

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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HOUSE BILL 809

Short Title: NC Healthy Family Act. (Public)

Sponsors: Representatives Cunningham, R. Smith, Cooper-Suggs, and Gailliard (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Rules, Calendar, and Operations of the House

May 5, 2021

A BILL TO BE ENTITLED

AN ACT TO EXPAND MEDICAID IN NORTH CAROLINA.

Whereas, by maximizing health care coverage through Medicaid expansion, 626,000 North Carolinians would gain access to comprehensive health care coverage; and

Whereas, the COVID-19 pandemic has exposed and exacerbated challenges, barriers, and inequalities within the health care system that existed before the pandemic. A new urgency to maximizing health care access for essential and front-line workers in North Carolina is essential to the overall health of North Carolinians across the State; and

Whereas, many people who could gain coverage through Medicaid expansion are essential or front-line workers who are noted to be at elevated risk from COVID-19. These workers are continuing to provide care to some of our most vulnerable citizens in North Carolina communities; and

Whereas, North Carolina is experiencing a behavioral health crisis that has been exacerbated by the COVID-19 pandemic causing a significant increase in depression, anxiety, and opioid overdoses; and

Whereas, the data for 2021 indicates that 204,000 adults with any mental health illness (AMI) are uninsured in North Carolina. Adult prevalence of mental illness in North Carolina is estimated to be 1,469,000 people. Approximately 833,000 adults with AMI did not receive treatment. Approximately 358,000 adults experienced suicide ideation. Approximately 98,000 youth with severe major depressive episodes (MDE) are identified in the State. Around 77,000 youth with MDE are not receiving treatment in 2021. There are estimated to be 33,000 children with private health insurance that does not cover mental or emotional problems. There are approximately 544,000 adults experiencing substance use disorder in North Carolina. Approximately 343,530 adults with cognitive disabilities could not see a doctor due to cost; and

Whereas, North Carolina ranks 44th in the country for access to care, 24th in the country for the prevalence of mental illness, and 26th in the country for mental health workforce need according to the 2021 State of Mental Health in America Report; and

Whereas, Medicaid expansion has demonstrated a reduction in opioid overdoses, improvement in access to behavioral health services, increased treatment for opioid use disorder, and increased providers enrolling with Medicaid to provide substance use disorder services; and

Whereas, Medicaid expansion would strengthen our rural communities by improving access to care and the sustainability of the rural hospital workforce; and



1 Whereas, rural residents are 40% more likely to be uninsured and eligible for
2 Medicaid. On average, health care access for between 7.4% to 12.8% of people residing in rural
3 counties would gain access to comprehensive health care coverage; and

4 Whereas, 11 rural hospitals have closed since 2005 and many others have cut health
5 care services, and six rural hospitals have financial risk. These hospitals serve communities of
6 about 180,000 people in rural counties; and

7 Whereas, Medicaid expansion would assist with reducing health care disparities in
8 marginalized and underserved communities in North Carolina; and

9 Whereas, infant mortality rate decline is greater in states that have expanded
10 Medicaid, and there is a greater decline in the mortality rate among African American infants
11 according to the American Journal of Public Health; and

12 Whereas, research has shown that Medicaid expansion has been linked to better health
13 outcomes, including increased access to primary care, preventative health services, and
14 medications, as well as lower out-of-pocket expenses; and

15 Whereas, by expanding Medicaid now, North Carolina becomes eligible for \$2.4
16 billion in federal monies for over two years; and

17 Whereas, if North Carolina expands Medicaid with coverage beginning by July 1,
18 2021, then the State qualifies for the increased federal medical assistance percentage (FMAP)
19 match through June 2023; and

20 Whereas, the 5% increase in the FMAP would layer on top of the 6.2% FMAP
21 increase that the State is receiving for the duration of the public health emergency; Now,
22 therefore,

23 The General Assembly of North Carolina enacts:

24 **SECTION 1.(a)** Section 3 of S.L. 2013-5 is repealed.

25 **SECTION 1.(b)** G.S. 108A-54.3A is amended by adding a new subdivision to read:

26 "(24) Individuals between the ages of 19 and 65 with modified adjusted gross
27 incomes that are at or below one hundred thirty-three percent (133%) of the
28 federal poverty guidelines and who are not entitled to or enrolled in Medicare
29 benefits under Part A or Part B of Title XVIII of the federal Social Security
30 Act."

31 **SECTION 1.(c)** The Department of Health and Human Services is directed to
32 provide coverage for individuals under G.S. 108A-54.3A(24), as enacted under subsection (b) of
33 this section, in a manner consistent with S.L. 2015-245, as amended.

34 **SECTION 1.(d)** The costs associated with implementing this act shall be funded
35 with federal funds received due to the temporary increase in the federal medical assistance
36 percentage (FMAP) under section 9814 of the American Rescue Plan Act of 2021, P.L. 117-2.
37 When funds associated with that increase in FMAP are no longer sufficient, it is the intent of the
38 General Assembly to impose upon hospital providers paying the supplemental assessment or base
39 assessment under Article 7A of Chapter 108A of the General Statutes, as enacted in Section 15.1
40 of S.L. 2020-88, an additional assessment that will pay for the State share of the program and
41 administrative costs associated with coverage for individuals under G.S. 108A-54.3A(24), as
42 enacted under subsection (b) of this section.

43 **SECTION 2.** This act becomes effective July 1, 2021.