NC Medicaid and NC Health Choice Enrollment and Financial Update

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Chief Financial Officer, NC Medicaid

Medical Care Advisory Committee (MCAC) Meeting
September 24, 2021
Overview

1. SFY 2021 Year-End Financial Position

2. SFY 2022
   a. Managed Care/Medicaid Direct
   b. Runout
   c. Enrollment

3. Looking Ahead
Looking Back:
SFY 2021 Final Position
NC Medicaid spent approximately $3.9b (95%) of the authorized appropriations budget in SFY 2020-21.

<table>
<thead>
<tr>
<th></th>
<th>$ millions</th>
<th>SFY 2020-21 Budget</th>
<th>SFY 2020-21 Actuals</th>
<th>Available</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Expenditures</td>
<td>$18,273</td>
<td>$18,137</td>
<td>$136</td>
<td>0.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B Federal Revenue</td>
<td>$12,295</td>
<td>$12,405</td>
<td>$(110)</td>
<td>-0.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C Other Revenue</td>
<td>$1,848</td>
<td>$1,804</td>
<td>$44</td>
<td>2.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A - B - C State Appropriations</td>
<td>$4,130</td>
<td>$3,929</td>
<td>$201</td>
<td>4.9%</td>
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Year-End Reversion: $201 m
SFY 2020-21 Expenditures

Overall spending was below projections:

• Effects of social distancing (low claims volume)

• Extension of public health emergency and the enhanced FMAP (net gain to state)

• Added/Auto-extended beneficiaries (i.e., source of enrollment growth) on average lower acuity than expected

• COVID treatment and testing costs lower than expected
Current Fiscal Year: SFY 2022
$1.2 billion, largest single-week total in program’s history.

First check write for prior yr was $647m

Skilled Nursing Facilities = $85 m
Pharmacy (Gross) = $86 m
Other FFS = $235 m
Other Capitation = $297 m
PHP Capitation = $517 m
Increase in Capitated Payments

Through August, capitated payments increased from 25% of total check write payments in SFY 2021 to 51% of payments in SFY 2022.

- **$2,314 m Total**
  - LME/ MCOs, PACE
  - FFS

- **$3,225 m Total**
  - PHPs
  - LME/ MCOs, PACE
  - FFS*
  - Runout**

* Includes enhanced hospital base payments

** Lagged FFS claims pmts for members moving to PHPs
Through 9/14, DHB has paid $361.3m in claims runout for the Standard Plan Population.

79% of this was paid out in July.
PHP Capitation Paid by Plan ($ millions)

- **BCBS**: $154
- **United**: $131
- **WellCare**: $121
- **Amerihealth**: $104
- **CCH**: $75

*Note: Distribution of dollars month to month varies by enrollment and risk adjustment to rates.*
Forecasted Total Enrollment for SFY 2022

Not including family planning

Current forecast peaks at 2.3 m beneficiaries in January 2022, when we assume the PHE ends.

Actuals have continued to rise to 2.25 m beneficiaries as of August 2021.
Monthly Medicaid Enrollment by PAC (in Thousands)

<table>
<thead>
<tr>
<th>PAC</th>
<th>Apr 2021</th>
<th>May 2021</th>
<th>June 2021</th>
<th>July 2021</th>
<th>August 2021</th>
<th>September 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>1,273</td>
<td>1,278</td>
<td>1,283</td>
<td>1,289</td>
<td>1,293</td>
<td>1,299</td>
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<tr>
<td>Family Planning</td>
<td>368</td>
<td>371</td>
<td>374</td>
<td>377</td>
<td>378</td>
<td>381</td>
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<tr>
<td>TANF Adults</td>
<td>288</td>
<td>295</td>
<td>302</td>
<td>310</td>
<td>316</td>
<td>324</td>
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<tr>
<td>Partial Dual</td>
<td>440</td>
<td>441</td>
<td>443</td>
<td>444</td>
<td>445</td>
<td>446</td>
</tr>
<tr>
<td>Aged/Blind/Disabled</td>
<td>83</td>
<td>83</td>
<td>83</td>
<td>83</td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td>Medicaid and Health Choice Children</td>
<td>2,529</td>
<td>2,545</td>
<td>2,561</td>
<td>2,580</td>
<td>2,593</td>
<td>2,611</td>
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</table>
Looking Ahead
Now that We’ve Launched – SFY 2022

Factors to Watch Closely:

• Legislative Budget – Rebase & Transformation
• Continued enrollment growth
• Extension of PHE
• Enrollment drop when PHE ends