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SENATE BILL 663
PROPOSED COMMITTEE SUBSTITUTE S663-PCS35352-MG-18

Short Title: Blue Ribbon Comm. Recs./Supportive MH Housing.

(Public)

Sponsors:

Referred to:

April 4, 2013

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO ESTABLISH A SUPPORTIVE HOUSING PROGRAM AND AN ASSISTIVE TECHNOLOGY REUTILIZATION PROGRAM FOR INDIVIDUALS TRANSITIONING FROM INSTITUTIONAL SETTINGS TO INTEGRATED COMMUNITY-BASED SETTINGS, TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE ESTABLISHMENT AND OPERATION OF THESE PROGRAMS, AND TO CREATE COMMUNITY LIVING HOUSING FUND WITHIN THE HOUSING FINANCE AGENCY TO INTEGRATE INDIVIDUALS WITH DISABILITIES INTO COMMUNITY-BASED SUPPORTED HOUSING.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 122C-3 is amended by adding a new subdivision to read:

"(20c) Local management entity/managed care organization" or "LME/MCO" means a local management entity that is under contract with the Department to operate the combined Medicaid Waiver program authorized under Section 1915(b) and Section 1915(c) of the Social Security Act."

SECTION 2.(a) Chapter 122C of the General Statutes is amended by adding a new Article to read:

"Article 1B.

"Transitions to Community Living.

"Part 1. North Carolina Supportive Housing Program.

"§ 122C-20.5. Definitions.

The following definitions apply in this Article:

- (1) In-reach activities. – Education and information provided by the Department or an LME/MCO by individuals who are knowledgeable about community services and supports to residents of adult care homes or State psychiatric hospitals about the benefits and financial aspects of clinically appropriate, community-based supportive housing in an integrated setting. The term includes all of the following: (i) facilitating and accompanying residents' visits to supportive housing apartments, (ii) assessing residents' interest in supportive housing, (iii) exploring and addressing residents' concerns about moving to supportive housing, (iv) reviewing residents' housing preferences, and (v) providing opportunities for residents to meet with other individuals with disabilities who are living, working, and receiving services in integrated settings; their families; and community providers. This term does not include education or information provided by adult care homes.



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1 (2) Individual with serious mental illness or SMI. – An individual who is 18
2 years of age or older with a mental illness or disorder that is described in the
3 Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition, that
4 impairs or impedes functioning in one or more major areas of living and is
5 unlikely to improve without treatment, services, supports, or all three. The
6 term does not include a primary diagnosis of Alzheimer's disease or
7 dementia.

8 (3) Individual with serious and persistent mental illness or SPMI. – A person
9 who is 18 years of age or older who meets one of the following criteria:

10 a. Has a mental illness or disorder that is so severe and chronic that it
11 prevents or erodes development of functional capacities in primary
12 aspects of daily life such as personal hygiene and self-care, decision
13 making, interpersonal relationships, social transactions, learning, and
14 recreational activities.

15 b. Is receiving Supplemental Security Income or Social Security
16 Disability Income due to mental illness.

17 **"§ 122C-20.6. Department to establish statewide supportive housing program for**
18 **individuals transitioning into community living; purpose.**

19 The Department of Health and Human Services, in consultation with the North Carolina
20 Housing Finance Agency, shall establish and administer a tenant-based rental assistance
21 program known as the North Carolina Supportive Housing Program. The purpose of the
22 program is to transition individuals diagnosed with serious mental illness or serious and
23 persistent mental illness from institutional settings to more integrated community-based
24 settings appropriate to meet their needs. Under the program, the Department, in consultation
25 with the North Carolina Housing Finance Agency and LME/MCOs, shall arrange for program
26 participants to be placed in housing slots available through the program with all the rights and
27 obligations created by a landlord-tenant relationship.

28 **"§ 122C-20.7. Administration of housing subsidies for supportive housing.**

29 The Department may enter into a contract with a private vendor to serve as the housing
30 subsidy administrator for the North Carolina Supportive Housing Program with responsibility
31 for distributing rental vouchers and community living vouchers to program participants based
32 on a formula developed by the Department.

33 **"§ 122C-20.8. Eligibility requirements for NC Supportive Housing Program.**

34 The Division of Aging and Adult Services shall adopt rules to establish eligibility
35 requirements for program. The eligibility requirements shall, at a minimum, include income
36 eligibility requirements and requirements to give priority for program participation and
37 transition services to individuals diagnosed with serious mental illness or serious and persistent
38 who are currently residing in institutional settings. The Division may adopt temporary rules
39 necessary to implement this article.

40 **"§ 122C-20.9. In-reach activities for supportive housing.**

41 The Department shall have ongoing responsibility for developing and distributing a list of
42 potentially eligible program participants for each LME/MCO by catchment area. Upon receipt
43 of this information, each LME/MCO shall have ongoing responsibility for prioritizing the list
44 of individuals to whom it will provide in-reach activities in order to (i) arrange an in-person
45 meeting with potentially eligible participants to determine their eligibility and level of interest
46 and (ii) report back to the Department on the LME/MCO's recommended list of program
47 participants on a daily basis. Upon receipt of an LME/MCO's recommended list of program
48 participants, the Department shall make a final determination of eligibility.

49 **"§ 122C-20.10. Allocation of supportive housing slots to LME/MCOs.**

50 The Department shall annually determine the number of housing slots to be allocated to
51 each LME/MCO as follows:

- 1 (1) Each year, the Department shall distribute at least fifty percent (50%) of the
2 housing slots available through this program equally among all LME/MCOs.
3 (2) The Department shall award additional housing slots to LME/MCOs based
4 on local need, as determined by the information provided by LME/MCOs to
5 the Department in accordance with G.S. 122C-20.9.

6 **"§ 122C-20.11. Transition of program participants into housing slots.**

7 The LME/MCO shall develop a written transition plan for each individual determined to be
8 eligible and interested in participating in the North Carolina Supportive Housing Program. The
9 transition plan for the approved housing slot shall identify at least all of the following:

- 10 (1) Available housing units that meet the individual's needs.
11 (2) Any transition services that will be necessary for the individual, including,
12 but not limited to, a one-time transition stability payment, not to exceed two
13 thousand dollars (\$2,000) per individual, for up-front move-in costs
14 approved by the Department or the housing subsidy administrator.
15 (3) Solutions to potential barriers to the individual's successful transition to
16 community-based supported housing.
17 (4) The individual's assistive technology needs, as determined by an assessment
18 conducted in accordance with G.S. 168-18.3.
19 (5) Any other information the Department deems necessary for the individual
20 program participant's successful transition into community-based supported
21 housing.

22 **"§ 122C-20.12. Transition services.**

23 LME/MCOs shall provide individualized transition services to program participants within
24 their respective catchment areas for the 90-day period following the individual's transition into
25 a housing slot provided through the program.

26 **"§ 122C-20.13. Tenancy support services.**

27 The Department or the housing subsidy administrator shall provide ongoing tenancy
28 support services to program participants.

29 **"§ 122C-20.14. Approval of landlords and housing units.**

30 The Department shall develop an application process for owners of housing units seeking to
31 participate in the program as landlords. The application process shall, at a minimum, include an
32 inspection of the owners' selected housing units and a requirement that owners receive
33 educational information from the Department about the North Carolina Supportive Housing
34 Program prior to being approved as landlords.

35 **"§ 122C-20.15. Annual reporting on NC Supportive Housing Program.**

36 Annually on October 1, the Department shall report to the General Assembly on the number
37 of individuals within each catchment area who transitioned into housing slots available through
38 the North Carolina Supportive Housing Program during the preceding calendar year. The report
39 shall include a breakdown of all funds expended by each LME/MCO for transitioning these
40 individuals into the housing slots.

41 **"§ 122C-20.16. NC Supportive Housing Program not an entitlement.**

42 The Department shall not be required to provide housing slots to individuals beyond the
43 number that can be supported by funds appropriated by the General Assembly for this purpose.
44 The supportive housing program established under this Part, whether administered by the
45 Department or a private entity, is not an entitlement, and nothing in this Part shall create any
46 property right."

47 **SECTION 2.(b)** By no later than June 30, 2013, each LME/MCO shall transition at
48 least 15 eligible individuals to community-based supported housing slots available through the
49 North Carolina Supportive Housing Program established under G.S. 122C-20.5.

50 **SECTION 3.** There is appropriated from the General Fund to the Department of
51 Health and Human Services, the sum of three million eight hundred thirty-five thousand two

1 hundred eighty dollars (\$3,835,280) for the 2013-2014 fiscal year and the sum of five million
2 eight hundred seventy-six thousand dollars (\$5,876,000) for the 2014-2015 fiscal year. These
3 funds shall be used as follows:

- 4 (1) The sum of one million seven hundred forty-five thousand two hundred
5 eighty dollars (\$1,745,280) for fiscal year 2013-2014 and the sum of three
6 million one hundred twenty thousand thirty-seven dollars (\$3,120,037) for
7 fiscal year 2014-2015 shall be used to establish and operate the North
8 Carolina Supportive Housing Program authorized in G.S. 122C-20.5.
- 9 (2) The sum of one million four hundred forty thousand dollars (\$1,440,000) for
10 fiscal year 2013-2014 and the sum of one million five hundred forty
11 thousand dollars (\$1,540,000) for fiscal year 2014-2015 shall be used for
12 program administration for the North Carolina Supportive Housing Program
13 authorized in G.S. 122C-20.5.
- 14 (3) The sum of six hundred fifty thousand dollars (\$650,000) for fiscal year
15 2013-2014 and the sum of one million two hundred sixteen thousand dollars
16 (\$1,216,000) for fiscal year 2014-2015 shall be used to provide one-time
17 transition stability funds, not to exceed two thousand dollars (\$2,000) per
18 individual, to cover the cost of up-front move-in costs for individuals placed
19 in housing slots available through the North Carolina Supportive Housing
20 Program authorized in G.S. 122C-20.5.

21 **SECTION 4.** Chapter 122E of the General Statutes is amended by adding a new
22 section to read:

23 **"§ 122E-3A. Community Living Housing Fund.**

24 (a) Definitions. – The following definitions apply in this section:

- 25 (1) Catchment area. – As defined in G.S. 122C-3.
- 26 (2) Targeted units. – Units within Low Income Housing Tax Credit
27 developments that are specifically designed to facilitate the inclusion of
28 individuals with disabilities.

29 (b) Creation and Source of Funds. – The Community Living Housing Fund is
30 established within the Housing Finance Agency to pay for the transition of individuals
31 diagnosed with severe mental illness or severe and persistent mental illness as defined in
32 G.S. 122C-20.5 from institutional settings to integrated, community-based supported housing
33 and to increase the percentage of targeted housing units available to individuals with
34 disabilities for use in the North Carolina Supportive Housing Program under Article 1B of
35 Chapter 122C of the General Statutes. Beginning with fiscal year 2013-2014, any unexpended,
36 unencumbered balance of the amount appropriated to the Transitions to Community Living
37 Fund pursuant to Section 10.23A of S.L. 2012 at the end of each fiscal year shall not revert but
38 shall be transferred and made available to the Community Living Housing Fund.

39 (c) Use of Funds. – The North Carolina Housing Finance Agency, in consultation with
40 the Department of Health and Human Services, shall be responsible for administering the
41 Community Living Housing Fund. The monies in the Fund shall be available for expenditure
42 only upon an act of appropriation by the General Assembly and only for the following
43 purposes:

- 44 (1) To provide permanent community-based housing in integrated settings
45 appropriate for individuals with severe mental illness and severe and
46 persistent mental illness.
- 47 (2) To support an increase in the number of targeted units for individuals with
48 disabilities located in housing projects funded by the Housing Finance
49 Agency from ten percent (10%) to fifteen percent (15%). The additional
50 targeted units funded shall be made available to the Department of Health
51 and Human Services for use in the North Carolina Supportive Housing

1 Program under Article 1B of Chapter 122C of the General Statutes. Priority
2 for funding of the additional targeted units shall be given to units to be
3 located in catchment areas identified by the Department of Health and
4 Human Services, in consultation with the North Carolina Housing Finance
5 Agency and LME/MCOs, as having the greatest need for targeted units.

6 (d) Sunset. – The Transitions to Community Living Fund terminates on June 30, 2020,
7 and any balance remaining on that date shall revert to the General Fund.

8 **SECTION 5.(a)** Chapter 168 of the General Statutes is amended by adding a new
9 Article to read:

10 "Article 2A.

11 "Assistive Technology for Individuals Transitioning Into Community Living.

12 **"§ 168-18. Definitions.**

13 The following definitions apply in this Article:

- 14 (1) Assistive technology device or ATD. – Any item, piece of equipment, or
15 product system, whether acquired commercially, modified, or customized,
16 that is used to increase, maintain, or improve the functional capacities of
17 individuals with disabilities. This term includes durable medical equipment.
- 18 (2) Assistive technology services. – A device, service, strategy, or practice used
19 to increase or improve functional capacities of individuals with disabilities.
- 20 (3) Department. – North Carolina Department of Health and Human Services.
- 21 (4) Durable medical equipment or DME. – Equipment that meets all of the
22 following criteria:
- 23 a. Can withstand repeated use.
- 24 b. Is primarily and customarily used to serve a medical purpose.
- 25 c. Generally is not useful to a person in the absence of an illness or
26 injury.
- 27 d. Is appropriate for use in the home.
- 28 (5) Individuals with disabilities. – Individuals with serious mental illness, as
29 defined in G.S. 122C-20.5, or serious and persistent mental illness, as
30 defined in G.S. 122C-20.5, who are transitioning from institutional settings
31 to integrated, community-based settings.
- 32 (6) Professional assistive technology consultant. – An individual who is certified
33 as an assistive technology practitioner by an accrediting body approved by
34 the Secretary or an individual who is employed by the Department as an
35 assistive technology consultant.
- 36 (7) Secretary. – Secretary of the North Carolina Department of Health and
37 Human Services.

38 **"§ 168-18.1. Department to establish assistive technology reutilization program for**
39 **individuals with disabilities transitioning into integrated, community-based**
40 **settings.**

41 The Department shall expand the North Carolina Assistive Technology Program to include
42 an assistive technology reutilization program. The purpose of the assistive technology
43 reutilization program is for the Department to (i) retrieve ATDs purchased with State funds,
44 including durable medical equipment purchased through the State Medicaid Program, from
45 consumers who no longer utilize the ATDs and (ii) catalogue, refurbish, sanitize, store, and
46 reassign the ATDs to individuals with disabilities.

47 **"§ 168-18.2. Preference for the assistive technology reutilization program.**

48 Prior to purchasing a new ATD for an individual with a disability, each Division within the
49 Department and each LME/MCO shall determine if a suitable refurbished ATD is available
50 through the assistive technology reutilization program authorized in G.S. 168-18. If available,
51 the Division or LME/MCO shall provide the refurbished ATD to the individual in lieu of

1 purchasing, or facilitating the purchase of, a new ATD; provided, however, the Division or an
2 LME/MCO may purchase a new ATD for an individual with a disability if the cost of
3 transporting the refurbished ATD to the individual would outweigh the cost of purchasing a
4 new ATD. The Division or LME/MCO shall provide each recipient of a new or refurbished
5 ATD with information about the assistive technology reutilization program.

6 **"§ 168-18.3. Outreach and training on assistive technology.**

7 The Department and LME/MCOs shall provide or arrange for outreach and training on
8 assistive technology devices for individuals with disabilities and professionals working with
9 these individuals. This outreach and training shall be conducted by individuals who are
10 knowledgeable about assistive technology and local community services and supports and
11 shall, at a minimum, include general information about the assistive technology reutilization
12 program, ATDs, how to include ATDs in the transition planning process, and various statewide
13 resources for accessing assistive technology services, ATD demonstrations, and ATD loans.

14 **"§ 168-18.4. Assessment of assistive technology needs.**

15 The Department or an LME/MCO, as appropriate, shall arrange for each individual with a
16 disability within its catchment area to undergo at least two assistive technology assessments by
17 a professional assistive technology consultant, one during the planning phase of the individual's
18 transition to an integrated, community-based setting and a second upon the individual's
19 transition into that setting. The assistive technology assessment conducted during the transition
20 planning phase shall be included in the individual's transition plan developed in accordance
21 with G.S. 122C-20.11. The purpose of the assistive technology assessment is to determine the
22 individual's specific assistive technology needs based on functional ability, environment, the
23 tasks to be completed with the assistive technology, and available technology options. The
24 assistive technology assessment shall cover the individual's home, independent living
25 environment, employment setting, or all three, as needed.

26 **"§ 168-18.5. Assistive technology device demonstrations and loans.**

27 The Department or an LME/MCO, as appropriate, shall arrange for individuals with
28 disabilities to access ATDs through the North Carolina Assistive Technology Program for trial
29 and demonstration during the planning phase of the individual's transition into an integrated,
30 community-based setting. The purpose of the trial and demonstration is to ensure that the
31 selected ATDs are the best match for the individual considering the individual's functional
32 ability, the environment, and the tasks to be completed with the assistive technology.
33 LME/MCOs may fulfill the requirements of this section by providing hands-on, online, or
34 remote demonstrations of ATDs, or by arranging for loans of ATDs to individuals with
35 disabilities during the planning phase of the individual's transition.

36 **"§ 168-18.6. Disposal of assistive technology devices and durable medical equipment.**

37 The Department shall transfer to the Department of Administration donations of assistive
38 technology devices that are deemed unfit for reuse or reassignment under the assistive
39 technology reutilization program. The Department of Administration shall dispose of these
40 donations as State surplus property."

41 **SECTION 5.(b)** There is appropriated from the General Fund to the Transitions to
42 Community Living Fund established pursuant to Section 10.23A.(d) of S.L. 2012, the sum of
43 one hundred fifty thousand dollars (\$150,000) for the 2014-2015 fiscal year. These funds shall
44 be used to pay for assistive technology assessments and assistive technology devices for
45 individuals with disabilities who are transitioning from institutional settings to integrated, based
46 settings in order to identify the assistive technology devices that are the best match for the
47 individual considering the environment, task, and ability of the user.

48 **SECTION 6.** Section 3 of this act becomes effective July 1, 2014. Section 5(b) of
49 this act becomes effective July 1, 2013. The remainder of this act is effective when it becomes
50 law.