

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 1209
Corrected Copy 5/12/06

Short Title: Medicaid County Share.

(Public)

Sponsors: Senators Purcell, Berger of Franklin; Albertson, Allran, Apodaca, Atwater, Bingham, Brown, Dalton, Holloman, Jenkins, Malone, Shaw, Snow, Soles, Swindell, Tillman, and Weinstein.

Referred to: Appropriations/Base Budget.

May 10, 2006

A BILL TO BE ENTITLED

1
2 AN ACT TO PROVIDE THAT THE COUNTY SHARE OF THE NONFEDERAL
3 SHARE OF MEDICAID COSTS FOR THE 2006-2007 FISCAL YEAR SHALL
4 NOT EXCEED THE COUNTY SHARE PAID BY EACH COUNTY FOR THE
5 2005-2006 FISCAL YEAR; TO APPROPRIATE FUNDS TO COVER THE COST
6 TO THE GENERAL FUND OF CAPPING THE COUNTY SHARE; AND TO
7 PROVIDE FOR FURTHER REDUCTION IN THE COUNTY SHARE ON A
8 TARGETED BASIS USING SAVINGS REALIZED FROM THE MEDICARE
9 PART D PROGRAM.

10 The General Assembly of North Carolina enacts:

11 **SECTION 1.(a)** Notwithstanding any other provision of law to the contrary,
12 each county's portion of the nonfederal share of Medical Assistance Program costs,
13 excluding administrative costs, for the 2006-2007 fiscal year shall not exceed the
14 amount paid by the county for the nonfederal share of Medical Assistance Program
15 costs, excluding administrative costs, for the 2005-2006 fiscal year. It is the intent of the
16 General Assembly to extend the cap on county Medicaid expenditures to the 2007-2008
17 fiscal year only.

18 **SECTION 1.(b)** There is appropriated from the General Fund to the
19 Department of Health and Human Services, Division of Medical Assistance, the sum of
20 thirty million three hundred ninety thousand dollars (\$30,390,000) for the 2006-2007
21 fiscal year to cover the increased cost to the State resulting from the cap on county share
22 required by this section. These funds shall be allocated from savings realized in the
23 State Medical Assistance program from the Medicare Part D federal program for the
24 2006-2007 fiscal year.

25 **SECTION 2.** There is appropriated from the General Fund to the
26 Department of Health and Human Services, Division of Medical Assistance, the sum of
27 thirty-four million six hundred ten thousand dollars (\$34,610,000) for the 2006-2007

1 fiscal year. These funds shall be allocated from savings realized from the Medicare Part
2 D federal program for the 2006-2007 fiscal year. The Department shall allocate these
3 funds to reduce the county share of the nonfederal share of Medical Assistance Program
4 expenditures for the 2006-2007 fiscal year, as follows:

- 5 (1) Forty percent (40%) shall be allocated among counties with a
6 Medicaid eligible population of twenty-five percent (25%) or greater
7 of the total county population. The allocation shall be based on a
8 county's percentage of the total Medicaid budget for all counties with a
9 Medicaid eligible population of twenty-five percent (25%) or greater.
- 10 (2) Fifty-five percent (55%) shall be allocated among counties with a
11 Medicaid eligible population of at least fifteen percent (15%) but less
12 than twenty-five percent (25%) of the total county population. The
13 allocation shall be based on a county's percentage of the total Medicaid
14 budget for all counties with a Medicaid population of at least fifteen
15 percent (15%) but less than twenty-five percent (25%).
- 16 (3) Five percent (5%) shall be allocated to counties with a Medicaid
17 population of less than fifteen percent (15%) of the total county
18 population. The allocation shall be based on a county's percentage of
19 the total Medicaid budget for all counties with a Medicaid population
20 of less than fifteen percent (15%).

21 Funds allocated under this section may be increased to reflect growth in
22 Medicaid expenditures for the 2005-2006 fiscal year.

23 **SECTION 3.1.** There is established the Legislative Study Commission on
24 the Elimination of County Financial Participation in Medicaid Services.

25 **SECTION 3.2.** The Commission shall consist of 14 members appointed as
26 follows:

- 27 (1) Three members appointed by the President Pro Tempore of the Senate.
- 28 (2) Three members appointed by the Speaker of the House of
29 Representatives.
- 30 (3) One county commissioner and one county manager appointed by the
31 President Pro Tempore of the Senate upon the recommendation of the
32 North Carolina Association of County Commissioners.
- 33 (4) One county commissioner and one county finance officer appointed by
34 the Speaker of the House of Representatives upon the recommendation
35 of the North Carolina Association of County Commissioners.
- 36 (5) One school board representative appointed by the President Pro
37 Tempore of the Senate upon the recommendation of the North
38 Carolina School Boards Association.
- 39 (6) One municipal representative appointed by the Speaker of the House
40 of Representatives upon the recommendation of the North Carolina
41 League of Municipalities.
- 42 (7) One business representative with public finance experience appointed
43 by the Governor upon the recommendation of the North Carolina
44 Citizens for Business and Industry.

1 (8) One representative from the executive branch appointed by the
2 Governor.

3 The President Pro Tempore of the Senate and the Speaker of the House of
4 Representatives shall each designate a cochair of the Commission from their appointees.

5 **SECTION 3.3.** The Commission shall study and recommend a permanent
6 financing strategy leading to the elimination of county financial participation in
7 Medicaid services. In conducting the study, the Commission shall consult with the
8 North Carolina Local Government Commission and with the School of Government at
9 the University of North Carolina at Chapel Hill.

10 **SECTION 3.4.** Members of the Commission shall receive subsistence and
11 travel allowances at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.
12 With the prior approval of the Legislative Services Commission, the Legislative
13 Services Officer shall assign professional and clerical staff to assist in the work of the
14 Commission. With the prior approval of the Legislative Services Commission, the
15 Commission may hold its meetings in the State Legislative Building or the Legislative
16 Office Building. The Commission, while in the discharge of its official duties, may
17 exercise all the powers provided under the provisions of G.S. 120-19 and G.S. 120-19.1
18 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and
19 departments of the State to provide any information, data, or documents within their
20 possession, ascertainable from their records, or otherwise available to them and the
21 power to subpoena witnesses.

22 **SECTION 3.5.** The Commission shall submit a final written report of its
23 findings and recommendations by January 1, 2007. All reports shall be filed with the
24 President Pro Tempore of the Senate, the Speaker of the House of Representatives, and
25 the Legislative Librarian. Upon filing its final report, the Commission shall terminate.

26 **SECTION 3.6.** From funds appropriated to the General Assembly, the
27 Legislative Services Commission shall allocate funds for the expenses of the
28 Commission established in this Part.

29 **SECTION 4.** This act becomes effective July 1, 2006.