



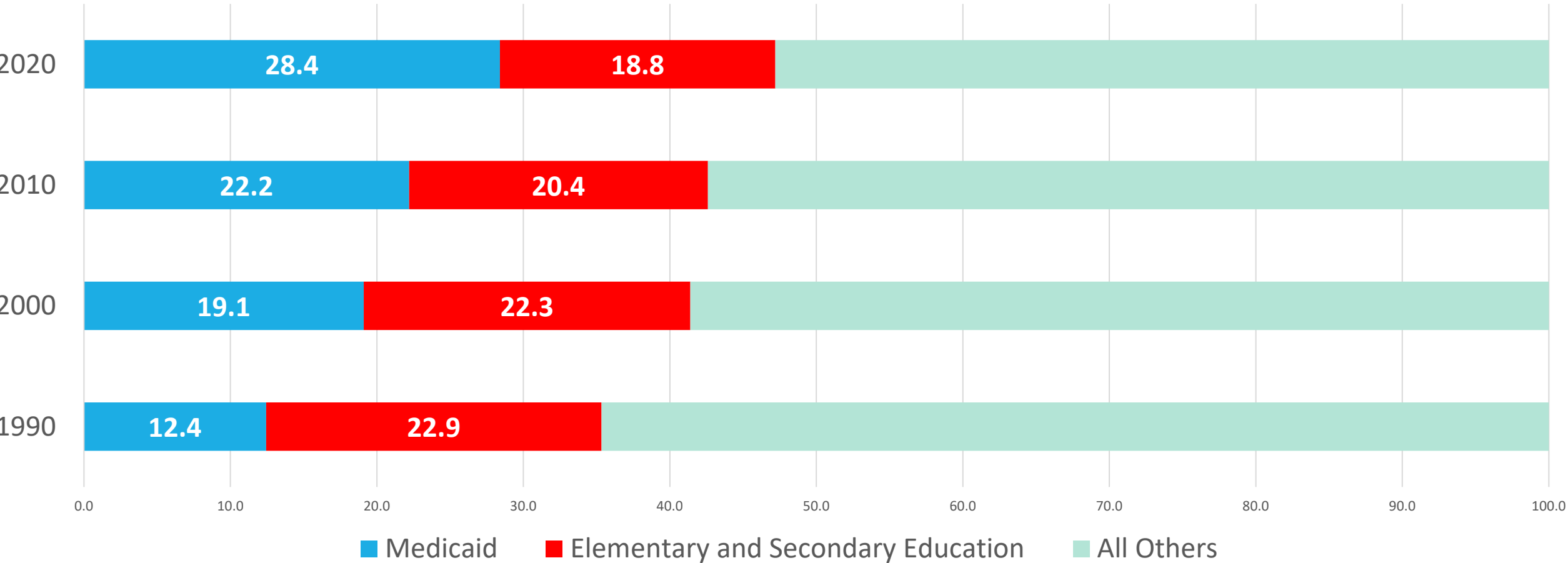
Budget Considerations Related to Medicaid

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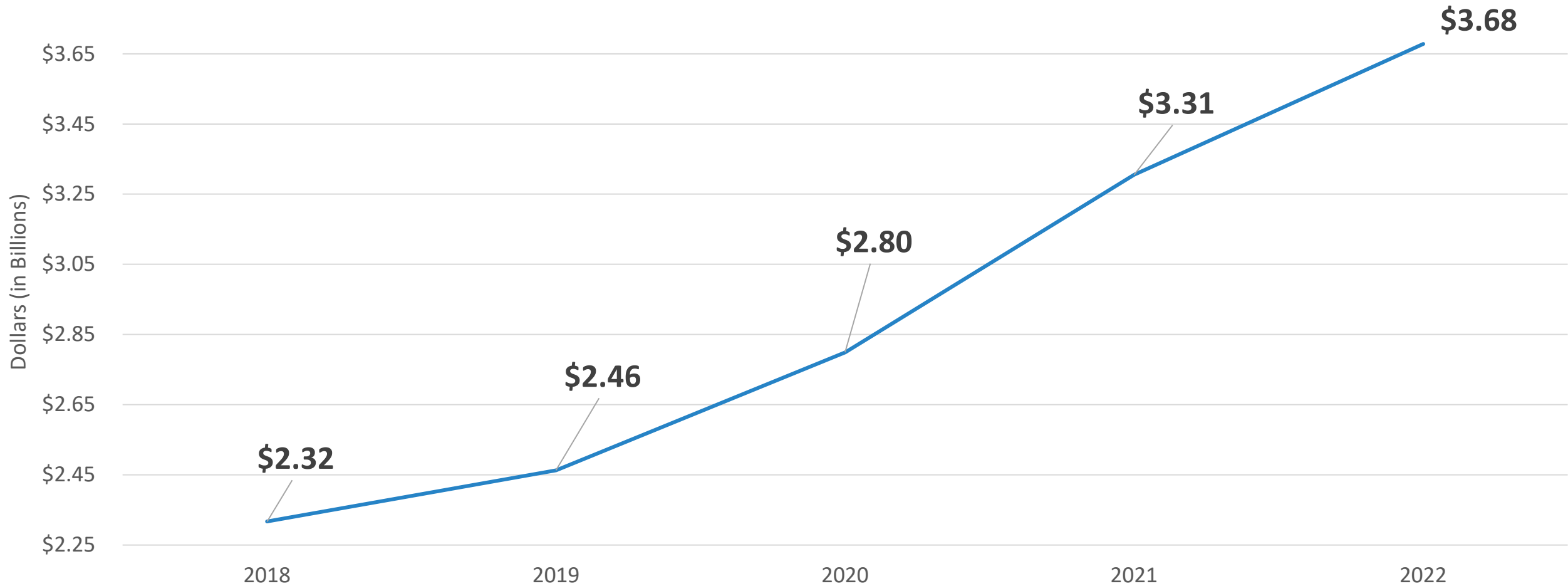
Outline

- Where we've been
- Where we're going
- What makes Medicaid budgeting different...from a budget office perspective
- Preview of forthcoming Cost Containment report

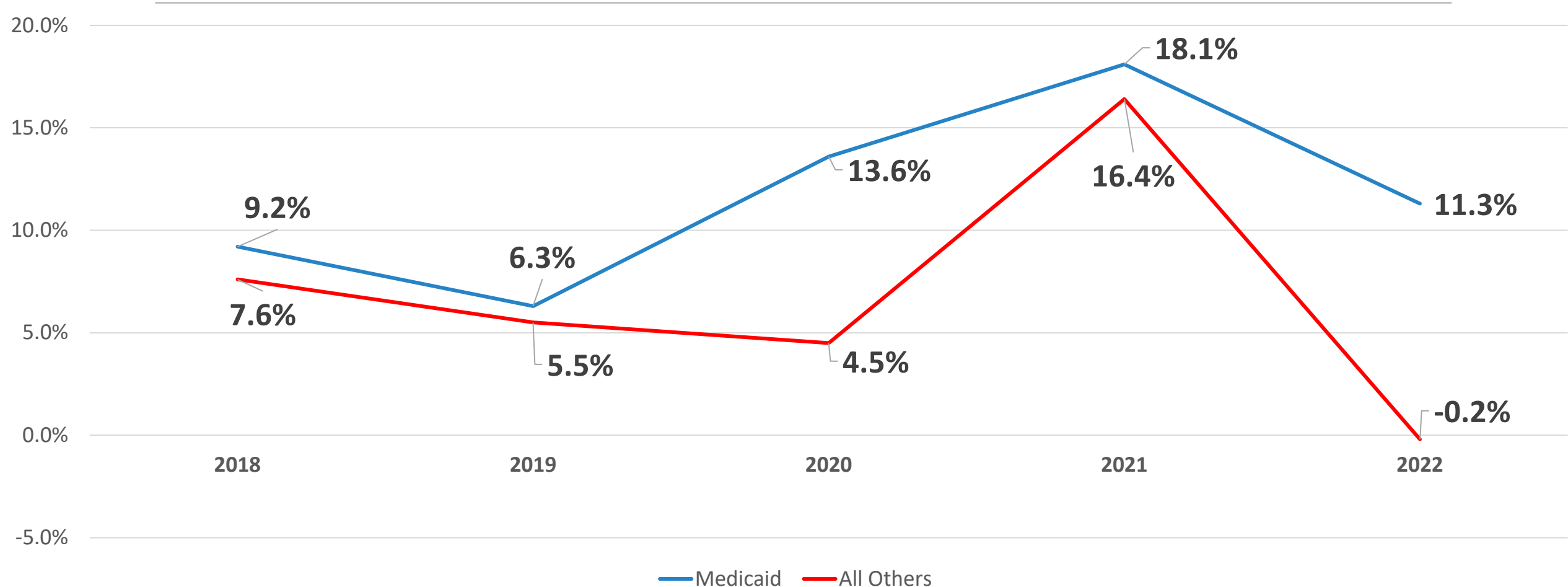
Medicaid and K12 Expenditures as a Percentage of Total State Expenditures (National Data)



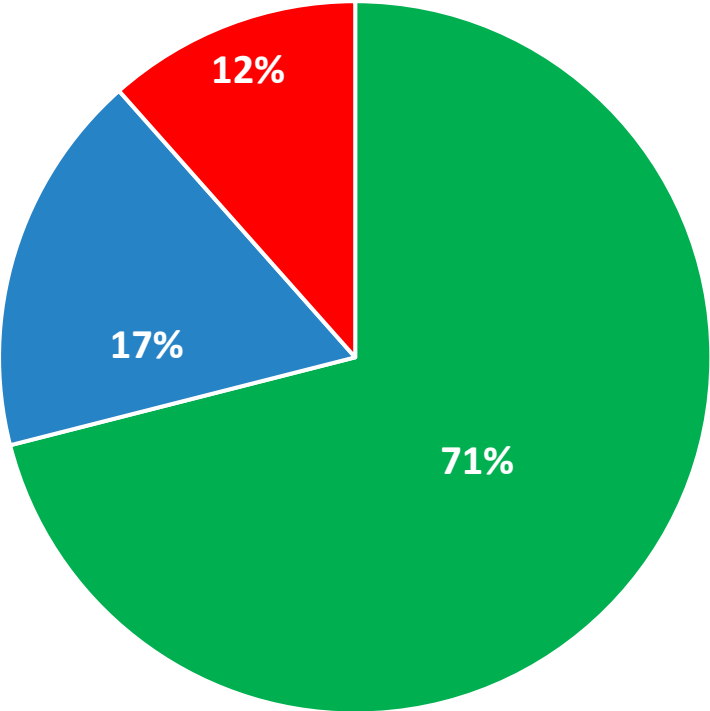
Medicaid Total Expenditures (Idaho Data)



Total Expenditure Growth in Medicaid vs. All Other State Programs (Idaho Data)

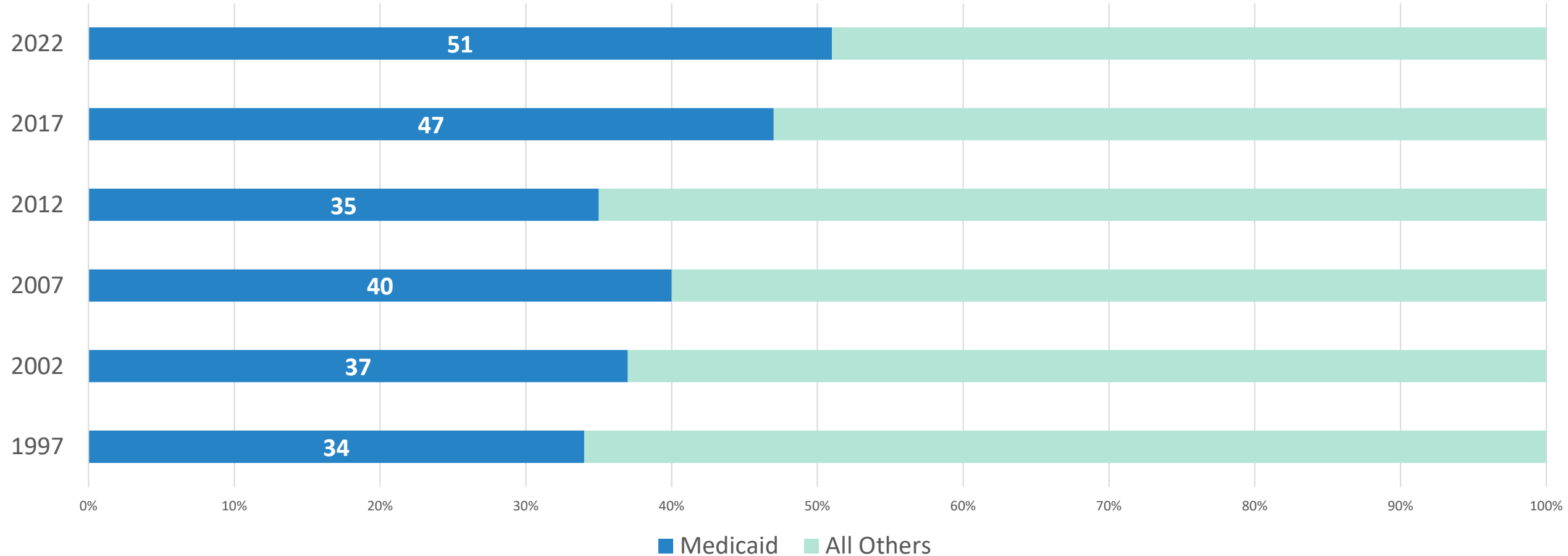


FY 2022 Total Medicaid Expenditures (Idaho Data)

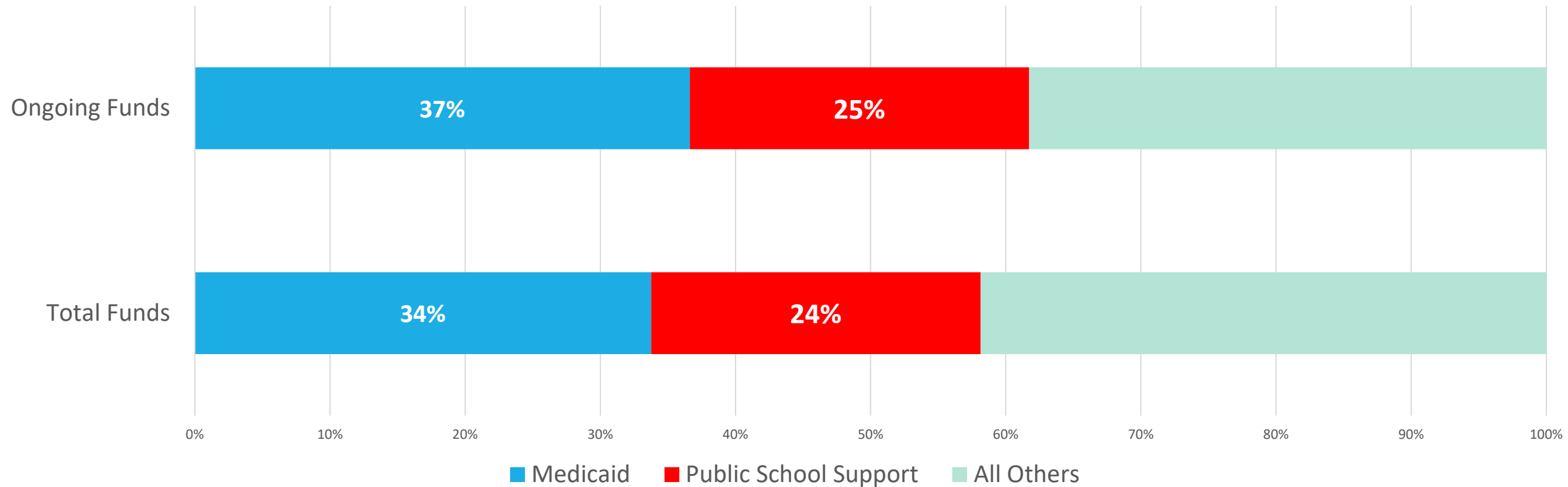


■ Federal Funds ■ General Fund ■ Dedicated Funds

Medicaid Cluster as a Percentage of Total Federal Expenditures (Idaho Data)

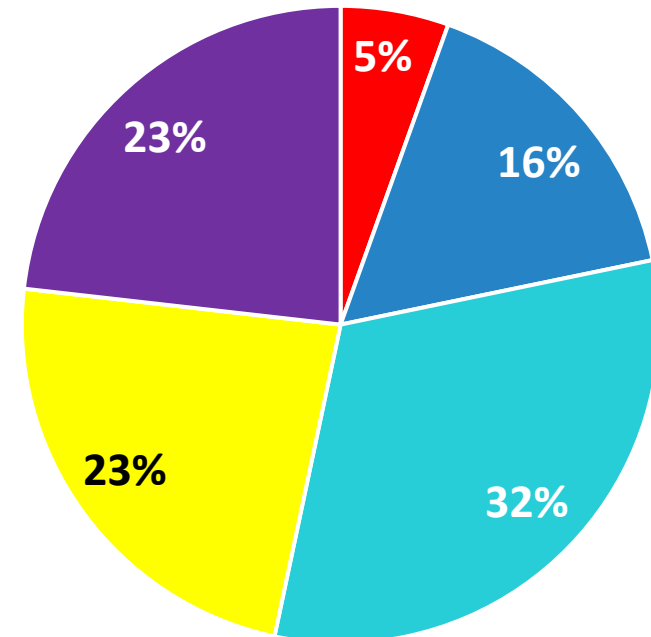


FY 2024 Original Statewide Appropriation (All Funds)



FY 2024 Original Medicaid Appropriation

Program	FY 2024 Appropriation (Total Funds)
Administration	\$ 256,924,300
Coordinated Plan	\$ 761,950,000
Enhanced Plan	\$ 1,478,674,500
Basic Plan	\$ 1,099,500,200
Expansion Plan	\$ 1,086,611,800
Total	\$ 4,683,660,800



- Administration
- Coordinated Plan
- Enhanced Plan
- Basic Plan
- Expansion Plan

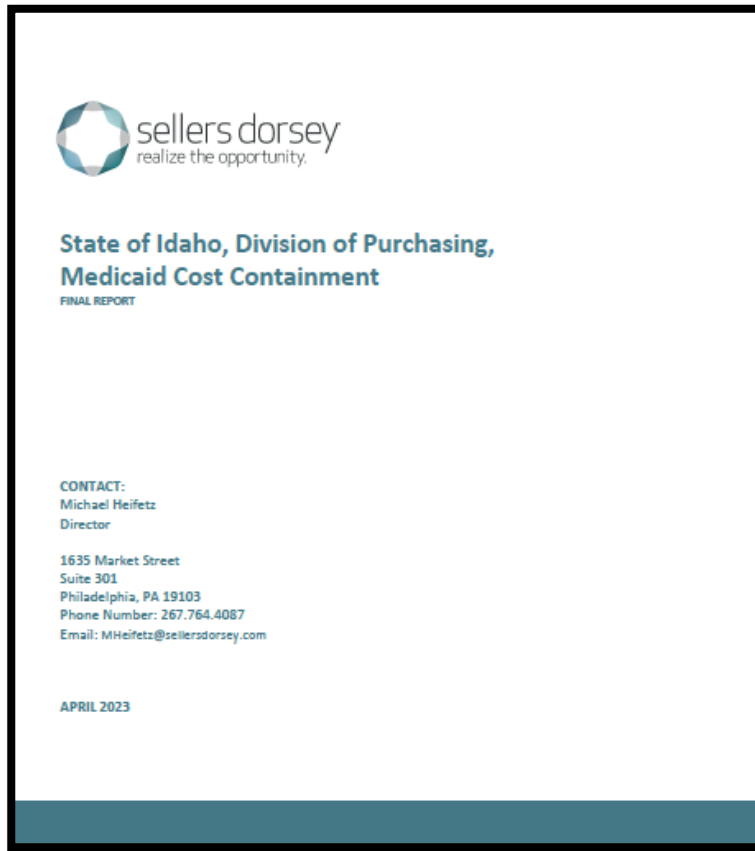
FY 2025 Budget Headwinds

- Pandemic relief wearing off: enhanced federal match tapers down through December 2023 at which point the state covers its traditional (larger) share
- The traditional federal matching percentage is *also* set to decrease due to growth in state per capita income and the state will also have to cover a larger share
- State unlikely to end FY23 with a budget surplus, a stark contrast from recent years
- Revenue growth is continuing to normalize from pandemic-era highs

General Challenges Associated with Medicaid Budgeting

- Spending is counter-cyclical and often surges during periods of revenue declines
- Spending is open-ended due to entitlement status
- Federal overlay complicates state decision-making autonomy and limits relative state savings
- Competing pressures of cost containment and access to quality care
- Lack of perceived budgetary control options: most growth is classified as non-discretionary (average 75% of the growth in FY 18 to FY 22)

2023 Sellers Dorsey Report



- “While managed care typically does not (at least, not initially) reduce costs to the State, it can bring budget stability and predictability through the rate setting process and the transition of financial risk to the managed care entities.”
- “While the State would still be the payer for Medicaid members, the State would not be directly and immediately at risk for unanticipated cost increases, such as the unexpected prevalence of more serious and expensive conditions, or poor management of chronic conditions, such as diabetes, that lead to avoidable medical services. Instead, these clinical and financial risks would fall on the MCOs.”

Questions

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