

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

## Proposal: Issue #15

<b>Proposal Name:</b>	Limit Eligibility for Medically Needy to 138% of the Federal Poverty Level  <b>Revised to maintain Medically Needy for children to meet MOE requirements.</b>
<b>Brief Description of Proposal:</b>	Agency Schedule VIII-B Issue-Savings associated with providing medical coverage for those beneficiaries in the Medically Needy Eligibility group currently above 138% of the FPL through an insurance clearinghouse, known as a health exchange, effective January 1, 2014 rather than through the state Medicaid program, assuming the state expands Medicaid eligibility to 138% FPL.
<b>Proposed State Fiscal Year:</b>	2013-2014
<b>Proposed Start Date:</b>	01/01/2014
<b>If not July 1, start date; please explain.</b>	This is the start date for subsidized coverage availability through the Exchange and Medicaid expansion.
<b>Total Cost/(Savings)/(Revenue):</b>	(\$69,935,729)
<b>Bureau(s) Responsible for Administration:</b>	

<b>Key Elements:</b>	<b>Yes;No;N/A</b>	<b>Explanation and Time Frame</b>
<b>I. Anticipated implementation time line and process.</b>		Sufficient lead time to coordinate eligibility system changes with DCF.
<b>II. Will this proposal require a change in Florida Statute?</b>	Yes	409.904(2) concerning payments for medical assistance and related services on behalf of persons who are determined to be eligible subject to the income, assets, and categorical eligibility tests set forth in federal and state law.
<b>III. Will this proposal require a State Plan Amendment?</b>	Yes	
<b>IV. Will this require the Procurement Process?</b>	No	
<b>V. Will this proposal require an administrative rule?</b>	Yes	amendment
<b>VI. Will this proposal require a Federal waiver or modification to an existing waiver?</b>	Yes	Please see comments section for details.
<b>VII. Will this proposal require additional staffing?</b>	No	
<b>VIII. Is there a previous or concurrent Analysis by the Agency?</b>	Yes	Schedule VIII-B issue
<b>IX. Is this proposal included in the current Governors recommendations?</b>	No	

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

## Analysis:

Issue #15 Cont.

<b>Lead Analyst:</b>	Marie Donnelly
<b>Secondary Analyst:</b>	Fred Roberson
<b>Assumptions (Data source and methodology):</b>	<p>Medicaid claims and eligibility                      DCF income file – <b>an updated file was utilized post conference for a more refined measurement of household income for the Medically Needy issues.</b>                      This analysis assumes Medicaid expansion which was not factored into the Agency’s Schedule VIII-B issue. As modeled, this issue is the same as #18B. Costs for Adult Medically Needy recipients with income under 138% FPL are shown as federal only, reflecting an assumption that all would be newly eligible for Medicaid under an expansion and would receive 100% FMAP during this projection period. Children’s expenditures were assumed at regular FMAP. However, the caseload and expenses are reflective of current program expenditures for this population; the Agency has not adjusted them to be reflective of expected costs under expansion.</p>
<b>FY Impacted by Implementation:</b>	2013-2014
<b>Date Analysis Completed:</b>	03/01/2013

<b>Funding Sources:</b>	<b>Start Year</b>	<b>Additional Year</b>	<b>Annualized</b>
<b>Number of Months in the Analysis:</b>	6	N/A	N/A
<b>Total (Savings) Cost of Proposal:</b>	(\$69,935,729)		(\$139,871,458)
<b>General Revenue:</b>	(218,962,890)		(\$437,925,780)
<b>Administrative Trust Fund:</b>	(\$0)		(\$0)
<b>Medical Care Trust Fund:</b>	\$215,521,213		\$431,042,426
<b>Refugee Assistance Trust Fund:</b>	(\$0)		(\$0)
<b>Tobacco Settlement Trust fund:</b>	(\$0)		(\$0)
<b>Grants and Donation Trust Fund:</b>	(\$66,494,052)		(\$132,988,104)
<b>Public Medical Assistance Trust Fund:</b>	(\$0)		(\$0)
<b>Other State Funds:</b>	(\$0)		(\$0)

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

## Work Papers/Notes/Comments:

Issue #15 Cont.

### (i.e. Pros, Cons; Industry Concerns; Implementation obstacles):

Please note potential conflict with federal requirements:

Under Maintenance of Effort provisions in §1902(gg) of the Social Security Act, states are required to offer coverage as specified in their respective State Plans as they apply to children until October 1, 2019. Coverage through the Medically Needy option in Florida’s State Plan currently has no upper income limit, and persons may become eligible for Medicaid by incurring medical expenses that meet their Share of Cost amount. The standard State Plan template requires that if the state provides coverage for any persons through the Medically Needy option, it must cover pregnant women and children. Additionally, the standard State Plan template that authorizes coverage of the Medically Needy does not allow an income cap, and the state may have to seek authority through a federal waiver to implement this limit.

States have the option to discontinue coverage through their Medically Needy programs for non-pregnant adults (e.g., disabled individuals with income above the standard for categorical eligibility, caregiver relatives). In States that continue to cover existing Medically Needy adult groups, adults who meet the categorical eligibility and resource requirements will have the ability to spend down to the Medically Needy income standard and receive the benefits covered for Medically Needy individuals in the State, *or* to enroll in the expansion adult group (provided they meet the eligibility requirements for that group, including being under 65 and not eligible for Medicare).

Note regarding optional Medically Needy coverage of non-pregnant adults: Current federal regulations at 435.301(b)(2), C.F.R. list the optional Medically Needy populations (over 21, specified relatives, aged, blind, disabled). Section 435.301(b)(3), C.F.R. requires that if states provide Medicaid eligibility to *any* of these populations, *all* must be covered. (For example, a state could not opt to cover only disabled adults through Medically Needy.)

Reduce Medically Needy to 138% of FPL Keep Children (MOE)		
	FY 1314 Lapsed	Annualized
TOTAL SAVINGS/COST	(\$69,935,729)	(\$139,871,458)
TOTAL GENERAL REVENUE	(\$218,962,890)	(\$437,925,780)
TOTAL MEDICAL CARE TRUST FUND	\$215,521,213	\$431,042,426
TOTAL GRANTS & DONATIONS TRUST FUND	(\$66,494,052)	(\$132,988,104)

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

**Proposal: Issue #16**

<b>Proposal Name:</b>	Limit Eligibility for Medically Needy to 100% of the Federal Poverty Level  <b>Revised to maintain Medically Needy for children to meet MOE requirements.</b>
<b>Brief Description of Proposal:</b>	Provide an estimate of savings associated with providing medical coverage for those beneficiaries in the Medically Needy Eligibility group currently above 100% of the FPL through an insurance clearinghouse, known as a health exchange, effective January 1, 2014, rather than through the state Medicaid program, assuming the state does not expand Medicaid eligibility to 138% FPL.
<b>Proposed State Fiscal Year:</b>	2013-2014
<b>Proposed Start Date:</b>	01/01/2014
<b>If not July 1, start date; please explain.</b>	This is the start date for subsidized coverage availability through the Exchange and Medicaid expansion.
<b>Total Cost/(Savings)/(Revenue):</b>	(\$173,405,074)
<b>Bureau(s) Responsible for Administration:</b>	

<b>Key Elements:</b>	<b>Yes;No;N/A</b>	<b>Explanation and Time Frame</b>
<b>I. Anticipated implementation time line and process.</b>		Sufficient lead time to coordinate eligibility system changes with DCF.
<b>II. Will this proposal require a change in Florida Statute?</b>	Yes	409.904(2) concerning payments for medical assistance and related services on behalf of persons who are determined to be eligible subject to the income, assets, and categorical eligibility tests set forth in federal and state law.
<b>III. Will this proposal require a State Plan Amendment?</b>	Yes	
<b>IV. Will this require the Procurement Process?</b>	No	
<b>V. Will this proposal require an administrative rule?</b>	Yes	amendment
<b>VI. Will this proposal require a Federal waiver or modification to an existing waiver?</b>	Yes	Please see comments section for details.
<b>VII. Will this proposal require additional staffing?</b>	No	
<b>VIII. Is there a previous or concurrent Analysis by the Agency?</b>	No	
<b>IX. Is this proposal included in the current Governors recommendations?</b>	No	

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

## Analysis:

Issue #16 Cont.

<b>Lead Analyst:</b>	Marie Donnelly
<b>Secondary Analyst:</b>	Fred Roberson
<b>Assumptions (Data source and methodology):</b>	Medicaid claims and eligibility DCF income file – <b>an updated file was utilized post conference for a more refined measurement of household income for the Medically Needy issues. The cost savings below are calculated at the current FY1314 FFP.</b>
<b>FY Impacted by Implementation:</b>	2013-2014
<b>Date Analysis Completed:</b>	03/01/2013

<b>Funding Sources:</b>	<b>Start Year</b>	<b>Additional Year</b>	<b>Annualized</b>
<b>Number of Months in the Analysis:</b>	6	N/A	N/A
<b>Total (Savings) Cost of Proposal:</b>	(\$173,405,074)		(\$346,810,148)
<b>General Revenue:</b>	(\$65,931,006)		(\$131,862,012)
<b>Administrative Trust Fund:</b>	(\$0)		(\$0)
<b>Medical Care Trust Fund:</b>	(\$87,452,320)		(\$174,904,640)
<b>Refugee Assistance Trust Fund:</b>	(\$0)		(\$0)
<b>Tobacco Settlement Trust fund:</b>	(\$0)		(\$0)
<b>Grants and Donation Trust Fund:</b>	(\$20,021,748)		(\$40,043,496)
<b>Public Medical Assistance Trust Fund:</b>	(\$0)		(\$0)
<b>Other State Funds:</b>	(\$0)		(\$0)

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

## Work Papers/Notes/Comments:

Issue #16 Cont.

### (i.e. Pros, Cons; Industry Concerns; Implementation obstacles):

Please note potential conflict with federal requirements:

Under Maintenance of Effort provisions in §1902(gg) of the Social Security Act, states are required to offer coverage as specified in their respective State Plans as they apply to children until October 1, 2019. Coverage through the Medically Needy option in Florida’s State Plan currently has no upper income limit, and persons may become eligible for Medicaid by incurring medical expenses that meet their Share of Cost amount. The standard State Plan template requires that if the state provides coverage for any persons through the Medically Needy option, it must cover pregnant women and children. Additionally, the standard State Plan template that authorizes coverage of the Medically Needy does not allow an income cap, and the state may have to seek authority through a federal waiver to implement this limit.

States have the option to discontinue coverage through their Medically Needy programs for non-pregnant adults (e.g., disabled individuals with income above the standard for categorical eligibility, caregiver relatives). In States that continue to cover existing Medically Needy adult groups, adults who meet the categorical eligibility and resource requirements will have the ability to spend down to the Medically Needy income standard and receive the benefits covered for Medically Needy individuals in the State, *or* to enroll in the expansion adult group (provided they meet the eligibility requirements for that group, including being under 65 and not eligible for Medicare).

Note regarding optional Medically Needy coverage of non-pregnant adults: Current federal regulations at 435.301(b)(2), C.F.R. list the optional Medically Needy populations (over 21, specified relatives, aged, blind, disabled). Section 435.301(b)(3), C.F.R. requires that if states provide Medicaid eligibility to *any* of these populations, *all* must be covered. (For example, a state could not opt to cover only disabled adults through Medically Needy.)

Reduce Medically Needy to 100% of FPL Keep children		
REDUCTION SUMMARY	FY1314	
	LAPSE	ANNUALIZED
TOTAL SAVING/ COST	(\$173,405,074)	(\$346,810,148)
TOTAL GENERAL REVENUE	(\$65,931,006)	(\$131,862,012)
TOTAL MEDICAL CARE TRUST FUND	(\$87,452,320)	(\$174,904,640)
TOTAL GRANTS & DONATIONS TF	(\$20,021,748)	(\$40,043,496)

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

**Proposal: Issue #18A**

<b>Proposal Name:</b>	18A. Eliminate Medically Needy program  <b>Revised to maintain Medically Needy for children to meet MOE requirements.</b>
<b>Brief Description of Proposal:</b>	Provide an estimate of savings associated with providing medical coverage for persons currently eligible for the Medically Needy program through an insurance clearinghouse, known as a health exchange, effective January 1, 2014, rather than through Medically Needy, assuming the state does not expand Medicaid eligibility to 138% FPL. Provide estimate of how many would be eligible for premium tax credits for exchange coverage.
<b>Proposed State Fiscal Year:</b>	2013-2014
<b>Proposed Start Date:</b>	01/01/2014
<b>If not July 1, start date; please explain.</b>	This is the start date for subsidized coverage availability through the Exchange and Medicaid expansion.
<b>Total Cost/(Savings)/(Revenue):</b>	(\$173,405,074)
<b>Bureau(s) Responsible for Administration:</b>	

<b>Key Elements:</b>	<b>Yes;No;N/A</b>	<b>Explanation and Time Frame</b>
<b>I. Anticipated implementation time line and process.</b>		Sufficient lead time to coordinate eligibility system changes with DCF.
<b>II. Will this proposal require a change in Florida Statute?</b>	Yes	409.904(2) concerning payments for medical assistance and related services on behalf of persons who are determined to be eligible subject to the income, assets, and categorical eligibility tests set forth in federal and state law.
<b>III. Will this proposal require a State Plan Amendment?</b>	Yes	
<b>IV. Will this require the Procurement Process?</b>	No	
<b>V. Will this proposal require an administrative rule?</b>	Yes	amendment
<b>VI. Will this proposal require a Federal waiver or modification to an existing waiver?</b>	Yes	Please see comments section for details.
<b>VII. Will this proposal require additional staffing?</b>	No	
<b>VIII. Is there a previous or concurrent Analysis by the Agency?</b>	No	
<b>IX. Is this proposal included in the current Governors recommendations?</b>	No	

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

## Analysis:

Issue #18A Cont.

<b>Lead Analyst:</b>	Marie Donnelly
<b>Secondary Analyst:</b>	Fred Roberson
<b>Assumptions (Data source and methodology):</b>	Medicaid claims and eligibility DCF income file – <b>an updated file was utilized post conference for a more refined measurement of household income for the Medically Needy issues. The cost savings below are calculated at the current FY1314 FFP.</b>
<b>FY Impacted by Implementation:</b>	2013-2014
<b>Date Analysis Completed:</b>	03/01/2013

<b>Funding Sources:</b>	<b>Start Year</b>	<b>Additional Year</b>	<b>Annualized</b>
<b>Number of Months in the Analysis:</b>	6	N/A	N/A
<b>Total (Savings) Cost of Proposal:</b>	(\$173,405,074)		(\$346,810,148)
<b>General Revenue:</b>	(\$65,931,006)		(\$131,862,012)
<b>Administrative Trust Fund:</b>	(\$0)		(\$0)
<b>Medical Care Trust Fund:</b>	(\$87,452,320)		(\$174,904,640)
<b>Refugee Assistance Trust Fund:</b>	(\$0)		(\$0)
<b>Tobacco Settlement Trust fund:</b>	(\$0)		(\$0)
<b>Grants and Donation Trust Fund:</b>	(\$20,021,748)		(\$40,043,496)
<b>Public Medical Assistance Trust Fund:</b>	(\$0)		(\$0)
<b>Other State Funds:</b>	(\$0)		(\$0)



# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

## Work Papers/Notes/Comments:

Issue #18A Cont.

### (i.e. Pros, Cons; Industry Concerns; Implementation obstacles):

Please note potential conflict with federal requirements:

Under Maintenance of Effort provisions in §1902(gg) of the Social Security Act, states are required to offer coverage as specified in their respective State Plans as they apply to children until October 1, 2019. Coverage through the Medically Needy option in Florida’s State Plan currently has no upper income limit, and persons may become eligible for Medicaid by incurring medical expenses that meet their Share of Cost amount. The standard State Plan template requires that if the state provides coverage for any persons through the Medically Needy option, it must cover pregnant women and children, therefore the state may have to seek authority through a federal waiver to implement this issue as presented.

The estimate of 104,704 (20,094 average monthly) unique recipients eligible for premium tax credits through the Exchange is based on income levels only; the Agency is not able to readily estimate the impacts of other premium tax credit eligibility characteristics (such as no access to affordable Employer Sponsored Insurance).

**This issue will leave about 198,189 Floridians without access to medical coverage for some or all part of the year.**

### Unduplicated Count of Individuals Annually:

Over 100% FPL	105,001
Over 400% FPL	297
Potentially Eligible for Subsidy on Exchange	104,704
Under 100% FPL NOT COVERED	198,189

	Reduce Medically Needy to 138% of FPL Keep Children (MOE)	
	FY 1314 Lapsed	Annualized
TOTAL SAVINGS/ COST	(\$173,405,074)	(\$346,810,148)
TOTAL GENERAL REVENUE	(\$65,931,006)	(\$131,862,012)
TOTAL MEDICAL CARE TRUST FUND	(\$87,452,320)	(\$174,904,640)
TOTAL GRANTS & DONATIONS TRUST FUND	(\$20,021,748)	(\$40,043,496)

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

## Proposal: Issue #18B

<b>Proposal Name:</b>	18B Eliminate Medically Needy program under Medicaid eligibility expansion.  <b>Revised to maintain Medically Needy for children to meet MOE requirements.</b>
<b>Brief Description of Proposal:</b>	Provide an estimate of savings associated with providing medical coverage for persons currently eligible for the Medically Needy program through either an insurance clearinghouse, known as a health exchange, effective January 1, 2014, or through expansion of Medicaid eligibility to 138% of FPL, rather than through Medically Needy. Per section 1905(y) of the Social Security Act, assume the state would receive the PPACA enhanced FMAP for former MN recipients under a Medicaid eligibility expansion, unless otherwise indicated by federal regulations.
<b>Proposed State Fiscal Year:</b>	2013-2014
<b>Proposed Start Date:</b>	01/01/2014
<b>If not July 1, start date; please explain.</b>	This is the start date for subsidized coverage availability through the Exchange and Medicaid expansion.
<b>Total Cost/(Savings)/(Revenue):</b>	(69,935,729)
<b>Bureau(s) Responsible for Administration:</b>	

<b>Key Elements:</b>	<b>Yes;No;N/A</b>	<b>Explanation and Time Frame</b>
<b>I. Anticipated implementation time line and process.</b>		Sufficient lead time to coordinate eligibility system changes with DCF.
<b>II. Will this proposal require a change in Florida Statute?</b>	Yes	409.904(2) concerning payments for medical assistance and related services on behalf of persons who are determined to be eligible subject to the income, assets, and categorical eligibility tests set forth in federal and state law.
<b>III. Will this proposal require a State Plan Amendment?</b>	Yes	
<b>IV. Will this require the Procurement Process?</b>	No	
<b>V. Will this proposal require an administrative rule?</b>	Yes	amendment
<b>VI. Will this proposal require a Federal waiver or modification to an existing waiver?</b>	Yes	Please see comments section for details.
<b>VII. Will this proposal require additional staffing?</b>	No	
<b>VIII. Is there a previous or concurrent Analysis by the Agency?</b>	No	
<b>IX. Is this proposal included in the current Governors recommendations?</b>		

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

## Analysis:

Issue #18B Cont.

<b>Lead Analyst:</b>	Marie Donnelly
<b>Secondary Analyst:</b>	Fred Roberson
<b>Assumptions (Data source and methodology):</b>	<p>Medicaid claims and eligibility                      DCF income file – <b>an updated file was utilized post conference for a more refined measurement of household income for the Medically Needy issues. Calculated with expansion enhanced FFP.</b>                      Costs for Medically Needy recipients with income under 138% FPL are shown as federal only, reflecting an assumption that all would be newly eligible for Medicaid under an expansion and would receive 100% FMAP during this projection period. However, the caseload and expenses are reflective of current program expenditures for this population; the Agency has not adjusted them to be reflective of expected costs under expansion.</p>
<b>FY Impacted by Implementation:</b>	2013-2014
<b>Date Analysis Completed:</b>	March 2, 2013

<b>Funding Sources:</b>	<b>Start Year</b>	<b>Additional Year</b>	<b>Annualized</b>
<b>Number of Months in the Analysis:</b>	6	N/A	N/A
<b>Total (Savings) Cost of Proposal:</b>	(\$69,935,729)		(\$139,871,458)
<b>General Revenue:</b>	(218,962,890)		(\$437,925,780)
<b>Administrative Trust Fund:</b>	(\$0)		(\$0)
<b>Medical Care Trust Fund:</b>	\$215,521,213		\$431,042,426
<b>Refugee Assistance Trust Fund:</b>	(\$0)		(\$0)
<b>Tobacco Settlement Trust fund:</b>	(\$0)		(\$0)
<b>Grants and Donation Trust Fund:</b>	(\$66,494,052)		(\$132,988,104)
<b>Public Medical Assistance Trust Fund:</b>	(\$0)		(\$0)
<b>Other State Funds:</b>	(\$0)		(\$0)

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

**Work Papers/Notes/Comments:**

**Issue #18B Cont.**

**(i.e. Pros, Cons; Industry Concerns; Implementation obstacles):**

Please note potential conflict with federal requirements:

Under Maintenance of Effort provisions in §1902(gg) of the Social Security Act, states are required to offer coverage as specified in their respective State Plans as they apply to children until October 1, 2019. Coverage through the Medically Needy option in Florida’s State Plan currently has no upper income limit, and persons may become eligible for Medicaid by incurring medical expenses that meet their Share of Cost amount. The standard State Plan template requires that if the state provides coverage for any persons through the Medically Needy option, it must cover pregnant women and children, therefore the state may have to seek authority through a federal waiver to implement this issue as presented.

Reduce Medically Needy to 138% of FPL Keep Children (MOE)		
	FY 1314 Lapsed	Annualized
TOTAL SAVINGS/COST	(\$69,935,729)	(\$139,871,458)
TOTAL GENERAL REVENUE	(\$218,962,890)	(\$437,925,780)
TOTAL MEDICAL CARE TRUST FUND	\$215,521,213	\$431,042,426
TOTAL GRANTS & DONATIONS TRUST FUND	(\$66,494,052)	(\$132,988,104)

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

**Proposal: Issue #35**

<b>Proposal Name:</b>	Reduce Medically Needy to above 138% FPL and assume Medicaid expansion to 138% FPL ( <b>New Issue Post Conference</b> ).  <b>Medically Needy for children was maintained to meet MOE requirements.</b>
<b>Brief Description of Proposal:</b>	Assuming Medicaid expansion to 138% of FPL, estimate the savings in the Medically Needy program (for 2013-14 and annualized) if Medically Needy enrollment for adults is restricted to only those with incomes above 138% of FPL, effective January 1, 2014, while those with incomes below 138% of FPL who present for assistance are directed to Medicaid enrollment, not MN. Children's eligibility for MN would remain as-is, per federal MOE requirements. In the narrative, discuss the portion of the savings attributable to former Medically Needy eligibles being considered newly eligible for Medicaid under expansion and drawing the 100% federal match on January 1, 2014.
<b>Proposed State Fiscal Year:</b>	2013-2014
<b>Proposed Start Date:</b>	01/01/2014
<b>If not July 1, start date; please explain.</b>	This is the start date for subsidized coverage availability through the Exchange and Medicaid expansion.
<b>Total Cost/(Savings)/(Revenue):</b>	\$0
<b>Bureau(s) Responsible for Administration:</b>	

<b>Key Elements:</b>	<b>Yes;No;N/A</b>	<b>Explanation and Time Frame</b>
<b>I. Anticipated implementation time line and process.</b>		Sufficient lead time to coordinate eligibility system changes with DCF.
<b>II. Will this proposal require a change in Florida Statute?</b>	Yes	409.904(2) concerning payments for medical assistance and related services on behalf of persons who are determined to be eligible subject to the income, assets, and categorical eligibility tests set forth in federal and state law.
<b>III. Will this proposal require a State Plan Amendment?</b>	Yes	
<b>IV. Will this require the Procurement Process?</b>	No	
<b>V. Will this proposal require an administrative rule?</b>	Yes	amendment
<b>VI. Will this proposal require a Federal waiver or modification to an existing waiver?</b>	Yes	Please see comments section for details.
<b>VII. Will this proposal require additional staffing?</b>	No	
<b>VIII. Is there a previous or concurrent Analysis by the Agency?</b>	No	
<b>IX. Is this proposal included in the current Governors recommendations?</b>	No	

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

## Analysis:

Issue #35 Cont.

<b>Lead Analyst:</b>	Marie Donnelly
<b>Secondary Analyst:</b>	Fred Roberson
<b>Assumptions (Data source and methodology):</b>	<p>Medicaid claims and eligibility                      DCF income file – <b>an updated file was utilized post conference for a more refined measurement of household income for the Medically Needy issues.</b>                      This analysis assumes Medicaid expansion which was not factored into the Agency’s Schedule VIII-B issue. As modeled, this issue is the same as #18B. Costs for Medically Needy recipients with income under 138% FPL are shown as federal only, reflecting an assumption that all would be newly eligible for Medicaid under an expansion and would receive 100% FMAP during this projection period. However, the caseload and expenses are reflective of current program expenditures for this population; the Agency has not adjusted them to be reflective of expected costs under expansion.</p>
<b>FY Impacted by Implementation:</b>	2013-2014
<b>Date Analysis Completed:</b>	03/01/2013

<b>Funding Sources:</b>	<b>Start Year</b>	<b>Additional Year</b>	<b>Annualized</b>
<b>Number of Months in the Analysis:</b>	6	N/A	N/A
<b>Total (Savings) Cost of Proposal:</b>	\$0		\$0
<b>General Revenue:</b>	(\$192,372,359)		(\$384,744,718)
<b>Administrative Trust Fund:</b>	(\$0)		(\$0)
<b>Medical Care Trust Fund:</b>	\$250,791,471		\$ 501,582,942
<b>Refugee Assistance Trust Fund:</b>	(\$0)		(\$0)
<b>Tobacco Settlement Trust fund:</b>	(\$0)		(\$0)
<b>Grants and Donation Trust Fund:</b>	(\$58,419,112)		(\$ 116,838,224)
<b>Public Medical Assistance Trust Fund:</b>	(\$0)		(\$0)
<b>Other State Funds:</b>	(\$0)		(\$0)

# Medicaid Impact Conference Issues – Medically Needy

April 10, 2013

## Work Papers/Notes/Comments:

Issue #35 Cont.

### (i.e. Pros, Cons; Industry Concerns; Implementation obstacles):

Please note potential conflict with federal requirements:

Under Maintenance of Effort provisions in §1902(gg) of the Social Security Act, states are required to offer coverage as specified in their respective State Plans as they apply to children until October 1, 2019. Coverage through the Medically Needy option in Florida’s State Plan currently has no upper income limit, and persons may become eligible for Medicaid by incurring medical expenses that meet their Share of Cost amount. The standard State Plan template requires that if the state provides coverage for any persons through the Medically Needy option, it must cover pregnant women and children. Additionally, the standard State Plan template that authorizes coverage of the Medically Needy does not allow an income cap, and the state may have to seek authority through a federal waiver to implement this limit.

States have the option to discontinue coverage through their Medically Needy programs for non-pregnant adults (e.g., disabled individuals with income above the standard for categorical eligibility, caregiver relatives). In States that continue to cover existing Medically Needy adult groups, adults who meet the categorical eligibility and resource requirements will have the ability to spend down to the Medically Needy income standard and receive the benefits covered for Medically Needy individuals in the State, *or* to enroll in the expansion adult group (provided they meet the eligibility requirements for that group, including being under 65 and not eligible for Medicare).

Note regarding optional Medically Needy coverage of non-pregnant adults: Current federal regulations at 435.301(b)(2), C.F.R. list the optional Medically Needy populations (over 21, specified relatives, aged, blind, disabled). Section 435.301(b)(3), C.F.R. requires that if states provide Medicaid eligibility to *any* of these populations, *all* must be covered. (For example, a state could not opt to cover only disabled adults through Medically Needy.)

Reduce Medically Needy to 138% of FPL Keep Children (MOE)		
	FY 1314 Lapsed	Annualized
TOTAL SAVINGS/COST	\$0	\$0
TOTAL GENERAL REVENUE	(\$192,372,359)	(\$384,744,718)
TOTAL MEDICAL CARE TRUST FUND	\$250,791,471	\$ 501,582,942
TOTAL GRANTS & DONATIONS TRUST FUND	(\$58,419,112)	(\$ 116,838,224)