

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

January 24, 2018

SENT VIA ELECTRONIC MAIL

The Honorable Phil Berger
President Pro Tempore
North Carolina General Assembly
Room 2007, Legislative Building
Raleigh, NC 27601-2808

The Honorable Tim Moore
Speaker of the House
North Carolina General Assembly
Room 2304, Legislative Building
Raleigh, NC 27601-1096

Dear President Pro Tempore Berger and Speaker Moore:

The Joint Conference Committee Report on the Base, Capital and Expansion Budget for Session Law 2017-57, Item G-140, requires that the Department of Health and Human Services, Division of Medical Assistance, report on actions or changes in spending that will result in lower overall appropriations needed for SFYs 2017-2019.

Pursuant to the provisions of law, please find the required report attached. Should you have any questions, please contact Dave Richard, Deputy Secretary for Medical Assistance, at Dave.Richard@dhhs.nc.gov or 919-855-4100.

Sincerely,

Mark T. Bunker

for Mandy Cohen, MD, MPH
Secretary

cc: Dave Richard Marjorie Donaldson Steve Owen Kolt Ulm Theresa Matula
Rod Davis Susan Perry-Manning Joyce Jones Leah Burns Matt Gross
Mark Benton LT McCrimmon Pam Kilpatrick Lisa Wilks Deborah Landry
Christen Linke Young reports@ncleg.net

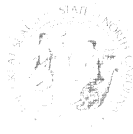
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TEL 919-855-4800 • FAX 919-715-4645

LOCATION: 101 BLAIR DRIVE • ADAMS BUILDING • RALEIGH, NC 27603

MAILING ADDRESS: 2001 MAIL SERVICE CENTER • RALEIGH, NC 27699-2001

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SECRETARY

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SENT VIA ELECTRONIC MAIL

The Honorable Louis Pate, Chair
Senate Committee on Health Care
North Carolina General Assembly
Room 311, Legislative Office Building
Raleigh, NC 27603

The Honorable Joyce Krawiec, Chair
Senate Committee on Health Care
North Carolina General Assembly
Room 308, Legislative Office Building
Raleigh, NC 27603


The Honorable Ralph Hise, Chair
Senate Committee on Health Care
North Carolina General Assembly
Room 312, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

The Joint Conference Committee Report on the Base, Capital and Expansion Budget for Session Law 2017-57, Item G-140, requires that the Department of Health and Human Services, Division of Medical Assistance, report on actions or changes in spending that will result in lower overall appropriations needed for SFYs 2017-2019.

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cc:	Dave Richard	Marjorie Donaldson	Steve Owen	Kolt Ulm	Theresa Matula
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	Mark Benton	LT McCrimmon	Pam Kilpatrick	Lisa Wilks	Deborah Landry
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SECRETARY

January 24, 2018

SENT VIA ELECTRONIC MAIL

The Honorable Josh Dobson, Chair
House Committee on Health
North Carolina General Assembly
Room 301N, Legislative Office Building
Raleigh, NC 27603

The Honorable Nelson Dollar, Chair
House Committee on Health
North Carolina General Assembly
Room 307B, Legislative Office Building
Raleigh, NC 27603

The Honorable Bert Jones, Chair
House Committee on Health
North Carolina General Assembly
Room 416A, Legislative Office Building
Raleigh, NC 27603

The Honorable Donny Lambeth, Chair
House Committee on Health
North Carolina General Assembly
Room 303, Legislative Office Building
Raleigh, NC 27603

The Honorable Gregory Murphy, Chair
House Committee on Health
North Carolina General Assembly
Room 632, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

The Joint Conference Committee Report on the Base, Capital and Expansion Budget for Session Law 2017-57, Item G-140, requires that the Department of Health and Human Services, Division of Medical Assistance, report on actions or changes in spending that will result in lower overall appropriations needed for SFYs 2017-2019.

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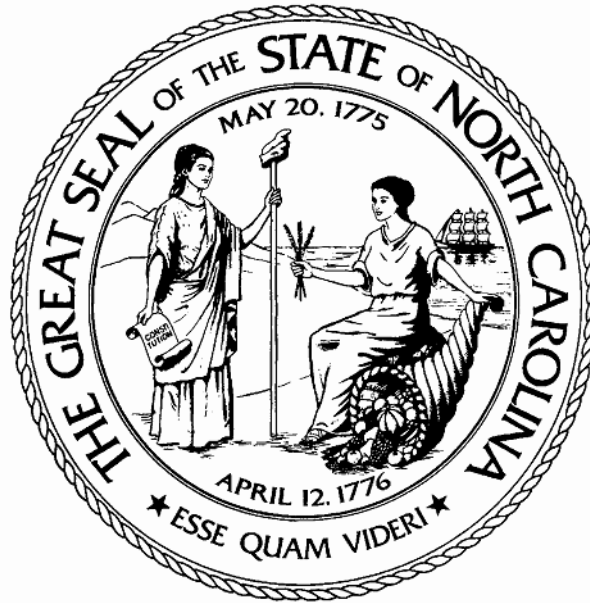
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Report on Division of Medical Assistance

Management Flexibility Reduction

Joint Conference Committee Report; Section G, Item 140



Report to the

North Carolina General Assembly

By

NC Department of Health and Human Services

January 24, 2018

Reporting Requirements

The Joint Conference Committee report, Section G, Item 140 directs the Department of Health and Human Services to report on actions or changes in spending that will result in lower overall appropriations needed for SFY 2017-19.

The table below shows that the Medicaid program is forecasted to have total expenditures that are lower than the approved SFY2018 budget. Since the Medicaid program is forecasted to maintain total Medicaid spending within the amounts appropriated for the Medicaid program, DHHS does not recommend changes to the Medicaid policies or provider reimbursement rates.

However, the Department will continue to monitor the Medicaid spending and make any adjustments necessary to remain within Medicaid's authorized budget.

The authorized SFY 2019 budget does not include a 0.45% reduction in the FMAP beginning October 1, 2019. The Department will continue to assess the FMAP change to determine any potential funding requests in the SFY 2019 budget.

Similarly, the funding reauthorization for the CHIP (Title XXI) has not been finalized at the federal level. The SFY 2019 budget does not account for changes in the FMAP, should there be a change, once the reauthorization in funding is finalized.

	Actual (as of 11/30/17)*	SFY 2018 Forecast	SFY 2018 Authorized Budget*
Total Requirements	\$ 5,933,043,554	\$ 14,542,000,000	\$ 14,392,218,025
Receipts	\$ 4,360,642,493	\$ 10,874,000,000	\$ 10,696,084,532
State Appropriations	\$ 1,572,401,061	\$ 3,668,000,000	\$ 3,696,133,493

*Please note budget and actual figures current in NCAS as of 12/17/2017