

GENERAL ASSEMBLY OF NORTH CAROLINA  
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SENATE BILL DRS35349-MRa-138

Short Title: Coverage of Services for Group Home Residents. (Public)

Sponsors: Senator Tucker (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PRESERVE AND SUSTAIN CERTAIN LICENSED GROUP HOMES BY  
3 ESTABLISHING ADDITIONAL MEDICAID COVERAGE AND SINGLE-STREAM  
4 SERVICE DEFINITIONS FOR SERVICES RELATED TO THE TREATMENT,  
5 REHABILITATION, HABILITATION, SUPERVISION, AND SUPPORT OF  
6 RESIDENTS OF THOSE GROUP HOMES.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.(a)** It is the intent of the General Assembly to preserve and sustain  
9 licensed group homes for individuals with mental illness and for individuals with intellectual or  
10 developmental disabilities because these residential programs provide an important part of the  
11 continuum of community housing resources for people with disabilities.

12 **SECTION 1.(b)** The Department of Health and Human Services (Department) shall  
13 develop 1915(b)(3) alternative services, "in-lieu-of" services, or services under any other  
14 authority as determined by the Department to provide Medicaid coverage for services related to  
15 the treatment, rehabilitation, habilitation, supervision, and support of the following Medicaid  
16 recipients:

- 17 (1) Recipients living in a licensed supervised living facility as defined under 10A  
18 NCAC 27G .5601(c)(1) that need 24-hour services and supports as a result of  
19 the recipients' disabilities. Rates for this service shall be benchmarked to  
20 Innovations Waiver Residential Habilitation rates, or other comparable  
21 Medicaid services rates.  
22 (2) Recipients living in a licensed supervised living facility as defined under 10A  
23 NCAC 27G .5601(c)(3) that need 24-hour services and supports as a result of  
24 the recipients' disabilities. Rates for this service shall be benchmarked to  
25 Innovations Waiver Residential Habilitation rates, rates paid to Intermediate  
26 Care Facilities for Individuals with Intellectual Disabilities, or rates for other  
27 comparable Medicaid services rates.

28 In developing these services, the Department shall create a separate service and  
29 service definition for each of the two classifications of Medicaid recipients in this subsection.

30 **SECTION 1.(c)** In addition to the Medicaid covered services required to be  
31 developed by subsection (b) of this section, the Department shall develop single-stream service  
32 definitions related to the treatment, rehabilitation, habilitation, supervision, and support of the  
33 individuals who (i) are not eligible for Medicaid or (ii) are not eligible for those services under  
34 Medicaid and who are either:



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- 1 (1) Individuals living in a licensed supervised living facility as defined under 10A  
2 NCAC 27G .5601(c)(1) that need 24-hour services and supports as a result of  
3 the individuals' disabilities.
- 4 (2) Individuals living in a licensed supervised living facility as defined under 10A  
5 NCAC 27G .5601(c)(3) that need 24-hour services and supports as a result of  
6 the individuals' disabilities.

7 In developing services under this subsection, the Department shall create a separate  
8 service and service definition for each of these two classifications of eligible individuals. The  
9 services developed under this subsection shall correspond to the services developed for the  
10 Medicaid recipients required by subsection (b) of this section, and the Department shall ensure  
11 that the rates for these services are comparable to the Medicaid rates for those corresponding  
12 services. Services under this section shall begin no earlier than July 1, 2019.

13 **SECTION 1.(d)** In developing service definitions for the services required by this  
14 section, the Department shall consult with stakeholders, including local management  
15 entities/managed care organizations (LME/MCOs) and licensed supervised living facilities as  
16 defined under 10A NCAC 27G .5601(c)(1) and 10A NCAC 27G .5601(c)(3). The Department  
17 shall ensure there are uniform service definitions to be implemented statewide.

18 **SECTION 1.(e)** In implementing the coverage for services required by this section,  
19 to the extent allowable under federal law, the Department shall require that LME/MCOs and any  
20 other entity responsible for the management of Medicaid funds relating to the provision of  
21 behavioral health services for individuals with mental illness or with intellectual or  
22 developmental disabilities do all of the following:

- 23 (1) Contract with all licensed supervised living facilities as defined under 10A  
24 NCAC 27G .5601(c)(1) and 10A NCAC 27G .5601(c)(3) in which Medicaid  
25 recipients with mental illness or with intellectual or developmental disabilities  
26 managed by the LME/MCO or other management entity reside and that meet  
27 one of the following criteria:
  - 28 a. The facility is licensed as a supervised living facility on or before June  
29 1, 2019.
  - 30 b. The facility is not licensed on or before June 1, 2019, and becomes  
31 licensed after June 1, 2019, and is only developed upon written  
32 approval of the Department.
- 33 (2) Authorize services related to the treatment, rehabilitation, habilitation,  
34 supervision, and support of Medicaid recipients living in licensed supervised  
35 living facilities, as required by this section, for all eligible Medicaid recipients  
36 who (i) are currently living in licensed supervised living facilities as defined  
37 under 10A NCAC 27G .5601(c)(1) and 10A NCAC 27G .5601(c)(3), (ii) who  
38 meet the medical necessity criteria for those services, and (iii) who are not  
39 enrolled in the Innovations Waiver.
- 40 (3) Maintain a current and accurate waiting list of individuals with mental illness  
41 or with intellectual or developmental disabilities (i) who are requesting  
42 services relating to the treatment, rehabilitation, habilitation, supervision, and  
43 support for individuals living in licensed supervised living facilities, (ii) who  
44 meet the medical necessity criteria for those services, and (iii) who are waiting  
45 for a vacancy in licensed supervised living facilities as defined under 10A  
46 NCAC 27G .5601(c)(1) and 10A NCAC 27G .5601(c)(3) and ensure timely  
47 referrals from the waiting list when a vacancy occurs.

48 **SECTION 2.** On or before October 1, 2018, the Department of Health and Human  
49 Services shall submit to the Centers for Medicare and Medicaid Services (CMS) any State Plan  
50 amendments or any waivers necessary to establish coverage for services related to the treatment  
51 and support of Medicaid recipients living in licensed supervised living facilities, as required by

1 Section 1 of this act. Coverage under this section shall begin June 30, 2019, or upon CMS  
2 approval of any submitted State Plan amendments or waiver, whichever date is later.

3 **SECTION 3.** No later than November 1, 2018, the Department of Health and Human  
4 Services (Department) shall submit to the Joint Legislative Oversight Committee on Medicaid  
5 and NC Health Choice a plan and schedule for the implementation of this act. This  
6 implementation plan and schedule shall be developed in consultation with stakeholders,  
7 including licensed supervised living facilities as defined under 10A NCAC 27G .5601(c)(1) and  
8 10A NCAC 27G .5601(c)(3) and local management entities/managed care organizations  
9 (LME/MCOs). The implementation plan and schedule shall address all of the following:

- 10 (1) A description of the services to be offered, as required by Section 1 of this act,  
11 including any new service definitions.
- 12 (2) Procedures for maintaining a current and accurate recipient waiting list for  
13 services under this section.
- 14 (3) Procedures and time lines for notification of vacancies in supervising living  
15 facilities.
- 16 (4) Procedures and time lines to ensure licensed supervised living facilities  
17 receive timely referrals when a vacancy occurs, including the process for  
18 filling any vacancies that exist at the time the services are initially offered.
- 19 (5) The method by which recipients who may be eligible for new services  
20 developed in accordance with this act shall be identified.
- 21 (6) Training relating to new service definitions, documentation, and billing  
22 requirements.
- 23 (7) Readiness criteria for licensed supervised living facilities as defined under  
24 10A NCAC 27G .5601(c)(1) and 10A NCAC 27G .5601(c)(3).
- 25 (8) Anticipated time line for approval by the Centers for Medicare and Medicaid  
26 Services of the submitted State Plan amendment or waiver.

27 **SECTION 4.** It is the intent of the General Assembly to ensure that there is adequate  
28 funding to serve Medicaid recipients living in licensed supervised living facilities.  
29 Notwithstanding any other provision of law, after June 1, 2019, the Department of Health and  
30 Human Services shall limit the licensing of new supervised living facilities as defined under 10A  
31 NCAC 27G .5601(c)(1) and 10A NCAC 27G .5601(c)(3) to only those supervised living facilities  
32 that were developed with written approval from the Department. The Department shall adopt  
33 rules implementing this section no later than June 1, 2019.

34 **SECTION 5.** S.L. 2017-57 is amended by adding a new section to read:

35 **"SECTION 11H.25.** Of the funds appropriated to the Department of Health and Human  
36 Services, Division of Medical Assistance, in this act for the 2018-2019 fiscal year, up to six  
37 hundred forty thousand three hundred dollars (\$640,300) of the funds for the 1915(b)(c) waiver  
38 shall be utilized for new 1915(b)(3) alternative services, "in-lieu-of" services, or other services  
39 for the treatment, rehabilitation, habilitation, supervision, and support of Medicaid recipients  
40 living in licensed supervised living facilities as defined under 10A NCAC 27G .5601(c)(1) and  
41 10A NCAC 27G .5601(c)(3)."

42 **SECTION 6.** The Department of Health and Human Services and local management  
43 entities/managed care organizations shall ensure that any State funding currently provided to  
44 licensed supervised living facilities, as defined under 10A NCAC 27G .5601(c)(1) and 10A  
45 NCAC 27G .5601(c)(3), that is supplanted by new funding resulting from the development of  
46 the services required by this act is reinvested in those facilities. This reinvestment shall include  
47 providing services to residents of licensed supervised living facilities as defined under 10A  
48 NCAC 27G .5601(c)(1) and 10A NCAC 27G .5601(c)(3) who are not eligible for the Medicaid  
49 services developed pursuant to subsection (b) of Section 1 of this act.

50 **SECTION 7.** This act is effective when it becomes law.