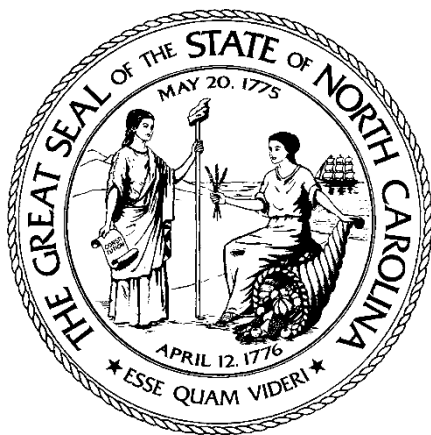


NC Department of Health and Human Services



North Carolina Medicaid and NC Health Choice Financial Update

Adam Levinson

Chief Financial Officer, NC Medicaid

Medical Care Advisory Committee Meeting, June 19, 2020

NC Medicaid Financial Update

- 1. Current Year Actual Expenditures v. Budget**
- 2. Expenditures by Service Category and Enrollment Group**
- 3. Factors Affecting Current Year Expenditures**
- 4. Factors Affecting Expenditures for SFY 2020-21**

NC Medicaid SFY 2019-20: Actuals vs. Budget

Through May 2020, appropriations expenditure for Medicaid & Health Choice was **\$357 million or 10.3% less than budgeted** (based on the continuation budget) for this point in the year.

\$ millions	SFY 2019-20 Budget YTD	SFY 2019-20 Actuals YTD	Difference	
			\$	%
Expenditures	\$12,048	\$12,785	\$737	6.1%
Federal Revenue	\$7,345	\$8,430	\$1,084	14.8%
Other Revenue	\$1,240	\$1,250	\$10	0.8%
State Appropriations	\$3,462	\$3,105	(\$357)	-10.3%

NC Medicaid will finish SFY below budget, with reversion to the State

NC Medicaid Expenditures by Service Category

Service Category	SFY 2018-19 YTD*	SFY 2019-20 YTD*	% Change
Capitation (LME/MCO, PACE)	\$2,156	\$2,256	5%
Pharmacy (Gross)	1,507	1,639	9%
Physician	987	1,144	16%
Skilled Nursing Facility	992	1,066	7%
Hospital - Inpatient	761	781	3%
Hospital - Outpatient	448	479	7%
Personal Care Services	362	367	1%
Dental	287	331	15%
Hospital - ER	280	309	10%
CAP - Disabled Adult	203	233	15%
CAP - Child	47	52	11%
Other	959	1,058	10%
Total	\$8,989	\$9,715	8%

* Through March 31

NC Medicaid Expenditures by Service Category

Service Category	SFY 2018-19 YTD*	SFY 2019-20 YTD*	% Change
Capitation (LME/MCO, PACE)	\$2,895	\$3,030	5%
Pharmacy (Gross)	1,977	2,043	3%
Physician	1,291	1,396	8%
Skilled Nursing Facility	1,306	1,421	9%
Hospital - Inpatient	976	968	-1%
Hospital - Outpatient	578	565	-2%
Personal Care Services	471	474	1%
Dental	382	356	-7%
Hospital - ER	367	362	-1%
CAP - Disabled Adult	271	299	10%
CAP - Child	62	66	6%
Other	1,261	1,289	2%
Total	\$11,837	\$12,269	4%

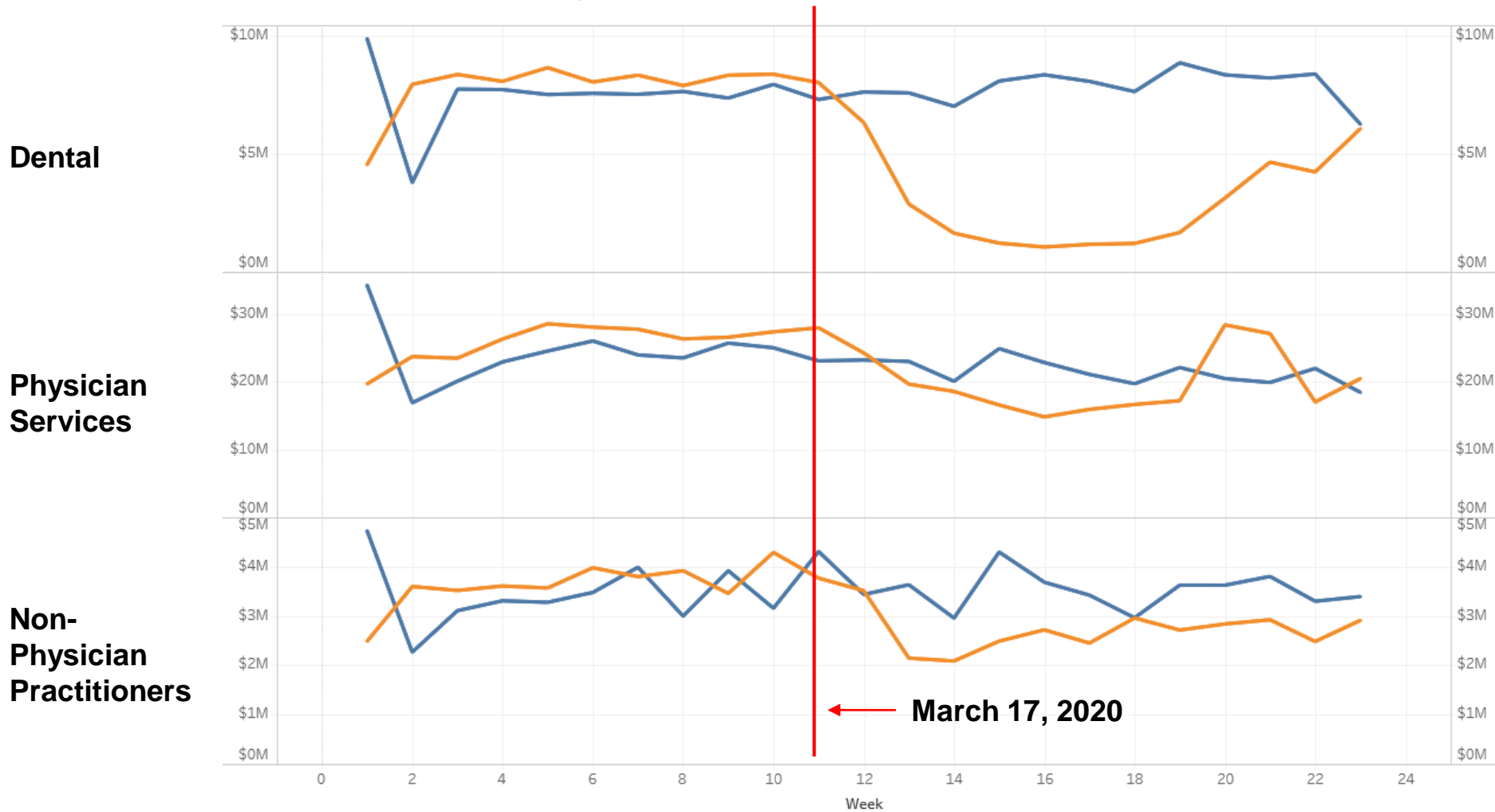
* Through June 9

Factors Affecting SFY 2019-20 Budget

The COVID-19 Public Health Emergency (PHE) has affected the financial picture significantly for Medicaid this year:

- Utilization decreased in late March-early May, but has rebounded in the last few weeks
- Medicaid received a 6.2% increase in FMAP retroactive to January 1 and extending through the end of the public health emergency (PHE)
- Medicaid has introduced a host of targeted rate increases and rate flexibilities to support providers during the PHE
- The Federal Government has provided separate CARES funding for provider reimbursement

COS Paid Claims by Week, YTD 2020 vs. 2019

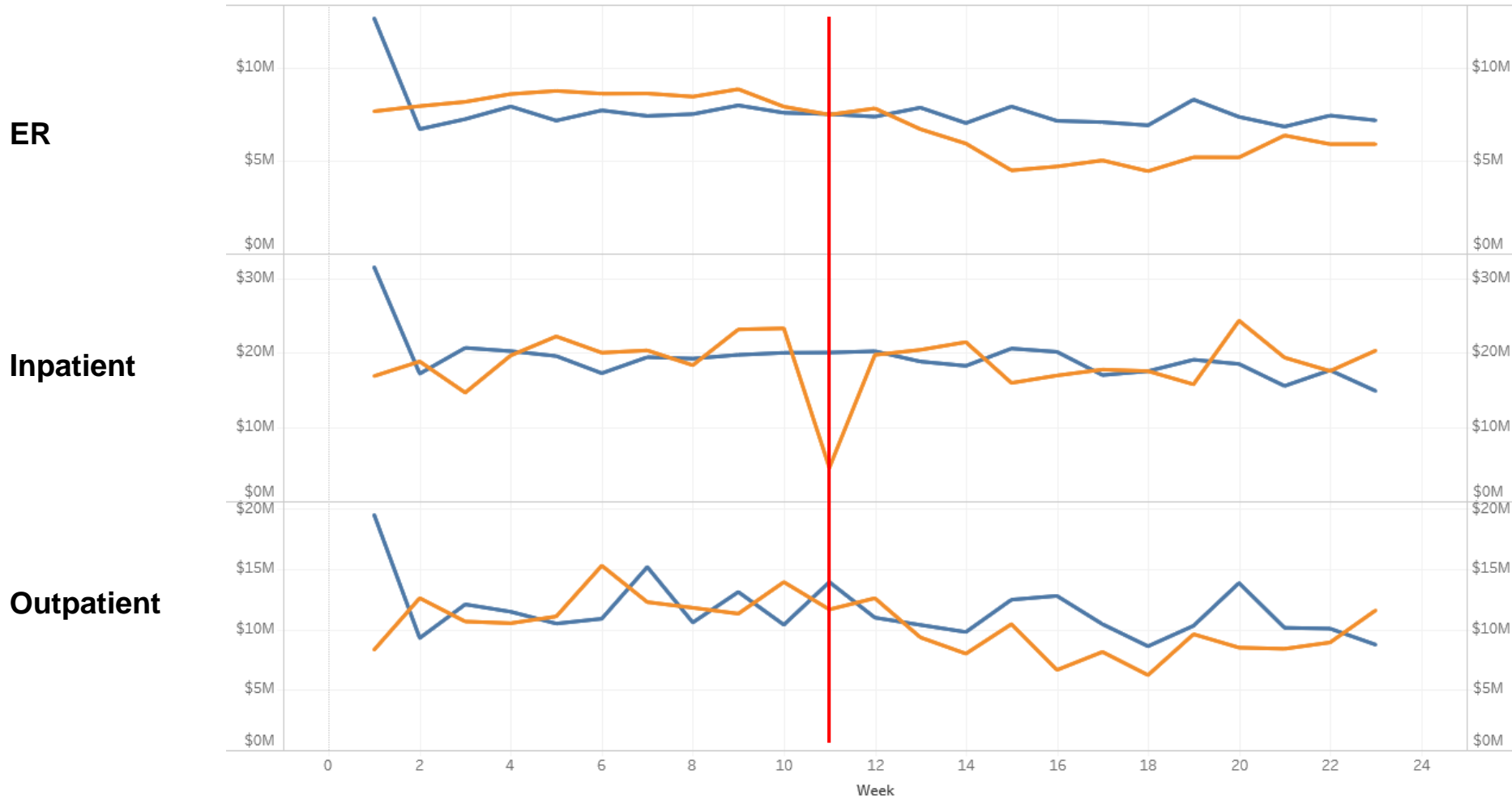


Legend:

- Blue = 2019, Orange = 2020

- Week 1 = January 7, Week 23 = June 9

COS Paid Claims by Week, YTD 2020 vs. 2019

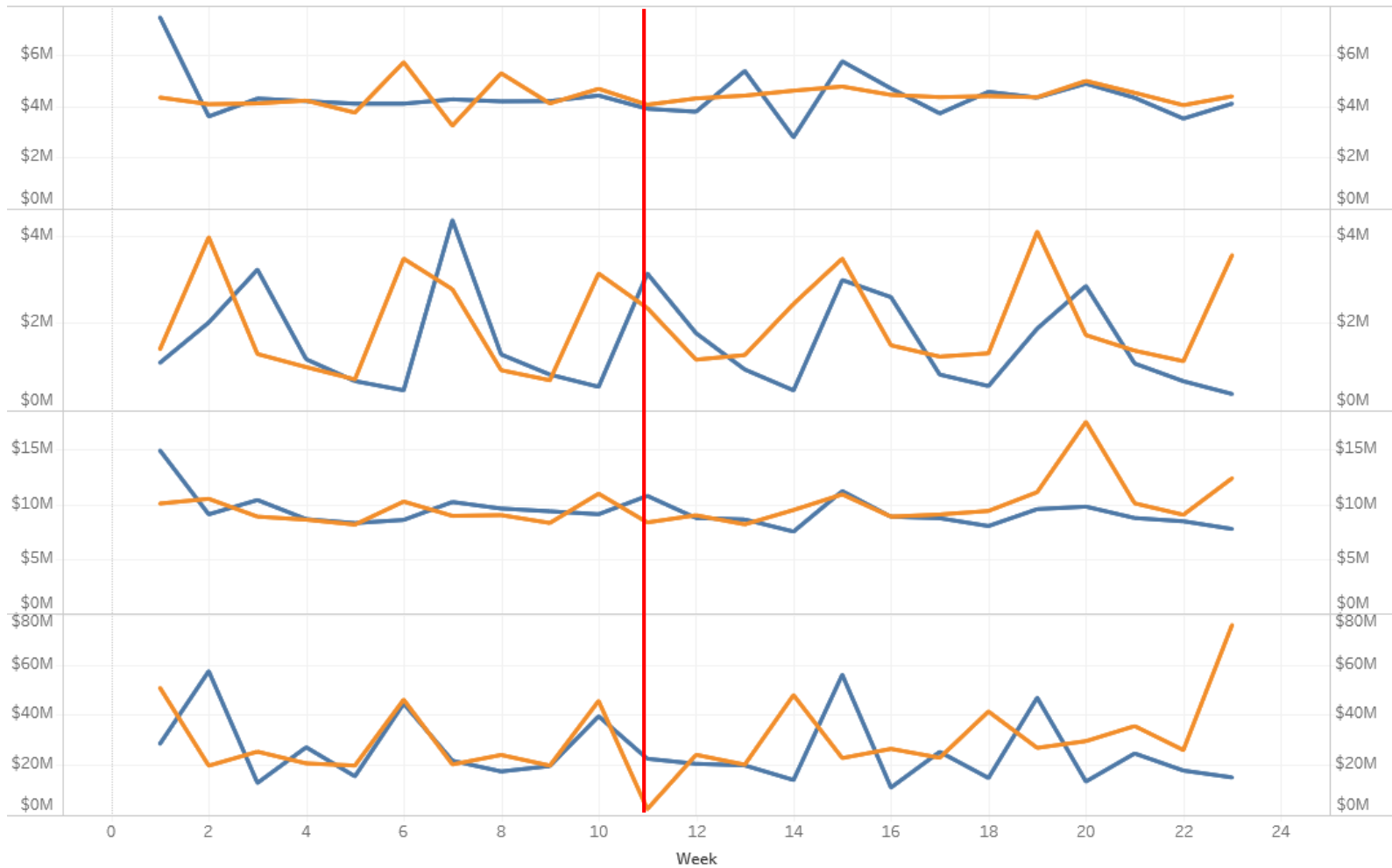


Legend:

- Blue = 2019, Orange = 2020

- Week 1 = January 7, Week 23 = June 9

COS Paid Claims by Week, YTD 2020 vs. 2019



Legend:

- Blue = 2019, Orange = 2020

- Week 1 = January 7, Week 23 = June 9

Factors Affecting SFY 2020-21 Budget

Looking ahead, there are multiple factors that will affect Medicaid's financial picture in SFY 2020-21:

- **State revenue availability (OSBM/GA project a \$2.6 billion shortfall)**
- **Length of the public health emergency**
 - Gains from enhanced FMAP vs. Auto-extension
 - Provider rate increases
- **Growth in Medicaid population as a result of the recession**