

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

H.B. 573  
Apr 14, 2021  
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH40297-MR-90

Short Title: NC Medicaid & SNAP Program Integrity Reform. (Public)

Sponsors: Representative Stevens.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ADDRESS MEDICAID ELIGIBILITY DETERMINATIONS AND  
3 MONITORING WHEN THERE ARE FEDERAL RESTRICTIONS OR LIMITATIONS  
4 PREVENTING THE STATE FROM DISENROLLING CERTAIN INDIVIDUALS FROM  
5 THE MEDICAID PROGRAM, TO ESTABLISH STANDARDS FOR QUALIFIED  
6 HOSPITALS ABLE TO MAKE PRESUMPTIVE ELIGIBILITY DETERMINATIONS  
7 FOR THE MEDICAID PROGRAM, TO REQUIRE APPLICANTS FOR FOOD AND  
8 NUTRITION SERVICES BENEFITS TO COOPERATE WITH THE CHILD SUPPORT  
9 ENFORCEMENT PROGRAM AS A CONDITION OF ELIGIBILITY FOR BENEFITS  
10 AND REPORT ANY CHANGE IN CIRCUMSTANCES TO ALLOW RE-VERIFICATION  
11 OF ELIGIBILITY AND TO LIMIT THE MEANS BY WHICH A PERSON MAY BE  
12 GRANTED CATEGORICAL ELIGIBILITY FOR PURPOSES OF RECEIVING FOOD  
13 AND NUTRITION SERVICES BENEFITS UNDER THE SUPPLEMENTAL  
14 NUTRITION AND ASSISTANCE PROGRAM (SNAP).

15 The General Assembly of North Carolina enacts:

16  
17 **PART I. REFORMS TO ELIGIBILITY MONITORING FOR THE NORTH CAROLINA**  
18 **MEDICAID PROGRAM**

19 **SECTION 1.(a)** G.S. 108A-55.5 reads as rewritten:

20 "**§ 108A-55.5. Eligibility monitoring for medical assistance.**

21 (a) On at least a ~~quarterly~~-monthly basis, the Department shall review information  
22 concerning changes in circumstances that may affect medical assistance beneficiaries' eligibility  
23 to receive medical assistance benefits. The Department shall share the information directly with,  
24 or make the information available to, the county department of social services that determined  
25 the beneficiary's eligibility.

26 ...."

27 **SECTION 1.(b)** Part 6 of Article 2 of Chapter 108A of the General Statutes is  
28 amended by adding a new section to read:

29 "**§ 108A-55.6. Redeterminations for medical assistance when certain federal restrictions or**  
30 **limitations are placed upon the State.**

31 (a) If the State receives federal funding for medical assistance that is contingent upon  
32 temporary maintenance of effort restrictions or that in any way limits the ability of the State to  
33 disenroll individuals from the State's medical assistance program, then the Department shall  
34 direct county departments of social services to do both of the following:



- 1           (1) Continue to conduct redeterminations of eligibility for medical assistance in  
2 the same manner in which the redeterminations were conducted prior to the  
3 restrictions or limitations.
- 4           (2) Act on redeterminations to the fullest extent permissible under the law.
- 5       (b) Within 60 days of the expiration of the restrictions or limitations under subsection (a)  
6 of this section, the Department shall complete a full audit in which the Department shall do all  
7 of the following:
- 8           (1) Ensure that counties complete and act upon eligibility redeterminations for all  
9 cases that have not had a redetermination within the last 12 months.
- 10          (2) Request approval from the Centers for Medicare and Medicaid Services for  
11 the authority to conduct and act upon eligibility redeterminations for each  
12 beneficiary enrolled during the period of restriction or limitation who had been  
13 enrolled for more than three total months. Within 60 days of receipt of that  
14 approval, the Department shall ensure all counties have completed and acted  
15 on the redeterminations.
- 16          (3) Carry out all eligibility monitoring activities required under G.S. 108A-55.5  
17 and take the required action, if applicable.
- 18          (4) Submit a summary report of the audit to the Joint Legislative Oversight  
19 Committee on Medicaid and NC Health Choice."

20       **SECTION 1.(c)** This section becomes effective October 1, 2021, and applies to any  
21 applicable restrictions or limitations placed upon the North Carolina Medicaid program on or  
22 after that date.

## 23

## 24 **PART II. REFORMS TO PRESUMPTIVE ELIGIBILITY FOR MEDICAID BENEFITS**

25       **SECTION 2.(a)** Part 6 of Article 2 of Chapter 108A of the General Statutes is  
26 amended by adding a new section to read:

### 27 **"§ 108A-55.7. Hospital presumptive eligibility.**

28       (a) Unless required under federal law, the Department and any county department of  
29 social services may not be designated as a qualified entity for the purpose of making presumptive  
30 eligibility determinations for Medicaid coverage.

31       (b) For the purposes of this section, "qualified hospital" has the same meaning as under  
32 42 C.F.R. § 1110.

33       (c) When a qualified hospital makes a presumptive eligibility determination, it is the  
34 responsibility of the hospital to do all of the following:

- 35           (1) Notify the Department of each presumptive eligibility determination within  
36 five business days from the date on which the determination was made.
- 37           (2) Assist individuals determined to be presumptively eligible for Medicaid  
38 coverage with completing and submitting a full application for Medicaid  
39 benefits.
- 40           (3) Provide the following written notification, in plain language and large print,  
41 to the applicant:
- 42               a. Failure to properly submit a full application for Medicaid benefits  
43 before the last day of the month following the date the individual is  
44 determined to be presumptively eligible for Medicaid benefits will  
45 result in termination.
- 46               b. If a full application for Medicaid benefits is properly submitted before  
47 the last day of the month following the date the individual is  
48 determined to be presumptively eligible for Medicaid benefits, then  
49 the presumptive eligibility will continue until an eligibility  
50 determination is made on the submitted application.

1       (d)    The Department shall establish standards to ensure accurate presumptive eligibility  
2 determinations are made by each qualified hospital. These standards shall be related to all of the  
3 following measures:

4           (1)   Receipt by the Department of the Medicaid presumptive eligibility card within  
5 five business days from the determination date.

6           (2)   The proportion of individuals determined presumptively eligible for medical  
7 assistance benefits by the qualified hospital who submit a full application for  
8 benefits before the end of the presumptive eligibility period.

9           (3)   The proportion of individuals determined presumptively eligible for medical  
10 assistance benefits by the qualified hospital who are eligible for medical  
11 assistance benefits based on a submitted full application for benefits.

12       (e)    If a qualified hospital fails to meet any of the standards established by the Department  
13 under this section, then the Department shall notify the hospital in writing within five days from  
14 the date on which the Department determined the standard was not met. Notification shall include  
15 all of the following:

16           (1)   A description of the standard that was not met and an explanation of why the  
17 Department determined the hospital failed to meet that standard.

18           (2)   The process by which a qualified hospital may dispute the finding of failure  
19 to meet an established standard.

20           (3)   The following information, as applicable:

21           a.     If it is the first occurrence of a failure to the standards, then the  
22 Department shall provide a statement that if there is a second finding  
23 of failure to meet any established standard, then all applicable hospital  
24 staff shall be required to participate in mandatory presumptive  
25 eligibility training provided by the Department.

26           b.     If it is the second occurrence of a failure to meet the standards, then  
27 the Department shall provide (i) the date, time, and location of the  
28 mandatory presumptive eligibility training that will be provided by the  
29 Department to all applicable hospital staff and (ii) a statement that if  
30 there is a third finding of failure to meet any established standard, then  
31 the hospital will be disqualified from making presumptive eligibility  
32 determinations under 42 C.F.R. § 1110(d).

33           c.     If it is the third occurrence of a failure to meet the standards, then the  
34 Department shall provide notice that, effective immediately, the  
35 hospital is disqualified in accordance with subsection (f) of this  
36 section.

37       (f)    If a qualified hospital fails to meet any of the standards established by the Department  
38 under this section more than twice, then that hospital shall be disqualified under 42 C.F.R. §  
39 1110(d) and shall no longer be eligible to make presumptive eligibility determinations of any  
40 kind."

41           **SECTION 2.(b)** This section becomes effective October 1, 2021, and applies to  
42 presumptive eligibility determinations made on or after that date.

43  
44 **PART III. REFORMS RELATED TO FOOD AND NUTRITION SERVICES BENEFITS**  
45 **UNDER THE SUPPLEMENTAL NUTRITION AND ASSISTANCE PROGRAM (SNAP)**

46           **SECTION 3.(a)** Part 5 of Article 2 of Chapter 108A of the General Statutes is  
47 amended by adding the following new sections to read:

48 **"§ 108A-52.1. Cooperation with child support program as a condition of eligibility.**

49           The Department shall require applicants for electronic food and nutrition benefits to  
50 cooperate with the Child Support Enforcement Program in accordance with Article 9 of Chapter

1 110 of the General Statutes as a condition of eligibility for food and nutrition benefits pursuant  
2 to 7 C.F.R. § 273.11(o) and (p).

3 **"§ 108A-52.2. Reporting requirement.**

4 Any person who is eligible to receive electronic food and nutrition benefits under this Part  
5 shall report to the Department any change in circumstances, including, but not limited to, changes  
6 in income or residency, within 10 days from the date of the change to allow the Department to  
7 re-verify the person's eligibility.

8 **"§ 108A-52.3. Limitation on categorical eligibility.**

9 Notwithstanding any provision of law to the contrary, the Department shall not grant a person  
10 categorical eligibility under 7 U.S.C. § 2014(a) for the food and nutrition services program based  
11 on noncash, in-kind, or other benefits unless expressly required by federal law."

12 **SECTION 3.(b)** This section becomes effective January 1, 2022.

13  
14 **PART IV. EFFECTIVE DATE**

15 **SECTION 4.** Except as otherwise provided, this act is effective when it becomes  
16 law.