



Medicaid Relief

The No. 1 Legislative Goal of North Carolina County Governments

Seek permanent Medicaid relief for counties.

- During the 2006 session, the North Carolina Legislature's adopted state budget included a one-time cap of up to \$27.4 million for Medicaid relief for counties for the 2006-07 fiscal year. The cap is intended to freeze county contributions at 2005-06 levels.

Why the Need for Medicaid Relief?

- In 2007-08, counties are projected to spend more than \$517 million for Medicaid services, a 96 percent increase since 2000.
- Counties are not allowed to set Medicaid policy, eligibility criteria, service options or provider rates. Counties can not influence Medicaid costs, eligibility or options through their financial participation in the program.
- The state requires counties to pay 15 percent of the non-federal share of all Medicaid service costs. The General Assembly sets the county share annually in the state budget bill. **There is no federal requirement that the counties participate.**
- The New York Legislature enacted county Medicaid relief in 2005 to limit annual Medicaid cost increases to 3 percent for all counties. North Carolina is now the only state requiring county participation in all Medicaid services.
- Few county resources remain to support increased school enrollments, school facility needs in response to lowered classroom size, critical public health services and other social, mental health, public safety and elderly services.
- Six counties spend more on Medicaid than for their public schools current expense. **Fifty counties spend more on Medicaid than for public school construction** and other capital expenses.
- Nine counties spend more than 10 percent of their total budgets on Medicaid.
- Nineteen counties have Medicaid populations exceeding 25 percent of their total populations.
- Counties pay all of the non-federal costs of Medicaid administration. 2006-07 costs projected at \$86 million.
- The county Medicaid burden is disproportionately affecting lower-wealth counties. Poorer counties have more citizens eligible for Medicaid services but have a smaller property base with which to generate revenue.