



JOINT LEGISLATIVE OVERSIGHT COMMITTEE
ON MEDICAID AND NC HEALTH CHOICE

Medicaid and NC Health Choice Financial Update

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August 11, 2020

NC Medicaid Financial Update

- 1. State Fiscal Year (SFY) 2019-20 Expenditures**
- 2. Factors Affecting SFY 2019-20 Expenditures**
- 3. SFY 2020-21 Forecast**

NC Medicaid SFY 2019-20: Actuals vs. Budget

For SFY 2019-20, appropriations expenditure for Medicaid & Health Choice was \$116 million or 3% less than budgeted.

\$ millions	SFY 2019-20 Budget	SFY 2019-20 Actuals	Difference	
			\$	%
Expenditures	\$15,937	\$16,828	\$890	5.6%
Federal Revenue	\$10,391	\$11,201	\$809	7.8%
Other Revenue	\$1,625	\$1,822	\$197	12.1%
State Appropriations	\$3,921	\$3,805	(\$116)	-3.0%

Main Drivers of SFY 2019-20 Results

Growth

- **COVID-19 Rates & Policy**

Savings

- **Lower Claims Volume from Social Distancing**
- **Families First Act FMAP Bonus**
- **Accelerated Hospital Supplemental Payments**

NC Medicaid Expenditures by Service Category

Service Category	SFY 2018-19	SFY 2019-20	% Change
Capitation (LME/MCO, PACE)	\$2,895	\$3,124	8%
Pharmacy (Gross)	1,977	2,123	7%
Physician	1,291	1,436	11%
Skilled Nursing Facility	1,306	1,483	14%
Hospital - Inpatient	976	1,005	3%
Hospital - Outpatient	578	586	1%
Personal Care Services	471	496	5%
Dental	382	369	-3%
Hospital - ER	367	374	2%
CAP - Disabled Adult	271	309	14%
CAP - Child	62	69	11%
Other	1,261	1,340	6%
Total	\$11,837	\$12,714	7%

Through June 30th

SFY 2020-21 Expenditure Forecast

Major drivers of projected SFY 2020-21 increased expenditure include the following:

- COVID-19 Treatment, Testing, & Policy/Rates \$600m
- Families First Act Non-terminations \$400m
- Families First Act FMAP Bonus (\$500m)

* All figures are appropriations only