

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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SENATE BILL 4\*

Short Title: No N.C. Exchange/No Medicaid Expansion. (Public)

Sponsors: Senators Apodaca, Brown, Rucho (Primary Sponsors); Allran, Barefoot, Bingham, Brock, Brunstetter, Cook, Curtis, Daniel, J. Davis, Goolsby, Gunn, Harrington, Hise, Hunt, Jackson, Meredith, Pate, Rabin, Rabon, Randleman, Sanderson, Soucek, Tillman, Tucker, and Wade.

Referred to: Insurance.

January 31, 2013

A BILL TO BE ENTITLED

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2 AN ACT (1) TO CLARIFY THE STATE'S INTENT NOT TO OPERATE A STATE-RUN  
3 OR "PARTNERSHIP" HEALTH BENEFIT EXCHANGE, (2) TO PROVIDE THAT  
4 FUTURE MEDICAID ELIGIBILITY DETERMINATIONS WILL BE MADE BY THE  
5 STATE RATHER THAN THE FEDERALLY FACILITATED EXCHANGE, AND (3) TO  
6 REJECT THE AFFORDABLE CARE ACT'S OPTIONAL MEDICAID EXPANSION.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.(a)** Section 23.3 of S.L. 2011-145, created by Section 49 of S.L.  
9 2011-391, is repealed.

10 **SECTION 1.(b)** G.S. 58-2-40(10) is repealed.

11 **SECTION 1.(c)** The General Assembly reserves the authority to define the State's  
12 level of interaction, if any, with the federally facilitated Health Benefit Exchange that will  
13 operate in the State. No department, agency, or institution of this State shall enter into any  
14 contracts or commit any resources for the provision of any services related to the federally  
15 facilitated Health Benefit Exchange under a "Partnership" Exchange model, except as  
16 authorized by the General Assembly. No department, agency, or institution of this State shall  
17 take any actions not authorized by the General Assembly toward the formation of a State-run  
18 Health Benefit Exchange. It is not the intent of this section to prohibit State-federal interaction  
19 that does not pursue a State-run Exchange or "Partnership" Exchange model.

20 **SECTION 1.(d)** The Department of Insurance and Department of Health and  
21 Human Services shall cease all expenditures funded by the following Exchange-related grants  
22 from the federal government: (i) Exchange Planning Grant and (ii) Level One Cooperative  
23 Agreement Establishment Grant. Any contract between a third party and the State to provide  
24 services funded by such grants is hereby terminated on the grounds that funding no longer  
25 exists. The Departments shall review all grant-related expenditures that preceded the effective  
26 date of this act and shall draw down grant funds sufficient to reimburse the State for any unpaid  
27 expenditures allowed under the grants. The Department of Insurance shall notify the Secretary  
28 of United States Department of Health and Human Services that the State will no longer be  
29 drawing down Exchange-related grant funds. It is not the intent of this section to impact any  
30 grant funding for premium review.

31 **SECTION 2.** The Department of Health and Human Services shall ensure that the  
32 North Carolina Families Accessing Services through Technology (NC FAST) information  
33 technology system can provide Medicaid eligibility determinations for the federally facilitated



1 Health Benefit Exchange that will operate in North Carolina and shall provide such  
2 determinations for the Exchange.

3         **SECTION 3.** The General Assembly reserves the authority to determine whether  
4 or not to expand the State's Medicaid eligibility under the Medicaid expansion provided in the  
5 Affordable Care Act, P.L. 111-148, as amended, but for which the enforcement was ruled  
6 unconstitutional by the U.S. Supreme Court in *National Federation of Independent Business, et*  
7 *al. v. Sebelius, Secretary of Health and Human Services, et al.*, 132 S. Ct. 2566 (2012). No  
8 department, agency, or institution of this State shall attempt to expand the Medicaid eligibility  
9 standards provided in S.L. 2011-145, as amended, or elsewhere in State law, unless directed to  
10 do so by the General Assembly.

11         **SECTION 4.** This act is effective when it becomes law.