

## Fund Purpose Statement - DHHS Division of Medical Assistance (Medicaid - 14445)

Fund	Description	Purpose
1101	Medical Assistance Administration	Design and administration of the Medicaid Program for North Carolina. To carry out this responsibility, the division identifies, detects, and prevents provider and recipient fraud and abuse; develops and implements eligibility and clinical policy; sets reimbursement rates for all Medicaid providers; oversees the Medicaid management information system (MMIS); oversees the implementation of CCNC; and conducts recipient appeals for any denial, termination, suspension, or reduction of Medicaid covered services and for prior approval requests. Salaries, fringe benefits, and related costs reside in this fund.
1102	Contracts and Agreements	Contract with organizations, including private entities and other state agencies to provide administrative services through competitive bidding and interagency agreements to have cost-effective service delivery of administrative functions. To administer the Medicaid program for North Carolina, the division acquires competitively bid services including claims processing, prior approval, utilization review, and physician consulting, and executes interagency agreements with other governmental agencies.
1103	Health Information Technology (HIT)	Track expenditures and receipts for Health Information Technology (HIT) activity. This includes payment to providers for installation of HIT software at their locations and the division's overhead cost to run this federally funded program. The payments to the providers receive 100% federal funding. The overhead activity receives a 90% federal match.
1210	Medical Assistance County Administration (Inactive)	Reimburse county Departments of Social Services when they act as a provider of allowable medical transportation services. This inactive fund will be deleted because the activity is now reflected in Funds 1310 and 1330.
1310	Medical Assistance Payments	Pay Medicaid-enrolled health care providers for providing Medicaid covered services to Medicaid recipients. This fund includes fee-for-service, capitated and premium payments. Medicaid is a federal- and state-funded health insurance program for low-income and disabled individuals. The federal government sets broad guidance in implementing the program, and states have broad authority to set eligibility requirements and health benefits.
1311	Community Care North Carolina (CCNC)	Track Community Care North Carolina (CCNC) management activities for reporting purposes, as requested by the NC Legislature in SFY 2013-15 SB402. This is for case management and provider Primary Care Physician (PCP) payments for Medicaid recipients.
1320	Medical Assistance Cost Settlements	Reflect cost settlements made to adjust for the difference between initial payments made to providers and amount actually owed.
1330	Payment Adjustments	Reflect adjustments in payments made to providers, and represent payments to Medicaid for insurance payments, fraud and other recoveries.
1331	Rebates	Track receipt of rebates from manufacturers. This includes drug and durable medical equipment manufacturers. This fund also records the refund of federal shares of this receipt back to the Centers for Medicare & Medicaid Services.
1337	Consolidated Supplemental Hospital Payments	Record and track the expenditures and receipts associated with all supplemental payments made to hospitals, including Disproportionate Share Hospital Program payments. If a payment is made to a hospital outside of what it receives via claim submission, this fund is used to capture that expenditure and the associated federal receipt, along with any transfers, assessments or intergovernmental transfers from the hospital. This fund also records the Medicaid transfer of non-tax revenues to the NC Office of State Controller.
1340	Undispositioned Receipts	Record program validation refunds, insurance recoveries, cost settlement refunds, other miscellaneous refunds and Medicaid Management Information System (MMIS) recoupments/receipts. The activity in this fund is solely for accounting purposes since undispositioned refunds are dispositioned and recorded in funds 1320 and 1330.
1350	Periodic Payments	Record interim payments (advances) to Medicaid providers. It is solely an accounting fund.
1810	Revenue Clearing	Record accounting transactions that detail by funding source the revenue due to and from federal and other funding agencies as a result of expenditures that earned those dollars in the operating funds of the agency. Actual receipts received from funding agencies are also recorded in this fund. The fund balance is the current status of the agency's accounts receivable for funding sources reflected in the clearing account at any point in the fiscal year.
1910	Reserves and Transfers	Record budgetary reserves and non-operating transfers to other state agencies.
1991	Federal Indirect Reserve	Account for funds earned for indirect costs from federal funding sources. The rate or amount of indirect cost that may be earned is negotiated each year with the federal DHHS Cost Allocation Services based upon prior year statewide and departmental overhead costs.
1992	Prior Year Earned Revenue	Record revenue received in the current fiscal year, primarily from federal funding sources that were earned in a prior fiscal year.
1993	Prior Year Audits and Adjustments	Record adjustments to expenditures or receipts for activities or transactions that occurred in a prior fiscal year. Adjustments tracked in this fund include paybacks from sub-grantees as a result of audits of prior year operations.