



**Weathering the Storm: The Impact of the Great
Recession on Long-Term Services and Supports**
State Profile: **NORTH CAROLINA**

Jenna Walls
Kathleen Gifford
Catherine Rudd
Health Management Associates

Rex O'Rourke
Martha Roherty
Lindsey Copeland
National Association of States
United for Aging and Disabilities

Wendy Fox-Grage
AARP Public Policy Institute

INTRODUCTION

Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

Weathering the Storm contains several components:

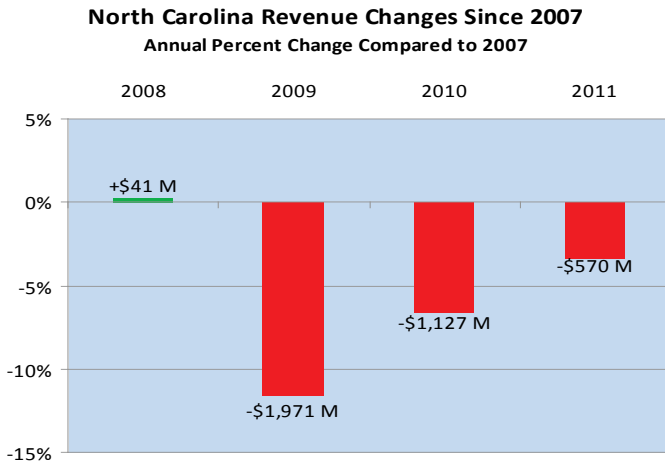
- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email jgasaway@aarp.org.

All of the components of *Weathering the Storm* are also available on the web and can be found at www.aarp.org/ppi, www.nasuad.org, and www.healthmanagement.com.

NORTH CAROLINA

TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2008 (for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales.** Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

ARRA FUNDING

IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- Waiting lists will increase, and services will be reduced.
- Natural client attrition, e.g. clients leaving the program, may address a portion of the service loss due to the ARRA expiration, but providers, particularly home delivered meals providers, are concerned about being able to sustain current service levels.

STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
79,014	77,222	75,019	-5%

STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009–2010	SFY 2010–2011
None	Don't Know

STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests
	SFY 2009–2010	SFY 2010–2011	SFY 2009–2010
Adult Foster Care	NA	NA	DK
Adult Day Care	0	0	+
Adult Protective Services*	0	0	+
Assisted Living	NA	NA	DK
Behavioral Supports	NA	NA	DK
Case Management	0	0	0
Chore	0	0	+
Community Transition	NA	NA	DK
Congregate Meals	0	0	+
Day Habilitation	NA	NA	DK
Disease Prevention/Health Promotion	0	0	0
Elder Abuse Prevention	0	0	0
Environmental Modifications	0	0	+
Equipment and Supplies	NA	NA	DK
Family Caregiver Support	0	0	0
Food Stamps/Supplemental Nutrition Assistance Program			DK
Foreclosure Counseling	NA	NA	DK
Homemaker	0	0	+
Home-Delivered Meals	0	0	+
Housing Assistance	0	0	+
Information and Referral	0	0	0
Legal Assistance Development	0	0	0
LIHEAP			DK
Long-Term Care Ombudsman	0	0	+
Nutritional Supplements	0	0	0
Occupational Therapy	NA	NA	DK
Personal Care/Assistance	0	0	+
Physical Therapy	NA	NA	DK
Recreational Therapy	NA	NA	DK
Residential Habilitation	NA	NA	DK
Respite	0	0	+
Senior Community Service Employment Program	+	+	0
Senior Centers	0	0	0
Speech Therapy	NA	NA	DK
State Adult Guardianship Program	0	0	+
State Pharmaceutical Assistance	NA	NA	DK
Supported Employment	NA	NA	DK
Supported Living	NA	NA	DK
Transportation	0	0	+
+ Expenditure/demand increase	0	No change in expenditure/demand	DK Don't know
- Expenditure/demand decrease	NA	Program not administered by SUA	

* Since SFY 2009, the State Unit on Aging has received increased calls for Adult Protective Services, e.g., financial exploitation, physical abuse, neglect, emotional abuse, and sexual abuse.

NORTH CAROLINA

STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
\$39,147,000	\$40,966,000	\$40,912,000	5%

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload			% Change
	SFY 2009	SFY 2010	SFY 2011 (planned)	SFY 2009–2010
None Listed				
Nursing Facility Services	Avg. Daily Census 2010		Expected Change 2011	
NF Average Daily Census				

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010 (Estimate)	SFY 2011 (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities)				
Medicaid LTSS State Plan				
Nursing Facility				

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home		
Home Health		
Personal Care Services		
HCBS Waiver Services		
+ Provider rate increase - Provider rate decrease 0 No change in provider rate		NA Not applicable

OPTIONS, OUTLOOK, AND PROMISING PRACTICES

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded.

See the Overview for descriptions of these provisions.



NORTH CAROLINA

State's Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don't Know
State Balancing Incentive Program	X			
Community First Choice Option		X		
Money Follows the Person Demonstration				
1. Apply for new program				
2. Apply for extension of existing program	X			
Medical/Health Home Initiative				
1. Agency applying for planning grant	X			
2. State plan amendment to establish medical/health home services		X		
3. Apply to establish community health teams	X			

STATE PRIORITIES: 18–24 MONTHS

- Emphasizing best fiscal management practices through Area Agencies on Aging (AAAs) to help local service providers minimize service loss due to cost increases.
- Establishing Community Care Networks organized through regional community health networks to achieve long-term quality, cost, access, and utilization for Medicaid beneficiaries.
- Reforming Adult Protective Services.
- Helping other state agencies prepare for an aging population.

STATE ISSUES

- Growing demands for services and diminishing resources to provide them.
- Responding to the need for protection of older individuals and people with disabilities.

STATE PROMISING PRACTICES

- Project C.A.R.E. (Caregiver Alternatives to Running on Empty) is a program that has received national recognition and uses a family consultant model to provide consumer-directed respite care and comprehensive support to caregivers.
- State Aging Readiness Assessment, which involves the Governor's Policy Office, the Division of Aging and Adult Services, and the University of North Carolina Institute on Aging, is conducting an assessment of state agencies to determine their readiness to serve an aging population.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. North Carolina's fiscal year begins July 1 and ends June 30.