

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 1073

Short Title: Expand Medicaid Eligibility. (Public)

Sponsors: Representatives Ager, Insko, Harrison, and Fisher (Primary Sponsors).

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Appropriations

May 11, 2016

A BILL TO BE ENTITLED

1 AN ACT TO EXPAND ELIGIBILITY FOR THE MEDICAID PROGRAM TO INCLUDE ALL  
2 PEOPLE UNDER AGE SIXTY-FIVE WHO HAVE INCOMES EQUAL TO OR BELOW  
3 ONE HUNDRED THIRTY-THREE PERCENT OF THE FEDERAL POVERTY LEVEL, TO  
4 APPROPRIATE FUNDS FOR COSTS ASSOCIATED WITH THE EXPANSION, AND TO  
5 ACCOUNT FOR THE SAVINGS TO OTHER STATE PROGRAMS AS A RESULT OF  
6 THE EXPANSION.  
7

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

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

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

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

19 Whereas, the new Medicaid expansion dollars are critical to the financial viability of  
20 our hospitals, and our rural hospitals; especially, are essential to the health and quality of life and  
21 economic viability of the communities they serve; Now, therefore,  
22 The General Assembly of North Carolina enacts:

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24 S.L. 2013-5 is repealed.

25 **SECTION 2.** Medicaid Expansion Required. – Effective January 1, 2017, the  
26 Department of Health and Human Services, Division of Medical Assistance, shall provide  
27 Medicaid coverage to all people under age 65 who have incomes equal to or less than one hundred  
28 thirty-three percent (133%) of the federal poverty guidelines. The medical assistance provided to  
29 persons in this Affordable Care Act expansion group shall consist of the coverage described in 42  
30 U.S.C. § 1396a(k)(1).

31 **SECTION 3.** Appropriation to Pay for Administrative Costs. – There is appropriated  
32 from the General Fund to the Department of Health and Human Services, Division of Medical  
33 Assistance, the sum of seven million eight thousand seven hundred five dollars (\$7,008,705) in  
34 recurring funds for the 2016-2017 fiscal year for administrative costs associated with the Medicaid  
35 expansion required by Section 2 of this act. These funds shall provide a State match for an



1 estimated twenty-one million twenty-six thousand one hundred sixteen dollars (\$21,026,116) in  
2 federal funds for the 2016-2017 fiscal year, and those federal funds are hereby appropriated to pay  
3 administrative costs associated with the Medicaid expansion required by Section 2 of this act. If  
4 the amount of federal funds available for this purpose exceeds the amounts set forth in this section,  
5 then the expenditure of State funds for this purpose shall be reduced by an amount equal to the  
6 amount of excess federal funds that are available, and these excess federal funds are hereby  
7 appropriated for the purposes described in this section.

8 **SECTION 4.** Appropriation to Pay for Medicaid Services Costs. – The expansion of  
9 Medicaid services under this act will affect only half of the 2016-2017 fiscal year. There is  
10 appropriated from the General Fund to the Department of Health and Human Services, Division of  
11 Medical Assistance, the sum of forty-seven million six hundred thirty-two thousand two hundred  
12 forty dollars (\$47,632,240) in recurring funds for the 2016-2017 fiscal year as part of the Medicaid  
13 rebase. These funds shall provide a State match for an estimated one billion two hundred  
14 twenty-two million five hundred sixty thousand eight hundred twenty-two dollars  
15 (\$1,222,560,822) in federal funds in the 2016-2017 fiscal year, and those federal funds are hereby  
16 appropriated to the Division of Medical Assistance to pay for Medicaid services.

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

- 21 (1) Since the expansion of Medicaid services under this act will affect only half of  
22 the 2016-2017 fiscal year, the appropriation to the Department of Health and  
23 Human Services, Division of Mental Health, is hereby reduced by eight million  
24 one hundred eighty-five thousand nine hundred ninety-seven dollars  
25 (\$8,185,997) in recurring funds for the 2016-2017 fiscal year.
- 26 (2) Since the expansion of Medicaid services under this act will affect only half of  
27 the 2016-2017 fiscal year, the appropriation for the AIDS Drug Assistance  
28 Program (ADAP) in the Department of Health and Human Services, Division  
29 of Public Health, is hereby reduced by fourteen million three hundred eight  
30 thousand six hundred twenty-three dollars (\$14,308,623) in recurring funds for  
31 the 2016-2017 fiscal year.
- 32 (3) Since the expansion of Medicaid services under this act will affect only half of  
33 the 2016-2017 fiscal year, the appropriation for the Inmate Health Care  
34 program within the Department of Public Safety, Division of Adult Correction,  
35 is hereby reduced by eight million five hundred thousand dollars (\$8,500,000)  
36 in recurring funds for the 2016-2017 fiscal year.

37 **SECTION 6.** Effective Date. – This act becomes effective July 1, 2016.