

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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SENATE BILL 566

Short Title: Increase Innovations Waiver Slots. (Public)

Sponsors: Senators Grafstein and Moffitt (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 5, 2023

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE AMOUNT OF INNOVATIONS WAIVER SLOTS
AVAILABLE FOR THE 2023-2025 FISCAL BIENNIUM.

The General Assembly of North Carolina enacts:

SECTION 1.(a) There is appropriated from the General Fund to the Department of Health and Human Services, Division of Health Benefits (DHB), the sum of thirty-six million seven hundred thousand dollars (\$36,700,000) in recurring funds for the 2023-2024 fiscal year and the sum of seventy-two million five hundred thousand dollars (\$72,500,000) in recurring funds for the 2024-2025 fiscal year to be used to increase the number of North Carolina Innovations Waiver slots, as directed by this act. These funds shall provide a State match for ninety-nine million three hundred thousand dollars (\$99,300,000) in recurring federal funds for the 2023-2024 fiscal year and the sum of one hundred ninety-one million nine hundred thousand dollars (\$191,900,000) in recurring federal funds for the 2024-2025 fiscal year, and those federal funds are appropriated to the Division of Health Benefits for implementation of this act.

SECTION 1.(b) DHB shall amend the North Carolina Innovations Waiver to increase the number of waiver slots available under the waiver for the 2023-2024 fiscal year by 2,000. These 2,000 waiver slots shall be distributed in accordance with subsection (c) of this section and are to be made available October 1, 2023, unless the method of acceptance or rejection of waiver slots detailed in subsection (c) of this section requires approval by the Centers for Medicare and Medicaid Services (CMS). If CMS approval is required, then any waiver slots that are rejected under the procedure described in subsection (c) of this section shall be made available October 1, 2023, or the date that CMS grants or denies approval of the rejection and acceptance procedure, whichever is later. If CMS approval is required and CMS does not approve the rejection and acceptance procedure in subsection (c) of this section, then any rejected waiver slots shall remain distributed using the allocation formula currently in place as of the effective date of this act.

SECTION 1.(c) DHB shall distribute the initial 2,000 waiver slots identified under subsection (b) of this section using the allocation formula currently in place as of the effective date of this act, provided that all waiver slots shall be filled on a first-come, first-served basis determined by the length of time an individual has been on the waiting list for an Innovations Waiver slot. Each LME/MCO shall, within 30 days of receiving the offer of the waiver slot, elect whether to accept some, all, or none of the waiver slots offered. All waiver slots not accepted by an LME/MCO shall be distributed equally among the LME/MCOs that attest to the following requirements:

- (1) The LME/MCO ensures that all rates paid to providers for any services provided to beneficiaries receiving those services through the Innovations



1 Waiver are sufficient to pay its direct care employees a minimum wage of
2 eighteen dollars (\$18.00) per hour. The LME/MCO may include in the rates
3 paid any additional amounts authorized by the General Assembly that are
4 designated for direct care personnel wages.

5 (2) The ability and capacity to provide services to the beneficiaries that will
6 receive the additional waiver slots exists within the LME/MCO's catchment
7 area.

8 Any election by an LME/MCO to accept or reject additional waiver slots made
9 available under this section shall not impact the distribution of any waiver slots available in the
10 2024-2025 fiscal year.

11 **SECTION 1.(d)** DHB shall amend the North Carolina Innovations Waiver to
12 increase the number of waiver slots available under the waiver for the 2024-2025 fiscal year by
13 2,000. These 2,000 waiver slots shall be distributed using the allocation formula currently in
14 place as of the effective date of this act; provided all waiver slots shall be filled on a first-come,
15 first-served basis determined by the length of time an individual has been on the waiting list for
16 an Innovations Waiver slot. These waiver slots shall be made available July 1, 2024.

17 **SECTION 2.** This act becomes effective July 1, 2023.