NC Medicaid and NC Health Choice
Enrollment and Financial Update

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Monthly Medicaid Enrollment by Category, Growth since start of PHE

Source: Monthly Medicaid Enrollment Report, March 2022

- Partial Duals and Other Limited Benefit (up 48%)
- Family Planning (up 21%)
- Parents and Other Adults (up 104%)
- Aged/Blind/Disabled (up 7%)
- Medicaid and Health Choice Children (up 18%)

559,000 (26%) total growth
Historical Budget Overview

Over the past eight fiscal years NC Medicaid has been on budget.

Source: BD701, comparison of budget to actual appropriations; bars represent net final budget position.
NC Medicaid Budget Pressures

• Convergence of managed care and pandemic uncertainties

• Actual enrollment exceeding projections

• COVID response costs (temporary rate increases) continued longer than planned

• Continued COVID response to address Long Term Care (LTC) staffing challenges

• Change in hospital financing approach (H383)

Surplus unlikely this year (unlike prior 8 years)
Through January, NC Medicaid has expended a higher % of total budget than at the same point last year.

Source: BD701 actuals as of January 2021 and January 2022
Temporary COVID Rate Increases

- Most in place since March or April 2020
- Limited NC Medicaid Budget in SFY 2022
- Persistent staffing challenges in LTC
- HCBS funding now in place
HCBS DCW Rate Increases & Bonus

Rate Increases (see Special Bulletin #230)

• $210 m annualized
• Rate Increase of $0.54 per 15 min unit ($2.16/hr)
• Providers strongly encouraged to pass 80% ($1.72/hr) on to DCW wages

Bonuses (see Special Bulletin #233)

• One-time $1,946.34 (gross)
• Employer share of FICA ($148.90) covered by State
Outlook for SFY 2023

Key Factors:

• Uncertainty regarding PHE end date
  – Enrollment
  – FMAP

• New high-cost pharmaceuticals

• Implementation of Tailored Plans

• Medicaid Expansion??