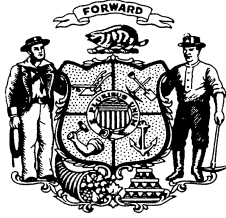


# STATE OF WISCONSIN

SENATE CHAIR  
**Howard Marklein**

316 East, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-0703



ASSEMBLY CHAIR  
**Mark Born**

308 East, State Capitol  
P.O. Box 8952  
Madison, WI 53708-8953  
Phone: (608) 266-2540

## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Howard Marklein  
Representative Mark Born

Date: June 28, 2024

Re: DHS Report to JFC

Attached is a report on the 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).

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

HM:MB:jm



State of Wisconsin  
Department of Health Services

Tony Evers, Governor  
Kirsten L. Johnson, Secretary

Joint Finance Committee  
Received Jun 28 2024

June 28, 2024

The Honorable Howard L. Marklein, Senate Co-Chair  
Joint Committee on Finance  
Room 316 East  
State Capitol  
P.O. Box 7882  
Madison, WI 53707

The Honorable Mark Born, Assembly Co-Chair  
Joint Committee on Finance  
Room 308 East  
State Capitol  
P.O. Box 8952  
Madison, WI 53708

Dear Senator Marklein and Representative Born:

As required under s. 49.45(2n), I am writing to provide an update for the fourth quarter of FY 24 on the overall condition of the Medicaid benefits budget and any changes to the program in the past quarter.

The Department projects a surplus in the Medicaid program of \$5.5 million GPR for the 2023-25 biennium. The table below reflects current estimates for Medicaid expenditures through FY 25, based on trends in enrollment, costs per enrollee, federal Medicaid financial participation, and third-party revenues.

Projected Medicaid Expenditures for the 2023-25 Biennium (in millions)				
	March 2024 Projection		June 2024 Projection	
	GPR	All Funds	GPR	All Funds
Act 19 Budgeted Level	\$8,674.6	\$28,267.8	\$8,674.6	\$28,267.8
Projected Expenditures	\$8,648.6	\$28,210.0	\$8,669.1	\$28,243.0
<i>Difference</i>	<i>\$26.0</i>		<i>\$5.5</i>	

The projected surplus has decreased compared to the March 2024 projection, but it represents a relatively minor change in the projection given the size of the Medicaid budget. Compared to the March projection, this estimate forecasts somewhat higher nursing home, non-emergency

transportation, and fee-for-service primary care, hospital, and behavioral health costs, partially offset by lower projected Medicare Clawback and managed long term care costs.

In addition, the Department has largely completed eligibility redeterminations related to the unwinding of federal continuous coverage requirements established during the COVID-19 public health emergency under the Families First Coronavirus Response Act (FFCRA). FY 24 year-end enrollment is approximately 5% lower than assumed in the 2023-25 biennial budget. However, this trend has not resulted in a larger projected budget surplus, because enrollment for childless adults, which on average have larger costs than most other eligibility groups, is 7% higher than assumed in the budget.

*State Plan and Waiver Amendments*

The appendix lists Medicaid state plan amendments and waiver amendments submitted to the federal government in the past quarter.

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

Sincerely,



Kirsten L. Johnson  
Secretary-designee

## Appendix

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

#### *State Plan Amendments*

*Amendment 24-0009 Continuous Enrollment Policy for Children in CHIP.* This amendment amends the state's Children's Health Insurance Plan (CHIP) to implement the 12-month continuous eligibility requirement for children required by section 5112 of the federal Consolidated Appropriations Act of 2023 (CAA). In Wisconsin, CHIP funding is integrated into the state Medicaid program to support services for CHIP-eligible children enrolled in the program. On March 28, 2024, the Joint Committee on Finance gave approval to the Department to submit amendments to the Medicaid and CHIP state plans to implement the CAA requirement. The Department submitted to CMS the Medicaid state plan amendment in March 2024 and the CHIP state plan amendment in June 2024. *Net annual fiscal effect: As indicated in the Department's March 8, 2024, letter to the Committee, the total estimated fiscal effect of the Medicaid state plan amendment submitted in March and the CHIP state plan amendment submitted in June is \$16.8 million All Funds in FY 24 and \$56.0 million All Funds in FY 25.*

*Amendment 24-0010 Disregarding benefits provided by managed care programs for dual eligibles.* This amendment formalizes Wisconsin's longstanding policy of not counting non-taxable benefits provided by insurance companies to individuals enrolled in both Medicare and Medicaid as income or assets for Medicaid purposes. *Net annual fiscal effect: None.*

*Amendments 24-0011 CHIP MAGI-Based Income Methodologies.* This amendment is a technical change to a state plan amendment submitted in 2013 (CHIP SPA WI-13-0028) during the implementation of the Affordable Care Act. The previous amendment allows Wisconsin to use average income earned over a year to determine eligibility for individuals with predictable fluctuations in income over the course of a year as is often the case with self-employed individuals and individuals with seasonal work. This amendment makes technical corrections that reflect the methodologies that have been in place in Wisconsin since 2013. *Net annual fiscal effect: None.*

*Amendment 24-0012 Method of Implementation of Nursing Home Payment Rates.* This amendment modifies the methods of implementation for nursing homes to eliminate the supplemental payment award to county nursing homes and convert it into prospective add-on per-diems for those facilities. This amendment alters the method by which funds are paid out but not the total amount being paid out. *Net annual fiscal effect: None.*

#### *Waiver Amendments*

*None.*