

FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

Department of Health and Human Services Overview

**Joint House and Senate Appropriations
Committees on Health and Human Services**

February 14, 2023

Department of Health and Human Services

Authorized Budget FY 2022-23

Division	(\$ Millions)			FTE
	Total Requirements	Receipts	Net Appropriation	
Central Management and Support (CMS)	\$1,257.9	\$1,060.5	\$197.3	989.00
Aging and Adult Services (DAAS)	170.7	118.1	52.6	77.00
Child and Family Well-Being (DCFWB)	71.3	71.3	0.0	*
Child Development and Early Education (DCDEE)	1,100.8	848.9	251.9	332.00
Health Benefits (DHB)/NC Medicaid	21,621.6	16,896.9	4,724.7	469.00
Health Service Regulation (DHSR)	80.5	57.3	23.2	578.50
Mental Health, Developmental Disabilities, & Substance Abuse Services (DMH/DD/SAS)	1,866.7	1,021.3	845.4	11,274.10
Public Health (DPH)	700.9	526.9	173.9	1,975.96
Services for the Blind, Deaf, and Hard of Hearing (DSB/DHH)	46.7	37.5	9.1	336.51
Social Services (DSS)	2,161.0	1,933.4	227.6	402.00
Vocational Rehabilitation Services (DVR)	188.4	145.9	42.6	989.25
Total	\$29,266.5	\$22,718.1	\$6,548.4	17,423.32

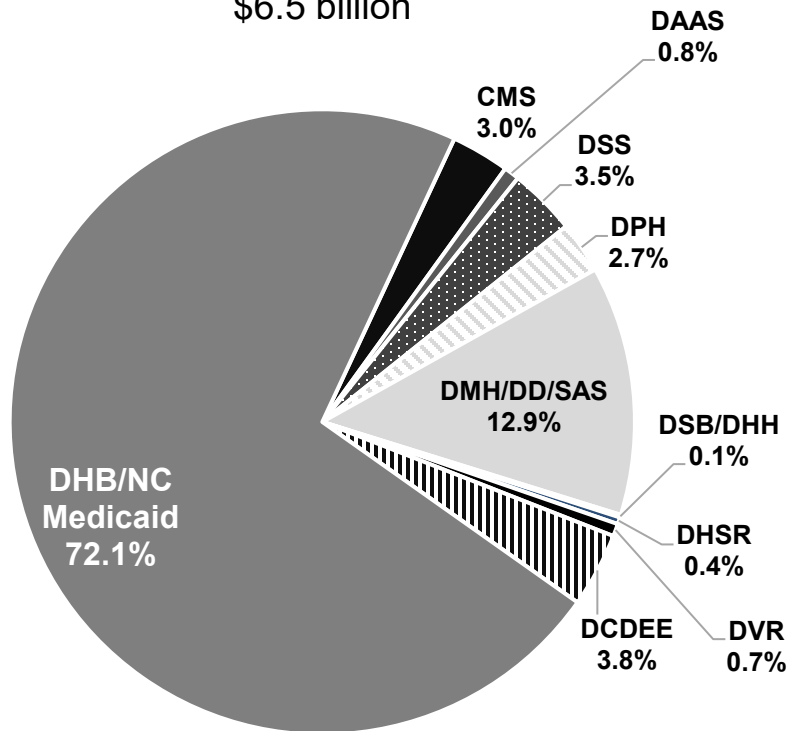
Source: December budget reports for budget data; Certified budget reports for FTE.



Department of Health and Human Services Allocation of the FY 2022-23 DHHS Budget

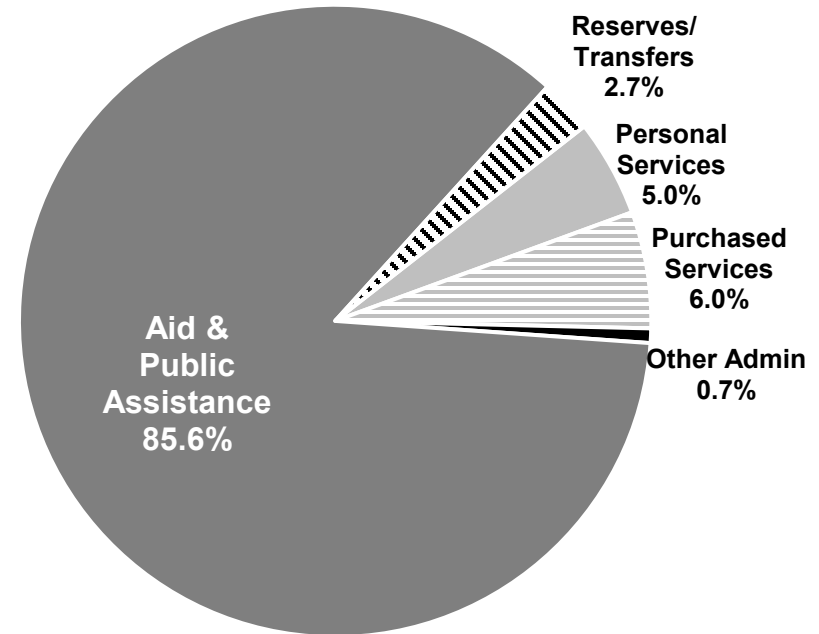
Net Appropriations

\$6.5 billion



Budgeted Expenditures

\$29.3 billion



- More than 85% of the net appropriations for DHHS support DHB (72%) and DMH/DD/SAS (13%)
- More than 85% of DHHS expenditures are budgeted for Aid and Public Assistance



Central Management and Support

Provides agency-wide administrative support to the DHHS divisions and offices:

- Office of the Secretary*
- Office of General Counsel
- Office of Government Affairs
- Office of Communications
- Budget & Analysis Division
- Office of the Controller
- Property & Construction Division
- Information Technology Division
- Office of NC FAST
- Office of NCTracks
- Office of Privacy & Security
- Office of Procurement, Contracts, & Grants
- Human Resources Division
- Office of Internal Audit

* Includes the Office of Rural Health and the Office of Minority Health



Division of Aging and Adult Services

Provides oversight of services for the elderly and for disabled adults:

- County Boards of Commissioners determine services, funding levels, and providers
- 16 regional Area Agencies on Aging that contract with community-based providers (e.g., transportation, meal delivery, etc.)

Programs:

- Home & community-based services
- Rental assistance for individuals with disabilities (Key Program)
- Long Term Care (LTC) Ombudsman Program
- State/County Special Assistance
- Adult protective services and guardianship
- Caregiver support



Child Development and Early Education

- Supports early childhood services:
 - Regulates and licenses all child care facilities, including child care centers and family child care homes
 - Administers Child Care Subsidy and NC Pre-K

Budget includes funding for Smart Start, which is a public/private partnership of local nonprofit agencies who coordinate early education services for families with children between the ages of 0-5



Division of Health Benefits

DHB was created as part of Medicaid Transformation (SL 2015-245) and operates the Medicaid program and the NC Health Choice program

- **NC Medicaid Program** (2,867,000 enrollees Jan 2023)
 - Entitlement program that pays for medical care for low-income families, children, pregnant women, elderly, and disabled
 - Eligibility determined by income, assets, age, and disability status
 - 1.8 million enrollees are in managed care prepaid health plans contracted with DHB to coordinate services for beneficiaries
 - Program costs are shared by the State and federal government
 - Traditional federal match rate is approximately 67% in NC
- **NC Health Choice** (47,000 enrollees Jan 2023)
 - On April 1, 2023, NC Health Choice enrollees will be moved into Medicaid



Division of Health Service Regulation

- Establishes and enforces the regulation of health facilities
- Major functions:
 - Medical facilities planning - Certificate of Need
 - Licensure, regulation, and inspection of health facilities
 - Radiation safety
 - Oversight of nurse aide personnel education and credentialing
 - Office of Emergency Medical Services



Mental Health, Developmental Disabilities, and Substance Abuse Services

Provides support and services for individuals with:

- Mental illness
- Intellectual and developmental disabilities (I/DD)
- Alcohol and substance use disorders

Oversees and monitors 6 regional LME/MCOs (local management entities/managed care organizations)

- LME/MCOs are responsible for management and delivery of community-based mental health services to residents (adults and children) in their catchment areas
- Core services: screening, assessment, emergency triage, prevention, education, and consultation



State Operated Healthcare Facilities

Oversees and manages 14 state operated healthcare facilities that treat adults and children with mental illness, developmental disabilities, substance use disorders and neuro-medical needs

- Psychiatric hospitals (3)
- Alcohol and drug treatment centers (3)*
- Neuro-medical treatment centers (3)
- Developmental disability centers (3)
- Residential schools (2)

*DHHS is planning to convert one of the centers to an inpatient psychiatric hospital for children and adolescents in partnership with UNC Health.



Division of Public Health

Oversees and administers programs related to essential public health services

- Local Health Department Support
 - Communicable Disease Control
 - Vaccinations
 - Epidemiology
 - Chronic Diseases & Injury Prevention
 - Environmental Health
 - Office of the Chief Medical Examiner (OCME)
 - Oral Health
 - Forensic Test for Alcohol
 - Vital Records
 - State Center for Health Statistics
 - State Public Health Laboratory
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- Some of the DPH programs moving to Division of Child and Family Well-Being*
- *Children's Health*
 - *Newborn Screening*
 - *Nutrition Services*



Division of Services for the Blind

- Assures that individuals who are blind or low-vision with needs that could result in out-of-home placement receive support to enable them to continue to live at home and/or in the community
- Services
 - Vocational Rehabilitation
 - Business Enterprise Program
 - Medical Eye Care
 - Independent Living Services
 - Pre-employment support for adolescents and young adults



Services for the Deaf & Hard of Hearing

- Works to ensure that all Deaf, Hard of Hearing, or Deaf-Blind North Carolinians have the means to communicate their needs and to receive information easily and effectively
- Primary services:
 - Captionist & Relay Operators
 - Domestic Violence Resources
 - Emergency Preparedness & Public Safety
 - Technical Assistance for Agencies and Businesses
 - Sign Language Interpreters
 - Assistive Technology



Division of Social Services

Provides the following services and benefits to children and families through the 100 county departments of social services:

- Work First Family Assistance
- Child Support Services
- Low Income Energy Assistance
- Child Welfare Services
- Refugee Services
- Food and Nutrition Services (program and budget moving to new Division of Child and Family Well-Being)



Vocational Rehabilitation Services

- Promote employment and independence for persons with physical, mental, or cognitive disabilities
- Programs include:
 - Career counseling
 - Independent living services
 - Transportation
 - Assistive technology
 - Education and career training
 - Job placement assistance
 - Other support services
 - Pre-employment support for adolescents and young adults



New Division:

Child and Family Well-Being

- Division launched in 2022 to coordinate existing programs within DHHS that address the health and well-being of children and families
 - Food and nutrition programs
 - Child behavioral health
 - School and community health programs
 - Early intervention
- The budget for the new division will be established this biennium, initially using funds currently budgeted in other divisions



Questions?



Appendix

Budget Data by DHHS Division



Central Management and Support Authorized Budget FY 2022-23

Requirements	
Personal Services (Salaries and Benefits)	\$120,304,803
Purchased Services	965,955,161
Supplies	1,222,803
Property, Plant, and Equipment	10,728,870
Other Expenses and Adjustments	2,449,601
Aid and Public Assistance	93,850,432
Reserves	40,728,478
Intragovernmental Transfers	22,617,361
Total Requirements	\$1,257,857,509
Receipts	1,060,523,816
Net Appropriation	\$197,333,693

Source: December 2022 budget reports



Aging and Adult Services

Authorized Budget FY 2022-23

Requirements	
Personal Services (Salaries and Benefits)	\$7,872,455
Purchased Services	5,157,746
Supplies	63,168
Property, Plant, and Equipment	1,744,582
Other Expenses and Adjustments	802,649
Aid and Public Assistance	155,003,192
Reserves	12,305
Intragovernmental Transfers	0
Total Requirements	\$170,656,097
Receipts	118,062,706
Net Appropriation	\$52,593,391

Source: December 2022 budget reports



Child Development and Early Education Authorized Budget FY 2022-23

Requirements	
Personal Services (Salaries and Benefits)	\$32,175,561
Purchased Services	12,985,896
Supplies	558,542
Property, Plant, and Equipment	111,385
Other Expenses and Adjustments	221,081
Aid and Public Assistance	1,035,783,843
Reserves	16,032,262
Intragovernmental Transfers	2,949,719
Total Requirements	\$1,100,818,289
Receipts	848,877,934
Net Appropriation	\$251,940,355

Source: December 2022 budget reports



Health Benefits

Authorized Budget FY 2022-23

Requirements	
Personal Services (Salaries and Benefits)	\$49,056,854
Purchased Services	500,431,710
Supplies	189,997
Property, Plant, and Equipment	1,136,881
Other Expenses and Adjustments	3,904,096
Aid and Public Assistance	20,694,946,446
Reserves	(281,213,616)
Intragovernmental Transfers	653,162,571
Total Requirements	\$21,621,614,939
Receipts	16,896,948,181
Net Appropriation	\$4,724,666,758

Source: December 2022 budget reports



Health Service Regulation

Authorized Budget FY 2022-23

Requirements	
Personal Services (Salaries and Benefits)	\$58,352,511
Purchased Services	6,517,446
Supplies	247,281
Property, Plant, and Equipment	1,024,971
Other Expenses and Adjustments	1,913,881
Aid and Public Assistance	8,610,440
Reserves	988,861
Intragovernmental Transfers	2,834,859
Total Requirements	\$80,490,250
Receipts	57,287,755
Net Appropriation	\$23,202,495

Source: December 2022 budget reports



DMH/DD/SAS and DSOHF Authorized Budget FY 2022-23

Requirements	
Personal Services (Salaries and Benefits)	\$861,888,868
Purchased Services	79,876,469
Supplies	65,563,994
Property, Plant, and Equipment	10,059,006
Other Expenses and Adjustments	9,938,479
Aid and Public Assistance	601,132,833
Reserves	20,907,236
Intragovernmental Transfers	217,373,851
Total Requirements	\$1,866,740,736
Receipts	1,021,308,267
Net Appropriation	\$845,432,469

Source: December 2022 budget reports



Public Health

Authorized Budget FY 2022-23

Requirements	
Personal Services (Salaries and Benefits)	\$120,140,893
Purchased Services	115,825,248
Supplies	69,319,086
Property, Plant, and Equipment	17,827,504
Other Expenses and Adjustments	7,264,836
Aid and Public Assistance	302,954,843
Reserves	1,310,790
Intragovernmental Transfers	66,214,149
Total Requirements	\$700,857,349
Receipts	526,923,997
Net Appropriation	\$173,933,352

Source: December 2022 budget reports



Services for Blind, Deaf, & Hard of Hearing Authorized Budget FY 2022-23

Requirements	
Personal Services (Salaries and Benefits)	\$27,562,013
Purchased Services	7,195,451
Supplies	341,945
Property, Plant, and Equipment	361,834
Other Expenses and Adjustments	405,529
Aid and Public Assistance	10,481,291
Reserves	324,616
Intragovernmental Transfers	0
Total Requirements	\$46,672,679
Receipts	37,539,806
Net Appropriation	\$9,132,873

Source: December 2022 budget reports



Social Services

Authorized Budget FY 2022-23

Requirements	
Personal Services (Salaries and Benefits)	\$31,116,176
Purchased Services	40,673,649
Supplies	579,237
Property, Plant, and Equipment	600,203
Other Expenses and Adjustments	3,557,120
Aid and Public Assistance	2,054,135,174
Reserves	1,903,582
Intragovernmental Transfers	28,346,159
Total Requirements	\$2,160,911,300
Receipts	1,933,392,094
Net Appropriation	\$227,519,206

Source: December 2022 budget reports



Vocational Rehabilitation

Authorized Budget FY 2022-23

Requirements	
Personal Services (Salaries and Benefits)	\$75,215,119
Purchased Services	10,215,723
Supplies	607,031
Property, Plant, and Equipment	1,803,258
Other Expenses and Adjustments	2,052,435
Aid and Public Assistance	96,993,828
Reserves	1,557,489
Intragovernmental Transfers	0
Total Requirements	\$188,444,883
Receipts	145,855,866
Net Appropriation	\$42,589,017

Source: December 2022 budget reports

