**Update on Positive Action Taken on Legislative Priorities of the NC Coalition on Aging**

**2021 Legislative Session**

A full State Budget was ratified by the General Assembly and signed into law by the Governor on November 18, 2021. North Carolina’s new two-year, $52.9 billion budget does not include comprehensive Medicaid expansion but has significant and important funding impacting North Carolina’s older adults. Many of the legislative priorities of the NC Coalition on Aging for the session were included in the budget. Full text of the bill is available [here](https://www.ncleg.gov/BillLookUp/2021/s105). The Joint Conference Committee Report on the Current Operations Appropriations Act of 2021 (Money Report) for Senate Bill 105, dated 11/15/2021 is available [here](https://webservices.ncleg.gov/ViewBillDocument/2021/53458/2/S105-BD-NBC-927).

**NC Coalition on Aging Priority Successes**

* **Remove the reimbursement rate cap for adult day services providers**
* The cap is removed and the rates for services, including associated transportation services, are to be established at the local level taking into consideration local variables. This provision became effective when the budget bill became law.
* **Wage increases to help stabilize the direct care workforce**
* Provides a one-time bonus for “eligible” Direct Care Workers up to $2,000. Funding is provided to increase the Medicaid reimbursement rates to HCBS providers for the purpose of increasing direct care worker wages. The State share of funding, $33.9 million in FY 2021-22 and $68.1 million in FY 2022-23, will be transferred from the HCBS Fund.
* A provision in the budget notes that it is the intent of the General Assembly to assist in increasing the hourly wages of direct care workers in this State to a minimum of $15.00 per hour and to that end, the Department of Health and Human Services, Division of Health Benefits (DHB), shall provide a rate increase to intermediate care facilities for individuals with intellectual disabilities (ICF/IIDs), including ICF/IID-level group homes, enrolled in the Medicaid or NC Health Choice program. This rate increase shall be effective on the date approved by the Centers for Medicare and Medicaid Services. 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 rate of pay paid to its direct care employees.
* **Increase support for home and community-based services**
* Home and Community Based Services (HCBS) Fund – A non-reverting HCBS Special Fund was established in the Department of Health and Human Services, Division of Health Benefits (DHB). The Fund consists of the savings realized by DHB as a result of federal receipts arising from the enhanced federal medical assistance percentage (FMAP) for home and community-based services (HCBS) available to the State under section 9817(a) of the American Rescue Plan Act of 2021. Upon receipt by DHB of those federal receipts arising from the enhanced FMAP for HCBS, DHB is directed to deposit the savings associated with those receipts into the HCBS Fund. DHHS shall utilize the HCBS Fund to fund the following: (1) Additional slots for Medicaid home and community-based waiver programs, including the increase in the CAP/DA waiver slots and the increase in the North Carolina Innovations waiver. (2) Medicaid HCBS provider rate increases to be used to increase direct care worker wages. (3) The increase to the private duty nursing Medicaid rate. (4) Expenses related to the State-County Special Assistance program. (5) Medicaid home and community-based services that support beneficiaries with mental illness in transitioning from institutions under the Transitions to Community Living Initiative (TCLI). (6) Any other project to enhance, expand, or strengthen HCBS so long as that project would not result in recurring State funding or need to be accounted for in any future annual rebase of the NC Medicaid program upon implementation. DHB shall ensure that a minimum of $97,600,000 is remaining in the HCBS Fund at the end of the 2021-2023 fiscal biennium for use by DHB in the 2023-2025 fiscal biennium for activities authorized under this section. This provision expires June 30, 2025.
* Home and Community Care Block Grant (HCCBG) – Provides an additional $3.6 million recurring net appropriations in FY2021-22 for the Block Grant and an additional $2,1600,000 recurring net appropriations in FY 2022-23 for the Block Grant. This expansion will reduce the HCCBG waitlist by an estimated 1,500 individuals. The revised net appropriation for the HCCBG is $34.7 million in FY 2021-22 and $36.9 million in FY 2022-23
* Community Alternative Program for Disabled Adults (CAP/DA) - Provides funding for at least 114 additional slots in the CAP/DA Medicaid waiver program, effective no later than June 30, 2022. The program provides individualized home and community-based services for medically fragile adults at risk of institutionalization. The State share of funding, $500,000 in FY 2021-22 and $1.0 million in FY 2022-23, will be transferred from the HCBS Fund.
* Medicaid Home and Community Based Waiver Programs - Provides funding to add more slots to any of the following Medicaid waiver programs as determined by the Division of Health Benefits: Innovations, Community Alternatives Programs, and Traumatic Brain Injury. The State share of funding, $4.3 million in FY 2021-22 and $6.5 million in FY 2022-23, will be paid from the HCBS Fund.
* Private Duty Nursing - Increases the Medicaid reimbursement rate for private duty nursing services to $11.25 per 15 minutes ($45/hour). The State share of funding, $3.1 million in FY 2021-22 and $8.9 million in FY 2022-23, will be transferred from the HCBS Fund.
* State-County Special Assistance In-Home Program - Removes the 15% caseload cap on the In-Home Program and makes the In-Home Program comparable to facility-based Special Assistance to assist in eliminating institutional bias. Provides funding for an estimated 1,900 new Medicaid recipients eligible due to this program change. The State share of funding for Medicaid, $14.5 million, will be transferred from the HCBS Fund. The 50% State share of the State-County Special Assistance payment costs will also be transferred from the HCBS Fund.
* Transitions to Community Living Initiative - Increases funding for this Initiative, which supports eligible Medicaid beneficiaries with mental illness in transitioning from institutions to community settings in accordance with the 2012 US Department of Justice Settlement. The State share of funding, $452,200 in FY 2021-22 and $681,000 in FY 2022-23, will be transferred from the HCBS Fund.
* **Increase DHHS competitive non-profit grant funding**
* Provides an additional $1.4 million over the biennium in non-recurring funds for competitive grants for nonprofit organizations which includes $250,000 non-recurring funds for each year of the biennium for North Carolina Senior Games.
* **Increase the Personal Needs Allowance for residents living in assisted living and nursing homes**
* Increases the Personals Needs Allowance for State-County Special Assistance recipients in adult care homes from $46.00 per month to $70.00 per month. This increase is effective January 1, 2022.
* **Align the State-County Special Assistance income eligibility for residents in adult care homes with Social Security and Supplemental Security Income cost of living adjustments to prevent residents from losing public benefits when their Social Security and SSI are increased**
* Provisions in the budget stipulate that the maximum basic monthly rate for State-County Special Assistance recipients residing in adult care homes or in-home living arrangements without a diagnosis of Alzheimer's disease or dementia shall be $1,182 per month per resident. This rate shall be adjusted on January 1, 2024, and each January 1 thereafter, using the federally approved Social Security cost-of-living adjustment effective for the applicable year. The maximum monthly enhanced rate for State-County Special Assistance recipients residing in special care units or in-home living arrangements with a diagnosis of Alzheimer's disease or dementia shall be $1,515 per month per resident. This rate shall be adjusted on January 1, 2024, and each January 1 thereafter, using the federally approved Social Security cost-of-living adjustment effective for the applicable year.
* **Restore $50 million for state transportation funding for the Rural Operating Assistance Program and the State Maintenance Assistance Program which was removed from the NC Department of Transportation budget last year**
* This funding ($50.6 million) was fully restored as a part of the base budget for the Department of Transportation
* **Increase access to health care by eliminating the health insurance coverage gap**
* Although Medicaid expansion was not approved, the General Assembly did create an 18-member legislative committee “on access to healthcare and Medicaid expansion” that could lead to expansion. The committee will be made up of nine senators, appointed by Senate leader Phil Berger, and nine representatives, appointed by House Speaker Tim Moore. Per the budget bill, the purpose of the Committee is to consider various ways in which access to health care and health insurance can be improved for North Carolinians.
* An expansion of Medicaid that was approved provides funds to extend Medicaid benefits for eligible pregnant women from 60 days postpartum to 12 months postpartum, effective April 1, 2022 through March 31, 2027.
* **Invest state dollars in adult protective services**
* Coronavirus State Fiscal Recovery Funds under the American Rescue Plan Act in the amount of $2,579,576 were directed to the Department of Health and Human Services for Elder Justice – Adult Protective Services.
* **Address food insecurity**
* Of State Fiscal Recovery Funds directed to the Department of Health and Human Services, Division of Aging and Adult Services, $3.585 in nonrecurring funds for the 2021-2022 fiscal year were directed to be used to address food insecurity among older adults due to the COVID-19 pandemic through the following activities: (1) Providing two meals per week or $20.00 per week in groceries to eligible older adults who are frail or functionally impaired. (2) Providing two weeks of meals to eligible high-risk older adults after a hospital discharge. (3) Expanding the North Carolina Senior Farmers' Market Nutrition Program across the State to eligible low-income older adults.
* Authorizes $40,000,000 from the State Fiscal Recovery Fund to the Department of Agriculture and Consumer Services for support of food banks in the state.
* **Remove voting barriers for residents in group care settings by**

**modifying current legislation which prohibits staff from**

**assisting residents with voting**

* The NC Coalition on Aging advocated to leadership of the House Election Law and Campaign Finance Reform Committee; Senate Redistricting, and Elections Committee; and the NC State Board of Elections to express concern over laws in our State which hinder the ability of some residents in nursing homes and adult care homes to receive the assistance they need to vote. These activities were supported by the Coalition and six other statewide organizations-including Disability Rights NC. On September 9, 2021, Disability Rights NC filed a federal lawsuit against the NC State Board of Elections end voting rights violations for voters with disabilities. The lawsuit asks the Court to declare that state law cannot be used to deny assistance guaranteed by federal law to voters with disabilities, and to order that those limits on assistance cannot be enforced against disabled voters. The case is still waiting to be heard in the United States District Court for the Eastern District of North Carolina, Western Division.

**Unfinished Business – The Coalition will need to continue working on the following priorities:**

* Remove voting barriers for residents in group care settings including modifying current legislation which prohibits staff from assisting residents with voting.
* Increase access to health care by eliminating the health insurance coverage gap.
* Undertake a comprehensive study to address the challenges and opportunities of North Carolina’s increasing older adult population.
* Invest additional state dollars in adult protective services.
* Increase the Personal Needs Allowance for residents living in nursing homes.
* Increase wages for direct care workers in adult care homes and skilled nursing

facilities.