

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH30349-LN-251 (3/28)

Short Title: Medicaid County Share Reduced.

(Public)

Sponsors: Representatives Owens, Michaux, and Yongue (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PERMANENTLY CAP THE COUNTY SHARE OF MEDICAID
EXPENDITURES AND TO APPROPRIATE FUNDS FOR THE INCREASED
STATE SHARE RESULTING FROM THE CAP ON THE COUNTY SHARE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 108A-54 reads as rewritten:

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

The Department is authorized and empowered to establish a Medical Assistance Program from federal, State and county appropriations and to adopt rules and regulations under which payments are to be made in accordance with the provisions of this Part. The nonfederal share may be divided between the State and the ~~counties~~, counties in accordance with this section and in a manner consistent with the provisions of the federal Social Security Act, except that the share required from the counties may not exceed the share required from the state. Act. On and after July 1, 2007, the county share of the nonfederal share of Medicaid expenditures, excluding administrative costs, shall not exceed the county share paid by each county for the 2005-2006 fiscal year, excluding administrative costs. In addition to the cap on the county share required under this section, the Department shall from funds appropriated for this purpose implement targeted relief in the form of further reduction in the county share for counties that experience the most severe financial impact resulting from the county's Medicaid expenditures. Implementation and allocation of targeted relief is contingent upon an appropriation of funds for that purpose made in the Current Operations Appropriations Act. If a portion of the nonfederal share is required from the counties, the boards of county commissioners of the several counties shall levy, impose and collect the taxes required for the special purpose of medical assistance as provided in this Part, in an amount sufficient to cover each county's share of such assistance."

1 **SECTION 2.(a)** There is appropriated from the General Fund to the
2 Department of Health and Human Services, Division of Medical Assistance, the sum of
3 one hundred million dollars (\$100,000,000) for the 2007-2008 fiscal year. Of these
4 funds, the sum of ninety million dollars (\$90,000,000) shall be used to cover the
5 increased State share of the nonfederal share resulting from the cap on the county share
6 required under G.S. 108A-54, as amended by this act, and the sum of ten million dollars
7 (\$10,000,000) shall be used to provide additional relief to counties with the greatest
8 number of Medicaid recipients as a percentage of the county's total population. Funds
9 shall be allocated to each eligible county pro rata based on the total amount of funds
10 appropriated for this purpose.

11 **SECTION 2.(b)** There is appropriated from the General Fund to the
12 Department of Health and Human Services, Division of Medical Assistance, the sum of
13 one hundred fifty-four million dollars (\$154,000,000) for the 2008-2009 fiscal year. Of
14 these funds, the sum of one hundred thirty-nine million dollars (\$139,000,000) shall be
15 used to cover the increased State share of the nonfederal share resulting from the cap on
16 the county share required under G.S. 108A-54, as amended by this act, and the sum of
17 fifteen million dollars (\$15,000,000) shall be used to provide additional relief to
18 counties with the greatest number of Medicaid recipients as a percentage of the county's
19 total population. Funds shall be allocated to each eligible county pro rata based on the
20 total amount of funds appropriated for this purpose.

21 **SECTION 3.** This act becomes effective July 1, 2007.