



JOINT LEGISLATIVE OVERSIGHT COMMITTEE
ON MEDICAID AND NC HEALTH CHOICE

Medicaid and NC Health Choice Financial Update

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NC Medicaid Financial Update

- 1. Current Year Actual Expenditures v. Budget**
- 2. Expenditures by Service Category and Enrollment Group**
- 3. Factors Affecting Current Year Expenditures**
- 4. Legislated Report on Medicaid Transformation & Four-Year Forecast (S.L. 2015-245, Section 13)**

NC Medicaid SFY 2019-20: Actuals vs. Budget

Through January 2019, appropriations expenditure for Medicaid & Health Choice was \$33 million or 1.4% less than budgeted (based on the continuation budget) for this point in the year.

\$ millions	SFY 2019-20 Budget YTD	SFY 2019-20 Actuals YTD	Difference	
			\$	%
Expenditures	\$8,244	\$8,587	\$343	4.2%
Federal Revenues	\$5,328	\$5,578	\$251	4.7%
Other Revenues	\$514	\$641	\$127	24.6%
State Appropriations	\$2,402	\$2,369	(\$33)	-1.4%

NC Medicaid expects to be “on budget” with no reversion to the State

NC Medicaid Expenditures by Service Category

Service Category (\$ in millions)	SFY 2018-19 YTD*	SFY 2019-20 YTD*	% Change
Capitation (LME/MCO, PACE)	\$1,681	\$1,754	4%
Pharmacy (Gross)	1,178	1,247	6%
Physician	761	877	15%
Skilled Nursing Facility	787	844	7%
Hospital - Inpatient	606	610	1%
Hospital – Outpatient**	353	370	5%
Personal Care Services**	287	286	0%
Dental	227	263	16%
Hospital - ER	219	236	8%
CAP - Disabled Adult	160	181	13%
CAP - Child	38	41	9%
Other	756	812	7%
Total	\$7,052	\$7,520	7%

* Based on claims paid through January

** Does not include ~\$1 b in supplemental payments

PMPM by Program Aid Category (PAC)

PAC	SFY 2015-16	SFY 2016-17	SFY 2017-18	SFY 2018-19	SFY 2018-19 Members	SFY 2018-19 Total/month (Millions \$)
Aged, Blind, and Disabled	\$1,352	\$1,349	\$1,401	\$1,450	421,348	\$611 m
Children	222	221	224	230	1,060,654	243 m
Parents	496	486	494	485	195,922	95 m
Health Choice	174	176	175	179	104,025	19 m
Pregant Women	739	738	728	752	20,416	15 m
Breast / Cervical Cancer	3,368	3,025	2,605	2,742	552	2 m
Family Planning Only	8	6	5	4	297,955	1 m
Partial Dual-Eligible	10	3	4	5	79,044	<1 m

Factors Affecting SFY 2019-20 Expenditures

Factors affecting expenditures:

- **Provider rate increases: Physician, Dental, Optical, Non-Emergency Medical Transport (NEMT)**
- **Local Management Entity/Managed Care Organization (LME/MCO; behavioral health care) rate increases**
- **Skilled Nursing Facilities (SNF) and Medicare (dual-eligible) rate increases; Program of All-inclusive Care for the Elderly (PACE) slot growth**
- **Decreased Federal Medical Assistance Percentage (FMAP) for Medicaid, and decreased Enhanced FMAP (EFMAP) for Health Choice**

Report: Transformation & Four-Year Forecast

a. A detailed four-year forecast of expected changes to enrollment growth and enrollment mix.

Medicaid Eligibility Group	SFY 2018-19 (Actual)	SFY 2019-20	SFY 2020-21	SFY 2021-22	SFY 2022-23
Aged, Blind, Disabled (ABD; includes individuals dually-eligible for Medicare)	395,107	384,018	379,044	374,349	369,738
Temporary Assistance for Needy Families (TANF) & Other Adults	210,771	199,051	198,736	201,453	205,643
TANF & Other Children (includes NC Health Choice)	1,115,282	1,108,567	1,125,684	1,139,362	1,153,183
TANF & Other Infant	74,395	74,637	74,637	74,637	74,637
Community Alternatives Program-Children (CAP-C)	2,111	2,111	2,111	2,111	2,111
Community Alternatives Program-Disabled Adults (CAP-DA)	3,169	3,169	3,169	3,169	3,169
Foster Care / Adoptive	26,162	27,226	28,622	30,019	31,415
Family Planning	270,487	308,056	344,368	380,679	416,991
Other	127,760	128,120	129,338	130,263	131,296
Medicaid Total	2,225,244	2,234,955	2,285,709	2,336,042	2,388,183

Report: Transformation & Four-Year Forecast

b. What program changes will be made by the Department in order to stay within the existing budget for the programs based on the next fiscal year's forecasted enrollment growth and enrollment mix.

- **Governor's Recommended Budget for SFY 2020-21 (still in development) will include a "rebased Medicaid budget" (Rebase)**
- **Rebase will account for next fiscal year's forecasted enrollment growth and enrollment mix**