

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 1040

Short Title: Healthcare for Working North Carolinians. (Public)

Sponsors: Representatives Batch, Brewer, Clark, and Gailliard (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Rules, Calendar, and Operations of the House

April 28, 2020

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE HEALTH CARE FOR THE UNDEREMPLOYED AND
3 UNEMPLOYED WORKERS OF NORTH CAROLINA AND THEIR FAMILIES.

4 Whereas, the coronavirus disease 2019 (COVID-19) pandemic has caused an
5 unprecedented spike in unemployment in North Carolina; and

6 Whereas, many people who have relied on employer-based health insurance are now
7 without insurance and fall into what has become known as the "coverage gap"; and

8 Whereas, an increasing uninsured population will further tax an already strained
9 health care system; and

10 Whereas, many workers perform essential but unrecognized services in our
11 communities in positions without affordable employer-based health care insurance; and

12 Whereas, the State of North Carolina has the capacity to provide these essential
13 workers and their families the basic supports needed to remain healthy; and

14 Whereas, providing Medicaid coverage for essential workers with incomes up to
15 133% of the federal poverty level will allow the State to draw down millions of federal funds
16 with a 90% federal medical assistance percentage (FMAP); and

17 Whereas, a hospital provider assessment will pay for the additional 10% State share
18 of the program and administrative costs associated with this Medicaid coverage, resulting in no
19 direct cost to the State; and

20 Whereas, providing Medicaid coverage for all North Carolinians with incomes up to
21 133% of the federal poverty level will ensure a greater access to quality health care; Now,
22 therefore,

23 The General Assembly of North Carolina enacts:

24 **SECTION 1.** Repeal of Prohibition on Closing the Coverage Gap. – Section 3 of
25 S.L. 2013-5 is repealed.

26 **SECTION 2.(a)** Article 2 of Chapter 108A of the General Statutes is amended by
27 adding a new section to read:

28 "**§ 108A-54.3B. Benefits provided to qualified individuals in the Medicaid coverage gap.**

29 (a) Individuals shall be considered part of the Medicaid coverage gap and eligible for
30 Medicaid benefits under this section if all of the following requirements are met:

31 (1) The individual has a modified adjusted gross income that is at or below one
32 hundred thirty-three percent (133%) of the federal poverty level.

33 (2) The individual is age 19 or older and under age 65.

34 (3) The individual is not entitled to or enrolled in Medicare benefits under Part A
35 or Part B of Title XVIII of the federal Social Security Act.



1 (4) The individual is not otherwise eligible for Medicaid coverage under the North
2 Carolina State Plan as it existed on January 1, 2020.

3 (b) Beneficiaries eligible for the Medicaid program under this section shall receive
4 benefits through an Alternative Benefit Plan that is established by the Department consistent with
5 federal requirements, unless that beneficiary is exempt from mandatory enrollment in an
6 Alternative Benefit Plan under 42 C.F.R. § 440.315.

7 (c) Co-payments for benefits provided under the Alternative Benefit Plan required by
8 subsection (b) of this section shall be the same as co-payments required for Medicaid
9 beneficiaries not under the Alternative Benefit Plan."

10 **SECTION 2.(b)** The Department of Health and Human Services is directed to
11 provide coverage for individuals who are eligible for Medicaid benefits under G.S. 108A-54.3B
12 in a manner consistent with S.L. 2015-245, as amended.

13 **SECTION 2.(c)** This section is effective on the date that capitated coverage as
14 required under S.L. 2015-245, as amended, begins. The Secretary of the Department of Health
15 and Human Services shall report to the Revisor of Statutes when the provision of capitated
16 coverage as required by S.L. 2015-245 has commenced.

17 **SECTION 3.** Medicaid Coverage Gap Assessment. – Consistent with Section 9 of
18 S.L. 2015-245, as amended by Section 2(e) of S.L. 2016-121, and with Section 9(a) of S.L.
19 2018-49, it is the intent of the General Assembly to enact legislation during the 2019 Regular
20 Session that will replace the Hospital Provider Assessment Act in Article 7 of Chapter 108A of
21 the General Statutes with a similar hospital provider assessment. In developing this similar
22 hospital provider assessment, it is the intent of the General Assembly to further impose upon
23 these same hospital providers a Medicaid Coverage Gap Assessment that will pay for the State
24 share of the program and administrative costs associated with Medicaid expansion.

25 **SECTION 4.** The sum of two hundred fifty thousand dollars (\$250,000) in
26 nonrecurring funds for the 2019-2020 fiscal year is appropriated from the General Fund to the
27 Department of Health and Human Services, Division of Health Benefits, for planning and
28 preparation related to implementation of the Medicaid coverage in this act. If these funds are
29 unexpended or unencumbered on June 30, 2020, then the funds shall not revert to the General
30 Fund but shall remain available for the purposes authorized in this act and as provided under
31 federal law.

32 **SECTION 5.** Except as otherwise provided, this act is effective when it becomes
33 law.