



Presentation to the Senate Finance Subcommittee on Medicaid

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February 16, 2011

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S.B. 1 General Revenue Funding for Medicaid and CHIP

(\$ in millions)

HHSC Medicaid	\$10,182.2
DADS Medicaid	3,167.5
Other Agencies (DARS, DFPS, DSHS)	286.6
Total Medicaid	<u>\$13,636.4</u>
HHSC CHIP	626.4
Total Medicaid and CHIP	<u>\$14,262.8</u>



S.B. 1 Medicaid Assumptions: FMAP

(\$ in millions)

S.B. 1 does not include funding to replace lost federal funds related to lower ARRA FMAP estimated at \$4.3 billion.

HHSC	\$3,149.1
DADS	1,141.6
DARS and DSHS	38.7
Total FMAP ARRA	<u>\$4,329.4</u>

S.B. 1, Rider 62 assumes a more favorable FMAP resulting in a \$1.0 billion FMAP reduction.

Total Potential Need Related to FMAP \$5.3 billion

S.B. 1 Medicaid Assumptions: Caseload and Costs

- Funding for caseload and cost growth is not included in S.B. 1
- LBB estimates of caseload and cost totals \$1.7 billion general revenue as follows.

➤ HHSC Caseload	\$930.3 million
➤ DADS Caseload	\$133.1 million
➤ Cost	<u>\$685.9 million</u>
	\$1.7 billion



S. B. 1 Medicaid Assumptions: Cost Containment Initiatives

S.B. 1 includes several cost containment initiatives totaling \$2.9 billion GR.

(\$ in millions)

Rate Reduction of 10%	\$1,670.5
Section 54 One-Time Rate Increases (estimate excludes minimum wage and foster care)	79.0
HMO Rates Held at FY 2010 Levels then 10% applied	217.7
HHSC Rider 61 Medicaid Cost Containment	450.0
Managed Care Expansion (net savings)	367.0
Medicaid Optional Services Reduced by 10%	45.0
VDP Dispensing Fee \$1 Reduction Per Prescription	28.3
Primary Care Case Management (PCCM) \$1 reduction for case management fee	8.0
Children's UPL Eliminated	25.0
State Supported Living Center Closure	10.0
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	\$2,900.5



HHS Medicaid and CHIP General Revenue Funding Priorities

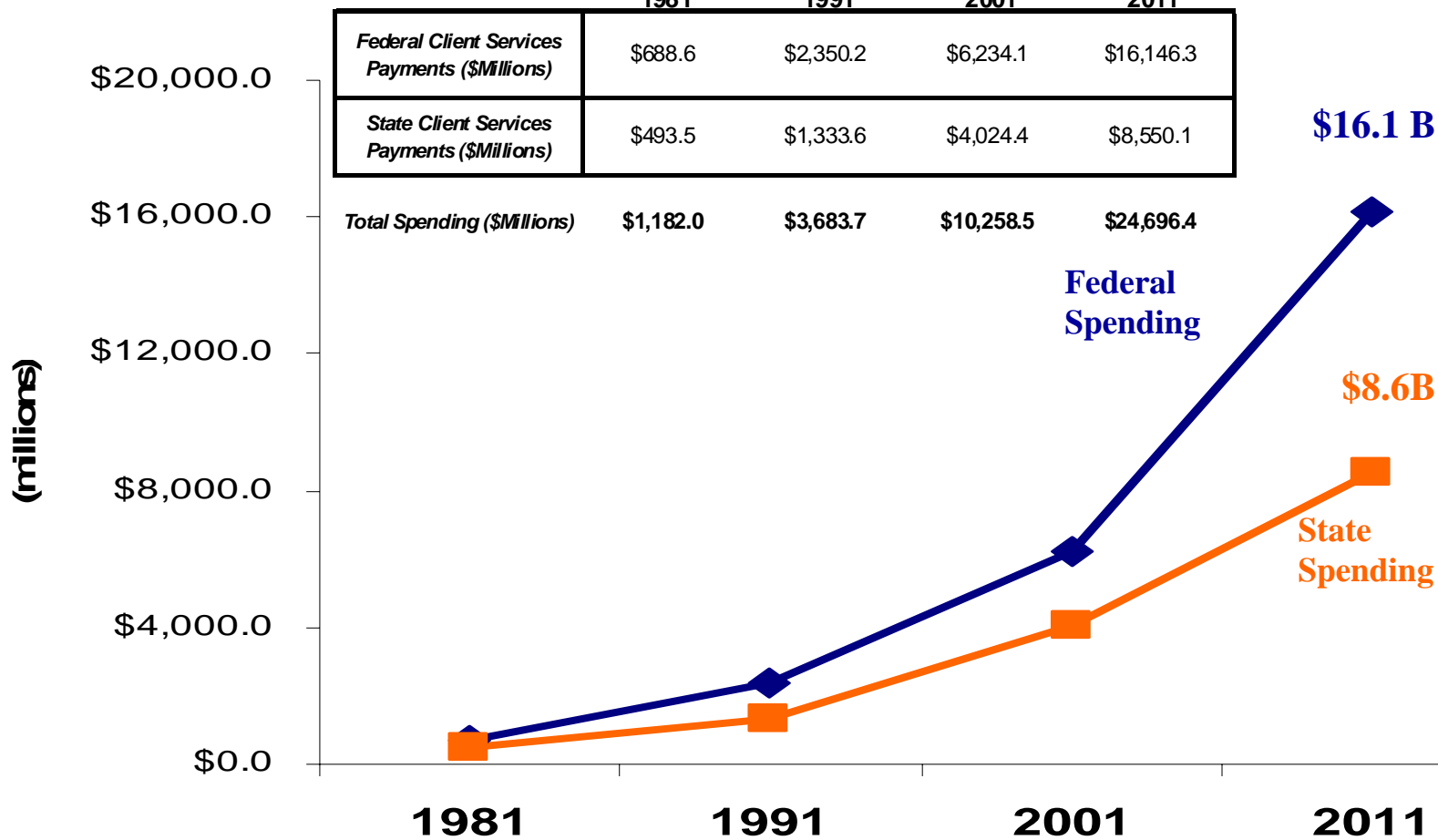
(\$ in millions)

	GR
HHSC Medicaid Acute Care and CHIP	
Maintain Access to PCPs and Specialists for Medicaid Children	106.2
Maintain Access to PCPs and Specialists for CHIP Children	18.4
Maintain Medicaid Client Services with SB 1 Savings Initiatives	4,037.4
Maintain CHIP Client Services with SB 1 Savings Initiatives	43.4
Support FY2012-13 Medicaid Cost Trends	1,169.5
Provide GR Funding in Lieu of Rider 62 Reduction	1,000.0
Provide Eligibility Support Associated w/Caseload Growth & Managed Care Expansion	47.1
Add Eligibility Determination Units	5.3
Maintain Physician Loan Repayment Program	41.2
Maintain Health Home Initiative	8.8
Increase Attendant Hourly Wage \$.50	172.7
HHSC Medicaid Acute Care and CHIP	6,650.0
DADS Medicaid Long Term Care	
Funding Caseloads	1,139.9
Provider Rates	398.5
Cost Trends	96.2
DADS Medicaid Long Term Care	1,634.6
Total Medicaid and CHIP	8,284.5

Historical State & Federal Medicaid Spending

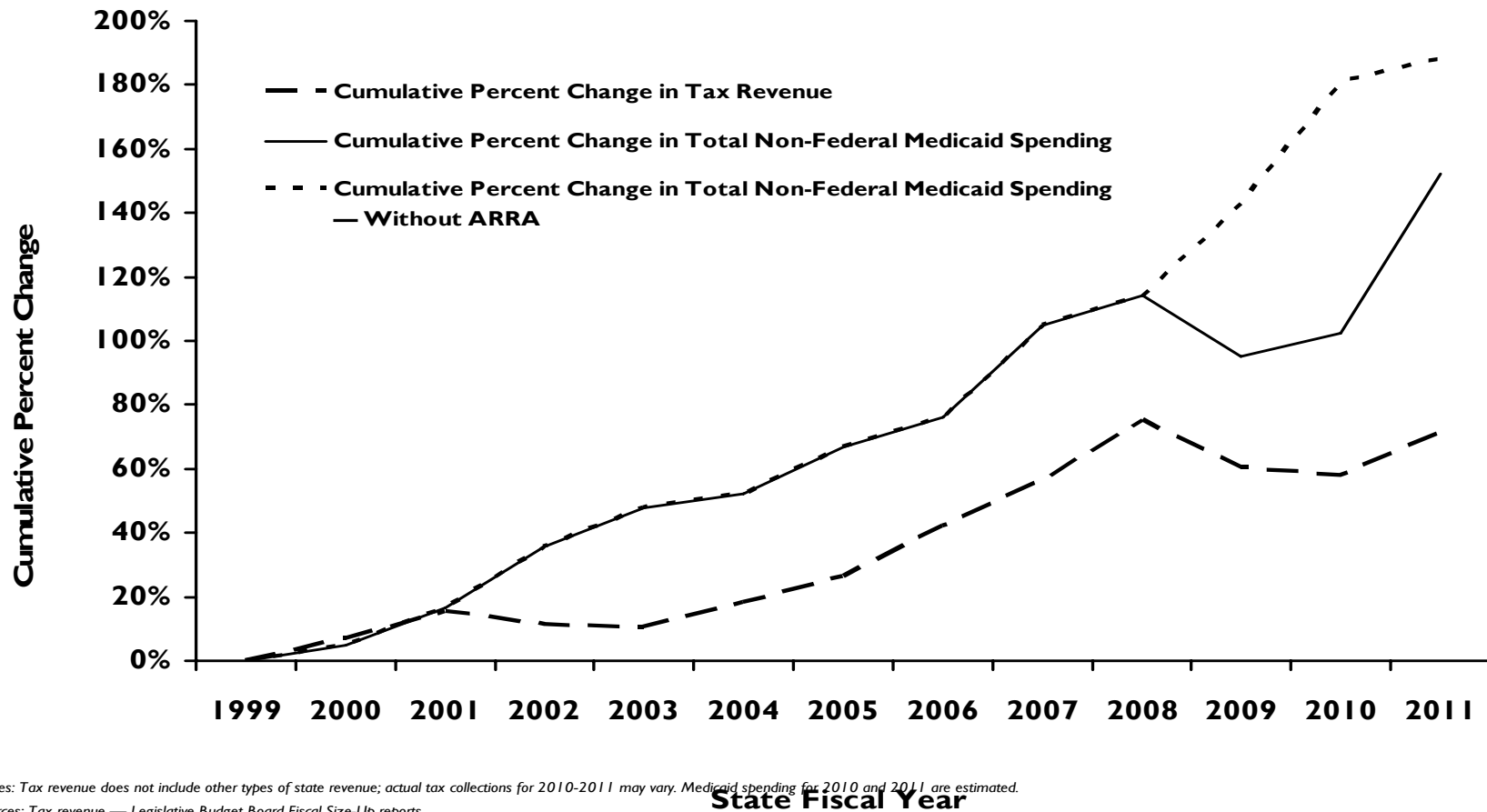
Total Federal and State Medicaid Client Services Spending (millions)

	1981	1991	2001	2011
<i>Federal Client Services Payments (\$Millions)</i>	\$688.6	\$2,350.2	\$6,234.1	\$16,146.3
<i>State Client Services Payments (\$Millions)</i>	\$493.5	\$1,333.6	\$4,024.4	\$8,550.1



Historical Percent Change in State Medicaid Spending & State Tax Revenue

Cumulative Percent Change in Texas Tax Revenue Versus Total Non-Federal Medicaid Spending, With and Without ARRA, SFYs 1999-2011



Notes: Tax revenue does not include other types of state revenue; actual tax collections for 2010-2011 may vary. Medicaid spending for 2010 and 2011 are estimated.

Sources: Tax revenue — Legislative Budget Board Fiscal Size-Up reports.

Medicaid spending — Financial Services, Texas Health and Human Services Commission.

Medicaid Cost Drivers

Medicaid Cost is determined by the Caseload and Cost per Client:

- Caseload: Volume or Number of individuals served in each category
- Case Mix: A subset of caseload – the mix or type of clients in the caseload
 - Certain groups cost more than others, for example Disability-Related Clients and Pregnant Women/Newborns are high cost, whereas Non-Disabled Children ages 6-18 are lower cost
- Cost per Client: A function of the number, type, and cost of the services a client receives, and how those services are provided
- Utilization: A function of both caseload and service volume (and case mix), utilization can be viewed as
 - Number of services (volume) an individual client or group receives
 - Type of services an individual client or group receives
 - The mix of type of services (more to less costly, or technologically advanced) with overall number of services

Medicaid Cost Drivers

The mix of caseload, cost, and utilization is further impacted by:

- The type and mix of services including service location (office, clinic, hospital) and the provider type
- Payer Type
 - The use of capitated payments for comprehensive services can be used to manage utilization
- Payer payment rates and policies
 - Payer payment rates and policies also factor in the cost mix, and include:
 - Actuarial-based payments (capitated payments)
 - Cost-based reimbursements (e.g. Children's Hospitals)
 - Cost-report based prospective payments (e.g. Nursing Homes)
 - Medicare-Linked payments, such as hospital diagnosis related groups
 - CMS Mandated Methods, such as FQHCs
- General cost of doing business
- Evolutionary advancements in medical technology
 - Increased use of MRIs vs X-Ray
- Revolutionary advancements in medical technology
 - New cancer drugs, or stints for heart bypass
- Defensive medicine
- Changes in clinical practice standards

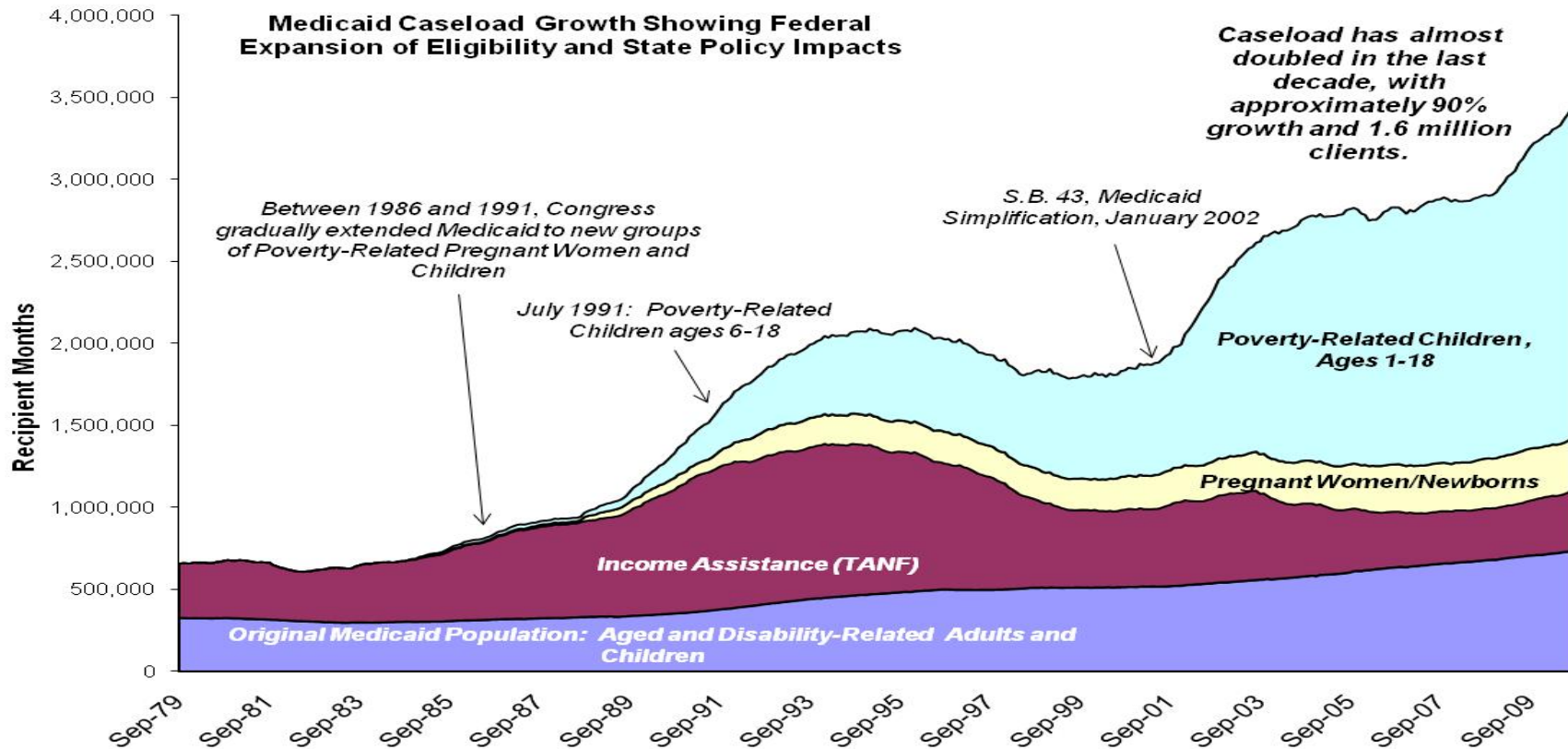
Medicaid Cost Drivers

External Factors Modifying Medicaid Costs Include:

- **Changes in federal policy**
 - Eligibility expansions (see following charts)
 - Evolving CMS Interpretation
- **Changes in state policy**
 - Medicaid Buy-In for Adults and Children
 - New benefits, such as adult substance abuse
- **Population growth and changing demographics**
 - Aging baby-boomers - increasing the aged population
 - Obesity epidemic - increasing certain chronic diseases (diabetes)
 - Changing ethnic composition of the state
- **Economy**
 - Increased caseloads as families lost jobs and insurance coverage
 - Lengthening spells of coverage as economic conditions are not improving for Medicaid populations
 - Increased FMAP rate due to ARRA – TIER III FMAP adjustment for high unemployment states
- **Natural Disasters**
 - H1N1
 - Hurricanes -- medical costs actually decline in the short term following an event such as a hurricane, but Texas has seen long-term impacts from recent hurricanes
- **Consumer expectations and awareness**
 - FREW outreach efforts and rate increases may be increasing utilization
 - Health Care Reform may provide an arena for clients to seek health care assistance

Historical Medicaid Eligibility

History of Medicaid Eligibility: Caseload September 1977- August 2010





Client Services Cost by Group

Client Services Cost by Group: Expenditure Data and February 2011 Forecast

Total Client Services Costs	Fiscal Year 2007 \$4,914,604,040	Fiscal Year 2008 \$5,184,586,187	Fiscal Year 2009 \$5,648,676,517	Fiscal Year 2010 \$6,184,883,411	Fiscal Year 2011 \$5,755,056,501
Long-Term Services and Supports	\$ 4,897,552,851	\$ 5,188,074,890	\$ 5,192,540,753	\$ 5,525,663,783	\$ 5,755,056,501
Acute Care Services	\$ 9,881,353,493	\$ 11,623,008,012	\$ 13,067,728,516	\$ 14,535,528,909	\$ 16,680,004,625
Non-Full Benefit Services	\$ 1,282,630,447	\$ 1,644,903,657	\$ 1,663,370,426	\$ 1,788,127,004	\$ 1,934,114,550
Total Medicaid	\$16,061,536,791	\$18,455,986,559	\$19,923,639,695	\$21,849,319,697	\$24,369,175,676
Total Acute/STAR+Plus Costs	\$ 9,881,353,493	\$ 11,623,008,012	\$ 13,067,728,516	\$ 14,535,528,909	\$ 16,680,004,625
Cost per RM	\$ 290.74	\$ 336.64	\$ 362.46	\$ 367.46	\$ 389.29
Recipients	2,832,214	2,877,203	3,004,380	3,296,439	3,570,560
Trend		1%	8%	1%	6%
Cost by Risk Group					
Aged and Disability Related Combined (with LTSS)	\$ 8,182,986,385	\$ 9,099,383,314	\$ 9,702,784,127	\$ 11,260,860,152	\$ 12,173,080,563
Recipients	642,940	665,012	690,078	717,830	747,468
Cost per RM (Acute and STAR+Plus)	\$ 1,060.62	\$ 1,140.25	\$ 1,171.70	\$ 1,307.28	\$ 1,357.15
Trend		8%	3%	12%	4%
Aged and Medicare Related-Acute/STAR+	\$ 848,364,107	\$ 1,019,219,813	\$ 1,135,438,538	\$ 1,229,155,032	\$ 1,362,561,805
Recipients	335,458	338,573	343,106	349,198	355,366
Cost per RM	\$ 210.75	\$ 250.86	\$ 275.77	\$ 293.33	\$ 319.52
Trend		19%	10%	6%	9%
Disability-Related Acute/STAR+	\$ 3,034,597,144	\$ 3,515,658,663	\$ 4,010,196,309	\$ 4,506,041,336	\$ 5,055,462,257
Recipients	307,482	326,439	346,972	368,632	392,103
Cost per RM	\$ 822.43	\$ 897.48	\$ 963.14	\$ 1,018.64	\$ 1,074.43
Trend		9%	7%	6%	5%
		6%	6%	6%	6%
Other Adults	\$ 1,420,109,550	\$ 1,504,753,676	\$ 1,622,729,585	\$ 1,704,396,947	\$ 1,839,611,304
Recipients	215,802	207,761	208,562	218,894	233,857
Cost per RM	\$ 548.38	\$ 603.56	\$ 648.38	\$ 648.87	\$ 655.53
Trend		10%	7%	0%	1%
Medicaid Non-Disabled Children	\$ 4,578,282,692	\$ 5,583,375,860	\$ 6,299,364,084	\$ 7,095,935,594	\$ 8,422,369,259
Recipients	1,973,472	2,004,429	2,105,740	2,359,715	2,589,235
Cost per RM	\$ 193.33	\$ 232.13	\$ 249.29	\$ 250.59	\$ 271.07
Trend		20%	7%	1%	8%
Medical Transportation Costs	\$ 86,850,114	\$ 109,688,977	\$ 154,824,228	\$ 179,761,307	\$ 217,133,486
Other Medicaid Costs (Non-Full Benefit)					
Medicare Payments + Clawback	\$ 906,519,752	\$ 1,259,151,524	\$ 1,247,608,372	\$ 1,330,581,679	\$ 1,466,717,147
Recipients	473,277	486,441	493,570	502,753	529,425
NFB Recips Only	163,447	173,757	181,608	188,177	209,639
Cost per RM	\$ 159.62	\$ 215.71	\$ 210.64	\$ 220.55	\$ 230.87
Trend		35%	-2%	5%	5%
Emergency Services for Non-Citizens	\$ 313,277,129	\$ 304,450,586	\$ 311,012,813	\$ 318,191,939	\$ 325,766,637
Recipients	9,318	9,054	9,710	9,877	10,174
Cost per RM	\$ 2,801.87	\$ 2,802.10	\$ 2,669.27	\$ 2,684.66	\$ 2,668.41
Trend		0%	-5%	1%	-1%
Other Costs (BCCP, Cost-Reimb)	\$ 57,211,964	\$ 69,023,960	\$ 83,455,528	\$ 110,895,914	\$ 102,311,378
WHW	\$ 5,621,603	\$ 12,277,588	\$ 21,293,713	\$ 28,457,472	\$ 39,319,388
	25,970	80,293	87,381	107,622	142,007
NFB Clients	199,368	264,026	279,938	307,417	363,676
Full Benefit Medicare	\$ 597,527,717	\$ 623,570,052	\$ 635,391,473	\$ 681,523,805	\$ 681,523,805

Source: HHSC System Forecasting/SDS. Note: Numbers do not add to totals due to different groupings. Numbers may not match others in presentation due to timing.



Client Services Cost by Service Delivery Type

Client Services Cost by Service Delivery Type and Large Group: Expenditure Data and February 2011 Forecast

Total Client Services Costs	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
Long-Term Services and Supports	\$ 4,897,552,851	\$ 5,188,074,890	\$ 5,192,540,753	\$ 5,525,663,783	\$ 5,755,056,501
Acute Care Services	\$ 9,881,353,493	\$ 11,623,008,012	\$ 13,067,728,516	\$ 14,535,528,909	\$ 16,680,004,625
Non-Full Benefit Services	\$ 1,282,630,447	\$ 1,644,903,657	\$ 1,663,370,426	\$ 1,788,127,004	\$ 1,934,114,550
Total Medicaid	\$ 16,061,536,791	\$ 18,455,986,559	\$ 19,923,639,694	\$ 21,849,319,697	\$ 24,369,175,676
Total Acute Care/STAR+Plus Costs	\$ 9,881,353,493	\$ 11,623,008,012	\$ 13,067,728,516	\$ 14,535,528,909	\$ 16,680,004,625
Cost per RM	\$ 290.74	\$ 336.64	\$ 362.46	\$ 367.46	\$ 389.29
Trend		16%	8%	1%	6%
Cost by Service Delivery					
STAR HMO	\$ 2,315,757,179	\$ 2,780,946,347	\$ 3,098,534,638	\$ 3,330,606,590	\$ 3,827,798,973
Cost per RM	\$ 180.49	\$ 204.80	\$ 220.52	\$ 204.08	\$ 208.28
Trend		13%	8%	-7%	2%
STAR +Plus	\$ 790,746,421	\$ 1,125,429,433	\$ 1,235,152,964	\$ 1,445,042,637	\$ 1,899,147,534
Cost per RM	\$ 609.17	\$ 607.05	\$ 643.43	\$ 723.10	\$ 715.77
Trend		0%	6%	12%	-1%
STAR Health	\$	\$ 96,662,205	\$ 232,063,908	\$ 257,282,949	\$ 306,646,676
Cost per RM	\$	\$ 640.41	\$ 642.69	\$ 720.42	\$ 806.22
Trend			0%	12%	12%
PC CM (with ICM in 2008 & 2009)	\$ 1,688,553,440	\$ 1,888,645,855	\$ 2,108,422,801	\$ 2,304,233,649	\$ 2,520,004,213
Cost per RM	\$ 190.81	\$ 212.49	\$ 229.25	\$ 238.28	\$ 235.54
Trend		11%	8%	4%	-1%
Fee-for-Service	\$ 2,924,006,852	\$ 2,992,484,670	\$ 3,309,898,027	\$ 3,690,034,524	\$ 4,079,694,540
Cost per RM	\$ 267.60	\$ 297.63	\$ 314.51	\$ 329.13	\$ 379.99
Trend		11%	6%	5%	15%
Vendor Drugs	\$ 1,763,137,198	\$ 1,971,196,787	\$ 2,120,317,898	\$ 2,265,896,992	\$ 2,501,512,717
Cost per RM	\$ 51.88	\$ 57.09	\$ 58.81	\$ 57.28	\$ 58.38
Trend		10%	3%	-3%	2%
Dental	\$ 399,152,403	\$ 767,642,716	\$ 963,338,280	\$ 1,242,431,568	\$ 1,545,199,972
Cost per RM	\$ 15.63	\$ 29.66	\$ 35.67	\$ 41.19	\$ 46.73
Trend		90%	20%	15%	13%
Ancillary Costs (All FFS)	\$ 1,282,630,447	\$ 1,644,903,657	\$ 1,663,370,426	\$ 1,788,127,004	\$ 1,934,114,550

Source: HHSC SDS and System Forecasting, TMHP Claims Universe/STAT. Note - Slight differences from other reported numbers may exist based on timing/grouping

Cost Containment Initiatives

- The Texas Medicaid program is currently growing at a 9% annual rate of growth and currently consumes more than 25% of the state budget.
- Although the ability to contain costs is restricted at the federal level, HHSC has begun implementing various cost containment initiatives that may be done at the state level.

Medicaid Cost Containment Initiatives

- High cost imaging management
 - Requires prior authorization (PA) for high cost imaging services.
- New drug classes added to Preferred Drug List (PDL)
 - Effective July 2009, Medicaid implemented a PDL for cough and cold products.
 - HHSC was able to increase savings by adding this class of medications.
- Billing coordination system expansion
 - Expanded BCS to pharmacy claims.
 - Identifies other insurance and defers Medicaid payment.
- Managed Care Organization (MCO) Rates
 - Tighten up experience rebate methodology.
 - Increase third-party recovery requirements.
 - Reduce administrative cost component in rates.

Medicaid Cost Containment Initiatives

Smaller cost containment and policy changes implemented in the past 12 months (or in the next fiscal year) may have some bearing on overall cost containment as well.

- These changes are small, and an example of the constant “evolution” in Medicaid cost management and efficiencies.
- Most of these changes involve aligning codes, services or recovery with national standards (such as Medicare or private pay standards).

A sampling of these changes include:

- National Correct Coding Initiative (NCCI)
- Global Surgical Periods
- Diagnosis Related Group (DRG) Recovery
- Ambulance Policy Changes
- Administrative Cost Containment Initiatives

Medicaid Cost Containment Initiatives

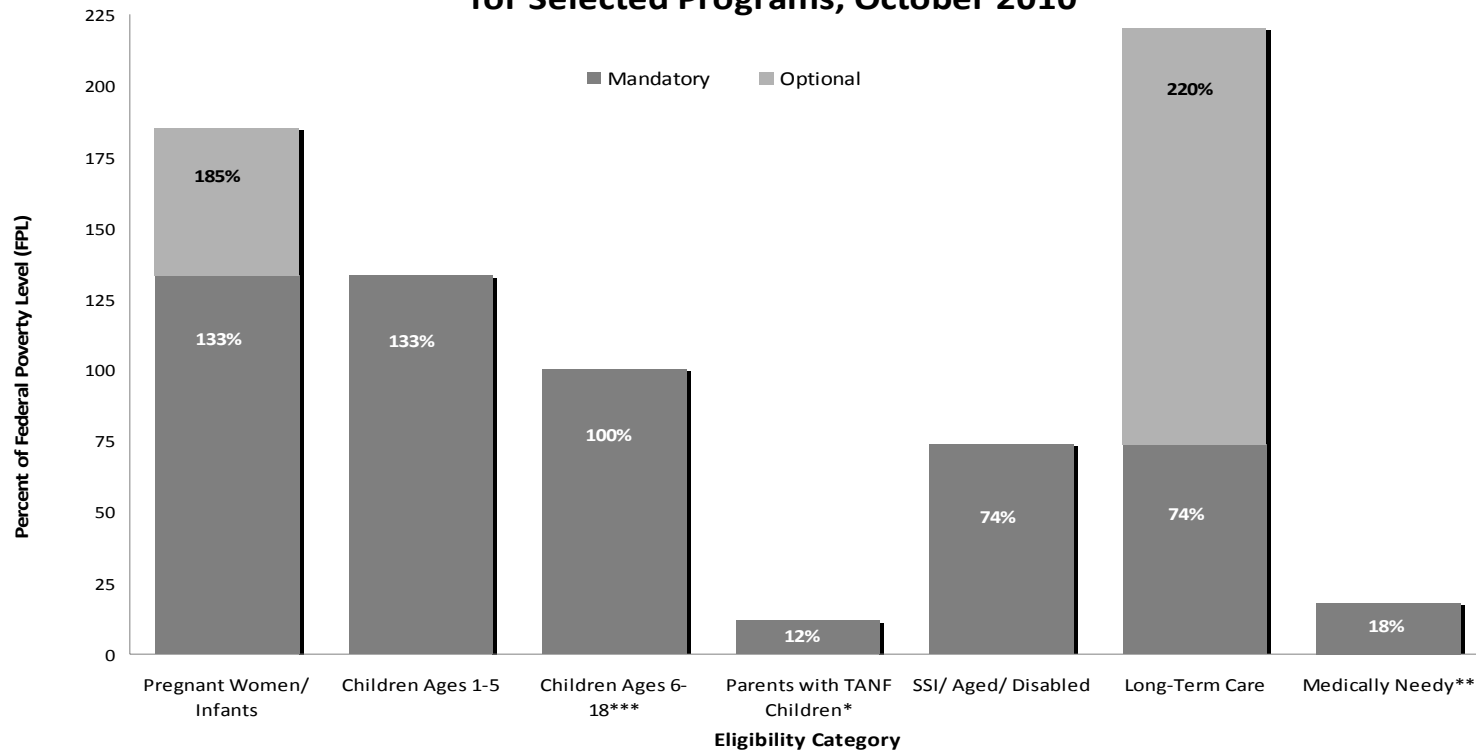
Additional groups of cost containment initiatives to be considered include:

- Drugs/DME/Ancillary Services
- Optional Services
- Hospital
 - Payment reforms (ED, Imaging, EAPG, ARP-DRG)
 - Care Management (NICU and Maternity Management)
- Managed Care
- Physician, Other Providers, and Co-pays

APPENDICES

Current Medicaid Eligibility Levels

**Texas Medicaid Income Eligibility Levels
for Selected Programs, October 2010**



*In SFY 2010, 12% FPL is a monthly income limit of \$188 for a family of three.
 **In SFY 2010, 18% FPL is a monthly income limit of \$275 for a family of three.
 ***In SFY 2010, 100% FPL is a monthly income limit of \$1,526 for a family of three.

The Affordable Care Act contains a maintenance of effort provision that prohibits states from reducing eligibility standards that were in effect on March 23, 2010, including for optional populations.

2011 Federal Poverty Guidelines

2011 Poverty Guidelines for the Continental United States

Annual Poverty Guidelines

Family Size	50%	100%	133%	138%	150%	200%	250%	300%
1	\$5,445	\$10,890	\$14,484	\$15,028	\$16,335	\$21,780	\$27,225	\$32,670
2	\$7,355	\$14,710	\$19,564	\$20,300	\$22,065	\$29,420	\$36,775	\$44,130
3	\$9,265	\$18,530	\$24,645	\$25,571	\$27,795	\$37,060	\$46,325	\$55,590
4	\$11,175	\$22,350	\$29,726	\$30,843	\$33,525	\$44,700	\$55,875	\$67,050
5	\$13,085	\$26,170	\$34,806	\$36,115	\$39,255	\$52,340	\$65,425	\$78,510
6	\$14,995	\$29,990	\$39,887	\$41,386	\$44,985	\$59,980	\$74,975	\$89,970
7	\$16,905	\$33,810	\$44,967	\$46,658	\$50,715	\$67,620	\$84,525	\$101,430
8	\$18,815	\$37,630	\$50,048	\$51,929	\$56,445	\$75,260	\$94,075	\$112,890
Add'l	\$1,910	\$3,820	\$5,081	\$5,272	\$5,730	\$7,640	\$9,550	\$11,460

Monthly Poverty Guidelines

Family Size	50%	100%	133%	138%	150%	200%	250%	300%
1	\$454	\$908	\$1,207	\$1,252	\$1,361	\$1,815	\$2,269	\$2,723
2	\$613	\$1,226	\$1,630	\$1,692	\$1,839	\$2,452	\$3,065	\$3,678
3	\$772	\$1,544	\$2,054	\$2,131	\$2,316	\$3,088	\$3,860	\$4,633
4	\$931	\$1,863	\$2,477	\$2,570	\$2,794	\$3,725	\$4,656	\$5,588
5	\$1,090	\$2,181	\$2,901	\$3,010	\$3,271	\$4,362	\$5,452	\$6,543
6	\$1,250	\$2,499	\$3,324	\$3,449	\$3,749	\$4,998	\$6,248	\$7,498
7	\$1,409	\$2,818	\$3,747	\$3,888	\$4,226	\$5,635	\$7,044	\$8,453
8	\$1,568	\$3,136	\$4,171	\$4,327	\$4,704	\$6,272	\$7,840	\$9,408
Add'l	\$159	\$318	\$423	\$439	\$478	\$637	\$796	\$955

US DHHS, Federal Register, Vol 76, No. 13, January 20, 2011



Historical Medicaid Caseload & Trends

Average Monthly Recipient Months

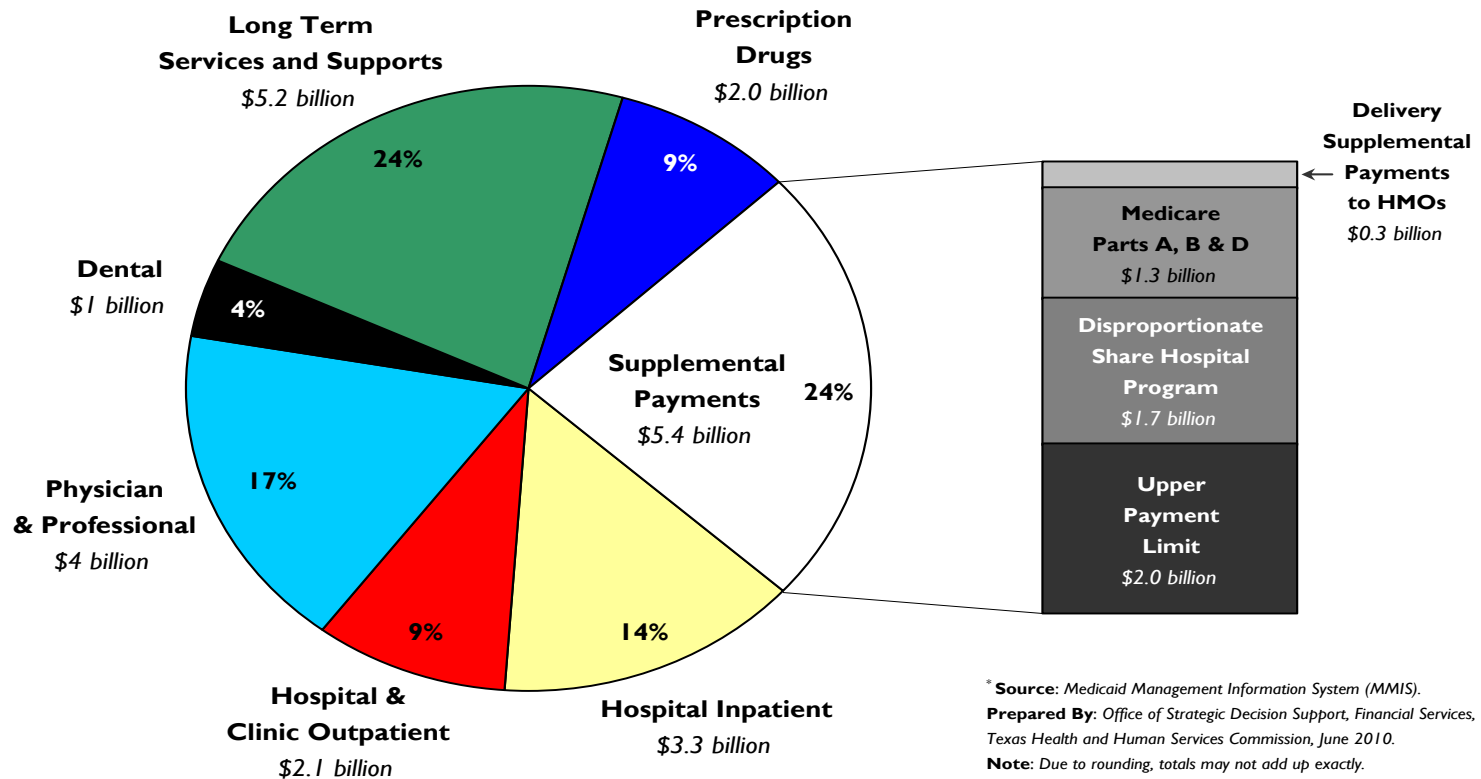
Fiscal Year	ADULTS & SSI RELATED			CHILDREN'S RISK GROUPS				TOTAL Medicaid		
	Aged & Medicare Related	Disabled & Blind	Pregnant Women and TANF Adults	Newborns	TANF Children (with Foster Care)	Ages 1 - 18 Poverty-Related Children	Total	Children Annual Caseload Trend	TOTAL Medicaid	Annual Caseload Trend [*]
FY 2004	320,548	246,459	246,018	136,024	341,624	1,392,554	1,870,202		2,683,227	7.8%
FY 2005	323,374	266,213	238,297	145,160	294,024	1,512,305	1,951,489	4.3%	2,779,373	3.6%
FY 2006	329,747	289,749	226,601	155,845	255,569	1,534,497	1,945,910	-0.3%	2,792,007	0.5%
FY 2007	335,458	307,482	215,802	164,357	235,489	1,573,626	1,973,472	1.4%	2,832,214	1.4%
FY 2008	338,573	326,439	207,761	168,459	233,921	1,602,049	2,004,429	1.6%	2,877,203	1.6%
FY 2009	343,106	346,972	208,562	181,487	237,995	1,686,258	2,105,740	5.1%	3,004,380	4.4%
FY 2010										
Sep-09	347,086	359,423	218,201	186,699	246,950	1,837,578	2,271,227	12.4%	3,195,937	10.0%
Oct-09	347,802	360,407	218,156	187,288	248,235	1,859,486	2,295,009	13.9%	3,221,374	11.1%
Nov-09	348,134	362,486	214,681	184,993	252,891	1,868,796	2,306,680	14.1%	3,231,981	11.3%
Dec-09	346,381	363,387	213,524	186,183	256,752	1,882,743	2,325,678	14.1%	3,248,970	11.2%
Jan-10	348,471	365,073	215,211	185,125	259,758	1,894,476	2,339,359	13.3%	3,268,114	10.6%
Feb-10	348,899	367,904	215,251	184,007	259,375	1,900,584	2,343,966	12.4%	3,276,020	9.9%
Mar-10	349,678	369,339	218,630	185,091	260,425	1,919,196	2,364,712	11.7%	3,302,359	9.5%
Apr-10	349,742	370,285	218,669	183,806	258,439	1,931,294	2,373,539	11.5%	3,312,235	9.3%
May-10	349,851	373,035	219,980	183,375	258,289	1,941,159	2,382,823	11.1%	3,325,689	9.0%
Jun-10	350,738	375,692	221,827	183,384	259,695	1,967,131	2,410,210	10.2%	3,358,467	8.3%
Jul-10	351,523	376,910	224,651	183,293	264,439	1,984,652	2,432,384	10.2%	3,385,468	8.4%
Aug-10	352,634	379,442	228,444	183,327	270,382	2,017,305	2,471,014	10.3%	3,431,533	8.5%
FY 2010 YTD Avg	349,245	368,615	218,935	184,714	257,969	1,917,033	2,359,717	12.1%	3,296,512	9.7%
Sep-10	353,393	380,969	229,015	187,606	278,251	2,030,466	2,496,323	9.9%	3,459,699	8.3%
Oct-10	354,287	382,219	229,276	190,989	283,470	2,039,466	2,513,925	9.5%	3,479,708	8.0%
Nov-10	355,195	384,682	228,424	193,371	288,398	2,050,339	2,532,108	9.8%	3,500,408	8.3%
Dec-10	353,763	385,449	229,343	197,215	297,497	2,064,114	2,558,827	10.0%	3,527,382	8.6%
Jan-11	356,514	389,002	233,100	204,796	304,915	2,077,650	2,587,360	10.6%	3,565,977	9.1%
Feb-11	356,918	393,418	232,226	211,919	308,778	2,089,426	2,610,124	11.4%	3,592,686	9.7%
FY 2011 YTD Avg	355,012	385,956	230,231	197,650	293,551	2,058,577	2,549,778	<i>na</i>	3,520,977	<i>na</i>

Annual Caseload Trend is based on that month's average (or the FY average), compared to the same period 12 month's prior.

All data prior to and including July 2010 will not change, August 2010 forward are estimated with completion ratios

Medicaid Expenditures by Services

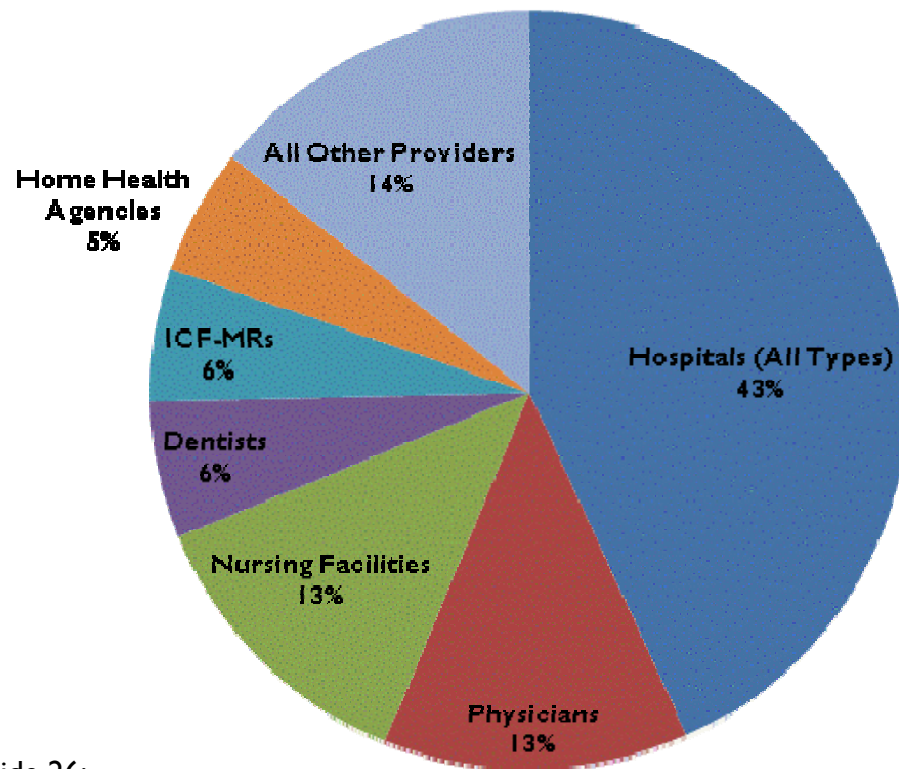
Texas Medicaid Expenditures, SFY 2009 *
By Service Type — Total \$22.9 billion



* Source: Medicaid Management Information System (MMIS).
Prepared By: Office of Strategic Decision Support, Financial Services,
Texas Health and Human Services Commission, June 2010.
Note: Due to rounding, totals may not add up exactly.

Medicaid Expenditures by Providers

Texas Medicaid Expenditures by Provider Type
Fiscal Year 2009 - Total \$16.9 billion



For more information see slide 26;
\$16.9 billion does not include DSH/UPL payments to hospitals;
Vendor Drug Payments, or Medicare Part A/Part B Hospital Premium
Payments;



Medicaid Expenditures by Provider

Expenditures by Type of Providers -- FY 2009

Provider Group	Expenditures	% of Total Expenditures	# of Providers
Hospitals (All Types)	\$ 7,324,893,872	43.2%	620
Physicians	\$ 2,217,228,553	13.1%	49,797
Nursing Facilities	\$ 2,133,926,620	12.6%	1,068
Dentists	\$ 995,165,572	5.9%	6,336
ICF-MRs	\$ 953,753,414	5.6%	527
Home Health Agencies	\$ 916,462,721	5.4%	1,571
Durable Medical Equipment (DME) Suppliers	\$ 466,306,107	2.7%	5,917
Ambulance	\$ 363,392,037	2.1%	1,105
Rehabilitation Centers	\$ 337,556,876	2.0%	423
Ambulatory Surgical Centers	\$ 311,374,466	1.8%	677
Labs	\$ 143,372,663	0.8%	627
Dialysis Centers	\$ 140,428,457	0.8%	416
Allied Health Providers	\$ 123,442,613	0.7%	3,201
Federally Qualified Health Centers (FQHCs)	\$ 110,545,052	0.7%	152
School Health & Related Services (SHARS)	\$ 99,558,373	0.6%	625
Comprehensive Care Program Providers	\$ 86,720,457	0.5%	2,666
Rural Health Centers	\$ 71,326,161	0.4%	297
Behaviorial Health Providers	\$ 67,517,978	0.4%	5,241
Nurses (APNs and CRNAs)	\$ 34,468,643	0.2%	7,274
Physical Therapy/Occupational Therapy	\$ 21,346,862	0.1%	1,215
Maternity Clinics / Birthing Centers	\$ 377,899	0.0%	26
TB Clinics	\$ 49,431	0.0%	19
Other Providers	\$ 54,450,961	0.3%	2,375

Includes FFS/PCCM claims and payments to providers by HMOs

Other Providers include: Genetics, Indian Health Services, ECI, County Indigent Health
Does not include DSH/UPL

Where Texas Spend Medicaid Dollars- Services

Top Diagnoses - Texas Medicaid - FY 2009

By Number of Visits			By Cost		
ICD-9-CM	Description	Rank	ICD-9-CM	Description	Rank
250	Diabetes mellitus	1	V30	Single liveborn	1
V40	Mental and behavioral problems	2	315	Specific delays in development	2
786	Symptoms involving respiratory system and other chest symptoms	3	296	Affective psychoses	3
401	Essential hypertension	4	585	Chronic renal failure	4
788	Symptoms involving urinary system	5	788	Symptoms involving urinary system	5
296	Affective psychoses	6	786	Symptoms involving respiratory system and other chest symptoms	6
315	Specific delays in development	7	518	Other diseases of lung	7
465	Acute upper respiratory infections of multiple or unspecified sites	8	343	Infantile cerebral palsy	8
V22	Normal pregnancy	9	250	Diabetes mellitus	9
585	Chronic renal failure	10	783	Symptoms concerning nutrition, metabolism, and development	10

TMHP, Claims and Encounters Universe, Analysis HHSC, Strategic Decision Support

TOP 10 Drug Groups by Cost - FY 2009

Rank	AHFS Code	AHFS Description	Description-Treatment Use/Example
1	281608	ANTIPSYCHOTIC AGENTS	Used to treat psychosis
2	281292	ANTICONVULSANTS, MISCELLANEOUS	Mood stabilizer, treats epilepsy
3	121208	BETA-ADRENERGIC AGONISTS	Used for heart failure, COPD, asthma
4	480800	ANTITUSSIVES	Cough suppressants
5	81206	CEPHALOSPORINS	Class of antibiotics
6	562836	PROTON-PUMP INHIBITORS	Reduces gastric acid production in stomach
7	680400	ADRENALS	Class of steroids
8	481024	LEUKOTRIENE MODIFIERS	Long-term asthma control medication
9	281604	ANTIDEPRESSANTS	Used to treat depression
10	282092	ANOREX.,RESPIR.,CEREBRAL STIMU	Nervous system stimulants, e.g. Ritalin

AFHS - American Hospital Formulary Service

FirstHealth, Vendor Drug Payment System, Analysis by HHSC SDS