

SUMMARY OF SELECT PROVISIONS

COVID-19 RECOVERY ACT (S 704 and H 1043)

On Saturday May 2, the NC General Assembly passed the COVID-19 Recovery Act, allocating nearly \$1.6 billion in federal dollars for COVID-19 relief in North Carolina. This document summarizes specific provisions affecting children & families.

HEADLINES

No Medicaid Expansion – The House had proposed providing temporary Medicaid coverage for COVID-19 testing & treatment to individuals with incomes up to 200% of the Federal Poverty Line during the public health emergency. The Senate disagreed, and the measure did not make it into the final compromise bill.

Medicaid Provider Rate Increase - A temporary 5% increase in fee-for-service Medicaid rates. Applies to providers who did not receive a 5% rate increase in the 1135 Medicaid disaster relief State Plan Amendment previously submitted by the Department of Health and Human Services to the Center for Medicare and Medicaid Services.

Public Health –\$50 M for the purchase of life, health and sanitation equipment, including the purchase of personal protective equipment, ventilators, touch-free thermometers and sanitizing wipes, among others. \$25 M to the Department of Health and Human Services to expand COVID-19 testing, contact tracing and trends tracking and analysis.

Foster Care - \$2.25 M for monthly supplemental foster care payments (\$100 per child) for the months of April-June 2020. \$290K for the LINKS program, a foster care support program for youth ages 13-21, to support youth who need assistance with housing or transitional costs due to the COVID-19 emergency. \$250K are earmarked for LINKS Transitional Living Services and \$40K are earmarked for LINKS Transitional Housing.

Food Banks - \$6 M to be divided equally among the six food banks in the state.

Child Care – Funding for child care response is included along with other response areas in a \$19 M allocation to the Department of Health and Human Services. No details are available on how much of this funding will be used for child care response, specifically.

School Nutrition - \$75 M for school nutrition services provided during the COVID-19 emergency by public schools participating in the National School Lunch Program or School Breakfast program.

School Technology - \$35 M to purchase computers for students and staff in K-12 public schools. \$11 M to improve internet connectivity for students through home mobile Internet access points, and \$1 M for Wi-Fi gateway router devices in school buses. \$4.5 M to establish a statewide shared cybersecurity infrastructure.

Loans to Small Businesses - \$125 M to Golden LEAF to provide emergency loans of up to \$50,000 to help small businesses with business needs during the pandemic. No provision for loan forgiveness.

Changes to Unemployment Insurance Program / No Increase - S 704 affirms the Governor's executive order extending eligibility for unemployment, temporarily allows employers to file a claim on behalf of certain employees, and provides a tax credit to employers against their unemployment contributions. The bill permanently allows unemployed North Carolinians to replace one of their three weekly job search requirements with a re-employment activity offered by a local career center. The Senate had proposed a provision that would have increased the maximum weekly UI benefit from \$350 to \$400 and changed temporarily how the state calculates weekly UI benefits. The House disagreed, and the increase in benefits did not make it into the final compromise bill.

DETAILED PROVISIONS

HEALTH & HUMAN SERVICES

Public Health

Life, Health and Sanitation Equipment - \$50 M to be allocated to the entities in this subdivision to be used for: 1) the purchase of life, safe, health and sanitation equipment, and 2) the purchase of personal protective equipment (PPE):

- 50% to NC Healthcare Foundation

- 15% to NC Senior Living Association
- 10% to NC Medical Society, to allocate to independent medical practices in the state
- 25% to State Highway Patrol and NC National Guard

\$25 M to the Department of Health and Human Services for the expansion of COVID-19 testing, contact tracing and trends tracking and analysis.

Community Health Services

Free and Charitable Clinics – \$5 M to the NC Association of Free and Charitable Clinics to be used for distribution to member clinics to cover the cost of eligible health services provided during the COVID-19 emergency.

Community Health Centers –\$5 M to the NC Community Health Centers Association to be distributed to member health centers to cover the cost of eligible health services during the COVID-19 emergency.

Social Services

\$20 M to the Department of Health and Human Services to provide support to local health departments, rural health providers, the State Lab of Public Health, and behavioral health and crisis services. Funds can be used to increase nursing capacity, increase the number of community health workers, expand telehealth services, provide infection control support and training in nursing homes and adult care homes, and to divert behavioral health emergencies from emergency departments.

Foster Care - \$2.25 M for monthly supplemental foster care payments (\$100 per child) for the months of April-June 2020. \$290K for the LINKS program, a foster care support program for youth ages 13-21, to support youth who need assistance with housing or transitional costs due to the COVID-19 emergency. \$250K are earmarked for LINKS Transitional Living Services and \$40K are earmarked for LINKS Transitional Housing.

Food, Safety, Shelter and Child Care - \$19 M to the Department of Health and Human Services for food banks, support for Special Assistance residential settings, adult and child protective services response, support for homeless and domestic violence shelters and housing security (prevention, diversion, and rapid re-housing), child care response, and costs to expand NCCARE360.

Rural and Underserved Communities – \$50 M to provide funds for rural and underserved communities especially hard hit by the COVID-19 pandemic. The flexible funds will support health provider grants, targeted Medicaid assistance for rural hardship grants to nonhospital providers,

enhanced Telehealth services, transportation for critical services, health care security for the uninsured, the Office of Minority Health, and related items.

Also, \$1.8 M allocated to the Old North State Society to target rural areas and African American communities with outreach, health education, and testing to address COVID-19 disparities in the state.

Med Assist - \$1.5 M to the Department of Health and Human Services to provide a grant to NC Med Assist to offset increased costs for providing prescription assistance services to individuals who are indigent or uninsured.

Behavioral Health and Crisis Services - \$20 M allocated to the Department of Health and Human Services to support behavioral health and crisis services. Use of funds includes: diverting individuals experiencing behavioral health emergencies from emergency; \$12.6 M earmarked for a one-time payment to LME-/MCOs for Intermediate Care Facilities for Individuals with Intellectual Disabilities services; \$400K earmarked for the purchase of opioid antagonist units to be distributed to opioid treatment programs free of charge.

Medicaid

No Medicaid Expansion - The House had proposed providing temporary Medicaid coverage for COVID-19 testing and treatment to individuals with incomes up to 200% of the Federal Poverty Line during the public health emergency. The Senate disagreed, and the measure did not make it into the final compromise bill.

Medicaid Provider Rate Increase - A temporary 5% increase in fee-for-service Medicaid rates. Applies to providers who did not receive a 5% rate increase in the 1135 Medicaid disaster relief State Plan Amendment previously submitted by the Department of Health and Human Services to the Center for Medicare and Medicaid Services.

EDUCATION

School Nutrition - \$75 M for school nutrition services provided during the COVID-19 emergency by public schools participating in the National School Lunch Program or School Breakfast program.

School Technology - \$35 M to purchase computers for students and staff in K-12 public schools. \$11 M to improve internet connectivity for students through home mobile Internet access points, and \$1 M for Wi-Fi gateway router devices in school buses. \$4.5 M to establish a statewide shared cybersecurity infrastructure.

Student Health Support - \$10 M for school health support personnel (including school counselors, school nurses, school psychologists and school social workers) to provide additional physical and mental health support services for students.

Supplemental Summer Learning Program - \$70 M to provide a supplemental summer learning program for K-4 students whose learning has been negatively affected by the impacts of COVID-19.

Remote Learning - \$1.4 M to assist and support public schools in providing remote instruction by expanding the learning management platform provided by the Department of Public Instruction. \$3M to provide non-digital remote instruction resources to students with limited internet connectivity.

Public School Grants - \$15 M allocated to the Department of Public Instruction to hold in reserve, and to award as grants for schools that apply for funds to support extraordinary costs associated with providing extended School Year Services for exceptional students who qualify for these services due to the impacts of COVID-19.

At-Risk Student Learning Support - \$5 M for the Extended Learning and Integrated Student Supports Competitive Grant Program to fund extended learning and integrated student support service programs for at-risk students whose learning has been negatively affected by COVID-19 impacts.

Support for Schools for the Blind and Deaf - \$660K for school nutrition, cleaning and sanitizing, digital and nondigital remote learning resources, compensatory services and Extended School Year services to various schools for the Blind and Deaf.

UNEMPLOYMENT

Changes to Unemployment Insurance Program / No Increase - S 704 affirms the Governor's executive order extending eligibility for unemployment, temporarily allows employers to file a claim on behalf of certain employees, and provides a tax credit to employers against their unemployment contributions. The bill permanently allows unemployed North Carolinians to replace one of their three weekly job search requirements with a re-employment activity offered by a local career center. The Senate had proposed a provision that would have increased the maximum weekly UI benefit from \$350 to \$400 and changed temporarily how the state calculates weekly UI benefits. The House disagreed, and the increase in benefits did not make it into the final compromise bill.

SMALL BUSINESS LOANS

Golden LEAF loans to small businesses - \$125 M to Golden LEAF to provide emergency loans of up to \$50,000 to help small businesses with business needs during the pandemic. Stated intent to use an equitable portion of funds for the benefit of “historically underutilized small businesses.”

- No provision for loan forgiveness.
- Repayment at a rate of 4% beginning 6 months after the loan is made