

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE DRS55047-LR-18H (01/31)

Short Title: Modify FMAP Cuts/Auth. Use of Credit Balance.

(Public)

Sponsors: Senators Brunstetter, Hunt, and Stevens (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT MODIFYING THE FMAP CUTS IN THE 2010-2011 STATE BUDGET AND  
3 AUTHORIZING THE GOVERNOR TO ADDRESS MEDICAID LIABILITIES  
4 INCURRED IN THE 2009-2010 FISCAL YEAR.

5 The General Assembly of North Carolina enacts:

6 **NO REDUCTION IN MEDICAID PROVIDER RATES TO BACKFILL FMAP FUNDS**

7 **SECTION 1.** Notwithstanding Section 2.3 of S.L. 2010-31, as amended by Section  
8 1.3 of S.L. 2010-123, neither the Director of the Budget nor the Department of Health and  
9 Human Services shall reduce reimbursement rates paid to service providers in the Medicaid  
10 program to backfill FMAP funds for the 2010-2011 fiscal year.

11 **NO REDUCTION IN RETIREMENT SYSTEM CONTRIBUTIONS TO BACKFILL  
12 FMAP FUNDS**

13 **SECTION 2.** Effective July 1, 2010, Section 6(c) of S.L. 2009-16, as amended by  
14 Section 26.20(b) of S.L. 2009-451 and Section 2.3(h) of S.L. 2010-31, reads as rewritten:

15 "SECTION 6.(c) Effective July 1, 2010, the State's employer contribution rates budgeted  
16 for reserves, retirement and related benefits as percentage of covered salaries for the 2010-2011  
17 fiscal year are: (i) ~~nine and fifteen hundredths percent (9.15%)~~ ten and fifty-one hundredths  
18 percent (10.51%) – Teachers and State Employees; ~~plus one and thirty six hundredths percent~~  
19 ~~(1.36%) to a reserve in the Office of State Budget and Management to be transferred to the~~  
20 ~~Retirement System only if not needed as an adjustment as required by Section 2.3(b)(7) of~~  
21 ~~Senate Bill 897, 2009 Regular Session;~~ (ii) ~~fourteen and fifteen hundredths percent (14.15%)~~  
22 fifteen and fifty-one hundredths percent (15.51%) – State Law Enforcement Officers; ~~plus one~~  
23 ~~and thirty six hundredths percent (1.36%) to a reserve in the Office of State Budget and~~  
24 ~~Management to be transferred to the Retirement System only if not needed as an adjustment as~~  
25 ~~required by Section 2.3(b)(7) of Senate Bill 897, 2009 Regular Session;~~ (iii) twelve and twenty  
26 six hundredths percent (12.26%) – University Employees' Optional Retirement System; (iv)  
27 twelve and twenty six hundredths percent (12.26%) – Community College Optional Retirement  
28 Program; (v) twenty and one hundredths percent (20.01%) – Consolidated Judicial Retirement  
29 System; and (vi) four and ninety hundredths percent (4.90%) – Legislative Retirement System.  
30 Each of the foregoing contribution rates includes four and ninety hundredths percent (4.90%)  
31 for hospital and medical benefits. The rate for Teachers and State Employees, State Law  
32 Enforcement Officers, Community College Optional Retirement Program, and for the  
33 University Employees' Optional Retirement Program includes fifty two hundredths percent  
34 (0.52%) for the Disability Income Plan. The rates for Teachers and State Employees and State  
35 Law Enforcement Officers include sixteen hundredths percent (0.16%) for the Death Benefits



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1 Plan. The rate for State Law Enforcement Officers includes five percent (5%) for Supplemental  
2 Retirement Income."

3 **AUTHORIZATION TO ADDRESS MEDICAID LIABILITIES INCURRED IN THE**  
4 **2009-2010 FISCAL YEAR**

5 **SECTION 3.** Notwithstanding Chapter 143C of the General Statutes, of the funds  
6 in the unreserved credit balance on June 30, 2010, up to the sum of one hundred twenty-five  
7 million dollars (\$125,000,000) may be used to address Medicaid liabilities incurred in the  
8 2009-2010 fiscal year, and funds are hereby appropriated for this purpose. The Director of the  
9 Budget shall report on the implementation of this section to the chairs of the Senate and House  
10 of Representatives Appropriations Committees and the Fiscal Research Division by October 1,  
11 2011.

12 **EFFECTIVE DATE**

13 **SECTION 4.** This act is effective when it becomes law.