

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE DRH30429-LNz-228B (3/28)

Short Title: Cap Medicaid County Share. (Public)

Sponsors: Representatives Nye, Wright, England, Owens (Primary Sponsors); Pate, Tucker, Dickson, Insko, Howard, Fisher, and Current.

Referred to:

A BILL TO BE ENTITLED

1
2 AN ACT TO PROVIDE THAT THE COUNTY SHARE OF THE NONFEDERAL
3 SHARE OF MEDICAID COSTS FOR THE 2006-2007 FISCAL YEAR SHALL
4 NOT EXCEED THE COUNTY SHARE PAID BY EACH COUNTY FOR THE
5 2005-2006 FISCAL YEAR; TO APPROPRIATE FUNDS TO COVER THE COST
6 TO THE GENERAL FUND OF CAPPING THE COUNTY SHARE; TO APPLY
7 THE CAP BEGINNING WITH THE 2006-2007 FISCAL YEAR AND
8 THEREAFTER; AND TO PROVIDE FOR FURTHER REDUCTION IN THE
9 COUNTY SHARE ON A TARGETED BASIS USING SAVINGS REALIZED
10 FROM THE MEDICARE PART D PROGRAM, AS RECOMMENDED BY THE
11 HOUSE SELECT COMMITTEE ON HEALTH CARE.

12 The General Assembly of North Carolina enacts:

13 **SECTION 1.** Notwithstanding any other provision of law to the contrary,
14 each county's portion of the nonfederal share of Medical Assistance Program costs,
15 excluding administrative costs, for the 2006-2007 fiscal year and thereafter, shall not
16 exceed the amount paid by the county for the nonfederal share of Medical Assistance
17 Program costs, excluding administrative costs, for the 2005-2006 fiscal year. The
18 limitation on the county share shall be in effect regardless of growth in Medical
19 Assistance Program expenditures for the 2007-2008 fiscal year and thereafter.

20 **SECTION 1.(a)** There is appropriated from the General Fund to the
21 Department of Health and Human Services, Division of Medical Assistance, the sum of
22 thirty million three hundred ninety thousand dollars (\$30,390,000) for the 2006-2007
23 fiscal year to cover the increased cost to the State resulting from the cap on county share
24 required by this section. These funds shall be allocated from savings realized in the
25 State Medical Assistance program from the Medicare Part D federal program for the
26 2006-2007 fiscal year.

1 The General Assembly recognizes that in future years there will not be
2 sufficient savings from Medicare Part D to cover the increased costs to the State
3 resulting from capping the county share at the 2005-2006 fiscal year level. It is the
4 intent of the General Assembly to appropriate additional funds to cover these costs in
5 future fiscal years.

6 **SECTION 2.** There is appropriated from the General Fund to the
7 Department of Health and Human Services, Division of Medical Assistance, the sum of
8 thirty-four million six hundred ten thousand dollars (\$34,610,000) for the 2006-2007
9 fiscal year. These funds shall be allocated from savings realized from the Medicare Part
10 D federal program for the 2006-2007 fiscal year. The Department shall allocate these
11 funds to reduce the county share of the nonfederal share of Medical Assistance Program
12 expenditures, as follows:

- 13 (1) Forty percent (40%) shall be allocated among counties with a
14 Medicaid eligible population of twenty-five percent (25%) or greater
15 of the total county population. The allocation shall be based on a
16 county's percentage of the total Medicaid budget for all counties with a
17 Medicaid eligible population of twenty-five percent (25%) or greater.
- 18 (2) Fifty-five percent (55%) shall be allocated among counties with a
19 Medicaid eligible population of at least fifteen percent (15%) but less
20 than twenty-five percent (25%) of the total county population. The
21 allocation shall be based on a county's percentage of the total Medicaid
22 budget for all counties with a Medicaid population of at least fifteen
23 percent (15%) but less than twenty-five percent (25%).
- 24 (3) Five percent (5%) shall be allocated to counties with a Medicaid
25 population of less than fifteen percent (15%) of the total county
26 population. The allocation shall be based on a county's percentage of
27 the total Medicaid budget for all counties with a Medicaid population
28 of less than fifteen percent (15%).

29 Funds allocated under this section may be increased to reflect growth in
30 Medicaid expenditures for the preceding fiscal year. It is the intent of the General
31 Assembly to appropriate additional funds to cover these costs in future fiscal years.

32 **SECTION 3.** This act becomes effective July 1, 2006.