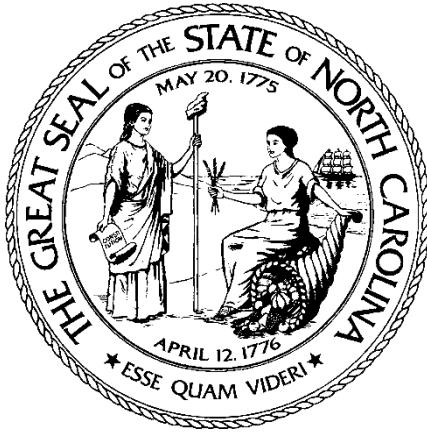


**NC Department of Health and Human Services
Division of Health Benefits (NC Medicaid)**

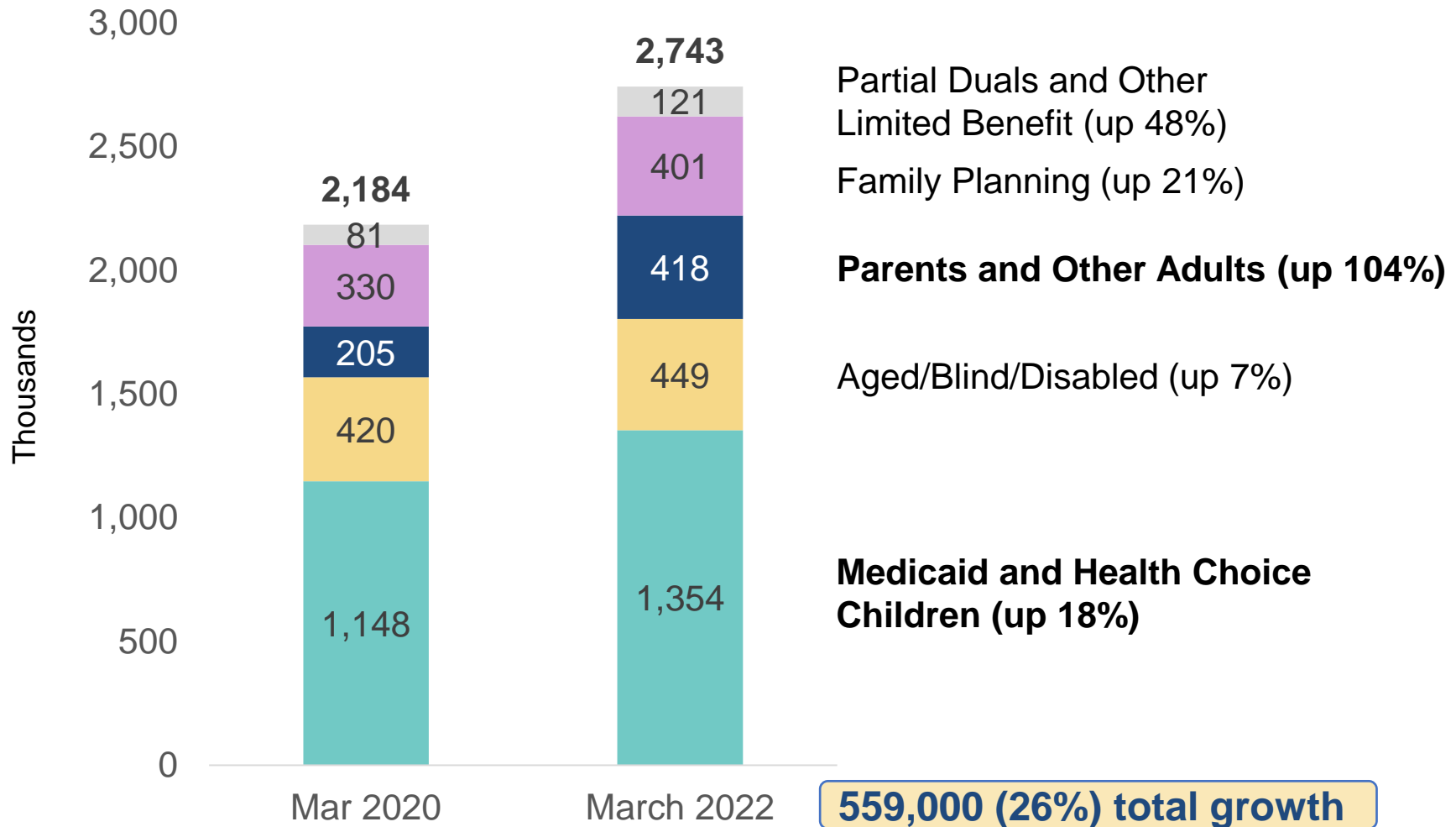


NC Medicaid and NC Health Choice Enrollment and Financial Update

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

**Medical Care Advisory Committee (MCAC) Meeting
March 25, 2022**

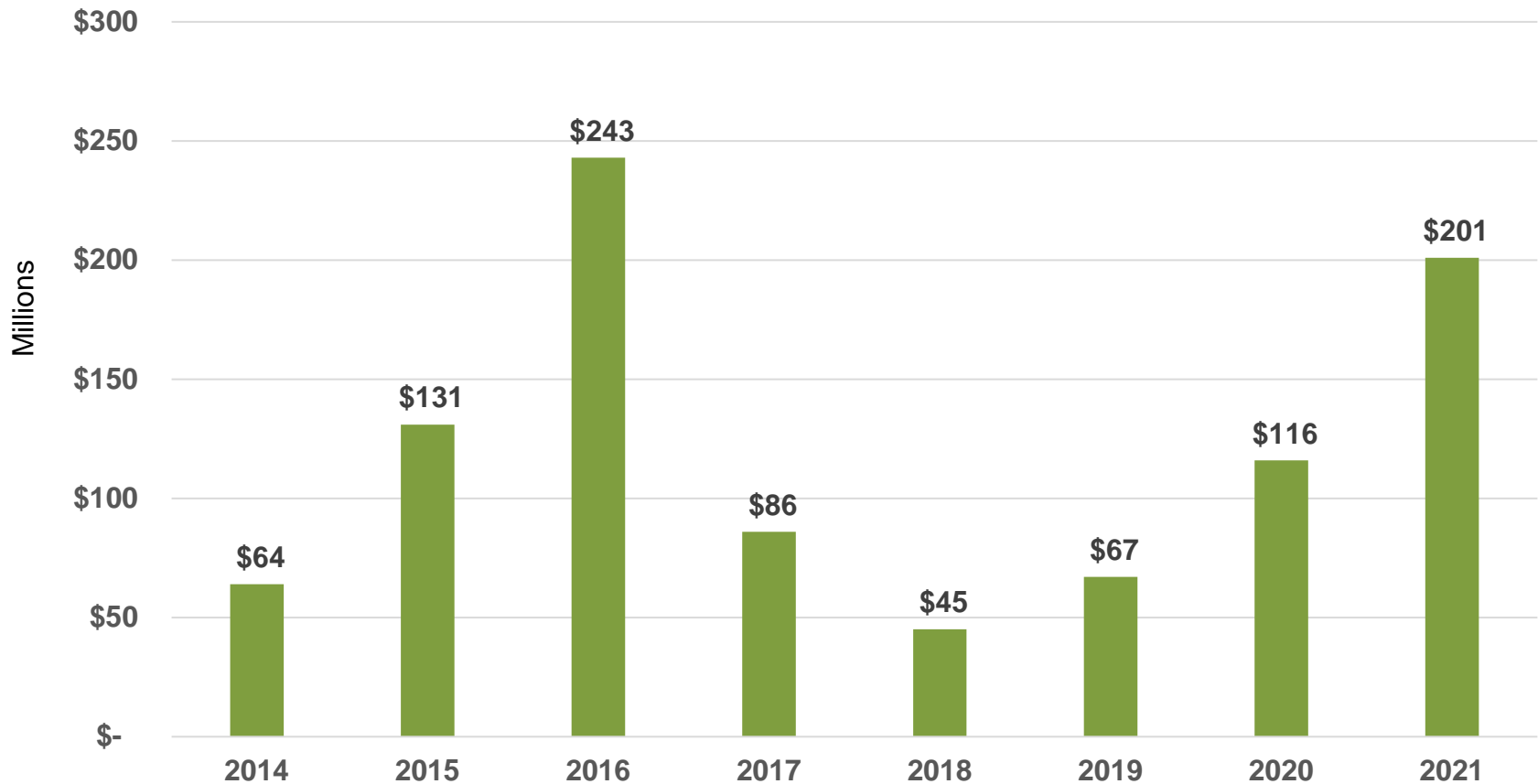
Monthly Medicaid Enrollment by Category, Growth since start of PHE



Source: Monthly Medicaid Enrollment Report, March 2022

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.

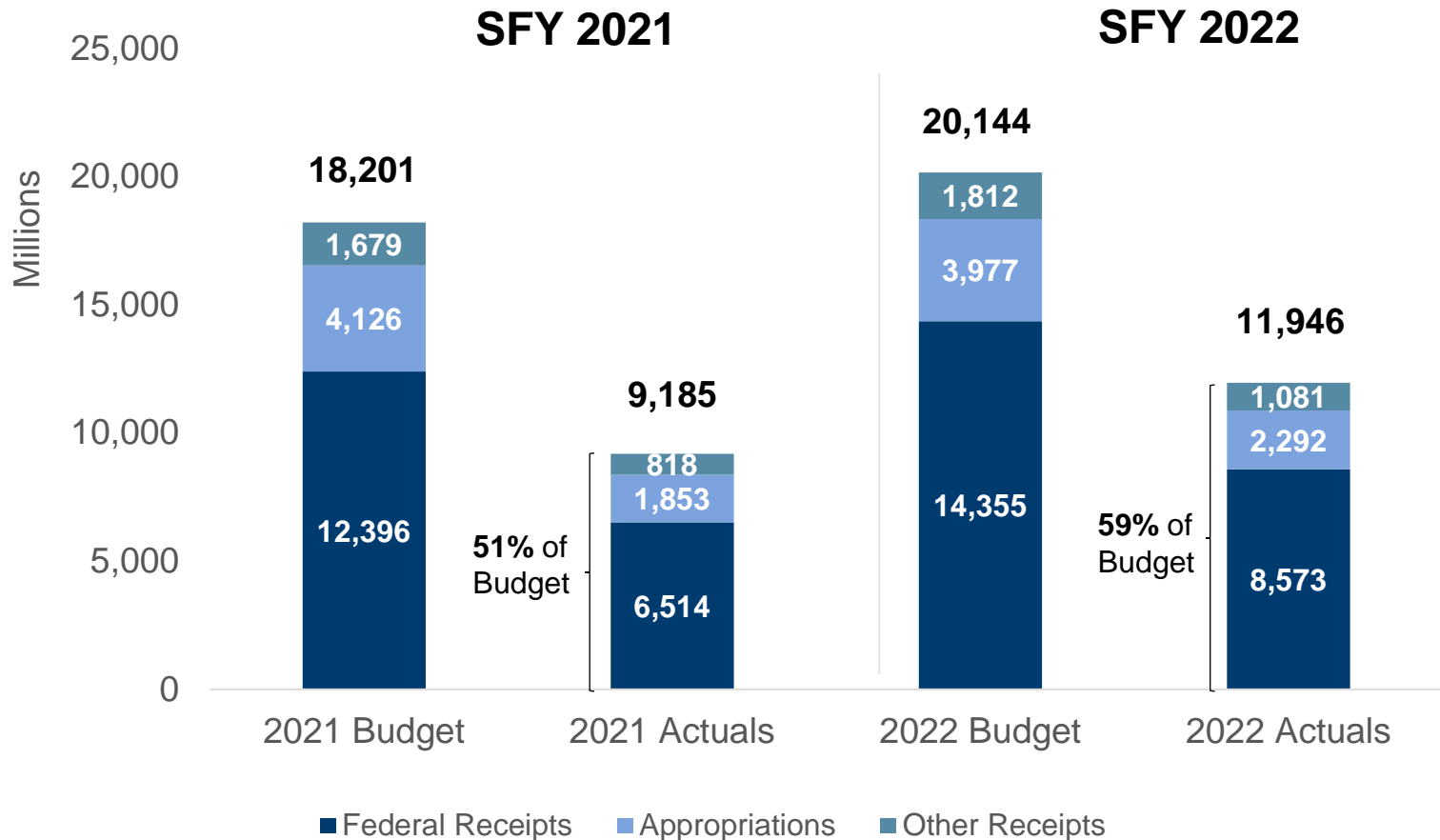
NC Medicaid Budget Pressures

- **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)

NC Medicaid Actuals v. Budget

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??**