

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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SENATE BILL 402

Short Title: Close the Medicaid Coverage Gap. (Public)

Sponsors: Senators Robinson and Clark (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 31, 2021

1 A BILL TO BE ENTITLED  
2 AN ACT TO EXPAND MEDICAID TO QUALIFIED INDIVIDUALS IN THE MEDICAID  
3 COVERAGE GAP.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** Repeal of Prohibition on Closing the Coverage Gap. – Section 3 of  
6 S.L. 2013-5 is repealed.

7 **SECTION 1.(b)** Article 2 of Chapter 108A of the General Statutes is amended by  
8 adding a new section to read:

9 "**§ 108A-54.3B. Benefits provided to qualified individuals in the Medicaid coverage gap.**

10 (a) Individuals shall be considered part of the Medicaid coverage gap and eligible for  
11 Medicaid benefits under this section if all of the following requirements are met:

12 (1) The individual has a modified adjusted gross income that is at or below one  
13 hundred thirty-three percent (133%) of the federal poverty level.

14 (2) The individual is age 19 or older and under age 65.

15 (3) The individual is not entitled to or enrolled in Medicare benefits under Part A  
16 or Part B of Title XVIII of the federal Social Security Act.

17 (4) The individual is not otherwise eligible for Medicaid coverage under the North  
18 Carolina State Plan as it existed on January 1, 2020.

19 (b) Beneficiaries eligible for the Medicaid program under this section shall receive  
20 benefits through an Alternative Benefit Plan that is established by the Department consistent with  
21 federal requirements, unless that beneficiary is exempt from mandatory enrollment in an  
22 Alternative Benefit Plan under 42 C.F.R. § 440.315.

23 (c) Copayments for benefits provided under the Alternative Benefit Plan required by  
24 subsection (b) of this section shall be the same as copayments required for Medicaid beneficiaries  
25 not under the Alternative Benefit Plan."

26 **SECTION 1.(c)** The Department of Health and Human Services is directed to  
27 provide coverage for individuals who are eligible for Medicaid benefits under G.S. 108A-54.3B  
28 in a manner consistent with S.L. 2015-245, as amended.

29 **SECTION 1.(d)** American Rescue Plan Funds/Medicaid Coverage Gap Assessment.  
30 – The costs associated with providing the coverage required by this act shall be funded with  
31 federal funds received due to the temporary increase in the federal medical assistance percentage  
32 (FMAP) under section 9814 of the American Rescue Plan Act of 2021, P.L. 117-2. When funds  
33 associated with that increase in FMAP are no longer sufficient, it is the intent of the General  
34 Assembly to impose upon hospital providers paying the supplemental assessment or base  
35 assessment under Article 7A of Chapter 108A of the General Statutes, as enacted in Section 15.1



- 1 of S.L. 2020-88, a Medicaid Coverage Gap Assessment that will pay for the State share of the  
2 program and administrative costs associated with the coverage required by this act.  
3 **SECTION 2.** This act becomes effective July 1, 2021.