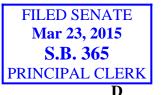
# GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015



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### SENATE DRS45184-TRa-6E\* (12/09)

Short Title:	Expand Medicaid to All Below 133% FPL/Funds.	(Public)
Sponsors:	Senators Van Duyn, Foushee, and Robinson (Primary Sponsors).	
Referred to:		

#### A BILL TO BE ENTITLED

2 AN ACT TO EXPAND ELIGIBILITY FOR THE MEDICAID PROGRAM TO INCLUDE 3 ALL PEOPLE UNDER AGE SIXTY-FIVE WHO HAVE INCOMES EQUAL TO OR 4 BELOW ONE HUNDRED THIRTY-THREE PERCENT OF THE FEDERAL POVERTY 5 LEVEL, TO APPROPRIATE FUNDS FOR COSTS ASSOCIATED WITH THE 6 EXPANSION, TO ACCOUNT FOR THE SAVINGS TO OTHER STATE PROGRAMS 7 AS A RESULT OF THE EXPANSION, AND TO APPROPRIATE THE ADDITIONAL 8 FUNDS GENERATED FROM EXPANSION TO THE MEDICAID REBASE. 9 Whereas, Medicaid expansion would create positive economic benefits for the State 10 of North Carolina by allowing our citizens' federal tax dollars to flow back into our State, and 11 the value of these new federal dollars is estimated at two billion five hundred million dollars 12 (\$2,500,000,000) for this budget biennium; and

13 Whereas, Medicaid expansion would create thousands of new health care jobs to 14 serve the estimated 500,000 citizens covered by this expansion; and

15 Whereas, the economic benefits of Medicaid expansion would extend beyond the 16 health care industry into the broader economy, and this "ripple effect" will also create 17 thousands of new jobs; and

18 Whereas, the increase in new jobs and new taxpayers and the subsequent increase in 19 income and sales and use taxes payable to the State is estimated to more than cover the State's 20 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,

24 The General Assembly of North Carolina enacts:

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26 S.L. 2013-5 is repealed.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

33 **SECTION 3.** Appropriation to Pay for Administrative Costs. – There is 34 appropriated from the General Fund to the Department of Health and Human Services, Division 35 of Medical Assistance, the sum of six million five hundred ninety-one thousand two hundred 36 twenty-four dollars (\$6,591,224) for the 2015-2016 fiscal year and the sum of seven million



# **General Assembly of North Carolina**

## Session 2015

eight thousand seven hundred five dollars (\$7,008,705) for the 2016-2017 fiscal year for 1 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 the Medicaid rebase. These funds shall provide a State match for an estimated two billion four 16 17 hundred forty-five million one hundred twenty-one thousand six hundred forty-three dollars (\$2,445,121,643) in federal funds in the 2016-2017 fiscal year, and those federal funds are 18 19 hereby appropriated to the Division of Medical Assistance to pay for Medicaid services.

SECTION 5. Reductions to Reflect Savings in Other State Programs. – Because the Medicaid expansion required by this act will generate savings to other State programs that currently serve the population to be included in the Medicaid expansion, the following 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 hundred seventy-one thousand nine hundred ninety-three dollars 26 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 Department of Health and Human Services, Division of Public Health, is hereby reduced by twenty-eight million six hundred seventeen thousand two hundred forty-six dollars (\$28,617,246) in recurring funds for the 2016-2017 fiscal year. Since the expansion of Medicaid services under this act will affect only half of the 2015-2016 fiscal year, this appropriation is hereby reduced by fourteen million three hundred eight thousand six hundred twenty-three dollars (\$14,308,623) for the 2015-2016 fiscal year.
  - (3) The appropriation for the Inmate Health Care program within the Department of Public Safety, Division of Corrections, is hereby reduced by seventeen million dollars (\$17,000,000) in recurring funds for the 2016-2017 fiscal year. Since the expansion of Medicaid services under this act will affect only half of the 2015-2016 fiscal year, this appropriation is hereby reduced by eight million five hundred thousand dollars (\$8,500,000) for the 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

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# General Assembly of North Carolina

- 1 rebase. This sum represents the General Fund savings for the 2015-2016 fiscal year generated
- 2 under this act.3 SE
  - **SECTION 7.** Effective Date. This act becomes effective July 1, 2015.