

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013**

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**HOUSE BILL 980  
Committee Substitute Favorable 5/16/13**

Short Title: Medicaid/2012-2013 Additional Appropriations.

(Public)

Sponsors:

Referred to:

April 18, 2013

A BILL TO BE ENTITLED  
AN ACT TO PROVIDE ADDITIONAL FUNDING IN THE STATE MEDICAID PROGRAM  
FOR THE 2012-2013 FISCAL YEAR.

The General Assembly of North Carolina enacts:

**SECTION 1.** Notwithstanding G.S. 143C-6-4 or any other provision of law, in order to ensure that there is additional funding in the Medicaid budget for the 2012-2013 fiscal year, the General Assembly directs the Director of the Budget, in conjunction with the State Controller and other necessary State officials, to effectuate the budget adjustments authorized in Section 2 of this act in an amount not to exceed four hundred one million dollars (\$401,000,000) to cover a projected budget shortfall of two hundred eighty-three million dollars (\$283,000,000) and the repayment of Medicaid federal drug rebates in the amount of one hundred eighteen million dollars (\$118,000,000).

**SECTION 2.** The Director of the Budget shall make the following adjustments to increase the budget of the Division of Medical Assistance. These adjustments are set forth in priority order, and no adjustment shall be made until the preceding adjustment has been completely exhausted in the permissible amount:

- (1) The sum of seventy-four million dollars (\$74,000,000) from drug rebate refunds within the Division of Medical Assistance. These funds are hereby appropriated.
- (2) The sum of twenty million nine hundred thousand dollars (\$20,900,000) from State appropriations not expended pursuant to Section 10.9G of S.L. 2012-142.
- (3) A minimum of forty-eight million dollars (\$48,000,000) from projected reversions within the Department of Health and Human Services, including any unspent or unobligated State appropriations from the Transitions to Community Living Fund. However, before these projected reversions may be expended, all payments required under Section 10.23A(f) of S.L. 2012-142 and S.L. 2013-5 must be made first.
- (4) The sum of two hundred thirteen million four hundred thirty-two thousand eight hundred seventy-eight dollars (\$213,432,878) from the June 30, 2012, unreserved fund balance. These funds are hereby appropriated.
- (5) Projected revenue overcollections for the 2012-2013 fiscal year in the amount of up to forty-four million six hundred sixty-seven thousand one hundred twenty-two dollars (\$44,667,122). These funds are hereby appropriated.



1           **SECTION 3.** Budget adjustments made pursuant to Section 1 of this act shall be  
2 used only to pay the costs of the State Medicaid Program, including drug rebates owed to the  
3 federal government, for the 2012-2013 fiscal year. Any budget adjustments pursuant to this act  
4 that are not needed to pay the costs of the Medicaid program for the 2012-2013 fiscal year shall  
5 revert to the unreserved fund balance of the General Fund.

6           **SECTION 4.** Notwithstanding any other provision of law, neither the Director of  
7 the Budget nor any other State official, officer, or agency shall authorize any adjustment, draw  
8 down or transfer unearned or borrowed receipts, or expend any other funds if doing so would  
9 impose, increase, or continue a financial obligation in the 2013-2014 fiscal year or any  
10 subsequent fiscal year.

11           **SECTION 5.** Notwithstanding the adjustments authorized by this act, the Office of  
12 State Budget and Management shall maximize 2012-2013 fiscal year General Fund reversions  
13 from all State agencies and departments in order to increase the June 30 unreserved fund  
14 balance in the General Fund.

15           **SECTION 6.** On or before October 1, 2013, the Office of State Budget and  
16 Management, Department of Health and Human Services, and Office of State Controller shall  
17 report jointly on the implementation of this act. The Office of State Budget and Management  
18 and Department of Health and Human Services shall report on each measure taken and the  
19 Office of State Controller shall certify compliance with Section 3 and Section 4 of this act. This  
20 report shall be made to the Appropriations/Base Budget Committee of the Senate, the  
21 Appropriations Committee of the House of Representatives, and the Joint Legislative  
22 Commission on Governmental Operations. Reporting requirements under G.S. 143C-6-4 shall  
23 not apply to adjustments made pursuant to this act.

24           **SECTION 7.** This act is effective when it becomes law.