

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 4*
Committee Substitute Adopted 1/31/13
PROPOSED HOUSE COMMITTEE SUBSTITUTE S4-PCS15053-ME-2

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

(Public)

Sponsors:

Referred to:

January 31, 2013

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 23.3 of S.L. 2011-145, created by Section 49 of S.L. 2011-391, is repealed.

SECTION 1.(b) G.S. 58-2-40(10) is repealed.

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

SECTION 1.(d) The Department of Insurance and Department of Health and Human Services shall cease all expenditures funded by the following Exchange-related grants from the federal government: (i) Exchange Planning Grant and (ii) Level One Cooperative Agreement Establishment Grant. The Departments shall review all grant-related expenditures that preceded the effective date of this act and shall, to the extent possible, draw down grant funds sufficient to reimburse the State for any unpaid expenditures allowed under the grants. The Department of Insurance shall notify the Secretary of United States Department of Health and Human Services that the State will no longer be drawing down Exchange-related grant funds. It is not the intent of this section to impact any grant funding for premium review.

SECTION 2. The Department of Health and Human Services shall ensure that the North Carolina Families Accessing Services through Technology (NC FAST) information technology system can provide Medicaid eligibility determinations for the federally facilitated Health Benefit Exchange that will operate in North Carolina and shall provide such determinations for the Exchange. If (i) funds for a State match are available from prior



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1 appropriations for NC FAST and (ii) the total amount of State matching funds does not exceed
2 five million dollars (\$5,000,000), then the Department shall seek available 90/10 Medicaid
3 funding for NC FAST's ability to provide Medicaid eligibility determinations for the federally
4 facilitated Health Benefit Exchange. Such Medicaid funding for NC FAST obtained during
5 fiscal year 2012-2013 is not subject to the consultation requirements of Section 5.2 of S.L.
6 2011-145.

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

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