



# SENATE BILL 87: Medicaid Reimbursement/Charter Schools.

2021-2022 General Assembly

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| <b>Committee:</b>     | House Education - K-12. If favorable, re-refer to Health. If favorable, re-refer to Rules, Calendar, and Operations of the House | <b>Date:</b>        | June 8, 2021      |
| <b>Introduced by:</b> | Sens. Krawiec, Burgin, Perry   | <b>Prepared by:</b> | Drupti Chauhan*   |
| <b>Analysis of:</b>   | Second Edition   |                     | Committee Counsel |

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**OVERVIEW:** *Senate Bill 87 would deem charter schools as local governmental entities that can receive federal Medicaid reimbursement for covered services in the same manner as other local education agencies (LEAs).*

**BILL ANALYSIS:** The NC Medicaid program currently offers reimbursement for covered services provided by local education agencies (LEAs) in three ways: (1) a claims payment is made after a claim for services is submitted, (2) a cost-settlement payment is made annually as reimbursement for the costs of providing Medicaid services that were not reimbursed through claims payments, and (3) payments for administrative costs are reimbursed through a contractual arrangement with the Department of Public Instruction (DPI) and the Department of Health and Human Services (DHHS). The cost-based payments are only available to LEAs that qualify to certify public expenditures under 42 C.F.R. 433.51. The certified public expenditures serve as the State share of the Medicaid payments, which are necessary to draw down the federal matching funds.

In order for an entity to qualify to certify public expenditures under 42 C.F.R. 433.51, the entity must be a public agency. However, G.S. 115C-218.15(b) requires a charter school to be operated by a private nonprofit corporation with federal tax-exempt status. **Section 1** of the bill would add language to G.S. 115C-218.105, which pertains to State and local funds for charter schools, clarifying that, despite the nonprofit status of charter schools under G.S. 115C-218.15(b), a charter school that is approved by the State as a public school is deemed to be a local governmental entity that will provide the State share of any Medicaid reimbursement for the Medicaid-covered services they may provide.

**EFFECTIVE DATE:** The bill would become effective July 1, 2021.

*\*Jennifer Hillman, Committee Counsel, Legislative Analysis Division, significantly contributed to this summary.*

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