

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H.B. 914
May 10, 2021
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30408-MRa-134A

Short Title: Support Our Direct Care Workforce.

(Public)

Sponsors: Representative Brisson.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO PROVIDE A MEDICAID RATE INCREASE TO BE USED TO SUPPORT THE
DIRECT CARE WORKFORCE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Medicaid Rate Increase for Certain Providers. – Effective October 1, 2021, and upon approval of the Centers for Medicare and Medicaid Services, the Department of Health and Human Services, Division of Health Benefits (DHB), shall provide a rate increase to the following Medicaid providers for services related to the provision of direct care to Medicaid beneficiaries:

- (1) Providers who provide services through the following Medicaid waiver programs:
 - a. The Community Alternatives Program for Children (CAP/C).
 - b. The Community Alternatives Program for Disabled Adults (CAP/DA).
 - c. The North Carolina Innovations waiver.
 - d. The Traumatic Brain Injury (TBI) waiver.
- (2) Personal care services (PCS) providers.
- (3) Intermediate care facilities for individuals with intellectual disabilities (ICF/IIDs), including ICF/IID-level group homes.
- (4) Home health providers.
- (5) Nursing homes.
- (6) Behavioral health residential facilities, including Level III and Level IV residential treatment facilities, psychiatric residential treatment facilities (PRTFs), medical management and crisis stabilization facilities, and facilities providing inpatient substance use disorder treatment.

SECTION 1.(b) Wage Increase for Direct Care Workers. – Any provider receiving a rate increase under this section shall be required to use at least eighty percent (80%) of the funding that results from that rate increase to increase the wages paid to its direct care employees. This wage increase shall be provided in addition to the rate of pay each employee was receiving as of September 30, 2021.

SECTION 1.(c) Capitation Rate Adjustments. – Upon implementation of the rate increase under subsection (a) of this section, the Department of Health and Human Services, Division of Health Benefits, shall adjust the per member per month (PMPM) capitation amount paid to local management entities/managed care organizations (LME/MCOs) and to prepaid health plans (PHPs), as defined under G.S. 108D-1. These capitation rate adjustments shall include amounts sufficient to implement the same rate increase for providers paid by the



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1 LME/MCO or PHP as paid to providers under the Medicaid fee-for-service program, and all
2 LME/MCOs and PHPs shall be required to implement that rate increase. Providers receiving a
3 rate increase under this section shall be subject to the requirements of this act whether paid by an
4 LME/MCO, PHP, or DHB.

5 **SECTION 1.(d) Provider Attestation.** – All providers receiving a rate increase under
6 this section shall attest and provide verification that at least eighty percent (80%) of the funding
7 that results from that rate increase is being used to increase the wages paid to its direct care
8 employees. Providers shall keep documentation of this use, and DHB, LME/MCOs, and PHPs
9 may require verifiable methods of accounting, such as payroll-based journals.

10 **SECTION 2. Appropriations.** – Effective July 1, 2021, there is appropriated from
11 the General Fund to the Department of Health and Human Services, Division of Health Benefits
12 (DHB), the sum of one hundred sixty million dollars (\$160,000,000) in recurring funds for the
13 2021-2022 fiscal year and the sum of one hundred sixty million dollars (\$160,000,000) in
14 recurring funds for the 2022-2023 fiscal year to be used to implement this act. These funds shall
15 provide a State match for three hundred thirty-three million six hundred seventy-four thousand
16 seven hundred ninety-two dollars (\$333,674,792) in recurring federal funds for the 2021-2022
17 fiscal year and three hundred thirty-three million six hundred seventy-four thousand seven
18 hundred ninety-two dollars (\$333,674,792) in recurring federal funds for the 2022-2023 fiscal
19 year, and those federal funds are appropriated to DHB to be used for costs associated with the
20 implementation of this act.

21 **SECTION 3. Recoupment of Funds.** – In addition to other allowable reasons for
22 recoupment of funds, DHB may recoup part or all of the funds related to the rate increase received
23 by a provider pursuant to this act if DHB determines that the provider did not use at least eighty
24 percent (80%) of the funding that results from that rate increase to increase the wages paid to its
25 direct care employees.

26 **SECTION 4.** Except as otherwise provided, this act is effective when it becomes
27 law.