

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 4*
Committee Substitute Adopted 1/31/13

Short Title: No N.C. Exchange/No Medicaid Expansion.

(Public)

Sponsors:

Referred to:

January 31, 2013

A BILL TO BE ENTITLED

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

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9 2011-391, is repealed.

10 **SECTION 1.(b)** G.S. 58-2-40(10) is repealed.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
34 Health Benefit Exchange that will operate in North Carolina and shall provide such
35 determinations for the Exchange.



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

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