FLORIDA CENTER FOR FISCAL AND ECONOMIC POLICY

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Overstated Burden: Why Florida's Claims Regarding Medicaid Expansion Are Vastly Inflated, Lacking in Merit

Background and Summary:

Florida is leading the legal challenge brought by 26 states against the Affordable Care Act (ACA),[1] with the case to be argued before the U.S. Supreme Court this month. The requirement that most individuals maintain health insurance coverage – the so-called "individual mandate" – is the central controversy. However, the court will also consider a claim that Florida in particular has vigorously pursued, namely that increasing the Medicaid income eligibility limit to 133 percent of the federal poverty level[2] imposes a crushing, unconstitutional burden on states.

The Medicaid program has operated as a voluntary federal-state partnership for almost 50 years, with Congress making numerous changes to program requirements during that time. Nevertheless, in response to the ACA's requirement that states raise their "low bar" with respect to eligibility, Florida alleges that Medicaid is no longer a partnership. Furthermore, because the federal government's share of the funding for the Medicaid program dwarfs the state's, Florida argues that it cannot afford to leave the Medicaid program and lose access to the billions of federal dollars it receives each year, making participation in fact involuntary.

Consequently, an evaluation of the state's underlying factual claims about Medicaid expansion seems just as important as the evaluation of its legal claims. In other words, just how onerous is the burden placed on Florida by the ACA's Medicaid expansion?

This brief examines the state's official estimates of its share of the cost of Medicaid expansion and the assumptions upon which they are based. In particular, we identify numerous flawed or unreasonable assumptions that the state incorporated into its calculations that served to vastly inflate those estimates. Further, in order to derive an improved set of estimates, we used the same methods as the state whenever appropriate, but substituted more reasonable but nevertheless conservative assumptions as necessary. Among the findings:

- Medicaid expansion under the ACA can be expected to increase enrollment in Florida Medicaid by about one-third (1.02 million) during its first decade. All of the newly enrolled will be very-low-income Floridians, and the overwhelming majority (**88 per cent**) will be uninsured. Most of the rest will have previously been saddled with unaffordable and/or inadequate coverage. These new enrollees will include non-elderly adults without children, who have never been Medicaid-eligible regardless of income, as well as working parents earning poverty-level or near-poverty-level wages.

- For each year of the first decade of Medicaid expansion, state estimates of Florida's share of the financial burden exceed estimates derived using appropriate assumptions by a factor of between **3** and **12**.

- For example, in 2017-18, the state estimated that Florida's share of Medicaid expansion-related costs will be $827.9 million. Under reasonable assumptions, however, Florida's actual share of the cost is expected to be only about a quarter of that amount ($222.2 million).

- Over the course of the decade (through 2022-23), the state estimates its total additional spending associated with Medicaid expansion at $7.56 billion, **3.5** times the appropriate estimate of $2.14 billion (i.e., an average of $214 million per year, of which less than $130 million is expected to be general revenue that the state is directly responsible for raising.)

Medicaid expansion under the ACA can be expected to increase enrollment in Florida Medicaid by about one-third (1.02 million) during its first decade. The overwhelming majority (88 percent) will be uninsured. Most of the rest will have previously been saddled with unaffordable and/or inadequate coverage.

- Most importantly, putting these estimates in context, Medicaid expansion can be expected to increase *total* state spending for Medicaid by only **1.8 percent** through 2022-23.

- At the same time, each dollar of Medicaid expansion-related state spending over the course of the 10-year period will leverage an additional $9.51 in federal funding, directly stimulating the economy and creating jobs. By 2022-23, Florida will have received an estimated $20.3 billion in additional federal Medicaid funds as a result of expansion.

In short, the extent to which state projections of the cost of Medicaid expansion under the Affordable Care Act have been hyper-inflated is troubling, and they appear to have been specifically crafted to support a political position rather than provide a backdrop for planning purposes. Under reasonable but conservative assumptions, not only will Medicaid expansion *not* impose a significant financial burden on the state, it will provide a net financial benefit, particularly because cost estimates do not factor in offsetting reductions in state spending for uncompensated care provided to the formerly uninsured.[3]

I. Estimating the State Share of the Cost of Medicaid Expansion

First and foremost, Medicaid expansion will raise the income eligibility limit for Medicaid coverage to 133 percent of the federal poverty level[4] to provide coverage for uninsured, very low-income individuals. However, the cost of expansion also includes, to a lesser extent, spending associated with increased enrollment among those who would qualify under current eligibility criteria as well as "crowd out" (the decision by individuals with private insurance coverage to drop that coverage and enroll in Medicaid).

The most important consideration in the estimation of the cost of Medicaid expansion is the fact that every Floridian who enrolls in Medicaid as of 2014 will fall into one of the following two groups:

1) Individuals who would already qualify for Medicaid under *current* eligibility criteria (referred to throughout this brief as the Already Eligible[5] Group); and
2) Individuals who only qualify for Medicaid under the *new* eligibility criteria, as a result of the expansion (referred to throughout the Expansion Group).

Each dollar of Medicaid expansion-related state spending over the course of the 10-year period will leverage an additional $9.51 in federal funding, directly stimulating the economy and creating jobs. By 2022-23, Florida will have received an estimated $20.3 billion in additional federal Medicaid funds as a result of expansion.

The key difference between these two groups is the percentage of the cost of their care paid by the federal government. Specifically, the federal match rate for the Expansion Group will be 100 percent from 2014 through 2016, 95 percent in 2017, 94 percent in 2018, 93 percent in 2019, and 90 percent in 2020 and beyond.[6] By contrast, the Already Eligible Group, though technically unaffected by the expansion, is central to the debate, because the applicable federal match rate is the lower current Medicaid match rate. In 2013-14[7], for example, that rate is projected to be 58.72 percent.[8]

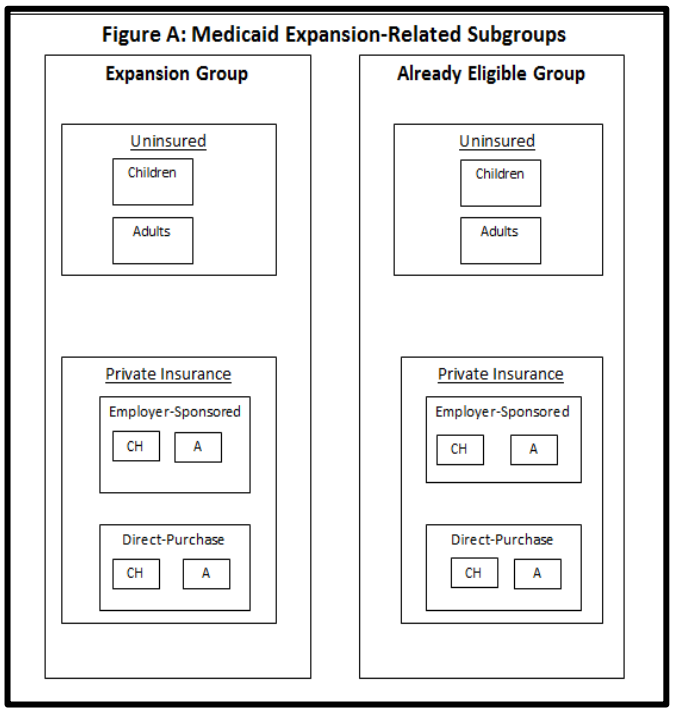
To obtain a more complete and precise picture of expansion costs, however, further breakdown is necessary. At a minimum, the answers to the following questions significantly impact the cost to the state for any individual enrolled as a result of Medicaid expansion:

1) Is (s)he in the Expansion Group or the Already Eligible Group?
2) Is (s)he uninsured or currently covered through some form of health insurance coverage (particularly private coverage)?
3) If (s)he has private health coverage, was it obtained through an employer or purchased directly?
4) Is (s)he an adult or a child?

Figure A below shows how those questions can be used to divide those Medicaid-eligible but not enrolled (as of 2014) into mutually exclusive subgroups. These subgroups differ significantly with respect to size, expected rate of participation (enrollment) in Medicaid, and average cost of care.

II. The Characteristics of Potentially Medicaid-Eligible Floridians Under Medicaid Expansion

Examination of the composition and characteristics of these subgroups using the same U.S. Census Bureau data[9] analyzed by the state reveals a number of facts that forecasters did not consider or ignored.



Note: To ensure uniform comparison between the two sets of estimates, eligibility considerations presented throughout most of this section refer to income eligibility for Medicaid only. Many income-eligible Floridians will not actually qualify for Medicaid (for example, undocumented immigrants, individuals who retain private health insurance coverage). Those issues are addressed at the end of this section and elsewhere in the brief.

1. The vast majority of Floridians who will be income-eligible for Medicaid in 2014 but not enrolled will fall into the Expansion Group.

A total of 2.39 million[10] Floridians not already enrolled in Medicaid will be income-eligible for Medicaid as of 2014. Of these, only about 0.54 million (23 percent) will fall into the Already Eligible Group, while 1.84 million (77 percent) will be newly eligible. In other words, the group of already income-eligible Floridians who are not enrolled will comprise a relatively small subset of the group of all potential new enrollees under Medicaid expansion.

By contrast, the state arbitrarily assumes that 20 percent of all income-eligible Floridians as of 2014 are already eligible under current standards.[11] While that assumption turns out to be somewhat reasonable from an income-eligibility standpoint, the state's subsequent assumption that 100 percent of these individuals will enroll results in significant inflation of the estimated number from the Already Eligible Group who will enroll under expansion.

2. The vast majority of Floridians in both the Expansion and Already Eligible Groups will be uninsured. Even so, among income-eligible Floridians who *do* have some form of private health coverage, far more of them will fall into the Expansion Group.

An estimated 1.59 million uninsured Floridians will become newly income-eligible for Medicaid in 2014. Nevertheless, among all income-eligible Floridians who currently have some form of private health insurance coverage (790,400), three-quarters (596,400) will be in the Expansion Group. By contrast, only 194,000 among the Already Eligible Group will have any such coverage. In other words, although most of the income-eligible who are not enrolled as of 2014 will be uninsured, most who are insured would draw down the higher federal match rate if they do enroll.

3. Among those who will be income-eligible for Medicaid but have some form of private health coverage, that coverage will usually be connected with their or a family member's employment. Among those with such employer-sponsored coverage, the majority will be children; by contrast, most individuals with directly purchased coverage will be adults.

More than three of four Floridians who are income-eligible for Medicaid but privately insured (604,600) will have employer-sponsored coverage. A majority of these (380,600) will be adults, and *virtually all of* them will be in the Expansion Group.[12] Nevertheless, a sizeable number (224,000) of those with employer-sponsored coverage will be children but, by contrast, most of them will be in the Already Eligible Group.[13]

The remainder (185,800) of those with private insurance will have directly purchased coverage. Less than a quarter (41,200) will fall into the Already Eligible Group, but 86 percent of those will be children. Of the other 144,600 with directly purchased coverage who will fall into the Expansion Group, almost all are adults.

The state used a very different and entirely arbitrary method for estimating the impact of crowd-out, simply decreeing that four out of five Floridians with directly purchased coverage will disenroll from that coverage and enroll in Medicaid. Such an assertion is devoid of any factual basis and ultimately serves as a significant additional source of error in the state's estimates.

The state's projected participation rates are based on several highly problematic assumptions that erroneously drive up enrollment and ultimately inflate its cost estimates further.

4. The variation in adults-to-children ratios among the subgroups has a significant bearing on the cost estimates.

For one, the Expansion Group consists primarily of adults. (Notably, childless, non-disabled adults under age 65 have never been Medicaid-eligible previously, at *any* income level.) Only about 56,600 (5 percent) of the newly income-eligible uninsured will be children, while an estimated 1,191,600 are adults. For another, of the smaller group of insured individuals in the Already Eligible Group, almost all are children**.** The state appears to ignore these issues in its estimation process.

5. Income is by no means the sole factor in eligibility determination for Medicaid.

The state appears to ignore the crucial reality that a significant number of Floridians will not be eligible for Medicaid, regardless of the fact that they *would* qualify if eligibility were based on income alone. In particular, undocumented immigrants are ineligible, as are documented immigrants who have resided in the U.S. for less than five years. For example, a minimum of 200,000 undocumented Floridians will have incomes below 133 percent of the poverty level but will nevertheless remain ineligible for Medicaid and unable to enroll. [14]

III. Estimating Participation Rates

Another component necessary for the estimation of the cost of Medicaid expansion is the level of participation in the Medicaid program for the various subgroups. Specifically, it is important to seek to determine how many of the eligible will actually enroll, the pace at which they will enroll, and whether these factors vary significantly among subgroups.

The state's projected participation rates are based on several highly problematic assumptions that erroneously drive up enrollment and ultimately inflate its cost estimates further. Most significantly, the state seems to assume that, without exception, *every* uninsured, non-elderly Floridian with household income under 133 percent of the federal poverty level will not only be eligible for Medicaid, but will also be enrolled within two years. In other words, the state assumes 100 percent participation, a phenomenon unprecedented in U.S. history and unrealistic to an extreme, for a variety of reasons which include the following:

1. As noted above, the state's estimation of participation rates seem to include Floridians who are clearly ineligible, particularly undocumented immigrants.

2. The state's overriding assumption that every Floridian who is eligible for Medicaid will enroll is grounded in the additional assumption that aversion to the penalty associated with the ACA's requirement to maintain health coverage will drive full participation in Medicaid. However, that assumption too is fatally flawed, particularly because the ACA includes several exemptions from the coverage requirement that are directly targeted to low-income people. Most importantly, individuals with incomes below the federal income tax-filing threshold are exempt from the penalty for non-coverage. Table 1 below shows the filing thresholds for 2010[15] and the associated percentage of the federal poverty level represented by that threshold, based on family size:

Table 1 – Income Tax Filing Thresholds as Percent of Federal Poverty Level

Federal Income Tax Filing Status	Family Size	Tax-Filing Threshold (2010)	Filing Threshold as percent of Poverty Level (2010)
Single	1	$9,350	86 percent
Head of Household - 2 children	4	$19,350	106 percent
Head of Household – 1 child	3	$15,700	108 percent
Married Filing Jointly - 2 children	4	$26,000	118 percent
Married Filing Jointly – 1 child	3	$22,350	122 percent
Married Filing Jointly – no children	2	$18,700	128 percent

Comparing these levels with Florida's current, restrictive Medicaid eligibility levels[16], it is clear that very few Floridians in the Already Eligible Group would be subject to any penalty whatsoever for failing to enroll in Medicaid. Furthermore, given the proximity of the various filing thresholds to the Medicaid eligibility limit, it is clear that the majority of newly Medicaid-eligible Floridians will be exempt from any penalty as well.

3. The state's assumptions regarding the rate of uptake in Medicaid are unrealistic as well, such as the claim that 65 percent of all income-eligible individuals will be enrolled by the end of 2015[17]. In addition to the aforementioned diminished threat of financial penalty, it should also be noted that the penalty – for the relatively few to whom it would apply – will be phased in over three years, with at

most one penalty imposed before the 100 percent participation rate is supposedly achieved.

In addition to the problems with the state's assumptions from a common-sense standpoint, the state's own experience with uptake rates for publicly sponsored coverage is inconsistent with these projections. Even the highly successful and longstanding Florida KidCare program reported a 77 percent participation rate for 2009.[18] Furthermore, these Medicaid uptake projections appear even more contrived given that no state-sponsored education or outreach is planned in light of the opposition to the ACA.

That said, detailed projection of Medicaid participation rates is a speculative exercise that is beyond the scope of this brief, which instead incorporates participation rates used by the Urban Institute for a related purpose.[19] In fact, that forecast presents two scenarios: lower participation and higher participation. The higher participation scenario was intended to apply to states that undertake significant outreach and engagement. Nevertheless, as a conservative assumption, this brief applies the rates associated with the *higher* participation scenario. We also assume that participation rates increase on a straight-line basis over a five-year period.

The state's and FCFEP's assumptions regarding Medicaid participation are summarized in Table 2 below:

Table 2 – Comparing Assumptions Re: Expansion Participation in Medicaid Among Eligible[20] Floridians

Group	Coverage Status	STATE ESTIMATE		FCFEP ESTIMATE	
		Participation Rate: 2014-15	Participation Rate: 2016-17 & Beyond	Participation Rate: 2014-15	Participation Rate: 2018-19 & Beyond
Expansion	Uninsured	65 percent	100 percent	22.5 percent	75 percent
Expansion	Insured (Direct-Purchase)	65 percent	100 percent	18 percent	60 percent
Expansion	Insured (Employer-Sponsored)	N/A	N/A	7.5 percent	25 percent
Already Eligible	Uninsured	65 percent	100 percent	12 percent	40 percent
Already Eligible	Insured (Direct-Purchase)	65 percent	100 percent	3 percent	10 percent
Already Eligible	Insured (Employer-Sponsored)	N/A	N/A	1.5 percent	5 percent

IV. Estimating Per-Recipient Cost

The final variable involved in estimation of the cost of Medicaid expansion is per-recipient spending. Without justification[21], the state provides a single estimate of average spending per recipient per month: $320[22], aggregated across all subgroups.

For purposes of this brief, spending amounts for both the Expansion and Already Eligible Groups and their respective subgroups are calculated separately, based on the projected characteristics of each subgroup and actual Medicaid per-recipient expenditures for the pertinent enrollment groups.[23] For instance, since a high percentage of the Already Eligible Group will be children, who in general are significantly less costly to cover, the average per-recipient cost for that Group will be significantly less than $320. The Expansion Group, by contrast, will be comprised mostly of adults, and indeed, a portion of them will have significant medical needs. These include disabled, working-age adults who receive Social Security Disability Income but not SSI.[24] Some of them are waiting out the 29-month period between disability determination and eligibility for Medicare. Others are already enrolled in Medicare, but are not fully dually eligible for Medicaid; rather, they qualify only for the Medically Needy component of Medicaid.[25] Even so, the $320 aggregate estimate seems indefensibly high, particularly when a portion of those costs can be backed out of the estimate of the increment cost of expansion, as many Medically Needy recipients receive care through Medicaid already, although on a short-term or sporadic basis.[26]

V. Comparing Estimates of Total Cost

Having fleshed out the various elements of the cost of Medicaid expansion, we can estimate the expansion-related costs for any subgroup described above in any given year as:

Cost to State $_{i,t}$ = (Number in Subgroup $_{i,t}$) x (Subgroup Participation Rate $_{i,t}$) x (Subgroup Average Per-Recipient Cost $_{i,t}$ x 12) x (1 – Applicable Federal Match Rate $_{i,t}$),

where *i* refers to the specific subgroup in question and *t* refers to the year.[27]

1. Comparison of One-Year Estimates

Tables 3-1 and 3-2 below compare the state's estimate of its Medicaid expansion-related cost burden[28] for a single year (2017-18) with the estimate derived for this brief. State fiscal year 2017-18 straddles the fourth and fifth years of Medicaid expansion. Significant uptake will have occurred by that period, and it is also the first full year for which the state must pay a matching contribution for the Expansion Group.

Table 3-1: STATE Estimate of Its Medicaid Expansion-Related Costs (2017-18)

Group	Number in Group Enrolled in Medicaid	Average Total Cost Per Recipient Per Month	State Match Rate	State Share of Expansion-Related Costs (in millions)	percent Added to State Share of TOTAL Medicaid Budget
Expansion Group	1,523,030	$320	5.5 percent	$322.0	4.5 percent
Already Eligible Group	322,790	$320	40.8 percent	$505.9	2.9 percent
Total	**1,845,820**	**$320**	**11.7percent**	**$827.9**	**7.4percent**

Table 3-2: FCFEP Estimate of State Medicaid Expansion-Related Costs (2017-18)					
Group	**Number in Group Enrolled in Medicaid**	**Average Total Cost Per Recipient Per Month**	**State Match Rate**	**State Share of Expansion-Related Costs (in millions)**	**percent Added to State Share of TOTAL Medicaid Budget**
Expansion Group	842,605	$248	5.5 percent	$84.2	0.8 percent
Already Eligible Group	110,085	$156	40.8 percent	$138.0	1.2 percent
Total	**952,691**	**$238**	**8.2 percent**	**$222.2**	**1.0 percent**

2. Comparison of 10-Year Estimates

Table 4 below compares the two sources' projections of enrollment and spending for the first decade under Medicaid expansion:

Table 4: 2013-14 through 2017-18	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**
State's Estimate of Expansion-Related Enrollment	369,160	1,199,780	1,753,525	1,845,816	1,845,816
FCFEP's Estimate of Expansion-Related Enrollment	105,860	317,560	529,270	740,980	952,690
State's Estimate of Expansion-Related Cost to State	$102.1	$329.7	$480.6	$652.3	$827.9
FCFEP's Estimate of Expansion-Related Cost to State	$9.4	$28.1	$46.8	$114.3	$222.2
Percent Added to State Medicaid Budget (per FCFEP)	0.1 percent	0.3 percent	0.4 percent	1.0 percent	2.0 percent
Cost Inflation Factor (State Cost ÷ FCFEP Cost)	10.9	11.7	10.3	5.7	3.7

Table 4 (*continued*) 2018-19 through 2022-23	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**10-Year Total**
State's Estimate of Expansion-Related Enrollment	1,845,816	1,845,816	1,845,816	1,845,816	1,845,816	
FCFEP's Estimate of Expansion-Related Enrollment	1,017,474	1,017,474	1,017,474	1,017,474	1,017,474	
State's Estimate of						

Expansion-Related Cost to State	$886.5	$1,003.6	$1,091.4	$1,091.4	$1,091.4	**$7,556.9**
FCFEP's Estimate of Expansion-Related Cost to State	$274.8	$330.5	$372.3	$372.3	$372.3	**$2,142.9**
Percent Added to State Medicaid Budget (per FCFEP)	2.4 percent	2.8 percent	2.9 percent	2.8 percent	2.7 percent	**1.8 percent**
Cost Inflation Factor (State Cost ÷ FCFEP Cost)	3.2	2.9	2.9	2.9	2.9	**3.5**

Over the course of the 10-year period, the state's estimate of its expansion-related costs is 3½ times higher than the estimate derived for this brief using more appropriate assumptions. Furthermore, the average cost to the state – $214 million per year – would increase the state's share of the Medicaid budget by only 1.8 percent. Further, less than $130 million of that annual investment would be state general revenue funds, the portion of Medicaid that the state is directly responsible for raising.

Branding such an increase as prohibitive or even burdensome seems disingenuous, particularly given that these estimates do not factor in reduced uncompensated care costs to the state.

This report was researched and written by Greg Mellowe. The report and its findings do not necessarily reflect the views of the FCFEP Board of Directors.

Endnotes

1 The Affordable Care Act is formally known as the Patient Protection and Affordable Care Act (P.L. 148-111).

2 The calculation of Medicaid eligibility under expansion includes a 5% income disregard, raising the *de facto* income limit to 138% of the federal poverty level (FPL). Selective income disregards currently used in Medicaid will be eliminated, however, with income eligibility based on modified adjusted gross income.

3 Moreover, these estimates do not include cost "savings" associated with potentially harmful actions, such as the statewide expansion of capitated (HMO-style) Medicaid managed care or the use of so-called "benchmark plans" for newly eligible recipients.

4 Medicaid expansion will also remove other barriers to coverage, such as the so-called "asset test."

5 The descriptor "Already Eligible Group" is an oversimplification for the sake of brevity.

6 The ACA sets federal match rates for the Expansion Group by calendar year.

7 Budget years referenced in this brief are state fiscal years, which run from July 1 through June 30. The imputed match rate for a particular state fiscal year is the average of the match rates corresponding to the calendar years that overlap it.

8 Florida Legislature, Office of Economic and Demographic Research (EDR), Social Services Estimating Conference (SSEC), Official FMAP Estimate.

[9] State estimates rely heavily on the U.S. Census Bureau, 2011 Current Population Survey (CPS), Annual Social and Economic Supplement (ASES), which uses 2010 as the reference year, for its one-year estimates.

[10] CPS-ASES data are in fact estimates based on a surveyed sample, and so each point estimate has an associated standard of errors. Both the state and FCFEP incorporate cross-tabulations of CPS-ASES data without consideration of the associated standard errors.

[11] All state ACA-related estimates and assumptions are taken from Agency for Health Care Administration (AHCA), Overview of Federal Affordable Care Act, October 2011 (as posted on the official EDR-SSEC home page).

[12] The preponderance of non-elderly adults who qualify for Medicaid under current standards are SSI recipients and low-income parents in deep poverty, very few of whom could be expected to have access to employer-sponsored coverage.

[13] On a related note, households with such limited incomes (in the Already Eligible Group) lack the resources needed to directly purchase coverage.

[14] Estimate derived using findings reported in Pew Research Center, A Portrait of Unauthorized Immigrants in the United States, April 2009.

[15] Internal Revenue Service, 2010 Tax Guide for Individuals, pp. 4-18.

[16] Current income eligibility limits for Florida Medicaid include, for example: disabled individuals - 74% FPL, unemployed parents – 20% FPL, and parents with work-related income – 55% FPL.

[17] AHCA), Overview of Federal Affordable Care Act, pp. 4-7.

[18] See Florida KidCare Coordinating Council, 2012 Annual Report and Recommendations, p.2

[19] Kaiser Commission on Medicaid and the Uninsured/Urban Institute, Medicaid Coverage and Spending in Health Reform: National and State-by-State Results for Adults at or Below 133% FPL, May 2010, p. 36.

[20] Noting that the state and FCFEP do not have appears to consider only income eligibility, while FCFEP includes other eligibility factors, particular immigration status.

[21] Repeated attempts to obtain detailed work papers from EDR were unsuccessful.

[22] Inferred from AHCA, Overview of Federal Affordable Care Act, pp. 14-15.

[23] See AHCA, Presentation to Florida House Health and Human Services Committee, *Florida Medicaid: An Overview*, January 2011, p. 19.

[24] SSI is federal means-tested financial assistance provided to disabled individuals without regard to work history. SSI recipients automatically qualify for Medicaid in Florida.

[25] Medically Needy is short-term coverage for patients only during months when they meet their "share of cost" (i.e., incur catastrophic medical expenses).

[26] See, e.g., AHCA, Florida Medically Needy Demonstration Program (submission to the U.S. Centers for Medicare and Medicaid Services, August 2011, p. 13

[27] In other words, a separate cost estimate should be derived for each subgroup and for each year under consideration. The total cost estimate then is an aggregation of the individual estimates across all subgroups and years.

[28] Estimates do not include the limited cost associated with transitioning CHIP-enrolled school-age children with incomes between 100% and 133% FPL to Medicaid. AHCA estimates the net cost to the state at $6 to $7 million per year.