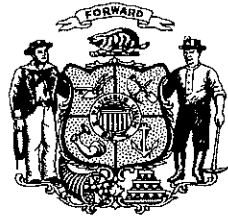


# STATE OF WISCONSIN

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## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative John Nygren

Date: July 1, 2019

Re: DHS Report to JFC

Attached is a report on overall condition of the Medicaid benefits budget and any changes to the program in the past quarter from the Department of Health Services, pursuant to s. 49.45(2n), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:JN:jm



State of Wisconsin  
**Department of Health Services**

Tony Evers, Governor  
 Andrea Palm, Secretary

July 1, 2019

The Honorable Alberta Darling, Senate Co-Chair  
 Joint Committee on Finance  
 Room 317 East  
 State Capitol  
 P.O. Box 7882  
 Madison, WI 53707-7882

JUL 01 2019  
*J. Finck*

The Honorable John Nygren, Assembly Co-Chair  
 Joint Committee on Finance  
 Room 309 East  
 State Capitol  
 P.O. Box 8953  
 Madison, WI 53708

Dear Senator Darling and Representative Nygren:

As required under s. 49.45(2n), I am writing to provide an update for the fourth quarter of FY 19 on the overall condition of the Medicaid benefits budget and any changes to the program in the past quarter.

The Department projects that Medicaid benefits costs will be below budgeted levels by \$181.9 million GPR by the end of the 2017-19 biennium. The table below reflects current estimates for Medicaid expenditures through FY 19, based on trends in enrollment, costs per enrollee, federal claiming rates, and third party revenues.

<b>Projected Medicaid Expenditures for the 2017-19 Biennium (in millions)</b>				
	<b>March 2019 Projection</b>		<b>June 2019 Projection</b>	
	GPR	All Funds	GPR	All Funds
Act 59 Budgeted Level	\$6,107.3	\$20,010.6	\$6,107.3	\$20,010.6
Projected Expenditures	\$5,873.4	\$19,440.1	\$5,925.4	\$19,566.9
<i>Difference</i>	<i>\$233.9</i>	<i>\$570.5</i>	<i>\$181.9</i>	<i>\$443.7</i>

The projection has decreased since the March report due to costs being higher than previously projected for Family Care, IRIS, nursing homes, and federally qualified health centers cost settlements. In addition, the Department paid to the federal government in FY 19 both the June and July 2019 "Clawback" payments for Medicare Part D costs, as well as invoiced amounts for July Medicare Part A and B premiums for individuals who dually enrolled in Medicaid and

Senator Alberta Darling  
Representative John Nygren  
July 1, 2019  
Page 2

Medicare. The Department had already been invoiced for these amounts, but it had previously been assumed the invoices would be paid on July 1.

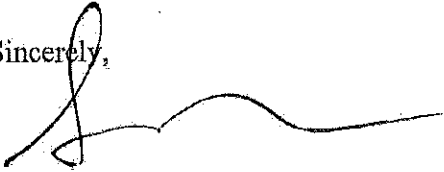
The balance is still a projection at this time. The actual amount to be lapsed will be determined after the Department completes final reconciliation of payments and revenues from collections, premiums, rebates, and federal claims for FY 19 in July.

*State Plan and Waiver Amendments*

The Appendix lists state plan amendments and waiver amendments submitted to the federal government this quarter.

Please contact me if you have any questions about this report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrea Palm', with a long horizontal flourish extending to the right.

Andrea Palm  
Secretary-designee

## Appendix

### Proposed Medicaid State Plan Amendments and Waivers Submitted to the Federal Government for Approval

#### *State Plan Amendments*

*Amendment 19-0009 CHIP Managed Care Rule Changes.* This amendment implements changes to the state's Children's Health Insurance Program (CHIP) state plan to reflect the federal Managed Care Final Rule, released by the Centers for Medicare and Medicaid Services in 2016. *Estimated annual fiscal effect: None.*

*Amendment 19-0010 Home Maintenance Deduction.* This amendment implements the annual cost of living adjustment for the amount that can be deducted from income for Medicaid eligibility calculations for maintenance of a home. The deduction applies in some elderly and disabled Medicaid eligibility categories. *Estimated annual fiscal effect: None.*

#### *Waiver Amendments*

*None.*