

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**SENATE BILL 1209**

Short Title: Medicaid County Share. (Public)

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Sponsors: Senators Purcell, Berger of Franklin; Albertson, Atwater, Bingham, Dalton, Holloman, Jenkins, Malone, Shaw, Snow, Soles, Swindell, Tillman, and Weinstein.

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Referred to: Appropriations/Base Budget.

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May 10, 2006

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT THE COUNTY SHARE OF THE NONFEDERAL  
2 SHARE OF MEDICAID COSTS FOR THE 2006-2007 FISCAL YEAR SHALL  
3 NOT EXCEED THE COUNTY SHARE PAID BY EACH COUNTY FOR THE  
4 2005-2006 FISCAL YEAR; TO APPROPRIATE FUNDS TO COVER THE COST  
5 TO THE GENERAL FUND OF CAPPING THE COUNTY SHARE; AND TO  
6 PROVIDE FOR FURTHER REDUCTION IN THE COUNTY SHARE ON A  
7 TARGETED BASIS USING SAVINGS REALIZED FROM THE MEDICARE  
8 PART D PROGRAM.  
9

10 The General Assembly of North Carolina enacts:

11 **SECTION 1.(a)** Notwithstanding any other provision of law to the contrary,  
12 each county's portion of the nonfederal share of Medical Assistance Program costs,  
13 excluding administrative costs, for the 2006-2007 fiscal year shall not exceed the  
14 amount paid by the county for the nonfederal share of Medical Assistance Program  
15 costs, excluding administrative costs, for the 2005-2006 fiscal year. It is the intent of the  
16 General Assembly to extend the cap on county Medicaid expenditures to the 2007-2008  
17 fiscal year only.

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

25 **SECTION 2.** There is appropriated from the General Fund to the  
26 Department of Health and Human Services, Division of Medical Assistance, the sum of  
27 thirty-four million six hundred ten thousand dollars (\$34,610,000) for the 2006-2007

1 fiscal year. These funds shall be allocated from savings realized from the Medicare Part  
2 D federal program for the 2006-2007 fiscal year. The Department shall allocate these  
3 funds to reduce the county share of the nonfederal share of Medical Assistance Program  
4 expenditures for the 2006-2007 fiscal year, as follows:

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

21 Funds allocated under this section may be increased to reflect growth in  
22 Medicaid expenditures for the 2005-2006 fiscal year.

23 **SECTION 3.1.** There is established the Legislative Study Commission on  
24 the Elimination of County Financial Participation in Medicaid Services.

25 **SECTION 3.2.** The Commission shall consist of 14 members appointed as  
26 follows:

- 27 (1) Three members appointed by the President Pro Tempore of the Senate.
- 28 (2) Three members appointed by the Speaker of the House of  
29 Representatives.
- 30 (3) One county commissioner and one county manager appointed by the  
31 President Pro Tempore of the Senate upon the recommendation of the  
32 North Carolina Association of County Commissioners.
- 33 (4) One county commissioner and one county finance officer appointed by  
34 the Speaker of the House of Representatives upon the recommendation  
35 of the North Carolina Association of County Commissioners.
- 36 (5) One school board representative appointed by the President Pro  
37 Tempore of the Senate upon the recommendation of the North  
38 Carolina School Boards Association.
- 39 (6) One municipal representative appointed by the Speaker of the House  
40 of Representatives upon the recommendation of the North Carolina  
41 League of Municipalities.
- 42 (7) One business representative with public finance experience appointed  
43 by the Governor upon the recommendation of the North Carolina  
44 Citizens for Business and Industry.

1           (8) One representative from the executive branch appointed by the  
2           Governor.

3           The President Pro Tempore of the Senate and the Speaker of the House of  
4 Representatives shall each designate a cochair of the Commission from their appointees.

5           **SECTION 3.3.** The Commission shall study and recommend a permanent  
6 financing strategy leading to the elimination of county financial participation in  
7 Medicaid services. In conducting the study, the Commission shall consult with the  
8 North Carolina Local Government Commission and with the School of Government at  
9 the University of North Carolina at Chapel Hill.

10          **SECTION 3.4.** Members of the Commission shall receive subsistence and  
11 travel allowances at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.  
12 With the prior approval of the Legislative Services Commission, the Legislative  
13 Services Officer shall assign professional and clerical staff to assist in the work of the  
14 Commission. With the prior approval of the Legislative Services Commission, the  
15 Commission may hold its meetings in the State Legislative Building or the Legislative  
16 Office Building. The Commission, while in the discharge of its official duties, may  
17 exercise all the powers provided under the provisions of G.S. 120-19 and G.S. 120-19.1  
18 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and  
19 departments of the State to provide any information, data, or documents within their  
20 possession, ascertainable from their records, or otherwise available to them and the  
21 power to subpoena witnesses.

22          **SECTION 3.5.** The Commission shall submit a final written report of its  
23 findings and recommendations by January 1, 2007. All reports shall be filed with the  
24 President Pro Tempore of the Senate, the Speaker of the House of Representatives, and  
25 the Legislative Librarian. Upon filing its final report, the Commission shall terminate.

26          **SECTION 3.6.** From funds appropriated to the General Assembly, the  
27 Legislative Services Commission shall allocate funds for the expenses of the  
28 Commission established in this Part.

29          **SECTION 4.** This act becomes effective July 1, 2006.