

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30044-MRfa-8B

Short Title: Access to Healthcare Options. (Public)

Sponsors: Representative Lambeth.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE NORTH CAROLINA CITIZENS WITH GREATER ACCESS TO
3 HEALTHCARE OPTIONS.

4 Whereas, there are many North Carolina citizens who have no healthcare access; and
5 Whereas, the North Carolina model addressing this coverage gap will be paid for with
6 a combination of intergovernmental transfers, hospital assessments, gross premiums tax revenue,
7 and federal funds; and

8 Whereas, the North Carolina model addressing this coverage gap will not add to the
9 national debt; Now, therefore,
10 The General Assembly of North Carolina enacts:

11
12 **PART I. MEDICAID AND HASP**

13
14 **MEDICAID**

15 **SECTION 1.1.(a)** Effective January 1, 2024, Section 3 of S.L. 2013-5 is repealed.

16 **SECTION 1.1.(b)** Effective January 1, 2024, G.S. 108A-54.3A is amended by
17 adding a new subdivision to read:

18 "(24) Individuals described in section 1902(a)(10)(A)(i)(VIII) of the Social Security
19 Act. Coverage for individuals under this subdivision is available through an
20 Alternative Benefit Plan that is established by the Department consistent with
21 federal requirements, unless that individual is exempt from mandatory
22 enrollment in an Alternative Benefit Plan under 42 C.F.R. § 440.315."

23 **SECTION 1.1.(c)** To promote health and wellness, the Department of Health and
24 Human Services (DHHS) shall establish preventive care and wellness incentives for individuals
25 eligible for Medicaid coverage under G.S. 108A-54.3A(24), as enacted by subsection (b) of this
26 section. This includes incentives for preventive care and wellness activities such as health risk
27 assessments, routine physicals, immunizations, routine screenings including mammograms and
28 colonoscopies, and medically appropriate weight management programs. DHHS shall take into
29 consideration the methods and types of incentives utilized by other states for this population,
30 including Indiana and Michigan. Prepaid health plans are encouraged to offer preventive care
31 and wellness incentives to their enrollees.

32 **SECTION 1.1.(d)** DHHS and all county departments of social services shall begin
33 accepting applications from, and enrolling if permissible by the Centers for Medicare and
34 Medicaid Services, individuals who will be eligible for Medicaid coverage under
35 G.S. 108A-54.3A(24), as enacted by subsection (b) of this section, as soon as practicable but not
36 later than December 1, 2023.



1 **SECTION 1.2.(a)** Part 6 of Article 2 of Chapter 108A of the General Statutes is
2 amended by adding two new sections to read:

3 **"§ 108A-54.3B. Nonfederal share of NC Health Works costs.**

4 (a) As used in this section, the following definitions apply:

- 5 (1) Cost. – All expenses incurred by the State and counties that are eligible for
6 Medicaid federal financial participation.
7 (2) NC Health Works. – The provision of Medicaid coverage to the individuals
8 described in G.S. 108A-54.3A(24).

9 (b) It is the intent of the General Assembly to fully fund the nonfederal share of the cost
10 of NC Health Works through a combination of the following sources:

- 11 (1) Increases in revenue from the gross premiums tax under G.S. 105-228.5 due
12 to NC Health Works.
13 (2) Excluding any State retention, the increases in intergovernmental transfers
14 due to NC Health Works.
15 (3) Excluding any State retention, the hospital health advancement assessments
16 under Part 3 of Article 7B of Chapter 108A of the General Statutes.
17 (4) Savings to the State attributable to NC Health Works that correspond to State
18 General Fund budget reductions to other State programs.

19 (c) By February 1 of each year, beginning in 2025, the Department shall submit a report
20 to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, the Office of
21 State Budget and Management, and the Fiscal Research Division containing all of the following
22 information with supporting calculations:

- 23 (1) The total nonfederal share of the cost of NC Health Works for the preceding
24 State fiscal year and the total funding available from the sources described in
25 subsection (b) of this section.
26 (2) The projected total nonfederal share of the cost of NC Health Works for the
27 current State fiscal year and the total projected funding available from the
28 sources described in subsection (b) of this section.
29 (3) The method used by the Department to determine the amount of the health
30 advancement assessments proceeds that were distributed to each county
31 department of social services in compliance with G.S. 108A-147.13(b) for the
32 preceding fiscal year, including the total amount of proceeds each county
33 received in that fiscal year.
34 (4) The savings and benefits to the State resulting from NC Health Works for the
35 preceding fiscal year, including savings to various State agencies and
36 programs.

37 The Department shall submit detailed data supporting any calculations contained in the report
38 to the Fiscal Research Division.

39 (d) If, for any fiscal year, the nonfederal share of the cost of NC Health Works cannot be
40 fully funded through the sources described in subsection (b) of this section, then Medicaid
41 coverage for the category of individuals described in G.S. 108A-54.3A(24) shall be discontinued
42 as expeditiously as possible. Upon a determination by the Secretary that the nonfederal share of
43 the cost of NC Health Works exceeds the funding from the sources described in subsection (b)
44 of this section, the Secretary shall promptly do all of the following:

- 45 (1) Notify the Joint Legislative Oversight Committee on Medicaid and NC Health
46 Choice, the Office of State Budget and Management, and the Fiscal Research
47 Division of the determination and post this notice on the Department's
48 website. The notice must include the proposed effective date of the
49 discontinuation of coverage.

1 (2) Submit all documents to the Centers for Medicare and Medicaid Services
2 necessary to discontinue Medicaid coverage for the category of individuals
3 described in G.S. 108A-54.3A(24).

4 **"§ 108A-54.3C. NC Health Works federal financial participation.**

5 If the federal medical assistance percentage for Medicaid coverage provided to the category
6 of individuals described in G.S. 108A-54.3A(24) falls below ninety percent (90%), then
7 Medicaid coverage for this category of individuals shall be discontinued as expeditiously as
8 possible but no earlier than the date the lower federal medical assistance percentage takes effect.
9 Upon receipt of information indicating that the federal medical assistance percentage will be
10 lower than ninety percent (90%), the Secretary shall promptly do all of the following:

11 (1) Notify the Joint Legislative Oversight Committee on Medicaid and NC Health
12 Choice, the Office of State Budget and Management, and the Fiscal Research
13 Division of the determination and post this notice on the Department's
14 website. The notice must include the proposed effective date of the
15 discontinuation of coverage.

16 (2) Submit all documents to the Centers for Medicare and Medicaid Services
17 necessary to discontinue Medicaid coverage for the category of individuals
18 described in G.S. 108A-54.3A(24)."

19 **SECTION 1.2.(b)** This section becomes effective January 1, 2024.

20
21 **ARPA TEMPORARY SAVINGS FUND**

22 **SECTION 1.3.(a)** The ARPA Temporary Savings Fund is established as a
23 nonreverting special fund in the Department of Health and Human Services, Division of Health
24 Benefits (DHB). The ARPA Temporary Savings Fund shall consist of any savings realized by
25 DHB as a result of federal receipts arising from the enhanced federal medical assistance
26 percentage (FMAP) available to the State under section 9814 of the American Rescue Plan Act
27 of 2021, P.L. 117-2 (ARPA). Upon receipt by DHB of any federal receipts arising from that
28 enhanced FMAP, DHB is directed to deposit the savings associated with those receipts into the
29 ARPA Temporary Savings Fund. Funds in the ARPA Temporary Savings Fund may be allocated
30 or expended only upon an act of appropriation by the General Assembly.

31 **SECTION 1.3.(b)** This section expires 10 years after the date this act becomes law.

32
33 **HEALTHCARE ACCESS AND STABILIZATION PROGRAM (HASP)**

34 **SECTION 1.4.** Article 7B of Chapter 108A of the General Statutes is amended by
35 adding a new Part to read:

36 "Part 4. Healthcare Access and Stabilization Program.

37 **"§ 108A-148.1. Healthcare access and stabilization program.**

38 (a) The healthcare access and stabilization program is a directed payment program that
39 provides acute care hospitals with increased reimbursements funded through hospital
40 assessments in accordance with this section.

41 (b) The Department shall submit a 42 C.F.R. § 438.6(c) preprint requesting approval for
42 the HASP program that includes any required demonstration for the financing of the nonfederal
43 share of the HASP program costs. The Department shall not make any HASP directed payments
44 prior to CMS approval of the initial preprint. The Department may not request any date of service
45 for claims eligible for reimbursement through the HASP program earlier than July 1, 2022. The
46 Department shall continue to submit any necessary documentation requesting continued approval
47 for the HASP program as described in this section in the time and manner as required by CMS.

48 (c) All State funds required to make HASP directed payments shall be derived from
49 HASP components of the hospital assessments under this Article, subject to all of the following
50 limitations:

(1) If the Department determines that the HASP components under this Article will not generate funds in an amount equal to or greater than the total State funds required to make all HASP directed payments in any given quarter of the State fiscal year, then the Department shall reduce the amount of the HASP directed payments in the lowest amount necessary to ensure that the HASP components under this Article will generate enough funds to equal the total State funds required to make all the HASP directed payments in that quarter.

(2) If the aggregate amount of all assessments due from hospitals under this Article are determined by the Department to exceed the permissible limit established under 42 C.F.R. § 433.68(f) in any quarter of the State fiscal year, then the Department shall reduce the amount of the HASP directed payments in the lowest amount necessary to ensure that these hospital assessments in aggregate do not exceed the permissible limit.

(d) As part of the preprint submission required under this section, for the 2022-2023 State fiscal year, the Department shall not request any amount of HASP hospital reimbursements that is greater than the maximum amount allowable under 42 C.F.R. § 438.6(c). Beginning with the 2023-2024 State fiscal year, the Department shall not request any amount of HASP hospital reimbursements that is (i) greater than the maximum amount allowable under 42 C.F.R. § 438.6(c) or (ii) less than an annual estimated total dollar amount of three billion two hundred million dollars (\$3,200,000,000) for services provided to not newly eligible individuals."

ASSESSMENTS FOR HEALTH ADVANCEMENT AND THE HASP PROGRAM

SECTION 1.5.(a) For purposes of this section, the following terms have the same definition as in G.S. 108A-145.3: acute care hospital, critical access hospital, and hospital costs. For the State fiscal quarter beginning October 1, 2023, each acute care hospital, except for critical access hospitals, is subject to an assessment of a percentage of its hospital costs. This hospital assessment shall be imposed by the Department of Health and Human Services (DHHS) in accordance with the procedures for hospital assessments under Part 1 of Article 7B of Chapter 108A of the General Statutes. DHHS shall calculate the hospital assessment percentage by dividing twelve million eight hundred thousand dollars (\$12,800,000) by the total hospital costs for all acute care hospitals except for critical access hospitals. From the proceeds of this assessment, the DHHS shall use the sum of four million dollars (\$4,000,000) to provide funding to county departments of social services to support the counties in preparing to implement Section 1.1 of this act.

SECTION 1.5.(b) No later than March 1, 2024, DHHS shall submit to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division a report that details the amount of the proceeds from the assessment imposed in accordance with subsection (a) of this section that DHHS provided to each county department of social services and the date that those proceeds were provided to each county department of social services.

SECTION 1.5.(c) Subsection (a) of this section expires December 31, 2023.

SECTION 1.6.(a) G.S. 108A-145.3 reads as rewritten:

"§ 108A-145.3. Definitions.

The following definitions apply in this Article:

(1a) Actual nonfederal expenditures. – The nonfederal share for newly eligible individuals multiplied by the amount of the Medicaid assistance payment expenditures attributable to newly eligible individuals, inclusive of any adjustments, reported by the Department to CMS on the Form CMS-64.

~~(1b)~~ Acute care hospital. – A hospital licensed in North Carolina that is not a freestanding psychiatric hospital, a freestanding rehabilitation hospital, a long-term care hospital, or a State-owned and State-operated hospital.

- 1 ...
- 2 (4a) Consumer Price Index: All Urban Consumers. – The most recent Consumer
- 3 Price Index for All Urban Consumers for the South Region published by the
- 4 Bureau of Labor Statistics of the United States Department of Labor available
- 5 on March 1 of the previous State fiscal year.
- 6 (4b) Consumer Price Index: Medical Care. – The most recent Consumer Price
- 7 Index for All Urban Consumers for Medical Care, U.S. city average,
- 8 seasonally adjusted, published by the Bureau of Labor Statistics of the United
- 9 States Department of Labor.
- 10 ...
- 11 (5a) Current quarter. – The State fiscal quarter for which the assessment is being
- 12 calculated.
- 13 (6) FMAP. – Federal medical assistance percentage (FMAP).—percentage.
- 14 (6a) FMAP for newly eligible individuals. – The FMAP specified in 42 U.S.C. §
- 15 1396d(y)(1), expressed as a decimal.
- 16 (6b) FMAP for not newly eligible individuals. – The federal share of North
- 17 Carolina Medicaid service costs as calculated by the federal Department of
- 18 Health and Human Services in accordance with section 1905(b) of the Social
- 19 Security Act, in effect at the start of the applicable assessment quarter,
- 20 expressed as a decimal.
- 21 (6c) HASP directed payments. – Payments made by the Department to prepaid
- 22 health plans to be used for (i) increased reimbursements to hospitals under the
- 23 HASP program and (ii) the costs to prepaid health plans from the gross
- 24 premiums tax under G.S. 105-228.5 and the insurance regulatory charge under
- 25 G.S. 58-6-25 associated with those hospital reimbursements.
- 26 (6d) Healthcare access and stabilization program (HASP). – The directed payment
- 27 program providing increased reimbursements to acute care hospitals approved
- 28 by CMS and authorized by G.S. 108A-148.1.
- 29 ...
- 30 (7a) IGT. – Intergovernmental transfer.
- 31 ...
- 32 (12b) Newly eligible individual. – As defined in 42 C.F.R. § 433.204.
- 33 (12c) Nonfederal share for newly eligible individuals. – One minus the FMAP for
- 34 newly eligible individuals.
- 35 (12d) Nonfederal share for not newly eligible individuals. – One minus the FMAP
- 36 for not newly eligible individuals.
- 37"

38 **SECTION 1.6.(b)** Article 7B of Chapter 108A of the General Statutes is amended
 39 by adding a new Part to read:

40 "Part 3. Health Advancement Assessments.

41 **"§ 108A-147.1. Public hospital health advancement assessment.**

42 (a) The public hospital health advancement assessment imposed under this Part shall
 43 apply to all public acute care hospitals.

44 (b) The public hospital health advancement assessment shall be assessed as a percentage
 45 of each public acute care hospital's hospital costs. The assessment percentage shall be calculated
 46 quarterly by the Department in accordance with this Part. The percentage for each quarter shall
 47 equal the aggregate health advancement assessment collection amount calculated under
 48 G.S. 108A-147.3 multiplied by the public hospital historical assessment share and divided by the
 49 total hospital costs for all public acute care hospitals holding a license on the first day of the
 50 assessment quarter.

51 **"§ 108A-147.2. Private hospital health advancement assessment.**

1 (a) The private hospital health advancement assessment imposed under this Part shall
2 apply to all private acute care hospitals.

3 (b) The private hospital health advancement assessment shall be assessed as a percentage
4 of each private acute care hospital's hospital costs. The assessment percentage shall be calculated
5 quarterly by the Department in accordance with this Part. The percentage for each quarter shall
6 equal the aggregate health advancement assessment collection amount calculated under
7 G.S. 108A-147.3 multiplied by the private hospital historical assessment share and divided by
8 the total hospital costs for all private acute care hospitals holding a license on the first day of the
9 assessment quarter.

10 **"§ 108A-147.3. Aggregate health advancement assessment collection amount.**

11 (a) The aggregate health advancement assessment collection amount is an amount of
12 money that is calculated quarterly by adjusting the total nonfederal receipts for health
13 advancement calculated under subsection (b) of this section by (i) subtracting the health
14 advancement presumptive IGT adjustment component calculated under G.S. 108A-147.9, (ii)
15 adding the positive or negative health advancement IGT actual receipts adjustment component
16 calculated under G.S. 108A-147.10, and (iii) subtracting the positive or negative IGT share of
17 the reconciliation adjustment component calculated under G.S. 108A-147.11(b).

18 (b) The total nonfederal receipts for health advancement is an amount of money that is
19 calculated quarterly by adding all of the following:

- 20 (1) The presumptive service cost component calculated under G.S. 108A-147.5.
- 21 (2) The HASP health advancement component calculated under
22 G.S. 108A-147.6.
- 23 (3) The administration component calculated under G.S. 108A-147.7.
- 24 (4) The State retention component under G.S. 108A-147.9.
- 25 (5) The positive or negative health advancement reconciliation adjustment
26 component calculated under G.S. 108A-147.11(a).

27 **"§ 108A-147.4.** Reserved for future codification purposes.

28 **"§ 108A-147.5. Presumptive service cost component.**

29 (a) For the State fiscal quarter beginning January 1, 2024, the presumptive service cost
30 component is one hundred forty-six million two hundred fifty thousand dollars (\$146,250,000).

31 (b) For each State fiscal quarter beginning on or after April 1, 2024, the presumptive
32 service cost component is an amount of money that is the greatest of the following:

- 33 (1) The prior quarter's presumptive service cost component amount.
- 34 (2) The prior quarter's presumptive service cost component amount increased by
35 a percentage that is the sum of each monthly percentage change in the
36 Consumer Price Index: Medical Care for the most recent three months
37 available on the first day of the current quarter.
- 38 (3) The prior quarter's presumptive service cost component amount increased by
39 the percentage change in the weighted average of the base capitation rates for
40 standard benefit plans for all rating groups associated with newly eligible
41 individuals compared to the prior quarter. The weight for each rating group
42 shall be calculated using member months documented in the Medicaid
43 managed care capitation rate certification for standard benefit plans.
- 44 (4) The prior quarter's presumptive service cost component amount increased by
45 the percentage change in the weighted average of the base capitation rates for
46 BH IDD tailored plans for all rating groups associated with newly eligible
47 individuals compared to the prior quarter. The weight for each rating group
48 shall be calculated using member months documented in the Medicaid
49 managed care capitation rate certification for BH IDD tailored plans.
- 50 (5) The amount produced from multiplying 1.15 by the highest amount produced
51 when calculating, for each quarter that is at least two and not more than five

1 quarters prior to the current quarter, the actual nonfederal expenditures for the
2 applicable quarter minus the HASP health advancement component calculated
3 under G.S. 108A-147.6 for the applicable quarter.

4 **"§ 108A-147.6. HASP health advancement component.**

5 The HASP health advancement component is an amount of money that is calculated by
6 multiplying the aggregate amount of HASP directed payments due to PHPs in the current quarter
7 for hospital reimbursements attributable to newly eligible individuals by the nonfederal share for
8 newly eligible individuals.

9 **"§ 108A-147.7. Administration component.**

10 (a) The administration component is an amount of money that is calculated by adding the
11 State administration subcomponent calculated under subsection (b) of this section and the county
12 administration subcomponent calculated under subsection (c) of this section.

13 (b) The State administration subcomponent is three million three hundred thousand
14 dollars (\$3,300,000) for each quarter of the 2023-2024 State fiscal year. For each subsequent
15 State fiscal year, the State administration subcomponent shall be increased over the prior year's
16 quarterly amount by the Consumer Price Index: All Urban Consumers.

17 (c) The county administration subcomponent is five million dollars (\$5,000,000) for each
18 quarter of the 2023-2024 State fiscal year, seven million four hundred thousand dollars
19 (\$7,400,000) for each quarter of the 2024-2025 State fiscal year, and seven million eight hundred
20 thousand dollars (\$7,800,000) for each quarter of the 2025-2026 State fiscal year. For each State
21 fiscal year after the 2025-2026 State fiscal year, the county administration subcomponent shall
22 be increased over the prior year's quarterly amount by the Consumer Price Index: All Urban
23 Consumers.

24 **"§ 108A-147.8. State retention component.**

25 The State retention component is ten million seven hundred fifty thousand dollars
26 (\$10,750,000) for each assessment quarter.

27 **"§ 108A-147.9. Health advancement presumptive IGT adjustment component.**

28 (a) The health advancement presumptive IGT adjustment component is an amount of
29 money calculated by adding the public hospital health advancement IGT adjustment
30 subcomponent calculated under subsection (b) of this section, the UNC Health Care System
31 health advancement IGT adjustment subcomponent calculated under subsection (c) of this
32 section, and the East Carolina University health advancement IGT adjustment subcomponent
33 calculated under subsection (d) of this section.

34 (b) The public hospital health advancement IGT adjustment subcomponent is the total of
35 the following amounts:

36 (1) Sixty percent (60%) of the public hospital share of the sum of the presumptive
37 service cost component calculated under G.S. 108A-147.5 for the current
38 quarter, the administration component calculated under G.S. 108A-147.7 for
39 the current quarter, and the State retention component under G.S. 108A-147.8
40 for the current quarter. The public hospital share is the total hospital costs for
41 all public acute care hospitals divided by the total hospital costs for all acute
42 care hospitals except for critical access hospitals for the current quarter.

43 (2) Sixty percent (60%) of the nonfederal share for newly eligible individuals of
44 the aggregate amount of the HASP directed payments due to PHPs in the
45 current quarter for reimbursements to public acute care hospitals that are
46 attributable to newly eligible individuals.

47 (c) The UNC Health Care System health advancement IGT adjustment subcomponent is
48 the total of the following amounts:

49 (1) The UNC Health Care System share of the presumptive service cost
50 component calculated under G.S. 108A-147.5 for the current quarter and the
51 administration component calculated under G.S. 108A-147.7 for the current

1 quarter. The UNC Health Care System share is the total hospital costs for the
2 UNC Health Care System hospitals divided by the total hospital costs for all
3 acute care hospitals except for critical access hospitals for the current quarter.

4 (2) The nonfederal share for newly eligible individuals of the aggregate amount
5 of the HASP directed payments due to PHPs in the current quarter for
6 reimbursements to UNC Health Care System hospitals that are attributable to
7 newly eligible individuals.

8 (d) The East Carolina University health advancement IGT adjustment subcomponent is
9 the total of the following amounts:

10 (1) The East Carolina University share of the presumptive service cost component
11 calculated under G.S. 108A-147.5 for the current quarter and the
12 administration component calculated under G.S. 108A-147.7 for the current
13 quarter. The East Carolina University share is the total hospital costs for the
14 primary affiliated teaching hospital for the East Carolina University Brody
15 School of Medicine divided by the total hospital costs for all acute care
16 hospitals except for critical access hospitals for the current quarter.

17 (2) The nonfederal share for newly eligible individuals of the aggregate amount
18 of HASP directed payments due to PHPs in the current quarter for
19 reimbursements to the primary affiliated teaching hospital for the East
20 Carolina University Brody School of Medicine that are attributable to newly
21 eligible individuals.

22 **"§ 108A-147.10. Health advancement IGT actual receipts adjustment component.**

23 The health advancement IGT actual receipts adjustment component is a positive or negative
24 dollar amount equal to the health advancement presumptive IGT adjustment component
25 calculated under G.S. 108A-147.9 for the previous quarter, plus the positive or negative IGT
26 share of the reconciliation adjustment component calculated under G.S. 108A-147.11(b) for the
27 previous quarter, and minus the amount of money received during the previous quarter by the
28 Department through intergovernmental transfer and designated in the Department's accounting
29 system as a receipt for health advancement.

30 **"§ 108A-147.11. Health advancement reconciliation adjustment component.**

31 (a) The health advancement reconciliation adjustment component is a positive or
32 negative dollar amount equal to the actual nonfederal expenditures for the quarter that is two
33 quarters prior to the current quarter minus the sum of the following specified amounts:

34 (1) The presumptive service cost component calculated under G.S. 108A-147.5
35 for the quarter that is two quarters prior to the current quarter.

36 (2) The positive or negative gross premiums tax offset amount calculated under
37 G.S. 108A-147.12(b).

38 (3) The HASP health advancement component calculated under G.S. 108A-147.6
39 for the quarter that is two quarters prior to the current quarter.

40 (b) The IGT share of the reconciliation adjustment component is a positive or negative
41 dollar amount that is calculated by multiplying the health advancement reconciliation adjustment
42 component calculated under subsection (a) of this section by the share of public hospital costs
43 calculated under subsection (c) of this section.

44 (c) The share of public hospital costs is calculated by adding total hospital costs for the
45 UNC Health Care System, total hospital costs for the primary affiliated teaching hospital for the
46 East Carolina University Brody School of Medicine, and sixty percent (60%) of the total hospital
47 costs for all public acute care hospitals and dividing that sum by the total hospital costs for all
48 acute care hospitals except for critical access hospitals.

49 **"§ 108A-147.12. Gross premiums tax offset amount.**

50 (a) For the purposes of this section, the term "annualized offset" means the total paid
51 capitation for all rating groups associated with newly eligible individuals in all capitated contract

1 plan types for the calendar year that was completed immediately prior to the start of the applicable
2 State fiscal year multiplied by one and nine-tenths percent (1.9%) and then multiplied by sixty
3 percent (60%).

4 (b) The gross premiums tax offset amount is as follows:

5 (1) For each quarter of the 2023-2024 and the 2024-2025 State fiscal years, the
6 gross premiums tax offset amount is zero.

7 (2) For the 2025-2026 State fiscal year, and each fiscal year thereafter, the gross
8 premiums tax offset amount is the following:

9 a. For the first quarter of the applicable State fiscal year, the gross
10 premiums tax offset amount is a positive or negative number equal to
11 the annualized offset minus the sum of the gross premiums tax offset
12 amounts for the second, third, and fourth quarters of the previous State
13 fiscal year.

14 b. For the second, third, and fourth quarters of the applicable State fiscal
15 year, the gross premiums tax offset amount is the annualized offset
16 multiplied by one-third.

17 **"§ 108A-147.13. Use of funds.**

18 (a) Except as provided in subsection (d) of this section, the proceeds of the health
19 advancement assessments imposed under this Part, and all corresponding matching federal funds,
20 shall only be used to fund the following:

21 (1) Medicaid actual nonfederal expenditures for newly eligible individuals,
22 including HASP directed payments.

23 (2) Administrative expenditures for newly eligible individuals.

24 (3) Administrative expenditures related to the HASP program.

25 (b) The Department shall use an amount of the proceeds of the health advancement
26 assessments that is equal to the county administration subcomponent of the administration
27 component in G.S. 108A-147.7 to provide funding to county departments of social services to
28 support the counties in determining eligibility for newly eligible individuals.

29 (c) The amount of the proceeds of the health advancement assessments that may be used
30 for administrative expenses attributable to providing Medicaid coverage to newly eligible
31 individuals and administrative expenditures associated with the HASP program shall not exceed,
32 for any State fiscal year, an amount equal to the sum of the State administration subcomponent
33 of the administration component in G.S. 108A-147.7 for each quarter of the State fiscal year, and
34 all corresponding matching federal funds.

35 (d) The Department shall use an amount from the proceeds of the health advancement
36 assessments equal to the State retention component in G.S. 108A-147.8, and all corresponding
37 matching federal funds, for Medicaid program costs."

38 **SECTION 1.6.(c)** Article 9 of Chapter 143C of the General Statutes is amended by
39 adding a new section to read:

40 **"§ 143C-9-10. Health Advancement Receipts Special Fund.**

41 (a) Creation. – The Health Advancement Receipts Special Fund is established as a
42 nonreverting special fund in the Department of Health and Human Services.

43 (b) Source of Funds. – Each State fiscal quarter, the Department of Health and Human
44 Services shall deposit in the Health Advancement Receipts Special Fund an amount of funds
45 equal to the total nonfederal receipts for health advancement calculated under
46 G.S. 108A-147.3(b) for that quarter, minus the State retention component under G.S. 108A-147.8
47 for that quarter, and plus the positive or negative gross premiums tax offset amount calculated
48 under G.S. 108A-147.12(b) for that quarter.

49 (c) Use of Funds. – The Department of Health and Human Services shall use funds in the
50 Health Advancement Receipts Special Fund only for the purposes described in
51 G.S. 108A-147.13."

1 **SECTION 1.6.(d)** Because this act will result in an increase in revenue from the
2 gross premiums tax under G.S. 105-228.5, it is the intent of the General Assembly to appropriate,
3 for each fiscal year, recurring funds to the Department of Health and Human Services, Division
4 of Health Benefits, equaling the total of the gross premiums tax offset amount calculated under
5 G.S. 108A-147.12(b), enacted in Section 1.6(b) of this act, for all four quarters of the State fiscal
6 year.

7 **SECTION 1.6.(e)** G.S. 108A-147.7(b), as enacted by Section 1.6(b) of this act, reads
8 as rewritten:

9 "(b) ~~The State administration subcomponent is three million three hundred thousand~~
10 ~~dollars (\$3,300,000) for each quarter of the 2023-2024 State fiscal year.~~ The State administration
11 subcomponent is four million fifty thousand dollars (\$4,050,000) for each quarter of the
12 2023-2024 State fiscal year. For each subsequent State fiscal year, the State administration
13 subcomponent shall be increased over the prior year's quarterly amount by the Consumer Price
14 Index: All Urban Consumers."

15 **SECTION 1.6.(f)** Subsections (b) and (c) of this section become effective January
16 1, 2024. Subsection (e) of this section becomes effective on the later of the following dates: (i)
17 the first day of the next assessment quarter after the Centers for Medicare and Medicaid Services
18 (CMS) approve the initial 42 C.F.R. § 438.6(c) preprint requesting approval of the healthcare
19 access and stabilization program (HASP) submitted in accordance with G.S. 108A-148.1 or (ii)
20 January 1, 2024. Subsection (e) of this section applies to assessments imposed on or after its
21 effective date.

22 **SECTION 1.6.(g)** The Secretary of the Department of Health and Human Services
23 shall notify the Fiscal Research Division and the Revisor of Statutes of the date that CMS
24 approves of the initial 42 C.F.R. § 438.6(c) preprint requesting approval of the HASP program
25 submitted in accordance with G.S. 108A-148.1, as enacted by Section 1.4 of this act. If, by June
26 30, 2025, the Department of Health and Human Services has not received approval of that
27 preprint, then subsection (e) of this section shall expire on that date.

29 TECHNICAL AND CONFORMING CHANGES

30 **SECTION 1.7.(a)** G.S. 108A-146.1 reads as rewritten:

31 **"§ 108A-146.1. Public hospital modernized assessment.**

32 (a) The public hospital modernized assessment imposed under this Part shall apply to all
33 public acute care hospitals.

34 (b) The public hospital modernized assessment shall be assessed as a percentage of each
35 public acute care hospital's hospital costs. The assessment percentage shall be calculated
36 quarterly by the Department of Health and Human Services in accordance with this Part. The
37 percentage for each quarter shall equal the aggregate modernized assessment collection amount
38 under G.S. 108A-146.5 multiplied by the public hospital historical assessment share and divided
39 by the total hospital costs for all public acute care hospitals holding a license on the first day of
40 the assessment quarter."

41 **SECTION 1.7.(b)** G.S. 108A-146.3 reads as rewritten:

42 **"§ 108A-146.3. Private hospital modernized assessment.**

43 (a) The private hospital modernized assessment imposed under this Part shall apply to all
44 private acute care hospitals.

45 (b) The private hospital modernized assessment shall be assessed as a percentage of each
46 private acute care hospital's hospital costs. The assessment percentage shall be calculated
47 quarterly by the Department of Health and Human Services in accordance with this Part. The
48 percentage for each quarter shall equal the aggregate modernized assessment collection amount
49 under G.S. 108A-146.5 multiplied by the private hospital historical assessment share and divided
50 by the total hospital costs for all private acute care hospitals holding a license on the first day of
51 the assessment quarter."

1 **SECTION 1.7.(c)** G.S. 108A-146.5 reads as rewritten:

2 "**§ 108A-146.5. Aggregate modernized assessment collection amount.**

3 (a) The aggregate modernized assessment collection amount is an amount of money that
4 is calculated by subtracting the modernized intergovernmental transfer adjustment component
5 under G.S. 108A-146.13 from the total modernized nonfederal receipts under subsection (b) of
6 this section and then adding the positive or negative amount of the modernized IGT actual
7 receipts adjustment component under G.S. 108A-146.14.

8 (b) The total modernized nonfederal receipts is the sum of all of the following:

9 ...

10 (3a) The modernized HASP component under G.S. 108A-146.10.

11 "

12 **SECTION 1.7.(d)** G.S. 108A-146.7 reads as rewritten:

13 "**§ 108A-146.7. Managed care component.**

14 (a) The managed care component is an amount of money that is a portion of the total paid
15 capitation for all rating groups not associated with newly eligible individuals in all capitated
16 contracted plan types for the previous data collection ~~period and is calculated in accordance with~~
17 ~~this section.~~ period. The managed care component consists of an inpatient subcomponent and an
18 outpatient subcomponent is calculated by adding the aggregate inpatient subcomponents for all
19 the rating groups calculated under subsection (b) of this section and the aggregate outpatient
20 subcomponents for all the rating groups calculated under subsection (c) of this section.

21 (b) The inpatient subcomponent is an amount calculated for each rating group not
22 associated with newly eligible individuals by multiplying the paid capitation for the applicable
23 rating group in the previous data collection period by the percentage that is calculated by (i)
24 multiplying the inpatient portion of the statewide capitation rate for the applicable rating group
25 by the inpatient hospital financing percentage, (ii) multiplying that product by the ~~difference of~~
26 ~~one minus the FMAP, nonfederal share for not newly eligible individuals,~~ and (iii) dividing that
27 product by the statewide capitation rate for the applicable rating group.

28 (c) The outpatient subcomponent is an amount calculated for each rating group not
29 associated with newly eligible individuals by multiplying the paid capitation for the applicable
30 rating group in the previous data collection period by the percentage that is calculated by (i)
31 multiplying the outpatient portion of the statewide capitation rate for the applicable rating group
32 by the outpatient hospital financing percentage, (ii) multiplying that product by the ~~difference of~~
33 ~~one minus the FMAP, nonfederal share for not newly eligible individuals,~~ and (iii) dividing that
34 product by the statewide capitation rate for the applicable rating group.

35 ~~(d) The managed care component is calculated by adding together the aggregate inpatient~~
36 ~~subcomponents for all rating groups and the aggregate outpatient subcomponents for all rating~~
37 ~~groups."~~

38 **SECTION 1.7.(e)** G.S. 108A-146.9 reads as rewritten:

39 "**§ 108A-146.9. Fee-for-service component.**

40 (a) The fee-for-service component is an amount of money that is a portion of all the
41 Medicaid fee-for-service payments made to acute care hospitals during the previous data
42 collection period for claims with a date of service on or after July 1, 2021. ~~The fee for service~~
43 ~~component consists of a subcomponent pertaining to claims for which there is no third-party~~
44 ~~coverage and a subcomponent pertaining to claims for which there is third-party coverage.~~ 2021,
45 excluding claims attributable to newly eligible individuals. The fee-for-service component is
46 calculated by adding the subcomponent pertaining to claims for which there is no third-party
47 coverage under subsection (b) of this section and the subcomponent pertaining to claims for
48 which there is third-party coverage under subsection (c) of this section.

49 (b) The subcomponent pertaining to claims for which there is no third-party coverage is
50 the sum of the inpatient amount and the outpatient amount described in this subsection:

1 (1) The inpatient amount is the product of the total fee-for-service payments for
2 claims not attributable to newly eligible individuals for which there is no
3 third-party coverage made to all acute care hospitals for inpatient hospital
4 services multiplied by the inpatient hospital financing percentage and
5 multiplied by the ~~difference of one minus the FMAP-nonfederal share for not~~
6 newly eligible individuals.

7 (2) The outpatient amount is the product of the total fee-for-service payments for
8 claims not attributable to newly eligible individuals for which there is no
9 third-party coverage made to all acute care hospitals for outpatient hospital
10 services multiplied by the outpatient hospital financing percentage and
11 multiplied by the ~~difference of one minus the FMAP-nonfederal share for not~~
12 newly eligible individuals.

13 (c) The subcomponent pertaining to claims for which there is third-party coverage is the
14 product of the total fee-for-service payments for claims not attributable to newly eligible
15 individuals for which there is third-party coverage made for inpatient hospital services and
16 outpatient hospital services to (i) public acute care hospitals, (ii) private acute care hospitals, and
17 (iii) critical access hospitals multiplied by the ~~difference of one minus the FMAP-nonfederal~~
18 share for not newly eligible individuals.

19 (d) ~~The fee for service component is calculated by adding together the subcomponent~~
20 ~~pertaining to claims for which there is no third party coverage and the subcomponent pertaining~~
21 ~~to claims for which there is third party coverage."~~

22 SECTION 1.7.(f) Part 2 of Article 7B of Chapter 108A of the General Statutes is
23 amended by adding a new section to read:

24 "**§ 108A-146.10. Modernized HASP component.**

25 The modernized HASP component is an amount of money that is calculated each quarter by
26 multiplying the aggregate amount of HASP directed payments due to PHPs in the current quarter
27 for hospital reimbursements that are not attributable to newly eligible individuals by the
28 nonfederal share for not newly eligible individuals."

29 SECTION 1.7.(g) G.S. 108A-146.11 reads as rewritten:

30 "**§ 108A-146.11. Graduate medical education component.**

31 The graduate medical education component is an amount of money that is one-fourth (1/4)
32 of the total amount of payments that will be made by the Department during the current State
33 fiscal year to all public acute care hospitals and private acute care hospitals in accordance with
34 the Medicaid graduate medical education methodology in the Medicaid State Plan multiplied by
35 the ~~difference of one minus the FMAP-nonfederal share for not newly eligible individuals."~~

36 SECTION 1.7.(h) G.S. 108A-146.13 reads as rewritten:

37 "**§ 108A-146.13. Intergovernmental transfer-~~Modernized presumptive IGT adjustment~~**
38 **component.**

39 (a) ~~The intergovernmental transfer adjustment component is the sum of all of the~~
40 ~~following subcomponents:~~

41 (1) ~~The historical subcomponent is forty one million two hundred twenty seven~~
42 ~~thousand three hundred twenty one dollars (\$41,227,321) for each quarter of~~
43 ~~the 2021-2022 State fiscal year. For each subsequent State fiscal year, the~~
44 ~~historical subcomponent shall be increased over the prior year's quarterly~~
45 ~~amount by the market basket percentage.~~

46 (2) ~~The postpartum subcomponent applies to the assessments under this Part only~~
47 ~~during the period of April 1, 2022, through March 31, 2027, and is two million~~
48 ~~nine hundred sixty two thousand five hundred dollars (\$2,962,500) for each~~
49 ~~quarter of the 2021-2022 State fiscal year. For each subsequent State fiscal~~
50 ~~year, the postpartum subcomponent shall be increased over the prior year's~~
51 ~~quarterly amount by the Medicare Economic Index.~~

1 (3) ~~The home and community-based services subcomponent applies to the~~
2 ~~assessments under this Part beginning April 1, 2024, and is eight million four~~
3 ~~hundred thirteen thousand five hundred dollars (\$8,413,500) for each quarter~~
4 ~~of the 2023-2024 State fiscal year. For each subsequent State fiscal year, the~~
5 ~~home and community-based services subcomponent shall be increased over~~
6 ~~the prior year's quarterly amount by the Medicare Economic Index.~~

7 (b) ~~If a public acute care hospital closes or becomes a private acute care hospital, then,~~
8 ~~beginning in the first assessment quarter following the closure or change to a private acute care~~
9 ~~hospital and for each quarter thereafter, the intergovernmental transfer adjustment component~~
10 ~~described in subsection (a) of this section, as inflated in accordance with that section, shall be~~
11 ~~reduced by the amount of the public acute care hospital's intergovernmental transfer to the~~
12 ~~Department made during its last quarter of operation as a public acute care hospital.~~

13 (c) The modernized presumptive IGT adjustment component is an amount of money
14 equal to the sum of all of the following subcomponents:

15 (1) The public hospital IGT subcomponent is the total of the following amounts:

16 a. Sixteen and forty-three hundredths percent (16.43%) of the amount of
17 money that is equal to the total modernized nonfederal receipts under
18 G.S. 108A-146.5(b) for the current quarter minus the modernized
19 HASP component under G.S. 108A-146.10 for the current quarter.

20 b. Sixty percent (60%) of the nonfederal share for not newly eligible
21 individuals of the aggregate amount of HASP directed payments due
22 to PHPs in the current quarter for reimbursements to public acute care
23 hospitals and that are not attributable to newly eligible individuals.

24 (2) The UNC Health Care System IGT subcomponent is the total of the following
25 amounts:

26 a. Four and sixty-two hundredths percent (4.62%) of the difference of the
27 total modernized nonfederal receipts under G.S. 108A-146.5(b) for the
28 current quarter minus the modernized HASP component under
29 G.S. 108A-146.10 for the current quarter.

30 b. The nonfederal share for not newly eligible individuals of the
31 aggregate amount of HASP directed payments due to PHPs in the
32 current quarter for reimbursements to UNC Health Care System
33 hospitals that are not attributable to newly eligible individuals.

34 (3) The East Carolina University IGT subcomponent is the total of the following
35 amounts:

36 a. One and four hundredths percent (1.04%) of the difference of the total
37 modernized nonfederal receipts under G.S. 108A-146.5(b) for the
38 current quarter minus the modernized HASP component under
39 G.S. 108A-146.10 for the current quarter.

40 b. The nonfederal share for not newly eligible individuals of the
41 aggregate amount of HASP directed payments due to PHPs in the
42 current quarter for reimbursements to the primary affiliated teaching
43 hospital for the East Carolina University Brody School of Medicine
44 that are not attributable to newly eligible individuals."

45 **SECTION 1.7.(i)** Part 2 of Article 7B of Chapter 108A of the General Statutes is
46 amended by adding a new section to read:

47 **"§ 108A-146.14. Modernized IGT actual receipts adjustment component.**

48 The modernized IGT actual receipts adjustment component is a positive or negative dollar
49 amount equal to the modernized presumptive IGT adjustment component under
50 G.S. 108A-146.13 for the previous quarter minus the amount of money received during the

1 previous quarter by the Department through intergovernmental transfer and designated in the
2 Department's accounting system as a receipt related to the modernized assessments."

3 **SECTION 1.7.(j)** G.S. 108A-146.15 reads as rewritten:

4 "**§ 108A-146.15. Use of funds.**

5 The proceeds of the assessments imposed under this Part, and all corresponding matching
6 federal funds, must be used to make the State's annual Medicaid payment to the State, ~~to fund~~
7 ~~payments~~ State and to fund all of the following:

8 (1) Payments to hospitals made directly by the Department, to fund a Department.

9 (2) A portion of capitation payments to prepaid health plans attributable to
10 hospital care, and to fund graduate care.

11 (3) HASP directed payments attributable to hospital reimbursements for not
12 newly eligible individuals.

13 (4) Graduate medical education payments."

14 **SECTION 1.7.(k)** G.S. 108A-146.12 reads as rewritten:

15 "**§ 108A-146.12. Postpartum coverage component.**

16 (a) The postpartum coverage component is twelve million five hundred thousand dollars
17 (\$12,500,000) for each quarter of the 2021-2022 State fiscal year.

18 (b) For each quarter of the 2022-2023 State fiscal year, the postpartum coverage
19 component is eleven million four thousand four hundred twenty-four dollars (\$11,004,424).

20 (c) For the first and second quarters of the 2023-2024 State fiscal year, the postpartum
21 coverage component is eleven million four thousand four hundred twenty-four dollars
22 (\$11,004,424) increased by the Medicare Economic Index.

23 (d) For the third and fourth quarters of the 2023-2024 State fiscal year, the postpartum
24 coverage component is four million five hundred thousand dollars (\$4,500,000).

25 (e) For each quarter of the 2024-2025 State fiscal year, the postpartum coverage
26 component is four million five hundred thousand dollars (\$4,500,000) increased by the Medicare
27 Economic Index.

28 (f) Reserved for future codification purposes.

29 (g) Reserved for future codification purposes.

30 (h) Reserved for future codification purposes.

31 (i) For each subsequent State fiscal year, year after the 2025-2026 fiscal year, the
32 postpartum coverage component shall be increased over the prior year's quarterly amount by the
33 Medicare Economic Index."

34 **SECTION 1.7.(l)** Section 2.1 of S.L. 2021-61 reads as rewritten:

35 "**SECTION 2.1.** Notwithstanding the definition of ~~federal medical assistance percentage~~
36 ~~(FMAP)~~ FMAP for not newly eligible individuals in G.S. 108A-145.3, for any quarter in which
37 the State receives the temporary increase of Medicaid FMAP allowed under (i) section 6008 of
38 the Families First Coronavirus Response Act, P.L. 116-127, or (ii) section 9814 of the American
39 Rescue Plan Act of 2021, P.L. 117-2, the FMAP for purposes of Article 7B of Chapter 108A of
40 the General Statutes shall be the federal share of North Carolina Medicaid service costs as
41 calculated by the federal Department of Health and Human Services in accordance with section
42 1905(b) of the Social Security Act in effect at the start of the applicable assessment quarter, plus
43 the applicable temporary increase, expressed as a decimal."

44 **SECTION 1.7.(m)** Section 9D.13A(e) of S.L. 2021-180 is repealed.

45 **SECTION 1.7.(n)** Section 9D.14 of S.L. 2021-180 is repealed.

46 **SECTION 1.7.(o)** G.S. 108D-65(6)a. reads as rewritten:

47 "a. Risk-adjusted cost growth for its enrollees must be at least two
48 percentage (2%) points below national Medicaid spending growth as
49 documented and projected in the annual report prepared for CMS by
50 the Office of the ~~Actuary for nonexpansion states.~~ Actuary."

1 **SECTION 1.7.(p)** Subsections (k) through (l) of this section become effective
2 January 1, 2024, and apply to assessments imposed on or after that date. Subsections (m) through
3 (o) of this section become effective January 1, 2024. The remainder of this section is effective
4 on the first day of the next assessment quarter after this act becomes effective and applies to
5 assessments imposed on or after that date.

6
7 **PART II. CREATING SEAMLESS WORKFORCE DEVELOPMENT**
8 **OPPORTUNITIES**

9 **SECTION 2.1.(a)** No later than December 1, 2024, the Secretary of the Department
10 of Commerce (Secretary) shall develop a plan to create a seamless, statewide, comprehensive
11 workforce development program, bringing together new opportunities with the current workforce
12 development opportunities within the Department of Commerce (Commerce), the Department of
13 Labor (Labor), and other State agencies. The plan to create a seamless, statewide, comprehensive
14 workforce development program shall be developed in collaboration with the stakeholders
15 outlined in subsection (b) of this section. The Secretary may contract with third-party entities in
16 the development and implementation of the plan. As part of the plan, the Secretary shall strive to
17 ensure that all workforce development opportunities are available to participants statewide by
18 coordinating efforts and resources across State agencies.

19 The plan developed under this section shall include all of the following components:

- 20 (1) Identification of currently existing workforce development programs for
21 unemployed individuals or low-wage workers in this State and any gaps or
22 opportunities for improvement of those existing programs.
- 23 (2) Identification of the specific labor force needs within the State, specifically
24 including healthcare workforce needs.
- 25 (3) Identification of the specific needs of current and potential future workforce
26 development participants in order to achieve the goal of reducing the number
27 of people that are utilizing social service programs, including the North
28 Carolina Medicaid program.
- 29 (4) All of the following specific services shall be included in the plan:
 - 30 a. Job training assistance.
 - 31 b. Career paths and job readiness.
 - 32 c. Job placement.
 - 33 d. Resources for job seekers.
 - 34 e. Recruiting services.
 - 35 f. Healthcare workforce support.
- 36 (5) Measures by which to determine the success of the workforce development
37 programs, such as increases in participant earning capacity, greater economic
38 stability of participants, and self-sufficiency of participants.

39 **SECTION 2.1.(b)** As part of the development of the plan required under subsection
40 (a) of this section, the Secretary shall collaborate with the following entities:

- 41 (1) The Department of Labor.
- 42 (2) NCWorks.
- 43 (3) The North Carolina Community College System.
- 44 (4) The North Carolina Area Health Education Centers (AHEC).
- 45 (5) The Department of Public Instruction.
- 46 (6) The University of North Carolina.
- 47 (7) The Department of Health and Human Services (DHHS).
- 48 (8) Hospitals and healthcare providers licensed in the State.
- 49 (9) Prepaid health plans, as defined under G.S. 108D-1.
- 50 (10) The North Carolina nonprofit corporation with which the Department of
51 Commerce contracts pursuant to G.S. 143B-431.01(b).

- 1 (11) The North Carolina Chamber of Commerce.
- 2 (12) Any North Carolina community organization with relevant expertise.
- 3 (13) Local workforce development boards.

4 **SECTION 2.1.(c)** No later than December 1, 2024, the Secretary of Commerce shall
5 report to the Joint Legislative Oversight Committee on General Government, the Joint
6 Legislative Oversight Committee on Health and Human Services, and the Joint Legislative
7 Oversight Committee on Medicaid and NC Health Choice regarding the plan required under
8 subsection (a) of this section. The report shall include, at a minimum, all of the following:

- 9 (1) The comprehensive plan developed in accordance with this section, including
10 the anticipated date of implementation.
- 11 (2) Identification of the entity within the Department of Commerce that will be
12 responsible for implementation of the plan.
- 13 (3) The workforce needs of North Carolina employers by industry, skill, required
14 education level, and geography.
- 15 (4) Existing workforce development gaps and opportunities for improvement.
- 16 (5) Workforce training infrastructure and needs.
- 17 (6) Any cost to the State to implement the plan and to continue successful
18 operation of the plan into the future.
- 19 (7) Any recommended legislation.

20 **SECTION 2.2.(a)** In collaboration with Commerce, DHHS shall develop a method
21 by which to assist individuals enrolled in the North Carolina Medicaid program and other relevant
22 social service programs with accessing appropriate workforce development services. DHHS shall
23 develop a plan for assessing the current employment status and any barriers to employment of
24 newly enrolled Medicaid beneficiaries, including the enrollees that will be newly eligible for
25 Medicaid benefits under Section 1.1 of this act, as well as newly enrolled participants in other
26 relevant social service programs. DHHS and Commerce shall work together to determine the best
27 method by which Medicaid beneficiaries and beneficiaries of other relevant social service
28 programs will be provided an initial assessment and consultation with a workforce development
29 case manager, or other similar professional, to ensure that interested individuals are able to fully
30 participate in the workforce development programs offered in this State. DHHS may contract
31 with third-party entities or prepaid health plans, as defined under G.S. 108D-1, to assist in
32 providing these services and may consider the use of incentives to prepaid health plans with
33 regard to these services.

34 **SECTION 2.2.(b)** No later than December 1, 2024, DHHS shall report to the Joint
35 Legislative Oversight Committee on Medicaid and NC Health Choice and to the Joint Legislative
36 Oversight Committee on Health and Human Services on the method determined to be best to
37 provide Medicaid beneficiaries and beneficiaries of other relevant social service programs an
38 initial assessment and consultation with a workforce development case manager, or other similar
39 professional, as required by subsection (a) of this section. The report shall include a time line for
40 implementation of that method and the annual cost to DHHS for both the initial implementation
41 and ongoing costs.

42 **SECTION 2.2.(c)** Beginning February 1, 2025, and for five years thereafter, DHHS,
43 in collaboration with Commerce, shall report no later than February 1 of each year to the Joint
44 Legislative Oversight Committee on Medicaid and NC Health Choice and to the Joint Legislative
45 Oversight Committee on Health and Human Services all of the following information:

- 46 (1) The total number of Medicaid beneficiaries and beneficiaries of other relevant
47 social service programs who have participated in workforce development,
48 including the number of individuals who completed an assessment by a
49 workforce development case manager or similar professional.
- 50 (2) A breakdown of the types of workforce development services or programs that
51 participants utilized, including specific information about the activities

1 participated in by beneficiaries of Medicaid and other relevant social service
 2 programs.

3 (3) General demographic information for the beneficiaries of Medicaid and other
 4 relevant social service programs who participated in workforce development
 5 programs.

6 (4) The average length of time individuals who participated in workforce
 7 development programs and were eligible for Medicaid benefits or benefits
 8 under other beneficiaries of Medicaid and other relevant social service
 9 programs remained eligible for those benefits.

10 (5) The number of individuals who were employed or reemployed in a position
 11 providing higher wages as a result of participation in a workforce development
 12 program.

13 (6) The number of individuals who were no longer qualified for Medicaid or any
 14 other relevant social service program due to obtaining gainful employment or
 15 higher wages as a result of participation in any workforce development
 16 program.

17 **SECTION 2.3.(a)** The General Assembly finds that awareness of, and assistance
 18 with, enrollment in health benefit coverage on the federal Health Insurance Marketplace will
 19 alleviate the false perception that the loss of Medicaid coverage equals an immediate loss of
 20 access to healthcare. In order to counteract any disincentive to obtaining employment or
 21 increasing income that this false perception may bring and in order to facilitate a smoother
 22 transition of health benefit coverage from Medicaid to private insurance, the Department of
 23 Health and Human Services, Division of Health Benefits (DHB), shall work with the NC
 24 Navigators Consortium to develop a mechanism by which a Medicaid recipient who is
 25 transitioning from qualifying for the Medicaid program to qualifying for premium or cost-sharing
 26 assistance for health insurance obtained on the Health Insurance Marketplace, or who could
 27 reasonably be determined to be eligible for that premium or cost-sharing assistance in the near
 28 future, will be assisted with that transition by a qualified Navigator or similar professional. At a
 29 minimum, and no later than January 1, 2024, DHB shall provide all Medicaid applicants written
 30 notification about the Health Insurance Marketplace that includes contact information for the NC
 31 Navigators Consortium. Written notification about the Health Insurance Marketplace that
 32 includes contact information for the NC Navigators Consortium shall also be provided to all
 33 Medicaid recipients except those recipients qualifying under subdivision (14), (17), (18), (19), or
 34 (20) of G.S. 108A-54.3A upon each redetermination and upon termination from the Medicaid
 35 program.

36 **SECTION 2.3.(b)** No later than March 1, 2024, DHB shall report to the Joint
 37 Legislative Oversight Committee on Medicaid and NC Health Choice all of the following
 38 information:

39 (1) Details of the mechanism, developed in accordance with subsection (a) of this
 40 section, to assist a Medicaid recipient who is transitioning from qualifying for
 41 the Medicaid program to qualifying for premium or cost-sharing assistance
 42 for health insurance obtained on the Health Insurance Marketplace, or who
 43 could reasonably be determined to be eligible for that premium or cost-sharing
 44 assistance in the near future, with that transition by a qualified Navigator or
 45 similar professional.

46 (2) Specific details on the written notification being provided to all Medicaid
 47 applicants and certain Medicaid recipients, as required by subsection (a) of
 48 this section.

49 **PART III. EFFECTIVE DATE**

1 **SECTION 3.** Except as otherwise provided, this act is effective on the date that the
2 Current Operations Appropriations Act for the 2023-2024 fiscal year becomes law. If, by
3 December 31, 2023, no Current Operations Appropriations Act for the 2023-2024 fiscal year has
4 become law, then this act shall expire.