

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE BILL 117

Short Title: Medicaid Ref. Study/County Share Phase Out. (Public)

Sponsors: Senators Purcell, Dannelly, Hartsell; Albertson, Allran, Atwater, Berger of Franklin, Bingham, Boseman, Brown, Dalton, Dorsett, Forrester, Garwood, Graham, Jenkins, Kerr, Kinnaird, Lucas, Malone, Rand, Snow, Swindell, Thomas, Tillman, and Weinstein.

Referred to: Finance.

February 14, 2005

A BILL TO BE ENTITLED

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2 AN ACT TO PHASE OUT THE COUNTY SHARE OF THE NONFEDERAL SHARE
3 OF MEDICAID COSTS OVER A SIX-YEAR PERIOD, TO PROVIDE THAT
4 THE TOTAL COUNTY SHARE DURING THE PHASE-OUT PERIOD SHALL
5 NOT EXCEED THE COUNTY SHARE PAID BY EACH COUNTY FOR THE
6 2004-2005 FISCAL YEAR, AND TO FURTHER PROVIDE THAT IN CERTAIN
7 COUNTIES THE COUNTY SHARE SHALL BE FURTHER REDUCED BASED
8 ON THE NUMBER OF MEDICAID-ELIGIBLE INDIVIDUALS IN THE
9 COUNTY, AS RECOMMENDED BY THE BLUE RIBBON COMMISSION ON
10 MEDICAID REFORM.

11 The General Assembly of North Carolina enacts:

12 **SECTION 1.(a)** Notwithstanding any other provision of law to the contrary,
13 and except as otherwise provided in subsection (b) of this section, the county portion of
14 the nonfederal share of Medical Assistance Program costs, excluding administrative
15 costs, is reduced by two and one-half percent (2.5%) each fiscal year beginning July 1,
16 2005, until the county portion of the nonfederal share, excluding administrative costs,
17 equals zero percent (0%). If the reduction in percentage of the county share for each
18 fiscal year under this section results in a higher county share amount than the county
19 share amount paid for the 2004-2005 fiscal year, then the county share for the fiscal
20 year shall be the reduced share or the amount of the county share paid in the 2004-2005
21 fiscal year, excluding administrative costs, whichever is less. Effective July 1, 2010, the
22 nonfederal share of Medical Assistance Program costs, excluding administrative costs,
23 shall be borne by the State.

24 **SECTION 1.(b)** In counties where the number of Medicaid-eligible
25 individuals in a given fiscal year exceeds twenty-five percent (25%) of the county
26 population in that fiscal year, the county's share shall be two-thirds of the reduced share

1 for each year or the county share paid for the 2004-2005 fiscal year, excluding
2 administrative costs, whichever is less.

3 **SECTION 2.** Effective July 1, 2010, G.S. 108A-54 reads as rewritten:

4 "**§ 108A-54. Authorization of Medical Assistance Program.**

5 The Department is authorized and empowered to establish a Medical Assistance
6 Program from ~~federal, State and county~~ federal and State appropriations and to adopt
7 rules ~~and regulations~~ under which payments are to be made in accordance with the
8 provisions of this Part. ~~The nonfederal share may be divided between the State and the~~
9 ~~counties, in a manner consistent with the provisions of the federal Social Security Act,~~
10 ~~except that the share required from the counties may not exceed the share required from~~
11 ~~the state. If a portion of the nonfederal share is required from the counties, the boards of~~
12 ~~county commissioners of the several counties shall levy, impose and collect the taxes~~
13 ~~required for the special purpose of medical assistance as provided in this Part, in an~~
14 ~~amount sufficient to cover each county's share of such assistance."~~

15 **SECTION 3.** This act becomes effective July 1, 2005.