

Old North State Report



March 8, 2019

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Governor's Budget:

NC Governor Roy Cooper released his budget recommendations for FY 2019-21 on Wednesday. In the \$25.2 billion General Fund Budget proposal, the largest share of funds are allocated to education, including an average pay raise of 9.1% for teachers over the next two years, the restoration of pay bumps for teachers with a master's degree, and experience-based raises for principals. The Governor's proposed budget also includes expanding Medicaid, increased funding for treatment and services for individuals with opioid use disorders, investments in school safety, a Rural Revitalization Initiative to support economic development in the state's most distressed counties, assistance for the construction of affordable housing for low and moderate-income citizens, and increased funds for broadband connectivity. Republican budget-writers in the state legislature are dismissing Cooper's proposal as "not a serious budget proposal," but rather "the governor's insistence on spending as much taxpayer money as financially possible." The GOP majority will be forced to negotiate with the Governor this year, however, as veto proof majorities are no longer held in either the House or Senate. Medicaid expansion is the one issue that could delay the "traditional" end of long session. Next up – the House will release their budget, followed by the Senate. Once the two bodies have voted on a final version, it will be sent to the Governor for his signature.

<http://www.wbtv.com/2019/03/06/governor-roy-cooper-proposes-teacher-pay-raise-affordable-housing-two-year-budget/>

https://www.osbm.nc.gov/BudgetBook_2019-21

Small Business Healthcare – AHPs:

A slightly modified version of SB86, “Small Business Healthcare Act,” passed favorably through the Senate Health Care Committee this week and is now headed to the Committee on Rules and Operations of the Senate. The proposed committee substitute (PCS) to SB86 would allow business associations to obtain group health insurance for their members in accordance with newly-issued federal rules. It would also allow insurers to sell “stop loss” insurance to employers with 12 or more employees. The PCS also requires an association to have at least 500 covered lives before it can obtain self-funded or fully-insured group health insurance plans. Sen. Joyce Krawiec of Forsyth County ran an amendment during the Senate Health Care meeting that would apply a two-year requirement to the “newest constituent association” in cases where several existing associations come together to create an insurance plan. The amendment passed unanimously, as did the amended bill. Bill sponsors say the legislation would allow small business employers to offer an association health-insurance plan, or AHP, that could provide lower premium costs. https://www.journalnow.com/business/small-business-health-insurance-bill-clears-second-senate-committee/article_d5a77b47-f927-5a23-908c-428697fe2cf9.html

Medicaid Expansion:

Medicaid expansion was one of the key provisions included in the Governor’s budget proposal released this week. Remaining consistent with comments made during his “State of the State” address last month, Cooper said in a press announcement following the release of his annual budget recommendations, “Thirty-seven states have expanded Medicaid. The time is now for us to do it the North Carolina way. We’re ready to listen, talk and come to consensus.” The Governor is not ruling out Medicaid expansion coming in the form of separate legislation, something apart from the budget, and he even acknowledged Carolina Cares, a legislative effort from 2017 related to expanding Medicaid for parents with children and low-income workers without health insurance but with a work requirement. There is indication that Carolina Cares will be reintroduced this session in the House this session. Cooper’s message to those against expansion is that it will cost no state dollars – the federal government pays 90% and the remainder of the cost is covered by hospitals and health plans. With expansion, 500,000 North Carolinians would supposedly be added to the Medicaid program. There is still a great deal of resistance from within the deeply conservative pockets of the House and Senate. <https://www.northcarolinahealthnews.org/2019/03/07/medicaid-expansion-looms-large-in-coopers-initial-budget-bid/>

2019 Bill Request & Filing Deadlines:

House

Public Bills - Not Appropriations/Finance:

- To Bill Drafting by 3/27/19
- Filed in House by 4/16/19

Public Bills – Appropriations/Finance:

- To Bill Drafting by 4/3/19
- Filed in House by 4/23/19

Senate

Public Bills

- Requested by 3/13/19
- Filed by 4/2

CROSSOVER: MAY 9, 2019

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