

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE BILL 102  
Senate Appropriations/Base Budget Committee Substitute Adopted 7/29/09

Short Title: Continuing Budget Authority. (Public)

Sponsors:

Referred to:

February 11, 2009

A BILL TO BE ENTITLED

AN ACT AUTHORIZING THE DIRECTOR OF THE BUDGET TO CONTINUE EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT A PERCENTAGE OF THE LEVEL AUTHORIZED IN S.L. 2008-107, AS AMENDED.

The General Assembly of North Carolina enacts:

**AUTHORIZATION FOR EXPENDITURE OF FUNDS**

**SECTION 1.** Section 1 of S.L. 2009-215, as rewritten by Section 1 of S.L. 2009-296, reads as rewritten:

**"SECTION 1.** The Director of the Budget may continue to allocate funds for expenditure for current operations by State departments, institutions, and agencies at a level not to exceed eighty-four percent (84%) of the level at which those operations were authorized in S.L. 2008-107, as amended. The Director of the Budget shall implement the budget reductions set out in Senate Bill 202, 3rd edition and Senate Bill 202, 6th edition, that are not in controversy. The Director of the Budget shall not implement any transfers set out in Senate Bill 202, 3rd edition, Senate Bill 202, 6th edition, or both.

Vacant positions subject to proposed budget reductions in Senate Bill 202, 3rd edition, Senate Bill 202, 6th edition, or both, shall not be filled after June 30, 2009.

State employees employed in positions subject to elimination in Senate Bill 202, 3rd edition, Senate Bill 202, 6th edition, or both, because of a reduction, in total or in part, in the funds used to support the job or its responsibilities shall, as soon as practicable and in accordance with Reduction in Force policies, be provided written notification of termination of employment 30 days prior to the effective date of the termination.

State agencies shall not make grant awards with funds that are subject to proposed budget reductions in Senate Bill 202, 3rd edition, Senate Bill 202, 6th edition, or both.

This appropriation and this authorization to allocate and spend funds shall remain in effect until ratification of the Current Operations and Capital Improvements Appropriations Act of 2009, at which time that act shall become effective and shall govern appropriations and expenditures. When the Current Operations and Capital Improvements Appropriations Act of 2009 becomes law, the Director of the Budget shall adjust allocations to give effect to that act from July 1, 2009.

Except as otherwise provided by this act, the limitations and directions for the 2008-2009 fiscal year in S.L. 2007-323, as amended, and in S.L. 2008-107, as amended, that applied to appropriations to particular agencies or for particular purposes apply to the funds appropriated and authorized for expenditure under this section."

**APPROPRIATION OF ARRA FUNDS**



1           **SECTION 2.** Section 6 of S.L. 2009-215(c) reads as rewritten:

2           **"SECTION 6.(c)** Guidance. – The Office of State Budget and Management shall work  
3 with the recipient State agencies to budget federal receipts awarded according to the annual  
4 program needs and within the parameters of the respective granting entities and to incorporate  
5 federal funds into the certified budgets of the recipient State agency. ~~State agencies shall not~~  
6 ~~use federal ARRA funds for recurring purposes unless provided for in this section. However,~~  
7 ~~depending on the nature of the award, additional State personnel may be employed on a~~  
8 ~~temporary or time limited basis."~~  
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## 10   **ACCELERATED DHHS PROCUREMENT PROCESS TO ACHIEVE BUDGET** 11   **REDUCTIONS**

12           **SECTION 3.(a)** Section 8A of S.L. 2009-215 is repealed.

13           **SECTION 3.(b)** Notwithstanding any other provision of law to the contrary, the  
14 Department of Health and Human Services may modify or extend existing contracts or as  
15 necessary enter into sole source contracts to timely achieve the provisions of this act. Any such  
16 modifications or contract extensions or sole source contracts must be approved by the Secretary  
17 of the Department of Administration and reported to the Senate Appropriations Committee on  
18 Health and Human Services, the House of Representatives Appropriations Subcommittee on  
19 Health and Human Services, the Fiscal Research Division, and the Office of State Budget and  
20 Management. This subsection applies to the following activities and shall expire six months  
21 from the date of enactment of this act:

- 22           (1) Maximizing technology to increase third-party recovery, increase cost  
23 avoidance activities, identify provider overbilling and other abuse or  
24 program integrity activities;
- 25           (2) Implementing prior authorization efforts in imaging and other high-cost  
26 services;
- 27           (3) Providing technical assistance to enhance care coordination, analysis, and  
28 reports to assess provider compliance and performance;
- 29           (4) Conducting independent assessments; and
- 30           (5) Providing technology services to establish physician/provider online  
31 attestation reporting and assist CCNC in care management activities.

32           **SECTION 3.(c)** The Department shall report on the activities conducted under this  
33 section to the House of Representatives Appropriations Subcommittee on Health and Human  
34 Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal  
35 Research Division on or before April 1, 2010.  
36

## 37   **USE PRE-STIMULUS FMAP FOR MEDICAID HOLD HARMLESS**

38           **SECTION 4.(a)** G.S. 105-523(b)(2) reads as rewritten:

39           "(b) Definitions. – The following definitions apply in this section:

- 40           ...
- 41           (2) Hold harmless threshold. – The amount of a county's Medicaid service costs  
42 and Medicare Part D clawback payments assumed by the State under  
43 G.S. 108A-54 for the fiscal year, less five hundred thousand dollars  
44 (\$500,000). A county's Medicaid service costs for fiscal years 2008-2009,  
45 2009-2010, and 2010-2011 are determined without regard to the changes  
46 made to the Federal Medical Assistance Percentage by section 5001 of the  
47 American Recovery and Reinvestment Act of 2009."

48           **SECTION 4.(b)** This section is effective when it becomes law and applies to  
49 distributions for months beginning on or after October 1, 2008.  
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## 51   **USE OF FUNDS IN THE UNRESERVED CREDIT BALANCE**

1           **SECTION 5.(a)** Notwithstanding Chapter 143C of the General Statutes, funds in  
2 the unreserved credit balance on June 30, 2009, shall be used only to partially repay federal  
3 funds that were overdrawn in the Medicaid Program in the 2008-2009 fiscal year. The  
4 remainder of the overdrawn funds shall be repaid during the 2009-2011 fiscal biennium. The  
5 Director of the Budget shall report the timing and amount of the repayment to the chairs of the  
6 Senate and House Appropriations Committees and the Fiscal Research Division by October 1,  
7 2009.

8           **SECTION 5.(b)** This section becomes effective June 30, 2009.

9  
10 **EFFECTIVE DATE**

11           **SECTION 6.** Section 10 of S.L. 2009-215, as rewritten by Section 2 of S.L.  
12 2009-296, reads as rewritten:

13           "**SECTION 10.** Except as otherwise provided, this act becomes effective July 1, 2009, and  
14 expires ~~July 31, 2009, at 11:59 P.M. when the Current Operations and Capital Improvements~~  
15 Appropriations Act of 2009 becomes law."

16           **SECTION 7.** Except as otherwise provided in this act, this act is effective when it  
17 becomes law.