STATE OF SOUTH DAKOTA

DEPARTMENT OF SOCIAL SERVICES

ACTUARIAL ANALYSIS OF MEDICAID EXPANSION

January 2022

This study estimates the five-year cost of Medicaid expansion benefits and administration if implemented in South Dakota beginning in state fiscal year 2024.

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INTRODUCTION

Leif Associates was engaged by the South Dakota Department of Social Services to perform an actuarial analysis related to the potential implementation of Medicaid expansion in the state beginning in fiscal year 2024. The study involved the following components.

- Identification of the total cost of expansion under two scenarios: (1) benefits are based on the state's Essential Health Benefits (EHB) benchmark plan; and (2) benefits are the same as current Medicaid benefits, including any services not required in the EHB benchmark plan.
- Comparison of cost differences between the EHB benchmark plan benefits and the state's current Medicaid benefits.
- An estimate of the cost of administering the expansion benefits assuming two different approaches: (1) administration is performed internally; and (2) administration is contracted externally.
- Analysis of the impact of pandemic healthcare delivery and utilization as well as maintenance of effort requirements on historical Medicaid costs and their relevance for a future expansion population.
- An estimate of take up rates, defined as the percentage of the eligible expansion population that would enroll in the Medicaid expansion program.
- A combined estimate of future claim and administrative costs of the program projected for five years beginning in fiscal year 2024.

This report summarizes the findings of this study an explains the methodologies and assumptions used to complete the projections.

EXECUTIVE SUMMARY

The following paragraphs summarize the findings of this analysis.

- It is expected that between just over 52,000 newly eligible individuals would enroll in a Medicaid expansion program in South Dakota if it were implemented in state fiscal year 2024.
- After implementation, enrollment is expected to grow annually at the rate of about 2%, reaching about 56,600 four years later in state fiscal year 2028.
- The state fiscal year 2024 expected annual cost of benefits and administration for Medicaid expansion is shown in the table below.

	Fiscal Year 2024 Projected Cost	
	Low Estimate	High Estimate
State Share	$48 million	$51 million
Federal Share	$408 million	$420 million
Total Cost	$456 million	$471 million

The expected annual cost of benefits and administration for Medicaid expansion four years later in state fiscal year 2028 is shown in the table below.

	Fiscal Year 2028 Projected Cost	
	Low Estimate	High Estimate
State Share	$61 million	$65 million
Federal Share	$520 million	$533 million
Total Cost	$581 million	$598 million

- The low estimates in the tables above assume the following:
  - The benefits offered under Medicaid expansion would be based on the state's Essential Health Benefits benchmark plan rather than current Medicaid benefits.
  - Administration would be performed internally rather than by an outside contractor.
  - 100% of newly eligible individuals would enroll.
- The high estimates in the tables above assume the following:
  - The benefits offered under Medicaid expansion would be based on the state's current Medicaid benefits rather than the Essential Health Benefits benchmark plan.
  - Administration would be performed by an outside contractor rather than internally.
  - 100% of newly eligible individuals would enroll.
- The cost projections include two components: the cost of health care services and the cost of administration. The federal share of the cost of health care services assumes a 90% federal match. Administrative costs assume a 50% federal match. The cost estimates do not consider various federal policy proposals or recent federal policy changes related to federal match.
- Basing the expansion benefits on the state's Essential Health Benefit benchmark plan is expected to result in about $11.5 million lower annual cost than basing the benefits on the current Medicaid benefit package.
- Using external administrative services rather than internal is expected to add about $4.5 million to the annual cost. Administrative cost estimates do not include any information technology or other infrastructure costs necessary to implement Medicaid expansion.
- The COVID-19 pandemic had the effect of reducing per member per year Medicaid benefit costs in state fiscal years 2020 and 2021. Maintenance of Effort requirements had the effect of

increasing enrollment in state fiscal year 2021. The projections assume that neither of these conditions will be present in the five fiscal years beginning in 2024.

MEDICAID EXPANSION BENEFIT DESIGN OPTIONS

The Affordable Care Act (ACA) gives states the option to expand state Medicaid programs to include individuals below 138% of the federal poverty level who do not fall into other Medicaid eligibility categories. The law requires states who choose to expand Medicaid to enroll the newly eligible individuals in benchmark coverage, based on the state's Essential Health Benefit (EHB) benchmark plan design. The newly eligible Medicaid beneficiaries are therefore entitled to the same benefits as those available to individuals and small employers enrolled in qualified health plans sold in the health insurance marketplace. As an alternative, states may provide the EHB benchmark plan design plus any additional benefits offered in the state's traditional Medicaid program.

Section 1302(b) of the ACA states the requirements for defining Essential Health Benefits benchmark plan. The EHB benchmark plan must include items and services within the following ten benefit categories:

1. Ambulatory patient services
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services, including behavioral health treatment
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management, and
10. Pediatric services, including oral and vision care

Section 1302(b) of the ACA further states that the scope of the EHB shall equal the scope of benefits provided under a typical employer plan, must not be designed in ways that discriminate based on age, disability, or expected length of life, and must consider the health care needs of diverse segments of the population. States were given the flexibility to select an existing health plan to set the benchmark for the items and services included in the EHB package but must include all ten statutory categories listed above.

The South Dakota Essential Health Benefit benchmark plan has been based on the following.

- For benefit plan years 2014 through 2016, the default option was the Wellmark Blue Select benefit plan, supplemented with the federal employee's dental and vision plans to satisfy the requirement for pediatric oral and vision care.

- For benefit plan years 2017 through 2020, the default option was the Wellmark Blue Select PPO Primary plan, supplemented by substance abuse disorder inpatient benefits at parity as required by MHPAEA, habilitative services at parity with rehabilitative services, preventive services as required by the ACA, and pediatric dental and vision benefits at the FEDVIP level.
- For benefit plan years beginning in 2021, the state selected a set of benefits and created a new benchmark plan.

The expansion population is expected to be primarily adults, since children at the expansion income levels are already covered under current Medicaid or CHP eligibility categories. We identified six benefit differences that we expect to impact the cost of the expansion benefit packages. The benefit differences are shown in the following table.

Item	Benefit	2021 SD Essential Health Benefit Benchmark Plan (with FEDVIP)	SD Medicaid Benefit
#1	Dental services (adults)	Not covered, except for accidental injury, in which case treatment must be completed within 12 months of the injury	South Dakota Medicaid covers the following dental services for adults: • Two exams per year • Two cleanings per year • Fillings • X-rays • Removal of teeth • Permanent crowns on front teeth • Stainless steel crowns • Root canals on front teeth • Partial dentures and full dentures (no more than once every 5 years) Adult dental coverage is limited to $1,000 each year (July 1 – June 30). Recipients must pay for services over the $1,000 yearly limit. Medically necessary emergency services, preventative services, dentures, and partials are exempt from the $1,000 limit.
#2	Transportation or lodging	Emergency transportation is covered. All other transportation and lodging are not covered.	• Non-emergency transportation is covered to or from medically necessary appointments when the services are covered by Medicaid and are provided by an enrolled Medicaid provider. • Covered transportation is from the patient's home or school to a medical provider, between medical providers, or from a medical provider to the patient's home or school. A home

Item	Benefit	2021 SD Essential Health Benefit Benchmark Plan (with FEDVIP)	SD Medicaid Benefit
			does not include a hospital, jail/prison, detention center, campus setting, nursing facility or an intermediate care facility for the intellectually or developmentally disabled. • Transportation is covered only to the closest facility or medical provider capable of providing the necessary services unless there is a written referral or a written authorization from a medical provider. • Lodging and meals are reimbursable when the provider is at least 150 miles from the recipient's city of residence and travel is to obtain specialty care or treatment that result in an overnight stay. Meals and lodging are limited to the recipient and, if medically necessary, one escort or volunteer driver.
#3	Vision services (adults)	Not covered	Optometric services are a covered service for both children and adults eligible for South Dakota Medicaid. There is no age restriction for eye examinations and/or refractions. Covered services are limited to the services and supplies listed on the department's vision fee schedule. • Eye exams • Initial and replacement contact lenses • New lenses and replacement lenses
#4	Hearing aids	Not covered.	Covers the following types of hearing aids; Monaural, Binaural and BaHa system, CROS (ages 0-20) and BiCROS (ages 0-99). All hearing aids are subject to the limits and payment provisions established in ARSD § 67:16:29.
#5	Orthotics	Not Covered**:** Orthotic foot devices such as arch supports or in-shoe supports, orthopedic shoes, elastic supports, or examinations to prescribe or fit such devices.	Orthotics are covered when they are required to support a weak or deformed body member or to restrict or eliminate motion in a diseased or injured part of the body.

Benefit Cost Estimates

The methodology used to arrive at an estimate of benefit costs for the potential expansion population included several steps, which are outlined below.

Step 1: Source Data. The Department of Social Services provided summary reports of claim and enrollment data for the state's current Medicaid population for the past four state fiscal years, 2018 through 2021. The reports included breakdowns of fourteen different eligibility categories and seventeen benefit categories for each year. A count of the number of individuals covered in each eligibility category was also provided.

Step 2: Selection of Relevant Baseline Population. The expansion population will include individuals below 138% of the federal poverty level who do not already fall into other Medicaid eligibility categories. It is expected that the newly eligible individuals will be primarily low-income young adult males. Young adult males typically have lower costs than the current adult Medicaid population, which is mostly female. However, the lower costs may be offset by the health status of previously uninsured young males who may enter the system with pent-up demand for care, which might result in high initial costs. For the baseline expansion cost analysis, we focused on the combined categories of Low-Income Adults and Low-Income Adult Pregnant Women.

Step 3: Benefit Costs by Year. For the selected baseline population, we then examined benefit costs in the prior four fiscal years. The table below shows the historical benefit costs on a per member per year (PMPY) basis. The selected baseline population is the combined categories of Low-Income Adults and Low-Income Adult Pregnant Women.

	PMPY			
Service Type	**SFY18**	**SFY19**	**SFY20**	**SFY21**
Physician	$1,292	$1,214	$1,192	$1,230
Adult Dental	$111	$169	$124	$103
Inpatient Hospital	$1,479	$1,485	$1,260	$1,394
Outpatient	$1,324	$1,369	$1,448	$1,261
Prescription Drugs	$997	$1,398	$1,691	$1,616
Adult Optometric	$22	$20	$19	$19
Non-Emergent Transport	$22	$22	$22	$19
Adult MH and SUD	$279	$278	$280	$251
Other Medical	$1,734	$1,265	$1,038	$1,050
Total	$7,260	$7,220	$7,074	$6,943
Eligibility Count	12,673	12,936	12,735	16,902

Step 4: Impact of COVID-19. The historical benefit costs in the table above show that total PMPY costs were somewhat lower in fiscal years 2020 and 2021 than in the prior two years. Assuming the COVID-19 pandemic began March 2020, it is likely that both of these fiscal years were impacted by changes in patient behavior and limitations in access to physician offices and health care

facilities, with a resulting decrease in health care spending. This downward cost trend can be seen throughout the table, with the most notable exception being prescription drugs, which showed cost increases. The future impact of COVID-19 on health care costs is not yet known, but for purposes of this study, we believe that health care costs in fiscal years 2020 and 2021 are not appropriate to be used as a baseline for projecting future costs of the potential Medicaid expansion population. Thus, we have used fiscal years 2018 and 2019 as the basis for benefit cost projections, with the exception of prescription drug costs where we used the higher costs of fiscal years 2020 and 2021 instead.

Step 5: Impact of Maintenance of Effort. The eligibility counts shown in the table above indicate an increase of over 30% from fiscal year 2020 to fiscal year 2021. This is primarily the result of Maintenance of Effort (MOE) requirements that were included in the Families First Coronavirus Response Act (FFCRA). Under that act, states must provide continuous eligibility through the end of the month in which the Public Health Emergency (PHE) ends. As of the preparation of this document, the PHE has been extended six times and currently is scheduled to end in January 2022. Because the projections in this report begin in fiscal year 2024, we have assumed that the PHE will be over and MOE requirements will no longer be in place. We have based our enrollment projections on an expectation that MOE requirements will not have an impact on the expansion population enrollment.

Step 6: Baseline, Trend Assumptions, and Projections. The baseline PMPY benefit costs, annual trend assumptions, and projected benefit costs were calculated using the following methodology.

- Baseline PMPY. For all service types other than prescription drugs, the baseline PMPY was based on the average PMPY costs in fiscal years 2018 and 2019. For prescription drugs, we used the average PMPY costs in fiscal years 2020 and 2021.
- Trend Assumptions. Observed trends over the historical period have been negligible and primarily slightly downward, which we believe was influenced by COVID-19. We do not believe the negative trends are a reasonable representation of what will happen in future years. We instead expect small positive trends with the exception of prescription drugs where the trends will likely be higher. We have assumed annual trends of 1.0% for most service categories, with the exception of Outpatient and Other Medical where we assumed a 4.0% annual trend which is in line with recent trends for those categories. For prescription drug, we assumed a 10% annual trend, which is somewhat less than has been experienced in recent years but is more in line with industry standards.
- Projections. The baseline PMPY amounts were projected forward to state fiscal year 2024, using five years of annual trend rate for all service categories other than prescription drug, which was projected forward for three years. Subsequent years were projected using the same annual trend rates.

The table below displays the baseline PMPY, the annual trends, and the five-year projection of benefit costs for each service type and in total. The last row in the table shows that the average annual trend over this period ranges from 3.8% to 4.3%.

Service Type	Baseline PMPY	Annual Trend	Projections SFY24	SFY25	SFY26	SFY27	SFY28
Physician	$1,253	1.0%	$1,317	$1,330	$1,343	$1,357	$1,370
Adult Dental	$140	1.0%	$147	$149	$150	$152	$153
Inpatient Hospital	$1,482	1.0%	$1,558	$1,573	$1,589	$1,605	$1,621
Outpatient	$1,347	4.0%	$1,639	$1,704	$1,773	$1,843	$1,917
Prescription Drugs	$1,654	10.0%	$2,201	$2,422	$2,664	$2,930	$3,223
Adult Optometric	$21	1.0%	$22	$22	$23	$23	$23
Non-Emergent Transport	$22	1.0%	$23	$23	$24	$24	$24
Adult MH and SUD	$279	1.0%	$293	$296	$299	$302	$305
Other Medical	$1,502	1.5%	$1,614	$1,638	$1,661	$1,688	$1,713
Total	$7,700		$8,814	$9,157	$9,526	$9,924	$10,349
Average Annual Trend			3.8%	3.9%	4.0%	4.2%	4.3%

Step 7: Adjust for Essential Health Benefits Benchmark Plan (EHB benchmark plan). The projected PMPY benefit costs are based on the current Medicaid benefit package. Our analysis showed that the Medicaid benefits include all elements of the EHB benchmark plan, so no adjustments need to be made in order to satisfy the requirements if the Medicaid benefits are used for the expansion population.

If the benefit package for the expansion population is based on the EHB benchmark plan, a few adjustments would need to be made to remove the cost of benefits covered by Medicaid but not by the EHB benchmark plan. The expected cost of these benefits was estimated based on historical data provided the Department and is summarized in the table below.

Service Type	Projections PMPY SFY24	SFY25	SFY26	SFY27	SFY28
Adult Dental Services	$147	$149	$150	$152	$153
Non-Emergency Transportation	$23	$23	$24	$24	$24
Adult Vision Services	$22	$22	$23	$23	$23
Hearing Aids	$8	$8	$8	$8	$8
Orthotics	$6	$6	$6	$6	$6
Total	$206	$208	$211	$213	$214

ADMINISTRATIVE COST ESTIMATES

Internal Administration

The Department of Social Services provided an estimate of the additional cost of internal administration, based on state fiscal year 2020 administrative costs. The estimated additional staffing plus operational expenses and external contracts assume 64 additional FTEs and was based on an estimated enrollment of approximately 50,000 expansion individuals. The estimated amounts are shown in the table below.

	Annual Expense	Expansion Enrolled	PMPY
Personnel, benefits, operations	$4,231,138	49,721	$85
Additional expansion expenses	$1,354,272	49,721	$27
Total administrative expense	$5,585,410		$112

We assumed an annual trend of 2% in administrative costs to develop projections for the five-year period beginning in state fiscal year 2024. Using these assumptions, the cost of internal administration is projected to be about 1.3% of total spending for the Medicaid expansion population.

	Baseline Cost PMPY	Annual Trend	SFY24	SFY25	SFY26	SFY27	SFY28
Personnel, benefits, operations	$85	2.0%	$92	$94	$96	$98	$100
Additional expansion expenses	$27	2.0%	$29	$30	$30	$31	$32
Total administration expense	$112		$121	$124	$126	$129	$132
Percent of total spending			1.4%	1.3%	1.3%	1.3%	1.3%

External Administration

To estimate the potential cost of external administration, with the help of the Department we reviewed current Medicaid administrative costs in four nearby states: Montana, Nebraska, and North Dakota. Other non-Medicaid and third-party administrative contracts were also considered. Although not all were comparable or complete, we found the most likely cost of external administration to range between $155 and $228 PMPY. For purposes of this analysis, and without knowledge of the extent of administrative services to be outsourced, we chose to use the mid-point of these figures as a baseline for state fiscal year 2021 and trended forward using a 2.0% trend. Using these assumptions, the cost of external administration is projected to be about 2.2% of total spending for the Medicaid expansion population.

	Baseline Cost PMPY	Annual Trend	SFY24	SFY25	SFY26	SFY27	SFY28
External administration cost	$191	2.0%	$203	$207	$211	$215	$219
Percent of total spending			2.3%	2.2%	2.2%	2.1%	2.1%

ENROLLMENT PROJECTIONS

The Department provided an estimate based on a 2015 survey of the uninsured of the number of persons who would be eligible for Medicaid expansion in 2024 of 52,300. We trended the numbers forward using a 2% annual trend to arrive at the projected number of expansion eligibles in state fiscal year 2025 and beyond.

Not all of those eligible for expanded Medicaid would enroll. We studied the Medicaid expansion enrollment in 30 states and found that, two years after implementation, take-up rates varied from 15% to 100%, averaging 83%.[1] For purposes of this study, we assumed a take-up rate of 100% of those newly eligible.

The table below shows the projection of Medicaid expansion enrollment.

	Annual Trend	SFY24	SFY25	SFY26	SFY27	SFY28
Projected Expansion Enrollment	2.0%	52,300	53,346	54,413	55,501	56,611

FIVE-YEAR PROJECTION SCENARIOS

We compiled the projections using four different scenarios as shown in the following tables. The tables are followed by notes which explain the derivation of the projections.

The cost projections include two components: the cost of health care services and the cost of administration. The federal share of the cost of health care services assumes a 90% federal match. Administrative costs assume a 50% federal match. The cost estimates do not consider various federal policy proposals or recent federal policy changes related to federal match.

The administrative costs do not include any information technology or other infrastructure costs necessary to implement Medicaid expansion.

[1] Kaiser Family Foundation analysis of Medicaid enrollment data collected from the Centers for Medicare and Medicaid Services (CMS) [Medicaid Budget and Expenditure System (MBES)] (https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/enrollment-mbes/index.html).

Scenario 1: Current Medicaid Benefits with Internal Administration

	SFY24	SFY25	SFY26	SFY27	SFY28	Notes
Medicaid Base Cost PMPY	$8,814	$9,157	$9,526	$9,924	$10,349	1
Administrative Cost PMPY	$121	$124	$126	$129	$132	7
Total Cost PMPY	$8,935	$9,281	$9,652	$10,053	$10,481	
Estimated Lives	52,300	53,346	54,413	55,501	56,611	9
Total Annual Cost	$467,300,500	$495,104,226	$525,194,276	$557,951,553	$593,339,891	
Federal Share	$418,039,130	$442,947,842	$469,932,433	$499,292,546	$531,016,841	10
State Share	$49,261,370	$52,156,384	$55,261,843	$58,659,007	$62,323,050	11

Scenario 2: Essential Health Benefit Benchmark Plan with Internal Administration

	SFY24	SFY25	SFY26	SFY27	SFY28	Notes
Medicaid Base Cost PMPY	$8,814	$9,157	$9,526	$9,924	$10,349	1
Adult Dental PMPY	($147)	($149)	($150)	($152)	($153)	2
Non-Emergency Transport PMPY	($23)	($23)	($24)	($24)	($24)	3
Adult Vision PMPY	($22)	($22)	($23)	($23)	($23)	4
Hearing Aids PMPY	($8)	($8)	($8)	($8)	($8)	5
Orthotics PMPY	($6)	($6)	($6)	($6)	($6)	6
Total Benefit Cost PMPY	$8,608	$8,949	$9,315	$9,711	$10,135	
Administrative Cost PMPY	$121	$124	$126	$129	$132	7
Total Cost PMPY	$8,729	$9,073	$9,442	$9,840	$10,267	
Estimated Lives	52,300	53,346	54,413	55,501	56,611	9
Total Annual Cost	$456,526,700	$484,008,258	$513,767,546	$546,129,840	$581,225,137	
Federal Share	$408,342,710	$432,961,471	$459,599,405	$488,653,004	$520,113,563	10
State Share	$48,183,990	$51,046,787	$54,168,141	$57,476,836	$61,111,574	11

Scenario 3: Medicaid Benefits with External Administration

	SFY24	SFY25	SFY26	SFY27	SFY28	Notes
Medicaid Base Cost PMPY	$8,814	$9,157	$9,526	$9,924	$10,349	1
Administrative Cost PMPY	$203	$207	$211	$215	$219	8
Total Cost PMPY	$9,017	$9,364	$9,737	$10,139	$10,568	
Estimated Lives	52,300	53,346	54,413	55,501	56,611	9
Total Annual Cost	$471,589,100	$499,531,944	$529,819,381	$562,724,639	$598,265,048	
Federal Share	$420,183,430	$445,161,701	$472,244,986	$501,679,089	$533,479,420	10
State Share	$51,405,670	$54,370,243	$57,574,395	$61,045,550	$64,785,628	11

Scenario 4: Essential Health Benefit Benchmark Plan with External Administration

	SFY24	SFY25	SFY26	SFY27	SFY28	Notes
Medicaid Base Cost PMPY	$8,814	$9,157	$9,526	$9,924	$10,349	1
Adult Dental PMPY	($147)	($149)	($150)	($152)	($153)	2
Non-Emergency Transport PMPY	($23)	($23)	($24)	($24)	($24)	3
Adult Vision PMPY	($22)	($22)	($23)	($23)	($23)	4
Hearing Aids PMPY	($8)	($8)	($8)	($8)	($8)	5
Orthotics PMPY	($6)	($6)	($6)	($6)	($6)	6
Total Benefit Cost	$8,608	$8,949	$9,315	$9,711	$10,135	
Administrative Cost	$203	$207	$211	$215	$219	8
Total Cost	$8,811	$9,156	$9,526	$9,926	$10,354	
Estimated Lives	52,300	53,346	54,413	55,501	56,611	9
Total Annual Cost	$460,815,300	$488,435,976	$518,338,238	$550,902,926	$586,150,294	
Federal Share	$410,487,010	$435,175,330	$461,911,957	$491,039,547	$522,576,141	10
State Share	$50,328,290	$53,260,646	$56,426,281	$59,863,379	$63,574,153	11

#	Notes
1.	The base cost was developed from a review of the past four state fiscal year PMPY costs for Medicaid low-income adults. State fiscal years 2018 and 2019 were averaged and used as the baseline. These years were assumed to be more reflective of future years because they were unaffected by COVID-19 and Maintenance of Effort. An exception is prescription drugs where state fiscal years 2020 and 2021 were used in order to reflect more typical trends in prescription drug costs.
2.	Medicaid covers adult dental while the Essential Health Benefit Benchmark Plan does not. To estimate the cost reduction, we used the historic Medicaid adult dental costs.
3.	Medicaid covers non-emergency transportation while the Essential Health Benefit Benchmark Plan does not. To estimate the cost reduction, we used the SFY 2021 Medicaid non-emergent transportation costs, which were provided by the Department.
4.	Medicaid covers adult vision while the Essential Health Benefit Benchmark Plan does not. We estimated the cost reduction from SFY 2021 costs provided by the Department.
5.	Medicaid covers hearing aids while the Essential Health Benefit Benchmark Plan does not. We estimated the cost reduction from SFY 2021 costs provided by the Department.
6.	Medicaid covers orthotics while the Essential Health Benefit Benchmark Plan does not. We estimated the cost reduction from SFY 2021 costs provided by the Department.
7.	Administrative costs were developed based on review of the Department's estimates of SFY 2020 admin costs and potential additional costs for the expansion program.
8.	A blend of Montana and Nebraska Medicaid expansion costs were used as a starting point, projected to future years.
9.	Estimate of expected total expansion enrollment provided by the Department for state fiscal year 2024, increased by 2.0% per year. Assumes take-up rate of 100%.
10.	Assumes federal share of 90% of Medicaid Base Cost (or Benefit Cost) and 50% of Administrative Cost.
11.	Assumes state share of 10% of Medicaid Base Cost (or Benefit Cost) and 50% of Administrative Cost.

About This Study

This project was performed by Leif Associates actuaries Elizabeth Leif and Nicholas Ramey. Both Elizabeth and Nicholas are members of the American Academy of Actuaries and meet the qualification standards of that organization to conduct the study that is documented in this report.

This study includes projections of future results that are based on numerous assumptions that we believe are reasonable but may ultimately be influenced by factors of which we are unaware. As such, they represent our best estimates at this time.

Leif Associates has no relationship with the State of South Dakota Department of Social Services, or any person or company associated with the State that would have impaired the objectivity of our work.