

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE PRINCIPAL CLERK

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HOUSE DRH30130-TRa-6D (12/09)

Short Title: Expand Medicaid to All Below 133% FPL/Funds. (Public)

Sponsors: Representatives Insko, Earle, Adcock, and Queen (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO EXPAND ELIGIBILITY FOR THE MEDICAID PROGRAM TO INCLUDE ALL PEOPLE UNDER AGE SIXTY-FIVE WHO HAVE INCOMES EQUAL TO OR BELOW ONE HUNDRED THIRTY-THREE PERCENT OF THE FEDERAL POVERTY LEVEL, TO APPROPRIATE FUNDS FOR COSTS ASSOCIATED WITH THE EXPANSION, TO ACCOUNT FOR THE SAVINGS TO OTHER STATE PROGRAMS AS A RESULT OF THE EXPANSION, AND TO APPROPRIATE THE ADDITIONAL FUNDS GENERATED FROM EXPANSION TO THE MEDICAID REBASE.

Whereas, Medicaid expansion would create positive economic benefits for the State of North Carolina by allowing our citizens' federal tax dollars to flow back into our State, and the value of these new federal dollars is estimated at two billion five hundred million dollars (\$2,500,000,000) for this budget biennium; and

Whereas, Medicaid expansion would create thousands of new health care jobs to serve the estimated 500,000 citizens covered by this expansion; and

Whereas, the economic benefits of Medicaid expansion would extend beyond the health care industry into the broader economy, and this "ripple effect" will also create thousands of new jobs; and

Whereas, the increase in new jobs and new taxpayers and the subsequent increase in income and sales and use taxes payable to the State is estimated to more than cover the State's cost of this expansion; and

Whereas, the new Medicaid expansion dollars are critical to the financial viability of our hospitals, and our rural hospitals, especially, are essential to the health and quality of life and economic viability of the communities they serve; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Repeal of Prohibition on Medicaid Expansion. – Section 3 of S.L. 2013-5 is repealed.

SECTION 2. Medicaid Expansion Required. – Effective January 1, 2016, the Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to all people under age 65 who have incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines. The medical assistance provided to persons in this Affordable Care Act expansion group shall consist of the coverage described in 42 U.S.C. § 1396a(k)(1).

SECTION 3. Appropriation to Pay for Administrative Costs. – There is appropriated from the General Fund to the Department of Health and Human Services, Division of Medical Assistance, the sum of six million five hundred ninety-one thousand two hundred twenty-four dollars (\$6,591,224) for the 2015-2016 fiscal year and the sum of seven million



1 eight thousand seven hundred five dollars (\$7,008,705) for the 2016-2017 fiscal year for
2 administrative costs associated with the Medicaid expansion required by Section 2 of this act.
3 These funds shall provide a State match for an estimated nineteen million seven hundred
4 seventy-three thousand six hundred seventy-three dollars (\$19,773,673) in federal funds for the
5 2015-2016 fiscal year and twenty-one million twenty-six thousand one hundred sixteen dollars
6 (\$21,026,116) in federal funds for the 2016-2017 fiscal year, and those federal funds are hereby
7 appropriated to pay administrative costs associated with the Medicaid expansion required by
8 Section 2 of this act. If the amount of federal funds available for this purpose exceeds the
9 amounts set forth in this section, then the expenditure of State funds for this purpose shall be
10 reduced by an amount equal to the amount of excess federal funds that are available, and these
11 excess federal funds are hereby appropriated for the purposes described in this section.

12 **SECTION 4.** Appropriation to Pay for Medicaid Services in 2016-2017. – There is
13 appropriated from the General Fund to the Department of Health and Human Services, Division
14 of Medical Assistance, the sum of ninety-five million two hundred sixty-four thousand four
15 hundred eighty dollars (\$95,264,480) in recurring funds for the 2016-2017 fiscal year as part of
16 the Medicaid rebase. These funds shall provide a State match for an estimated two billion four
17 hundred forty-five million one hundred twenty-one thousand six hundred forty-three dollars
18 (\$2,445,121,643) in federal funds in the 2016-2017 fiscal year, and those federal funds are
19 hereby appropriated to the Division of Medical Assistance to pay for Medicaid services.

20 **SECTION 5.** Reductions to Reflect Savings in Other State Programs. – Because
21 the Medicaid expansion required by this act will generate savings to other State programs that
22 currently serve the population to be included in the Medicaid expansion, the following
23 reductions are made:

- 24 (1) The appropriation to the Department of Health and Human Services,
25 Division of Mental Health, is hereby reduced by sixteen million three
26 hundred seventy-one thousand nine hundred ninety-three dollars
27 (\$16,371,993) in recurring funds for the 2016-2017 fiscal year. Since the
28 expansion of Medicaid services under this act will affect only half of the
29 2015-2016 fiscal year, this appropriation is hereby reduced by eight million
30 one hundred eighty-five thousand nine hundred ninety-seven dollars
31 (\$8,185,997) for the 2015-2016 fiscal year.
- 32 (2) The appropriation for the AIDS Drug Assistance Program (ADAP) in the
33 Department of Health and Human Services, Division of Public Health, is
34 hereby reduced by twenty-eight million six hundred seventeen thousand two
35 hundred forty-six dollars (\$28,617,246) in recurring funds for the 2016-2017
36 fiscal year. Since the expansion of Medicaid services under this act will
37 affect only half of the 2015-2016 fiscal year, this appropriation is hereby
38 reduced by fourteen million three hundred eight thousand six hundred
39 twenty-three dollars (\$14,308,623) for the 2015-2016 fiscal year.
- 40 (3) The appropriation for the Inmate Health Care program within the
41 Department of Public Safety, Division of Corrections, is hereby reduced by
42 seventeen million dollars (\$17,000,000) in recurring funds for the 2016-2017
43 fiscal year. Since the expansion of Medicaid services under this act will
44 affect only half of the 2015-2016 fiscal year, this appropriation is hereby
45 reduced by eight million five hundred thousand dollars (\$8,500,000) for the
46 2015-2016 fiscal year.

47 **SECTION 6.** Appropriation of 2015-2016 Savings for Medicaid Rebase. – There is
48 appropriated from the General Fund to the Department of Health and Human Services, Division
49 of Medical Assistance, the sum of twenty-four million four hundred three thousand three
50 hundred ninety-five dollars (\$24,403,395) for the 2015-2016 fiscal year as part of the Medicaid

1 rebase. This sum represents the General Fund savings for the 2015-2016 fiscal year generated
2 under this act.

3 **SECTION 7.** Effective Date. – This act becomes effective July 1, 2015.