

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 546
Committee Substitute Favorable 4/15/25
PROPOSED SENATE COMMITTEE SUBSTITUTE H546-PCS30459-TRxfr-4

Short Title: Medicaid Modernization.

(Public)

Sponsors:

Referred to:

March 31, 2025

1 A BILL TO BE ENTITLED
2 AN ACT TO MODERNIZE VARIOUS LAWS PERTAINING TO THE MEDICAID
3 PROGRAM.

4 The General Assembly of North Carolina enacts:

5
6 **PART I. JUSTICE-RELATED MEDICAID CHANGES**

7 **SECTION 1.1.(a)** The Department of Health and Human Services, Division of
8 Health Benefits (DHB), is directed, in coordination with a working group of stakeholders
9 established by DHB, to develop a team-based care coordination Medicaid service that includes,
10 at a minimum, screening for alcohol use disorder, opioid use disorder, and other mild to moderate
11 substance use disorders; prescription medications for opioid use disorder and alcohol use
12 disorder; recovery support; and case management.

13 **SECTION 1.1.(b)** No later than October 1, 2025, the Department of Health and
14 Human Services, Division of Health Benefits, shall submit a report to the Joint Legislative
15 Oversight Committee on Medicaid and the Fiscal Research Division containing details on the
16 new Medicaid service developed in accordance with this section. The report shall include all of
17 the following:

- 18 (1) The State share of the cost of the service.
19 (2) The intended start date for the coverage of the service.
20 (3) The types of PHP capitated contracts that will cover the service and any
21 related proposed statutory changes to Article 4 of Chapter 108D of the General
22 Statutes.

23 **SECTION 1.1.(c)** The Department of Health and Human Services, Division of
24 Health Benefits, is directed to develop a statewide campaign to (i) educate health care providers
25 and community leaders about any changes made to the Medicaid program related to the treatment
26 of alcohol use disorder, opioid use disorder, and other mild to moderate substance use disorders,
27 (ii) train interested providers in clinical care for alcohol use disorder, opioid use disorder, and
28 other mild to moderate substance use disorders, and (iii) encourage substance use disorder
29 provider participation in the Medicaid program.

30 **SECTION 1.2.** The Department of Health and Human Services (DHHS), Division
31 of Health Benefits, shall continue to implement its policy changes to suspend, rather than
32 terminate, Medicaid benefits upon a Medicaid beneficiary's incarceration, as required by the
33 federal Consolidated Appropriations Act, 2024, P.L. 118-42. No later than October 1, 2025,
34 DHHS shall submit to the Joint Legislative Oversight Committee on Medicaid and the Fiscal
35 Research Division a report on (i) DHHS's progress implementing the automated process in the



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1 NCFAST eligibility information system that allows data sharing between county jails and DHHS
2 and (ii) any ongoing challenges to meeting the federal requirement to suspend, rather than
3 terminate, Medicaid benefits upon a Medicaid beneficiary's incarceration.

4 **SECTION 1.3.** Except as otherwise provided, this Part is effective when this act
5 becomes law.

6 7 **PART II. EXPEDIENT IMPLEMENTATION OF MEDICAID WORK** 8 **REQUIREMENTS**

9 **SECTION 2.1.(a)** Section 2.4 of S.L. 2023-7 reads as rewritten:

10 "**SECTION 2.4.** If there is any indication that work requirements as a condition of
11 participation in the Medicaid program may be authorized by the Centers for Medicare and
12 Medicaid Services (CMS), then the Department of Health and Human Services, Division of
13 Health Benefits (DHB), shall enter into negotiations with CMS to develop a plan for those work
14 requirements and to obtain approval of that plan. Within 30 days of entering into negotiations
15 with CMS pursuant to this section, DHB shall notify, in writing, the Joint Legislative Oversight
16 Committee on Medicaid (JLOC) and the Fiscal Research Division (FRD) of these negotiations.
17 Within 30 days of approval by CMS of a plan for work requirements as a condition of
18 participation in the Medicaid program, DHB shall submit a report to JLOC and FRD containing
19 the full details of the approved work requirements, including the approved date of
20 implementation of the requirements and any funding necessary to implement or maintain the
21 requirements. Notwithstanding any provision of G.S. 108A-54.3A to the contrary, the
22 Department of Health and Human Services shall implement any work requirements as a condition
23 of participation in the Medicaid program approved by the Centers for Medicare and Medicaid
24 Services in accordance with this section."

25 **SECTION 2.1.(b)** This section is effective when this act becomes law.

26 27 **PART III. TELEHEALTH SERVICE PROVIDER ELIGIBILITY**

28 **SECTION 3.1.(a)** The Department of Health and Human Services, Division of
29 Health Benefits, shall ensure that a health care provider duly licensed by the State that provides
30 health care services exclusively through telehealth services shall not be required to maintain a
31 physical presence in the State to be considered an eligible provider for enrollment as a Medicaid
32 provider.

33 **SECTION 3.1.(b)** The Department of Health and Human Services, Division of
34 Health Benefits, shall ensure that a health care provider group with health care providers duly
35 licensed by the State which exclusively offers telehealth services shall not be required to have an
36 in-State service address to be eligible to enroll as a Medicaid provider group.

37 **SECTION 3.1.(c)** This section is effective when this act becomes law.

38 39 **PART IV. CHILDREN AND FAMILIES SPECIALTY PLAN**

40 **SECTION 4.1.(a)** Section 9E.22(a) of S.L. 2023-134 reads as rewritten:

41 "**SECTION 9E.22.(a)** The Department of Health and Human Services (DHHS) shall issue
42 an initial request for proposals (RFP) to procure a single statewide children and families (CAF)
43 specialty plan contract with services to begin to individuals described in G.S. 108D-40(a)(14) no
44 later than December 1, ~~2024.~~ 2025. The RFP shall be subject to the requirements in
45 G.S. 108D-62, as enacted by subsection (k) of this section. DHHS shall define the services
46 available under the CAF specialty plan and the Medicaid beneficiaries who are eligible to enroll
47 in the CAF specialty plan, except as otherwise specified in this act or in law. For the purposes of
48 this section, the CAF specialty plan shall be as defined under G.S. 108D-1, as amended by
49 subsection (c) of this section."

50 **SECTION 4.1.(b)** G.S. 108D-40(a)(14) reads as rewritten:

"(14) Until the CAF specialty plan becomes operational, recipients who are (i) children enrolled in foster care in this State, (ii) receiving adoption assistance, or (iii) former foster care youth ~~until they reach the age of 26, who are eligible for Medicaid under G.S. 108A-54.3A(a)(8).~~ When the CAF specialty plan becomes operational, recipients described in this subdivision will be enrolled in accordance with G.S. 108D-62."

SECTION 4.1.(c) This section is effective when this act becomes law.

PART V. CONTINUE MEDICAID COVERAGE FOR PREGNANT WOMEN FOR TWELVE MONTHS POSTPARTUM

SECTION 5.1.(a) Section 9D.13(c) of S.L. 2021-180 is repealed.

SECTION 5.1.(b) G.S. 108A-146.5 reads as rewritten:

"§ 108A-146.5. Aggregate modernized assessment collection amount.

(a) The aggregate modernized assessment collection amount is an amount of money that is calculated by subtracting the modernized intergovernmental transfer adjustment component under G.S. 108A-146.13 from the total modernized nonfederal receipts under subsection (b) of this section and then adding the positive or negative amount of the modernized IGT actual receipts adjustment component under G.S. 108A-146.14.

(b) The total modernized nonfederal receipts is the sum of all of the following:

- (1) One-fourth of the State's annual Medicaid payment.
- (2) The managed care component under G.S. 108A-146.7.
- (3) The fee-for-service component under G.S. 108A-146.9.
- (3a) The modernized HASP component under G.S. 108A-146.10.
- (4) The GME component under G.S. 108A-146.11.
- (5) Beginning April 1, 2022, ~~and ending March 31, 2027,~~ the postpartum coverage component under G.S. 108A-146.12.
- (6) Beginning April 1, 2024, the home and community-based services component under G.S. 108A-146.12A."

SECTION 5.1.(c) This section is effective when this act becomes law.

PART VI. MEDICAID HASP REIMBURSEMENT FOR PSYCHIATRIC HOSPITALS

SECTION 6.1.(a) G.S. 108A-148.1(a) reads as rewritten:

"(a) The healthcare access and stabilization program is a directed payment program that provides acute care hospitals with increased reimbursements funded through hospital assessments in accordance with this section. Upon the approval of CMS, the healthcare access and stabilization program directed payment program shall additionally provide qualifying freestanding psychiatric hospitals with increased reimbursements funded through hospital assessments. A qualifying freestanding psychiatric hospital is a freestanding psychiatric hospital as defined in G.S. 108A-145.3 that is Medicare-certified and submits Hospital Cost Report Information System cost report data to CMS."

SECTION 6.1.(b) The Department of Health and Human Services shall submit a 42 C.F.R. § 438.6(c) preprint requesting approval to include freestanding psychiatric hospitals in the healthcare access and stabilization program (HASP) authorized under G.S. 108A-148.1, as amended by subsection (a) of this section.

SECTION 6.1.(c) G.S. 108A-145.3 reads as rewritten:

"§ 108A-145.3. Definitions.

The following definitions apply in this Article:

...

- (6c) Freestanding psychiatric hospital. – A hospital facility that is (i) licensed under Article 2 of Chapter 122C of the General Statutes, (ii) primarily engaged in providing to inpatients, by or under the supervision of a physician,

1 psychiatric services for the diagnosis and treatment of individuals with mental
2 illnesses, and (iii) not State-owned and State-operated.

3 (6d) HASP directed payments. – Payments made by the Department to prepaid
4 health plans to be used for (i) increased reimbursements to hospitals under the
5 HASP program and (ii) the costs to prepaid health plans from the gross
6 premiums tax under G.S. 105-228.5 and the insurance regulatory charge under
7 G.S. 58-6-25 associated with those hospital reimbursements.

8 ~~(6d)~~(6e) Healthcare access and stabilization program (HASP). – The directed
9 payment program providing increased reimbursements to acute care hospitals
10 and freestanding psychiatric hospitals as approved by CMS and authorized by
11 G.S. 108A-148.1.

12"

13 **SECTION 6.1.(d)** G.S. 108A-146.1 reads as rewritten:

14 "**§ 108A-146.1. Public hospital modernized assessment.**

15 (a) The public hospital modernized assessment imposed under this Part shall apply to all
16 public acute care hospitals.

17 (b) The public hospital modernized assessment shall be assessed as a percentage of each
18 public acute care hospital's hospital costs. The assessment percentage shall be calculated
19 quarterly by the Department of Health and Human Services in accordance with this Part. The
20 percentage for each quarter shall equal the aggregate acute care hospital modernized assessment
21 collection amount under G.S. 108A-146.5 multiplied by the public hospital historical assessment
22 share and divided by the total hospital costs for all public acute care hospitals holding a license
23 on the first day of the assessment quarter."

24 **SECTION 6.1.(e)** G.S. 108A-146.3 reads as rewritten:

25 "**§ 108A-146.3. Private hospital modernized assessment.**

26 (a) The private hospital modernized assessment imposed under this Part shall apply to all
27 private acute care hospitals.

28 (b) The private hospital modernized assessment shall be assessed as a percentage of each
29 private acute care hospital's hospital costs. The assessment percentage shall be calculated
30 quarterly by the Department of Health and Human Services in accordance with this Part. The
31 percentage for each quarter shall equal the aggregate acute care hospital modernized assessment
32 collection amount under G.S. 108A-146.5 multiplied by the private hospital historical assessment
33 share and divided by the total hospital costs for all private acute care hospitals holding a license
34 on the first day of the assessment quarter."

35 **SECTION 6.1.(f)** Part 2 of Article 7B of Chapter 108A of the General Statutes is
36 amended by adding a new section to read:

37 "**§ 108A-146.4. Freestanding psychiatric hospital modernized assessment.**

38 (a) The freestanding psychiatric hospital modernized assessment imposed under this Part
39 shall apply to all freestanding psychiatric hospitals.

40 (b) The freestanding psychiatric hospital modernized assessment shall be assessed as a
41 percentage of each freestanding psychiatric hospital's hospital costs. The assessment percentage
42 shall be calculated quarterly by the Department of Health and Human Services in accordance
43 with this Part. The percentage for each quarter shall equal the modernized freestanding
44 psychiatric hospital HASP component under G.S. 108A-146.10A divided by the total hospital
45 costs for all freestanding psychiatric hospitals holding a license on the first day of the assessment
46 quarter."

47 **SECTION 6.1.(g)** G.S. 108A-146.5 reads as rewritten:

48 "**§ 108A-146.5. Aggregate acute care hospital modernized assessment collection amount.**

49 (a) The aggregate modernized assessment collection amount is an amount of money that
50 is calculated by subtracting the modernized intergovernmental transfer adjustment component
51 under G.S. 108A-146.13 from the total modernized nonfederal receipts under subsection (b) of

1 this section and then adding the positive or negative amount of the modernized IGT actual
2 receipts adjustment component under G.S. 108A-146.14.

3 (b) The total modernized nonfederal receipts is the sum of all of the following:

4 (1) One-fourth of the State's annual Medicaid payment.

5 (2) The managed care component under G.S. 108A-146.7.

6 (3) The fee-for-service component under G.S. 108A-146.9.

7 (3a) The modernized acute care hospital HASP component under
8 G.S. 108A-146.10.

9 (3b) The modernized freestanding psychiatric hospital HASP component under
10 G.S. 108A-146.10A.

11 (4) The GME component under G.S. 108A-146.11.

12 (5) Beginning April 1, 2022, and ending March 31, 2027, the postpartum
13 coverage component under G.S. 108A-146.12.

14 (6) Beginning April 1, 2024, the home and community-based services component
15 under G.S. 108A-146.12A.

16 (c) The aggregate acute care hospital modernized assessment collection amount is an
17 amount of money equal to the aggregate modernized assessment collection amount under
18 subsection (a) of this section minus the modernized freestanding psychiatric hospital HASP
19 component under G.S. 108A-146.10A."

20 **SECTION 6.1.(h)** G.S. 108A-146.10 reads as rewritten:

21 "**§ 108A-146.10. Modernized acute care hospital HASP component.**

22 The modernized acute care hospital HASP component is an amount of money that is
23 calculated each quarter by multiplying the aggregate amount of HASP directed payments due to
24 PHPs in the current quarter for hospital-reimbursements to acute care hospitals that are not
25 attributable to newly eligible individuals by the nonfederal share for not newly eligible
26 individuals."

27 **SECTION 6.1.(i)** Part 2 of Article 7B of Chapter 108A of the General Statutes is
28 amended by adding a new section to read:

29 "**§ 108A-146.10A. Modernized freestanding psychiatric hospital HASP component.**

30 The modernized freestanding psychiatric hospital HASP component is an amount of money
31 that is calculated each quarter by multiplying the aggregate amount of HASP directed payments
32 due to PHPs in the current quarter for reimbursements to freestanding psychiatric hospitals that
33 are not attributable to newly eligible individuals by the nonfederal share for not newly eligible
34 individuals."

35 **SECTION 6.1.(j)** G.S. 108A-146.13 reads as rewritten:

36 "**§ 108A-146.13. Modernized presumptive IGT adjustment component.**

37 ...

38 (c) The modernized presumptive IGT adjustment component is an amount of money
39 equal to the sum of all of the following subcomponents:

40 (1) The public hospital IGT subcomponent is the total of the following amounts:

41 a. Sixteen and forty-three hundredths percent (16.43%) of the amount of
42 money that is equal to the total modernized nonfederal receipts under
43 G.S. 108A-146.5(b) for the current quarter minus the modernized
44 acute care hospital HASP component under G.S. 108A-146.10 for the
45 current quarter and minus the modernized freestanding psychiatric
46 hospital HASP component under G.S. 108A-146.10A for the current
47 quarter.

48 b. Sixty percent (60%) of the nonfederal share for not newly eligible
49 individuals of the aggregate amount of HASP directed payments due
50 to PHPs in the current quarter for reimbursements to public acute care
51 hospitals and that are not attributable to newly eligible individuals.

- 1 (2) The UNC Health Care System IGT subcomponent is the total of the following
 2 amounts:
 3 a. Four and sixty-two hundredths percent (4.62%) of the ~~difference of~~
 4 amount of money that is equal to the total modernized nonfederal
 5 receipts under G.S. 108A-146.5(b) for the current quarter minus the
 6 modernized acute care hospital HASP component under
 7 G.S. 108A-146.10 for the current quarter and minus the modernized
 8 freestanding psychiatric hospital HASP component under
 9 G.S. 108A-146.10A for the current quarter.
 10 b. The nonfederal share for not newly eligible individuals of the
 11 aggregate amount of HASP directed payments due to PHPs in the
 12 current quarter for reimbursements to UNC Health Care System
 13 hospitals that are not attributable to newly eligible individuals.
- 14 (3) The East Carolina University IGT subcomponent is the total of the following
 15 amounts:
 16 a. One and four hundredths percent (1.04%) of the ~~difference of amount~~
 17 of money that is equal to the total modernized nonfederal receipts
 18 under G.S. 108A-146.5(b) for the current quarter minus the
 19 modernized acute care hospital HASP component under
 20 G.S. 108A-146.10 for the current quarter and minus the modernized
 21 freestanding psychiatric hospital HASP component under
 22 G.S. 108A-146.10A for the current quarter.
 23 b. The nonfederal share for not newly eligible individuals of the
 24 aggregate amount of HASP directed payments due to PHPs in the
 25 current quarter for reimbursements to the primary affiliated teaching
 26 hospital for the East Carolina University Brody School of Medicine
 27 that are not attributable to newly eligible individuals."

28 **SECTION 6.1.(k)** G.S. 108A-147.1 reads as rewritten:

29 **"§ 108A-147.1. Public hospital health advancement assessment.**

30 (a) The public hospital health advancement assessment imposed under this Part shall
 31 apply to all public acute care hospitals.

32 (b) The public hospital health advancement assessment shall be assessed as a percentage
 33 of each public acute care hospital's hospital costs. The assessment percentage shall be calculated
 34 quarterly by the Department in accordance with this Part. The percentage for each quarter shall
 35 equal the aggregate acute care hospital health advancement assessment collection amount
 36 calculated under G.S. 108A-147.3 multiplied by the public hospital historical assessment share
 37 and divided by the total hospital costs for all public acute care hospitals holding a license on the
 38 first day of the assessment quarter."

39 **SECTION 6.1.(l)** G.S. 108A-147.2 reads as rewritten:

40 **"§ 108A-147.2. Private hospital health advancement assessment.**

41 (a) The private hospital health advancement assessment imposed under this Part shall
 42 apply to all private acute care hospitals.

43 (b) The private hospital health advancement assessment shall be assessed as a percentage
 44 of each private acute care hospital's hospital costs. The assessment percentage shall be calculated
 45 quarterly by the Department in accordance with this Part. The percentage for each quarter shall
 46 equal the aggregate acute care hospital health advancement assessment collection amount
 47 calculated under G.S. 108A-147.3 multiplied by the private hospital historical assessment share
 48 and divided by the total hospital costs for all private acute care hospitals holding a license on the
 49 first day of the assessment quarter."

50 **SECTION 6.1.(m)** Part 3 of Article 7B of Chapter 108A of the General Statutes is
 51 amended by adding a new section to read:

1 **"§ 108A-147.2A. Freestanding psychiatric hospital health advancement assessment.**

2 (a) The freestanding psychiatric hospital health advancement assessment imposed under
3 this Part shall apply to all freestanding psychiatric hospitals.

4 (b) The freestanding psychiatric hospital health advancement assessment shall be
5 assessed as a percentage of each freestanding psychiatric hospital's hospital costs. The assessment
6 percentage shall be calculated quarterly by the Department in accordance with this Part. The
7 percentage for each quarter shall equal the health advancement freestanding psychiatric hospital
8 HASP component calculated under G.S. 108A-147.6A divided by the total hospital costs for all
9 freestanding psychiatric hospitals holding a license on the first day of the assessment quarter."

10 **SECTION 6.1.(n)** G.S. 108A-147.3 reads as rewritten:

11 **"§ 108A-147.3. Aggregate acute care hospital health advancement assessment collection**
12 **amount.**

13 (a) The aggregate health advancement assessment collection amount is an amount of
14 money that is calculated quarterly by adjusting the total nonfederal receipts for health
15 advancement calculated under subsection (b) of this section by (i) subtracting the health
16 advancement presumptive IGT adjustment component calculated under G.S. 108A-147.9, (ii)
17 adding the positive or negative health advancement IGT actual receipts adjustment component
18 calculated under G.S. 108A-147.10, and (iii) subtracting the positive or negative IGT share of
19 the reconciliation adjustment component calculated under G.S. 108A-147.11(b).

20 (b) The total nonfederal receipts for health advancement is an amount of money that is
21 calculated quarterly by adding all of the following:

22 (1) The presumptive service cost component calculated under G.S. 108A-147.5.

23 (2) The ~~HASP~~ health advancement acute care hospital HASP component
24 calculated under G.S. 108A-147.6.

25 (2a) The health advancement freestanding psychiatric hospital HASP component
26 calculated under G.S. 108A-147.6A.

27 (3) The administration component calculated under G.S. 108A-147.7.

28 (4) The State retention component under G.S. 108A-147.9.

29 (5) The positive or negative health advancement reconciliation adjustment
30 component calculated under G.S. 108A-147.11(a).

31 (c) The aggregate acute care hospital health advancement assessment collection amount
32 is an amount of money equal to the aggregate health advancement assessment collection amount
33 under subsection (a) of this section minus the health advancement freestanding psychiatric
34 hospital HASP component under G.S. 108A-147.6A."

35 **SECTION 6.1.(o)** G.S. 108A-147.5 reads as rewritten:

36 **"§ 108A-147.5. Presumptive service cost component.**

37 (a) For every State fiscal quarter prior to the fiscal quarter in which G.S. 108A-54.3A(24)
38 becomes effective, the presumptive service cost component is zero.

39 (b) For the State fiscal quarter in which G.S. 108A-54.3A(24) becomes effective, the
40 presumptive service cost component is the product of forty-eight million seven hundred fifty
41 thousand dollars (\$48,750,000) multiplied by the number of months in that State fiscal quarter in
42 which G.S. 108A-54.3A(24) is effective during any part of the month.

43 (c) For the first State fiscal quarter after the State fiscal quarter in which
44 G.S. 108A-54.3A(24) becomes effective, the presumptive service cost component is one hundred
45 forty-six million two hundred fifty thousand dollars (\$146,250,000).

46 (d) For the second State fiscal quarter after the State fiscal quarter in which
47 G.S. 108A-54.3A(24) becomes effective, and for each State fiscal quarter thereafter, the
48 presumptive service cost component is an amount of money that is the greatest of the following:

49 (1) The prior quarter's presumptive service cost component amount.

50 (2) The prior quarter's presumptive service cost component amount increased by
51 a percentage that is the sum of each monthly percentage change in the

1 Consumer Price Index: Medical Care for the most recent three months
2 available on the first day of the current quarter.

3 (3) The prior quarter's presumptive service cost component amount increased by
4 the percentage change in the weighted average of the base capitation rates for
5 standard benefit plans for all rating groups associated with newly eligible
6 individuals compared to the prior quarter. The weight for each rating group
7 shall be calculated using member months documented in the Medicaid
8 managed care capitation rate certification for standard benefit plans.

9 (4) The prior quarter's presumptive service cost component amount increased by
10 the percentage change in the weighted average of the base capitation rates for
11 BH IDD tailored plans for all rating groups associated with newly eligible
12 individuals compared to the prior quarter. The weight for each rating group
13 shall be calculated using member months documented in the Medicaid
14 managed care capitation rate certification for BH IDD tailored plans.

15 (5) The amount produced from multiplying 1.15 by the highest amount produced
16 when calculating, for each quarter that is at least two and not more than five
17 quarters prior to the current quarter, the actual nonfederal expenditures for the
18 applicable quarter minus the ~~HASP~~ health advancement acute care hospital
19 HASP component calculated under G.S. 108A-147.6 for the applicable
20 quarter and minus the health advancement freestanding psychiatric hospital
21 HASP component calculated under G.S. 108A-147.6A for the applicable
22 quarter."

23 **SECTION 6.1.(p)** G.S. 108A-147.6 reads as rewritten:

24 "**§ 108A-147.6. ~~HASP~~ health Health advancement acute care hospital HASP component.**

25 The ~~HASP~~ health advancement acute care hospital HASP component is an amount of money
26 that is calculated by multiplying the aggregate amount of HASP directed payments due to PHPs
27 in the current quarter for ~~hospital~~ reimbursements to acute care hospitals attributable to newly
28 eligible individuals by the nonfederal share for newly eligible individuals."

29 **SECTION 6.1.(q)** Part 3 of Article 7B of Chapter 108A of the General Statutes is
30 amended by adding a new section to read:

31 "**§ 108A-147.6A. Health advancement freestanding psychiatric hospital HASP component.**

32 The health advancement freestanding psychiatric hospital HASP component is an amount of
33 money that is calculated by multiplying the aggregate amount of HASP directed payments due
34 to PHPs in the current quarter for reimbursements to freestanding psychiatric hospitals
35 attributable to newly eligible individuals by the nonfederal share for newly eligible individuals."

36 **SECTION 6.1.(r)** G.S. 108A-147.11 reads as rewritten:

37 "**§ 108A-147.11. Health advancement reconciliation adjustment component.**

38 (a) The health advancement reconciliation adjustment component is a positive or
39 negative dollar amount equal to the actual nonfederal expenditures for the quarter that is two
40 quarters prior to the current quarter minus the sum of the following specified amounts:

41 (1) The presumptive service cost component calculated under G.S. 108A-147.5
42 for the quarter that is two quarters prior to the current quarter.

43 (2) The positive or negative gross premiums tax offset amount calculated under
44 G.S. 108A-147.12(b).

45 (3) The ~~HASP~~ health advancement acute care hospital HASP component
46 calculated under G.S. 108A-147.6 for the quarter that is two quarters prior to
47 the current quarter.

48 (4) The health advancement freestanding psychiatric hospital HASP component
49 calculated under G.S. 108A-147.6A for the quarter that is two quarters prior
50 to the current quarter.

1 (b) The IGT share of the reconciliation adjustment component is a positive or negative
2 dollar amount that is calculated by multiplying the health advancement reconciliation adjustment
3 component calculated under subsection (a) of this section by the share of public hospital costs
4 calculated under subsection (c) of this section.

5 (c) The share of public hospital costs is calculated by adding total hospital costs for the
6 UNC Health Care System, total hospital costs for the primary affiliated teaching hospital for the
7 East Carolina University Brody School of Medicine, and sixty percent (60%) of the total hospital
8 costs for all public acute care hospitals and dividing that sum by the total hospital costs for all
9 acute care hospitals except for critical access hospitals."

10 **SECTION 6.1.(s)** Subsections (c) through (r) of this section are effective on the first
11 day of the next assessment quarter after the date this act becomes law and apply to assessments
12 imposed on or after that date. The remainder of this section is effective when this act becomes
13 law.

14
15 **PART VII. EFFECTIVE DATE**

16 **SECTION 7.1.** Except as otherwise provided, this act is effective when it becomes
17 law.