

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

**H**

**1**

**HOUSE BILL 1968**

Short Title: Cap Medicaid County Share. (Public)

---

Sponsors: Representatives Nye, Wright, England, Owens (Primary Sponsors); Pate, Tucker, Dickson, Insko, Howard, Fisher, Current, B. Allen, L. Allen, Almond, Barnhart, Blackwood, Brown, Brubaker, Carney, Clary, Cleveland, Culp, Daughtridge, Faison, Farmer-Butterfield, Frye, Gillespie, Glazier, Hilton, Hollo, Holloway, Johnson, Ed Jones, Justice, Justus, Kiser, Langdon, Luebke, McGee, McLawhorn, Moore, Parmon, Pierce, Preston, Rapp, Sherrill, Spear, Steen, Stiller, Wainwright, Walend, Warren, Weiss, and Wray.

---

Referred to: Health, if favorable, Appropriations.

---

May 15, 2006

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

1 fiscal year to cover the increased cost to the State resulting from the cap on county share  
2 required by this section. These funds shall be allocated from savings realized in the  
3 State Medical Assistance program from the Medicare Part D federal program for the  
4 2006-2007 fiscal year.

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

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

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

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

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