

# Presentation to the 2025 Health and Human Services Joint Appropriations Subcommittee

## Medicaid Caseload and FMAP Adjustments



DEPARTMENT OF  
**PUBLIC HEALTH &  
HUMAN SERVICES**

Greg Gianforte, Governor | Charlie Brereton, Director

# Medicaid Caseload

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DEPARTMENT OF  
PUBLIC HEALTH &  
HUMAN SERVICES

# Caseload Analysis

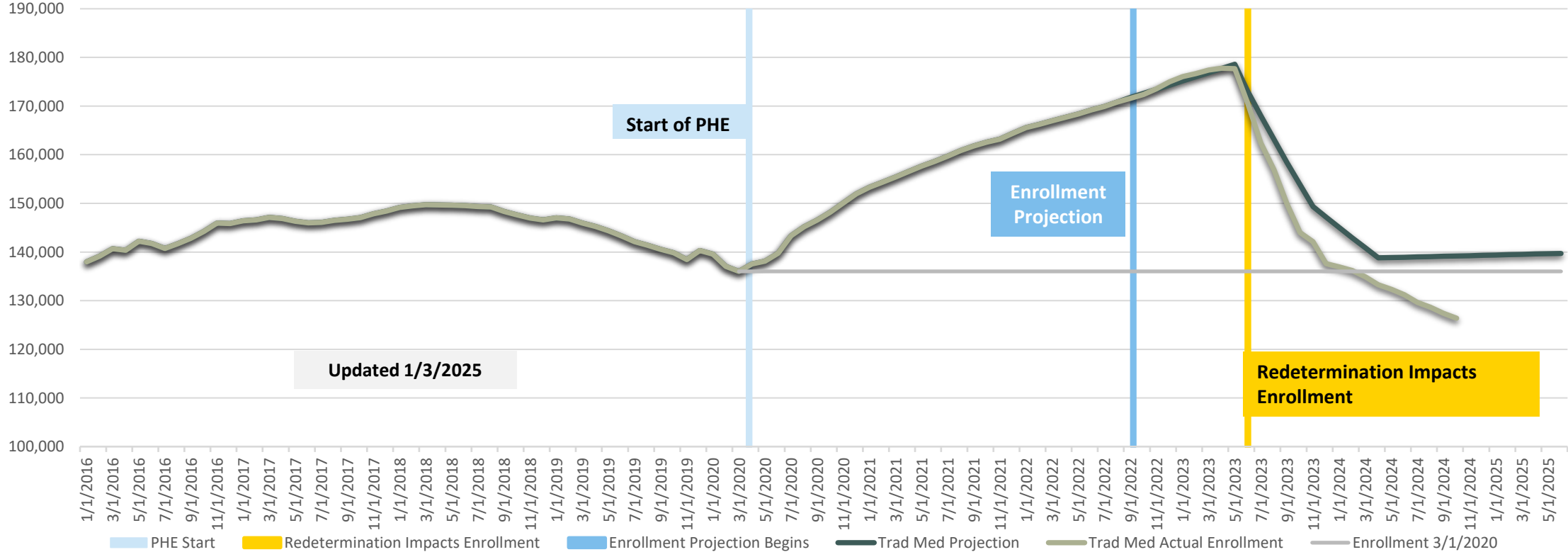
- Medicaid divisions and the Office of Health Data, Analytics & Financial Modeling perform traditional and expanded Medicaid projections monthly. The methodology for these projections was utilized to perform projections into SFY 2026 and SFY 2027 to inform present law decision package requests.
- Medicaid caseload projections continue to have high volatility, driven by two major factors: the recent redetermination process for Medicaid enrollees coming out of the Public Health Emergency and the historic increases in provider rates.

# Caseload Analysis - Enrollment

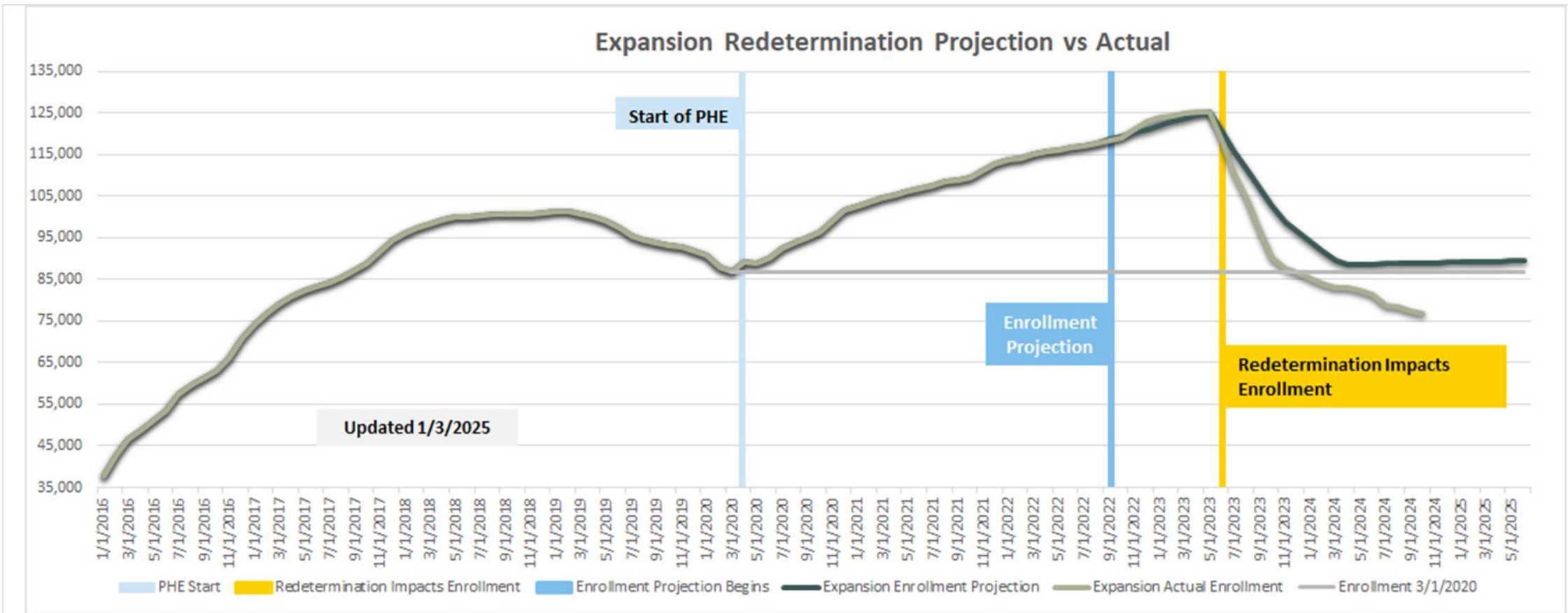
- Montana saw a faster than anticipated decline in Medicaid enrollment, particularly in Expansion during SFY 2024, as the Medicaid redetermination process was completed. Since actual enrollment is less than previously estimated, this has put downward pressure on the Medicaid budget, particularly in Medicaid Expansion.
- Traditional Medicaid enrollment was declining prior to the Public Health Emergency (PHE) and was 136,017 in March 2020.
  - Enrollment as of October 2024 was 126,394. This compares to the Department's projection that enrollment would be 139,190. This equates to a difference of 9%.
- Medicaid Expansion enrollment was declining prior to the PHE and was 86,788 in March 2020.
  - Enrollment as of October 2024 is 76,619. This compares to the Department's projection that enrollment would be 88,916. This equates to a difference of 13.8%.
- Other public assistance programs (including SNAP, TANF, and LIHEAP) have also seen a decline in enrollment as compared to pre-pandemic levels.
- The Department assumes enrollment in FY26 and FY27 will grow similar to the state's population (approximately 1% a year)

# Caseload Analysis - Enrollment

Traditional Medicaid Redetermination Projection vs Actual



# Caseload Analysis - Enrollment



# Caseload Analysis – Utilization & Provider Rates

- The Department expects current service utilization trends to continue. This includes strong growth in adult behavioral health, and slower growth in services such as nursing homes.
- An initial analysis of the provider rate increases indicate they have stabilized the delivery of Medicaid services, particularly for those studied rates that received a more significant rate increase.
- The ability to measure the impact of rate increases on access to services is being influenced by other external factors including the decrease in Medicaid enrollment because of the full redetermination cycle in 2023, as well as the continued nationwide labor shortage in the health care industry.
- The table below demonstrates that while the decline in Medicaid enrollment did result in a corresponding decline in benefit expenditures in FY24, the decline is much less, particularly for studied rates that received the largest rate increases.

Traditional Medicaid (FY24)	
Enrollment (Member Months)	-14.6%
Expenditures Non-studied providers	-9.5%
Expenditures Studied providers	-2.7%
*excludes provider rate increase expenditures	

# Caseload Analysis – Utilization & Provider Rates

## In-State PRTFs Increased Utilization

- In-state PRTF received a 33% rate increase in SFY2024. This resulted in an increase in total in-state placements as well as an increase in the % of total placements in-state, and a decrease in the % of total placements that were out-of-state.

Year	In-State Placement	Total PRTF Placements	
		In-State	Out-of-State
SFY 2022	53	43%	57%
SFY 2023	58	50%	50%
SFY 2024	65	52%	48%
July-24	72	57%	43%

## Nursing Home Stabilization

- Nursing homes received a 23% rate increase in FY24. As a result, there was no reduction in the number of Medicaid nursing home providers during the fiscal year, and the statewide nursing home FTE equivalents increased 7.2%. Finally, while the Medicaid bed occupancy rate fell by 1.3%, this was the smallest decrease in the Medicaid occupancy rate since 2018.



# Caseload Request – Traditional Medicaid

- This table shows the spend in traditional Medicaid in 2024, the current 2025 budget, and the 2026 and 2027 budget requests.
- The 2026 budget request is less than the Department’s 2025 budget. This decrease is based on the recent enrollment trends along with the slower growth in utilization in some services. It’s important to note that while the SFY 2026 caseload request is a reduction as compared to the current SFY 2025 budget, it requests 12% more funding as compared to the spend in SFY 2024. The Department request for SFY 2027 is approximately 4% more than the request for SFY 2026.

PGRM	2024 Actuals	2025 Budget	2026 Request	2027 Request
10	\$349,699,178	\$419,784,666	\$413,957,370	\$432,617,636
11	\$658,713,119	\$703,050,426	\$710,209,197	\$741,099,216
22	\$298,104,609	\$371,629,773	\$343,753,480	\$352,879,407
Grand Total	\$1,306,516,906	\$1,494,464,865	\$1,467,920,047	\$1,526,596,259

# Caseload Request – Traditional Medicaid

PGRM	CHANGE_NO	DESCRIPTION	2026 Request	2027 Request
10	10550	Medicaid Core Services AMH - BHDD	\$1,477,738	\$4,745,260
	10551	Medicaid Core Services DDP&CMH - BHDD	(\$7,832,144)	\$331,058
	10554	Medicaid Waiver Services AMH - BHDD	\$4,986,387	\$9,565,916
	10555	Medicaid Waiver Services DDP&CMH- BHDD	(\$4,459,277)	(\$1,809,264)
10 Total			(\$5,827,296)	\$12,832,970
11	11991	Medicaid Core Services - HRD	\$13,707,171	\$42,586,854
	11993	Medicaid Federal Services - HRD	(\$887,446)	(\$576,949)
	11994	Medicaid Other Services - HRD	(\$523,115)	\$1,176,724
	11997	Medicaid Hospital Supplemental Payments - HRD	(\$5,137,839)	(\$5,137,839)
11 Total			\$7,158,771	\$38,048,790
22	22100	Medicaid Core Services CFC - SLTC	\$4,458,652	\$8,799,440
	22991	Medicaid Core Services - SLTC	(\$32,439,048)	(\$30,410,877)
	22993	Medicaid Federal Services - SLTC	(\$45,847)	(\$45,847)
	22994	Medicaid Other Services IGT - SLTC	\$1,702,899	\$1,702,899
	22996	Medicaid Waiver Services - SLTC	(\$1,552,949)	\$1,204,019
22 Total			(\$27,876,293)	(\$18,750,366)
Grand Total			(\$26,544,818)	\$32,131,394

# Caseload Request – Traditional Medicaid

## TOTAL REQUEST BY PROVIDER TYPE

Summary Category	FY2024 Accrued	FY2025 Starting Point	FY2026 Projections	FY2027 Projections
Hospital Services	\$ 272,699,230	\$ 288,364,203	\$ 284,178,390	\$ 290,667,075
Physician and Professional Services	\$ 110,338,947	\$ 120,784,468	\$ 118,189,107	\$ 124,033,843
Pharmacy and Rebates	\$ 76,455,619	\$ 73,474,516	\$ 86,708,271	\$ 93,104,510
Dental	\$ 52,351,979	\$ 55,037,735	\$ 60,076,163	\$ 64,240,173
Health Centers and Clinics	\$ 42,397,487	\$ 44,369,382	\$ 46,379,879	\$ 49,095,343
Medical Equipment and Supplies	\$ 26,015,549	\$ 25,646,669	\$ 28,143,763	\$ 29,677,267
Laboratory and Imaging Services	\$ 6,419,645	\$ 7,118,111	\$ 7,419,859	\$ 7,979,389
Medical Transportation	\$ 8,770,670	\$ 11,068,448	\$ 13,567,124	\$ 13,796,033
Other Services	\$ 3,369,322	\$ 3,345,041	\$ 2,708,092	\$ 2,898,824
Nursing Facility	\$ 173,228,459	\$ 217,942,562	\$ 193,280,732	\$ 195,300,033
Home and Community Based - Other Services	\$ 4,635,043	\$ 10,344,186	\$ 5,382,021	\$ 5,390,890
Home and Community Based - Community First Choice	\$ 62,992,187	\$ 71,852,836	\$ 76,311,488	\$ 80,652,276
Home and Community Based - Big Sky Waiver	\$ 60,483,995	\$ 71,490,189	\$ 68,779,240	\$ 71,536,208
Care and Case Management	\$ 16,404,585	\$ 16,110,482	\$ 17,219,379	\$ 17,729,401
Substance Use Disorder Services	\$ 2,931,383	\$ 4,981,654	\$ 2,977,836	\$ 3,074,616
Mental Health Services	\$ 133,129,809	\$ 160,631,043	\$ 164,921,521	\$ 174,469,923
Mental Health Services - HEART Waiver	\$ 3,082,567	\$ 4,896,395	\$ 7,326,521	\$ 7,613,973
Home and Community Based - SDMI Waiver	\$ 22,103,329	\$ 24,981,704	\$ 30,607,764	\$ 34,938,632
Mental Health Services - HIFA Waiver	\$ 6,587,788	\$ 8,317,958	\$ 6,809,610	\$ 6,809,610
Developmental Disability Services	\$ 2,488,920	\$ 2,061,915	\$ 3,852,848	\$ 4,469,304
Home and Community Based - DD Waiver	\$ 155,687,190	\$ 177,899,889	\$ 173,440,612	\$ 176,090,625
Indian and Tribal Health Services	\$ 99,121,391	\$ 105,067,143	\$ 112,293,213	\$ 120,078,722
School Based - Physical Health	\$ 4,546,080	\$ 6,175,573	\$ 5,288,127	\$ 5,598,624
School Based - Mental Health	\$ 14,419,627	\$ 25,087,774	\$ 10,495,268	\$ 11,135,479
Medicare Buy-In	\$ 53,863,209	\$ 62,482,132	\$ 55,099,540	\$ 57,537,317
CHIP	\$ -	\$ -		
Inspect Normally Nothing	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 1,414,524,012</b>	<b>\$ 1,599,532,008</b>	<b>\$ 1,581,456,369</b>	<b>\$ 1,647,918,089</b>

# Caseload Request – Medicaid Expansion

- This table shows the spend in Medicaid Expansion in 2024, the current 2025 budget, and the 2026 and 2027 budget requests.
- Both the 2026 and 2027 budget requests are less than the Department’s 2025 budget. This decrease is driven primarily by recent enrollment trends. It is important to note while the SFY 2026 and SFY 2027 caseload requests are a reduction as compared to the current SFY 2025 budget, the SFY 2026 request provides 5% more funding as compared to the spend in SFY 2024. The Department request for SFY 2027 is approximately 4% more than the request for SFY 2026.

		Expanded Medicaid			
PGRM		2024 Actuals	2025 Budget	2026 Request	2027 Request
10		\$80,482,664	\$105,623,087	\$91,786,615	\$96,784,765
11		\$853,566,614	\$964,237,879	\$889,307,515	\$924,431,681
22		\$14,023,521	\$16,150,444	\$16,130,011	\$16,753,483
Grand Total		\$948,072,799	\$1,086,011,410	\$997,224,141	\$1,037,969,929

# Caseload Request – Medicaid Expansion

PGRM	CHANGE_NO	DESCRIPTION	Expanded Medicaid	
			2026 Request	2027 Request
10	10560	Medicaid Expansion Services AMH - BHDD	(\$13,836,472)	(\$8,838,322)
10 Total			(\$13,836,472)	(\$8,838,322)
11	11891	Expansion Core Services - HRD	(\$46,876,347)	(\$18,150,124)
	11893	Expansion Federal Services - HRD	(\$11,773,953)	(\$5,376,010)
	11897	Expansion Hospital Supplemental Payments - HRD	(\$16,280,064)	(\$16,280,064)
11 Total			(\$74,930,364)	(\$39,806,198)
22	22891	Expansion Core Services - SLTC	\$800,001	\$1,208,208
	22892	Expansion Core Services CFC - SLTC	(\$820,434)	(\$605,169)
22 Total			(\$20,433)	\$603,039
Grand Total			(\$88,787,269)	(\$48,041,481)

# Caseload Request – Medicaid Expansion

## TOTAL REQUEST BY PROVIDER TYPE

Summary Category	FY24 Accual	FY25 Starting Point	FY26 Caseload Projection	FY27 Caseload Projection
Hospital Services	\$ 498,154,824	\$ 536,593,746	\$ 507,693,148	\$ 516,988,828
Physician and Professional Services	\$ 94,051,994	\$ 102,326,181	\$ 94,290,568	\$ 97,697,814
Pharmacy and Rebates	\$ 90,416,132	\$ 117,039,516	\$ 98,405,496	\$ 105,945,805
Dental	\$ 16,883,744	\$ 21,141,108	\$ 17,045,633	\$ 17,336,899
Health Centers and Clinics	\$ 37,109,359	\$ 41,834,790	\$ 40,527,568	\$ 43,649,711
Medical Equipment and Supplies	\$ 12,834,032	\$ 14,098,421	\$ 15,586,178	\$ 17,629,060
Laboratory and Imaging Services	\$ 17,562,756	\$ 19,123,368	\$ 20,829,775	\$ 23,346,006
Medical Transportation	\$ 7,661,156	\$ 8,929,041	\$ 10,029,929	\$ 10,357,334
Other Services	\$ 955,161	\$ 605,474	\$ 1,230,842	\$ 1,377,664
Nursing Facility	\$ 10,037,297	\$ 9,435,699	\$ 11,559,109	\$ 11,971,806
Home and Community Based - Other Services	\$ 932,273	\$ 2,035,885	\$ 927,304	\$ 919,182
Home and Community Based - Community First Choice	\$ 2,998,587	\$ 4,398,693	\$ 3,578,259	\$ 3,793,524
Home and Community Based - Big Sky Waiver	\$ 55,364	\$ 280,167	\$ 65,339	\$ 68,972
Care and Case Management	\$ 5,372,986	\$ 6,087,862	\$ 5,217,213	\$ 5,253,452
Substance Use Disorder Services	\$ 10,154,199	\$ 18,661,787	\$ 10,700,317	\$ 11,286,694
Mental Health Services	\$ 57,721,668	\$ 69,462,848	\$ 62,305,143	\$ 65,989,418
Home and Community Based - HEART Waiver	\$ 11,161,740	\$ 17,498,451	\$ 17,546,097	\$ 18,273,594
Mental Health Services - HIFA Waiver	\$ -	\$ -	\$ -	\$ -
Developmental Disability Services	\$ -	\$ -	\$ -	\$ -
Home and Community Based - DD Waiver	\$ 286,741	\$ -	\$ -	\$ -
Indian and Tribal Health Services	\$ 74,218,916	\$ 96,458,093	\$ 84,682,540	\$ 91,080,483
School Based - Physical Health	\$ 1,879	\$ 279	\$ 1,879	\$ 1,879
School Based - Mental Health	\$ 1,800			
<b>Total</b>	<b>\$ 948,572,609</b>	<b>\$ 1,086,011,409</b>	<b>\$ 1,002,222,338</b>	<b>\$ 1,042,968,126</b>

# Caseload Request – HMK/CHIP

Values				
PGRM	24 Actual	2025 Budget	2026 Request	2027 Request
11	\$98,617,048	\$130,772,216	\$116,079,237	\$124,155,941
<b>11 Total</b>	<b>\$98,617,048</b>	<b>\$130,772,216</b>	<b>\$116,079,237</b>	<b>\$124,155,941</b>
<b>Grand Total</b>	<b>\$98,617,048</b>	<b>\$130,772,216</b>	<b>\$116,079,237</b>	<b>\$124,155,941</b>

PGRM	CHAN	DESCRIPTION	FUND	2024	2025	2026	2027
11	11990	HMK Caseload - HRD	1100			(\$3,912,670)	(\$1,758,018)
			3426			(\$10,681,400)	(\$4,760,401)
		HMK Caseload - HRD Total				(\$14,594,070)	(\$6,518,419)
	11990 Total					(\$14,594,070)	(\$6,518,419)

# FMAP Adjustments

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# Traditional Medicaid FMAP Background

- The Federal Medical Assistance Percentages (FMAPs) for traditional Medicaid programs are calculated based on a formula that compares each state's per capita income to U.S. per capita income and provides a higher federal match for states with lower per capita incomes, subject to a statutory minimum (50 percent) and maximum (83 percent).
- Due to Montana's increasing per capita income, the state has seen a corresponding decrease in its FMAP in recent years.

<u>State Fiscal Year</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Federal Match Rate	64.95%	65.43%	64.96%	64.23%	63.84%	62.55%	61.61%	61.47%
State Match Rate	35.05%	34.57%	35.04%	35.77%	36.16%	37.45%	38.39%	38.53%

# Traditional Medicaid FMAP Background

- While the actual SFY 2025 FMAP is 62.55%, the Department SFY 2025 budget is based on a 64.12% FMAP that was assumed in the Department's Medicaid budget request last session. This variance would have caused a shortfall in state general funding in Medicaid in the current fiscal year, if not for the overall under utilization in the Medicaid budget.
- The projected FMAP for FY 2026 and FY 2027 is applied to FY 2025 base funding to determine the difference needed that is attributable to projected FMAP change requests. For SFY 2026 this is the difference between the projected 61.61% FMAP versus the currently budgeted SFY 2025 FMAP of 64.12 (or 2.51%). For SFY 2027 this is the difference between the projected 61.47% FMAP versus the currently budgeted SFY 2025 FMAP of 64.12% (or 2.65%).
- While not increasing total requested funding, the reduction in FMAP shifts federal funding to state funding. This shift results in an increase in general funding requests of \$43.8 million in SFY 2026 and \$45.4 million in SFY 2027.

# FMAP Adjustment Change Packages

PGRM	CHAN	DESCRIPTION	FUND	2024	2025	2026	2027
10	10552	Medicaid Core FMAP Adjustment AMH - BHDD	1100			\$1,110,445	\$1,181,654
			2034			\$140,587	\$147,561
			2064			\$74,773	\$79,178
			3583			(\$1,325,805)	(\$1,408,393)
		Medicaid Core FMAP Adjustment AMH - BHDD Total					\$0
	10552 Total					\$0	\$0
	10553	Medicaid Core FMAP Adjustment DDP&CMH - BHDD	1100			\$3,154,959	\$3,321,268
			2338			\$522,347	\$557,470
			3583			(\$3,677,306)	(\$3,878,738)
		Medicaid Core FMAP Adjustment DDP&CMH - BHDD Total					\$0
	10553 Total					\$0	\$0
	10556	Medicaid Waiver FMAP Adjustment AMH - BHDD	1100			(\$258,695)	(\$258,695)
			2064			\$41,598	\$44,048
			2772			\$1,695,251	\$1,741,871
			3583			(\$1,478,154)	(\$1,527,224)
		Medicaid Waiver FMAP Adjustment AMH - BHDD Total					\$0
	10556 Total					\$0	\$0
	10557	Medicaid Waiver FMAP Adjustment DDP and CMH - BHDD	1100			\$4,636,619	\$4,885,679
			3583			(\$4,636,619)	(\$4,885,679)
		Medicaid Waiver FMAP Adjustment DDP and CMH - BHDD Total					\$0
10557 Total					\$0	\$0	
10 Total					\$0	\$0	

# FMAP Adjustment Change Packages

11	11992	Medicaid Core HUF FMAP Adjustment - HRD	2989	\$1,957,059	\$2,068,443
			3583	(\$1,957,059)	(\$2,068,443)
	Medicaid Core HUF FMAP Adjustment - HRD Total			\$0	\$0
	11992 Total			\$0	\$0
	11996	Medicaid Core FMAP Adjustment - HRD	1100	\$25,670,285	\$26,390,405
			2597	(\$3,333,851)	(\$3,239,960)
			3583	(\$22,336,434)	(\$23,150,445)
	Medicaid Core FMAP Adjustment - HRD Total			\$0	\$0
	11996 Total			\$0	\$0
	11 Total			\$0	\$0

# FMAP Adjustment Change Packages

22	22101	FMAP Adjustment Medicaid Core CFC - SLTC	1100	\$1,737,899	\$1,737,899
			3583	(\$1,737,899)	(\$1,737,899)
FMAP Adjustment Medicaid Core CFC - SLTC Total				\$0	\$0
22101 Total				\$0	\$0
	22992	FMAP Adjustment Medicaid Core - SLTC	1100	\$5,531,645	\$5,828,393
			3583	(\$5,531,645)	(\$5,828,393)
FMAP Adjustment Medicaid Core - SLTC Total				\$0	\$0
22992 Total				\$0	\$0
	22995	FMAP Adjustment IGT - SLTC	2053	\$118,546	\$125,117
			3583	(\$118,546)	(\$125,117)
FMAP Adjustment IGT - SLTC Total				\$0	\$0
22995 Total				\$0	\$0
	22997	FMAP Adjustment Waiver - SLTC	1100	\$1,711,130	\$1,807,611
			3583	(\$1,711,130)	(\$1,807,611)
FMAP Adjustment Waiver - SLTC Total				\$0	\$0
22997 Total				\$0	\$0
	22998	FMAP Adjustment DCW-HCHCW - SLTC	1100	\$223,059	\$235,944
			2990	\$154,123	\$159,670
			3583	(\$377,182)	(\$395,614)
FMAP Adjustment DCW-HCHCW - SLTC Total				\$0	\$0
22998 Total				\$0	\$0
	22999	FMAP Adjustment CFC DCW-HCHCW - SLTC	1100	\$271,623	\$284,475
			3583	(\$271,623)	(\$284,475)
FMAP Adjustment CFC DCW-HCHCW - SLTC Total				\$0	\$0
22999 Total				\$0	\$0

# FMAP Adjustment for HMK/CHIP

- CHIP has an enhanced FMAP that is higher than the FMAP for traditional Medicaid. For Montana, the SFY25 CHIP FMAP is 73.93%. Similar to traditional Medicaid, Montana’s CHIP FMAP will decline over the upcoming biennium. In FY2026 the FMAP will drop to 73.19% and in FY2027 the FMAP will be 73.03%.
- While the CHIP FMAP is dropping, the budgeted FY2025 CHIP FMAP is lower than the projected FY2026/FY2027 FMAP. As a result, our CHIP FMAP Adjustment decreases a request in state funds, and an increase in federal funds.

PGRM	CHAN	DESCRIPTION	FUND	2024	2025	2026	2027
	11	HMK FMAP Adjustment - HRD	1100			(\$2,298,487)	(\$2,089,985)
			3426			\$2,298,487	\$2,089,985
		HMK FMAP Adjustment - HRD Total				\$0	\$0
		11998 Total				\$0	\$0

# FMAP Adjustment for Medicaid Expansion

- The ongoing FMAP for Medicaid Expansion is 90%.
- However, last session not all Medicaid Expansion RLs were funded at the exact 90% FMAP. The below change packages request adjustments to correctly budget Medicaid Expansion’s FMAP.

PGRM	CHAN	DESCRIPTION	FUND	2024	2025	2026	2027
10	10564	Medicaid Expansion FMAP AMH - BHDD	1100			\$289,608	\$289,608
			2064			\$0	\$0
			3975			(\$289,608)	(\$289,608)
		Medicaid Expansion FMAP AMH - BHDD Total				\$0	\$0
10564 Total					\$0	\$0	
10 Total					\$0	\$0	
11	11892	Expansion Core HUF FMAP Adjustment - HRD	2989			\$1,030,241	\$1,030,241
			3975			(\$1,030,241)	(\$1,030,241)
		Expansion Core HUF FMAP Adjustment - HRD Total				\$0	\$0
	11892 Total				\$0	\$0	
	11896	Expansion Core FMAP Adjustment - HRD	1100			(\$1,065,138)	(\$1,065,138)
		3583			(\$88,345)	(\$88,345)	
		3975			\$1,153,483	\$1,153,483	
Expansion Core FMAP Adjustment - HRD Total				\$0	\$0		
11896 Total				\$0	\$0		

# Conclusion

