

May 17, 2006

H 2080. STRENGTHEN LOCAL MANAGEMENT ENTITIES. Filed 5/17/06. *TO CLARIFY AND STRENGTHEN THE ROLE OF LOCAL MANAGEMENT ENTITIES AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES.* Makes numerous changes in mental health law, GS Chapter 122C.

Minimum Size of Catchment Area. Amends GS 122C-115(a) to specify that minimum size of area authority's or county program's catchment area is either six counties or 200,000 (was, under GS 122C-115.1, county interlocal agreement must provide for a targeted minimum population of 200,000 or targeted minimum of five counties served). Requires Department of Health and Human Services (Department) to reduce by 10 percent annually the administrative funding for authorities and programs that do not comply with this requirement. These funds are to be reallocated to the same authority or program to be used to provide mental health, developmental disabilities, and substance abuse services.

LMEs. (1) Amends GS 122C-3 to add new definition for "local management entity" (LME), which means an area authority, county program, or consolidated human services agency. Specifies that LME is not a unit of local government, and that the term refers to functional responsibilities rather than governance structure. (2) Adds new GS 122C-115.4 to specify LME responsibilities. Provides that LMEs are responsible for the administration and management of the public system of services at the community level. Specifies that an LME plans, develops, implements, and monitors services within a specified geographic area for both insured and uninsured persons. An LME's core functions include (a) access for all citizens to core services through a 24-hour, seven-day a week screening, triage, and referral process and a uniform portal of entry into care; (b) provider endorsement, monitoring, technical assistance, and capacity development, as well as provider removal if specified standards are not met; (c) utilization review, management, and authorization, including for all State-funded services (rewritten as "all services" effective July 1, 2009) and for recipients of services under a Medicaid waiver; (d) review and approval of all person-centered plans; (e) care coordination, quality management, and authorization of State psychiatric hospital and other State facility bed days; (f) community collaboration and consumer affairs, including assurance of rights and appeals and establishment and support for an effective consumer and family advisory committee; and (g) financial management and accountability, including information management, for the delivery of publicly funded services. (3) Authorizes LMEs to contract with any public or private entity for the implementation of some or all of the LME's responsibilities listed in GS 122C-115.4. Specifies that a consolidated human services agency may contract similarly, subject to the requirements of GS 122C-127(dealing with consolidated human services board and human services director). (4) Forbids Secretary of Health and Human Services (Secretary) to remove any of the listed responsibilities unless there is an individualized finding that a particular area authority or county program is not providing minimally adequate services under GS 122C-124.1 or is in imminent danger of failing financially under GS 122C-125. Notice and procedural requirements of these statutes apply to the findings. (5) Adds new GS 122C-141(d) to provide that a county may be a "qualified public provider" and, under Article 20 (Interlocal cooperation) of GS Chapter 160A, may enter into an interlocal agreement with another county or counties to operate as a qualified public provider.

Program and Area Directors' and Finance Officers' Qualifications. Amends GS 122C-115.1(f) and 122C-121(d) to specify that program directors and area directors, respectively, must meet, in addition to their current job requirements, any other qualifications required under the job classification to be adopted by State Personnel Commission (Commission). Office of State Personnel (Office) must develop a job description for director of an area authority or county program that reflects the skills required of an individual operating a local management entity. Office must also review the job classifications for area authority and county finance officers to determine whether they reflect the skills needed to manage entity's finances.

Local Board Composition. (1) Amends GS 122C-118.1(a), applicable to area boards, to change the requirement that board appointment take into account "equitable representation of the disability groups" to "representation of the disability groups" (underlined word deleted), and to require board appointments to include both an individual with financial expertise and a county

finance officer (now, an individual with financial expertise or a county finance officer). (2) Amends GS 122C-118.1(b) to specify that not more than (now, at least) 50 percent of the area board members represent a physician, a clinical professional from the Services' fields, family members, consumers, and citizens' organization members. Specifies that area board is to include at least one family member or individual from a citizens' organization composed primarily of consumers or their family members, representing interests of individuals with mental illness or in recovery from addiction or with developmental disabilities, and at least one openly declared consumer with mental illness, with developmental disabilities, or in recovery from addiction (was, must have a family member, or an individual from a citizens' organization representing interests of individuals, for all three categories, as well as openly declared consumers in the three categories). (3) Provides for changing from staggered four-year to staggered three-year terms for all area board members except any county commissioners, who continue to serve ex officio for terms concurrent with their terms as county commissioners. Adds county commissioners to general proviso that board members may not be appointed for more than two consecutive terms, and specifies that board members serving as of July 1, 2006, may remain on the board for one additional term. (4) Amends GS 122C-115.1(g) to specify that the advisory committee for a single county program is to conform to the requirements set out in (2) above.

Financial Accountability. Amends GS 122C-117(c) and 122C-115.1(e) to provide that the area or county, respectively, director and finance officer present to the applicable county finance officers the authority's or program's quarterly report. Report is to contain a budgetary statement and balance sheet that details the assets, liabilities, and fund balance of the authority or program. Finance officer is to review the report and may make comments regarding the authority's or program's finances before the report is provided to the county commissioners (was, budgetary statement and balance sheet are presented directly to the commissioners).

Funding Allocations. In addition to possible reallocation of funds described in "Minimum Size of Catchment Area" above, bill requires Department to recalculate the LME systems management allocations for fiscal 2006-07 to include funds for each LME to implement 24-hour program described in (2)(a) of "LMEs" above, and the review and approval of all person-centered plans mentioned in (2)(d). Department is also to review the LME responsibilities described in new GS 122C-115.4 and recalculate the LME systems management allocations for state fiscal year 2006-07 based on those functions. Provides that to the extent there are funds constituting any remaining reduction in the LME systems management allocation model, those funds are to be reallocated to those LMEs that will experience a reduction in their administrative budgets. The LMEs are to use the funds to provide Services

Appropriation. Appropriates \$20,000 from General Fund to Department for fiscal 2006-07 to provide training to local board members under GS 122C-119.1, described above.

Effective Dates. Change in minimum size of catchment areas and any LME mergers required by that change become effective July 1, 2007. Changes in GS 122C-115.1(f) and 122C-121(d) revising director job requirements become effective January 1, 2007. Job classification for director and any new or revised job classifications for finance officers must be adopted by Commission by December 31, 2006, and will apply to persons hired on or after January 1, 2007. All other provisions become effective July 1, 2006.

Intro. by Insko.

GS 122C, 153A, APPROP