

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**SENATE BILL 507**

Short Title: Medicaid Cost Saving Measures.

(Public)

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Sponsors: Senator Rand.

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Referred to: Health & Human Resources.

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March 24, 2003

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE DEPARTMENT OF HEALTH AND HUMAN  
2 SERVICES, DIVISION OF MEDICAL ASSISTANCE, TO USE AVAILABLE  
3 MEDICAID FUNDS FOR THE ISSUANCE OF MEDICAID IDENTIFICATION  
4 CARDS AND TO IMPLEMENT OTHER COST SAVING MEASURES.  
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6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Of the funds appropriated to the Department of Health and  
8 Human Services, Division of Medical Assistance, for the 2003-2004 fiscal year, the  
9 Department may use not more than seven hundred thousand dollars (\$700,000) to  
10 implement plans to provide plastic magnetic striped Medicaid identification cards for  
11 issuance to Medicaid enrollees. The Department shall identify available funds and  
12 develop and implement the identification card program as quickly as possible, but in a  
13 manner that maximizes cost savings in the Medical Assistance Program. Not later than  
14 July 1, 2004, the Department shall report to the House of Representatives  
15 Appropriations Subcommittee on Health and Human Services, the Senate  
16 Appropriations Committee on Health and Human Services, and the Fiscal Research  
17 Division. The report shall include the specific areas of the Medical Assistance Program  
18 from which funds were used, the corresponding amounts and anticipated or realized cost  
19 savings, and the implementation status of the identification card program.

20 **SECTION 2.** Of the funds appropriated to the Department of Health and  
21 Human Services, Division of Medical Assistance, for the 2003-2004 fiscal year, the  
22 Department may use available funds in addition to those authorized in Section 1 of this  
23 act to implement other cost savings projects or measures that are projected to result in  
24 recurring net cost savings and efficiencies. Prior to expending any funds under this  
25 section, the Department shall notify the Office of State Budget and Management, the  
26 Senate Appropriations Committee on Health and Human Services, the House of  
27 Representatives Appropriations Subcommittee on Health and Human Services, and the  
28 Fiscal Research Division, and shall provide a complete explanation of the project or  
29 measures to be implemented, the estimated cost of implementation, and the projected

1 recurring cost savings and efficiencies expected to result from the expenditures. Within  
2 one year of the implementation of each project or measure authorized under this section,  
3 the Department shall report the actual implementation costs and actual net cost savings  
4 and efficiencies realized.

5 **SECTION 3.** This act becomes effective July 1, 2003.