

Supplement to NC 1115 Waiver Amendment Application

Following is a supplement to the NC 1115 waiver amendment application dated Nov. 15, 2021.

V. Budget Neutrality

North Carolina analyzed the impact of the proposed waiver amendment on its existing budget neutrality estimates under the approved demonstration. We describe key expenditure and enrollment estimates in the below table. These estimates are based on the following modifications to the budget neutrality model approved by CMS on October 19, 2018:

1. Trending forward CMS-approved per capita expenditure figures utilizing the CMS-approved trend rates in order to align with the new demonstration years proposed in this amendment.
2. Adjusting eligible member months and the included per capita caps to reflect North Carolina’s plan to implement Behavioral Health I/DD Tailored Plans on July 1, 2022 (the approved waiver assumes Behavioral Health I/DD Tailored Plans launched on July 1, 2021).¹
3. Updating member months to consider more recent enrollment levels as well as updated enrollment projections from the State.
4. Removing dually-eligible members other than those in the Innovations/TBI eligibility group. The waiver amendment proposes that dually eligible beneficiaries will no longer be covered under managed care via the 1115 waiver and instead will remain enrolled in the State’s limited benefit prepaid inpatient health plan authorized under the State's 1915(b) waiver.

ELIGIBILITY GROUP	DY 04 (06/21 - 06/22)	DY 05 (07/22 - 06/23)	DY 06 (07/23 - 06/24)	DY 07 (07/24 - 06/25)	DY 08 (07/25 - 06/26)	Total Demonstration
Aged, Blind, and Disabled						
Eligible Member Months	1,436,117	2,162,384	2,194,819	2,227,742	2,261,158	
Without Waiver Cost Per Eligible	\$ 2,142.50	\$ 2,296.87	\$ 2,399.57	\$ 2,506.86	\$ 2,618.95	
Without Waiver Expenditures	\$ 3,076,877,841	\$ 4,966,704,551	\$ 5,266,613,567	\$ 5,584,632,260	\$ 5,921,854,165	\$ 24,816,682,384
TANF & Related Children						
Eligible Member Months	12,051,677	11,085,878	11,252,166	11,420,949	11,592,263	
Without Waiver Cost Per Eligible	\$ 252.24	\$ 268.73	\$ 273.65	\$ 278.66	\$ 283.76	
Without Waiver Expenditures	\$ 3,039,907,690	2,979,145,567	\$ 3,079,168,890	\$ 3,182,550,446	\$ 3,289,402,986	\$ 15,570,175,579
TANF & Related Adults						

¹ NC DHHS recently announced plans to delay launch of the Behavioral Health I/DD Tailored Plans until December 1, 2022. This change will be reflected in the final 1115 waiver amendment submitted to CMS.

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Eligible Member Months	4,243,664	3,726,899	3,782,803	3,839,545	3,897,138	
Without Waiver Cost Per Eligible	\$ 718.95	\$ 785.27	\$ 822.96	\$ 862.46	\$ 903.86	
Without Waiver Expenditures	\$ 3,050,994,424	\$ 2,926,606,593	\$ 3,113,089,965	\$ 3,311,456,058	\$ 3,522,462,037	\$ 15,924,609,076
Innovations/TBI						
Eligible Member Months		180,000	182,700	185,441	188,222	
Without Waiver Cost Per Eligible		\$ 7,836.77	\$ 8,144.00	\$ 8,463.27	\$ 8,795.06	
Without Waiver Expenditures		\$ 1,410,618,211	\$ 1,487,908,470	\$ 1,569,433,598	\$ 1,655,425,632	\$ 6,123,385,911
Without Waiver Total Expenditures	\$ 9,167,779,954	\$ 12,283,074,922	\$ 12,946,780,892	\$ 13,648,072,362	\$ 14,389,144,820	\$ 62,434,852,951