



N.C. Department of Health
and Human Services

Medicaid Reform Advisory Group

A Financial Review

12/05/13



What is Medicaid?

- In general, it refers to the programs and services for deemed individuals as designated by Title XIX of the Social Security Act, and their shared funding mechanisms.
- Rules, Regulations and Requirements for Medicaid are codified at 42 CFR, as well as related CFR references.



What is Medicaid?

- Authority to interpret, apply, and monitor the codified Regulations are vested in CMS, which established policies and procedures for states to follow.
- The State enters into a specific contractual arrangement with CMS, in adherence to Federal Regulations, through an Approved State Plan, which then allows for federal financial participation in approved services and funding methods.



Medicaid Funding

- Funding for Medicaid is a blending of state dollars (State Share) with Federal dollars through a matching rate formula (FMAP).
- This match rate formula is determined by a ratio of the change in State per capita income to the change in U.S. per capita income. A new FMAP rate is established effective October 1 of each year.
- For North Carolina, the FMAP rate increased from 65.51% to 65.88% on October 1, 2013.



Medicaid Financing

- The FMAP rate generally applies to services, while a 50% FMAP rate applies to defined Administrative activities.
- Specific services and/or functions may have higher FMAP rates – e.g., 90% for Family Planning Services, 75% for Skilled Nursing, etc.



Medicaid Financial Management

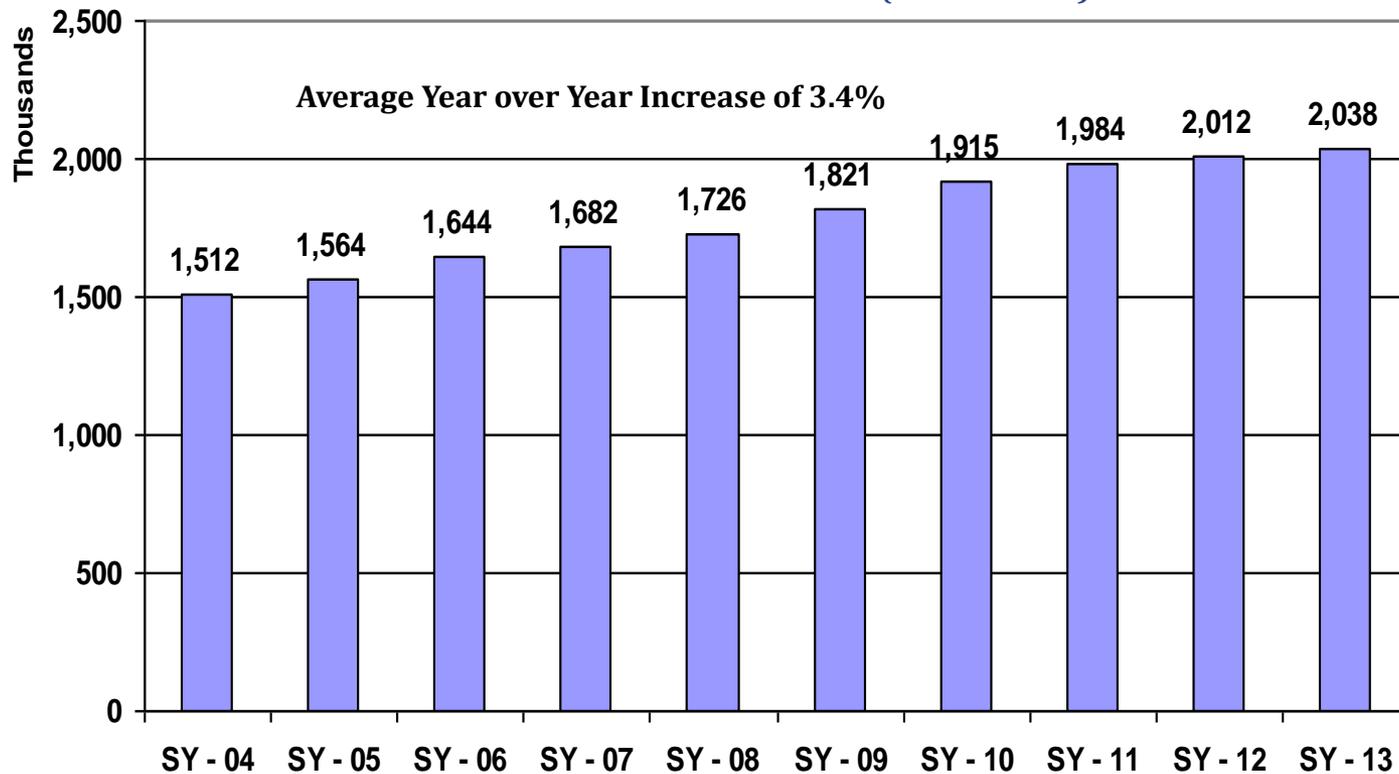
Appropriate Financial Management should include:

- Budget, forecasting, trend analysis
- Ensuring the maximum appropriate leveraging of State dollars and resources.
- Analysis of trends in cost, utilization, population composition, industry developments, best practices, etc., to project service level needs and appropriate provider capacity and response.
- Evaluate outcomes to enable evaluation of what public expenditures are actually delivering.



Medicaid Enrollment

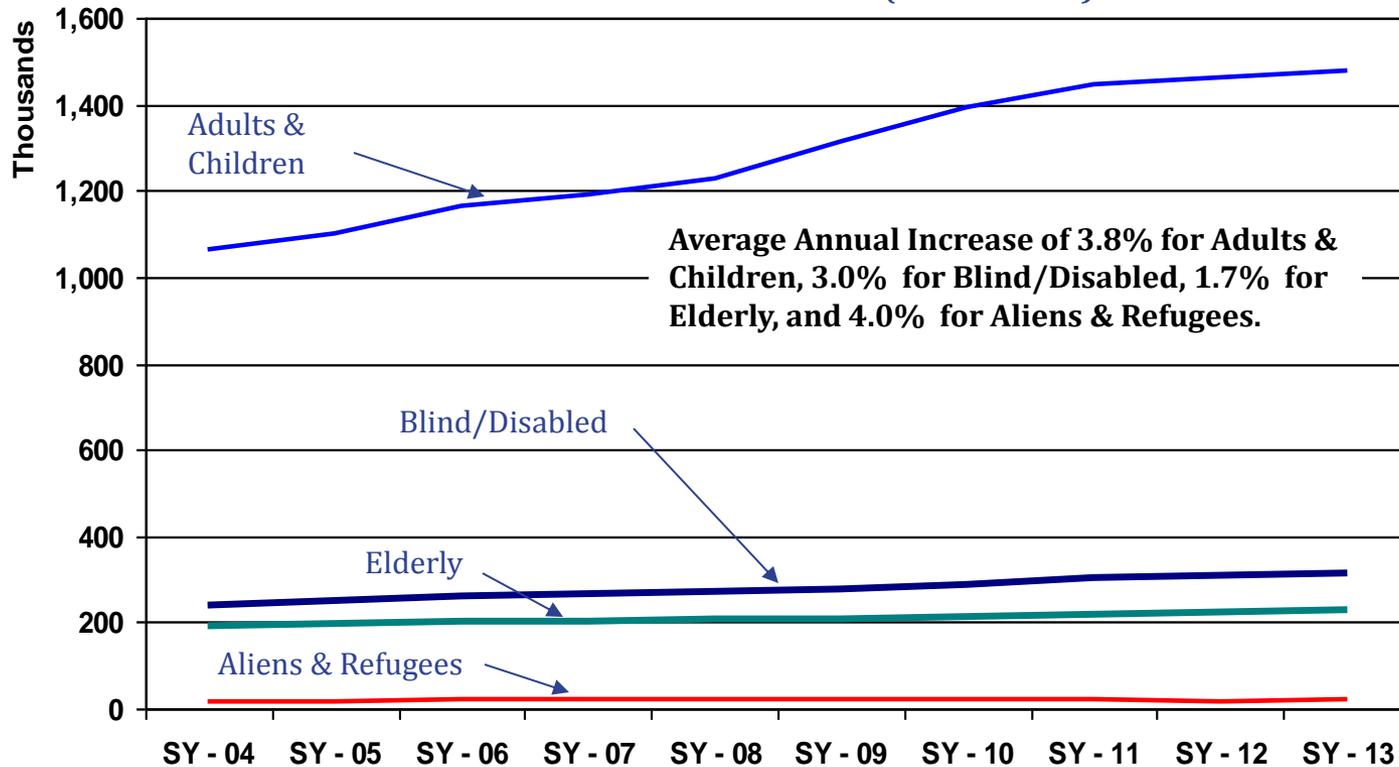
SFY 2004 to 2013 (in thousands)





Medicaid Enrollment – By Category

SFY 2004 to 2013 (in thousands)



Note: The Elderly Category contains MQB (Medicare-Qualified Recipients).

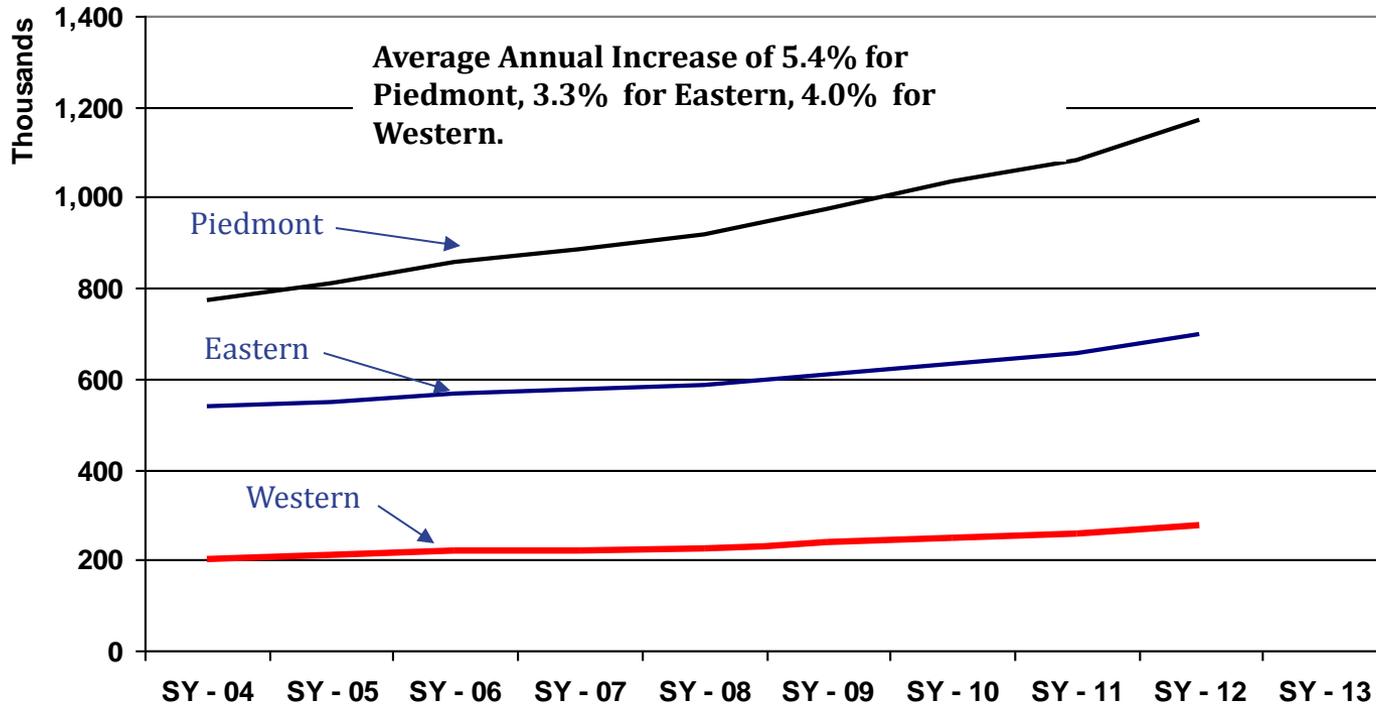
Source: EJA752 Report Unduplicated Medicaid Eligibles



Medicaid Enrollment – By Region



SFY 2004 to 2013 (in thousands)



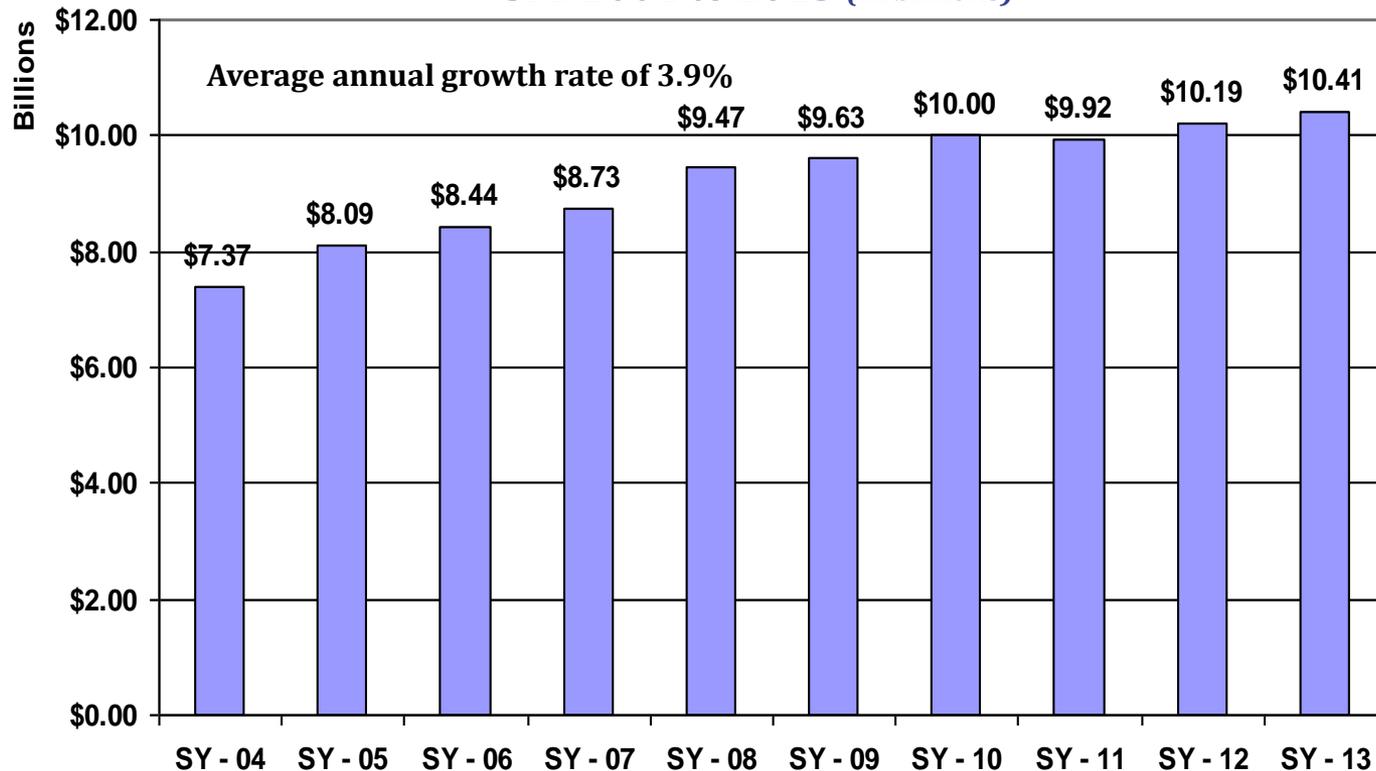
Note; North Carolina Regions (as defined for BRFSS survey)

Source: EJ752 Report - Eligibility by County



Medicaid Expenditures – By Paid Claims & Premiums

SFY 2004 to 2013 (in billions)





Medicaid Expenditures – By Service

SFY 2004 and 2013

Type of Service		SY - 04	% Total		SY - 13	% Total		% V
Prescribed Drugs		\$1,470,555,037	20%		\$1,205,894,990	12%		-18%
Inpatient Hospital		\$952,315,340	13%		\$996,997,385	10%		5%
Nursing Facility		\$897,459,281	12%		\$1,181,131,694	11%		32%
Physician		\$697,495,106	9%		\$1,195,446,189	11%		71%
Clinics		\$582,769,700	8%		\$165,807,632	2%		-72%
Outpatient Hospital		\$517,492,495	7%		\$907,643,927	9%		75%
Intermediate Care Facility (Mentally Retarded)		\$412,470,709	6%		\$220,293,301	2%		-47%
CAP/Mentally Retarded		\$265,713,701	4%		\$247,950,381	2%		-7%
Personal Care		\$220,873,275	3%		\$330,903,983	3%		50%
CAP/Disabled Adult		\$201,733,127	3%		\$242,706,770	2%		20%
Dental		\$179,199,630	2%		\$340,204,747	3%		90%
Home Health		\$170,719,146	2%		\$292,065,217	3%		71%
Other Services		\$145,862,149	2%		\$166,750,239	2%		14%
Adult Home Care		\$134,809,630	2%		\$111,013,742	1%		-18%
High Risk Intervention Residential		\$102,598,399	1%		\$23,543,823	0%		-77%
EPSDT (Health Check)		\$48,877,457	1%		\$79,635,446	1%		63%
Hospice		\$31,551,395	0%		\$69,017,495	1%		119%
Lab & Xray		\$28,724,183	0%		\$70,654,648	1%		146%
Psychiatric Hospital (< 21)		\$25,969,008	0%		\$70,192,388	1%		170%
CAP/Children		\$23,775,920	0%		\$74,325,799	1%		213%
Mental Hospital (> 65)		\$7,177,974	0%		\$7,059,886	0%		-2%
Practitioner/Non Physician			0%		\$452,109,570	4%		
Total Services		\$7,118,142,661	97%		\$8,451,349,250	81%		19%
Premiums								
Medicare, Part B Premiums		\$190,394,800	3%		\$381,067,443	4%		100%
Medicare, Part A Premiums		\$42,636,856	1%		\$60,940,494	1%		43%
HMO Premiums		\$21,537,125	0%		\$1,521,335,885	15%		6964%
Expenditures-Total Premiums		\$254,568,781	3%		\$1,963,343,822	19%		671%
Total		\$7,372,711,442	100%		\$10,414,693,072	100%		41%



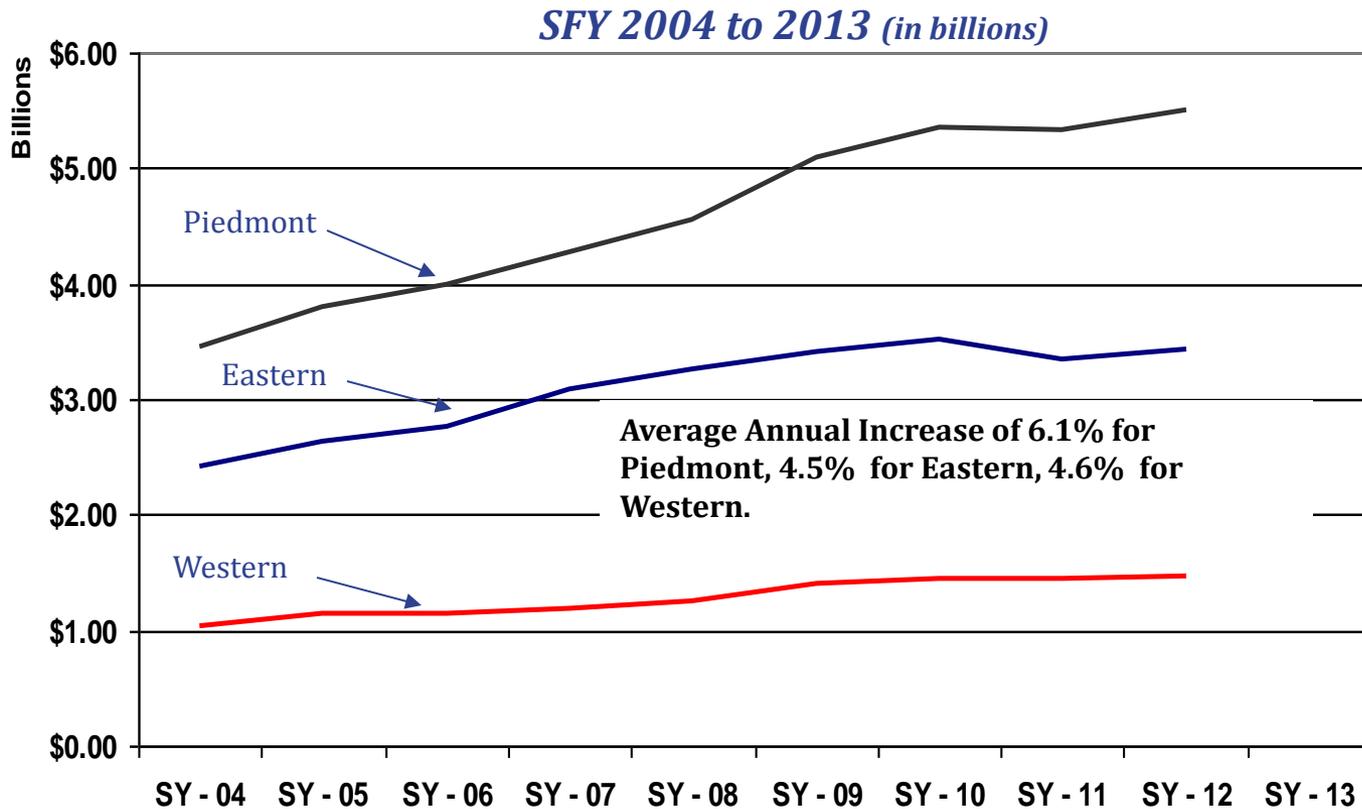
Medicaid Expenditures – By Service & per Enrollee

SFY 2004 and 2013

Type of Service		SY - 04	Per Enrollee	SY - 13	Per Enrollee	% Change
Prescribed Drugs		\$1,470,555,037	\$972	\$1,205,894,990	\$592	-39%
Inpatient Hospital		\$952,315,340	\$630	\$996,997,385	\$489	-22%
Nursing Facility		\$897,459,281	\$593	\$1,181,131,694	\$579	-2%
Physician		\$697,495,106	\$461	\$1,195,446,189	\$587	27%
Clinics		\$582,769,700	\$385	\$165,807,632	\$81	-79%
Outpatient Hospital		\$517,492,495	\$342	\$907,643,927	\$445	30%
Intermediate Care Facility (Mentally Retarded)		\$412,470,709	\$273	\$220,293,301	\$108	-60%
CAP/Mentally Retarded		\$265,713,701	\$176	\$247,950,381	\$122	-31%
Personal Care		\$220,873,275	\$146	\$330,903,983	\$162	11%
CAP/Disabled Adult		\$201,733,127	\$133	\$242,706,770	\$119	-11%
Dental		\$179,199,630	\$118	\$340,204,747	\$167	41%
Home Health		\$170,719,146	\$113	\$292,065,217	\$143	27%
Other Services		\$145,862,149	\$96	\$166,750,239	\$82	-15%
Adult Home Care		\$134,809,630	\$89	\$111,013,742	\$54	-39%
High Risk Intervention Residential		\$102,598,399	\$68	\$23,543,823	\$12	-83%
EPSDT (Health Check)		\$48,877,457	\$32	\$79,635,446	\$39	21%
Hospice		\$31,551,395	\$21	\$69,017,495	\$34	62%
Lab & Xray		\$28,724,183	\$19	\$70,654,648	\$35	83%
Psychiatric Hospital (< 21)		\$25,969,008	\$17	\$70,192,388	\$34	101%
CAP/Children		\$23,775,920	\$16	\$74,325,799	\$36	132%
Mental Hospital (> 65)		\$7,177,974	\$5	\$7,059,886	\$3	-27%
Practitioner/Non Physician			\$0	\$452,109,570	\$222	
Total Services		\$7,118,142,661	\$4,707	\$8,451,349,250	\$4,146	-12%
Premiums						
Medicare, Part B Premiums		\$190,394,800	\$126	\$381,067,443	\$187	49%
Medicare, Part A Premiums		\$42,636,856	\$28	\$60,940,494	\$30	6%
HMO Premiums		\$21,537,125	\$14	\$1,521,335,885	\$746	5141%
Expenditures-Total Premiums		\$254,568,781	\$168	\$1,963,343,822	\$963	472%
Total		\$7,372,711,442	\$4,875	\$10,414,693,072	\$5,110	5%



Medicaid Expenditures – By Region



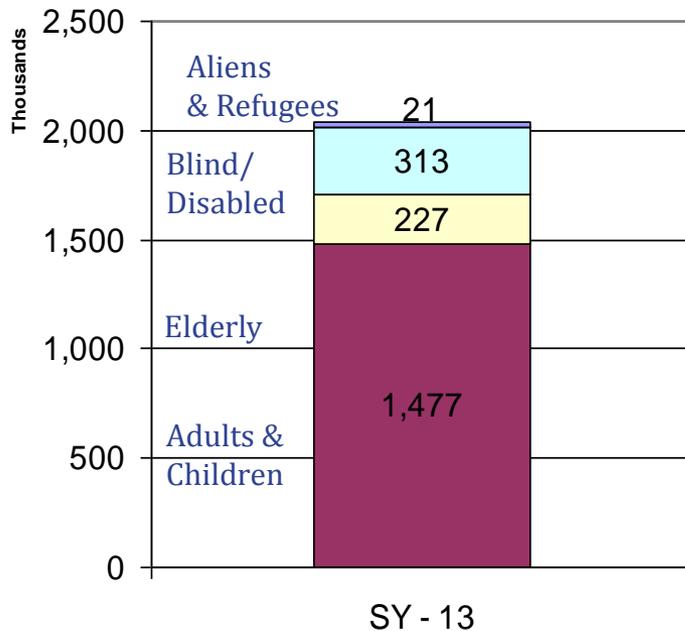
Note; North Carolina Regions (as defined for BRFSS survey)

Source: DMA Program Expenditure Report

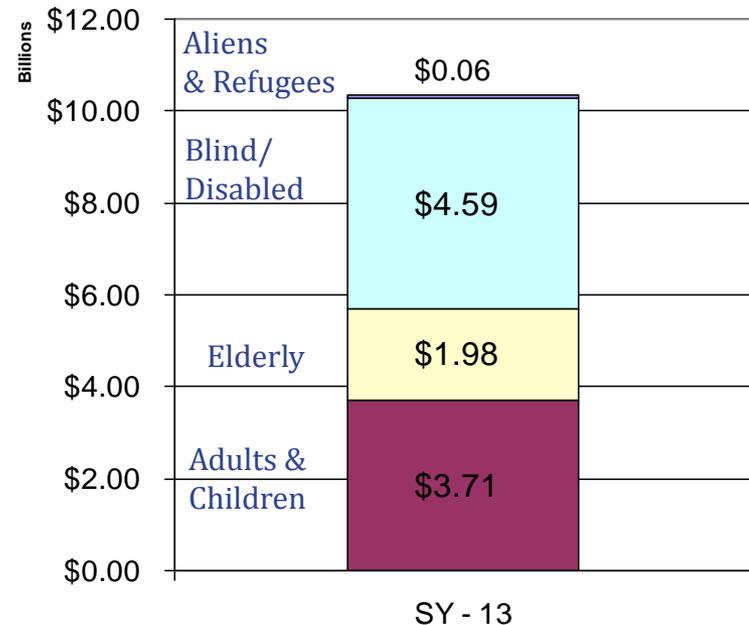


Medicaid Enrollment vs. Expenditure

Enrollment (in thousands)



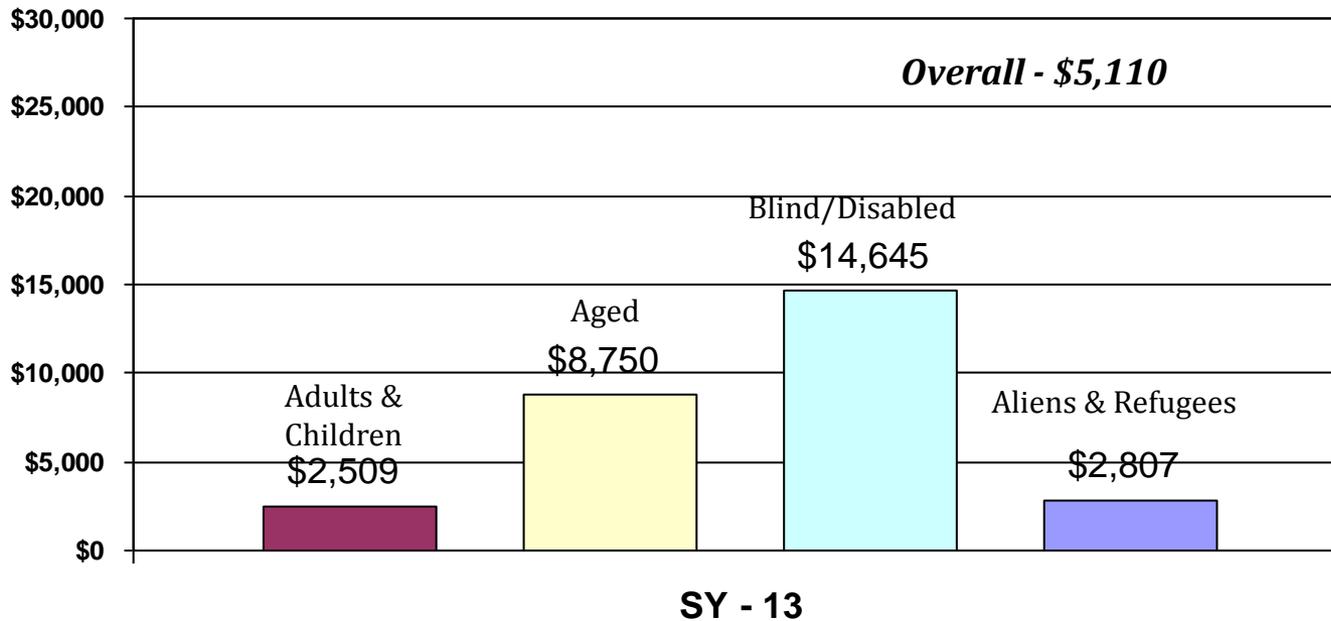
Expenditures (in billions)





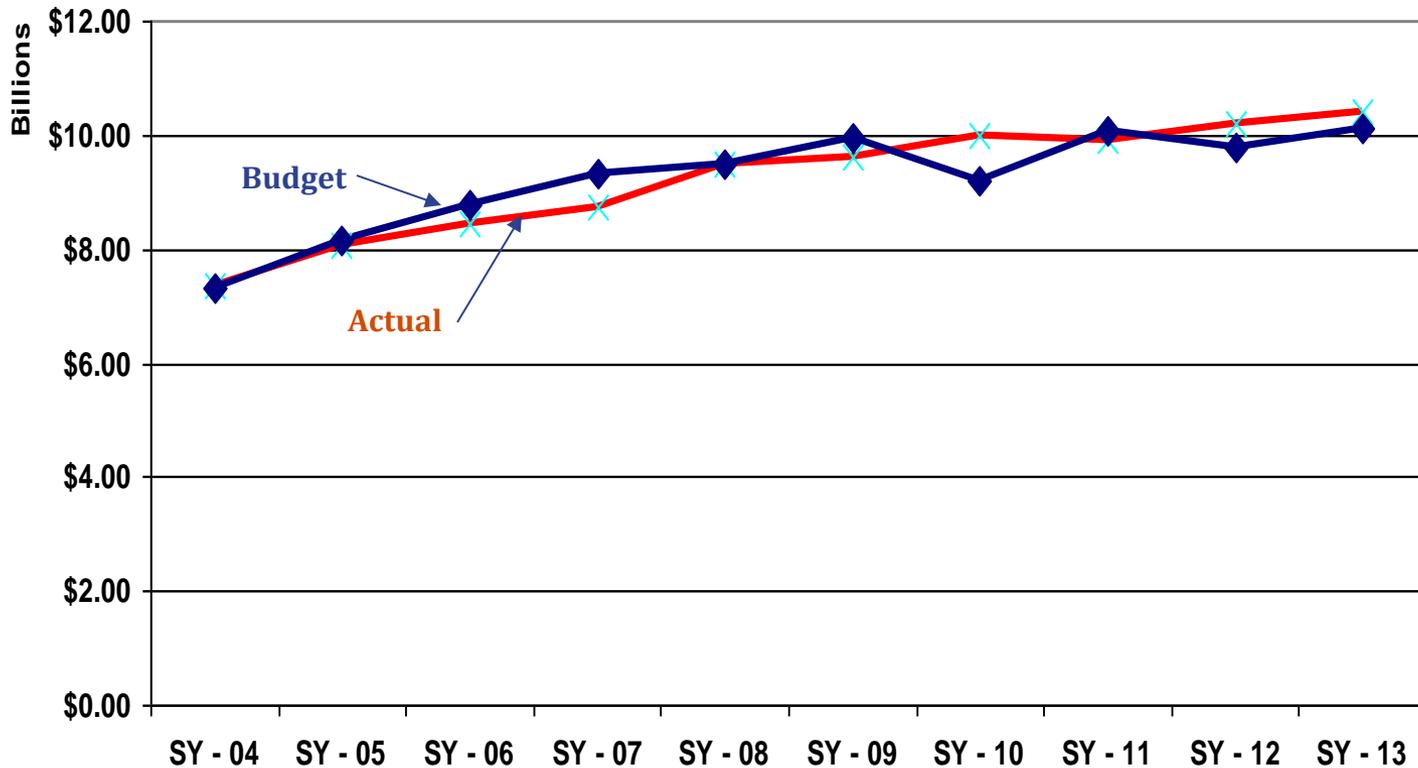
Medicaid Expenditures per Enrollee Group

SFY 2013





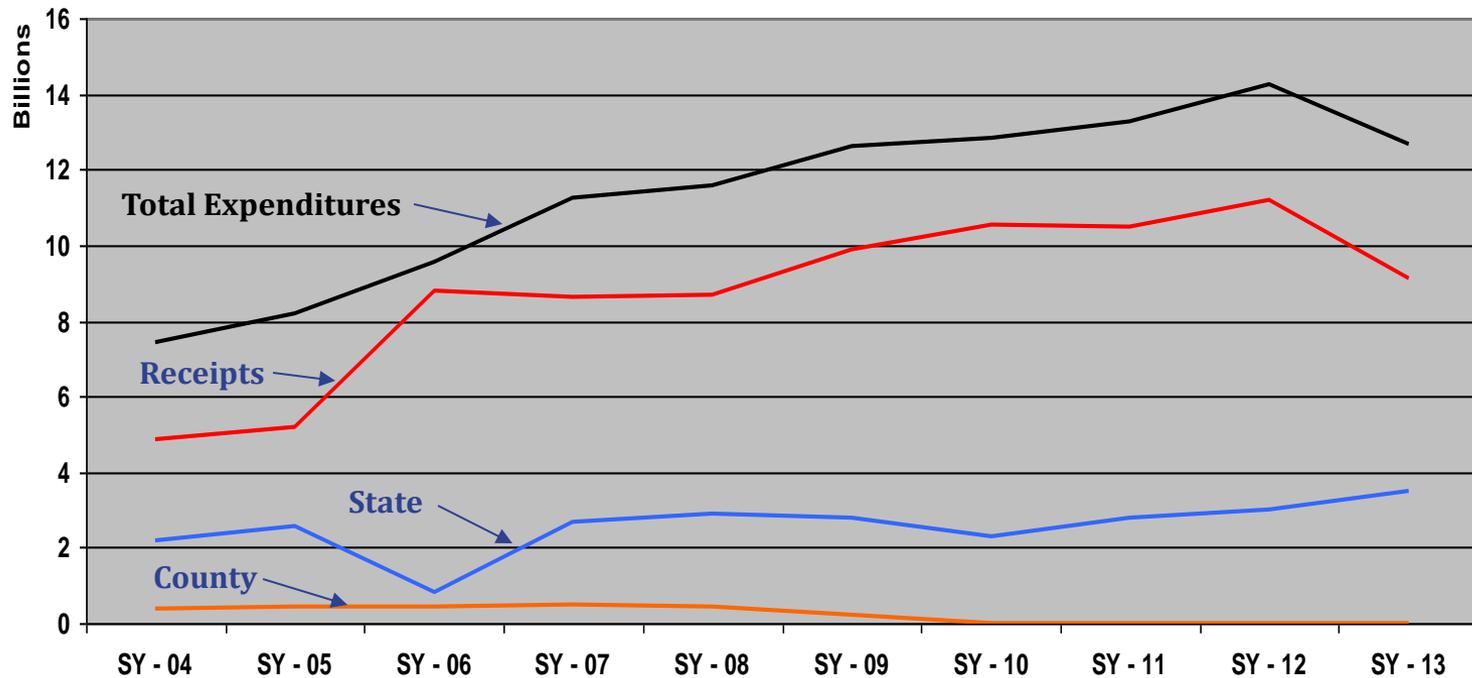
Medicaid Expenditures vs. Certified Budget



Source: Budget figures were taken from OSBM reported certified budget line item Medical Assistance Payments . Actual figures was sourced DMA Program Expenditure Report



Medicaid Funding Sources



Source:



Medicaid Cost per Enrollee Select State (Regional) Comparison

SFY -2010 (ranked by Overall)

Location	Adults & Children	Aged	Blind & Disabled	Overall
United States	\$5,384	\$12,958	\$16,240	\$5,563
Georgia	\$5,407	\$8,740	\$9,916	\$3,916
South Carolina	\$5,634	\$11,220	\$13,093	\$5,119
Tennessee	\$8,488	\$8,728	\$11,772	\$5,565
North Carolina	\$6,568	\$9,973	\$15,369	\$5,803
Virginia	\$6,787	\$10,928	\$15,289	\$5,985