



State Budget Update

After operating under ‘mini’ budgets since 2018, a full State Budget was ratified by the General Assembly and signed into law by the Governor on November 18, 2021. There were extended negotiations between the Governor’s Office and the Republican-controlled Legislature that stretched well beyond July 1, 2021, the beginning of the State’s new fiscal year.

Negotiations included discussions for full Medicaid expansion, corporate tax rate changes, pay raises and bonuses for state employees and teachers, and limitations on executive branch authority among other major issues. The final budget, passed with some bipartisan support (101-10, 41-7), was signed by the Governor on the same day it was presented to him. Governor Cooper gave the general assessment of the budget: “On balance, the good outweighs the bad.”

This budget, Session Law 2021-180, “the 2021 Appropriations Act,” provides a significant amount of funding (\$25.9B) and support for a wide range of health-related initiatives in North Carolina. The following call-outs from the budget focus on significant and important funding for key health issues impacting North Carolina’s rural and marginalized communities.

Full text of the bill is available here: <https://www.ncleg.gov/BillLookup/2021/s105>
(See Part IX. Health and Human Services, pp. 175-267)

Details on directed grants and similar funding special provisions are available here:
<https://webservices.ncleg.gov/ViewBillDocument/2021/53458/2/S105-BD-NBC-9279>
(See Part IX. Health and Human Services, pp. 106-248)

Budget provisions relevant to our State’s rural communities include the following:

- **Continue Medicaid Coverage for New Mothers (Sec. 9D.13)**
 - Extends Medicaid benefits for low-income mothers for one year after child born
 - Appropriates \$12.M ’21-22, \$50.8M ’22-23, to be “...paid from additional hospital assessment receipts.”
- **Medicaid Expansion Study (Sec. 5.13)**
 - Joint House and Senate committee to study and propose legislation on “Access to Healthcare and Medicaid Expansion” to next legislative session



NC RURAL HEALTH LEADERSHIP ALLIANCE

- **Direct Care Worker Wage Increase (to \$15/hr)**
 - \$1,500 one-time bonus for eligible Direct Care Workers
 - Workers for home and community-based services (HCBS) (Sec. 9D.15A)
 - Workers in Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs) (Sec. 9D.15)
- **Private Duty Nursing Wage Increase (Sec. 9D.15B) (to \$45/hr)**
- **Small Rural Hospital Improvements – \$4.9M**
- **Rural Health Loan Assistance Repayment Program – \$4M**
 - Loan repayment to recruit MDs, PA,s DDSs, NPs, CNWs to rural NC
- **Directed Grants to Rural Health Care Clinics, Providers, etc.**
 - NC MedAssist, Cumberland HealthNET, Free Clinic of Rockingham Co, Davidson Medical Ministries Clinic, Rural Economic Development, Heathreach Community Clinic, Veterans Health Care Pilot Program (Sec. 9B.5), Local Start Dental (Sec. 9B.7), etc.
- **Free & Charitable Clinics – \$15M**
 - Funding to the NC Association of Free & Charitable Clinics to support operations of member clinics statewide
- **Virtual Behavioral Health Services (Sec. 9B.8A) – \$10M**
 - Funding to the NC Department of Health & Human Services (NC DHHS) Office of Rural Health (ORH) for Directed Grants to expand patient access to hospital-based virtual telepsychiatry services from non-hospital settings (home, primary care office, etc.)
- **School-based Virtual Health Services (Sec. 9B.8B) – \$1M**
 - Funding to Atrium Health for 10-site pilot program in Anson County & Winston Salem elementary classrooms
- **Virtual Psychiatric Assessments & Consults (Sec. 9B.8) – \$1.5M**
 - NC Statewide Telepsychiatry Program (NC-STeP)
 - Provides psychiatric assessments & consultations via telemedicine
- **Medicaid Coverage for Parents of Foster Kids (Sec. 9D.14)**
 - Maintains parents' Medicaid coverage for continuity of care

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