

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 923

Short Title: Local Inpatient Psychiatric Bed Assessment. (Public)

Sponsors: Representative Insko (Primary Sponsor).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Health and Human Services, if favorable, Finance, if favorable, Appropriations.

May 5, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT TO INCREASE THE ASSESSMENT ON HOSPITALS TO PROVIDE  
3 ADDITIONAL FUNDING FOR LOCAL INPATIENT PSYCHIATRIC BEDS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 108A-121, as enacted by S.L. 2011-11, is amended by adding a  
6 new subdivision to read:

7 "**§ 108A-121. Definitions.**

8 The following definitions apply in this Article:

9 ...

10 (5a) Mental health annual inpatient bed fund payment. – Ten million dollars  
11 (\$10,000,000) during the first year of the assessment, adjusted annually  
12 thereafter by the General Assembly, to be used to fund inpatient mental  
13 health beds.

14 ...."

15 **SECTION 2.** G.S. 108A-123, as enacted by S.L. 2011-11, reads as rewritten:

16 "**§ 108A-123. Assessment amount.**

17 (a) Annual Calculation. – The Secretary must annually calculate the equity assessment  
18 amount and the UPL assessment amount for each hospital subject to the respective assessment.  
19 Each assessment must comply with applicable federal regulations and may be prorated for any  
20 partial year. The Secretary must notify each hospital that is assessed the amount of its UPL  
21 assessment and, if applicable, its equity assessment. The notice must include all of the  
22 following:

- 23 (1) The applicable assessment rates.  
24 (2) The hospital costs on which the hospital's assessments are based.  
25 (3) The elements of the calculation of the hospital's UPL.

26 (b) Equity Assessment. – The equity assessment consists of both inpatient and  
27 outpatient components. The equity assessment percentage rate must be calculated to produce an  
28 aggregate annual amount equal to the following:

- 29 (1) The amount needed to make the Medicaid equity payments under  
30 G.S. 108-124.  
31 (2) The applicable portion of the State's annual Medicaid ~~payment, payment and~~  
32 mental health annual inpatient bed fund payment as provided in subsection  
33 (d) of this section.



1 (c) UPL Assessment. – The UPL assessment consists of both inpatient and outpatient  
2 components. The UPL assessment percentage rate must be calculated to produce an aggregate  
3 annual amount equal to the following:

4 (1) The amount needed to make the UPL payments under G.S. 108A-124.

5 (2) The applicable portion of the State's annual Medicaid payment, as provided  
6 in subsection (d) of this section.

7 (d) ~~State's Annual Medicaid Payment.~~ Payment and Mental Health Annual Inpatient  
8 Bed Fund Payment. – The State's annual Medicaid payment and mental health annual inpatient  
9 bed fund payment must be allocated between the equity assessment and the UPL assessment  
10 based on the amount of gross payments received by hospitals under G.S. 108A-124.

11 (e) Appeal. – A hospital may appeal an assessment determination through a  
12 reconsideration review. The pendency of an appeal does not relieve a hospital from its  
13 obligation to pay an assessment amount when due."

14 **SECTION 3.** This act is effective when it becomes law.