

JOINT APPROPRIATIONS COMMITTEE ON HEALTH AND HUMAN SERVICES

NC Department of Health and Human Services

Medicaid Overview

Jay Ludlam
Deputy Secretary, Medicaid

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Medicaid Improves Health and Strengthens NC

- **Stretches limited state dollars to improve the health of more than 3 million North Carolinians and supports financial stability of rural providers**
- **Significant economic driver for communities and State**
 - **Largest payer of mental health services, substance use disorder treatment, long-term care services, and births**
 - **Plays a critical role in the sustainability of hospitals, community health centers, physicians, and nursing homes**
- **With support of NCGA, Medicaid innovation reduces demand for more costly interventions, lowers the cost of health care**
- **Supports child welfare system with the Children and Families Specialty Plan**

NC Medicaid Snapshot

February 2025
total enrollment:
3,082,795

which includes

February 2025 Medicaid
expansion enrollment:
628,681

Gender		
FEMALE	56.0%	1,726,095
MALE	44.0%	1,356,700
Grand Total	100.0%	3,082,795

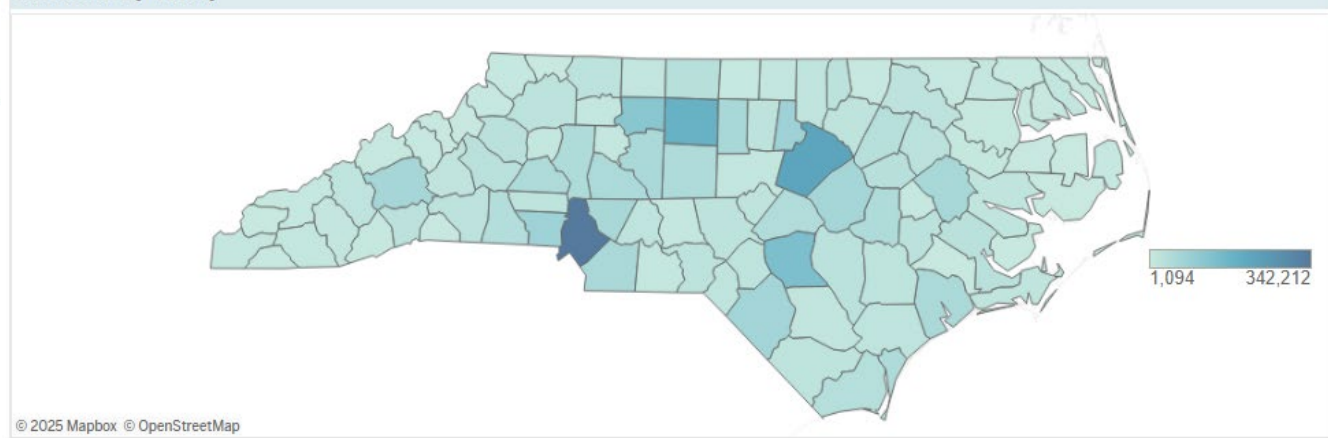
Race		
WHITE/CAUCASIAN	56.2%	1,732,421
BLACK/AFRICAN AMERICAN	37.0%	1,141,732
ASIAN	2.1%	65,882
MULTI RACE*	1.8%	56,719
AMERICAN INDIAN OR ALASKAN	1.6%	48,112
UNREPORTED	1.1%	33,025
NATIVE HAWAIIAN OR OTHER PACIFIC ..	0.2%	4,904
Grand Total	100.0%	3,082,795

* If a person selects more than 1 racial group, they are considered multi racial.

Age Group		
0-5	14.3%	441,149
6-18	31.5%	971,995
19-20	3.6%	111,692
21-44	27.2%	838,740
45-64	14.6%	448,779
65+	8.8%	270,440
Grand Total	100.0%	3,082,795

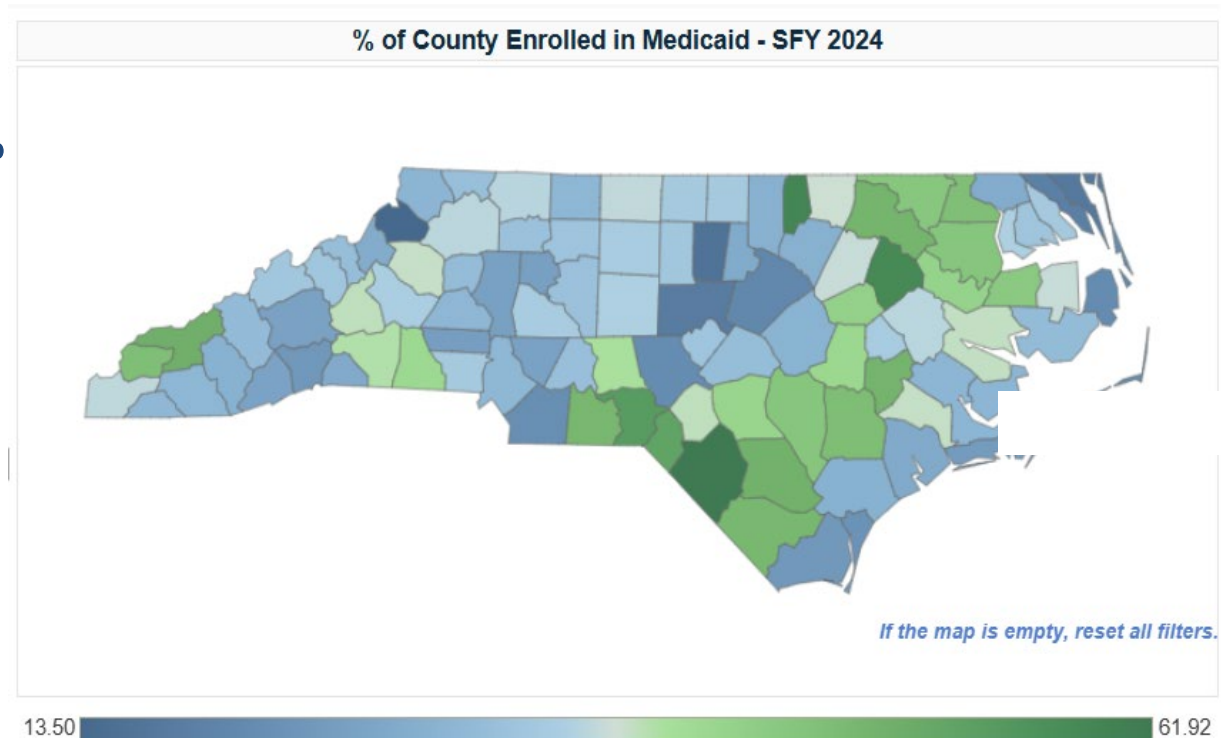
Ethnicity		
NOT HISPANIC OR LATINO	81.5%	2,513,456
OTHER HISPANIC OR LATINO	10.4%	320,922
HISPANIC MEXICAN AMERICAN	4.2%	129,179
UNREPORTED	2.5%	76,722
HISPANIC PUERTO RICAN	1.0%	32,098
HISPANIC CUBAN	0.3%	10,193
Grand Total	100.0%	3,082,570

Enrollment by County




Medicaid Benefits Rural North Carolina

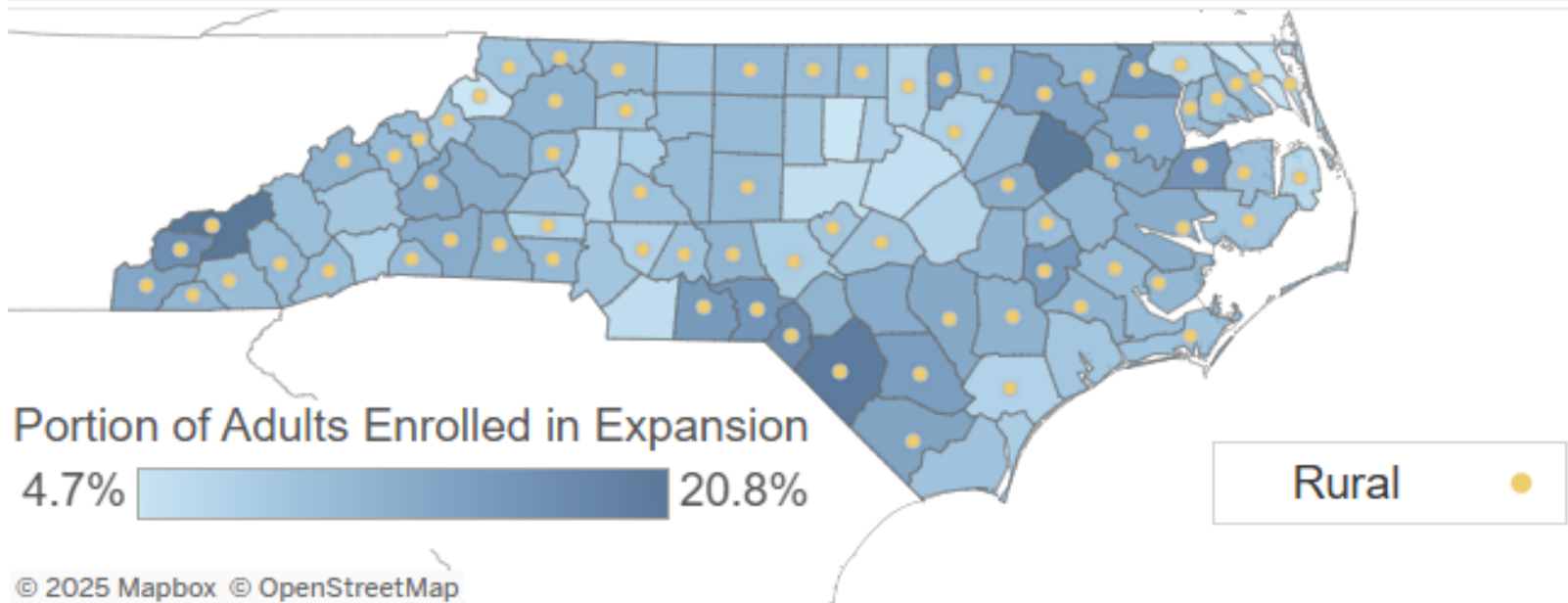
- In 29 mostly rural counties, 40% or more of their total population enrolled in Medicaid
- Counties with the highest proportion of residents enrolled in Medicaid:
 - Robeson: 62%
 - Vance: 59%
 - Edgecombe: 58%
 - Richmond: 55%
 - Scotland: 53%
 - Swain: 50%



Source: <https://medicaid.ncdhhs.gov/reports/dashboards/annual-report-tables-dashboard>

Expansion Benefits Rural NC

Portion of Adults (19-64) by County Enrolled in NC Medicaid Expansion 



The statewide average portion of adults (19-64) enrolled in Medicaid Expansion is 9.4%.

Note: In the June 2024 update, the rural/urban county designation was modified to reflect the NC Office of Rural Health's definition which classifies 71 counties as rural and 29 as urban.

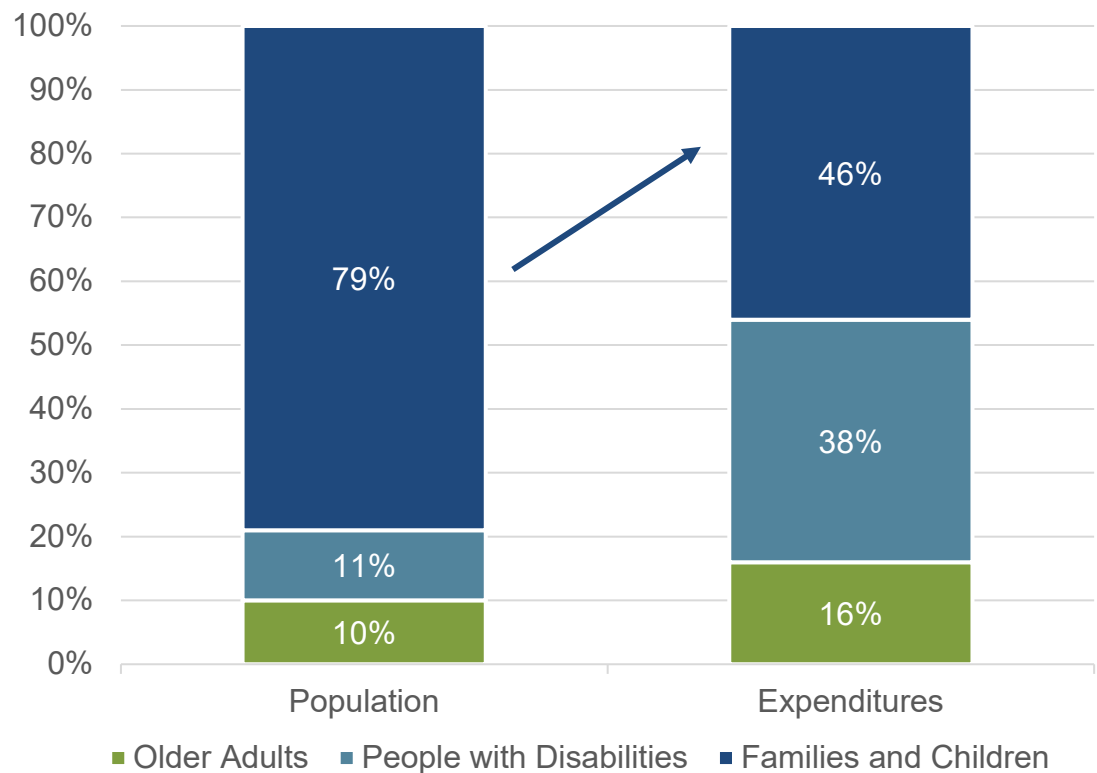
<https://www.census.gov/programs-surveys/metro-micro/about.html>

Source: <https://medicaid.ncdhhs.gov/reports/medicaid-expansion-dashboard>

Medicaid is Critical for People with Disabilities and Older Adults

- While 79% of the Medicaid population are families and children, they account for 46% of Medicaid expenditures
- Older adults and people with disabilities account for 21% of Medicaid enrollment, but 54% of Medicaid expenditures
- Medicaid plays a critical role in health care for older adults and people with disabilities

Distribution of Medicaid Enrollment and Expenditures (Non-Expansion)



1115 waiver – An Opportunity for NC

- **Authorizes managed care**
 - Standard Plans on July 1, 2021
 - Behavioral Health and I/DD Tailored Plans on July 1, 2024
 - Children and Families Specialty Plan targeted for December 1, 2025
- **New opportunities**
 - Statewide expansion of successful Healthy Opportunities Pilots
 - Less frequent redeterminations for children, allowing counties to continue focus on adult redeterminations
 - Support for jails and prisons to support return to community
 - Workforce and data coordination initiatives

Successful July 1 Tailored Plan Launch

Met contractual deliverables and operationalized the program

- **Approved operating plan, marketing materials, clinical coverage policies, and annual compliance plans**
- **Able to operationalize the Managed Care design**

Have strong provider network coverage in their regions

- **Met measures for Hospital, Advanced Medical Homes/PCP, OB/GYN, NEMT, and Behavioral Health**
- **No more than 10% of members were disrupted from their historical PCP**

Have the technology to support operations

- **Successful execution of testing scenarios, including % complete vs. planned, defects and speed of resolution**
- **Resolved late file submissions, issues affecting operations, and/or technology related problems**

Healthy Opportunities Pilot (HOP) Reduces Medical Costs

Nation's first comprehensive pilot to test evidence-based, non-medical interventions designed to **reduce costs and improve the health of Medicaid beneficiaries.**



Awarded Healthy Opportunities Network Leads

Access East, Inc.

Beaufort, Bertie, Chowan, Edgecombe, Halifax, Hertford, Martin, Northampton, Pitt

Community Care of the Lower Cape Fear

Bladen, Brunswick, Columbus, New Hanover, Onslow, Pender

Impact Health

Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Yancey

Healthy Opportunities Addresses:

Housing



Healthy Food



Transportation



Interpersonal Safety



HOP – Investing in Health

- **HOP participation results in:**
 - Lower health care expenditures - **\$1,000 less per HOP enrollee per year**, including HOP service delivery spending
 - Decreased emergency department utilization & avoided 6 ED visits per 1,000 months a beneficiary is enrolled in Medicaid
 - Reduced risk of food insecurity, housing instability, and lack of access to transportation
 - Expanding HOP will reduce future capitation rates, offsetting the amount of new dollars needed
 - Conversely, ending HOP in existing regions would lead to increased capitation rates in those regions
- **HOP Engagement March 1, 2022, through January 31, 2025**
 - Over 40,000 HOP enrollees
 - 819,750 services delivered
 - Over 3 years, \$165 million state and federal funds to 133 local community-based organizations, including small farms and faith-based organizations

Supporting Child Welfare

GOAL

Strengthen North Carolina's child welfare and social services systems to improve child outcomes in safety, permanency, and well-being.

STRATEGIES



- Launch the NC Medicaid **Child and Family Specialty Plan** ★
- Update the **child welfare information system (PATH NC)**
- Provide financial **supports to unlicensed kinship providers** to increase the number of foster-care involved youth who are placed in kinship care
- Expand **professional foster parenting**
- Implement a **Regional Support model** for social service agencies to deploy continuous quality improvement and technical assistance more effectively and efficiently across the state
- Build capacity for DSS-managed **crisis stabilization and assessment** placements

Caring for Vulnerable Children

The **Children and Families Specialty Plan (CFSP)** is for children, youth, and families currently and formerly involved in the child welfare system

Phase 1 of the Plan is targeted for 12/1/2025 launch

- Single statewide contract
- Significant coordination between DHB, NCDSS, County DSS, and EBCI
- Person centered and family-focused approach to care delivery to preserve families, prevent entry and re-entry into foster care, and support reunification and other permanency plan options.
- Benefits include all covered by Standard Plans, and most by Tailored Plans
- Care Management and coordination model connecting county DSS offices with CFSP and the Department (including co-location requirements)

Federal Cuts to Medicaid Could Have Significant Impacts in NC

- Congress looking to **cut \$880 billion** over 10 years from Energy and Commerce Committee programs, with bulk of cuts likely coming from Medicaid
 - Translates to **potentially \$27 billion** in federal cuts to NC
 - Result would be significant coverage or reimbursement cuts unless replaced by General Funds
- In a typical year, **98% of NC Medicaid expenditures are for services** and payments to providers
- Any reduction in federal or state funding will have impact on local, regional, and state economies – **especially rural areas**
- Under NC Session Law 2023-7, NC's Medicaid expansion coverage will be discontinued if the federal match falls below 90%
 - More than **630,000 North Carolinians will lose coverage**
 - More than **\$6 billion would be lost in federal funding**
 - Increased **uncompensated care** for providers