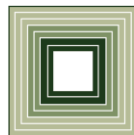


Joint Legislative Oversight Committee for Medicaid and NC Health Choice

Dashboards

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Fiscal Research Division**

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FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Discussion Guide

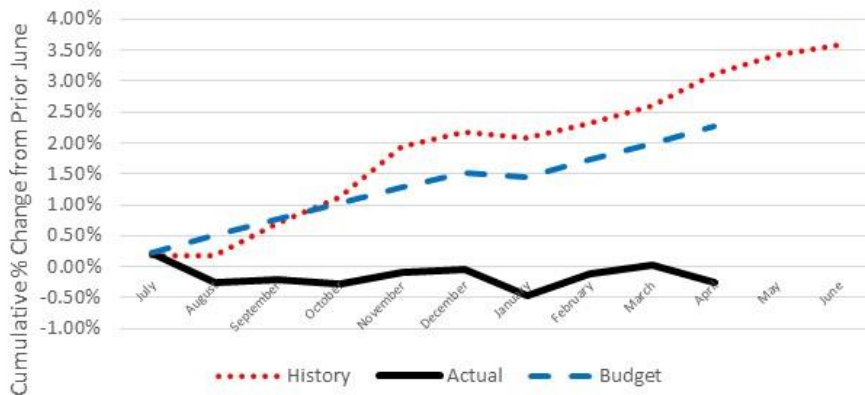
- Medicaid Enrollment
 - *Overall Enrollment trends*
 - *Follow up with selected Counties*
- Medicaid Spending and Variance Analysis
- Health Choice Enrollment
- Health Choice Spending

Medicaid Enrollment

- Non-Family Planning Enrollment in April 2018 was 1,806,615, which was 4,577 lower than June 2017
- SFY 2017-18 non-family planning enrollment has averaged 45,500 less people per month than budget
- Family Planning enrollment was 250,509 in April 2018, which is 66,005 higher than June 2017 and 4,286 higher than the budgeted average

Medicaid Enrollment

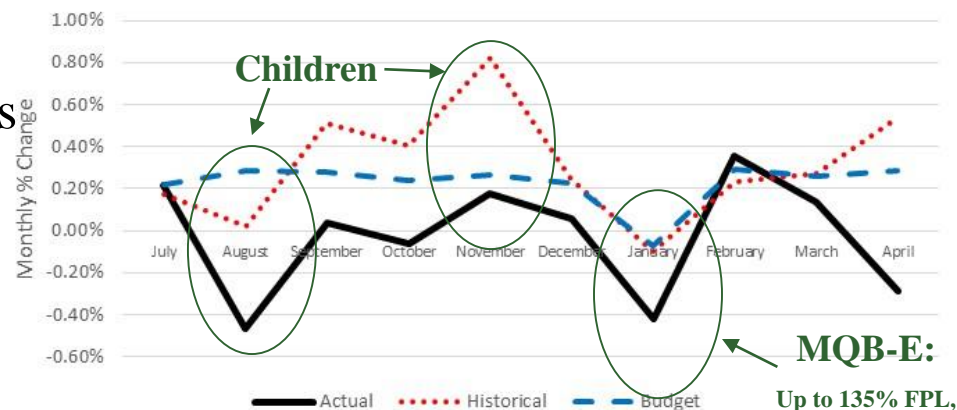
Medicaid Enrollment Seasonality Analysis



SFY 2017-18 monthly seasonality has reflected the same seasonal trends, though not to the same degree

Non-Family Planning trends in enrollment compared to budget and historical reflect that SFY 2017-18 has been stable

Non-Family Planning Enrollment Trends

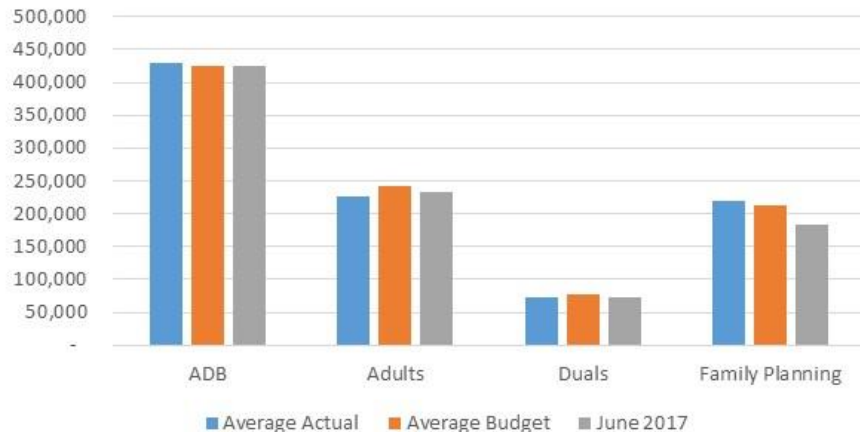


Medicaid Enrollment

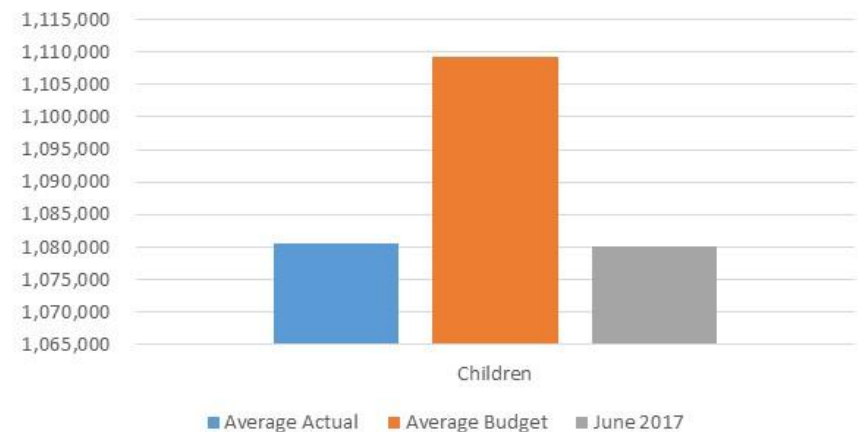
- ABD and Family Planning only program aid categories not flat to declining in enrollment or under budget

	ABD	Adults	Duals	Family Planning	Children
Average Actual	428,749	226,099	73,248	218,937	1,080,473
Average Budget	426,017	241,777	76,922	213,794	1,109,316
June 2017	425,227	232,622	73,329	184,504	1,080,014

Medicaid Average Enrollment Comparisons



Medicaid Child Average Enrollment Comparison



County Enrollment Notes

- Spoke with local departments of social services in four counties about enrollment trends (excluding Family Planning)
 - three with enrollment declining more than the State average
 - one with enrollment increasing more than State average
- General impressions
 - Move to NCFAST has had an operational impact on trends; concerns that the implementation might still be having an effect
 - County responses and explanations for trends vary and were not necessarily formed from empirical analyses

County Enrollment Explanations

- Declining enrollment county explanations
 - *Extensive outreach to community during economic downturn - an improved economy results in fewer enrollees.*
 - *Culture in the area is 'do-it-yourself;' aversion to pursuing or accepting government assistance.*
 - *Students and retirees with second homes hold down enrollment.*
- Increasing enrollment county explanations
 - *Unemployment is down, but people remain underemployed.*
 - *Some areas have a combination of high wealth and working poor populations.*
 - *There is an increase in foster children due to opioid crisis.*
 - *Family sizes are larger.*

County Enrollment Conclusions

- Every county is different
- Changes in unemployment are not necessarily a predictor of enrollment changes
- Continued conversations with county departments can provide interesting and valuable insights
 - *The insights help to explain the current trends*
 - *While they provide limited value in predicting future trends for the State as a whole they can help identify trends that should be considered when forecasting enrollment*

Medicaid Spending

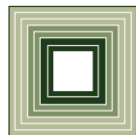
ANALYSIS OF MARCH YTD SPENDING

						<i>YTD Variance to Budget</i>		
	<i>ABD</i>	<i>Children</i>	<i>AFDC</i>	<i>Duals</i>	<i>Other</i>	<i>Expected</i>	<i>Actual</i>	<i>Difference</i>
Hospital Services	\$ 4,190,884	\$ (7,289,624)	\$ (26,574,160)	\$ (45,853)	\$ 4,965,622	\$ (24,753,131)	\$ (7,910,000)	\$ 16,843,131
Physicians	2,045,269	(6,709,004)	(18,574,342)	(29,773)	3,113,100	(20,154,750)	(23,180,000)	(3,025,250)
Drugs	5,233,442	(5,200,318)	(22,217,692)	(2,946)	968,482	(21,219,032)	(55,980,000)	(34,760,968)
Skilled Nursing	6,630,422	-	(20,107)	(10,873)	112,375	6,711,816	(1,050,000)	(7,761,816)
Capitation	10,815,037	(5,218,180)	(13,219,259)	(25,850)	652,056	(6,996,196)	(68,040,000)	(61,043,804)
Dental	381,883	(2,767,479)	(4,594,465)	(323)	(202,311)	(7,182,695)	(8,310,000)	(1,127,305)
PCS	2,220,781	(4,226)	(214,934)	(2,855)	6,331	2,005,096	(43,320,000)	(45,325,096)
Home Health	744,435	(98,268)	(260,963)	(12)	18,562	403,755	(18,790,000)	(19,193,755)
Lab and Xray	149,716	(200,422)	(3,331,823)	(177)	308,198	(3,074,508)	(10,580,000)	(7,505,492)
Hosp IP/OP Mental	91	-	13	-	5,729	5,832	15,190,000	15,184,168
DME	836,454	(415,980)	(1,048,244)	(7,247)	32,040	(602,976)	11,680,000	12,282,976
Pract/Nonphys	185,019	(1,081,093)	(684,512)	(509)	30,025	(1,551,070)	8,810,000	10,361,070
All Other	<u>2,614,201</u>	<u>(2,199,379)</u>	<u>(3,885,873)</u>	<u>6,885</u>	<u>460,093</u>	<u>(3,004,073)</u>	<u>(4,940,000)</u>	<u>(1,935,927)</u>
TOTAL	<u>\$ 36,047,634</u>	<u>\$ (31,183,973)</u>	<u>\$ (94,626,362)</u>	<u>\$ (119,533)</u>	<u>\$ 10,470,303</u>	<u>\$ (79,411,931)</u>	<u>\$ (206,420,000)</u>	<u>\$ (127,008,069)</u>

- Based on the variances in enrollment across the program aid categories through March 2018, it would be expected that total claims spending would be \$79.4 million under budget through March 31, 2018
- There is an estimated minimal increase in spending that resulted from the recipient use rates – approximately \$10 million
- The balance of the variance in spending is resulting from a variation in the frequency, duration, intensity and pricing in actual services and the budget

NC Health Choice

State will resume responsibility for a share of the
costs by SFY 2019-20



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NC Health Choice Program

- Provides medical coverage to children ages 6 through 18 in households with income between 133% and 211% of the Federal Poverty Level
 - *\$33,384 to \$52,968 annually for a family of four*
- Benefits are similar to Medicaid
- Beneficiaries have higher copays and households with income over 159% of poverty (*\$39,910 for a family of four*) pay enrollment fees
- The NCHC population is nearly 100,000 children
- SFY 2017-18 budgeted total requirements: \$195 million/appropriations \$-0- because of enhanced ACA FMAP

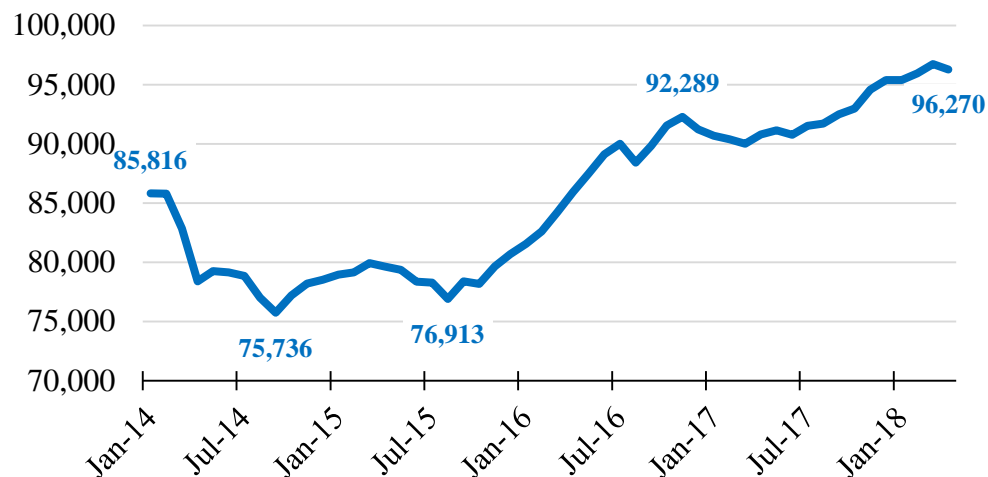
NC Health Choice Federal Match

- NC Health Choice falls under the federal Children's Health Insurance Program (CHIP)
- Unlike Medicaid, CHIP funding is an allotment not an entitlement
- Since October 2015 the federal government has provided an enhanced match for CHIP (+23 percentage points)
 - *With the enhancement, North Carolina's federal match is 100%, so no state funds are needed for the program*
- The enhanced match will phase down to 11.5 percentage points in October 2019 and is eliminated October 2020
 - This reduction in the federal enhancement will also impact over 100,000 children NC reports under Medicaid

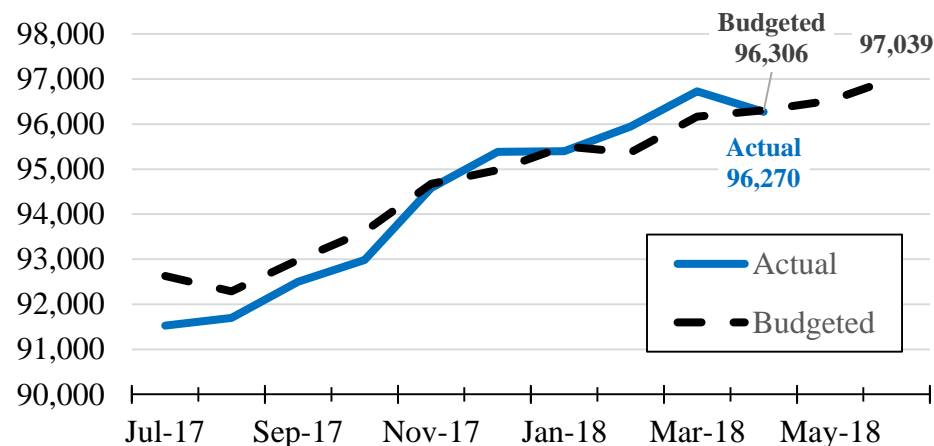
NC Health Choice Enrollment

NCHC enrollment has been increasing since SFY 2015-16, although growth has slowed in the last two fiscal years

For current year, monthly enrollment has been relatively consistent with budget



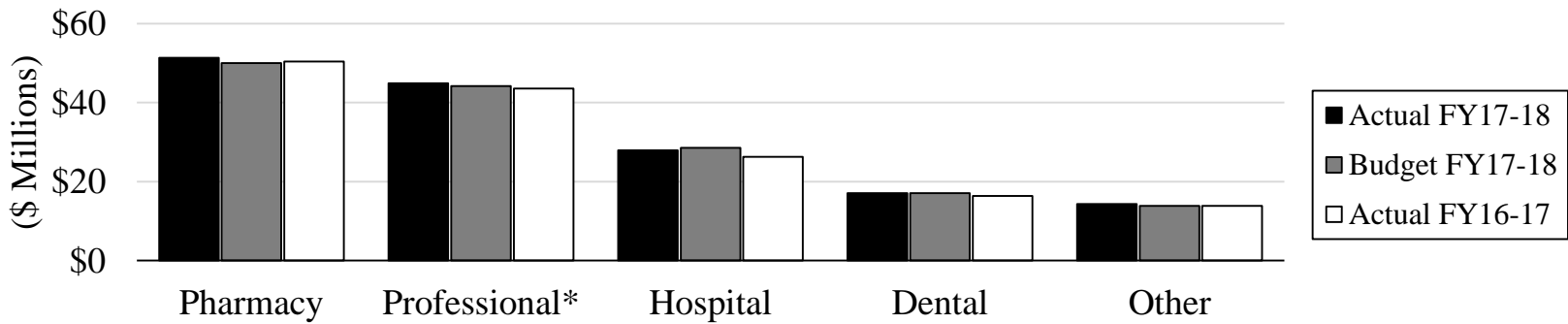
SFY 2017-18 Enrollment



Health Choice Spending

Year-to-Date Through April 3

SFY 2017-18 thru April 3 (\$ Millions)				
Category	Actual	Budget	\$ Difference	% Difference
Pharmacy	\$51.3	\$49.9	\$1.4	2.7%
Professional*	44.9	44.2	0.7	1.4%
Hospital	27.9	28.6	(0.7)	-2.4%
Dental	17.1	17.1	-	0%
Other	<u>14.3</u>	<u>13.9</u>	<u>0.4</u>	3.1%
Total	\$155.5	\$153.8	\$1.8	1.1%

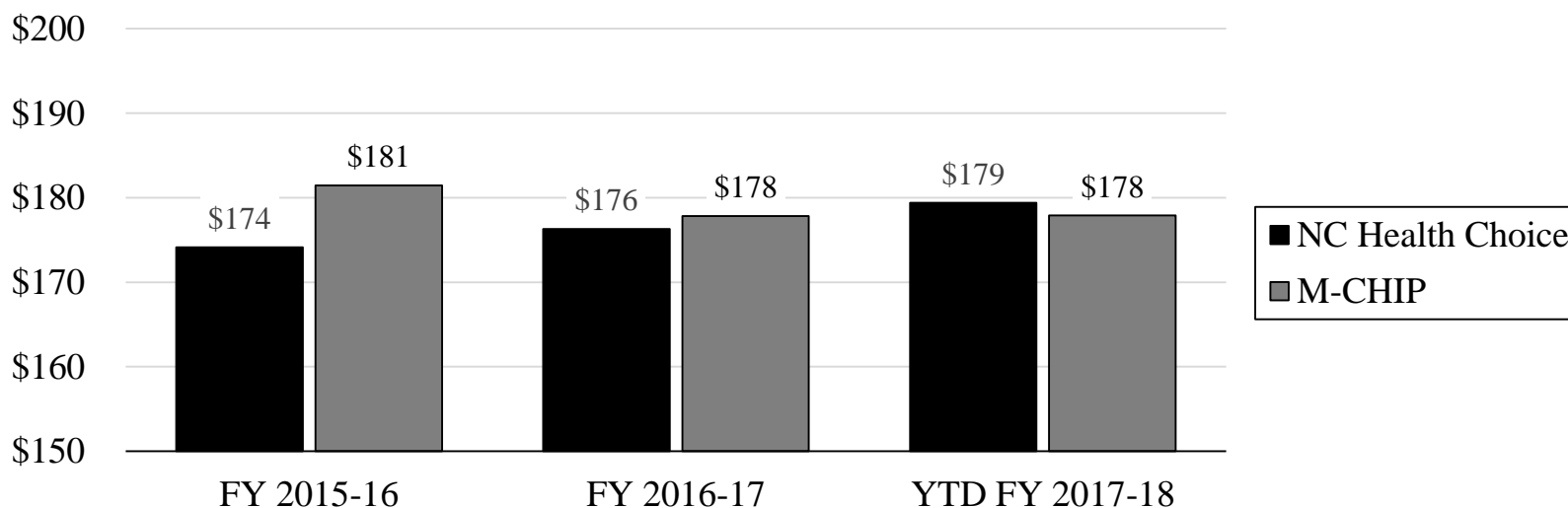


*Professional includes physician and non-physician practitioner reimbursements

Spending Compared to M-CHIP

- Children ages 6 through 18 living in households with incomes between 100% and 133% of poverty are eligible for full Medicaid coverage under Medicaid-CHIP
- Costs are similar in the two groups

Per Member Per Month Spending



QUESTIONS

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