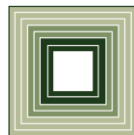


# **Joint Legislative Oversight Committee for Medicaid and NC Health Choice**

## **Medicaid Dashboards**

**Steve Owen,  
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**February 28, 2018**



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

# *Discussion Guide*

- **Enrollment**
- **Spending**
- **DMA Forecast**
- **Program Integrity**

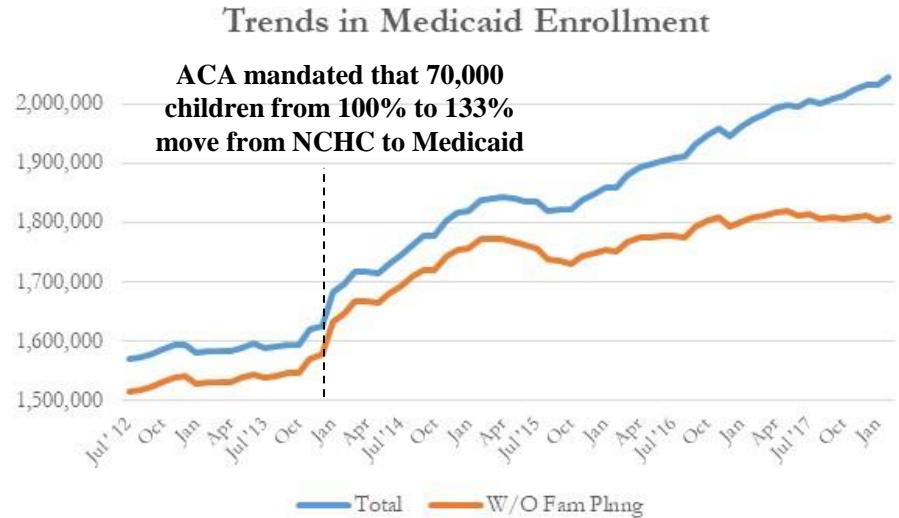
# Enrollment – YTD February 2018

- Family Planning growth skews the trends in overall Medicaid enrollment

- Drivers of Enrollment:

- Population
- Unemployment
- Birth Rates
- Uninsured/ACA Enrollment

- Since June 30, 2016 non-Family Planning enrollment changes have been:



	YTD 2/1/18	FY 2016-17
ABD	4,178 : 1.0%	7,238 : 1.7%
Duals	( 1,160) : ( 1.6%)	( 1,851) : (2.5%)
Children 0% -133% FPL	( 5,593) : ( .6%)	21,748 : 2.3%
Children 133% - 210% FPL	9,354 : 7.1%	5,795 : 4.6%
Non-Alien Adults	( 9,884) : ( 4.6%)	( 5,464) : (2.5%)
Aliens and Refugees	1,154 : 5.8%	6,035 : 44.0%

# *Non-Family Planning Enrollment Trends*

- Aliens and Refugees Growth— 20,910 at 2/1/18

<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>YTD '18</i>
7.4%	44.5%	17.1%	154.4%	22.2%	81.3%	5.9%	44.0%	5.8%

- Other non-ABD Adults

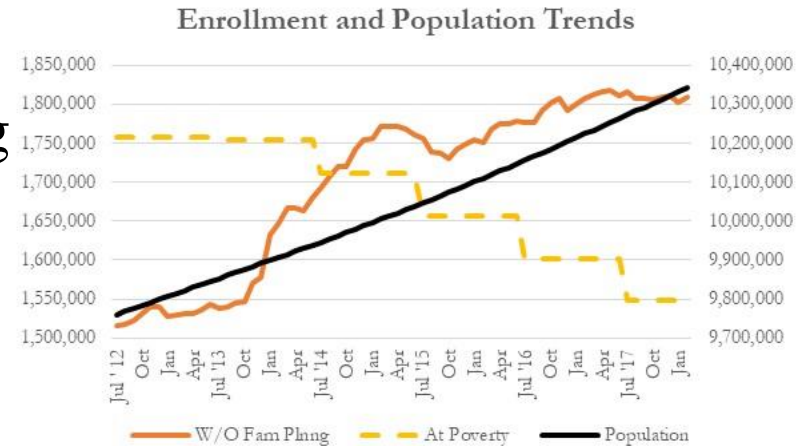
<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>YTD '18</i>
5.1%	4.1%	(1.9%)	(1.8%)	15.5%	18.3%	.4%	(2.5%)	(4.6%)

- Non MCHIP Children

<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>YTD '18</i>
7.0%	1.5%	9.1%	2.4%	4.3%	3.0%	(1.1%)	2.3%	(.6%)

# Enrollment Trends

- The chart on the right compares the trend in non-Family Planning Medicaid enrollment with the trends in NC population at the population at or below 100% of the federal poverty level



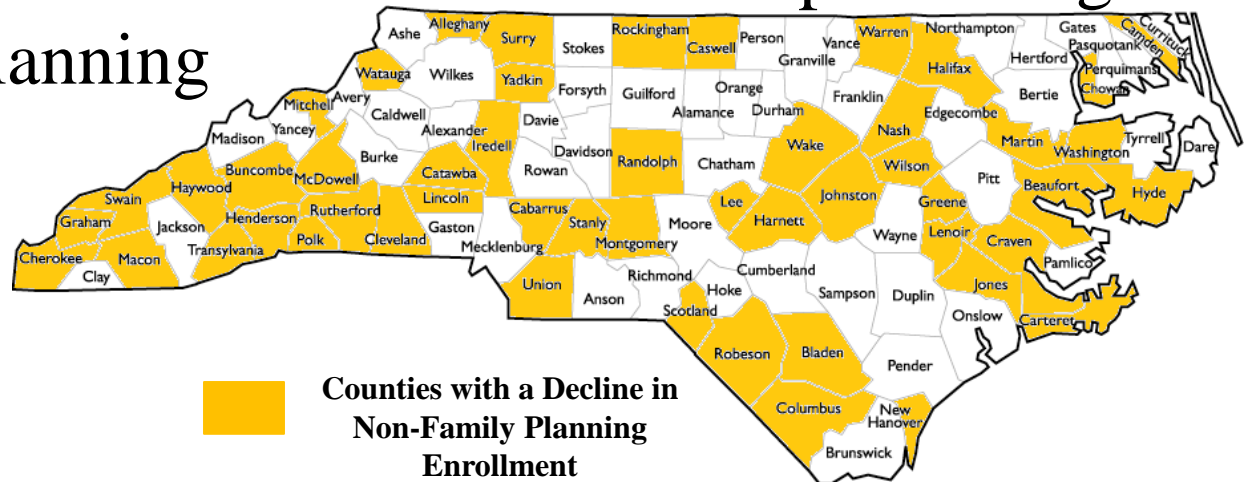
- Because the eligibility is not exclusively at or below 100% of FPL there is not an exact correlation for this driver
- Unemployment is another factor to examine as a driver

	2012	2013	2014	2015	2016	2017	2018
NC Unemployment	9.7%	8.7%	6.9%	5.9%	5.3%	4.9%	4.2%

Source: US Census website

# Enrollment Trends – Counties

- 29 Counties have experienced a decline in non-Family Planning enrollment since 6/30/16
- Another 33 Counties have experienced a decline in enrollment since 6/30/17
- Over 60% have the counties in NC are experiencing non-Family Planning enrollment declines in FY 2017-18



# *Enrollment Trends – Counties*

- Counties with non-Family Planning growth in FY 2017-18 have seen changes in the following categories:

	<i>Counties</i>	<i>Total</i>
– <i>ABD</i>	3,361	4,178
– <i>Children 0% - 133% FPL</i>	2,738	(5,593)
– <i>Children 133% - 210% FPL</i>	4,267	9,354
– <i>Non-Alien Adults</i>	( 2,884)	(9,884)
– <i>Aliens and Refugees</i>	582	1,154
– <i>Duals</i>	( 299)	(1,160)

# *Suggested Follow Up*

- Trends in Non-Alien Adults and average family size
- Trends in Alien & Refugee enrollment – small in numbers, large in percentage
- Trends in 0-133% children vs 133-210% children
- Identify Changes in Outlier Counties
  - *Change in practices*
  - *Change in policy*
  - *Change in capacity*
  - *Change in Systems or Use of Systems*
  - *Environmental/Demographic Changes*



# *Forecast Comparison*

- On January 24, 2018 DHHS reported that they expected a surplus in the current year of \$28.1 million in State Appropriations
- DHHS expects Requirements to be \$149.8 million over budget, but the \$177.9 million in higher expected receipts more than offsets the spending variance to result in the surplus the Department reported

# *Forecast YTD Comparison*

- For claims spending, DMA has reported a declining spending variance to budget over the past 2 months
  - *December* (\$187.5) Million
  - *January* (\$155.0) Million
  - *February 20, 2018* (\$136.4) Million
  - *Expected variance YTD February = (\$66) million based on enrollment and mix*
- FRD has not been able to obtain data from the Department to assess the assumptions in the 1/24/18 estimate or what has caused the spending variance under budget to decline over the last 3 months

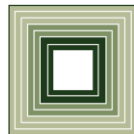
# *Suggested Follow Up*

- Higher than expected spending variance
- Areas with highest spending variance under budget:
  - *Capitation Payments*                      \$59.1 million
  - *PCS*    \$42.1 million
  - *Pharmacy*                                      \$36.1 million
  - *Home Health*                                \$15.4 million
  - *Physician/Clinic/Hlth Chk*              \$13.0 million

*How much related to lower enrollment, how much related to lower utilization?*

# Program Integrity

**Reporting of recoveries from third party payers when a recipient was covered by private health insurance during the time they were enrolled in Medicaid, estate recoveries; as well as, from providers where there is fraud, waste and abuse**



# Program Integrity Recoveries

	<i>TOTAL RECOVERIES</i>					
	<i>SFY 2012-13</i>	<i>SFY 2013-14</i>	<i>SFY 2014-15</i>	<i>SFY 2015-16</i>	<i>SFY 2016-17</i>	<i>YTD2018-Jan</i>
Hospitals	(65,593,151)	(39,836,464)	(44,685,721)	(43,505,391)	(45,502,676)	(32,564,853)
Prescribed Drugs	(39,429,019)	(13,759,631)	(29,112,916)	(34,841,466)	(31,918,131)	(15,279,321)
Physicians	(10,919,039)	(8,427,582)	(10,417,818)	(13,524,759)	(12,734,718)	(7,052,750)
PCS and Home Care	(2,692,551)	(1,081,588)	(1,168,118)	(1,930,519)	(2,315,596)	(2,240,965)
Mental Health Facilities	(381,452)	(426,618)	(476,758)	(615,336)	(1,345,882)	(153,175)
ICF-MR	(84,690)	(1,182,499)	(17,611)	(1,416)	-	-
Non-Physician Practitioners	(3,316,632)	(596,571)	(400,667)	(377,066)	(165,915)	(62,019)
Other Professionals	(962,318)	(1,055,773)	(851,379)	(1,792,361)	(1,803,548)	(1,397,132)
Diagnostic and Treatment	(17,597)	-	(48,011)	(2,443,850)	(679,125)	(158,016)
DME	(404,342)	(1,201,377)	(730,015)	(676,284)	(929,020)	(98,558)
Skilled Nursing Facilities	(1,041,985)	(250,736)	(118,980)	(137,325)	(102,925)	(7,382)
Ambulance	(176,129)	(126,711)	(41,299)	(4,258)	(9,916)	(19,827)
Clinics	(392,428)	(913,765)	(470,895)	(61,314)	2,080	(606)
Hospice	(49,029)	(198,844)	(424)	(18,759)	-	(124)
Other Services	<u>18,477</u>	<u>(182,914)</u>	<u>(251,321)</u>	<u>(144,392)</u>	<u>(107,994)</u>	<u>(444,303)</u>
<b>TOTAL RECOVERIES</b>	<u><u>(125,441,884)</u></u>	<u><u>(69,241,073)</u></u>	<u><u>(88,791,932)</u></u>	<u><u>(100,074,497)</u></u>	<u><u>(97,613,364)</u></u>	<u><u>(59,479,029)</u></u>

*Annualized, on track for a comparable year*

Source: NCAS BD701

# Program Integrity Recoveries

	<i>TOTAL RECOVERIES</i>					
	<i>SFY 2012-13</i>	<i>SFY 2013-14</i>	<i>SFY 2014-15</i>	<i>SFY 2015-16</i>	<i>SFY 2016-17</i>	<i>YTD2018-Jan</i>
TOTAL RECOVERIES	(125,441,884)	(69,241,073)	(88,791,932)	(100,074,497)	(97,613,364)	(59,479,029)
** January YTD Recoveries	(74,071,826)	(125,441,886)	(47,209,436)	(34,997,657)	(27,535,065)	(59,479,029)
TOTAL CLAIMS	10,648,418,547	10,762,525,171	11,684,674,590	11,786,239,232	12,049,741,694	6,188,165,672
<i>Percentage of Claims</i>	<i>-1.18%</i>	<i>-0.64%</i>	<i>-0.76%</i>	<i>-0.85%</i>	<i>-0.81%</i>	<i>-0.96%</i>
<i>% without Behav Hlth</i>	<i>-1.27%</i>	<i>-0.65%</i>	<i>-0.77%</i>	<i>-0.86%</i>	<i>-0.82%</i>	<i>-0.97%</i>

*\*\* According to DHHS the variance in the YTD recoveries in 2018 is primarily a timing issue rather than a result of a significant increase in recoveries.*

## Percent of Recoveries estimated by category:

	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>YTD 2018</i>
Third Party/Estate Recoveries	76%	65%	91%	73%	93%	82%
Fraud, Waste & Abuse	24%	35%	9%	27%	7%	18%

### NOTES:

- 1) Changes in recoveries for Mental Health Facilities and ICF-MR's is significantly impacted by the fact that beginning in 2012 behavioral health services were shifted from Fee For Service to Capitation paid to LME/MCOs. Therefore, claims for these services that were paid by Medicaid were nearly eliminated and the recoveries from claims for services paid prior to the transition.
- 2) Claims spending does not include cost settlements, supplemental hospital or physician payments and transfers between funds.
- 3) Recoveries include both recoveries for fraud/waste/abuse and third party recoveries.

# Program Integrity Recoveries

- Hospital and Drugs represent 78% of the total recoveries in the current year

- Current year recoveries as a % of claims has remained fairly consistent for

## TOTAL RECOVERIES AS % OF CLAIMS PAID

	SFY 2012-13	SFY 2013-14	SFY 2014-15	SFY 2015-16	SFY 2016-17	YTD 2018-Jan
Hospitals	-3.54%	-2.29%	-2.29%	-2.40%	-2.43%	-3.39%
Prescribed Drugs	-3.21%	-0.99%	-1.77%	-1.92%	-1.71%	-1.62%
Physicians	-0.93%	-0.74%	-0.80%	-1.12%	-1.04%	-1.16%
PCS and Home Care	-0.47%	-0.18%	-0.20%	-0.33%	-0.41%	-0.72%
Mental Health Facilities	-0.33%	-130.58%	-221.63%	-579.29%	-1027.66%	-504.14%
ICF-MR	-0.03%	-41.70%	-0.87%	-0.08%	0.00%	0.00%
Non-Physician Practitioners	-0.77%	-0.54%	-0.34%	-0.31%	-0.13%	-0.09%
Other Professionals	-0.26%	-0.30%	-0.22%	-0.46%	-0.46%	-0.69%
Diagnostic and Treatment	-0.02%	0.00%	-0.04%	-1.82%	-0.53%	-0.24%
DME	-0.26%	-0.70%	-0.38%	-0.32%	-0.44%	-0.09%
Skilled Nursing Facilities	-0.09%	-0.02%	-0.01%	-0.01%	-0.01%	0.00%
Ambulance	-0.36%	-0.30%	-0.09%	-0.01%	-0.04%	-0.14%
Clinics	-0.29%	-0.85%	-0.36%	-0.05%	0.00%	0.00%
Hospice	-0.07%	-0.31%	0.00%	-0.03%	0.00%	0.00%
Other Services	0.00%	0.00%	-0.01%	0.00%	0.00%	-0.02%
TOTAL RECOVERIES	-1.18%	-0.64%	-0.76%	-0.85%	-0.81%	-0.96%

nearly all service categories. “PCS/Home Care” and “Other Professionals” are areas with the most significant rise in recoveries as a percentage of claims paid.

# QUESTIONS

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