

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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**HOUSE BILL 580
PROPOSED COMMITTEE SUBSTITUTE H580-PCS10480-TRa-4**

Short Title: Expand Day/Employment Options/IDD.

(Public)

Sponsors:

Referred to:

April 10, 2023

A BILL TO BE ENTITLED
AN ACT TO EXPAND MEANINGFUL DAY AND EMPLOYMENT SERVICES OPTIONS
FOR MEDICAID BENEFICIARIES WITH INTELLECTUAL OR DEVELOPMENTAL
DISABILITIES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The Department of Health and Human Services (DHHS) shall study the feasibility of adding coverage of a new Medicaid service, entitled "Community Activities and Employment Transitions" (CAET), that provides individualized services and supports for individuals age 16 or older with intellectual or developmental disabilities and that meets the criteria established in this subsection. DHHS shall consider the feasibility of adding the coverage in any of the following ways: (i) by adding an "in-lieu-of" service offered through the 1115 waiver for Medicaid transformation, (ii) by adding or amending a 1915(i) home and community-based State Plan amendment to include the service, or (iii) by adding the service to any existing Medicaid waiver in this State. The new CAET service shall meet all of the following criteria:

- (1) The new service shall be modeled after (i) the nonresidential components of the service entitled "Long-Term Community Supports" currently provided by Vaya Health and (ii) similar services provided by Alliance Behavioral Healthcare that support a meaningful week when used either separately or with other available services.
- (2) The CAET service shall not include any residential component.
- (3) Services must originate from facilities that meet the home and community-based services standards established by DHHS and under federal law.

SECTION 1.(b) In studying the feasibility of a new CAET service in accordance with subsection (a) of this section, DHHS shall collaborate with the Marketing Association for Rehabilitation Centers (MARC), the North Carolina Association for Rehabilitation Facilities (NCARF), the North Carolina Association of Professional Supported Employment (NCAPSE), all LME/MCOs, and other appropriate stakeholders. Concurrent with the study of the feasibility of a new CAET service, the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services (Commission) established under Part 4 of Article 3 of Chapter 143B of the General Statutes also shall collaborate with those stakeholders to review any relevant rules, including 10A NCAC 27G .2301 through .2306. The Commission may amend any relevant rules and, if necessary, may adopt additional rules to account for the numerous community-based activities and employment services that may be provided to Medicaid beneficiaries as part of a new CAET service.



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1 **SECTION 1.(c)** Consistent with the authority granted under G.S. 108A-54(e),
2 DHHS may submit any State Plan amendments or waivers, or request other approval from the
3 Centers for Medicare and Medicaid Services, necessary for the implementation of any new CAET
4 service determined to be feasible under subsection (a) of this section. Coverage of the new service
5 may not begin earlier than January 1, 2024.

6 **SECTION 2.** No later than April 1, 2024, DHHS shall submit a report to the Joint
7 Legislative Oversight Committee on Medicaid detailing the following information related to any
8 new CAET service determined to be feasible under Section 1 of this act:

- 9 (1) The definition for the CAET service and any new Medicaid clinical coverage
10 policy or changes to an existing Medicaid clinical coverage policy.
- 11 (2) The anticipated annual cost to the State of adding the CAET service.
- 12 (3) Any legislative changes necessary in order to implement the CAET service.
- 13 (4) Any recommendations regarding the future establishment of a new facility
14 license for facilities providing the CAET service.
- 15 (5) Whether DHHS is able to add coverage of the CAET service pursuant to its
16 authority under G.S. 108A-54(e) or whether appropriations are required prior
17 to implementation. If DHHS intends to add coverage of the CAET service
18 pursuant to its authority under G.S. 108A-54(e), the expected implementation
19 date.

20 **SECTION 3.** There is appropriated from the General Fund to the Department of
21 Health and Human Services (DHHS) the sum of five hundred thousand dollars (\$500,000) in
22 nonrecurring funds for the 2023-2024 fiscal year to be used to support the feasibility study
23 required by Section 1(a) of this act. There is appropriated from the General Fund to DHHS the
24 sum of two million dollars (\$2,000,000) in nonrecurring funds for the 2024-2025 fiscal year to
25 be used for drafting the requests for the authorities or supports needed to implement any proposed
26 new CAET service determined to be feasible under Section 1 of this act.

27 **SECTION 4.** Section 3 of this act is effective July 1, 2023. The remainder of this act
28 is effective when it becomes law.