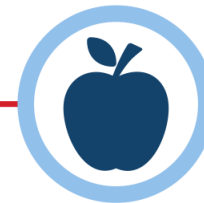


Appendix: FY 2017-19 Presentation of Governor Roy Cooper's Recommended Budget for Health and Human Services

Pam Kilpatrick
Assistant State Budget Officer
Office of State Budget and Management
March 7, 2017

Common Ground Solutions
for **NORTH CAROLINA**



Appendix 1: DHHS SUMMARY OF EXPANSION/REDUCTION RECOMMENDATIONS 2017-19 - GOVERNOR'S RECOMMENDED BUDGET

State General Funds Only

Prepared by OSBM

Policy Priority	Division	Title	2017-18	2018-19
1	Child Welfare	CA	Child Welfare Case Management through NC FAST	8,900,000
2	Child Welfare	DSS	Child Welfare Program Improvements	11,109,000
3	Child Welfare	DSS	Child Welfare Business Process Re-Engineering	8,730,446
4	Child Welfare	DSS	Foster Care- Enrollment	9,477,217
5	Early Education and Care	DCDEE	NC Pre-K Waitlist Elimination	1,148,222
6	Early Education and Care	DCDEE	Invest in Smart Start for Children	270,903
7	Early Education and Care	DCDEE	Child Care Subsidies for Working Families	2,451,515
8	Early Education and Care	DPH	Children's Developmental Services Agencies	6,000,000
9	Early Education and Care	DCDEE	Improve Child Care Quality in NC	12,200,000
10	Elders and Other Vulnerable Citizens	DAAS	Support the Health and Independence of Older Adults	15,000,000
11	Elders and Other Vulnerable Citizens	DAAS	Invest in Key Rental Assistance	0
12	Elders and Other Vulnerable Citizens	DSHR	Statutory Requirements for Adult and Acute Care Inspections	2,541,482
13	Elders and Other Vulnerable Citizens	DSS	State County Special Assistance Payments	6,397,430
14	Elders and Other Vulnerable Citizens	DSS	Adult Protective Services and Guardianship	0
15	Elders and Other Vulnerable Citizens	DVR	Assistive Technologies	0
16	Efficiency and Accountability	CA	100% Receipt-Supported IT Projects	1,000,000
17		DPH	Electronic Death Records System	1,000,000
18	Efficiency and Accountability	CA	NC FAST Operations and Maintenance	2,000,000
19	Efficiency and Accountability	CA	Social Security Number Removal Initiative	2,220,403
20	Efficiency and Accountability	DSHR	Automated Background Check Management System	7,700,000
21	Efficiency and Accountability	CA	DHHS IT Applications Expansion	250,000
22	Efficiency and Accountability	DSHR	Health Services Regulation Enterprise Solution	0
23	Efficiency and Accountability	DSS	Non-Emergency Medical Transportation Funding Realignment	119,927
24	Medicaid	DMA	Medicaid Rebase	128,493
25	Medicaid	DMA	Medicaid Expansion	724,872
26	Medicaid	DMA	Graduate Medical Education Payments	749,547
27	Medicaid	DMA	NCTracks Change Requests and Enhancements	275,128
28	Medicaid	DMA	Health Choice Rebase	3,921,162
29	Medicaid	DMA	Extend DD Innovations Waiver to Lower-Acuity Individuals	(1,274,430)
30	Medicaid	DMA	Expand DD Innovations Waiver Slots	(1,274,430)
31	Medicaid	CA	MMIS Reprocedurement	3,761,334
32	Mental Health	DSOHF	Indigent Care and Operational Support in State Facilities	112,592,001
33	Mental Health	DMH	Targeted Reinvestment of Community Services Funding	0
34	Mental Health	DMH	Disability Rights of North Carolina Settlement - Specialty Treatment and Assessments	30,000,000
35	Mental Health	DMH	Local, In-Patient 3-Way Crisis Beds	1,552,101
36	Mental Health	DSOHF	New Broughton Hospital Infrastructure	2,236,341
37	Mental Health	DSOHF	New Broughton Hospital Staffing	(42,988,656)
38	Mental Health	CA	US DOJ Settlement/Transition to Community Living	(43,052,011)
39	Opioid Crisis	DMH	Opioid Package: Assure Staffing to Implement and Maintain Controlled Substances Reporting System (CSRS)	5,000,000
40	Opioid Crisis	DMH	Opioid Package: Mental Health Services	10,000,000
41	Opioid Crisis	CA	Opioid Package: Controlled Substance Reporting System (CSRS) Replacement Project Operations and Maintenance	10,333,440
42	Public Health	DPH	Smoking Cessation	20,666,880
43	Public Health	DPH	Nurse-Family Partnership	0
44	Public Health	DPH	Implement the Federal Elevated Blood Lead Level Standard	0
45	Public Health	DPH	Correct Structural Receipt Deficit	0
46	Salaries and Benefits	CA	Compensation Increase for State Employees	2,500,000
47	Salaries and Benefits	CA	Compensation Increase - State Agency Teachers	2,500,000
48	Salaries and Benefits	CA	State Retirement Contributions	17,036,022
49	Salaries and Benefits	CA	State Health Plan	175,000

Appendix 2: INVENTORY OF NON-RECURRING APPROPRIATIONS (REMOVED) / RESTORED IN THE 2017-19 BASE BUDGET
State General Funds Only
Prepared by OSBM

NON-RECURRING EXPANSIONS REMOVED FROM THE BASE

	2017-18	2018-19
1 Health Analytics Pilot	(1,250,000)	(1,250,000)
2 Data Analytics and Performance	(1,918,824)	(1,918,824)
3 NC TRACKS	(940,000)	(940,000)
4 NC FAST	(13,052,000)	(13,052,000)
5 NC Health Information Exchange (HIE)	(4,000,000)	(4,000,000)
6 NCMed Assist	(200,000)	(200,000)
7 Compensation	(175,572)	(175,572)
8 Retirement	(137,065)	(137,065)
9 Reverse Compensation Increase	(8,736)	(8,736)
10 Reverse NR Retirement Increase	(11,190)	(11,190)
11 Reverse Restoration of Home & Community Care Block Grant	(969,549)	(969,549)
12 Compensation Reserve	(10,397)	(10,397)
13 Retirement Reserve	(8,117)	(8,117)
14 Non-recurring compensation	(228,390)	(228,390)
15 Non-recurring Retirement	(178,299)	(178,299)
16 OCME Equipment	(400,000)	(400,000)
17 OCME Automation	(2,195,000)	(2,195,000)
18 EDRS	(1,331,500)	(1,331,500)
19 Perinatal Quality Collaborative	(635,000)	(635,000)
20 Support CDSAs	(1,250,000)	(1,250,000)
21 New Hope Pregnancy Center	(50,000)	(50,000)
22 Ocular Melanoma Grant	(100,000)	(100,000)
23 Salem Pregnancy Center	(50,000)	(50,000)
24 Best Start Program	(250,000)	(250,000)
25 U Quit, Two Quit	(250,000)	(250,000)
26 Nurse Family Partnership	(400,000)	(400,000)
27 Public Health Alliance of Cabarrus County	(50,000)	(50,000)
28 Support LHDs	(14,800,000)	(14,800,000)
29 NC FAST	-	-
30 Compensation Reserve	(61,298)	(61,298)
31 Retirement Reserve	(47,854)	(47,854)
32 Child Welfare Program Improvement Plan (G-29)	(8,372,917)	(8,372,917)
33 Child Welfare Native American Services	(60,000)	(60,000)
34 Child Fatality Review	(750)	(750)
35 Temporary Assistance-Facilities that Service Special Assistance Recipient	(3,750,000)	(3,750,000)
36 Food and Nutrition Services Outreach/Medicaid/Medicare Dual Eligible	(600,000)	(600,000)
37 Angels Watch	(1,100,000)	(1,100,000)
38 Child Welfare Services Oversight and Accountability	(11,614)	(11,614)
39 Boys and Girls Club	(125,000)	(125,000)
40 South Davidson Family Resource Center	(100,000)	(100,000)
41 Supportive Employment Opportunities	(300,000)	(300,000)
42 Children's Home	(150,000)	(150,000)
43 NC Fast Next Phase	-	-
44 Compensation Increase	(59,106)	(59,106)
45 Retirement Increase	(46,143)	(46,143)
46 Compensation Increase	(522)	(522)
47 Retirement Increase	(408)	(408)
48 Compensation Reserve	(14,570)	(14,570)
49 Retirement Reserve	(12,300)	(12,300)
50 Reverse PYER Transfer to NCFast	-	-
51 Retirement	(876,084)	(876,084)
52 Compensation	(1,108,420)	(1,108,420)
53 MH Task Force Funding	(10,000,000)	(10,000,000)
54 Old Broughton Hospital	(500,000)	(500,000)
55 Three-Way Crisis Beds	(2,463,750)	(2,463,750)
56 Controlled Substance Reporting System	(1,253,400)	(1,253,400)
57 Compensation Reserve (F 1910)	(88,519)	(88,519)

58	Retirement Reserve (F 1910)	(69,105)	(69,105)
59	Compensation Increase Reserve	(76,685)	(76,685)
60	Retirement Increase	(59,866)	(59,866)
61	Able to Work	(50,000)	(50,000)
	Funds Removed from the Base	(76,207,950)	(76,207,950)

NON-RECURRING REDUCTIONS RESTORED IN THE BASE

62	Miscellaneous Contracts	3,200,000	3,200,000
63	Federal Funding NC Pre-K	6,430,899	6,430,899
64	Federal Funding NC Pre-K	12,333,981	12,333,981
65	Federal Funding Child Care	2,835,482	2,835,482
66	Federal Funding Child Care	6,400,000	6,400,000
67	QUITLINE receipts	250,000	250,000
68	SCHIP Matching Rate	54,333,825	54,333,825
69	LME Intergovernmental Transfer	17,236,985	17,236,985
70	SCHIP Matching Rate	8,056,927	8,056,927
71	SCHIP FMAP Rate	47,358,284	47,358,284
72	SCHIP FMAP Rate	(4,961,778)	(4,961,778)
73	Cherry Hospital	3,000,000	3,000,000
74	Single Stream Funding (Community Services)	152,850,133	152,850,133
	Funds Restored in Base	309,324,738	309,324,738

Total Net Change from NR Items	233,116,788	233,116,788
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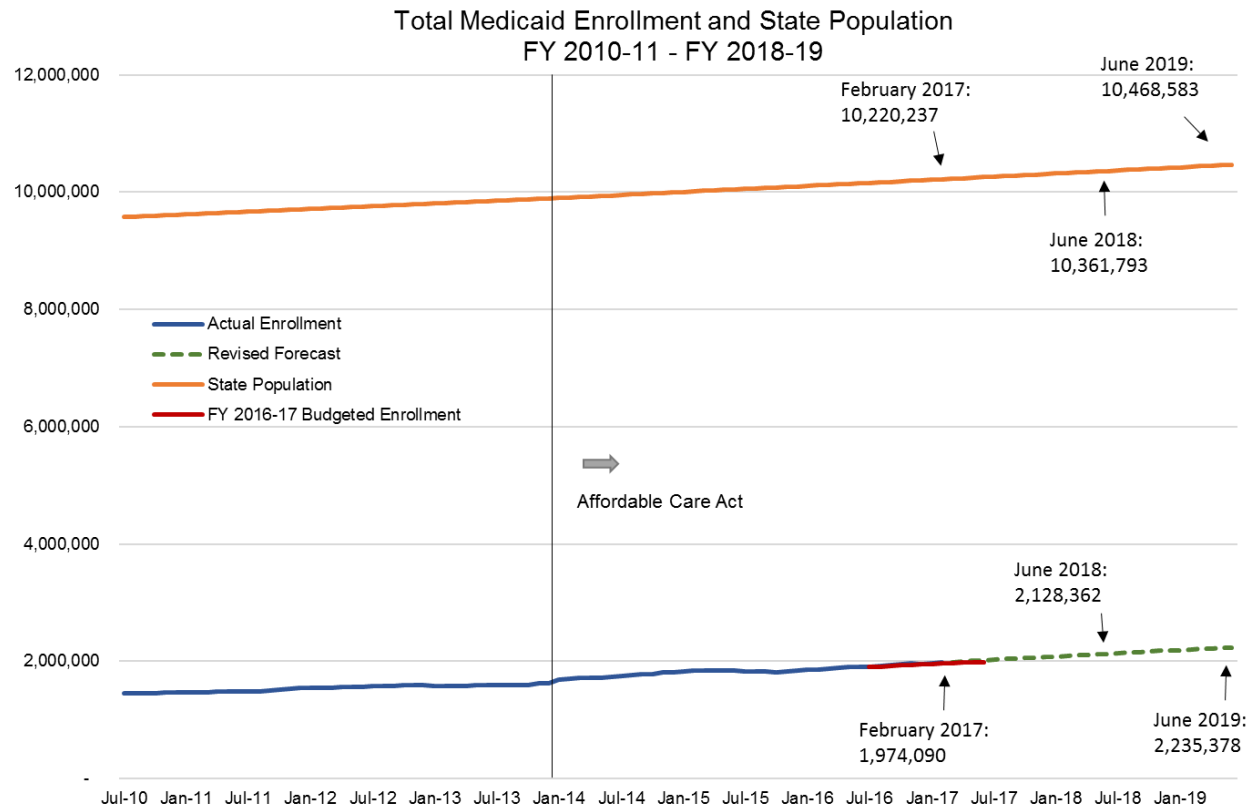


Medicaid Enrollment

- DMA Contracts with SAS to forecast Medicaid Enrollment
- The following graphs show total Medicaid enrollment and Medicaid enrollment by grouping
- Due to a data error at the time last year's budget was constructed, Aged, Blind, Disabled, and MQBQ are well below budgeted enrollment
- Family Planning enrollment has remained well above budgeted enrollment



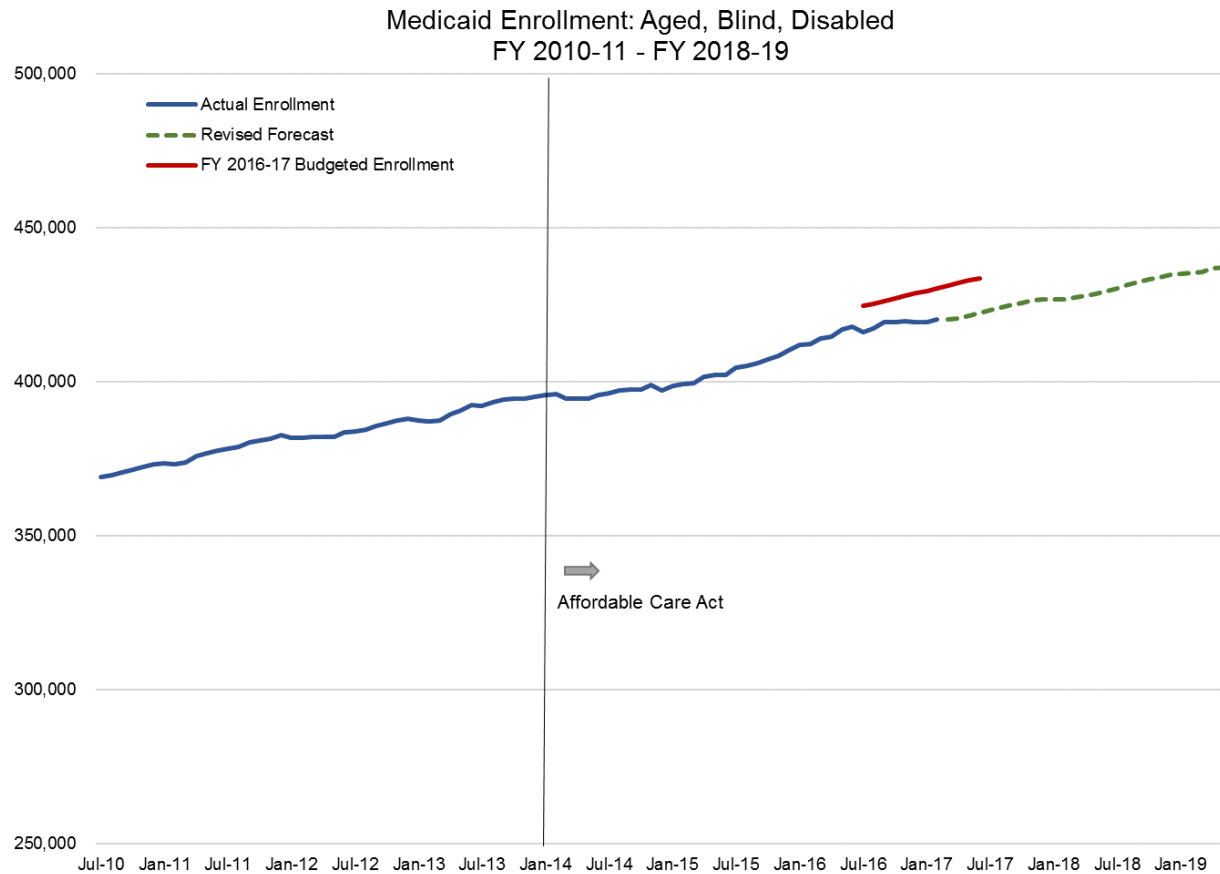
Medicaid Enrollment



Source: DMA Enrollment data and forecasts; State population estimates through 2015 and projections from 2016-2019; OSBM added linear interpolations between July 1 point in time estimates.



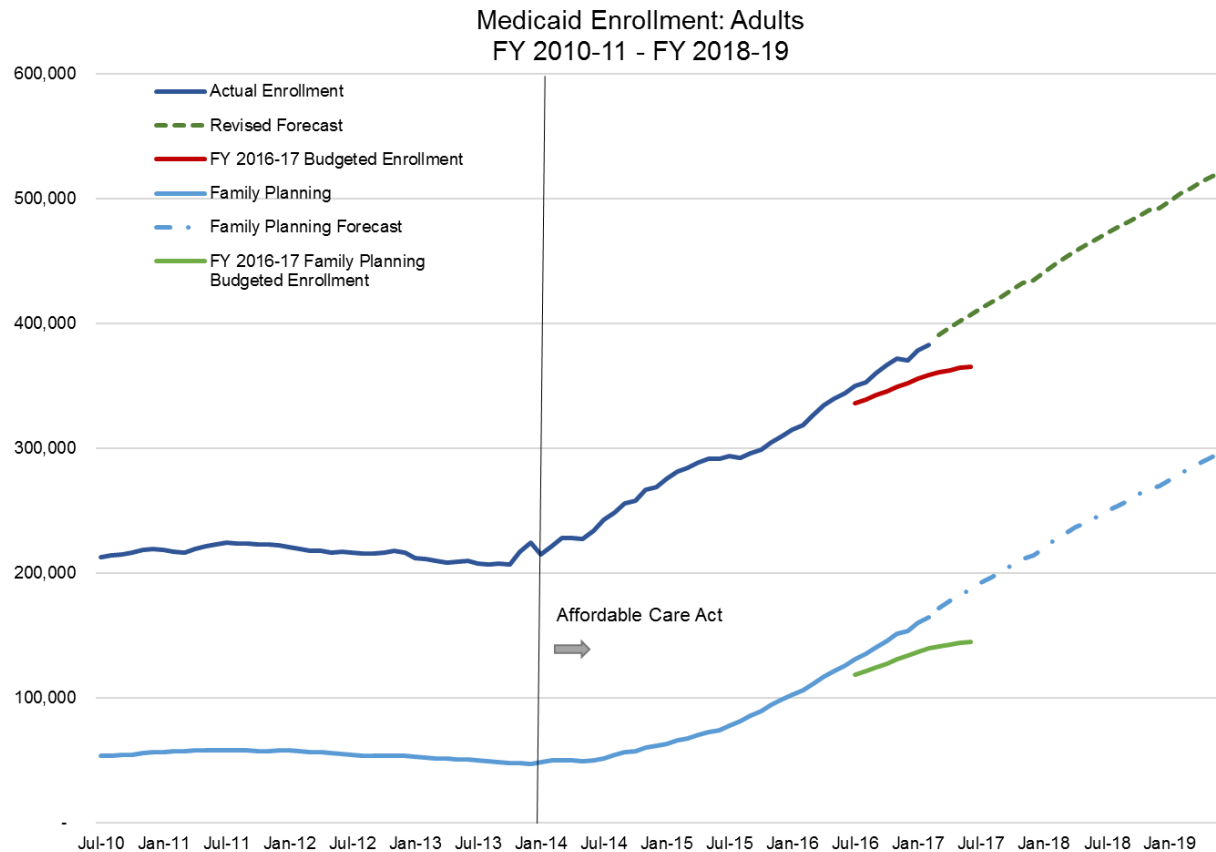
Medicaid Enrollment



Source: DMA Enrollment data and forecast



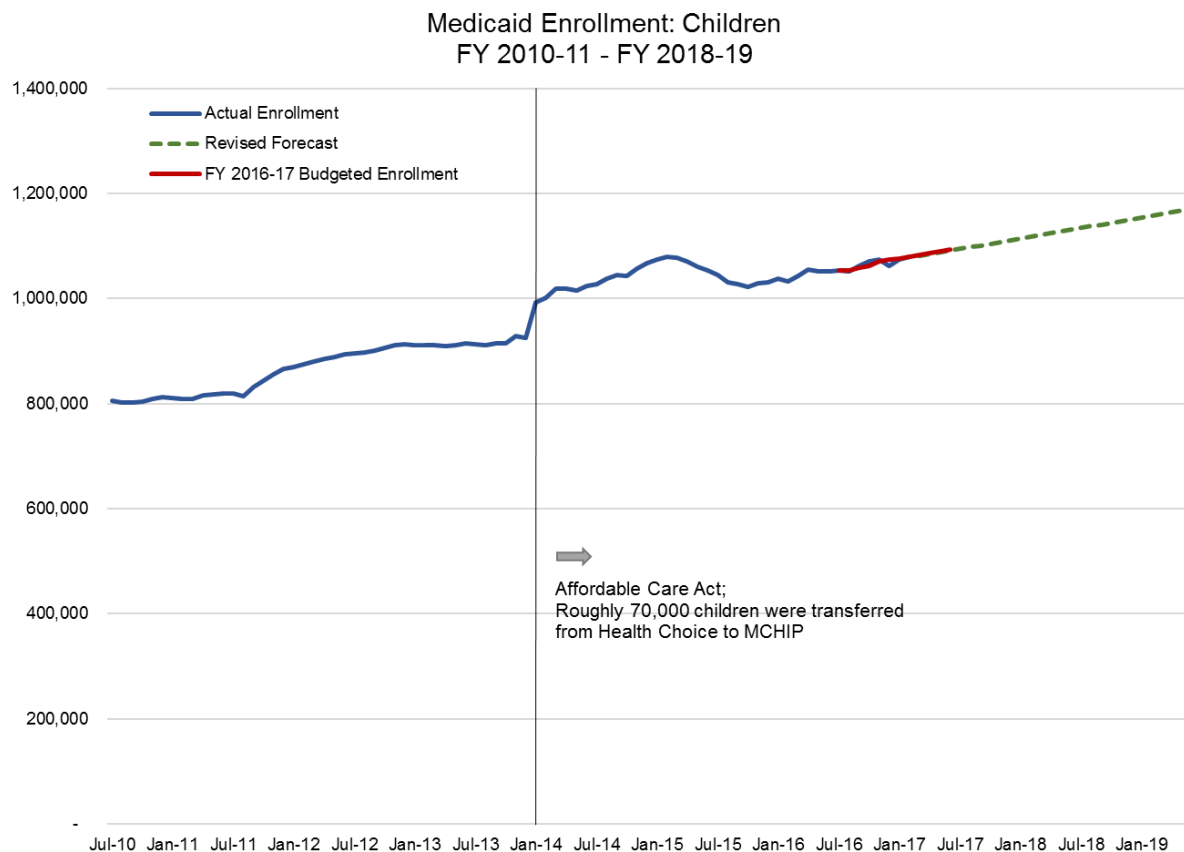
Medicaid Enrollment



*Adults includes Medicaid for Pregnant Women, AFDC Over 20, Breast and Cervical Cancer, and Family Planning
Source: DMA Enrollment data and forecast



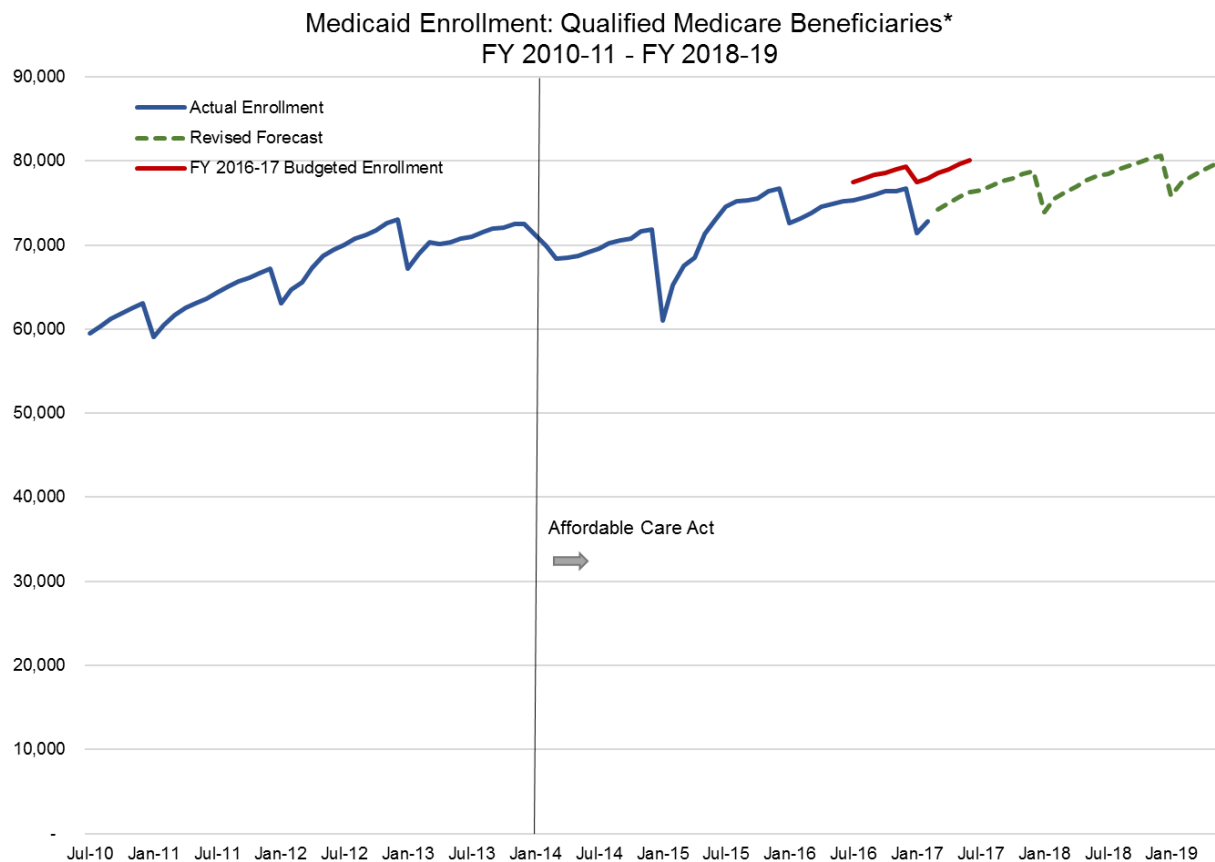
Medicaid Enrollment



*Children includes Medicaid for Infants and Children, AFDC Under 21, MCHIP, and Other Child (largely Foster Care children)
Source: DMA Enrollment data and forecast



Medicaid Enrollment

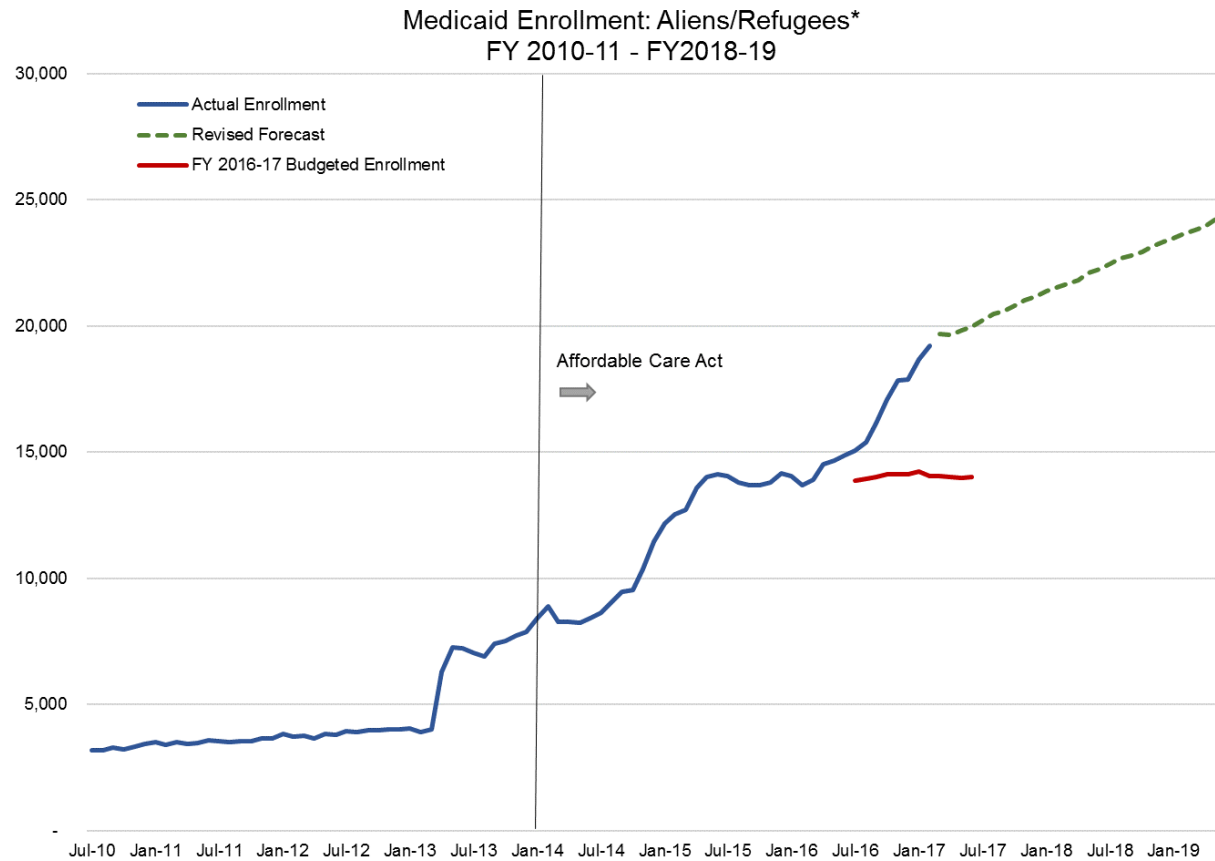


*Medicare Qualified Beneficiaries includes MQB-E (pays for Part B premiums only), MQB-B (pays for Part B premiums only) and MQB-Q (pays for Medicare premiums, deductibles, coinsurance)

Source: DMA Enrollment data and forecast



Medicaid Enrollment



*Aliens/Refugees includes Legal Aliens, Illegal Aliens, and Refugees
Source: DMA Enrollment data and forecast

Detailed Medicaid Enrollment and Forecasts

[illegible]



*Adj Illegal Aliens is shaded in yellow as it is a forecast YTD; all other PACs are actual values. Adj Illegal Aliens has a 3 month lag and as a result, an actual value is not available for February 2017 at this time.

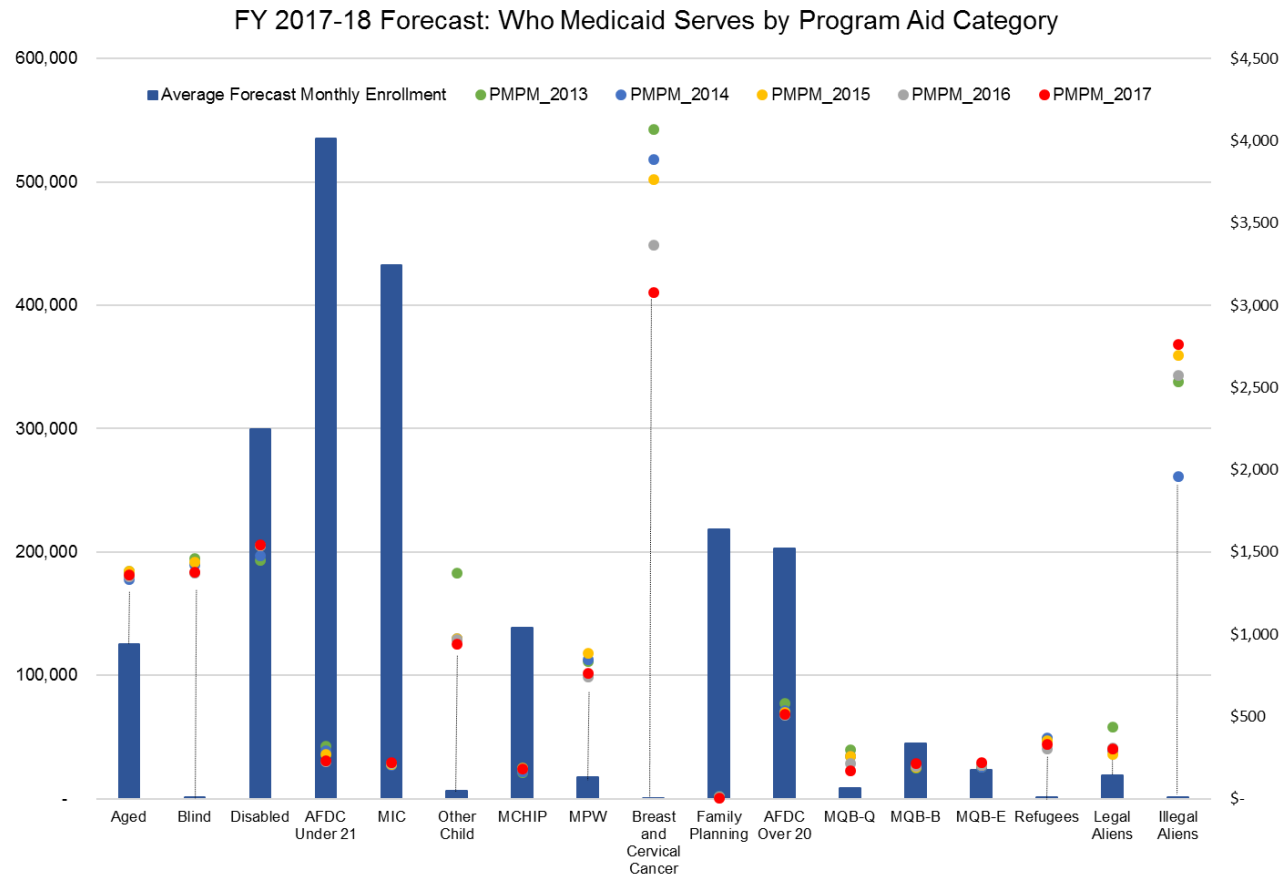


Medicaid PMPM

- Many people like to talk about Medicaid in terms of a PMPM – that is a per member, per month cost
- This construction allows people to see how much the different Program Aid Categories cost Medicaid, but it does not include supplemental payments
- The following graph demonstrates how the PMPM has changed over time; the blue bars represent the average enrollment in FY 2017-18 (left axis), while the dots represent the PMPM in a given FY (right axis)



Medicaid PMPM



Source: DMA enrollment data and forecast; PMPM calculated by OSBM using Program Expenditure Report and Buyin data and actual enrollment; time periods referenced are SFYs except for PMPM_2017 which is the SFY year to date; calculations exclude cost settlements and supplemental payments

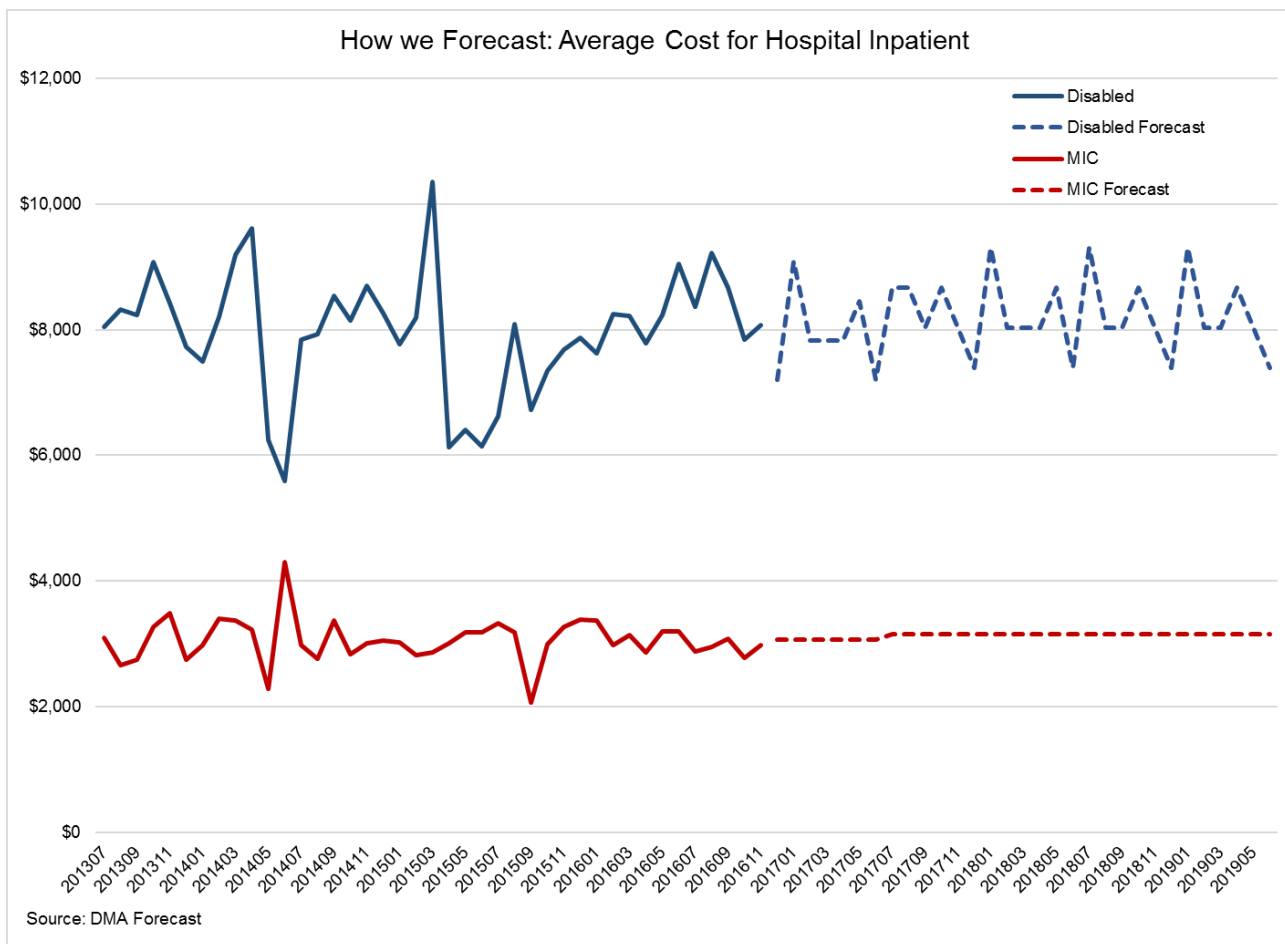


Medicaid Forecasting

- Medicaid claims forecasting is done at an Account (service type)/Type (average cost, utilization)/Program Aid Category level
- The following graphs demonstrate how claims forecasting is accomplished
- The guiding principle is that we believe that different groups use services differently. For example, there is reason to think that children and disabled might use hospital services differently and also cost different amounts
- Average cost is then multiplied by utilization which is multiplied by enrollment to arrive at total cost

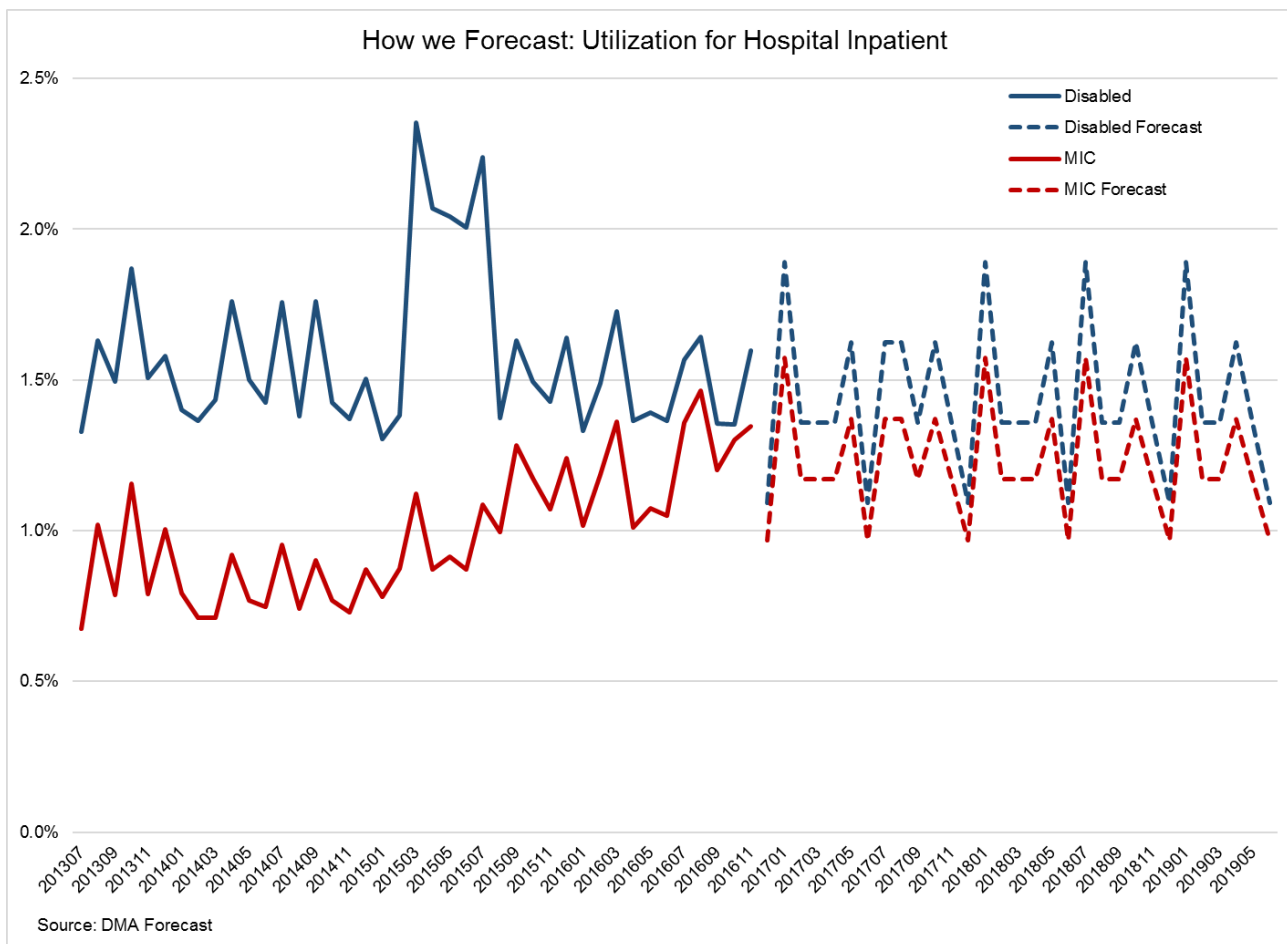


Medicaid Forecasting



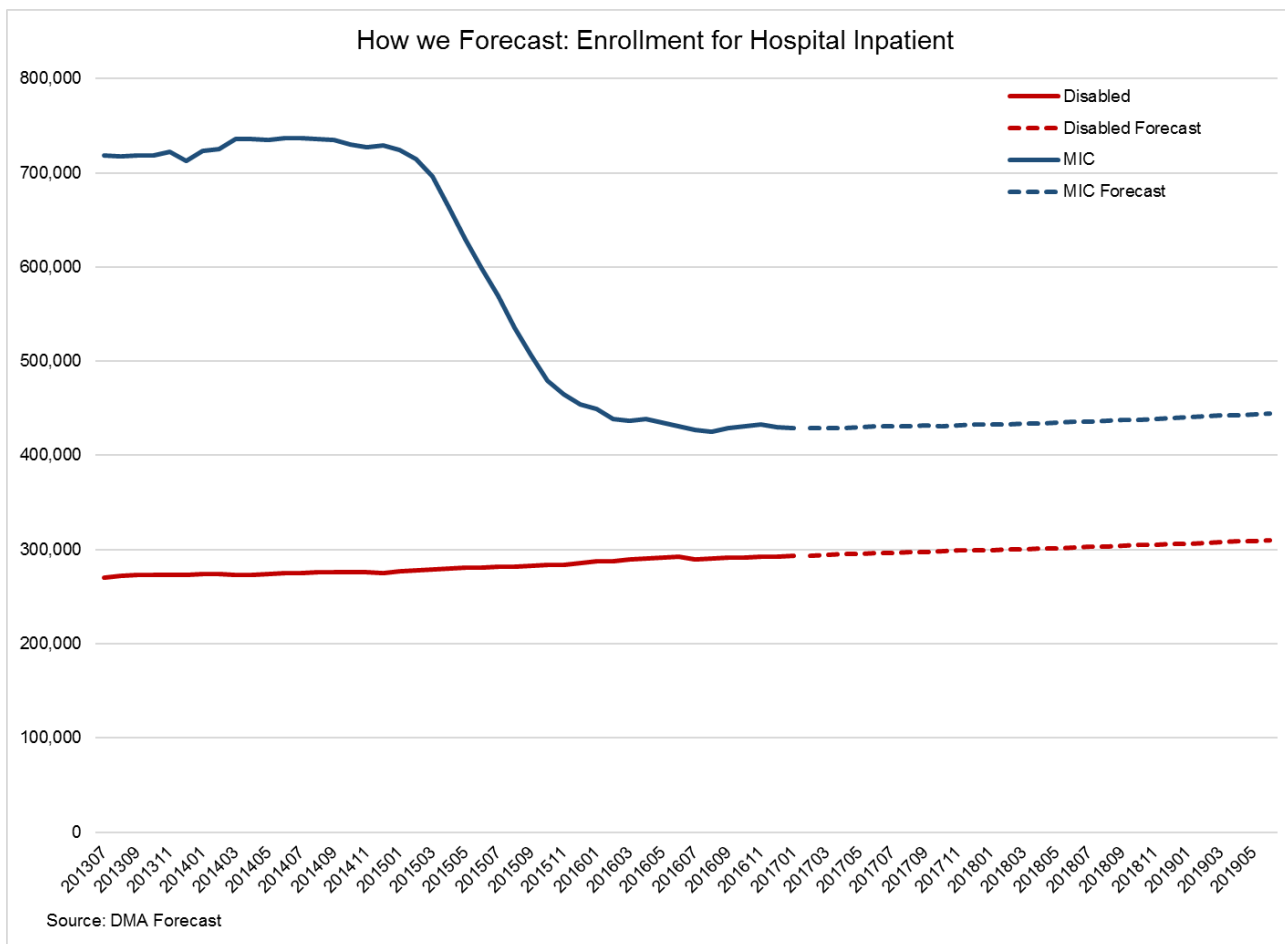


Medicaid Forecasting





Medicaid Forecasting





Medicaid Forecasting

