

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

**H.B 1073**  
**May 10, 2016**  
**HOUSE PRINCIPAL CLERK**

H

D

**HOUSE BILL DRH10518-MRa-23 (04/23)**

Short Title: Expand Medicaid Eligibility. (Public)

Sponsors: Representatives Ager, Insko, Harrison, and Fisher (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO EXPAND ELIGIBILITY FOR THE MEDICAID PROGRAM TO INCLUDE ALL PEOPLE UNDER AGE SIXTY-FIVE WHO HAVE INCOMES EQUAL TO OR BELOW ONE HUNDRED THIRTY-THREE PERCENT OF THE FEDERAL POVERTY LEVEL, TO APPROPRIATE FUNDS FOR COSTS ASSOCIATED WITH THE EXPANSION, AND TO ACCOUNT FOR THE SAVINGS TO OTHER STATE PROGRAMS AS A RESULT OF THE EXPANSION.

Whereas, Medicaid expansion would create positive economic benefits for the State of North Carolina by allowing our citizens' federal tax dollars to flow back into our State, and the value of these new federal dollars is estimated at \$2,500,000,000 for this budget biennium; and

Whereas, Medicaid expansion would create thousands of new health care jobs to serve the estimated 500,000 citizens covered by this expansion; and

Whereas, the economic benefits of Medicaid expansion would extend beyond the health care industry into the broader economy, and this "ripple effect" will also create thousands of new jobs; and

Whereas, the increase in new jobs and new taxpayers and the subsequent increase in income and sales and use taxes payable to the State is estimated to more than cover the State's cost of this expansion; and

Whereas, the new Medicaid expansion dollars are critical to the financial viability of our hospitals, and our rural hospitals; especially, are essential to the health and quality of life and economic viability of the communities they serve; Now, therefore,

The General Assembly of North Carolina enacts:

**SECTION 1.** Repeal of Prohibition on Medicaid Expansion. – Section 3 of S.L. 2013-5 is repealed.

**SECTION 2.** Medicaid Expansion Required. – Effective January 1, 2017, the Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to all people under age 65 who have incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines. The medical assistance provided to persons in this Affordable Care Act expansion group shall consist of the coverage described in 42 U.S.C. § 1396a(k)(1).

**SECTION 3.** Appropriation to Pay for Administrative Costs. – There is appropriated from the General Fund to the Department of Health and Human Services, Division of Medical Assistance, the sum of seven million eight thousand seven hundred five dollars (\$7,008,705) in recurring funds for the 2016-2017 fiscal year for administrative costs associated with the Medicaid expansion required by Section 2 of this act. These funds shall provide a State match for an estimated twenty-one million twenty-six thousand one hundred sixteen dollars (\$21,026,116) in



1 federal funds for the 2016-2017 fiscal year, and those federal funds are hereby appropriated to pay  
2 administrative costs associated with the Medicaid expansion required by Section 2 of this act. If  
3 the amount of federal funds available for this purpose exceeds the amounts set forth in this section,  
4 then the expenditure of State funds for this purpose shall be reduced by an amount equal to the  
5 amount of excess federal funds that are available, and these excess federal funds are hereby  
6 appropriated for the purposes described in this section.

7 **SECTION 4.** Appropriation to Pay for Medicaid Services Costs. – The expansion of  
8 Medicaid services under this act will affect only half of the 2016-2017 fiscal year. There is  
9 appropriated from the General Fund to the Department of Health and Human Services, Division of  
10 Medical Assistance, the sum of forty-seven million six hundred thirty-two thousand two hundred  
11 forty dollars (\$47,632,240) in recurring funds for the 2016-2017 fiscal year as part of the Medicaid  
12 rebase. These funds shall provide a State match for an estimated one billion two hundred  
13 twenty-two million five hundred sixty thousand eight hundred twenty-two dollars  
14 (\$1,222,560,822) in federal funds in the 2016-2017 fiscal year, and those federal funds are hereby  
15 appropriated to the Division of Medical Assistance to pay for Medicaid services.

16 **SECTION 5.** Reductions to Reflect Savings in Other State Programs. – Because the  
17 Medicaid expansion required by this act will generate savings to other State programs that  
18 currently serve the population to be included in the Medicaid expansion, the following reductions  
19 are made:

- 20 (1) Since the expansion of Medicaid services under this act will affect only half of  
21 the 2016-2017 fiscal year, the appropriation to the Department of Health and  
22 Human Services, Division of Mental Health, is hereby reduced by eight million  
23 one hundred eighty-five thousand nine hundred ninety-seven dollars  
24 (\$8,185,997) in recurring funds for the 2016-2017 fiscal year.
- 25 (2) Since the expansion of Medicaid services under this act will affect only half of  
26 the 2016-2017 fiscal year, the appropriation for the AIDS Drug Assistance  
27 Program (ADAP) in the Department of Health and Human Services, Division  
28 of Public Health, is hereby reduced by fourteen million three hundred eight  
29 thousand six hundred twenty-three dollars (\$14,308,623) in recurring funds for  
30 the 2016-2017 fiscal year.
- 31 (3) Since the expansion of Medicaid services under this act will affect only half of  
32 the 2016-2017 fiscal year, the appropriation for the Inmate Health Care  
33 program within the Department of Public Safety, Division of Adult Correction,  
34 is hereby reduced by eight million five hundred thousand dollars (\$8,500,000)  
35 in recurring funds for the 2016-2017 fiscal year.

36 **SECTION 6.** Effective Date. – This act becomes effective July 1, 2016.