

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 980
Committee Substitute Favorable 5/16/13
PROPOSED SENATE COMMITTEE SUBSTITUTE H980-PCS70436-LE-13

Short Title: Medicaid/2012-2013 Additional Appropriations.

(Public)

Sponsors:

Referred to:

April 18, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE ADDITIONAL FUNDING IN THE STATE MEDICAID PROGRAM
3 FOR THE 2012-2013 FISCAL YEAR.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Notwithstanding G.S. 143C-6-4 or any other provision of law, in
6 order to ensure that there is adequate funding in the Medicaid budget for the 2012-2013 fiscal
7 year, the General Assembly directs the Director of the Budget, in conjunction with the State
8 Controller and other necessary State officials, to effectuate the budget adjustments authorized
9 in Section 2 of this act in an amount not to exceed four hundred fifty-one million dollars
10 (\$451,000,000) to cover a projected budget shortfall of three hundred thirty-three million
11 dollars (\$333,000,000) and the repayment of Medicaid federal drug rebates in the amount of
12 one hundred eighteen million dollars (\$118,000,000).

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

- 17 (1) Use the sum of seventy-four million dollars (\$74,000,000) from drug rebate
18 refunds within the Division of Medical Assistance. These funds are hereby
19 appropriated.
- 20 (2) Transfer the sum of twenty million nine hundred thousand dollars
21 (\$20,900,000) from State appropriations not expended pursuant to Section
22 10.9G of S.L. 2012-142.
- 23 (3) Transfer a minimum of forty-eight million dollars (\$48,000,000) from
24 projected reversions within the Department of Health and Human Services,
25 including any unspent or unobligated State appropriations from the
26 Transitions to Community Living Fund. However, before these projected
27 reversions may be expended, all payments required under Section 10.23A(f)
28 of S.L. 2012-142 and S.L. 2013-5 must be made.
- 29 (4) Use the sum of two hundred thirteen million four hundred thirty-two
30 thousand eight hundred seventy-eight dollars (\$213,432,878) from the June
31 30, 2012, unreserved fund balance. These funds are hereby appropriated.
- 32 (5) Transfer of projected revenue overcollections for the 2012-2013 fiscal year
33 in the amount of up to ninety-four million six hundred sixty-seven thousand
34 one hundred twenty-two dollars (\$94,667,122). These funds are hereby
35 appropriated.



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

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

11 **SECTION 5.** Notwithstanding the adjustments authorized by this act, the Office of
12 State Budget and Management shall maximize 2012-2013 fiscal year General Fund reversions
13 from all State agencies and departments in order to increase the June 30 unreserved fund
14 balance in the General Fund.

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

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