

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

FILED SENATE
Mar 5, 2025
S.B. 246
PRINCIPAL CLERK

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SENATE BILL DRS35111-NLa-34

Short Title: Create 13,000 Jobs Serving People With I/DD. (Public)

Sponsors: Senators Grafstein and Moffitt (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE AMOUNT OF MEDICAID INNOVATIONS WAIVER SLOTS
3 AVAILABLE FOR THE 2025-2027 FISCAL BIENNIUM.

4 Whereas, the Innovations Waiver provides critical services to about 15,000 North
5 Carolinians with intellectual and/or developmental disabilities, allowing them to receive support
6 for living in their home communities and enabling their families to remain in the workforce; and

7 Whereas, there are currently approximately 19,000 people with intellectual and/or
8 developmental disabilities on the waiting list for Innovations Waiver services; and

9 Whereas, the Innovations Waiver waiting list has doubled in the last 10 years; and

10 Whereas, the addition of 2,000 Innovations Waiver slots over the past 10 years has
11 failed to keep up with the pace of growth on the waiting list; and

12 Whereas, many people on the waiting list have waited more than a decade for critical
13 services; and

14 Whereas, there are people on the waiting list in every county in North Carolina; and

15 Whereas, every State dollar spent on an Innovations Waiver slot draws down
16 approximately two dollars in federal matching funds; and

17 Whereas, according to analysis by researchers at the UNC-Greensboro Department
18 of Economics, each new Innovations Waiver slot represents about 1.3 new jobs created in the
19 local community where the beneficiary lives; and

20 Whereas, according to analysis by the same researchers, every State dollar paid to
21 direct care workers, combined with the federal match, results in five dollars of local economic
22 activity; and

23 Whereas, providing needed services to people with intellectual and/or developmental
24 disabilities creates jobs and stimulates economic activity in every community in North Carolina;
25 and

26 Whereas, addressing the service needs of individuals on the waiting list has the
27 additional benefit of enabling family or other caregivers to resume participation in the workforce;

28 Now, therefore,

29 The General Assembly of North Carolina enacts:

30 **SECTION 1.(a)** There is appropriated from the General Fund to the Department of
31 Health and Human Services, Division of Health Benefits (DHB), the sum of one hundred
32 thirty-four million dollars (\$134,000,000) in recurring funds for the 2025-2026 fiscal year and
33 the sum of three hundred fifty-seven million three hundred forty thousand dollars (\$357,340,000)
34 in recurring funds for the 2026-2027 fiscal year to be used to increase the number of North
35 Carolina Innovations Waiver slots, as directed by this act. These funds shall provide a State match
36 for two hundred forty-four million seven hundred fifty thousand dollars (\$244,750,000) in



1 recurring federal funds for the 2025-2026 fiscal year and the sum of six hundred fifty-two million
2 six hundred sixty thousand dollars (\$652,660,000) in recurring federal funds for the 2026-2027
3 fiscal year, and those federal funds are appropriated to the Division of Health Benefits for
4 implementation of this act.

5 **SECTION 1.(b)** DHB shall amend the North Carolina Innovations Waiver to
6 increase the number of waiver slots available under the waiver for the 2025-2026 fiscal year by
7 5,000. These 5,000 waiver slots shall be distributed in accordance with subsection (c) of this
8 section and are to be made available October 1, 2025, unless the method of acceptance or
9 rejection of waiver slots detailed in subsection (c) of this section requires approval by the Centers
10 for Medicare and Medicaid Services (CMS). If CMS approval is required, then any waiver slots
11 that are rejected under the procedure described in subsection (c) of this section shall be made
12 available October 1, 2025, or the date that CMS grants or denies approval of the rejection and
13 acceptance procedure, whichever is later. If CMS approval is required and CMS does not approve
14 the rejection and acceptance procedure in subsection (c) of this section, then any rejected waiver
15 slots shall remain distributed using the allocation formula currently in place as of the effective
16 date of this act.

17 **SECTION 1.(c)** DHB shall distribute the initial 5,000 waiver slots identified under
18 subsection (b) of this section using the allocation formula currently in place as of the effective
19 date of this act, provided that all waiver slots shall be filled on a first-come, first-served basis
20 determined by the length of time an individual has been on the waiting list for an Innovations
21 Waiver slot. Each LME/MCO shall, within 30 days of receiving the offer of the waiver slot, elect
22 whether to accept some, all, or none of the waiver slots offered. All waiver slots not accepted by
23 an LME/MCO shall be distributed equally among the LME/MCOs that attest to the following
24 requirements:

- 25 (1) The LME/MCO ensures that all rates paid to providers for any services
26 provided to beneficiaries receiving those services through the Innovations
27 Waiver are sufficient to pay its direct care employees a minimum wage of
28 twenty dollars (\$20.00) per hour. The LME/MCO may include in the rates
29 paid any additional amounts authorized by the General Assembly that are
30 designated for direct care personnel wages.
- 31 (2) The ability and capacity to provide services to the beneficiaries that will
32 receive the additional waiver slots exists within the LME/MCO's catchment
33 area.

34 Any election by an LME/MCO to accept or reject additional waiver slots made
35 available under this section shall not impact the distribution of any waiver slots available in the
36 2026-2027 fiscal year.

37 **SECTION 1.(d)** DHB shall amend the North Carolina Innovations Waiver to
38 increase the number of waiver slots available under the waiver for the 2026-2027 fiscal year by
39 5,000. These 5,000 waiver slots shall be distributed using the allocation formula currently in
40 place as of the effective date of this act; provided all waiver slots shall be filled on a first-come,
41 first-served basis determined by the length of time an individual has been on the waiting list for
42 an Innovations Waiver slot. These waiver slots shall be made available July 1, 2026.

43 **SECTION 2.** This act becomes effective July 1, 2025.