

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013**

**HOUSE BILL 980  
RATIFIED BILL**

**AN ACT TO PROVIDE ADDITIONAL FUNDING IN THE STATE MEDICAID PROGRAM  
FOR THE 2012-2013 FISCAL YEAR.**

The General Assembly of North Carolina enacts:

**SECTION 1.** Notwithstanding G.S. 143C-6-4 or any other provision of law, in order to ensure that there is adequate funding in the Medicaid budget for the 2012-2013 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the budget adjustments authorized in Section 2 of this act in an amount not to exceed four hundred fifty-one million dollars (\$451,000,000) to cover a projected budget shortfall of three hundred thirty-three million dollars (\$333,000,000) and the repayment of Medicaid federal drug rebates in the amount of one hundred eighteen million dollars (\$118,000,000).

**SECTION 2.** The Director of the Budget shall make the following adjustments to increase the budget of the Division of Medical Assistance. These adjustments are set forth in priority order, and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount:

- (1) Use the sum of seventy-four million dollars (\$74,000,000) from drug rebate refunds within the Division of Medical Assistance. These funds are hereby appropriated.
- (2) Transfer the sum of twenty million nine hundred thousand dollars (\$20,900,000) from State appropriations not expended pursuant to Section 10.9G of S.L. 2012-142.
- (3) Transfer a minimum of forty-eight million dollars (\$48,000,000) from projected reversions within the Department of Health and Human Services, including any unspent or unobligated State appropriations from the Transitions to Community Living Fund. However, before these projected reversions may be expended, all payments required under Section 10.23A(f) of S.L. 2012-142 and S.L. 2013-5 must be made.
- (4) Use the sum of two hundred thirteen million four hundred thirty-two thousand eight hundred seventy-eight dollars (\$213,432,878) from the June 30, 2012, unreserved fund balance. These funds are hereby appropriated.
- (5) Transfer of projected revenue overcollections for the 2012-2013 fiscal year in the amount of up to ninety-four million six hundred sixty-seven thousand one hundred twenty-two dollars (\$94,667,122). These funds are hereby appropriated.

**SECTION 3.** Budget adjustments made pursuant to this act shall be used only to pay the costs of the State Medicaid Program, including drug rebates owed to the federal government, for the 2012-2013 fiscal year. Any budget adjustments pursuant to this act that are not needed to pay the costs of the Medicaid program for the 2012-2013 fiscal year shall revert to the unreserved fund balance of the General Fund.

**SECTION 4.** Notwithstanding any other provision of law, neither the Director of the Budget nor any other State official, officer, or agency shall authorize any adjustment, drawdown, or transfer unearned or borrowed receipts to implement this act or expend any other funds to implement this act, if doing so would impose, increase, or continue a financial obligation in the 2013-2014 fiscal year or any subsequent fiscal year.

**SECTION 5.** Notwithstanding the adjustments authorized by this act, the Office of State Budget and Management shall maximize 2012-2013 fiscal year General Fund reversions



from all State agencies and departments in order to increase the June 30 unreserved fund balance in the General Fund.

**SECTION 6.** On or before October 1, 2013, the Office of State Budget and Management, the Department of Health and Human Services, and the Office of State Controller shall report jointly on the implementation of this act. The Office of State Budget and Management and the Department of Health and Human Services shall report on each measure taken and the Office of State Controller shall certify compliance with Section 3 and Section 4 of this act. This report shall be made to the Appropriations/Base Budget Committee of the Senate, the Appropriations Committee of the House of Representatives, and the Joint Legislative Commission on Governmental Operations. Reporting requirements under G.S. 143C-6-4 shall not apply to adjustments made pursuant to this act.

**SECTION 7.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30<sup>th</sup> day of May, 2013.

s/ Daniel J. Forest  
President of the Senate

s/ Thom Tillis  
Speaker of the House of Representatives

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Pat McCrory  
Governor

Approved \_\_\_\_\_m. this \_\_\_\_\_ day of \_\_\_\_\_, 2013