

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011**

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**SENATE BILL 525\*  
PROPOSED COMMITTEE SUBSTITUTE S525-PCS75158-SQ-22**

Short Title: Streamline Oversight/DHHS Service Providers.

(Public)

Sponsors:

Referred to:

April 7, 2011

A BILL TO BE ENTITLED  
AN ACT TO STREAMLINE DUPLICATE OVERSIGHT OF CERTAIN DHHS SERVICE  
PROVIDERS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Findings. – Over the years, State and legislative actions intended to improve safety and quality of care have resulted in multiple, redundant reviews of Department of Health and Human Services (DHHS) service providers by various State and local agencies. This duplicative bureaucracy has led to wasted resources on the part of the monitoring agencies and the service provider, along with interrupted services to the consumer.

**SECTION 2.(a)** There is established within the Joint Legislative Oversight Committee on Health and Human Service or upon authorization of the Legislative Research Commission a Task Force to review and recommend a resolution to the duplicative regulatory oversight of DHHS services provided, regulated, or licensed under Chapter 122C or 131D of the General Statutes, other than G.S. 131D-6 and Article 2 of Chapter 131D of the General Statutes.

**SECTION 2.(b)** The Task Force shall be comprised of 18 members appointed as follows:

- (1) Nine members appointed by the President Pro Tempore of the Senate, as follows:
  - a. Three members of the Senate.
  - b. One member representing and recommended by the Benchmarks Association.
  - c. One member representing and recommended by the NC Association of Long Term Care Facilities.
  - d. One member representing and recommended by the Developmental Disabilities Consortium.
  - e. One member representing and recommended by the Friends of Residents in Long Term Care.
  - f. One member representing and recommended by the State Consumer and Family Advisory Committee.
  - g. One member representing and recommended by a Behavioral Health Managed Care Organization.
- (2) Nine members appointed by the Speaker of the House of Representatives, as follows:



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- 1 a. Three members of the House of Representatives.
- 2 b. One member representing and recommended by the Benchmarks
- 3 Association.
- 4 c. One member representing and recommended by the NC Association
- 5 of Long Term Care Facilities.
- 6 d. One member representing and recommended by Disability Rights
- 7 NC.
- 8 e. One member representing and recommended by the local Consumer
- 9 and Family Advisory Committees.
- 10 f. One member representing and recommended by the Council for
- 11 Children's Rights.
- 12 g. One member representing and recommended by a Behavioral Health
- 13 Managed Care Organization.

14 **SECTION 2.(c)** The Task Force shall meet monthly, beginning the first month  
15 after the conclusion of the 2011-2012 session.

16 **SECTION 2.(d)** The Task Force shall have the following duties:

- 17 (1) Align national accreditation required for providers and Behavioral Health
- 18 Managed Care Organizations, licensing, State and federal regulatory
- 19 functions, and State policy to eliminate contradictory or duplicative
- 20 requirements.
- 21 (2) Establish a consolidated review of DHHS oversight and regulatory
- 22 functions, notwithstanding any complaint or grievance.
- 23 (3) Align complaint and grievance review process and policy.
- 24 (4) Establish coordination between DHHS divisions for abuse and neglect
- 25 investigations to avoid current duplication.
- 26 (5) Ensure compliance with CMS.

27 **SECTION 2.(e)** The Department shall provide monthly updates and reports to the  
28 Task Force related to:

- 29 (1) Each division's regulatory functions.
- 30 (2) Purpose of each of the identified regulatory function.
- 31 (3) Amount of fees charged for the identified regulatory functions, along with
- 32 the date and amount of the most recent fee increase.
- 33 (4) Number of full-time equivalent positions dedicated to the identified
- 34 regulatory functions, broken down by division.
- 35 (5) Federal requirements for, or a federal component to, any of the identified
- 36 regulatory functions.
- 37 (6) Areas of overlap among the divisions within the Department, and with other
- 38 State agencies, with respect to the regulation of providers. For each area of
- 39 overlap, the report shall specify all of the following:
  - 40 a. The name of each division and State agency that performs the
  - 41 regulatory function.
  - 42 b. How often each division or State agency performs the regulatory
  - 43 function.
  - 44 c. The total amount of funds expended by each division or State agency
  - 45 to perform the regulatory function.

46 **SECTION 2.(f)** The Task Force shall develop legislative recommendations to  
47 accomplish the four identified directives of the Task Force by April 2012.

48 **SECTION 3.** Effective January 1, 2012, the Department of Health and Human  
49 Services shall modify and consolidate LME endorsement, the Frequency and Extent of  
50 Monitoring Tool, and the Provider Monitoring Tool.

1           **SECTION 4.(a)** In order to minimize the creation of unfunded mandates, the  
2 Secretary shall direct a rate-setting memorandum be prepared for every change or adjustment  
3 made by DHHS in service definition, policy, rule, or provider requirements that impacts  
4 services provided in accordance with this act.

5           **SECTION 4.(b)** The Secretary shall dissolve North Carolina Treatment Outcomes  
6 Program Performance System (NC-TOPPS) Advisory Committee and establish a task force  
7 made up of division staff, Behavioral Health Managed Care Organizations, consumers, and  
8 providers to objectively evaluate the North Carolina Treatment Outcomes Program  
9 Performance System (NC-TOPPS) to improve the way data is accessible across services rather  
10 than site-specific to reflect valid comparisons of program outcomes by August 1, 2011.

11           **SECTION 4.(c)** The Secretary shall allow private sector development and  
12 implementation of an Internet-based, secure, and consolidated data warehouse and archive for  
13 maintaining corporate, fiscal, and administrative records of providers by September 1, 2011.  
14 This data warehouse shall not be used to store consumer records. Use of the consolidated data  
15 warehouse by the service provider agency is optional. Providers that choose to utilize the data  
16 warehouse shall ensure that the data is up to date and accessible to the regulatory body. A  
17 provider shall submit any revised, updated information to the data warehouse within 10  
18 business days after receiving the request. The regulatory body that conducts administrative  
19 monitoring must use the data warehouse for document requests. If the information provided to  
20 the regulatory body is not current or is unavailable from the data warehouse and archive, the  
21 regulatory body may contact the provider directly. A provider that fails to comply with the  
22 regulatory body's requested documents may be subject to an on-site visit to ensure compliance.  
23 Access to the data warehouse must be provided without charge to the regulatory body under  
24 this section.

25           **SECTION 5.** The Secretary shall review on an annual basis updates to policy made  
26 by the following national accrediting bodies: Council on Accreditation (COA), CARF  
27 International, Council on Quality and Leadership (CQL), the Joint Commission, NCQA, and  
28 URAC and shall take actions necessary to ensure that DHHS policy or procedural requirements  
29 do not duplicate the updated accreditation standards.

30           **SECTION 6.** This act is effective when it becomes law.