

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

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**HOUSE BILL 344  
PROPOSED SENATE COMMITTEE SUBSTITUTE H344-PCS40495-BCa-22**

Short Title: Mental Health Lic. Fair Practice Stds.

(Public)

Sponsors:

Referred to:

March 13, 2023

A BILL TO BE ENTITLED  
AN ACT TO MAKE REGULATORY CHANGES AND CREATE OVERSIGHT  
REQUIREMENTS TO THE DIVISION OF HEALTH SERVICE REGULATION'S  
MENTAL HEALTH LICENSURE AND CERTIFICATION SECTION.

Whereas, the Division of Health Service Regulation's Mental Health Licensure and Certification Section within the North Carolina Department of Health and Human Services has a pivotal role in supporting access to behavioral health services to children and adults in North Carolina; and

Whereas, there continues to be a growing need for behavioral health, substance use, and intellectual/developmental disability services in North Carolina; and

Whereas, the North Carolina General Assembly directs the Department of Health and Human Services to implement the following regulatory and oversight changes to the operations and procedures of the Division of Health Service Regulation's Mental Health Licensure and Certification Section; Now, therefore,  
The General Assembly of North Carolina enacts:

**SECTION 1.(a)** The Division of Health Service Regulation (DHSR) shall establish a quality dashboard that addresses mental health, intellectual and developmental disabilities, and substance use services (MH/IDD/SUS) agency performance and identifies trends and outcomes of DHSR reviews.

**SECTION 1.(b)** DHSR shall post the following data to its website on a monthly basis beginning January 31, 2024:

- (1) The number of MH/IDD/SUS facility licenses granted by licensure type or licensure category, whichever shall apply.
- (2) Any identified trends regarding violations of review.
- (3) The 10 most frequently violated rules.
- (4) The 10 most frequently violated rules for each program type.
- (5) Top core cited rule areas.
- (6) The number of general citations issued requiring a corrective action plan.
- (7) The number of Type B violations cited.
- (8) The number of Type A2 violations cited.
- (9) The number of Type A1 violations cited.
- (10) The number of suspensions of admissions issued.
- (11) The number of revocations issued.
- (12) The number of summary suspensions issued.
- (13) The number and amount of monetary penalties issued.



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1           **SECTION 1.(c)** DHSR shall post the following data to its website on a quarterly  
2 basis beginning January 31, 2024:

- 3           (1) A statement on how well it is complying with the statutory requirement of  
4 G.S. 122C-24.1 that reports of violations be sent to facilities within 15  
5 working days of the investigation.
- 6           (2) The number of informal appeals and number of contested cases filed pursuant  
7 to the provisions of Chapter 150B of the General Statutes.
- 8           (3) The number of contested cases dismissed, number of contested cases  
9 upholding agency action, number of contested cases overturning agency  
10 action, and number of contested cases where agency action was upheld in part  
11 and overturned in part.

12           **SECTION 2.** DHSR shall make the following regulatory changes to promote  
13 transparency and enhanced communication with providers:

- 14           (1) DHSR shall establish a workgroup in collaboration with providers to address  
15 ongoing concerns identified by DHSR and providers. These discussions may  
16 include clarification of clear rules of engagement and standard operating  
17 procedures.
- 18           (2) DHSR shall make available annual training to providers and shall solicit  
19 feedback from providers and provider associations regarding topics and the  
20 scheduling of the annual training as identified by the workgroup.
- 21           (3) DHSR shall align its review processes to reflect technology in electronic  
22 health records and accept documentation presented through the electronic  
23 health record. DHSR may also request that it be provided with a printed copy  
24 of portions of the electronic health record or that it be provided with electronic  
25 copies of the electronic health record. Both shall be provided as requested.

26           **SECTION 3.** The Mental Health Commission shall adopt or amend any rules  
27 necessary to implement the provisions of this act.

28           **SECTION 4.** There is appropriated from the General Fund to the Department of  
29 Health and Human Services, Division of Health Service Regulation, the sum of one hundred fifty  
30 thousand dollars (\$150,000) in nonrecurring funds to assist in implementing the changes required  
31 by this act.

32           **SECTION 5.** This act becomes effective October 1, 2023.