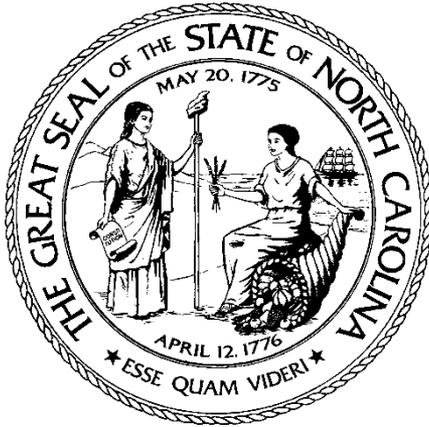


NC Department of Health and Human Services



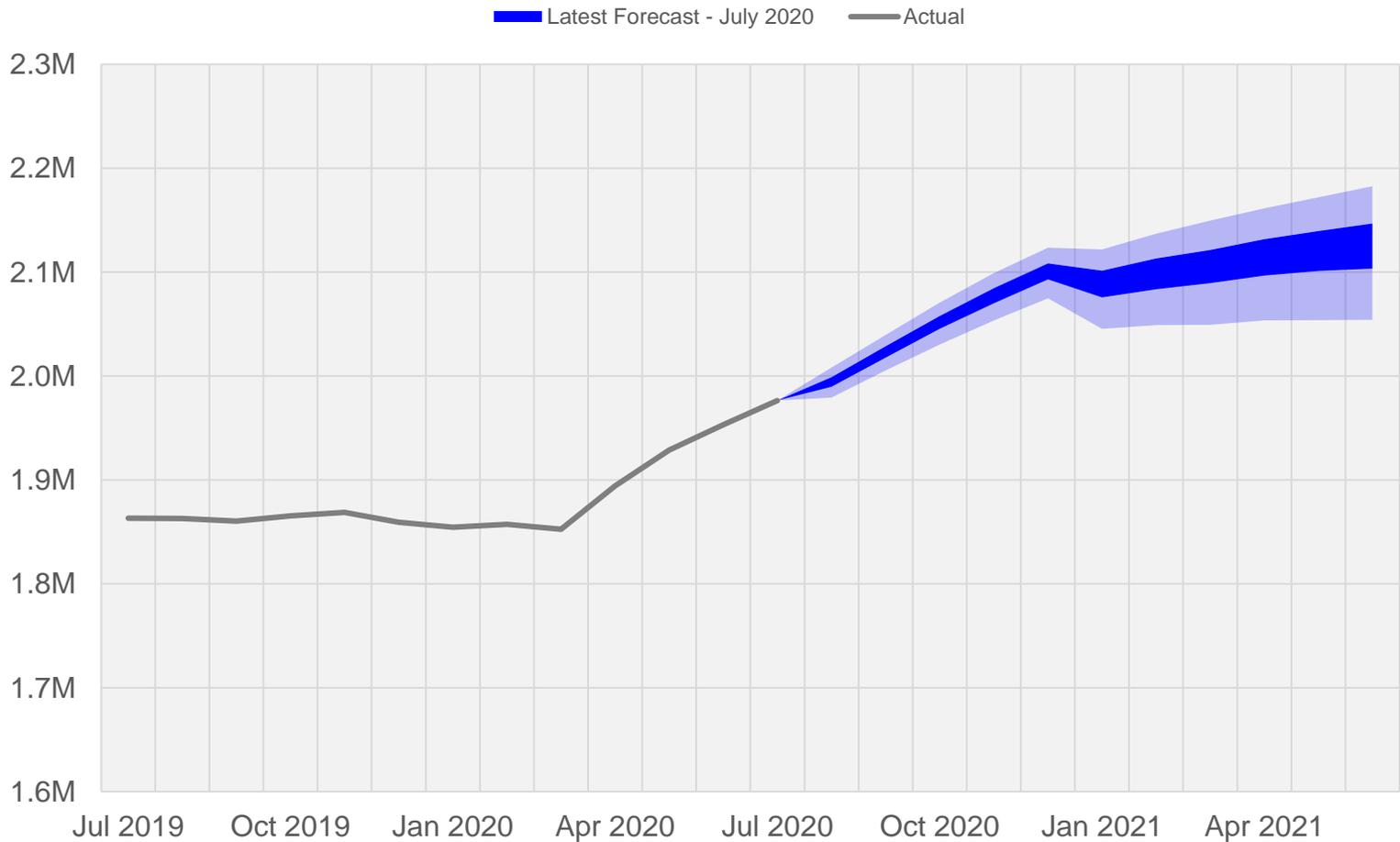
# **NC MEDICAID AND NC HEALTH CHOICE ENROLLMENT AND FINANCIAL UPDATE**

**Adam Levinson**  
**Chief Financial Officer, NC Medicaid**

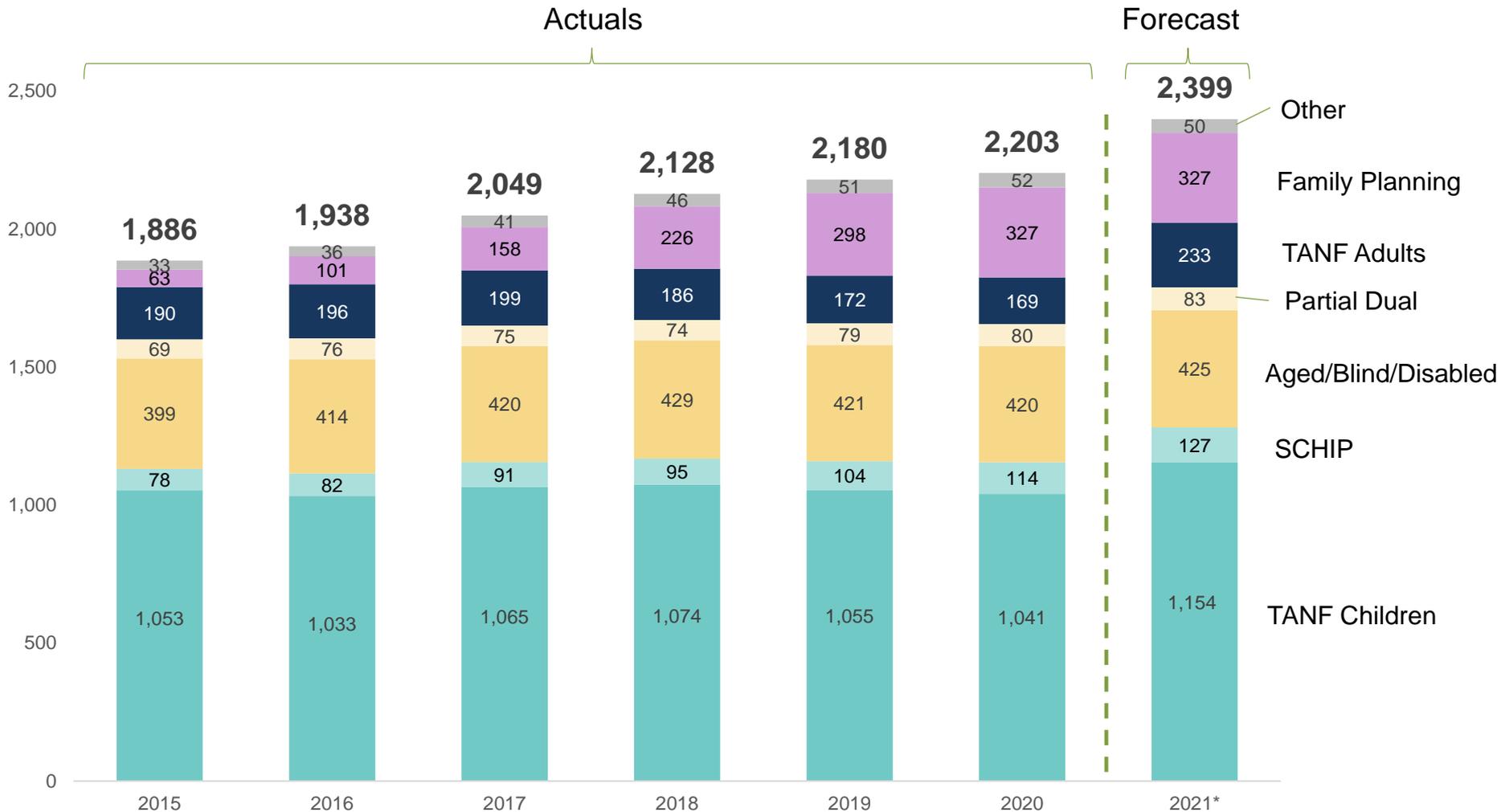
**Medical Care Advisory Committee (MCAC) Meeting**  
**September 18, 2020**

# Total Enrollment Based on PACs

Not including family planning

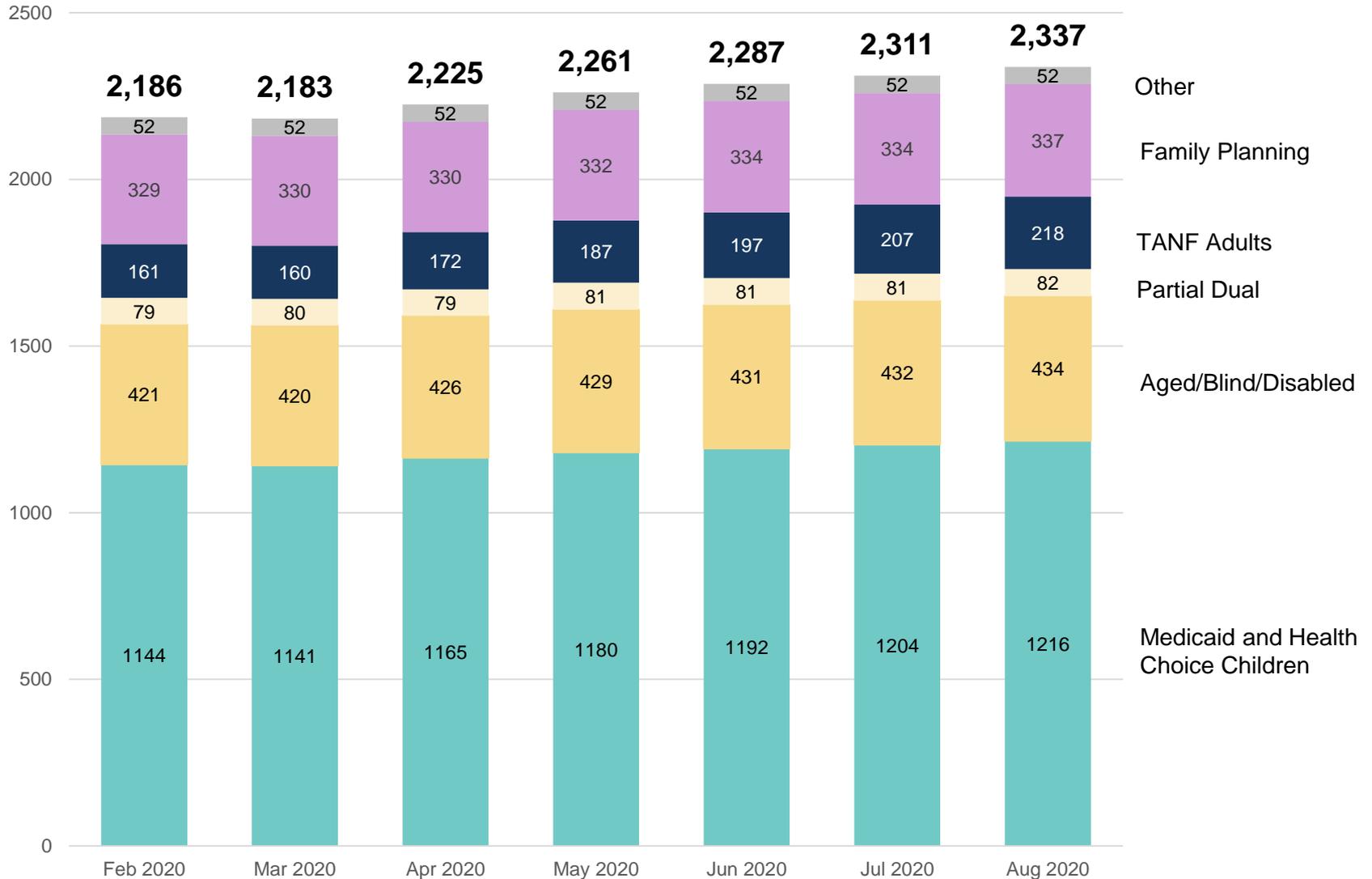


# Average Annual Enrollment by PAC (in Thousands)



Medicaid average membership forecasted to grow 8% through 2021

# Monthly Medicaid Enrollment by PAC (in Thousands)



# **NC Medicaid Financial Update**

- 1. State Fiscal Year (SFY) 2019-20 Expenditures**
- 2. Factors Affecting SFY 2019-20 Expenditures**
- 3. SFY 2020-21 Spending Year-to-Date (YTD)**

# NC Medicaid SFY 2019-20: Actuals vs. Budget

For SFY 2019-20, appropriations expenditure for Medicaid & Health Choice was **\$116 million or 3% less than budgeted.**

| \$ millions                 | SFY 2019-20<br>Budget | SFY 2019-20<br>Actuals | Difference     |              |
|-----------------------------|-----------------------|------------------------|----------------|--------------|
|                             |                       |                        | \$             | %            |
| Expenditures                | \$15,937              | \$16,828               | \$890          | 5.6%         |
| Federal Revenue             | \$10,391              | \$11,201               | \$809          | 7.8%         |
| Other Revenue               | \$1,625               | \$1,822                | \$197          | 12.1%        |
| <b>State Appropriations</b> | <b>\$3,921</b>        | <b>\$3,415</b>         | <b>(\$116)</b> | <b>-3.0%</b> |

# NC Medicaid Expenditures by Service Category

| Service Category           | SFY<br>2018-19  | SFY<br>2019-20  | %<br>Change |
|----------------------------|-----------------|-----------------|-------------|
| Capitation (LME/MCO, PACE) | \$2,895         | \$3,124         | 8%          |
| Pharmacy (Gross)           | 1,977           | 2,123           | 7%          |
| Physician                  | 1,291           | 1,436           | 11%         |
| Skilled Nursing Facility   | 1,306           | 1,483           | 14%         |
| Hospital - Inpatient       | 976             | 1,005           | 3%          |
| Hospital - Outpatient      | 578             | 586             | 1%          |
| Personal Care Services     | 471             | 496             | 5%          |
| Dental                     | 382             | 369             | -3%         |
| Hospital - ER              | 367             | 374             | 2%          |
| CAP - Disabled Adult       | 271             | 309             | 14%         |
| CAP - Child                | 62              | 69              | 11%         |
| Other                      | 1,261           | 1,340           | 6%          |
| <b>Total</b>               | <b>\$11,837</b> | <b>\$12,714</b> | <b>7%</b>   |

Through June 30th

# **Main Drivers of SFY 2019-20 Expenditure**

## **Growth**

- **COVID-19 Rates & Policy**

## **Savings**

- **Lower Claims Volume from Social Distancing**
- **Families First Act FMAP Bonus**
- **Accelerated Hospital Supplemental Payments**

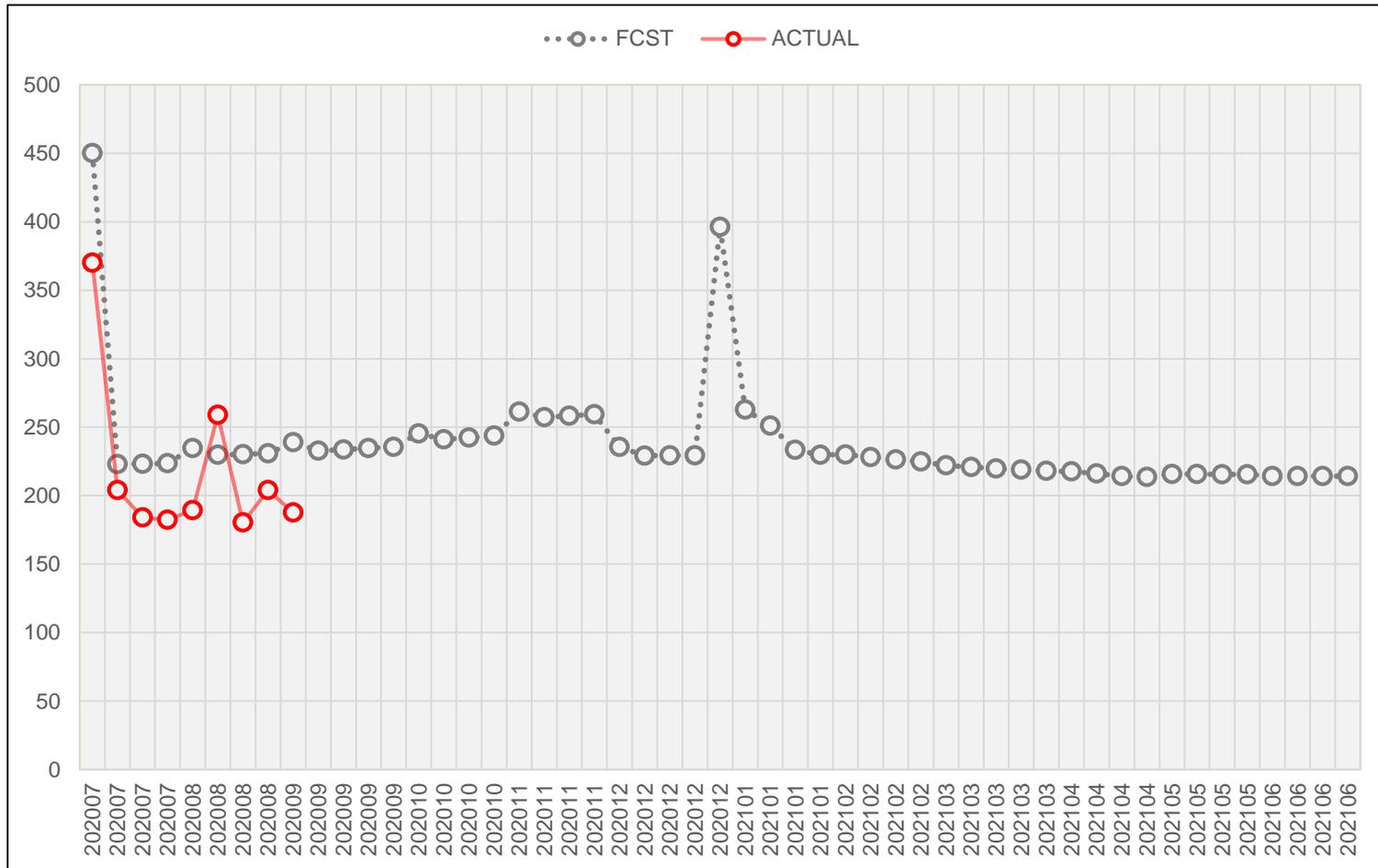
# SFY 2020-21 Expenditure Forecast

Major drivers of forecasted spending for SFY 2020-21 include the following:

- COVID Rates & Policy Changes \$600m
- Families First Act Non-terminations \$400m
- Families First Act FMAP Bonus (\$500m)

\* All figures are appropriations only

# Actual Spending v. Forecast (as of 9/1)



**Medicaid is 12.9% below forecasted spend, as of 9/1**

# **SFY 2020-21 Spending Year-to-Date**

**Several factors contribute to spending as of 9/1/20 being lower than projections:**

- **Continued effects of social distancing (lower claims volume)**
- **COVID treatment and testing costs lower than expected**
- **Enrollment growth lower than expected**

# Procedure Counts, March-August 2020

Proc Trend - Rolling 3 Week Average  
COS: All

■ Prior Yr    ■ Current Yr



Cumulative Procs by Checkwrite (selected range)  
COS: All

