

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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HOUSE BILL 1082

Short Title: State Pays 100% Nonfederal Medicaid Share.

(Public)

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Sponsors: Representatives Arnold; Goodwin, Russell, and Fitch.

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Referred to: Appropriations.

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April 11, 2001

A BILL TO BE ENTITLED

1  
2 AN ACT TO PROVIDE THAT THE STATE SHALL PAY ONE HUNDRED  
3 PERCENT OF THE NONFEDERAL SHARE OF MEDICAID COSTS AND TO  
4 APPROPRIATE FUNDS THEREFOR.

5 The General Assembly of North Carolina enacts:

6       **SECTION 1.** There is appropriated from the General Fund to the  
7 Department of Health and Human Services, Division of Medical Assistance, the sum of  
8 three hundred sixty-four million one hundred sixty-five thousand forty-one dollars  
9 (\$364,165,041) for the 2001-2002 fiscal year and the sum of four hundred eight million  
10 six hundred twelve thousand three hundred twenty-three dollars (\$408,612,323) for the  
11 2002-2003 fiscal year. These funds shall be used to pay one hundred percent (100%) of  
12 the nonfederal share of Medicaid costs for the 2001 fiscal biennium.

13       **SECTION 2.(a)** G.S. 108A-54 reads as rewritten:

14 "**§ 108A-54. Authorization of Medical Assistance Program.**

15 The Department is authorized and empowered to establish a Medical Assistance  
16 Program from ~~federal, State and county~~ federal and State appropriations and to adopt  
17 rules and regulations under which payments are to be made in accordance with the  
18 provisions of this Part. ~~The nonfederal share may be divided between the State and the~~  
19 ~~counties, in a manner consistent with the provisions of the federal Social Security Act,~~  
20 ~~except that the share required from the counties may not exceed the share required from~~  
21 ~~the state. If a portion of the nonfederal share is required from the counties, the boards of~~  
22 ~~county commissioners of the several counties shall levy, impose and collect the taxes~~  
23 ~~required for the special purpose of medical assistance as provided in this Part, in an~~  
24 ~~amount sufficient to cover each county's share of such assistance."~~

25       **SECTION 2.(b)** G.S. 108A-57 reads as rewritten:

26 "**§ 108A-57. Subrogation rights; withholding of information a misdemeanor.**

27 (a) Notwithstanding any other provisions of the law, to the extent of payments  
28 under this Part, the ~~State, or the county providing medical assistance benefits,~~ State shall

1 be subrogated to all rights of recovery, contractual or otherwise, of the beneficiary of  
2 this assistance, or of the beneficiary's personal representative, heirs, or the administrator  
3 or executor of the estate, against any person. ~~The county attorney, or an attorney~~  
4 ~~retained by the county or the State or both,~~ attorney retained by the State, or an attorney  
5 retained by the beneficiary of the assistance if this attorney has actual notice of  
6 payments made under this Part shall enforce this section. Any attorney retained by the  
7 beneficiary of the assistance shall, out of the proceeds obtained on behalf of the  
8 beneficiary by settlement with, judgment against, or otherwise from a third party by  
9 reason of injury or death, distribute to the Department the amount of assistance paid by  
10 the Department on behalf of or to the beneficiary, as prorated with the claims of all  
11 others having medical subrogation rights or medical liens against the amount received  
12 or recovered, but the amount paid to the Department shall not exceed one-third of the  
13 gross amount obtained or recovered.

14 The United States and the State of North Carolina shall be entitled to shares in each  
15 net recovery under this section. Their shares shall be promptly paid under this section  
16 and their proportionate parts of such sum shall be determined in accordance with the  
17 matching formulas in use during the period for which assistance was paid to the  
18 recipient.

19 (b) It is a Class 1 misdemeanor for any person seeking or having obtained  
20 assistance under this Part for himself or another to willfully fail to disclose to the county  
21 department of social services or its attorney the identity of any person or organization  
22 against whom the recipient of assistance has a right of recovery, contractual or  
23 otherwise."

24 **SECTION 2.(c)** G.S. 108A-57.1 reads as rewritten:

25 **"§ 108A-57.1. Rules governing transfer of medical assistance benefits between**  
26 **counties.**

27 Any recipient of medical assistance who moves from one county to another county  
28 of this State shall continue to receive medical assistance if eligible. The county director  
29 of social services of the county from which the recipient has moved shall transfer all  
30 necessary records relating to the recipient to the county director of social services of the  
31 county to which the recipient has moved. ~~The county from which the recipient has~~  
32 ~~moved shall pay the county portion of the nonfederal share of medical assistance~~  
33 ~~payments paid for services provided to the recipient during the month following the~~  
34 ~~recipient's move. Thereafter, the county to which the recipient has moved shall pay the~~  
35 ~~county portion of the nonfederal share of medical assistance payments paid for the~~  
36 ~~services provided to the recipient."~~

37 **SECTION 2.(d)** G.S. 108A-59 reads as rewritten:

38 **"§ 108A-59. Acceptance of medical assistance constitutes assignment to the State**  
39 **of right to third party benefits; recovery procedure.**

40 (a) Notwithstanding any other provisions of the law, by accepting medical  
41 assistance, the recipient shall be deemed to have made an assignment to the State of the  
42 right to third party benefits, contractual or otherwise, to which he may be entitled.

43 It shall be the responsibility of ~~the county attorney of the county from which the~~  
44 ~~medical assistance benefits are received or an attorney retained by that county and/or~~

1 ~~the State~~ an attorney retained by the State to enforce this subsection, and ~~said~~ the  
2 attorney shall be compensated for ~~his~~ the attorney's services in accordance with the  
3 attorneys' fee arrangements approved by the Department of Health and Human Services.

4 (b) The responsible State agency will establish a third party resources collection  
5 unit that is adequate to assure maximum collection of third party resources.

6 (c) Notwithstanding any other law to the contrary, in all actions brought pursuant  
7 to subsection (a) of this section to obtain reimbursement for payments for medical  
8 services, liability shall be determined on the basis of the same laws and standards,  
9 including bases for liability and applicable defenses, as would be applicable if the action  
10 were brought by the individual on whose behalf the medical services were rendered."

11 **SECTION 3.** This act becomes effective July 1, 2001.