

FY 2009-10 Medicaid Options

Item/Program	Description	TOTAL DOLLARS	STATE DOLLARS
Optional Services			
Adult Optical	\$2 copay/visit; Annual 8 visit limit (except children, CAP recipients, pregnant women); Includes optical supplies	10,977,981	2,798,287
Adult Dental Services	\$3 copay/visit	112,875,447	28,771,951
Adult Podiatry Services	\$3 copay/visit; Annual 8 visit limit	4,156,854	1,059,582
Adult Chiropractic Services	\$2 copay/visit; Annual 8 visit limit (except children, CAP recipients, pregnant women)	1,483,672	378,188
Adult Private Duty Nursing		38,183,337	9,732,933
Prescription Drugs	\$3 copay/30 day supply	1,117,832,665	284,935,546
Clinics (mental health, health dept, free standing, rural)	Reimbursement to clinics for health services	263,719,403	67,222,076
CAP Disabled Adult (CAP-DA)	Provides a package of services to allow adults (age 18 and older) who qualify for nursing facility care to remain in their private residences.	277,825,522	70,817,726
CAP Mental Retardation/Developmental Disabilities (CAP-MR/DD)	Serves individuals who would otherwise require care in an intermediate care facility for people with the mental retardation/developmental disabilities (ICF/MR). It allows these individuals the opportunity to be served in the community instead of residing in an institutional or group home setting.	487,236,273	124,196,526
CAP Children (CAP-C)	Provides home and community based services to medically fragile children who, because of their medical needs are at risk for institutionalization in a nursing home.	40,047,840	10,208,194

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CAP Choice	For disabled adults and uses non-traditional case management services. Available only in Cabarrus, Duplin, Forsyth and Surry counties. Provides the same services provided in CAP/DA and four additional services: care advisor, financial management, personal assistant and services, equipment or supplies to increase independence in daily tasks.	1,305,912	332,877
Prosthetic and Orthotic coverage	Devices purchased for patients as deemed medically necessary.	7,775,579	1,981,995
Hospice Services	A coordinated program of services that provides medical, supportive and palliative care to terminally ill recipients and their families/caregivers.	60,572,130	15,439,836
Home Infusion Therapy	Covers self-administered infusion therapy and enteral supplies provided to a Medicaid recipient residing in a private residence or an adult care home.	8,313,065	2,119,000
HIV Case Management	Includes the following core components: intake, assessment, care planning, resource development, service coordination, monitoring, reassessment and discharge.	5,940,110	1,514,134
High Risk Intervention	Residential treatment/group homes (level I, II, III, IV) that provides a structured, therapeutic and supervised environment to improve the level of functioning for recipients.	179,939,891	45,866,678
Intermediate Care Facilities for Mental Retardation (ICFMRs).	State-owned: FY2007-08 served 1493 recipients. An institution or part thereof that functions primarily for the diagnosis, treatment or rehabilitation of the mentally retarded or persons with a related condition and provides, in a protected residential setting, ongoing evaluation, planning, 24-hour supervision, coordination, and integration of health or rehabilitative services to help each individual function at his or her greatest ability.	227,554,753	58,003,707

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Intermediate Care Facilities for Mental Retardation (ICFMRs)	Community-based: FY2007-08 served 2458 recipients	222,215,875	56,642,827
Inpatient Mental Health Age 65+	Inpatient mental health for seniors	3,323,524	847,166
Personal Care Services	In-home personal care services for people who need assistance with 2 or more activities of daily living (ADLs)	526,763,701	134,272,068
Personal Care Services	Personal care services and enhanced personal care services provided in adult care homes	176,026,194	44,869,077
Practitioner-Nonphysician Behavioral Health Services	Behavioral health, including Community Support and other enhanced services	849,770,480	216,606,495
Physical Therapy/Occupational	Rehabilitative services	67,000,000	17,078,300
County and ACH Transportation	Medical transportation to and from medically necessary doctor visits, services	44,165,926	11,257,895
Prescription Drugs			
Reduce Allowable Cost of Drugs to Average Wholesale Price (AWP) – 20%	Now AWP-10%	65,882,727	16,793,507
Change reimbursement from AWP to Wholesale Acquisition Cost (WAC)	Now AWP-10%	40,666,938	10,000,000
Reduce Prescription Drug Costs	Reduces drug costs by employing enhanced utilization management of the Prescription Advantage List (PAL), increased utilization of generics, and increased rebate collections on generics. If savings are not realized by these actions, HHS shall implement a preferred drug list. Governor's item, modified by Senate.	104,885,173	25,791,264
Reduce Dispensing Fee for All Drugs to	Currently \$5.60/generics, \$4/brand	58,195,627	14,834,065

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Increase co-pays for brand name prescription drugs to \$4	Currently \$3	5,564,261	1,418,330
Preferred Drug List, net of lost rebates			30,000,000
Provider Rates			
1/2%	Across the board reduction in provider/program rates	39,165,433	9,957,203
1%	Across the board reduction in provider/program rates	78,330,865	19,914,405
2%	Across the board reduction in provider/program rates	156,661,730	39,828,810
3%	Across the board reduction in provider/program rates	234,992,595	59,743,215
4%	Across the board reduction in provider/program rates	313,323,460	79,657,621
5%	Across the board reduction in provider/program rates	391,654,325	99,572,026
Institute Nursing Home cost ceiling at 100% median cost	Current limit set at 103.5% of median cost	24,400,163	6,000,000
Administrative Efficiencies			
Labs/Xrays vendor, prior authorization		24,400,163	6,000,000
Mandate electronic claims filing		2,400,000	1,200,000
Mandate EFT payments		1,350,000	675,000
Send out Medicaid ID on quarterly basis instead of monthly		3,500,000	1,750,000
Consolidate case management services	Currently 5 or more different case management activities	10,166,734	2,500,000
CUNC increased savings		203,334,689	50,000,000

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\$50 copay for nonemergency ER visits		5,179,569	1,273,656
Enhance Third Party Liability Recoveries and Cost Avoidance	Reduces medical assistance payments by increasing payment by third parties and increasing cost avoidance through better utilization of technology and other cost-containment activities. Governor's item modified by Senate.		20,000,000
Implement False Claims Act	Increases amount NC can retain from fraud and abuse recoveries by implementing provisions that meet federal False Claims Act standards. The 10% bonus is expected to generate about \$2.4 million annually. Of the amount collected, \$176,068 will be used to support 5 positions at the AG's office to implement the act. Net collections will be offset by a reduction to State appropriations. No savings generated until FY 2010-11.		2,229,757

FY 2009-10 Division of Aging and Adult Services Options

Item/Program	Description	Estimated Reduction
Reduce Home and Community Care Block Grant	Reduction in grant for community-based services for seniors, including In-Home, Congregate and Home Delivered meals, etc. Cut taken in current fiscal year 2008-09 by Governor.	(2,594,744)
Reduce Home and Community Care Block Grant	Replace HCCBG funds with one-time ARRA funds in Senate budget	(2,768,783)
Eliminate Quality Improvement Program for Adult Care Homes	Provided technical assistance for quality improvement for adult care homes (includes 1 FTE) - in Gov's budget and taken by Senate	(190,204)
Eliminate Senior Center Outreach and Development Program	Taken by Senate	(100,000)
Other Operating (2xxx-5xxx)	Reduced travel, supplies, printing, etc.; activities will be limited to absolutely necessary functions critical to core mission. Taken in current FY 2008-09 by Governor and in Senate budget	(90,466)
Senior Games	Senior Games promotes and facilitates physical fitness and creative arts activities for adults age 55 and over. Senior Games sponsors local games that are available to seniors in all counties and culminate in the State Games.	(175,000)
Duke University Medical Center, Family Support Program	\$30,000 in federal funds and the \$50,000 state appropriation supports the core mission of the Duke Family Support Program. This funding provides access to the most comprehensive information for NC residents on Alzheimer's Disease and related dementia and family care issues by providing a technical assistance clearinghouse, training and consultation for NC Alzheimer's Chapters, aging and social services networks, and families and professionals caring for persons in all stages of dementia.	(50,000)
Total		(5,969,197)

FY 2009-10 Division of Health Service Regulation Options

Item/Program	Description	Estimated Reduction
Charge fee for Initial Facility License	Initial facility fees represent increase in start up costs for larger facilities	(169,850)
Increase Licensure Fees	Increases annual licensure fees for Adult Care Homes, Nursing Facilities, Hospitals, Mental Health/DD facilities, Ambulatory Surgical Centers, etc.	(1,093,788)
Charge Annual Fee for Hospice Facilities	Currently not subject to annual licensure fees	(79,200)
Eliminate Two Vacant Positions in Medical Facilities Construction	Eliminates two vacant positions in Medical Facilities Construction Section, which review construction plans, make on-site inspections, and provide consultation to ensure compliance with federal and State standards. Reduction will reduce staff to 63 FTEs. Governor's item taken by Senate.	(164,640)
Eliminate Jails and Detention Program	Shifts responsibility to counties for ensuring compliance with North Carolina statutes and administrative rules through semiannual inspections of all county, municipal, and regional jails.	(369,000)
Other Operating (2xxx-5xxx)	Fund 1311 Rent/Lease-Bldg/Office- taken by Governor and in Senate budget	(466,688)
Total		(2,343,166)