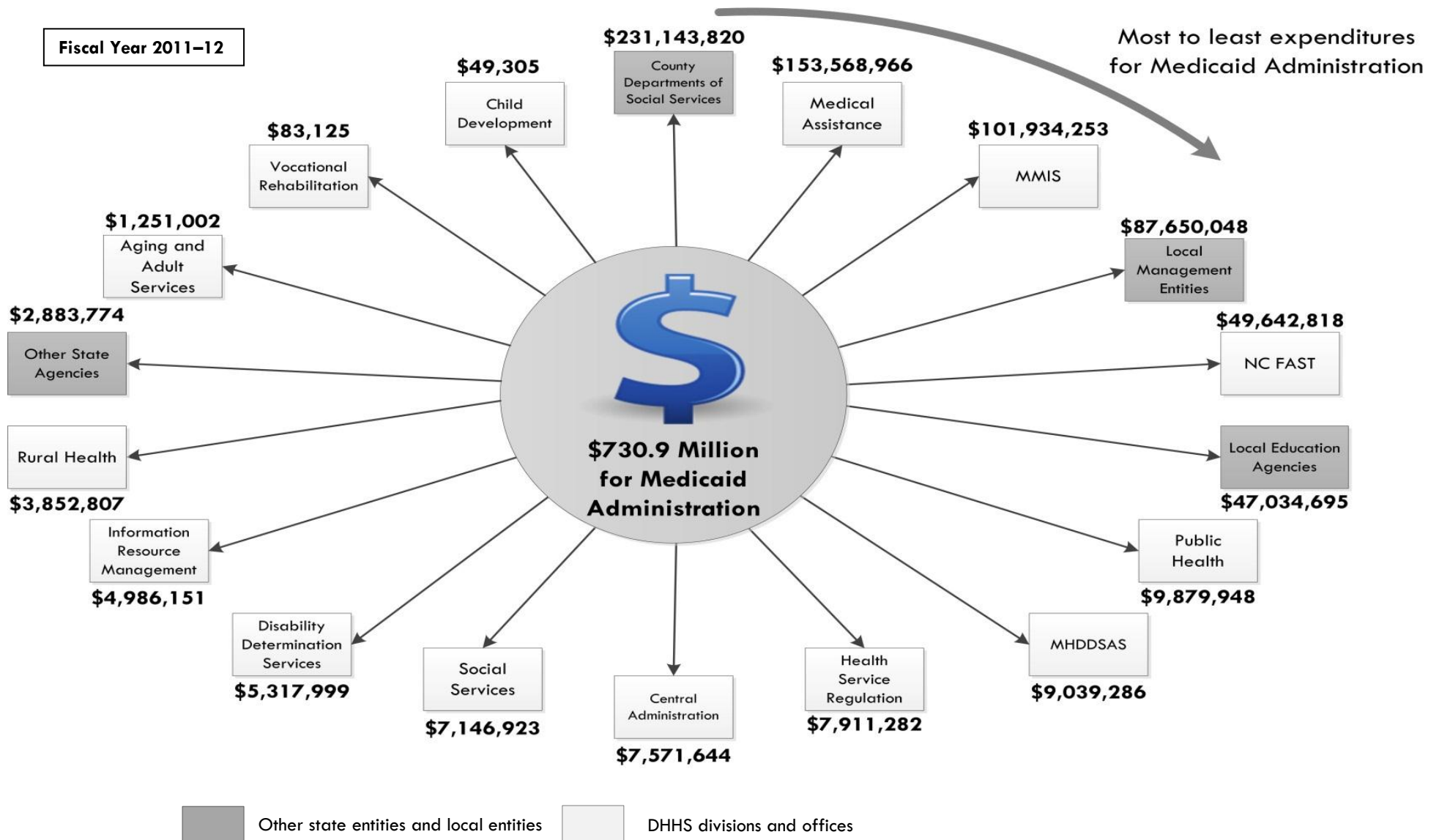


Exhibit 12: Expenditures for Medicaid Administration Is Spread throughout the Department of Health and Human Services and Includes Other State and Local Government Entities



Notes: Disability Determination Services is a part of the Division of Vocational Rehabilitation Services. MHDDSAS is the acronym for the Division of Mental Health, Developmental Disabilities and Substance Abuse Services. MMIS is the acronym for the Office of Medicaid Management Information Systems. NC FAST is the acronym for the North Carolina Families Accessing Services through Technology system. Other state agencies include the Department of Justice (\$346,383), Office of Administrative Hearings (\$2.5 million), and Department of Public Instruction (\$63,156).

Source: Program Evaluation Division based on financial information from the Department of Health and Human Services.

Exhibit 20

Comparison of the Options for Changing the Organizational Structure of the North Carolina Medicaid Program

Option Attributes	Department of Medicaid	Medicaid Program Authority	Department of Health Services
Operates as separate department	✓	✓	
Operates within a health services department			✓
Reports to the Governor	✓		✓
Reports to Medicaid Program Authority		✓	
Rule-making performed by department	✓		✓
Rule-making performed by Medicaid Authority Board		✓	

Source: Program Evaluation Division based on interviews with Medicaid directors in other states and review of documents from other states.

Exhibit 21

Implications of Changing the Organizational Structure of the North Carolina Medicaid Program

Implications for the North Carolina Medicaid Program	Department of Medicaid	Medicaid Program Authority	Department of Health Services
Focus on the Medicaid Program	✓	✓	
Focus on health services programs			✓
Increased accountability for the Medicaid Program	✓	✓	
Increased independence for the Medicaid Program	✓	✓	
Increased policy-making transparency for the Medicaid Program	✓	✓	
Achieves economies of scale for general administration			✓
Co-located with health care programs receiving medical assistance payments			✓
Leverages health care program purchasing power			✓

Source: Program Evaluation Division based on interviews with Medicaid directors in other states and review of documents from other states.