

**Item Title:** Additional Positions to Implement Medicaid Expansion

**Specific Action Requested:**  
That the Board of Commissioners:

1. Establishes 74.0 full-time positions (FTEs) to support the preparation and implementation of Medicaid Expansion and the end of the Public Health Emergency; and
2. Accepts and appropriates \$3,381,306 of revenues into the General Fund from the NC DHHS as State reimbursements; and reallocate and appropriate a one-time receipt of \$436,122 from NC DHHS recorded as a FY23 liability, with a combined total of \$3,817,428 in revenues and expenditures; and
3. Appropriates \$1,311,553 of fund balance within the General Fund as the required County match.

**Item Summary:**

**Purpose:** In accordance with the North Carolina Local Government Budget and Fiscal Control Act, the Board of Commissioners must approve all amendments that increase the budget for a fund. The Board of Commissioners also approves all authorized full-time equivalent (FTE) positions in accordance with the County's Personnel Ordinance.

**Background:** In Spring 2023, the State Legislature enacted Medicaid Expansion, making many thousand Wake County residents eligible for new and expanded services. At the same time, Public Health Emergency (PHE), which has been in place since the COVID pandemic began in 2020, ended. The PHE's end requires thousands of Medicaid recipients to reapply for eligibility. These two events, Medicaid expansion and the PHE's end, will lead to a significant increase in the number of Medicaid applications submitted to Wake County.

These changes will generate an increase in both the number of applications taken and in the annual reviews of all approved applications, which is a state requirement. After analyzing current and future workloads, staff recommends adding 74 full-time positions to the Medicaid program. Staff may return to the Board of Commissioners in the future for additional resources needed to fully implement Medicaid expansion.

**Board Goal:** This action supports Community Health and Vitality Goal 3: Support a higher quality of life for vulnerable residents and communities.

**Fiscal Impact:** This request increases the authorized FTE positions by 74.0 within the Health and Human Services Department of the General Fund. The total FY24 expenditure budget needed for this request is \$5,128,981. HHS anticipates State revenues as reimbursement of \$3,381,306, with a required County match for FY24 of \$1,311,553. The future ongoing county share will be approximately \$1.7 million and incorporated into future annual operating budget development processes. The county match of this project for FY24 is from unrestricted, uncommitted General Fund fund balance. This use of fund balance was not included as part of long-term financial planning and the debt and capital model last presented to the Board. This use, however, will not cause the General Fund fund balance to drop below the 30 percent target in the County's financial policies. This request also reallocates and then appropriates a one-time receivable of \$436,122 recorded as a FY23 liability for HHS Medicaid Eligibility and Enrollment activities.

**Additional Information:**

Wake County experienced unprecedented growth in the Medicaid program during the COVID-19 Public Health Emergency (PHE), because any individual who did not have access to any other medical insurance was automatically eligible for Medicaid regardless of income. Also, one of the PHE waivers over the last 3 years auto-extended Medicaid reviews assuming continued Medicaid eligibility to ensure that all Medicaid beneficiaries continued to have access to medical insurance throughout the PHE.

With the passing of Medicaid Expansion in North Carolina, Wake County will again face another wave of Medicaid applicants, which will add more work to the already strained capacity on the Medicaid teams. The estimated eligible population in Wake County ranges from 40,000 - 60,000 residents, and this translates into 80,000 - 120,000 persons applying. Typically, 50% of our applicants are ineligible). Prior to the PHE, the number of Medicaid beneficiaries in Wake County was at 164,094, and this year because of the PHE our numbers grew to over 212,000. All Medicaid cases must be reviewed annually. Currently, Wake County processes between 4,300 and 7,800 new Medicaid applications monthly. Cases processed are either approved or denied. The case processing time is the same for both results.

The addition of 74.0 FTEs will start to address the increase in demand. If this staffing level proves to be insufficient and results in delays in timeliness for the Medicaid program, requests for additional staff will be made. The following table displays the current Medicaid positions, additional positions requested, and the resulting total. Of the current 121.0 FTEs reflected on the chart below, three of the positions are vacant.

<b>Position Descriptions</b>	<b>Total Current FTEs</b>	<b>Additional FTEs</b>	<b>Resulting Total FTEs</b>
FCMA Eligibility Case Worker I	88.0	60.0	148.0
FCMA Supervisors	13.0	6.0	19.0
Support Staff	20.0	8.0	28.0
<b>Total</b>	<b>121.0</b>	<b>74.0</b>	<b>195.0</b>

NC DHHS provided counties financial support to help meet the increased demands resulting from the end of the Public Health Emergency while also building county capacity to meet the increased workload from Medicaid Expansion. As a result, Wake County received a one-time lump sum payment of \$436,122 in FY23 for use in FY24. The funds will be used to hire and train staff and build technology infrastructure to prepare for Medicaid expansion, while meeting the significant demands associated with the end of the Public Health Emergency. Table below is the total budget revisions proposed through this item:

<b>Expenditures</b>	<b>Amounts</b>
Personnel	4,825,423
Equipment	245,182
Supplies/Materials	58,376
<b>Total Expenditures</b>	<b>\$5,128,981</b>
<b>Revenues:</b>	
State reimbursement	3,381,306
Reallocation of NC DHHS receivable for Medicaid Expansion recorded as a FY23 liability	436,122
Appropriation of fund balance for county match	1,311,553
<b>Total Revenues</b>	<b>\$5,128,981</b>

**Attachments:**

1. Funding Authorization
2. Budget Memo – FY 2024 Health and Human Services
3. Budget Memo – FY 2024 Personnel Ordinance Memo
4. Medicaid Expansion Presentation