

Examining the Impact of the Patient Protection and Affordable Care Act in North Carolina
Appendix C

Table 1. Projected Costs and Enrollment for the Woodwork Population (FY 2014-2021) (Costs in Millions)
Estimates by the Division of Medical Assistance, North Carolina Department of Health and Human Services and Regional Economic Model, Inc. (REMI), under contract with the North Carolina Department of Health and Human Services

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total (2014-2021)</u>	<u>Run Rate</u>
Enrolled population	69,683	72,426	75,340	78,035	80,890	83,859	85,888	87,127		
Federal Match Rate	65%	65%	65%	65%	65%	65%	65%	65%		
Service Expenditures										
Total Expenditures	\$ 104,983,851	\$ 292,714,525	\$ 482,947,067	\$ 513,716,486	\$ 546,744,703	\$ 581,226,081	\$ 603,049,092	\$ 617,434,186	\$ 3,742,815,992	\$ 617,434,186
Total Federal	\$68,239,503	\$190,264,441	\$313,915,594	\$333,915,716	\$355,384,057	\$377,796,953	\$ 391,981,910	\$ 401,332,221	\$ 2,432,830,395	\$ 401,332,221
State Appropriations	\$ 36,744,348	\$ 102,450,084	\$ 169,031,474	\$ 179,800,770	\$ 191,360,646	\$ 203,429,128	\$ 211,067,182	\$ 216,101,965	\$ 1,309,985,597	\$ 216,101,965
Pharmaceutical Rebate										
Total Drug Rebate	\$ (965,059)	\$ (14,616,536)	\$ (23,783,604)	\$ (30,548,681)	\$ (33,766,296)	\$ (37,292,021)	\$ (41,301,323)	\$ (44,659,389)	\$ (226,932,908)	\$ (45,788,131)
Federal Drug Rebate	\$ (627,288)	\$ (9,500,748)	\$ (15,459,343)	\$ (19,856,643)	\$ (21,948,092)	\$ (24,239,814)	\$ (26,845,860)	\$ (29,028,603)	\$ (147,506,390)	\$ (29,762,285)
State Drug Rebate	\$ (337,771)	\$ (5,115,788)	\$ (8,324,261)	\$ (10,692,038)	\$ (11,818,204)	\$ (13,052,207)	\$ (14,455,463)	\$ (15,630,786)	\$ (79,426,518)	\$ (16,025,846)
Effect of CHIP Enhanced Match Rate										
CHIP changes to federal government	0	0	\$ 64,472,190	\$ 88,021,269	\$ 90,089,411	\$ 92,126,196	\$ 0	\$ -	\$ 334,709,067	\$ -
CHIP Changes to State (Increases FMAP by 23 percentage points 2016-2019, reduces state, increases federal)	0	0	\$ (64,472,190)	\$ (88,021,269)	\$ (90,089,411)	\$ (92,126,196)	\$ 0	\$ -	\$ (334,709,067)	\$ -
Net Service Costs (Gross service costs, minus pharmaceutical rebate, plus changes in SCHIP match rate)										
Net Total Service Costs	\$ 104,018,792	\$ 278,097,989	\$ 459,163,463	\$ 483,167,805	\$ 512,978,407	\$ 543,934,060	\$ 561,747,769	\$ 572,774,797	\$ 3,515,883,084	\$ 571,646,055
Net federal appropriations (minus drug rebate plus CHIP enhancement)	\$67,612,215	\$180,763,693	\$362,928,441	\$402,080,342	\$423,525,376	\$445,683,335	\$365,136,050	\$ 372,303,618	\$ 2,620,033,072	\$ 371,569,936
Net state appropriations (minus drug rebate, minus CHIP enhancement)	\$ 36,406,577	\$ 97,334,296	\$ 96,235,023	\$ 81,087,463	\$ 89,453,031	\$ 98,250,725	\$ 196,611,719	\$ 200,471,179	\$ 895,850,012	\$ 200,076,119
Administrative Expenses										
Total administrative	\$ 1,938,239	\$ 4,024,246	\$ 4,175,928	\$ 4,322,500	\$ 4,384,961	\$ 4,537,221	\$ 4,592,755	\$ 4,640,808	\$ 32,616,658	\$ 4,640,808
Ongoing federal administrative expenses	\$ 969,120	\$ 2,012,123	\$ 2,087,964	\$ 2,161,250	\$ 2,192,481	\$ 2,268,610	\$2,296,377	\$ 2,320,404	\$ 16,308,329	\$ 2,320,404
Ongoing state administrative expenses	\$ 969,119	\$ 2,012,123	\$ 2,087,964	\$ 2,161,250	\$ 2,192,480	\$ 2,268,611	\$ 2,296,378	\$ 2,320,404	\$ 16,308,329	\$ 2,320,404
Total appropriations (including drug rebates, CHIP enhancement, service and administrative costs)										
Total	\$ 105,957,031	\$ 282,122,235	\$ 463,339,391	\$ 487,490,305	\$ 517,363,368	\$ 548,471,281	\$ 566,340,524	\$ 577,415,605	\$ 3,548,499,742	\$ 576,286,863
Total Federal	\$68,581,335	\$182,775,816	\$365,016,405	\$404,241,592	\$425,717,857	\$447,951,945	\$367,432,427	\$374,624,022	\$2,636,341,401	\$373,890,340
Total State	\$ 37,375,696	\$ 99,346,419	\$ 98,322,987	\$ 83,248,713	\$ 91,645,511	\$ 100,519,336	\$ 198,908,097	\$ 202,791,583	\$ 912,158,341	\$ 202,396,523

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Table 2. Projected Costs and Enrollment for the Newly Eligible Population (FY 2014-2021) (Costs in Millions)

Estimates by the Division of Medical Assistance, North Carolina Department of Health and Human Services and Regional Economic Model, Inc. (REMI), under contract with the North Carolina Department of Health and Human Services

	2014	2015	2016	2017	2018	2019	2020	2021	Total (2014-2021)	Run Rate
Enrolled population	494,010	500,058	506,818	512,906	519,684	525,830	531,264	536,481		
Federal Match Rate	100%	100%	100%	95%	94%	93%	90%	90%	90%	90%
Gross Service Expenditures										
Total Expenditures	\$ 521,929,213	\$ 2,134,105,487	\$ 2,192,230,960	\$ 2,240,197,739	\$ 2,300,550,883	\$ 2,350,432,584	\$ 2,396,695,904	\$ 2,443,113,565	\$ 16,579,256,334	\$ 2,443,113,565
Total Federal	\$ 521,929,213	\$ 2,134,105,487	\$ 2,192,230,960	\$ 2,156,190,324	\$ 2,168,269,207	\$ 2,191,778,384	\$ 2,175,001,533	\$ 2,198,802,208	\$ 15,738,307,316	\$ 2,198,802,208
State Expenditures	\$ -	\$ -	\$ -	\$ 84,007,415	\$ 132,281,676	\$ 158,654,200	\$ 221,694,371	\$ 244,311,356	\$ 840,949,018	\$ 244,311,356
Drug Rebates										
Total Rebate	\$ (5,377,623)	\$ (106,459,255)	\$ (141,319,880)	\$ (149,545,586)	\$ (158,328,489)	\$ (167,388,260)	\$ (180,361,655)	\$ (192,970,911)	\$ (1,101,751,659)	\$ (197,053,717)
Federal Rebate	\$ (5,377,623)	\$ (106,459,255)	\$ (141,319,880)	\$ (143,937,627)	\$ (149,224,601)	\$ (156,089,552)	\$ (164,049,062)	\$ (174,410,557)	\$ (1,040,868,157)	\$ (178,100,670)
State Rebate				\$ (5,607,959)	\$ (9,103,888)	\$ (11,298,708)	\$ (16,312,593)	\$ (18,560,354)	\$ (60,883,502)	\$ (18,953,047)
Potential Other Offsets										
DMHDDSAS	\$ (8,185,997)	\$ (16,371,993)	\$ (16,371,993)	\$ (16,371,993)	\$ (16,371,993)	\$ (16,371,993)	\$ (16,371,993)	\$ (16,371,993)	\$ (122,789,948)	\$ (16,371,993)
ADAP	\$ (14,308,623)	\$ (28,617,246)	\$ (28,617,246)	\$ (28,617,246)	\$ (28,617,246)	\$ (28,617,246)	\$ (28,617,246)	\$ (28,617,246)	\$ (214,629,345)	\$ (28,617,246)
Corrections	\$ (8,500,000)	\$ (17,000,000)	\$ (17,000,000)	\$ (17,000,000)	\$ (17,000,000)	\$ (17,000,000)	\$ (17,000,000)	\$ (17,000,000)	\$ (127,500,000)	\$ (17,000,000)
Subtotal offsets	\$ (30,994,620)	\$ (61,989,239)	\$ (61,989,239)	\$ (61,989,239)	\$ (61,989,239)	\$ (61,989,239)	\$ (61,989,239)	\$ (61,989,239)	\$ (464,919,293)	\$ (61,989,239)
Net Service Costs (Gross Service Costs Minus Pharmaceutical Rebates and Other Offsets)										
Net Total Service Costs	\$ 516,551,590	\$ 2,027,646,232	\$ 2,050,911,080	\$ 2,090,652,153	\$ 2,142,222,394	\$ 2,183,044,324	\$ 2,216,334,249	\$ 2,250,142,654	\$ 15,477,504,675	\$ 2,246,059,848
Net Federal Service Costs	\$ 516,551,590	\$ 2,027,646,232	\$ 2,050,911,080	\$ 2,012,252,697	\$ 2,019,044,606	\$ 2,035,688,832	\$ 2,101,952,471	\$ 2,024,391,651	\$ 14,697,439,159	\$ 2,020,701,538
State Service Costs with Offsets (new state dollars)	\$ (30,994,620)	\$ (61,989,239)	\$ (61,989,239)	\$ 16,410,217	\$ 61,188,549	\$ 85,366,253	\$ 143,392,539	\$ 163,761,763	\$ 315,146,223	\$ 163,369,070
Administrative Expenditures										
Total	\$ 20,826,262	\$ 29,455,852	\$ 29,762,436	\$ 30,081,429	\$ 30,491,968	\$ 30,820,280	\$ 31,179,400	\$ 31,490,115	\$ 234,107,742	\$ 31,490,115
Federal	\$ 10,463,086	\$ 14,827,835	\$ 14,981,127	\$ 15,140,624	\$ 15,345,893	\$ 15,510,049	\$ 15,690,773	\$ 15,847,138	\$ 117,806,525	\$ 15,847,138
State	\$ 10,363,176	\$ 14,628,017	\$ 14,781,309	\$ 14,940,805	\$ 15,146,075	\$ 15,310,231	\$ 15,488,627	\$ 15,642,977	\$ 116,301,217	\$ 15,642,977
REMI New State Tax Revenues										
Migration	(\$17,377,000)	(\$74,312,000)	(\$78,407,000)	(\$73,443,000)	(\$70,948,000)	(\$69,666,000)	(\$65,208,000)	(\$64,623,000)	\$ (513,984,000)	NA
No Migration	(\$17,041,000)	(\$72,616,000)	(\$75,559,000)	(\$69,621,000)	(\$66,119,000)	(\$63,788,000)	(\$58,312,000)	(\$56,711,000)	\$ (479,767,000)	NA
Avg Migration/No migration	(\$17,209,000)	(\$73,464,000)	(\$76,983,000)	(\$71,532,000)	(\$68,533,500)	(\$66,727,000)	(\$61,760,000)	(\$60,667,000)	\$ (496,875,500)	NA
Total Expenditures (Includes Service and Administrative Costs, Minus Pharmaceutical Rebates and Other Offsets, and New Revenues)										
Total	\$ 537,377,852	\$ 2,057,102,084	\$ 2,080,673,516	\$ 2,120,733,582	\$ 2,172,714,362	\$ 2,213,864,604	\$ 2,247,513,649	\$ 2,281,632,769	\$ 15,711,612,417	\$ 2,277,549,963
Total Federal costs	\$ 527,014,676	\$ 2,042,474,067	\$ 2,065,892,207	\$ 2,027,393,321	\$ 2,034,390,499	\$ 2,051,198,881	\$ 2,117,643,244	\$ 2,040,238,789	\$ 14,815,245,684	\$ 2,036,548,676
Net State Costs	\$ (37,840,444)	\$ (120,825,222)	\$ (124,190,930)	\$ (40,180,978)	\$ 7,801,124	\$ 33,949,484	\$ 97,121,166	\$ 118,737,740	\$ (65,428,060)	NA