

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 4*
Committee Substitute Adopted 1/31/13
House Committee Substitute Favorable 2/12/13
Proposed Conference Committee Substitute S4-PCCS15070-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SECTION 1.(a) Section 23.3 of S.L. 2011-145, created by Section 49 of S.L. 2011-391, is repealed.

SECTION 1.(b) G.S. 58-2-40(10) is repealed.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 expenditures allowed under the grants. Up to eleven million dollars (\$11,000,000) of funds from an Exchange-related grant that was awarded in 2013 are hereby appropriated to the Department of Insurance for fiscal year 2012-2013 to reimburse the State for expenses that are allowed under the grant for either of the following:

- (1) Technology and personnel expenses that were incurred prior to the effective date of this act.



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- 1 (2) Personnel expenses, if any, that (i) are associated with ceasing the
2 expenditures funded by the Exchange-related grants and (ii) occurred after
3 the effective date of this act.

4 The Department of Insurance shall notify the Secretary of the United States
5 Department of Health and Human Services that the State will no longer be drawing down
6 Exchange-related grant funds. It is not the intent of this section to impact any grant funding for
7 premium review.

8 **SECTION 2.** The Department of Health and Human Services shall ensure that the
9 North Carolina Families Accessing Services through Technology (NC FAST) information
10 technology system can provide Medicaid eligibility determinations for the federally facilitated
11 Health Benefit Exchange that will operate in North Carolina and shall provide such
12 determinations for the Exchange. If (i) funds for a State match are available from existing
13 appropriations for NC FAST and (ii) the total amount of State matching funds does not exceed
14 five million dollars (\$5,000,000), then the Department shall seek available 90/10 Medicaid
15 funding for NC FAST's ability to provide Medicaid eligibility determinations for the federally
16 facilitated Health Benefit Exchange. Such Medicaid funding for NC FAST obtained during
17 fiscal year 2012-2013 is hereby appropriated to the Department for fiscal year 2012-2013 to
18 develop NC FAST's ability to provide Medicaid eligibility determinations for the federally
19 facilitated Health Benefit Exchange.

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

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