



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

BEVERLY EAVES PERDUE
GOVERNOR

CHARLES E. PERUSSE
STATE BUDGET DIRECTOR

November 18, 2009

MEMORANDUM

TO: The Honorable Marc Basnight
Senate President Pro Tempore

The Honorable Joe Hackney
Speaker of the House of Representatives

FROM: Charles Perusse *Charles Perusse*

SUBJECT: Medicaid Payback to Federal Government

Section 6.21 of Session Law 2009-451 requires the Director of the Budget to report on the amount of federal Medicaid receipts paid back to the federal government.

During State FY 2008-09, the Department of Health and Human Services (DHHS) overdrew federal Medicaid receipts totaling \$321,472,408. Of this amount, \$160,000,000 was paid back to the federal government at the end of FY 2008-09. The Centers for Medicare and Medicaid Services agreed to allow the state to payback the remaining amount, \$161,472,408, in four equal quarterly installments during the current fiscal year. On September 24, 2009, DHHS paid back the first \$40,368,012 to the federal government. The remaining three installments will occur in December, March, and June.

Please contact Kari Barsness in the Office of State Budget and Management at (919) 807-4742 if you have any questions or need additional information.

cc: Representative Beverly Earle, Chair, House of Representatives Appropriations
Subcommittee on Health and Human Services
Representative Bob England, Chair, House of Representatives Appropriations Subcommittee
on Health and Human Services
Representative Verla Insko, Chair, House of Representatives Appropriations Subcommittee
on Health and Human Services
Senator Doug Berger, Chair, Senate Appropriations Committee on Health and Human
Services
Senator William Purcell, Chair, Senate Appropriations Committee on Health and Human
Services
Marilyn Chism, Director, Fiscal Research Division