

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

- (a) As used in this section, the following definitions apply:
- (1) Cost. – All expenses incurred by the State and counties that are eligible for Medicaid federal financial participation.
  - (2) NC Health Works. – The provision of Medicaid coverage to the individuals described in G.S. 108A-54.3A(24).
- (b) It is the intent of the General Assembly to fully fund the nonfederal share of the cost of NC Health Works through a combination of the following sources:
- (1) Increases in revenue from the gross premiums tax under G.S. 105-228.5 due to NC Health Works.
  - (2) Excluding any State retention, the increases in intergovernmental transfers due to NC Health Works.
  - (3) Excluding any State retention, the hospital health advancement assessments under Part 3 of Article 7B of Chapter 108A of the General Statutes.
  - (4) Savings to the State attributable to NC Health Works that correspond to State General Fund budget reductions to other State programs.
- (c) By February 1 of each year, beginning in 2025, the Department shall submit a report to the Joint Legislative Oversight Committee on Medicaid, the Office of State Budget and Management, and the Fiscal Research Division containing all of the following information with supporting calculations:
- (1) The total nonfederal share of the cost of NC Health Works for the preceding State fiscal year and the total funding available from the sources described in subsection (b) of this section.
  - (2) The projected total nonfederal share of the cost of NC Health Works for the current State fiscal year and the total projected funding available from the sources described in subsection (b) of this section.
  - (3) The method used by the Department to determine the amount of the health advancement assessments proceeds that were distributed to each county department of social services in compliance with G.S. 108A-147.13(b) for the preceding fiscal year, including the total amount of proceeds each county received in that fiscal year.
  - (4) The savings and benefits to the State resulting from NC Health Works for the preceding fiscal year, including savings to various State agencies and programs.

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

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

- (1) Notify the Joint Legislative Oversight Committee on Medicaid, the Office of State Budget and Management, and the Fiscal Research Division of the determination and post this notice on the Department's website. The notice must include the proposed effective date of the discontinuation of coverage.
- (2) Submit all documents to the Centers for Medicare and Medicaid Services necessary to discontinue Medicaid coverage for the category of individuals described in G.S. 108A-54.3A(24). (2023-7, s. 1.2(a).)