

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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SENATE BILL 1271

Short Title: 5-Yr Phase Out County Medicaid Share. (Public)

Sponsors: Senators Holloman; Hunt, Queen, and Reeves.

Referred to: Appropriations/Base Budget.

May 24, 2004

A BILL TO BE ENTITLED
AN ACT TO PHASE OUT THE COUNTY SHARE OF THE NONFEDERAL SHARE
OF MEDICAID COSTS OVER A FIVE-YEAR PERIOD AND TO PROVIDE
IMMEDIATE RELIEF FOR TIER ONE COUNTIES.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding any other provision of law to the contrary, the nonfederal share of the Medical Assistance Program costs, excluding administrative costs, paid by the counties shall be reduced as follows:

- (1) Effective July 1, 2004, the county share of Medicaid costs paid by Tier 1 counties shall be reduced by six percent (6%).
- (2) Effective July 1, 2005, the county share of Medicaid costs paid by Tier 1 counties shall be further reduced by three percent (3%).
- (3) Effective July 1, 2005, the county share of Medicaid costs paid by all counties other than Tier 1 counties shall be reduced by three percent (3%) per year until July 1, 2009, when the county share for all counties, including Tier 1 counties, shall be zero percent (0%).
- (4) Effective July 1, 2008, the county share of Medicaid costs paid by Tier 1 counties shall be further reduced by three percent (3%) per year until the Tier 1 county nonfederal share is zero percent (0%).

Effective July 1, 2009, the total nonfederal share of the Medical Assistance Program, excluding administrative costs, shall be borne by the State.

SECTION 2. Effective July 1, 2009, G.S. 108A-54 reads as rewritten:

"§ 108A-54. Authorization of Medical Assistance Program.

The Department is authorized and empowered to establish a Medical Assistance Program from ~~federal, State and county~~ federal and State appropriations and to adopt rules and regulations under which payments are to be made in accordance with the provisions of this Part. ~~The nonfederal share may be divided between the State and the counties, in a manner consistent with the provisions of the federal Social Security Act, except that the share required from the counties may not exceed the share required from~~

1 ~~the state. If a portion of the nonfederal share is required from the counties, the boards of~~
2 ~~county commissioners of the several counties shall levy, impose and collect the taxes~~
3 ~~required for the special purpose of medical assistance as provided in this Part, in an~~
4 ~~amount sufficient to cover each county's share of such assistance."~~

5 **SECTION 3.** This act becomes effective July 1, 2004.