

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL DRS45312-MRa-80

Short Title: Support Our Direct Care Workforce. (Public)

Sponsors: Senator Moffitt (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE A MEDICAID RATE INCREASE TO BE USED TO SUPPORT THE
3 DIRECT CARE WORKFORCE.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** Medicaid Rate Increase for Certain Providers. – Effective October
6 1, 2023, and upon approval of the Centers for Medicare and Medicaid Services, the Department
7 of Health and Human Services, Division of Health Benefits (DHB), shall provide a rate increase
8 to the following Medicaid providers for services related to the provision of direct care to
9 Medicaid beneficiaries:

- 10 (1) Providers who provide services through the following Medicaid waiver
11 programs:
12 a. The Community Alternatives Program for Children (CAP/C).
13 b. The Community Alternatives Program for Disabled Adults
14 (CAP/DA).
15 c. The North Carolina Innovations waiver.
16 d. The Traumatic Brain Injury (TBI) waiver.
17 (2) Personal care services (PCS) providers.
18 (3) Intermediate care facilities for individuals with intellectual disabilities
19 (ICF/IIDs), including ICF/IID-level group homes.
20 (4) Home health providers.
21 (5) Nursing homes.
22 (6) Behavioral health residential facilities, including Level III and Level IV
23 residential treatment facilities, psychiatric residential treatment facilities
24 (PRTFs), medical management and crisis stabilization facilities, and facilities
25 providing inpatient substance use disorder treatment.

26 **SECTION 1.(b)** Wage Increase for Direct Care Workers. – Any provider receiving
27 a rate increase under this section shall be required to use at least eighty percent (80%) of the
28 funding that results from that rate increase to increase the wages paid to its direct care employees.
29 This wage increase shall be provided in addition to the rate of pay each employee was receiving
30 as of September 30, 2023.

31 **SECTION 1.(c)** Capitation Rate Adjustments. – Upon implementation of the rate
32 increase under subsection (a) of this section, the Department of Health and Human Services,
33 Division of Health Benefits, shall adjust the per member per month (PMPM) capitation amount
34 paid to local management entities/managed care organizations (LME/MCOs) and to prepaid
35 health plans (PHPs), as defined under G.S. 108D-1. These capitation rate adjustments shall
36 include amounts sufficient to implement the same rate increase for providers paid by the



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1 LME/MCO or PHP as paid to providers under the Medicaid fee-for-service program, and all
2 LME/MCOs and PHPs shall be required to implement that rate increase. Providers receiving a
3 rate increase under this section shall be subject to the requirements of this act whether paid by an
4 LME/MCO, PHP, or DHB.

5 **SECTION 1.(d) Provider Attestation.** – All providers receiving a rate increase under
6 this section shall attest and provide verification that at least eighty percent (80%) of the funding
7 that results from that rate increase is being used to increase the wages paid to its direct care
8 employees. Providers shall keep documentation of this use, and DHB, LME/MCOs, and PHPs
9 may require verifiable methods of accounting, such as payroll-based journals.

10 **SECTION 2. Appropriations.** – Effective July 1, 2023, there is appropriated from
11 the General Fund to the Department of Health and Human Services, Division of Health Benefits
12 (DHB), the sum of one hundred eighty-seven million five hundred thousand dollars
13 (\$187,500,000) in recurring funds for the 2023-2024 fiscal year and the sum of two hundred fifty
14 million dollars (\$250,000,000) in recurring funds for the 2024-2025 fiscal year to be used to
15 implement this act. These funds shall provide a State match for three hundred fifty-four million
16 five hundred thousand dollars (\$354,500,000) in recurring federal funds for the 2023-2024 fiscal
17 year and four hundred eighty-three million dollars (\$483,000,000) in recurring federal funds for
18 the 2024-2025 fiscal year, and those federal funds are appropriated to DHB to be used for costs
19 associated with the implementation of this act.

20 **SECTION 3. Recoupment of Funds.** – In addition to other allowable reasons for
21 recoupment of funds, DHB may recoup part or all of the funds related to the rate increase received
22 by a provider pursuant to this act if DHB determines that the provider did not use at least eighty
23 percent (80%) of the funding that results from that rate increase to increase the wages paid to its
24 direct care employees.

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