

# **North Carolina Medicaid Overview**

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# What is Medicaid?

- Title XIX of the Social Security Act
- Provides health coverage for families, children, pregnant women, seniors, and people with disabilities who have low incomes
- Largest insurer in the United States
  - Payor of last resort
  - Pays Medicare premiums, deductibles, and coinsurance for qualifying beneficiaries
  - In NC covers 1 in 5 people

# What is Medicaid?

- “Entitlement Program”
  - Entitled to service regardless of cost or availability of funds
  - Federal government sets a mandatory benefit package and mandatory groups that are eligible
- Counter-cyclical, safety net program
  - Designed to counteract the fluctuations of the economic cycle
  - When the economy sinks, more people lose health coverage, so enrollment grows
- States have flexibility to:
  - Decide whether to cover optional populations
  - Set income limits for some eligibility categories
  - NCGA sets eligibility and income limits in the biannual Appropriations bill

# Medicare or Medicaid?

Federal administrator for both programs is the Center for Medicare and Medicaid Services (CMS) within the Department of Health and Human Services (DHHS). North Carolina administrator is NC DHHS, as delegated to the Division of Health Benefits.

MEDICARE	MEDICAID
Federally-administered	State administered in accordance with federal law
Federal tax dollars	Federal and state tax dollars
Available to all people: <ul style="list-style-type: none"><li>• 65 and older</li><li>• Under 65 with certain disabilities</li><li>• Any age with End Stage Renal Disease (ESRD) or ALS</li></ul>	Limited to: <ul style="list-style-type: none"><li>• People of all ages with low-incomes</li><li>• People with certain disabilities</li></ul>
Services and benefits are the same across states	Services and benefits vary by state
Paid for by premiums and copays	Limited out-of-pocket expenses

# What groups are eligible for Medicaid?

MANDATORY	OPTIONAL
Low income families	Children with non-IV-E Adoption Assistance
Transitional Medical Assistance	Independent Foster Care Adolescents*
Children with Title IV-E Adoption Assistance, Foster Care, or Guardianship Care	Optional Targeted Low Income Children (M-CHIP)*
Pregnant Women and Children	Individuals Receiving Home and Community Based Services through Waivers
Infants and Children aged 0-18	Certain Women Needing Treatment for Breast or Cervical Cancer (BCCCP)
Individuals receiving Supplemental Security Insurance (SSI)	Individuals Eligible for Family Planning Only Services
Aged, Blind, and Disabled Individuals*	Medically Needy Individuals with High Health Care Expenditures (Spend Down)*
Working Disabled*	Any mandatory group at a higher income level
Disabled Adult Children*	
Qualified Medicare Beneficiaries	

\*These are official eligibility categories. Apologies for not using person-first language

# Medicaid Income & Coverage Limits in NC\*

GROUP	BENEFITS*	MONTHLY INCOME LIMIT*
Seniors > 65 People with visual impairment People with disabilities	Full Medicaid coverage	100% of Poverty Level 1 - \$1,074 2 - \$1,452
Parents/caretakers of children <21	Full Medicaid coverage	1 - \$434 2 - \$569 3 - \$667
Pregnant women	Treatment for conditions that affect the pregnancy	196% of Poverty Level 1 - \$2104 2 - \$2846 3 - \$3587
Children <6	Full Medicaid coverage	210% of Poverty Level 1 - \$2254 2 - \$3049 3 - \$3843
Children >6	Full Medicaid Coverage	133% of Poverty Level 1 - \$1428 2 - \$1931 3 - \$2434
Family Planning Only	Family planning exams/services, screenings/treatment for STIs, sterilization	195% of Poverty Level 1 - \$2093 2 - \$2831 3 - \$3569

\*Income limits for eligibility groups and coverage for optional groups are set by the NC General Assembly

# Medicaid Waivers\*

North Carolina Medicaid Waiver	Type	Description	Status
Community Alternatives Program for Children (CAP-C)	1915(c)	Provides home and community-based services to children at risk for institutionalization in a nursing home.	Active
Community Alternatives Program for Disabled Adults (CAP-DA)	1915(c)	Provides home and community-based services for adults with disabilities who prefer to remain in their primary private residences rather than in a nursing home.	Active
MH/IDD/SAS Health Plan	1915(b)(1), 1915(b)(3), 1915 (b)(4)	Allows for behavioral health, developmental disability, and substance use services to be provided under managed care through LME/MCOs.	Active
NC Innovations	1915(c)	Provides home and community-based services for individuals with Intellectual or Developmental Disabilities (I/DD) through LME/MCOs.	Active
Medicaid Transformation	1115	Proposes transforming Medicaid physical health delivery system to managed care statewide.	Active
Traumatic Brain Injury	1915©	Available in certain counties for individuals who have experienced a Traumatic Brain Injury (TBI) on or after their 22 birthdate; have a need for support and services and meet the TBI Waiver Level of Care to support needed community-based care.	Active

\*Waivers—allow states to ‘waive’ some of the federal rules for Medicaid

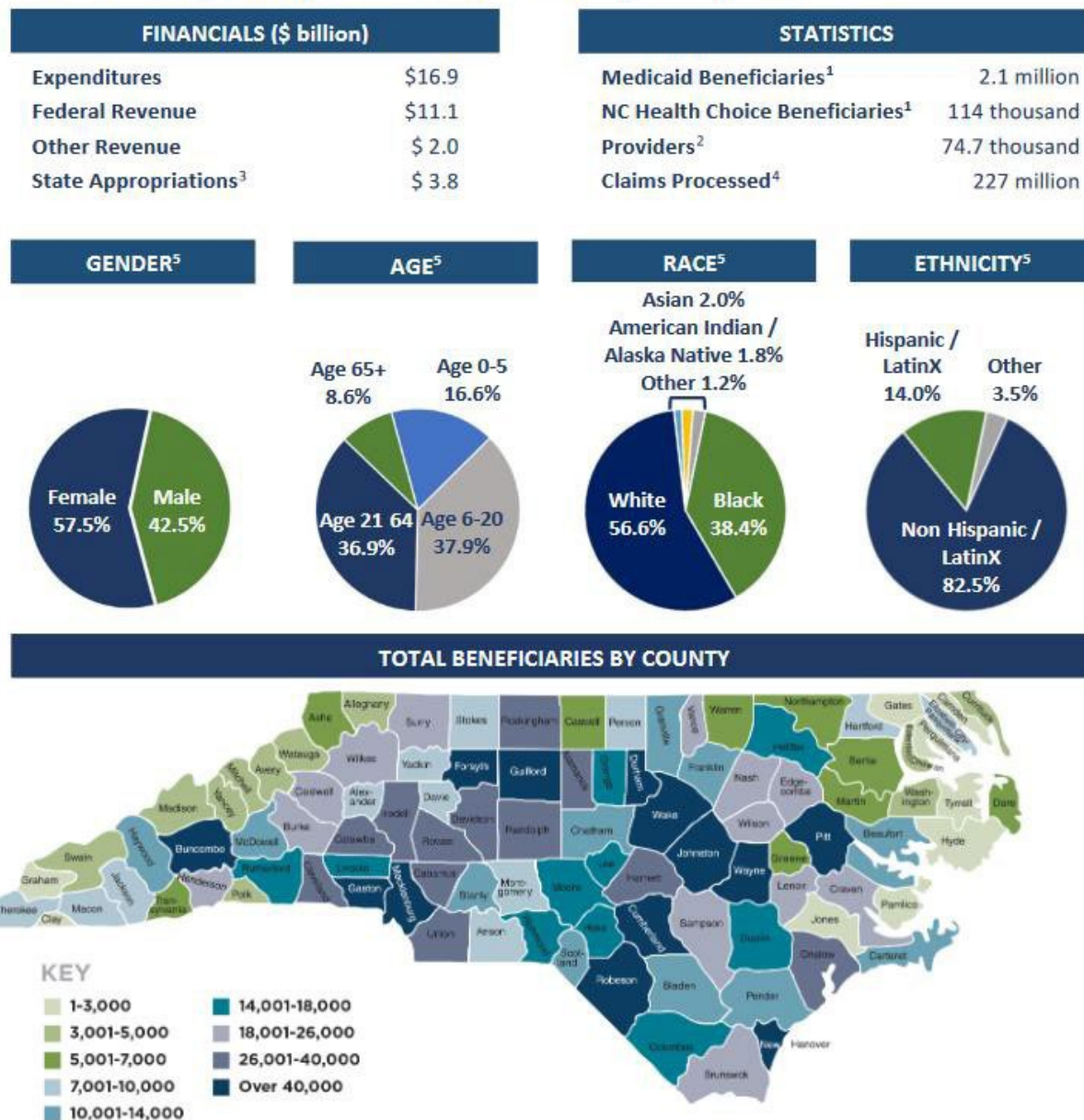
# How does the Federal Government support Medicaid?

- States receive federal medical assistance percentages (FMAP) for services and functions approved by CMS
  - 67% for most services
    - Some enhanced rates for certain services or populations (i.e. in expansion states)
  - 50% for administrative costs
    - Some enhanced rates for technology, eligibility determination, certain staff positions, etc.
  - Match is based on a formula that takes into account the average per capita income for each state relative to the national average
  - The lower the state's per capita income, the higher the FMAP
- Adjusted on October 1 every year (FFY)



# Snapshot: North Carolina Medicaid and NC Health Choice – State Fiscal Year 2020

## State Year 2020 Annual Report



Resource:  
<https://medicaid.ncdhhs.gov/medicaid/8173/download>

# Moving to NC Medicaid Managed Care

## Fee For Service (Medicaid Direct)

### State Medicaid Agency (DHB):

- Enrolls members
- Enrolls providers
- Educates members/providers
- Determines benefit package—standard for members
- Authorizes services
- Manages appeals/grievances
- Measures quality and outcomes
- Pays claims

## Managed Care (Prepaid Health Plans)

### State Medicaid Agency (DHB)

- Contracts with Health Plans for a set budget
- Monitors the Health Plans
- Monitors quality and outcomes
- Educates providers & members
- Enrolls members in Health Plans

### Health Plans

- Enrolls providers
- Determines benefit packages
- Authorizes services
- Manages appeals/grievance
- Pay claims
- Innovates😊

# Moving to NC Medicaid Managed Care

- Approximately 1.6 million Medicaid beneficiaries have enrolled in **Standard Plans** as of July 1, 2021
- Beneficiaries were able to choose from five Health Plans
  - AmeriHealth Caritas
  - Healthy Blue
  - United HealthCare Community Plan
  - WellCare
  - Carolina Complete Health:
    - o Serving regions 3, 4, and 5
- Eastern Band of Cherokee Indians (EBCI) Tribal Option
  - Manages health care for North Carolina's approximate 4,000 Tribal Medicaid beneficiaries primarily in Cherokee, Graham, Haywood, Jackson, and Swain counties



# NC Medicaid Managed Care Health Plan Types

There will be four (4) types of health plans under the North Carolina managed care system:



## Standard Plan

**Standard Plans** will provide integrated physical health, behavioral health, pharmacy, and long-term services and supports to the majority of Medicaid beneficiaries, as well as programs and services that address other unmet health related resource needs.

## Behavioral Health I/DD Tailored Plan

**Behavioral Health Intellectual/ Developmental Disability (I/DD) Tailored Plans** will provide the same services as Standard Plans, as well as additional specialized services for individuals with significant behavioral health conditions, I/DDs, and traumatic brain injury, as well as people utilizing state-funded and waiver services.

## Specialized Plan for Children in Foster Care

**A Specialized Plan for Children in Foster Care** will be available to children in foster care and will cover a full range of physical health, behavioral health, and pharmacy services.

## EBCI Tribal Option

**The Eastern Band of Cherokee Indians (EBCI) Tribal Option** will be available to tribal members and their families and will be managed by the Cherokee Indian Hospital Authority (CIHA).

# NC Medicaid Managed Care Launch Timeline

