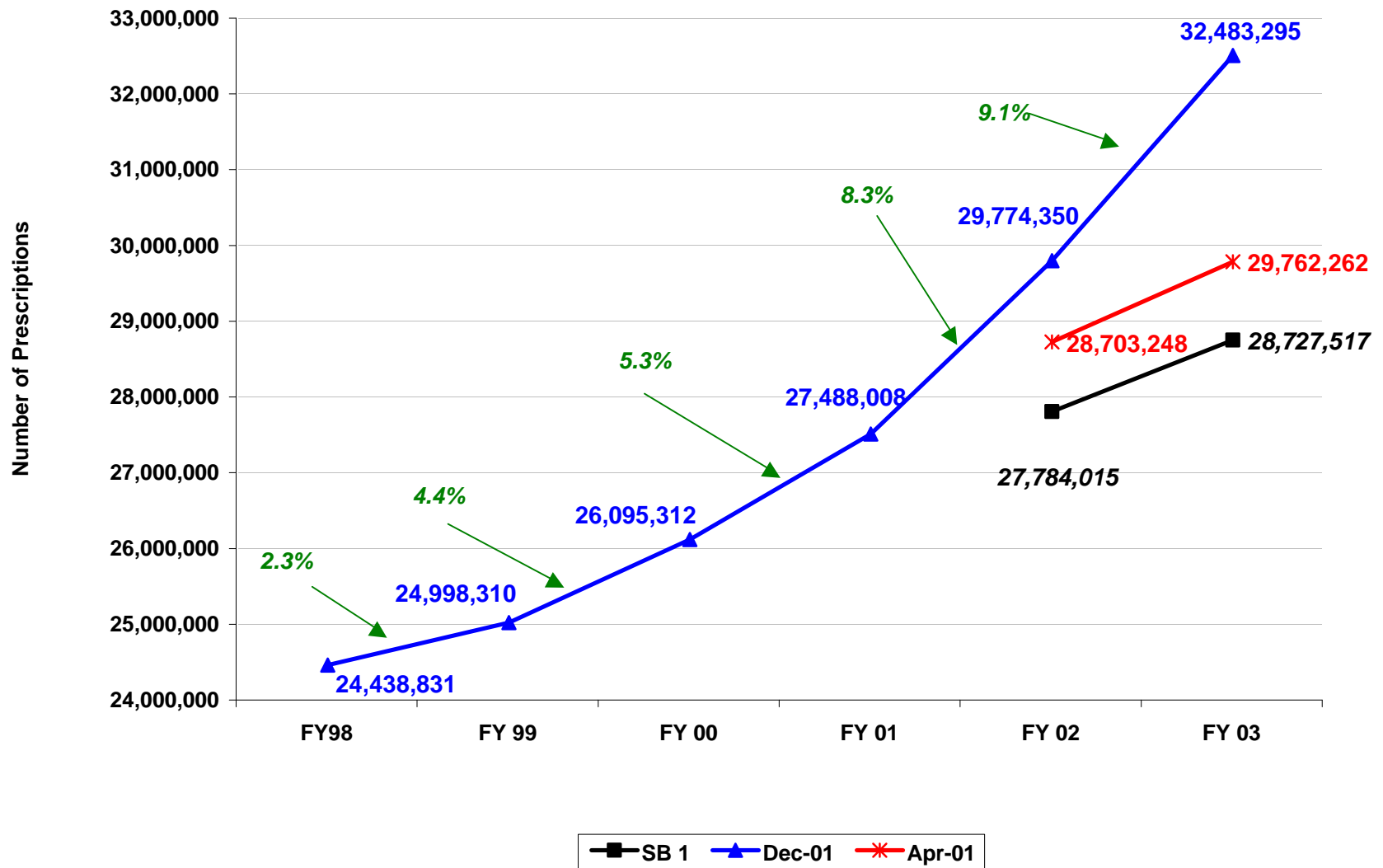
## Average Monthly Medicaid Caseload



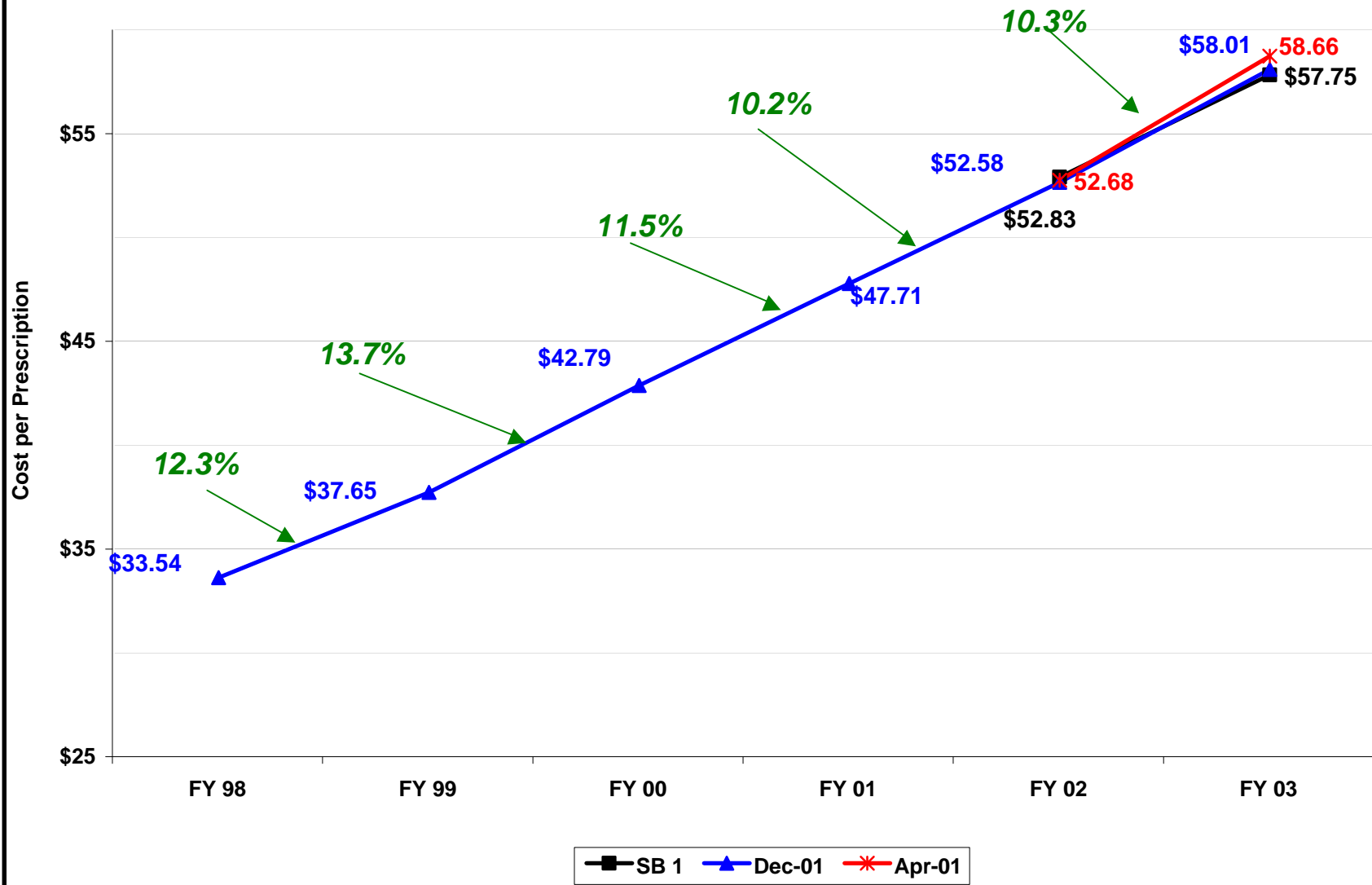
# Average Monthly Medicaid Blended Cost



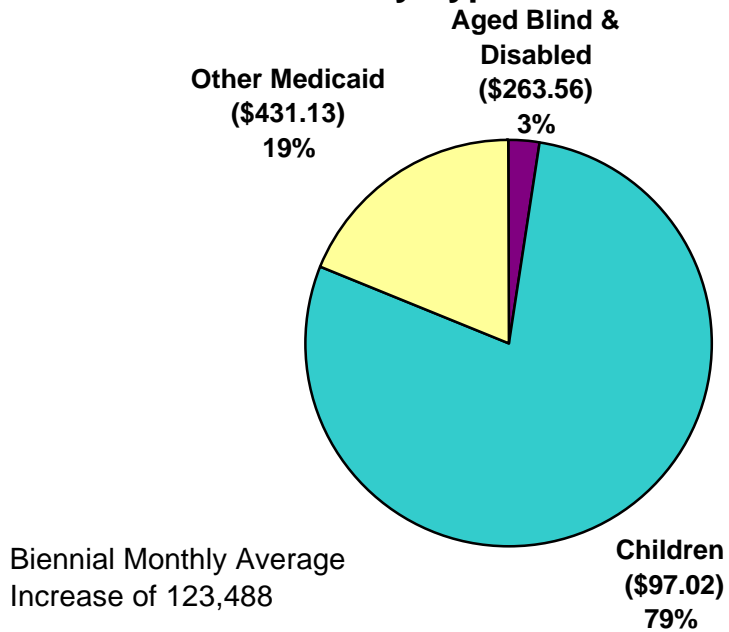
# Number of Medicaid Prescriptions



## Average Medicaid Prescription Cost



## Medicaid Caseload Increases by Type of Client



- 1) Percent change is the difference between the December 2001 report and the estimated SB1 numbers.
- 2) Premiums in parentheses are average for the biennium.
- 3) Overall average premium for the biennium is \$196.65.
- 4) Children includes TANF Children, Expansion Children and Federal Mandate Children.
- 5) Other Medicaid includes TANF Adults, Pregnant Women, Newborn and Medically Needy. Premiums for Medically Needy, Pregnant Women and Newborn are much larger than TANF Adults.

**THIS DOCUMENT IS UPDATED PERIODICALLY AND IS SUBJECT TO CHANGE**

**HHSC December 2001 Shortfall Estimate Using Performance Measures  
Vendor Drug Program**

		FY02	FY03	Biennium
<b>SB1</b>	No. Prescrip.	27,784,015	28,727,517	
	Avg. Cost	52.83	57.75	
	Total dollars (GR)	\$ 587,131,805	\$ 663,605,643	
<b>Dec-01 Update</b>	No. Prescrip.	29,774,350	32,483,295	
	Avg. Cost	52.58	58.01	
	Total dollars (GR)	\$ 626,214,129	\$ 753,742,377	
<b>Vendor Drug Difference</b>		\$ (39,082,324)	\$ (90,136,734)	\$ (129,219,059)

**Medicaid Caseload and Premiums**

		FY02	FY03	Biennium
<b>SB1</b>	Caseload	1,904,048	2,011,256	
	Avg. Premium	205.72	217.92	
	Total dollars (GR)	\$ 1,880,163,622	\$ 2,103,805,956	
<b>Dec-01 Update</b>	Caseload	1,982,140	2,184,013	
	Avg. Premium	193.84	199.20	
	Total dollars (GR)	\$ 1,844,246,484	\$ 2,088,265,870	
<b>Premiums Difference</b>		\$ 35,917,137	\$ 15,540,086	\$ 51,457,223

**Medicare Strategy**

		FY02	FY03	Biennium
<b>SB1</b>	Medicare Part B Caseload	391,363	401,147	
	Medicare Part B Premium	50.00	51.83	
	Total dollars (GR)	\$ 93,927,120	\$ 99,798,955	
<b>Dec-01 Update</b>	Medicare Part B Caseload	406,737	418,939	
	Medicare Part B Premium	52.68	56.88	
	Total dollars (GR)	\$ 102,849,145	\$ 114,380,402	
<b>Medicare Difference</b>		\$ (8,922,025)	\$ (14,581,446)	\$ (23,503,471)

**EPSDT CCP Strategy**

		FY02	FY03	Biennium
<b>SB1 est</b>	Clients Served	233,035	232,973	
	Avg. Cost	791.65	881.78	
	Total dollars (GR)	\$ 73,792,863	\$ 82,172,373	
<b>Dec-01 Update</b>	Clients Served	251,092	284,991	
	Avg. Cost	821.03	854.50	
	Total dollars (GR)	\$ 82,461,626	\$ 97,409,924	
<b>EPSDT CCP Difference</b>		\$ (8,668,763)	\$ (15,237,551)	\$ (23,906,314)

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**HHSC December 2001 Shortfall Estimate Using Performance Measures**

**Cost Reimbursed Strategy**

		FY02	FY03	Biennium
<b>SB1</b>	Avg. Undoc. Aliens	6,791	7,470	
	Avg. Cost	2,533.67	2,559.01	
	Total dollars (GR)	\$ 82,589,534	\$ 91,755,863	
<b>Dec-01 Update</b>	Avg. Undoc. Aliens	7,709	9,251	
	Avg. Cost	2,802.75	2,844.80	
	Total dollars (GR)	\$ 103,710,719	\$ 126,322,775	
<b>Cost Reimbursed Difference</b>		<b>\$ (21,121,185)</b>	<b>\$ (34,566,912)</b>	<b>\$ (55,688,097)</b>
All HHSC Medicaid Strategies	\$ (41,877,159)	\$ (138,982,558)	(180,859,717)	
Other Services	\$ 200,256,164	\$ (161,933,637)	38,322,527	
<b>Estimated GR Shortfall</b>	<b>\$ 158,379,005</b>	<b>\$ (300,916,195)</b>	<b>\$ (142,537,190)</b>	

- 1) Increases in Medicaid caseload seems to correlate with the decline in economic conditions. The increases are mostly among children.
- 2) Decreases from SB1 in average premium are driven in part by the greater proportion of children in the program as noted in 7). Because children are relatively less costly their relative increase will drive down the overall average cost.
- 3) Vendor drug shortfall is driven by the Medicaid caseload increases.
- 4) About 64% of the shortfall in the Medicare strategy is related to an unexpected increase in premiums and about 36% to an increase in expected caseload.
- 5) CCP provides services for children. Increases in Medicaid caseload have been dominated by children.
- 6) The cost reimbursed shortfall is driven largely by an unexpected increase in illegal aliens receiving emergency services. The biggest portion of costs for illegal aliens is due to deliveries. Speculation is that recent talks by the US and Mexico to legalize all illegals currently in the US has attracted more Mexicans to cross the border.
- 7) Other services include Medicare part-A premiums, FQHC expenses, GME, and Administration. Also included is the net difference for Article XII funding, FMAP changes, August premium payment, premium shifting and cost containment.
- 8) For each additional 1,000 clients per month the shortfall for HHSC Medicaid will increase about \$800,000 GR. Adding the Medicaid costs at TDH causes the estimate to approach \$1 million.