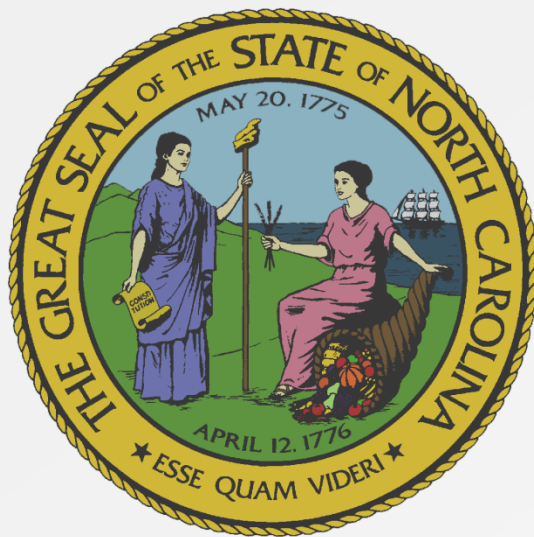




Office of State Budget and Management
Balancing Needs - Improving Government



Department of Health and Human Services Budget Update

Prepared by:

The Office of State Budget and Management

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DHHS Budget Update for State Fiscal Year 2013-14 Through November 30, 2013

1. Total DHHS Budget and Expenditures
2. Medicaid Budget and Expenditures



DHHS Budget

CERTIFIED ANNUAL BUDGET Department of Health and Human Services, SFY 2013-14

Division	Total Requirements	Receipts	General Fund Appropriation	% of GFA
Central Management and Support	\$ 143,382,031	\$ 69,595,902	\$ 73,786,129	1.5%
Aging and Adult Services	114,140,206	59,997,865	54,142,341	1.1%
Child Development and Early Education	669,932,356	415,617,747	254,314,609	5.1%
Public Health	828,517,538	684,363,451	144,154,087	2.9%
Social Services	1,651,064,551	1,476,456,119	174,608,432	3.5%
Medical Assistance	13,071,194,944	9,609,244,825	3,461,950,119	69.3%
Health Choice	283,700,664	215,751,504	67,949,160	1.4%
Services for the Blind/Deaf/Hard of Hearing	32,639,127	24,460,509	8,178,618	0.2%
Mental Health/Developmental Disabilities/Substance Abuse Services	1,382,183,524	682,647,922	699,535,602	14.0%
Health Services Regulation	65,245,051	48,848,994	16,396,057	0.3%
Vocational Rehabilitation	139,623,674	100,850,505	38,773,169	0.8%
TOTAL	\$ 18,381,623,666	\$ 13,387,835,343	\$ 4,993,788,323	100.0%

“Total Requirements” represents the total budget from all sources (state funds, federal receipts, gifts, grants, other revenues)



DHHS Expenditures

YEAR TO DATE Total DHHS Budget & Expenditures

State Fiscal Year 2013-14				
<u>Department Total</u>	Certified Budget	Year-to-Date Expenditures November 30, 2013	YTD Percent of Budget	Prior Year November Percent of Budget
Total Requirements	\$18,381,835,343	\$7,755,868,860	42%	38%
Receipts	\$13,387,835,343	\$5,862,241,514	44%	35%
Appropriation	\$4,993,788,323	\$1,893,627,346	38%	47%

Total spending is 42% through November. Five months represent 42% of the fiscal year.



DHHS Expenditures

DHHS Expenditures by Division

Through November, the following divisions are at or below 42% of budget expended, receipts collected, and state General Fund appropriations used through the first quarter of the FY. *Percent of total budget expended is shown.*

- **Central Administration (31%)**
- **Aging and Adult Services (37%)**
- **Child Development (37%)**
- **Public Health (36%)**
- **Social Services (41%)**
- **Blind, Deaf and Hard of Hearing (37%)**
- **Health Service Regulation (35%)**
- **Vocational Rehabilitation (39%)**
- **Health Choice (40%)**

The outliers are the following:

- **Mental Health (45%)**
- **Medicaid (43%)**



Mental Health Expenditures

YEAR TO DATE Mental Health Budget & Expenditures

	State Fiscal Year 2013-14			
	Certified Budget	Year-to-Date Expenditures November 30, 2013	YTD Percent of Budget	Prior Year November Percent of Budget
Total Requirements	\$ 1,382,183,524	\$ 619,880,702	45%	34%
Receipts	\$ 682,647,922	\$ 332,340,500	49%	28%
Appropriation	\$ 699,535,602	\$ 287,540,202	41%	40%

Through November: 45% of the total budget, 49% of receipts and 41% of state General Fund appropriations have been expended for Mental Health



Medicaid Expenditures

YEAR TO DATE Medicaid Budget & Expenditures

	State Fiscal Year 2013-14			
	Certified Budget	Year-to-Date Expenditures November 30, 2013	YTD Percent of Budget	Prior Year November Percent of Budget
Total Requirements	\$ 13,071,194,944	\$ 5,637,259,267	43%	37%
Receipts	\$ 9,609,244,825	\$ 4,313,460,410	45%	33%
Appropriation	\$ 3,461,950,119	\$ 1,323,798,857	38%	52%

Through November: 43% of the total budget, 45% of receipts and 38% of state General Fund appropriations have been expended.



Medicaid Expenditures

Medicaid Budget Considerations

State funding for Medicaid was increased in 2013-14

- \$434M to replace unearned receipts and fund changes in enrollment, utilization and mix of services
- Funding for provider cost settlements - \$18M; contracts - \$11M; and anticipated “woodworking” effect of Affordable Care Act - \$49.7M

State funding for Medicaid was decreased by \$147M

- Savings from financing changes (enhanced federal participation, provider assessments, and copayments)
- Savings from service changes

Net change in state funding approximately \$360M.



Other Considerations

NC TRACKS is impacting providers and their payments. Financial records do not reflect “pended claims” (variable amount, estimate of \$325M / one-third state share as of December 9)

Expenditure data by Category of Service indicates claims not charged to correct line items – impacts federal match rates and program integrity/third party payment recoveries

Affordable Care Act

- Anticipated “woodworking” of existing eligible populations becoming Medicaid enrolled has not impacted spending yet
- Changes in presumptive eligibility impact unknown (not factored into the budget, DHHS early estimate \$60M-\$70M)



Medicaid Budget

Looking ahead to the second half of SFY 2013-14

December concludes six months of Medicaid expenditures available for reporting in January

Expect data to be available from NC TRACKS to evaluate expenditures by category of service and other factors contributing to rates of spending, receipts, and General Fund consumption

Improved Medicaid budget structure by creating funds to identify budget and actual accounting for program integrity recoveries, drug rebates, and supplemental hospital payments



Conclusion and Thank You

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