

# Summary

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- A report by Milliman computed savings for a well-managed TANF population as being between \$118 million and \$141 million statewide.
- Well-managed status reflects attainment of utilization at Milliman defined benchmarks of optimal levels.
- Our projections extend those findings to the entire Medicaid population by assigning levels of savings to additional Medicaid populations (i.e., disabled, dual eligibles, and expansion groups).
- Besides tightening up the management of the current population, other opportunities were analyzed to further reduce costs such as:
  - Integration of Physical and Mental Health
  - Mental Health Preferred Drug List
  - Coding-related Audits
  - Primary Care Health Homes
  - Admin Savings from MCO Reductions

# Assumptions

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- Utilization based on prior enrollment
- Expansion population 12-15%
- Accepted Milliman's well-managed on TANF and extended to disabled at a more conservative savings level of 11.2%
- The bullets listed below are applied after reductions derived from moving towards "Well-Managed" status
  - Integration of Physical and Mental Health – 10-20% savings
  - Mental Health Preferred Drug List - requires legislation making savings \$0 in the 2011-2013 biennium, \$16,000,000 in the 2013-2015 biennium
  - Coding related Audits – 2% savings
  - Medical Homes – 4-7% savings
  - Admin Savings from MCO Reductions – 2-4% savings
- The phase in of savings is 10% to 20% in implementation of year one and moves to 40% to 50% in the 2013-15 biennium
- All savings are reported as net amounts

# Methodology

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- Projected enrollment out to FY 2019
- Extended well managed to the entire Medicaid population by assigning additional savings levels
- Developed a range of high and low savings levels
- Applied savings factors to current spending paired with projected enrollment
- Included a phase in of the implementation. Full implementation occurs in 2015-2017 biennium

# Breakdown by Population - TANF

TANF	Enrolled	Low Savings	High Savings
2010	351,738	\$0	\$0
2011	398,997	\$0	\$0
2012	422,055	(\$12,200,000)	(\$24,700,000)
2013	430,829	(\$38,900,000)	(\$51,800,000)
2014	435,565	(\$67,100,000)	(\$94,000,000)
2015	444,300	(\$140,600,000)	(\$168,600,000)
2016	453,200	(\$220,700,000)	(\$235,500,000)
2017	462,300	(\$246,500,000)	(\$308,100,000)
2018	471,500	(\$258,100,000)	(\$322,800,000)
2019	480,900	(\$270,300,000)	(\$338,000,000)

# Breakdown by Population – Disabled

<b>Disabled Non-Dual</b>	<b>Enrolled</b>	<b>Low Savings</b>	<b>High Savings</b>
2010	49,000	\$0	\$0
2011	50,300	\$0	\$0
2012	53,500	(\$4,800,000)	(\$9,800,000)
2013	55,100	(\$15,900,000)	(\$21,300,000)
2014	56,700	(\$28,800,000)	(\$40,200,000)
2015	60,700	(\$62,600,000)	(\$75,100,000)
2016	64,300	(\$102,200,000)	(\$108,900,000)
2017	68,100	(\$118,500,000)	(\$148,300,000)
2018	72,100	(\$129,200,000)	(\$161,400,000)
2019	76,400	(\$140,700,000)	(\$175,800,000)

# Breakdown by Population – Expansion

Expansion	Enrolled	Low Savings	High Savings
2010	40,572	\$0	\$0
2011	68,806	\$0	\$0
2012	58,851	(\$2,600,000)	(\$5,200,000)
2013	58,550	(\$8,100,000)	(\$10,800,000)
2014	62,199	(\$15,000,000)	(\$21,000,000)
2015	198,550	(\$100,200,000)	(\$120,100,000)
2016	211,050	(\$167,000,000)	(\$178,200,000)
2017	223,550	(\$197,300,000)	(\$246,600,000)
2018	236,050	(\$217,900,000)	(\$272,600,000)
2019	248,550	(\$240,100,000)	(\$300,200,000)

# Breakdown by Population – Dual Eligibles

Dual Eligibles	Enrolled	Low Savings	High Savings
2010	58,100	\$0	\$0
2011	61,600	\$0	\$0
2012	65,200	(\$1,100,000)	(\$2,300,000)
2013	70,300	(\$3,800,000)	(\$5,100,000)
2014	75,500	(\$7,200,000)	(\$10,000,000)
2015	79,400	(\$15,800,000)	(\$18,900,000)
2016	84,200	(\$26,500,000)	(\$28,200,000)
2017	89,300	(\$31,500,000)	(\$39,500,000)
2018	94,700	(\$35,300,000)	(\$44,100,000)
2019	100,400	(\$39,500,000)	(\$49,400,000)