

FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

Department of Health and Human Services Overview

**Joint House and Senate Appropriations
Committees on Health and Human Services**

February 25, 2021

Department of Health and Human Services

Authorized Budget FY 2020-21

| Division | (\$ Millions) | | | FTE |
|--|--------------------|-------------------|-------------------|------------------|
| | Total Requirements | Receipts | Net Appropriation | |
| Central Management and Support (CMS) | \$334.5 | \$195.1 | \$139.4 | 962.00 |
| Aging and Adult Services (DAAS) | 166.4 | 122.1 | 44.3 | 77.00 |
| Child Development and Early Education (DCDEE) | 972.2 | 743.5 | 228.7 | 336.00 |
| Health Benefits (DHB)/NC Medicaid | 18,283.6 | 14,157.9 | 4,125.6 | 490.50 |
| Health Service Regulation (DHSR) | 85.5 | 65.1 | 20.4 | 578.50 |
| Mental Health, Developmental Disabilities, & Substance Abuse Services (DMH/DD/SAS) | 1,788.5 | 1,024.1 | 764.4 | 11,313.78 |
| Public Health (DPH) | 1,057.0 | 900.0 | 157.0 | 1,947.88 |
| Services for the Blind, Deaf, and Hard of Hearing (DSB/DHH) | 46.1 | 37.3 | 8.8 | 334.51 |
| Social Services (DSS) | 2,003.5 | 1,808.5 | 195.0 | 404.00 |
| Vocational Rehabilitation Services (DVR) | 155.0 | 114.7 | 40.3 | 986.25 |
| Total | \$24,892.1 | \$19,168.3 | \$5,723.8 | 17,430.42 |

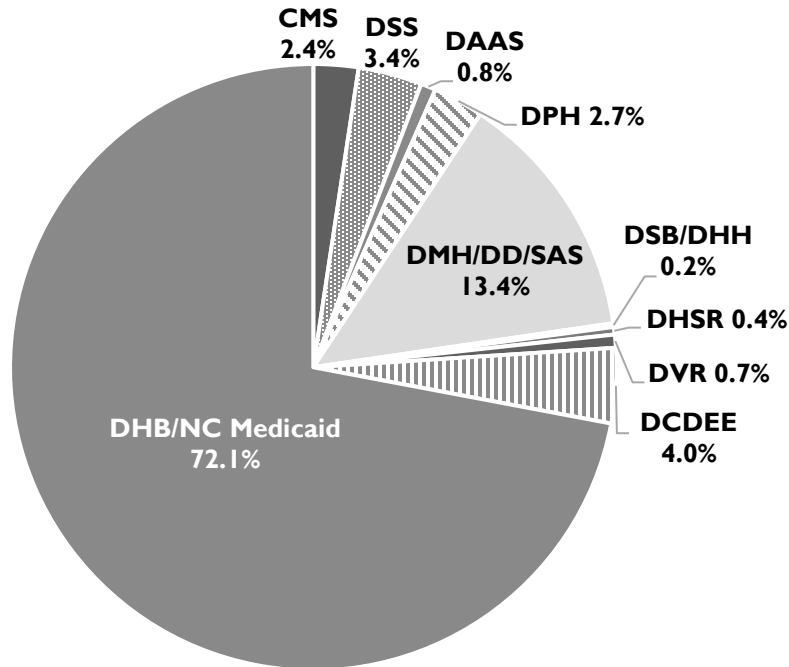
Source: November budget reports



Department of Health and Human Services Allocation of the FY 2020-21 DHHS Budget

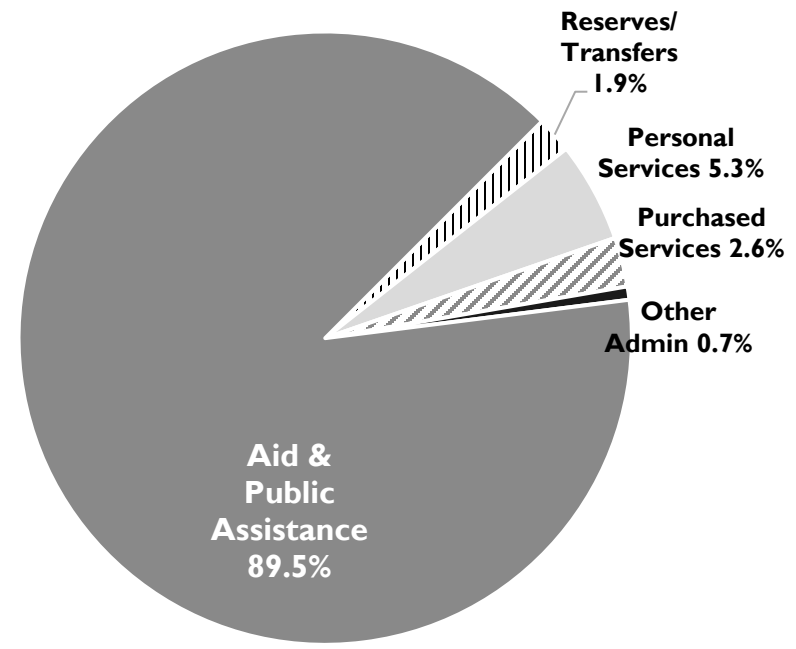
Net Appropriations

\$5.7 billion



Budgeted Expenditures

\$24.9 billion



Note: Aid and Public Assistance includes \$1.9 billion budgeted in DHB as a reserve for COVID-related Medicaid service expenses

- More than 85% of the net appropriations for DHHS support DHB (72%) and DMH/DD/SAS (13%)
- Almost 90% of DHHS expenditures are budgeted for Aid and Public Assistance



Central Management and Support

Provides agency-wide administrative support to the DHHS divisions and offices:

- Office of the Secretary*
- Office of General Counsel
- Office of Government Affairs
- Office of Communications
- Budget & Analysis Division
- Office of the Controller
- Property & Construction Division
- Information Technology Division
- Office of NC FAST
- Office of NCTracks
- Office of Privacy & Security
- Office of Procurement, Contracts, & Grants
- Human Resources Division
- Office of Internal Audit

* Includes the Office of Rural Health and the Office of Minority Health



Division of Aging and Adult Services

Provides oversight of services for the elderly and for disabled adults:

- County Boards of Commissioners determine services, funding levels, and providers
- 16 regional Area Agencies on Aging that contract with community-based providers (e.g., transportation, meal delivery, etc.)

Programs:

- Home & community-based services
- Rental assistance for individuals with disabilities (Key Program)
- Long Term Care (LTC) Ombudsman Program
- State/County Special Assistance
- Adult protective services and guardianship
- Care management



Child Development and Early Education

- Supports early childhood services, including:
 - Regulates and licenses all child care facilities, including child care centers and family child care homes
 - Administers Child Care Subsidy and NC Pre-K

Budget includes funding for Smart Start, which is a public/private partnership of local nonprofit agencies who coordinate early education services for families with children between the ages of 0-5



Division of Health Benefits

DHB was created as part of Medicaid Transformation (SL 2015-245) and operates the Medicaid program and the NC Health Choice program

- **NC Medicaid Program** (2,382,000 enrollees Feb 2021)
 - Entitlement program that pays for medical care for low-income families, children, pregnant women, elderly, and disabled
 - Eligibility determined by income, assets, age, and disability status
 - Program costs are shared by the State and federal government
 - Traditional federal match rate is approximately 67% in NC
- **NC Health Choice** (106,000 enrollees Feb 2021)
 - NC's version of the federal Children's Health Insurance Program
 - NCHC provides health insurance to children up to age 18 from families with income up to 210 percent FPL
 - Benefits are similar but not identical to Medicaid
 - Not an entitlement program (annual federal allotment)
 - Federal match rate is different from Medicaid (normally around 77%)



Division of Health Service Regulation

- Establishes and enforces the regulation of health facilities
- Major functions:
 - Medical facilities planning - Certificate of Need
 - Licensure, regulation, and inspection of health facilities
 - Radiation safety
 - Oversight of nurse aide personnel education and credentialing
 - Office of Emergency Medical Services



Mental Health, Developmental Disabilities, and Substance Abuse Services

Provides support and services for individuals with:

- Mental illness
- Intellectual and developmental disabilities (I/DD)
- Alcohol and substance use disorders

Oversees and monitors 7 regional LME/MCOs (local management entities/managed care organizations)

- LME/MCOs are responsible for management/delivery of community-based mental health services to residents (adults and children) in their catchment areas
- Core services: screening, assessment, emergency triage, prevention, education, and consultation



State Operated Healthcare Facilities

Oversees and manages 14 state operated healthcare facilities that treat adults and children with mental illness, developmental disabilities, substance use disorders and neuro-medical needs

- Psychiatric hospitals (3)
- Alcohol and drug treatment centers (3)
- Neuro-medical treatment centers (3)
- Developmental disability centers (3)
- Residential schools (2)



Division of Public Health

Oversees and administers programs related to essential public health services

- Local Health Department Support
- Communicable Disease Control
- Vaccinations
- Women's and Children's Health
- Chronic Diseases & Injury Prevention
- Epidemiology
- Environmental Health
- State Center for Health Statistics
- State Public Health Laboratory
- Oral Health
- Forensic Test for Alcohol
- Office of the Chief Medical Examiner (OCME)
- Vital Records



Division of Services for the Blind

- Assures that individuals who are blind or low-vision with needs that could result in out-of-home placement receive support to enable them to continue to live at home and/or in the community
- Services
 - Vocational Rehabilitation
 - Business Enterprise Program
 - Medical Eye Care
 - Independent Living Services
 - Pre-employment support for adolescents and young adults



Services for the Deaf & Hard of Hearing

- Works to ensure that all Deaf, Hard of Hearing, or Deaf-Blind North Carolinians have the means to communicate their needs and to receive information easily and effectively
- Primary services:
 - Captionist & Relay Operators
 - Domestic Violence Resources
 - Emergency Preparedness & Public Safety
 - Technical Assistance for Agencies and Businesses
 - Sign Language Interpreters
 - Assistive Technology



Division of Social Services

Provides the following services and benefits to children and families through the 100 county departments of social services:

- Work First Family Assistance
- Child Support Services
- Food and Nutrition Services (formerly Food Stamps)
- Low Income Energy Assistance
- Child Welfare Services
- Refugee Services



Vocational Rehabilitation Services

- Promote employment and independence for persons with physical, mental, or cognitive disabilities
- Programs include:
 - Career counseling
 - Transportation
 - Education and career training
 - Other support services
 - Independent living services
 - Assistive technology
 - Job placement assistance
 - Pre-employment support for adolescents and young adults



Questions?



Appendix

Budget Data by DHHS Division



Central Management and Support Authorized Budget FY 2020-21

| Requirements | |
|--------------------------------|----------------------|
| Personal Services | \$103,319,202 |
| Purchased Services | 110,732,726 |
| Supplies | 1,354,968 |
| Property, Plant, and Equipment | 6,778,839 |
| Other Expenses and Adjustments | 5,484,863 |
| Aid and Public Assistance | 55,645,079 |
| Reserves | 1,187,298 |
| Intragovernmental Transfers | 49,972,885 |
| TOTAL | \$334,475,860 |

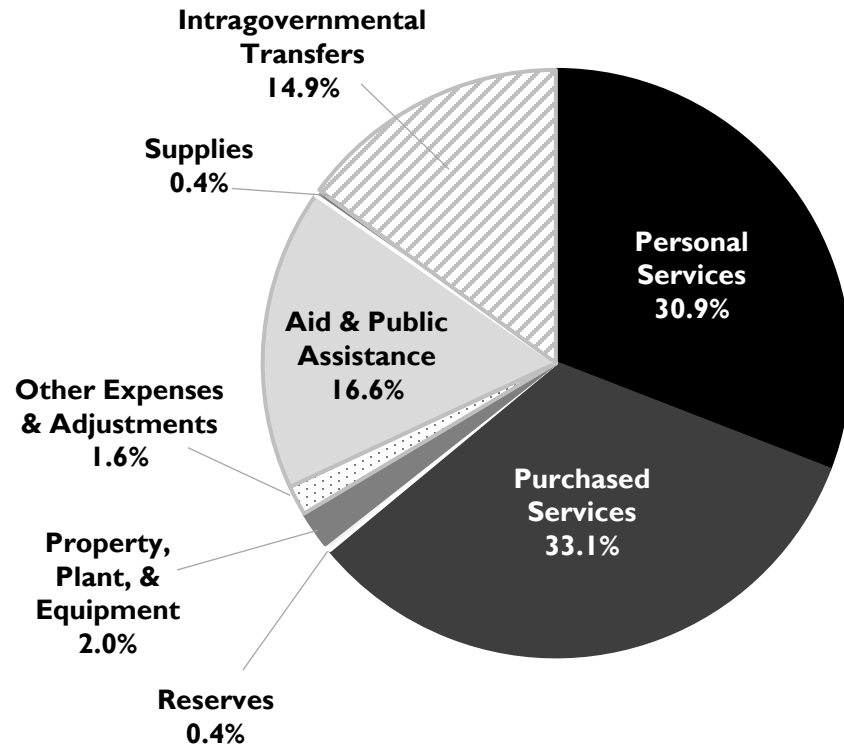
| Receipts | |
|--|----------------------|
| Grants | \$834,834 |
| Sales, Service, Rentals | 13,875 |
| Miscellaneous | 2,545,498 |
| Intragovernmental Transactions (non-federal) | 69,331,590 |
| Intragovernmental Transactions (federal) | 122,346,397 |
| TOTAL Receipts | \$195,072,194 |
| | |
| | |
| State Appropriations | \$139,403,666 |

Source: November budget reports



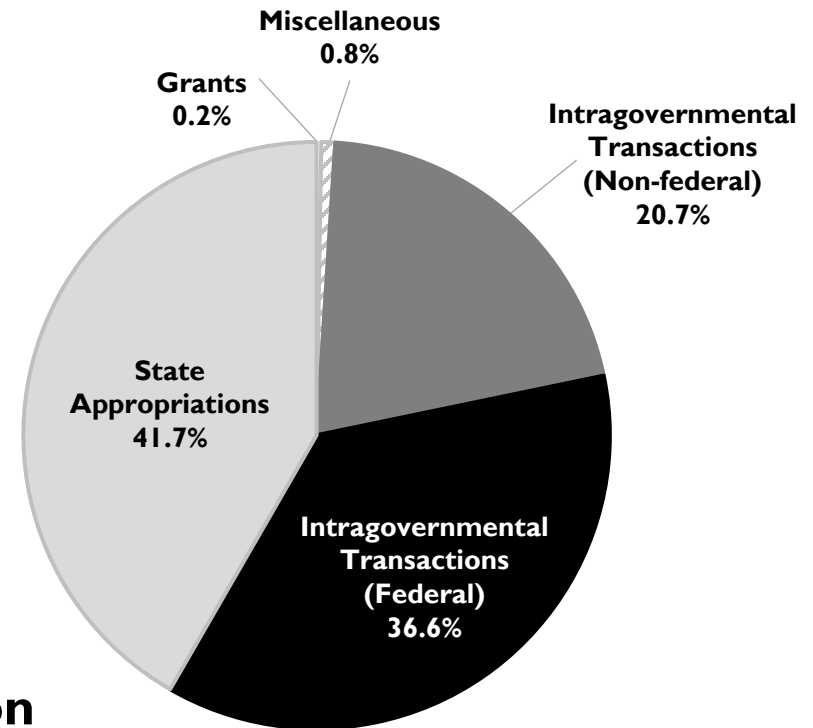
Central Management and Support FY 2020-21 Requirements and Funding Sources

Requirements



Total = \$334.5 million

Funding Sources



Percentages may not sum to 100% due to rounding



Division of Aging and Adult Services

Authorized Budget FY 2020-21

| Requirements | |
|--------------------------------|----------------------|
| Personal Services | \$6,861,987 |
| Purchased Services | 2,129,405 |
| Supplies | 65,059 |
| Property, Plant, and Equipment | 269,423 |
| Other Expenses and Adjustments | 174,239 |
| Aid and Public Assistance | 156,841,159 |
| Reserves | 17,545 |
| Intragovernmental Transfers | 812 |
| TOTAL | \$166,359,629 |

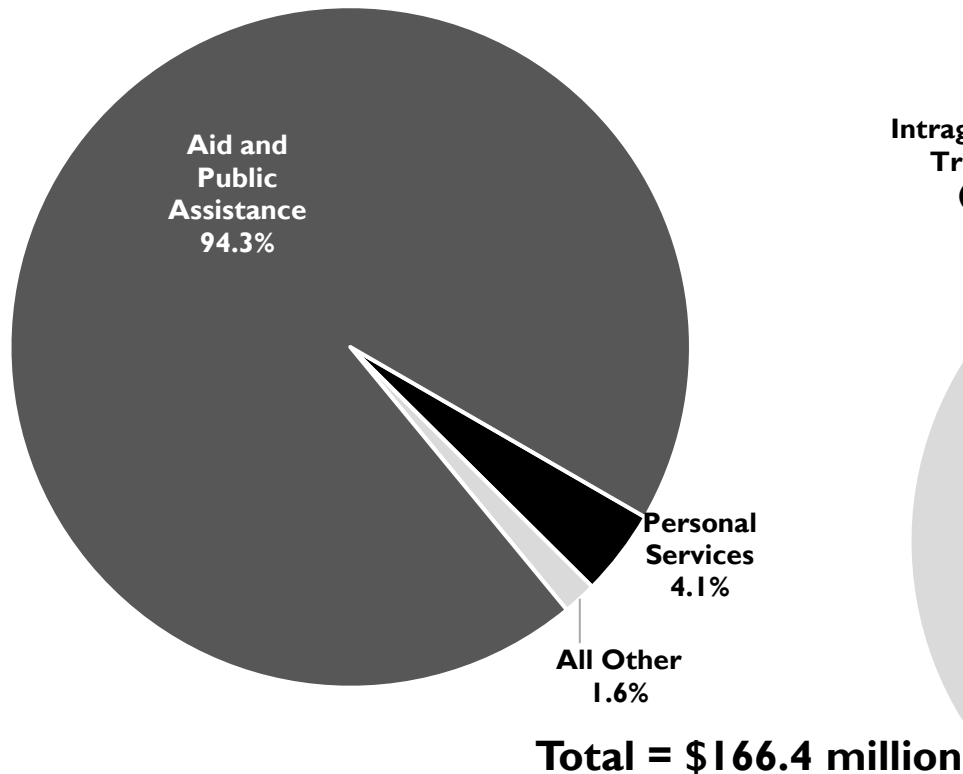
| Receipts | |
|--|----------------------|
| Grants | \$10,942,086 |
| Sales, Service, Rentals | 65 |
| Fees, Licenses, and Fines | 25,000 |
| Contributions and Donations | 85,000 |
| Miscellaneous | 150,752 |
| Intragovernmental Transactions (non-federal) | 9,131,816 |
| Intragovernmental Transactions (federal) | 101,730,155 |
| TOTAL Receipts | \$122,064,874 |
| State Appropriations | \$44,294,755 |

Source: November budget reports



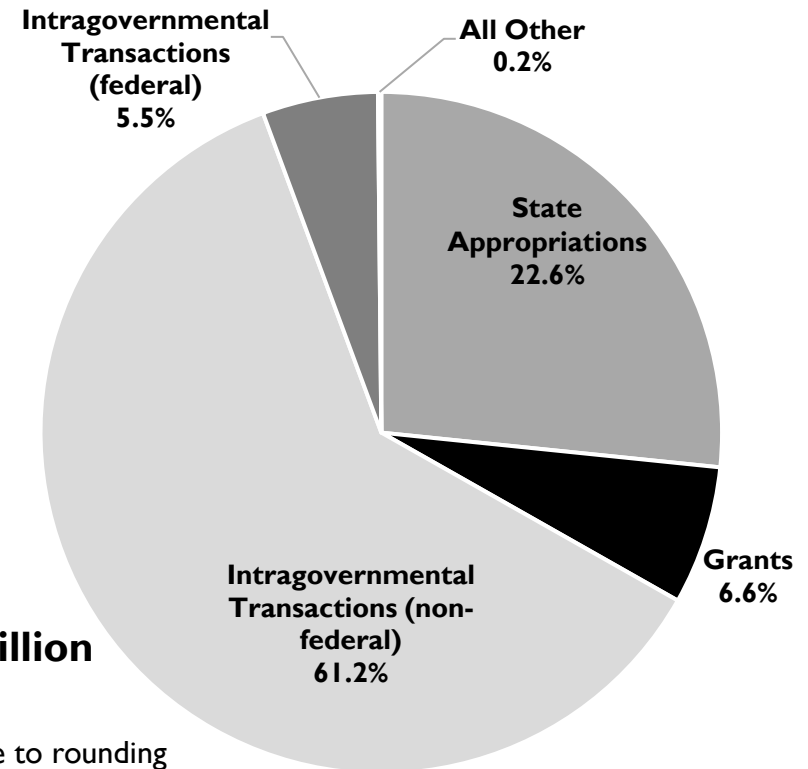
Division of Aging and Adult Services FY 2020-21 Requirements and Funding Sources

Requirements



Percentages may not sum to 100% due to rounding

Funding Sources



Child Development and Early Education Authorized Budget FY 2020-21

| Requirements | |
|--------------------------------|----------------------|
| Personal Services | \$25,308,574 |
| Purchased Services | 10,982,788 |
| Supplies | 14,436,116 |
| Property, Plant, and Equipment | 273,117 |
| Other Expenses and Adjustments | 545,358 |
| Aid and Public Assistance | 902,283,145 |
| Reserves | 14,600,288 |
| Intragovernmental Transfers | 3,748,458 |
| TOTAL | \$972,177,844 |

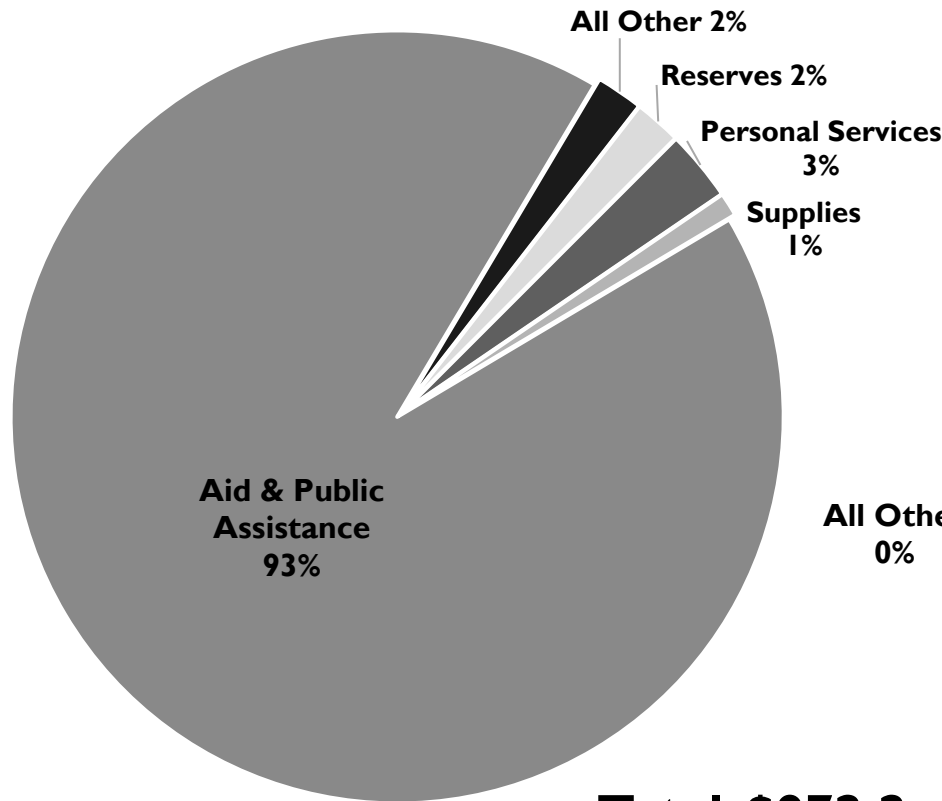
| Receipts | |
|--|----------------------|
| Fees, Licenses, and Fines | \$2,255,963 |
| Miscellaneous | 493,854 |
| Intragovernmental Transactions (non-federal) | 151,827,227 |
| Intragovernmental Transactions (federal) | 588,937,493 |
| TOTAL Receipts | \$743,514,537 |
| | |
| | |
| | |
| State Appropriations | \$228,663,307 |

Source: November budget reports

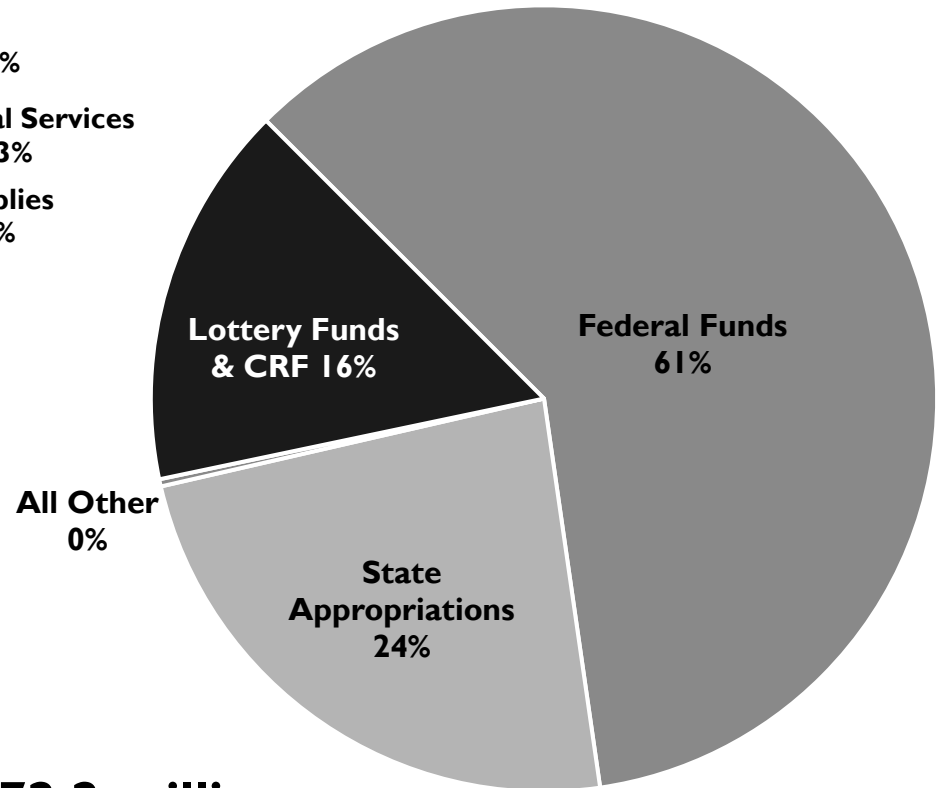


Child Development and Early Education FY 2020-21 Requirements and Funding Sources

Requirements



Funding Sources



Total: \$972.2 million

Percentages may not sum to 100% due to rounding



Division of Health Benefits

Authorized FY 2020-21 Budget

| Requirements | |
|--------------------------------|-------------------------|
| Personal Services | \$46,490,850 |
| Purchased Services | 271,958,652 |
| Supplies | 189,690 |
| Property, Plant, and Equipment | 284,082 |
| Other Expenses and Adjustments | 1,136,411 |
| Aid and Public Assistance | 15,793,032,543 |
| Reserves | 1,954,110,936 |
| Intragovernmental Transfers | 216,353,931 |
| TOTAL | \$18,283,557,095 |

| Receipts | |
|--|-------------------------|
| Grants | \$272,254,402 |
| Sales, Service, Rentals | 16,314 |
| Fees, Licenses, and Fines | 649,893,674 |
| Miscellaneous | (60,657,498) |
| Intragovernmental Transactions (non-federal) | 911,926,310 |
| Intragovernmental Transactions (federal) | 12,384,484,797 |
| TOTAL Receipts | \$14,157,917,999 |
| State Appropriations | \$4,125,639,096 |

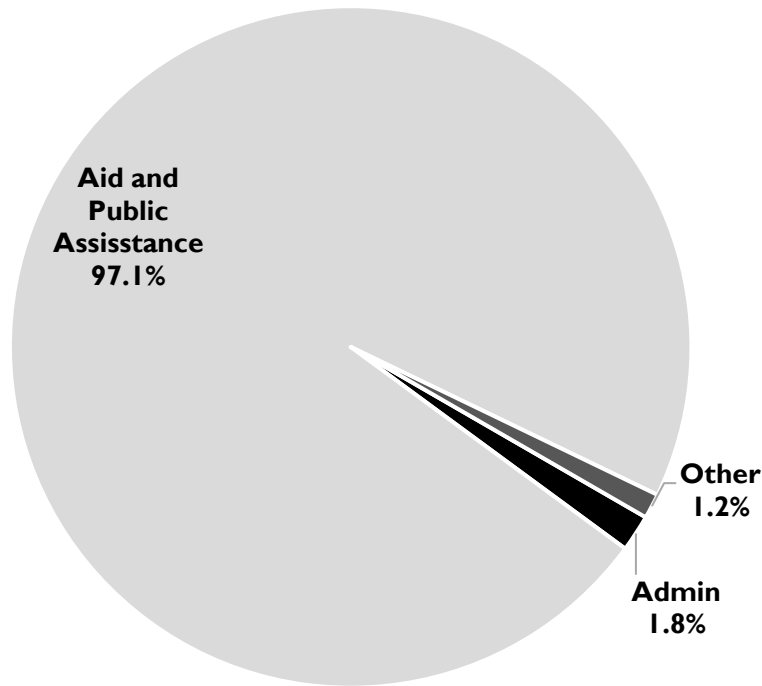
Source: November budget reports



Division of Health Benefits

FY 2020-21 Requirements and Funding Sources

Requirements

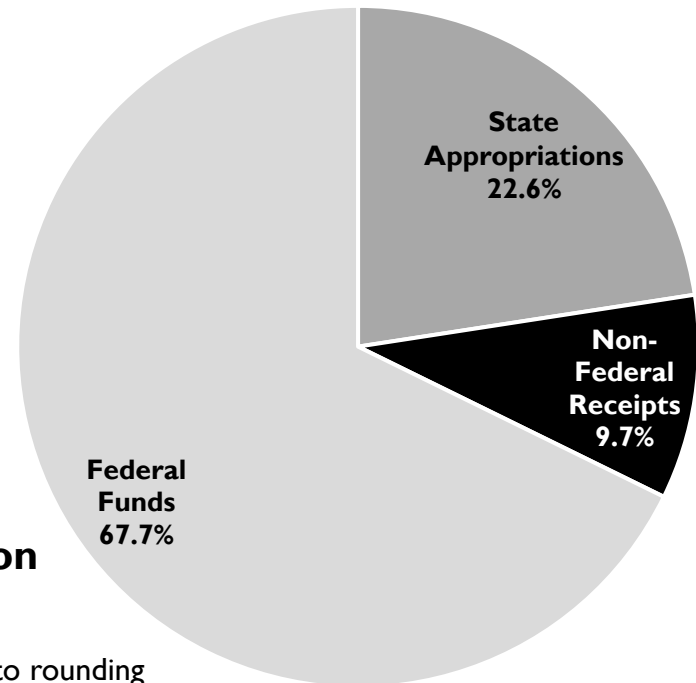


Note: Aid and Public Assistance includes \$1.9 billion budgeted as a reserve for COVID-related service expenses

Total = \$18.3 billion

Percentages may not sum to 100% due to rounding

Funding Sources



Division of Health Service Regulation

Authorized Budget FY 2020-21

| Requirements | |
|--------------------------------|---------------------|
| Personal Services | \$53,014,286 |
| Purchased Services | 11,361,607 |
| Supplies | 395,855 |
| Property, Plant, and Equipment | 2,409,897 |
| Other Expenses and Adjustments | 1,375,052 |
| Aid and Public Assistance | 13,283,636 |
| Reserves | 1,271,204 |
| Intragovernmental Transfers | 2,360,253 |
| TOTAL | \$85,471,790 |

| Receipts | |
|--|---------------------|
| Grants | \$705,000 |
| Sales, Service, Rentals | 479,430 |
| Fees, Licenses, and Fines | 14,070,087 |
| Contributions and Donations | 1,359,533 |
| Intragovernmental Transactions (non-federal) | 10,793,795 |
| Intragovernmental Transactions (federal) | 37,643,723 |
| TOTAL Receipts | \$65,051,568 |
| | |
| State Appropriations | \$20,420,222 |

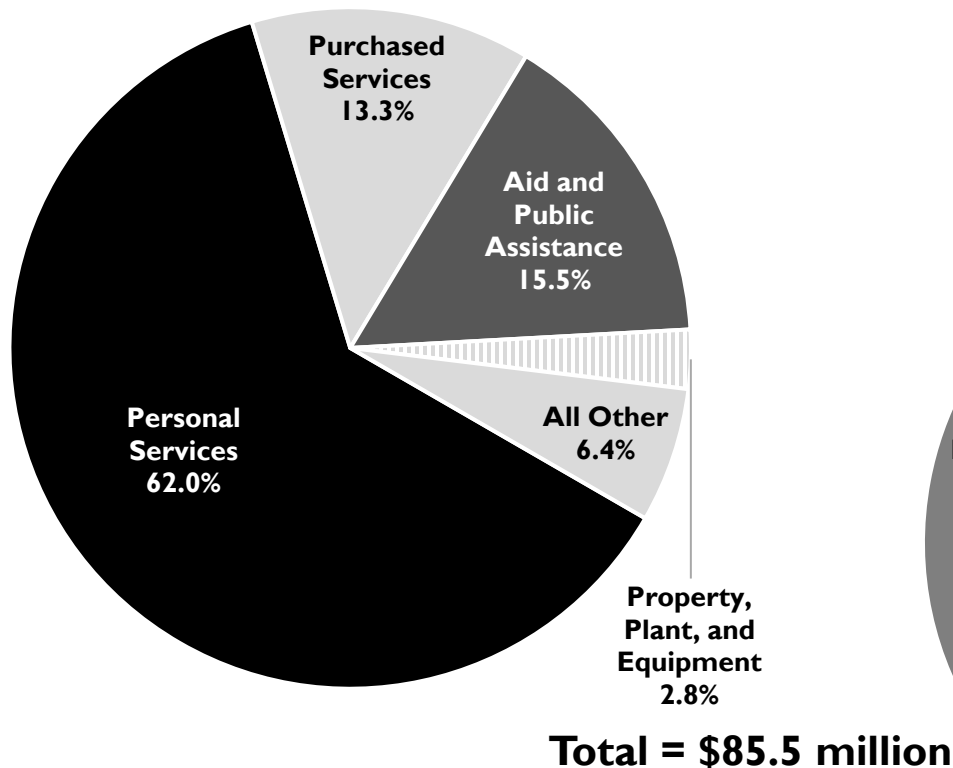
Source: November budget reports



Division of Health Service Regulation

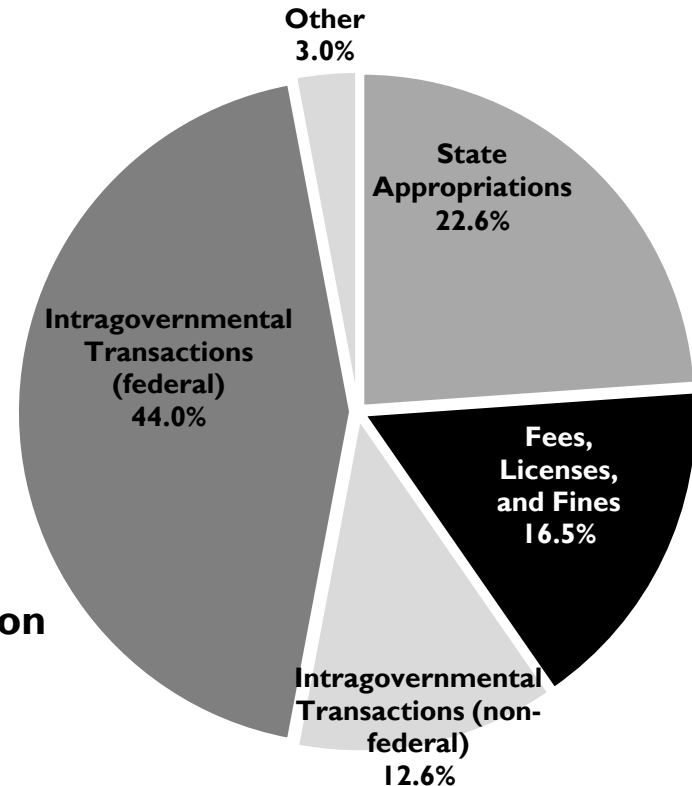
FY 2020-21 Requirements and Funding Sources

Requirements



Percentages may not sum to 100% due to rounding

Funding Sources



DMH/DD/SAS and DSOHF Authorized Budget FY 2020-21

| Requirements | |
|--------------------------------|------------------------|
| Personal Services | \$795,870,891 |
| Purchased Services | 86,516,881 |
| Supplies | 53,020,054 |
| Property, Plant, and Equipment | 9,001,096 |
| Other Expenses and Adjustments | 9,722,865 |
| Aid and Public Assistance | 660,771,354 |
| Reserves | 720,123 |
| Intragovernmental Transfers | 172,828,259 |
| TOTAL | \$1,788,451,523 |

| Receipts | |
|--|------------------------|
| Grants | \$5,488,323 |
| Sales, Service, Rentals | 84,385,546 |
| Fees, Licenses, and Fines | 833,440 |
| Contributions and Donations | 10,375 |
| Miscellaneous | 1,771,931 |
| Intragovernmental Transactions (non-federal) | 138,429,161 |
| Intragovernmental Transactions (federal) | 793,166,707 |
| TOTAL Receipts | \$1,024,085,483 |
| State Appropriations | \$764,366,040 |

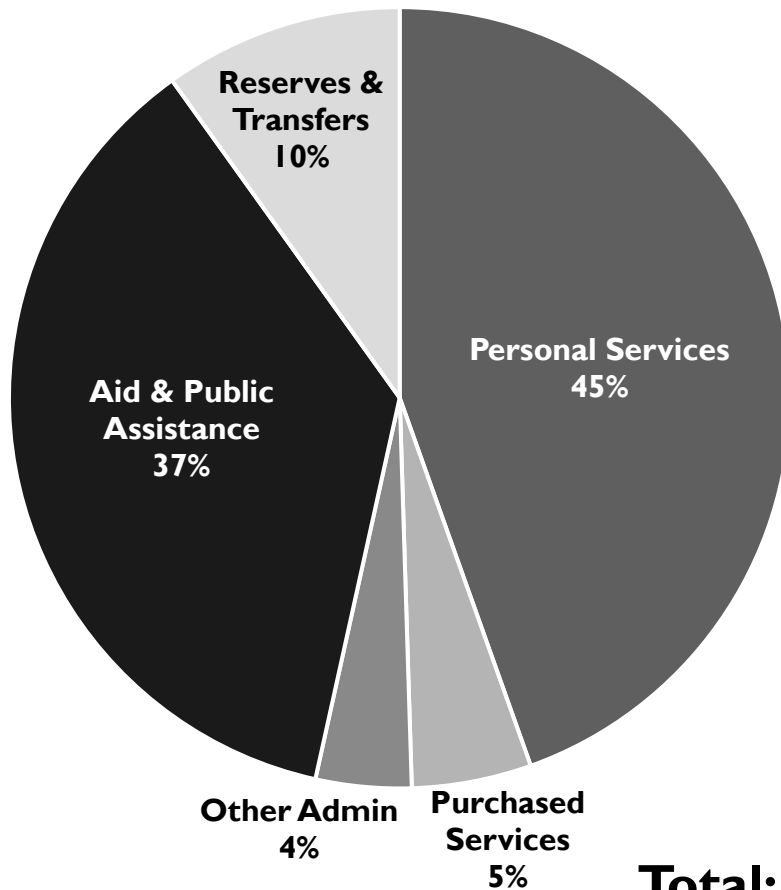
Source: November budget reports



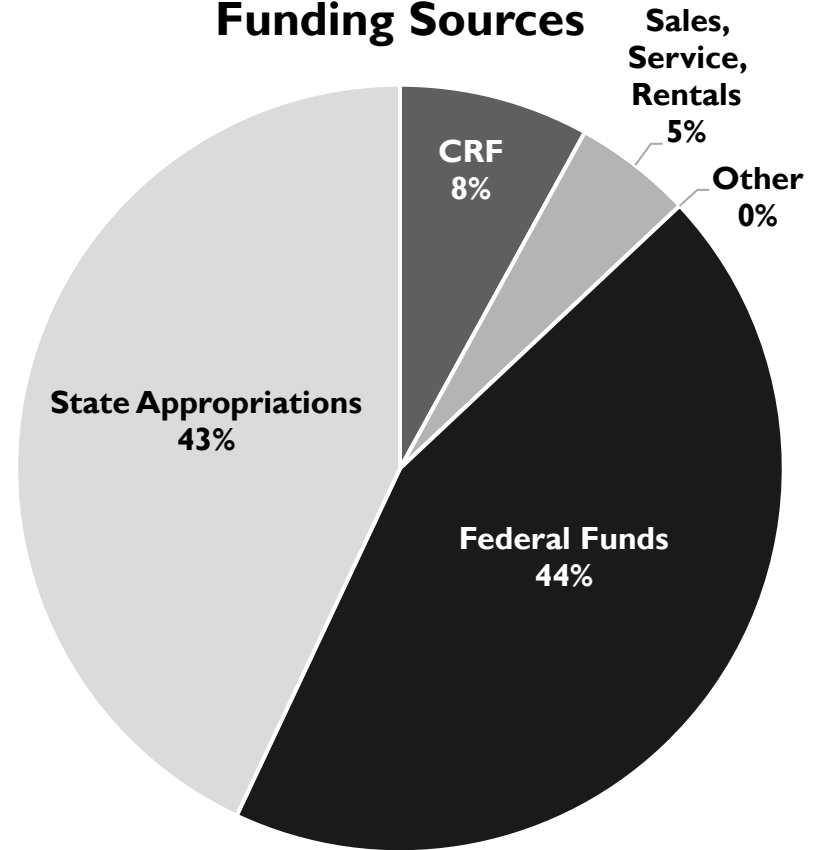
DMH/DD/SAS and DSOHF

FY 2020-21 Requirements and Funding Sources

Requirements



Funding Sources



Total: \$1.8 billion

Percentages may not sum to 100% due to rounding



Division of Public Health

Authorized Budget FY 2020-21

| Requirements | |
|--------------------------------|------------------------|
| Personal Services | \$163,486,928 |
| Purchased Services | 94,757,528 |
| Supplies | 41,560,051 |
| Property, Plant, and Equipment | 14,136,706 |
| Other Expenses and Adjustments | 7,414,530 |
| Aid and Public Assistance | 729,635,958 |
| Reserves | 3,631,061 |
| Intragovernmental Transfers | 2,371,332 |
| TOTAL | \$1,056,994,094 |

| Receipts | |
|--|----------------------|
| Grants | \$25,345,736 |
| Sales, Service, Rentals | 2,438,389 |
| Fees, Licenses, and Fines | 22,540,833 |
| Miscellaneous | 82,762,533 |
| Intragovernmental Transactions (non-federal) | 27,085,328 |
| Intragovernmental Transactions (federal) | 739,849,699 |
| TOTAL Receipts | \$900,022,518 |
| State Appropriations | \$156,971,576 |

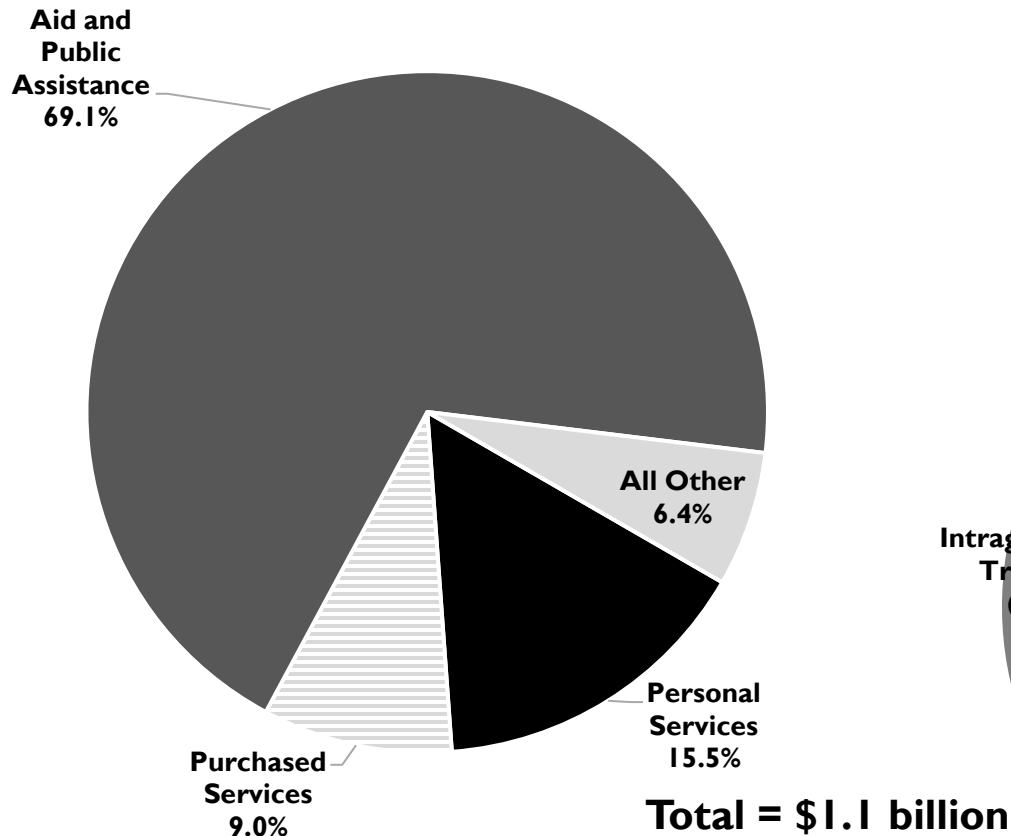
Source: November budget reports



Division of Public Health

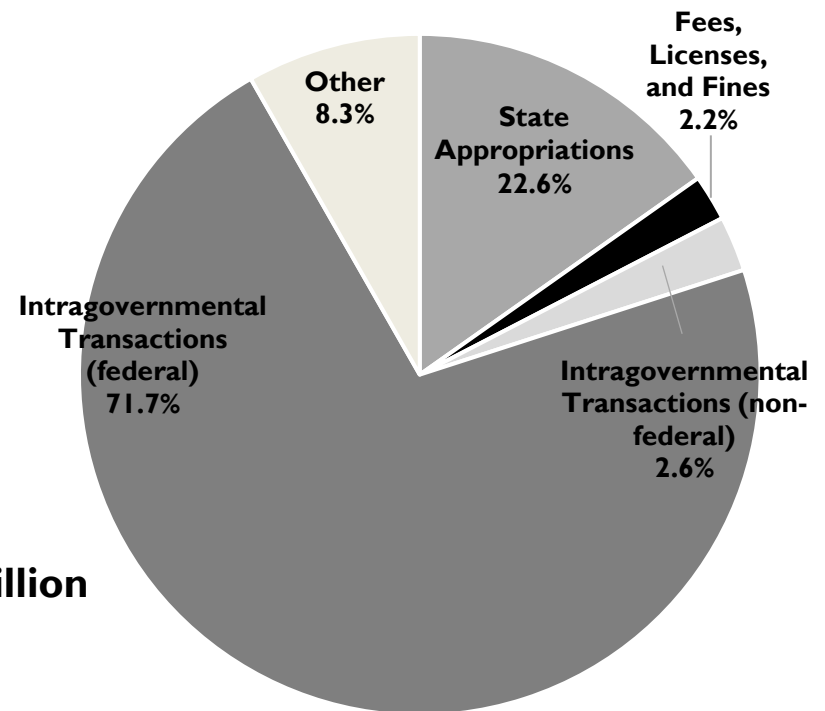
FY 2020-21 Requirements and Funding Sources

Requirements



Percentages may not sum to 100% due to rounding

Funding Sources



Division of Blind, Deaf & Hard of Hearing

Authorized Budget FY 2020-21

| Requirements | |
|--------------------------------|---------------------|
| Personal Services | \$25,657,594 |
| Purchased Services | 7,923,334 |
| Supplies | 276,697 |
| Property, Plant, and Equipment | 509,367 |
| Other Expenses and Adjustments | 745,003 |
| Aid and Public Assistance | 10,649,763 |
| Reserves | 353,687 |
| TOTAL | \$46,115,445 |

| Receipts | |
|--|---------------------|
| Grants | \$1,055,817 |
| Sales, Service, Rentals | 108,183 |
| Miscellaneous | 834,655 |
| Intragovernmental Transactions (non-federal) | 16,524,357 |
| Intragovernmental Transactions (federal) | 18,823,099 |
| TOTAL Receipts | \$37,346,111 |
| | |
| State Appropriations | \$8,769,334 |

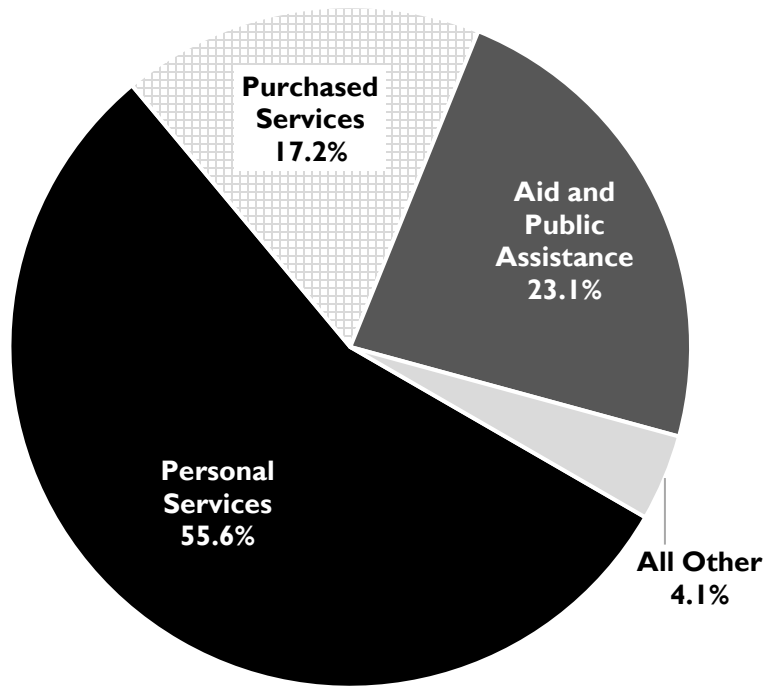
Source: November budget reports



Division of Blind, Deaf & Hard of Hearing

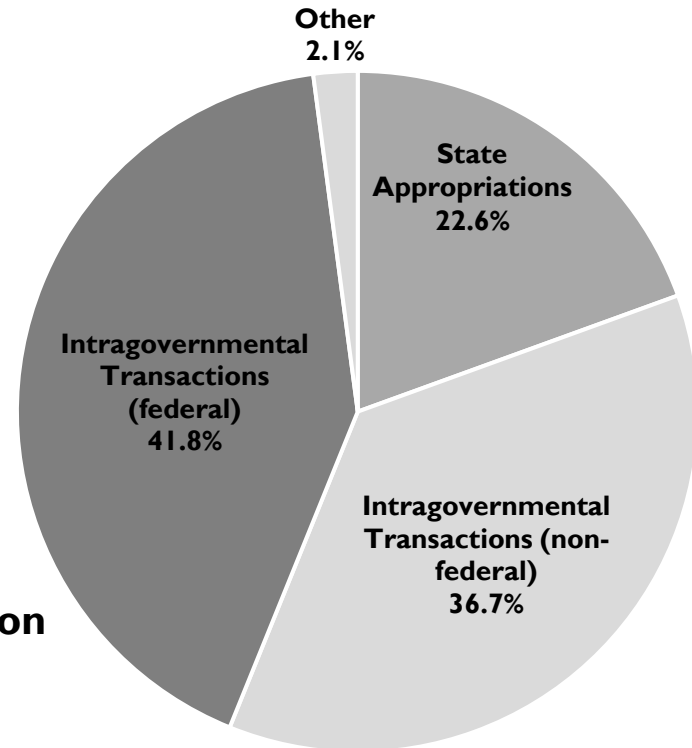
FY 2020-21 Requirements and Funding Sources

Requirements



Total = \$46.1 million

Funding Sources



Percentages may not sum to 100% due to rounding



Division of Social Services

Authorized Budget FY 2020-21

| Requirements | |
|--------------------------------|------------------------|
| Personal Services | \$30,653,011 |
| Purchased Services | 38,984,233 |
| Supplies | 237,570 |
| Property, Plant, and Equipment | 367,176 |
| Other Expenses and Adjustments | 2,596,737 |
| Aid and Public Assistance | 1,920,567,498 |
| Reserves | 3,553,661 |
| Intragovernmental Transfers | 6,530,847 |
| TOTAL | \$2,003,490,733 |

| Receipts | |
|--|------------------------|
| Grants | \$751,535,230 |
| Miscellaneous | 7,992,070 |
| Intragovernmental Transactions (non-federal) | 68,730,891 |
| Intragovernmental Transactions (federal) | 980,267,942 |
| TOTAL Receipts | \$1,808,526,133 |
| | |
| | |
| | |
| State Appropriations | \$194,964,600 |

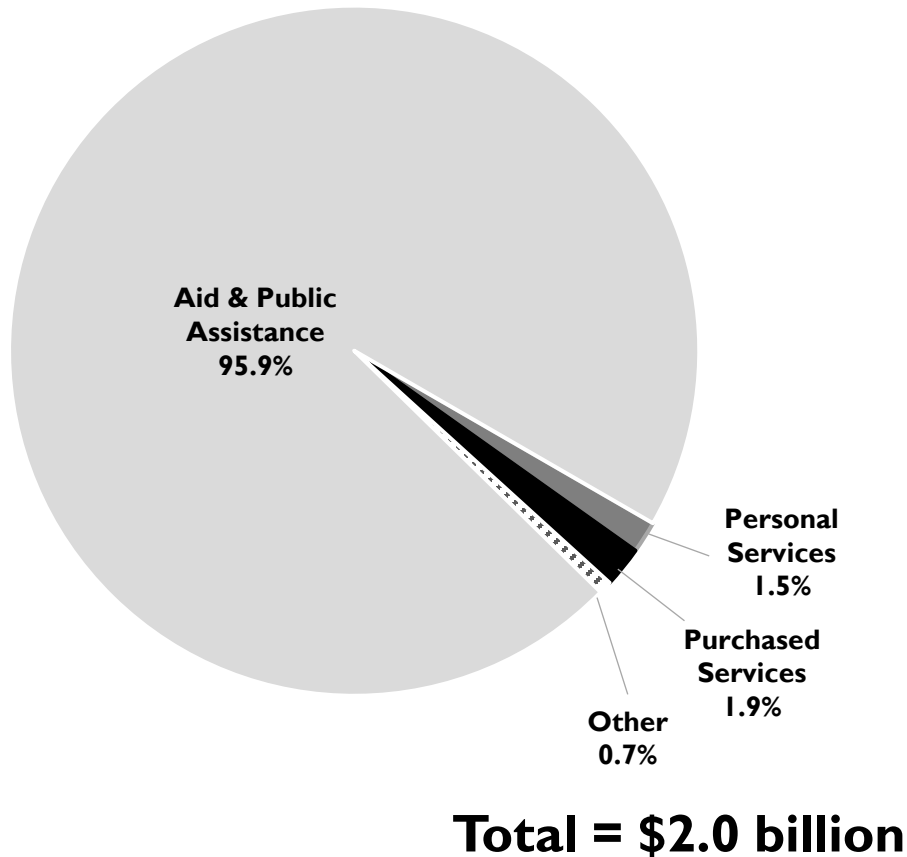
Source: November budget reports



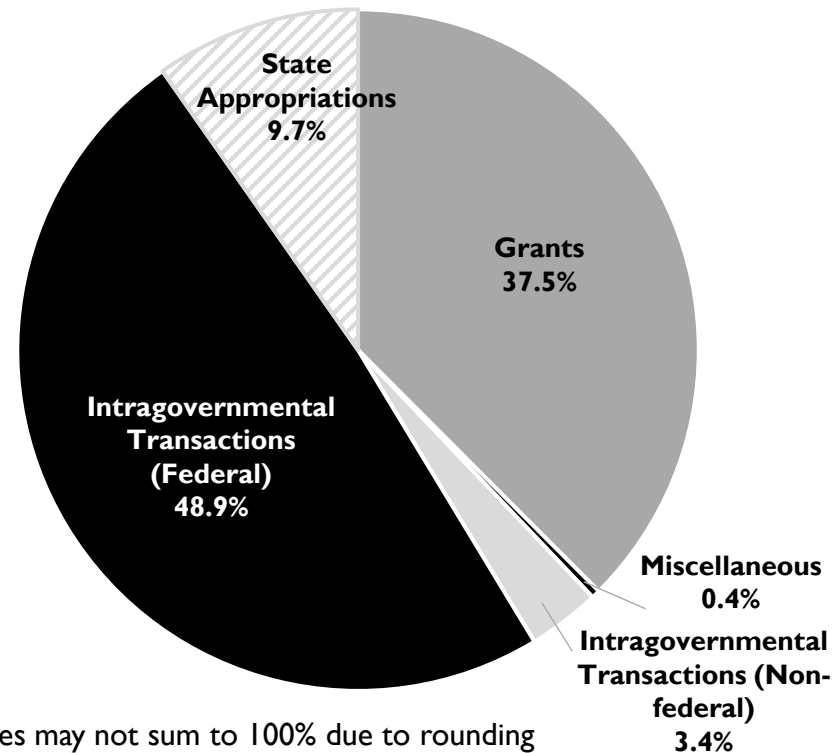
Division of Social Services

FY 2020-21 Requirements and Funding Sources

Requirements



Funding Sources



Percentages may not sum to 100% due to rounding



Division of Vocational Rehabilitation Services

Authorized Budget FY 2020-21

| Requirements | |
|--------------------------------|----------------------|
| Personal Services | \$67,795,977 |
| Purchased Services | 10,736,083 |
| Supplies | 594,538 |
| Property, Plant, and Equipment | 1,321,357 |
| Other Expenses and Adjustments | 1,871,541 |
| Aid and Public Assistance | 71,210,943 |
| Reserves | 1,402,535 |
| Intragovernmental Transfers | 37,019 |
| TOTAL | \$154,969,993 |

| Receipts | |
|--|----------------------|
| Grants | \$3,079,017 |
| Sales, Service, Rentals | 459,591 |
| Miscellaneous | 5,416,424 |
| Intragovernmental Transactions (non-federal) | 138,676 |
| Intragovernmental Transactions (federal) | 105,558,009 |
| TOTAL Receipts | \$114,651,717 |
| | |
| | |
| State Appropriations | \$40,318,276 |

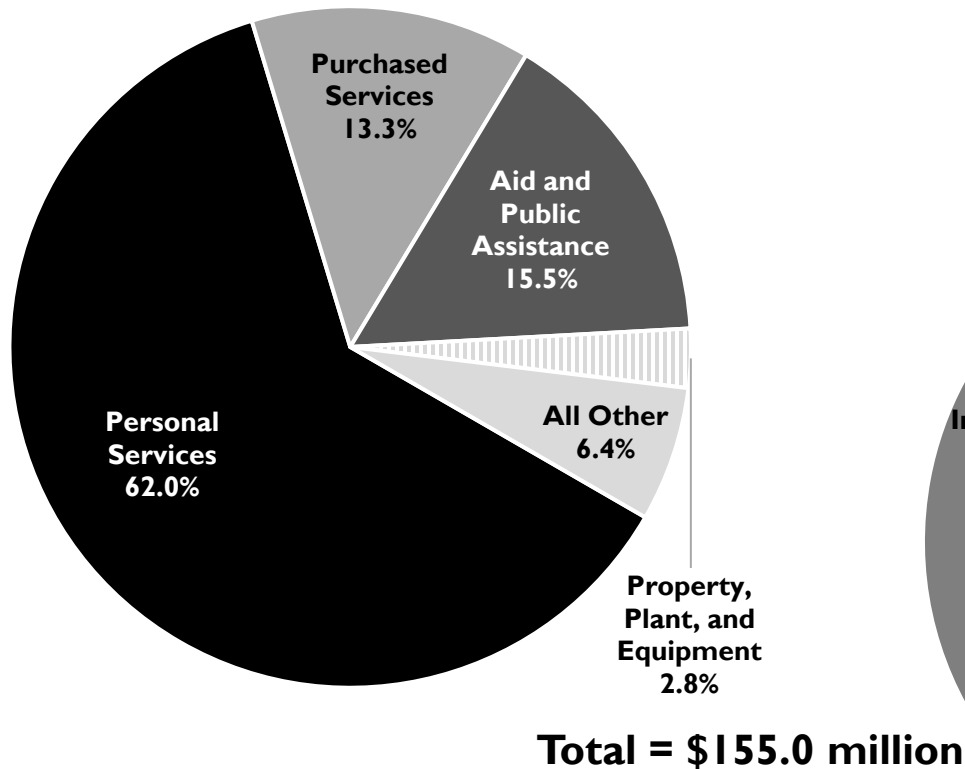
Source: November budget reports



Vocational Rehabilitation Services

FY 2020-21 Requirements and Funding Sources

Requirements



Percentages may not sum to 100% due to rounding

Funding Sources

