

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

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**HOUSE BILL 1424**

Short Title: Medicaid County Share Reduced. (Public)

Sponsors: Representatives Owens, Michaux, Yongue, Stam (Primary Sponsors); Adams, Alexander, Allen, Allred, Almond, Avila, Barnhart, Bell, Blackwood, Blue, Blust, Bordsen, Boylan, Braxton, Brisson, Brown, Brubaker, Bryant, Carney, Church, Clary, Cleveland, Coates, Cole, Coleman, Cotham, Crawford, Cunningham, Current, Daughtride, Daughtry, Dickson, Dockham, Dollar, Earle, England, Faison, Farmer-Butterfield, Fisher, Folwell, Frye, Gibson, Gillespie, Glazier, Goforth, Goodwin, Grady, Gulley, Haire, Hall, T. Harrell, J. Harrell, Harrison, Hill, Hilton, Holliman, Holloway, Holmes, Howard, Hurley, Jeffus, Johnson, Jones, Justice, Justus, Killian, Kiser, Langdon, Lewis, Love, Lucas, Luebke, Martin, McAllister, McComas, McElraft, McGee, McLawhorn, Mobley, Moore, Neumann, Parmon, Pate, Pierce, Rapp, Ray, Ross, Samuelson, Saunders, Setzer, Spear, Starnes, Steen, Stiller, Sutton, Tarleton, Thomas, Tillis, Tolson, Tucker, Underhill, Wainwright, Walend, Walker, E. Warren, R. Warren, Weiss, West, Wiley, Wilkins, Williams, Womble, Wray, and Wright.

Referred to: Appropriations.

April 12, 2007

A BILL TO BE ENTITLED

1  
2 AN ACT TO PERMANENTLY CAP THE COUNTY SHARE OF MEDICAID  
3 EXPENDITURES AND TO APPROPRIATE FUNDS FOR THE INCREASED  
4 STATE SHARE RESULTING FROM THE CAP ON THE COUNTY SHARE.

5 The General Assembly of North Carolina enacts:

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

7 "**§ 108A-54. Authorization of Medical Assistance Program.**

8 The Department is authorized and empowered to establish a Medical Assistance  
9 Program from federal, State and county appropriations and to adopt rules and  
10 regulations under which payments are to be made in accordance with the provisions of  
11 this Part. The nonfederal share may be divided between the State and the  
12 ~~counties, counties in accordance with this section and in a manner consistent with the~~  
13 ~~provisions of the federal Social Security Act, except that the share required from the~~  
14 ~~counties may not exceed the share required from the state.~~ Act. On and after July 1,  
15 2007, the county share of the nonfederal share of Medicaid expenditures, excluding  
16 administrative costs, shall not exceed the county share paid by each county for the  
17 2005-2006 fiscal year, excluding administrative costs. In addition to the cap on the  
18 county share required under this section, the Department shall from funds appropriated  
19 for this purpose implement targeted relief in the form of further reduction in the county  
20 share for counties that experience the most severe financial impact resulting from the

1 county's Medicaid expenditures. Implementation and allocation of targeted relief is  
2 contingent upon an appropriation of funds for that purpose made in the Current  
3 Operations Appropriations Act. If a portion of the nonfederal share is required from the  
4 counties, the boards of county commissioners of the several counties shall levy, impose  
5 and collect the taxes required for the special purpose of medical assistance as provided  
6 in this Part, in an amount sufficient to cover each county's share of such assistance."

7       **SECTION 2.(a)** There is appropriated from the General Fund to the  
8 Department of Health and Human Services, Division of Medical Assistance, the sum of  
9 one hundred million dollars (\$100,000,000) for the 2007-2008 fiscal year. Of these  
10 funds, the sum of ninety million dollars (\$90,000,000) shall be used to cover the  
11 increased State share of the nonfederal share resulting from the cap on the county share  
12 required under G.S. 108A-54, as amended by this act, and the sum of ten million dollars  
13 (\$10,000,000) shall be used to provide additional relief to counties with the greatest  
14 number of Medicaid recipients as a percentage of the county's total population. Funds  
15 shall be allocated to each eligible county pro rata based on the total amount of funds  
16 appropriated for this purpose.

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

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