GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H **D**

HOUSE BILL 546
Committee Substitute Favorable 4/15/25
Senate Health Care Committee Substitute Adopted 6/5/25
PROPOSED SENATE COMMITTEE SUBSTITUTE H546-PCS40584-TRxf-5

Short Title: Medicaid Modernization. (Public)

Sponsors:

Referred to:

March 31, 2025

A BILL TO BE ENTITLED

AN ACT TO MODERNIZE VARIOUS LAWS PERTAINING TO THE MEDICAID PROGRAM.

The General Assembly of North Carolina enacts:

PART I. JUSTICE-RELATED MEDICAID CHANGES

SECTION 1.1.(a) The Department of Health and Human Services, Division of Health Benefits (DHB), is directed, in coordination with a working group of stakeholders established by DHB, to develop a team-based care coordination Medicaid service that includes, at a minimum, screening for alcohol use disorder, opioid use disorder, and other mild to moderate substance use disorders; prescription medications for opioid use disorder and alcohol use disorder; recovery support; and case management.

SECTION 1.1.(b) No later than October 1, 2025, the Department of Health and Human Services, Division of Health Benefits, shall submit a report to the Joint Legislative Oversight Committee on Medicaid and the Fiscal Research Division containing details on the new Medicaid service developed in accordance with this section. The report shall include all of the following:

(1) The State share of the cost of the service.
(2) The intended start date for the coverage of the service.
(3) The types of PHP capitated contracts that will cover the service and any related proposed statutory changes to Article 4 of Chapter 108D of the General Statutes.

SECTION 1.1.(c) The Department of Health and Human Services, Division of Health Benefits, is directed to develop a statewide campaign to (i) educate health care providers and community leaders about any changes made to the Medicaid program related to the treatment of alcohol use disorder, opioid use disorder, and other mild to moderate substance use disorders, (ii) train interested providers in clinical care for alcohol use disorder, opioid use disorder, and other mild to moderate substance use disorders, and (iii) encourage substance use disorder provider participation in the Medicaid program.

SECTION 1.2. The Department of Health and Human Services (DHHS), Division of Health Benefits, shall continue to implement its policy changes to suspend, rather than terminate, Medicaid benefits upon a Medicaid beneficiary's incarceration, as required by the federal Consolidated Appropriations Act, 2024, P.L. 118-42. No later than October 1, 2025, DHHS shall submit to the Joint Legislative Oversight Committee on Medicaid and the Fiscal

Research Division a report on (i) DHHS's progress implementing the automated process in the NCFAST eligibility information system that allows data sharing between county jails and DHHS and (ii) any ongoing challenges to meeting the federal requirement to suspend, rather than terminate, Medicaid benefits upon a Medicaid beneficiary's incarceration.

SECTION 1.3. Except as otherwise provided, this Part is effective when this act becomes law.

PART II. EXPEDIENT IMPLEMENTATION OF MEDICAID WORK REQUIREMENTS

SECTION 2.1.(a) Section 2.4 of S.L. 2023-7 reads as rewritten:

"**SECTION 2.4.** If there is any indication that work requirements as a condition of participation in the Medicaid program may be authorized by the Centers for Medicare and Medicaid Services (CMS), then the Department of Health and Human Services, Division of Health Benefits (DHB), shall enter into negotiations with CMS to develop a plan for those work requirements and to obtain approval of that plan. Within 30 days of entering into negotiations with CMS pursuant to this section, DHB shall notify, in writing, the Joint Legislative Oversight Committee on Medicaid (JLOC) and the Fiscal Research Division (FRD) of these negotiations. Within 30 days of approval by CMS of a plan for work requirements as a condition of participation in the Medicaid program, DHB shall submit a report to JLOC and FRD containing the full details of the approved work requirements, including the approved date of implementation of the requirements and any funding necessary to implement or maintain the requirements. Notwithstanding any provision of G.S. 108A-54.3A to the contrary, the Department of Health and Human Services shall implement any work requirements as a condition of participation in the Medicaid program approved by the Centers for Medicare and Medicaid Services in accordance with this section."

SECTION 2.1.(b) This section is effective when this act becomes law.

PART III. TELEHEALTH SERVICE PROVIDER ELIGIBILITY

SECTION 3.1.(a) The Department of Health and Human Services, Division of Health Benefits, shall ensure that a health care provider duly licensed by the State that provides health care services exclusively through telehealth services shall not be required to maintain a physical presence in the State to be considered an eligible provider for enrollment as a Medicaid provider.

SECTION 3.1.(b) The Department of Health and Human Services, Division of Health Benefits, shall ensure that a health care provider group with health care providers duly licensed by the State which exclusively offers telehealth services shall not be required to have an in-State service address to be eligible to enroll as a Medicaid provider group.

SECTION 3.1.(c) This section is effective when this act becomes law.

PART IV. CHILDREN AND FAMILIES SPECIALTY PLAN

SECTION 4.1.(a) Section 9E.22(a) of S.L. 2023-134 reads as rewritten:

"**SECTION 9E.22.(a)** The Department of Health and Human Services (DHHS) shall issue an initial request for proposals (RFP) to procure a single statewide children and families (CAF) specialty plan contract with services to begin to individuals described in G.S. 108D-40(a)(14) no later than December 1, ~~2024.~~ 2025. The RFP shall be subject to the requirements in G.S. 108D-62, as enacted by subsection (k) of this section. DHHS shall define the services available under the CAF specialty plan and the Medicaid beneficiaries who are eligible to enroll in the CAF specialty plan, except as otherwise specified in this act or in law. For the purposes of this section, the CAF specialty plan shall be as defined under G.S. 108D-1, as amended by subsection (c) of this section."

SECTION 4.1.(b) G.S. 108D-40(a)(14) reads as rewritten:

"(14) Until the CAF specialty plan becomes operational, recipients who are (i) children enrolled in foster care in this State, (ii) receiving adoption assistance, or (iii) former foster care youth ~~until they reach the age of 26.~~ who are eligible for Medicaid under G.S. 108A-54.3A(a)(8). When the CAF specialty plan becomes operational, recipients described in this subdivision will be enrolled in accordance with G.S. 108D-62."

SECTION 4.1.(c) This section is effective when this act becomes law.

PART V. CONTINUE MEDICAID COVERAGE FOR PREGNANT WOMEN FOR TWELVE MONTHS POSTPARTUM

SECTION 5.1.(a) Section 9D.13(c) of S.L. 2021-180 is repealed.

SECTION 5.1.(b) G.S. 108A-146.5 reads as rewritten:

"**§ 108A-146.5. Aggregate modernized assessment collection amount.**

(a) The aggregate modernized assessment collection amount is an amount of money that is calculated by subtracting the modernized intergovernmental transfer adjustment component under G.S. 108A-146.13 from the total modernized nonfederal receipts under subsection (b) of this section and then adding the positive or negative amount of the modernized IGT actual receipts adjustment component under G.S. 108A-146.14.

(b) The total modernized nonfederal receipts is the sum of all of the following:

(1) One-fourth of the State's annual Medicaid payment.

(2) The managed care component under G.S. 108A-146.7.

(3) The fee-for-service component under G.S. 108A-146.9.

(3a) The modernized HASP component under G.S. 108A-146.10.

(4) The GME component under G.S. 108A-146.11.

(5) Beginning April 1, 2022, ~~and ending March 31, 2027,~~ the postpartum coverage component under G.S. 108A-146.12.

(6) Beginning April 1, 2024, the home and community-based services component under G.S. 108A-146.12A."

SECTION 5.1.(c) This section is effective when this act becomes law.

PART VI. MEDICAID HASP REIMBURSEMENT FOR PSYCHIATRIC HOSPITALS

SECTION 6.1.(a) G.S. 108A-148.1(a) reads as rewritten:

"(a) The healthcare access and stabilization program is a directed payment program that provides acute care hospitals with increased reimbursements funded through hospital assessments in accordance with this section. Upon the approval of CMS, the healthcare access and stabilization program directed payment program shall additionally provide qualifying freestanding psychiatric hospitals with increased reimbursements funded through hospital assessments. A qualifying freestanding psychiatric hospital is a freestanding psychiatric hospital as defined in G.S. 108A-145.3 that is Medicare-certified and submits Hospital Cost Report Information System cost report data to CMS."

SECTION 6.1.(b) The Department of Health and Human Services shall submit a 42 C.F.R. § 438.6(c) preprint requesting approval to include freestanding psychiatric hospitals in the healthcare access and stabilization program (HASP) authorized under G.S. 108A-148.1, as amended by subsection (a) of this section.

SECTION 6.1.(c) G.S. 108A-145.3 reads as rewritten:

"**§ 108A-145.3. Definitions.**

The following definitions apply in this Article:

…

(6c) Freestanding psychiatric hospital. – A hospital facility that is (i) licensed under Article 2 of Chapter 122C of the General Statutes, (ii) primarily engaged in providing to inpatients, by or under the supervision of a physician,

psychiatric services for the diagnosis and treatment of individuals with mental illnesses, and (iii) not State-owned and State-operated.

(6d) HASP directed payments. – Payments made by the Department to prepaid health plans to be used for (i) increased reimbursements to hospitals under the HASP program and (ii) the costs to prepaid health plans from the gross premiums tax under G.S. 105-228.5 and the insurance regulatory charge under G.S. 58-6-25 associated with those hospital reimbursements.

~~(6d)~~(6e) Healthcare access and stabilization program (HASP). – The directed payment program providing increased reimbursements to acute care hospitals and freestanding psychiatric hospitals as approved by CMS and authorized by G.S. 108A-148.1.

…."

SECTION 6.1.(d) G.S. 108A-146.1 reads as rewritten:

"**§ 108A-146.1. Public hospital modernized assessment.**

(a) The public hospital modernized assessment imposed under this Part shall apply to all public acute care hospitals.

(b) The public hospital modernized assessment shall be assessed as a percentage of each public acute care hospital's hospital costs. The assessment percentage shall be calculated quarterly by the Department of Health and Human Services in accordance with this Part. The percentage for each quarter shall equal the aggregate acute care hospital modernized assessment collection amount under G.S. 108A-146.5 multiplied by the public hospital historical assessment share and divided by the total hospital costs for all public acute care hospitals holding a license on the first day of the assessment quarter."

SECTION 6.1.(e) G.S. 108A-146.3 reads as rewritten:

"**§ 108A-146.3. Private hospital modernized assessment.**

(a) The private hospital modernized assessment imposed under this Part shall apply to all private acute care hospitals.

(b) The private hospital modernized assessment shall be assessed as a percentage of each private acute care hospital's hospital costs. The assessment percentage shall be calculated quarterly by the Department of Health and Human Services in accordance with this Part. The percentage for each quarter shall equal the aggregate acute care hospital modernized assessment collection amount under G.S. 108A-146.5 multiplied by the private hospital historical assessment share and divided by the total hospital costs for all private acute care hospitals holding a license on the first day of the assessment quarter."

SECTION 6.1.(f) Part 2 of Article 7B of Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-146.4. Freestanding psychiatric hospital modernized assessment.**

(a) The freestanding psychiatric hospital modernized assessment imposed under this Part shall apply to all freestanding psychiatric hospitals.

(b) The freestanding psychiatric hospital modernized assessment shall be assessed as a percentage of each freestanding psychiatric hospital's hospital costs. The assessment percentage shall be calculated quarterly by the Department of Health and Human Services in accordance with this Part. The percentage for each quarter shall equal the modernized freestanding psychiatric hospital HASP component under G.S. 108A-146.10A divided by the total hospital costs for all freestanding psychiatric hospitals holding a license on the first day of the assessment quarter."

SECTION 6.1.(g) G.S. 108A-146.5 reads as rewritten:

"**§ 108A-146.5. Aggregate acute care hospital modernized assessment collection amount.**

(a) The aggregate modernized assessment collection amount is an amount of money that is calculated by subtracting the modernized intergovernmental transfer adjustment component under G.S. 108A-146.13 from the total modernized nonfederal receipts under subsection (b) of

this section and then adding the positive or negative amount of the modernized IGT actual receipts adjustment component under G.S. 108A-146.14.

(b) The total modernized nonfederal receipts is the sum of all of the following:

(1) One-fourth of the State's annual Medicaid payment.

(2) The managed care component under G.S. 108A-146.7.

(3) The fee-for-service component under G.S. 108A-146.9.

(3a) The modernized acute care hospital HASP component under G.S. 108A-146.10.

(3b) The modernized freestanding psychiatric hospital HASP component under G.S. 108A-146.10A.

(4) The GME component under G.S. 108A-146.11.

(5) Beginning April 1, 2022, and ending March 31, 2027, the postpartum coverage component under G.S. 108A-146.12.

(6) Beginning April 1, 2024, the home and community-based services component under G.S. 108A-146.12A.

(c) The aggregate acute care hospital modernized assessment collection amount is an amount of money equal to the aggregate modernized assessment collection amount under subsection (a) of this section minus the modernized freestanding psychiatric hospital HASP component under G.S. 108A-146.10A."

SECTION 6.1.(h) G.S. 108A-146.10 reads as rewritten:

"**§ 108A-146.10. Modernized acute care hospital HASP component.**

The modernized acute care hospital HASP component is an amount of money that is calculated each quarter by multiplying the aggregate amount of HASP directed payments due to PHPs in the current quarter for ~~hospital~~ reimbursements to acute care hospitals that are not attributable to newly eligible individuals by the nonfederal share for not newly eligible individuals."

SECTION 6.1.(i) Part 2 of Article 7B of Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-146.10A. Modernized freestanding psychiatric hospital HASP component.**

The modernized freestanding psychiatric hospital HASP component is an amount of money that is calculated each quarter by multiplying the aggregate amount of HASP directed payments due to PHPs in the current quarter for reimbursements to freestanding psychiatric hospitals that are not attributable to newly eligible individuals by the nonfederal share for not newly eligible individuals."

SECTION 6.1.(j) G.S. 108A-146.13 reads as rewritten:

"**§ 108A-146.13. Modernized presumptive IGT adjustment component.**

…

(c) The modernized presumptive IGT adjustment component is an amount of money equal to the sum of all of the following subcomponents:

(1) The public hospital IGT subcomponent is the total of the following amounts:

a. Sixteen and forty-three hundredths percent (16.43%) of the amount of money that is equal to the total modernized nonfederal receipts under G.S. 108A-146.5(b) for the current quarter minus the modernized acute care hospital HASP component under G.S. 108A-146.10 for the current quarter and minus the modernized freestanding psychiatric hospital HASP component under G.S. 108A-146.10A for the current quarter.

b. Sixty percent (60%) of the nonfederal share for not newly eligible individuals of the aggregate amount of HASP directed payments due to PHPs in the current quarter for reimbursements to public acute care hospitals and that are not attributable to newly eligible individuals.

(2) The UNC Health Care System IGT subcomponent is the total of the following amounts:

a. Four and sixty-two hundredths percent (4.62%) of the ~~difference of~~ amount of money that is equal to the total modernized nonfederal receipts under G.S. 108A-146.5(b) for the current quarter minus the modernized acute care hospital HASP component under G.S. 108A-146.10 for the current quarter and minus the modernized freestanding psychiatric hospital HASP component under G.S. 108A-146.10A for the current quarter.

b. The nonfederal share for not newly eligible individuals of the aggregate amount of HASP directed payments due to PHPs in the current quarter for reimbursements to UNC Health Care System hospitals that are not attributable to newly eligible individuals.

(3) The East Carolina University IGT subcomponent is the total of the following amounts:

a. One and four hundredths percent (1.04%) of the ~~difference of~~ amount of money that is equal to the total modernized nonfederal receipts under G.S. 108A-146.5(b) for the current quarter minus the modernized acute care hospital HASP component under G.S. 108A-146.10 for the current quarter and minus the modernized freestanding psychiatric hospital HASP component under G.S. 108A-146.10A for the current quarter.

b. The nonfederal share for not newly eligible individuals of the aggregate amount of HASP directed payments due to PHPs in the current quarter for reimbursements to the primary affiliated teaching hospital for the East Carolina University Brody School of Medicine that are not attributable to newly eligible individuals."

SECTION 6.1.(k) G.S. 108A-147.1 reads as rewritten:

"**§ 108A-147.1. Public hospital health advancement assessment.**

(a) The public hospital health advancement assessment imposed under this Part shall apply to all public acute care hospitals.

(b) The public hospital health advancement assessment shall be assessed as a percentage of each public acute care hospital's hospital costs. The assessment percentage shall be calculated quarterly by the Department in accordance with this Part. The percentage for each quarter shall equal the aggregate acute care hospital health advancement assessment collection amount calculated under G.S. 108A-147.3 multiplied by the public hospital historical assessment share and divided by the total hospital costs for all public acute care hospitals holding a license on the first day of the assessment quarter."

SECTION 6.1.(*l*) G.S. 108A-147.2 reads as rewritten:

"**§ 108A-147.2. Private hospital health advancement assessment.**

(a) The private hospital health advancement assessment imposed under this Part shall apply to all private acute care hospitals.

(b) The private hospital health advancement assessment shall be assessed as a percentage of each private acute care hospital's hospital costs. The assessment percentage shall be calculated quarterly by the Department in accordance with this Part. The percentage for each quarter shall equal the aggregate acute care hospital health advancement assessment collection amount calculated under G.S. 108A-147.3 multiplied by the private hospital historical assessment share and divided by the total hospital costs for all private acute care hospitals holding a license on the first day of the assessment quarter."

SECTION 6.1.(m) Part 3 of Article 7B of Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-147.2A. Freestanding psychiatric hospital health advancement assessment.**

(a) The freestanding psychiatric hospital health advancement assessment imposed under this Part shall apply to all freestanding psychiatric hospitals.

(b) The freestanding psychiatric hospital health advancement assessment shall be assessed as a percentage of each freestanding psychiatric hospital's hospital costs. The assessment percentage shall be calculated quarterly by the Department in accordance with this Part. The percentage for each quarter shall equal the health advancement freestanding psychiatric hospital HASP component calculated under G.S. 108A-147.6A divided by the total hospital costs for all freestanding psychiatric hospitals holding a license on the first day of the assessment quarter."

SECTION 6.1.(n) G.S. 108A-147.3 reads as rewritten:

"**§ 108A-147.3. Aggregate acute care hospital health advancement assessment collection amount.**

(a) The aggregate health advancement assessment collection amount is an amount of money that is calculated quarterly by adjusting the total nonfederal receipts for health advancement calculated under subsection (b) of this section by (i) subtracting the health advancement presumptive IGT adjustment component calculated under G.S. 108A-147.9, (ii) adding the positive or negative health advancement IGT actual receipts adjustment component calculated under G.S. 108A-147.10, and (iii) subtracting the positive or negative IGT share of the reconciliation adjustment component calculated under G.S. 108A-147.11(b).

(b) The total nonfederal receipts for health advancement is an amount of money that is calculated quarterly by adding all of the following:

(1) The presumptive service cost component calculated under G.S. 108A-147.5.

(2) The ~~HASP~~ health advancement acute care hospital HASP component calculated under G.S. 108A-147.6.

(2a) The health advancement freestanding psychiatric hospital HASP component calculated under G.S. 108A-147.6A.

(3) The administration component calculated under G.S. 108A-147.7.

(4) The State retention component under G.S. 108A-147.9.

(5) The positive or negative health advancement reconciliation adjustment component calculated under G.S. 108A-147.11(a).

(c) The aggregate acute care hospital health advancement assessment collection amount is an amount of money equal to the aggregate health advancement assessment collection amount under subsection (a) of this section minus the health advancement freestanding psychiatric hospital HASP component under G.S. 108A-147.6A."

SECTION 6.1.(o) G.S. 108A-147.5 reads as rewritten:

"**§ 108A-147.5. Presumptive service cost component.**

(a) For every State fiscal quarter prior to the fiscal quarter in which G.S. 108A-54.3A(24) becomes effective, the presumptive service cost component is zero.

(b) For the State fiscal quarter in which G.S. 108A-54.3A(24) becomes effective, the presumptive service cost component is the product of forty-eight million seven hundred fifty thousand dollars ($48,750,000) multiplied by the number of months in that State fiscal quarter in which G.S. 108A-54.3A(24) is effective during any part of the month.

(c) For the first State fiscal quarter after the State fiscal quarter in which G.S. 108A-54.3A(24) becomes effective, the presumptive service cost component is one hundred forty-six million two hundred fifty thousand dollars ($146,250,000).

(d) For the second State fiscal quarter after the State fiscal quarter in which G.S. 108A-54.3A(24) becomes effective, and for each State fiscal quarter thereafter, the presumptive service cost component is an amount of money that is the greatest of the following:

(1) The prior quarter's presumptive service cost component amount.

(2) The prior quarter's presumptive service cost component amount increased by a percentage that is the sum of each monthly percentage change in the

Consumer Price Index: Medical Care for the most recent three months available on the first day of the current quarter.

(3) The prior quarter's presumptive service cost component amount increased by the percentage change in the weighted average of the base capitation rates for standard benefit plans for all rating groups associated with newly eligible individuals compared to the prior quarter. The weight for each rating group shall be calculated using member months documented in the Medicaid managed care capitation rate certification for standard benefit plans.

(4) The prior quarter's presumptive service cost component amount increased by the percentage change in the weighted average of the base capitation rates for BH IDD tailored plans for all rating groups associated with newly eligible individuals compared to the prior quarter. The weight for each rating group shall be calculated using member months documented in the Medicaid managed care capitation rate certification for BH IDD tailored plans.

(5) The amount produced from multiplying 1.15 by the highest amount produced when calculating, for each quarter that is at least two and not more than five quarters prior to the current quarter, the actual nonfederal expenditures for the applicable quarter minus the ~~HASP~~ health advancement acute care hospital HASP component calculated under G.S. 108A-147.6 for the applicable quarter and minus the health advancement freestanding psychiatric hospital HASP component calculated under G.S. 108A-147.6A for the applicable quarter."

SECTION 6.1.(p) G.S. 108A-147.6 reads as rewritten:

"**§ 108A-147.6. ~~HASP health~~ Health advancement acute care hospital HASP component.**

The ~~HASP~~ health advancement acute care hospital HASP component is an amount of money that is calculated by multiplying the aggregate amount of HASP directed payments due to PHPs in the current quarter for ~~hospital~~ reimbursements to acute care hospitals attributable to newly eligible individuals by the nonfederal share for newly eligible individuals."

SECTION 6.1.(q) Part 3 of Article 7B of Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-147.6A. Health advancement freestanding psychiatric hospital HASP component.**

The health advancement freestanding psychiatric hospital HASP component is an amount of money that is calculated by multiplying the aggregate amount of HASP directed payments due to PHPs in the current quarter for reimbursements to freestanding psychiatric hospitals attributable to newly eligible individuals by the nonfederal share for newly eligible individuals."

SECTION 6.1.(r) G.S. 108A-147.11 reads as rewritten:

"**§ 108A-147.11. Health advancement reconciliation adjustment component.**

(a) The health advancement reconciliation adjustment component is a positive or negative dollar amount equal to the actual nonfederal expenditures for the quarter that is two quarters prior to the current quarter minus the sum of the following specified amounts:

(1) The presumptive service cost component calculated under G.S. 108A-147.5 for the quarter that is two quarters prior to the current quarter.

(2) The positive or negative gross premiums tax offset amount calculated under G.S. 108A-147.12(b).

(3) The ~~HASP~~ health advancement acute care hospital HASP component calculated under G.S. 108A-147.6 for the quarter that is two quarters prior to the current quarter.

(4) The health advancement freestanding psychiatric hospital HASP component calculated under G.S. 108A-147.6A for the quarter that is two quarters prior to the current quarter.

(b) The IGT share of the reconciliation adjustment component is a positive or negative dollar amount that is calculated by multiplying the health advancement reconciliation adjustment component calculated under subsection (a) of this section by the share of public hospital costs calculated under subsection (c) of this section.

(c) The share of public hospital costs is calculated by adding total hospital costs for the UNC Health Care System, total hospital costs for the primary affiliated teaching hospital for the East Carolina University Brody School of Medicine, and sixty percent (60%) of the total hospital costs for all public acute care hospitals and dividing that sum by the total hospital costs for all acute care hospitals except for critical access hospitals."

SECTION 6.1.(s) Subsections (c) through (r) of this section are effective on the first day of the next assessment quarter after the date this act becomes law and apply to assessments imposed on or after that date. The remainder of this section is effective when this act becomes law.

PART VII. ADULT CARE HOME MEDICAID PERSONAL CARE SERVICES COVERAGE

SECTION 7.1.(a) In conjunction with the requirements of Section 9E.26 of S.L. 2023-134 for the Department of Health and Human Services, Division of Health Benefits (DHB), to explore options available to increase access to Medicaid services for dual eligibles that provide alternatives to nursing home placements, DHB shall consult with stakeholders and shall submit to the Centers for Medicare and Medicaid Services (CMS) a request that meets all of the following goals:

(1) Provides Medicaid coverage of personal care services to individuals who reside in licensed adult care homes and special care units and whose income exceeds the limit for participation in the State-County Special Assistance Program authorized under G.S. 108A-40, but does not exceed either (i) one hundred eighty percent (180%) of the federal poverty level for individuals who, but for their income, would qualify for State-County Special Assistance at the basic rate under G.S. 108A-42.1 or (ii) two hundred percent (200%) of the federal poverty level for individuals who, but for their income, would qualify for State-County Special Assistance at the enhanced rate under G.S. 108A-42.1.

(2) Ensures that the cost of any new Medicaid coverage being requested is offset by savings or cost avoidance.

(3) Ensures compliance with applicable legal requirements.

SECTION 7.1.(b) DHB shall take any actions necessary to implement this section and shall submit the appropriate request to CMS within 90 days after this section becomes law. DHB shall only implement the Medicaid coverage described in the request if (i) the request is approved by CMS and (ii) the request meets all of the goals in subsection (a) of this section, including the cost neutrality requirement.

SECTION 7.1.(c) This section is effective when this act becomes law.

PART VIII. EFFECTIVE DATE

SECTION 8.1. Except as otherwise provided, this act is effective when it becomes law.