

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS15135-NL-29

Short Title: LME/MCO Transparency and Accountability. (Public)

Sponsors: Senator Grafstein (Primary Sponsor).

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REQUIRE QUARTERLY REPORTING BY LOCAL MANAGEMENT
ENTITIES/MANAGED CARE ORGANIZATIONS REGARDING ACCESS TO
HEALTHCARE PROVIDERS AND TO PROVIDE FOR SPECIFIC MINIMALLY
ADEQUATE SERVICES REQUIREMENTS TO BE MET BY LOCAL MANAGEMENT
ENTITIES/MANAGED CARE ORGANIZATIONS.

The General Assembly of North Carolina enacts:

PART I. QUARTERLY LME/MCO REPORTING

SECTION 1. On a quarterly basis beginning October 1, 2025, and for the period of four years thereafter, every local management entity/managed care organization shall submit to the Department of Health and Human Services (DHHS) the following information:

- (1) The number of individuals served by the LME/MCO who had an emergency department stay of more than 24 hours and the length of stay for each individual.
- (2) The number, and percentage of, individuals served by the LME/MCO who were unable to access a healthcare provider both willing and able to initiate services within 30 days of the approval of those services.
- (3) The amount of funds retained by the LME/MCO as a result of services that are approved for an individual served by the LME/MCO but that are not used due to limited access to appropriate or available providers.
- (4) For the initial report, the number of healthcare providers in the LME/MCO's network, by provider type. For each subsequent report, any change, positive or negative, in the number of providers in the LME/MCO's network, by provider type.
- (5) The number of individuals who are deemed eligible for mental, behavioral, or substance use services pursuant to contract between DHHS and the LME/MCO who are not receiving any or all of those services through the LME/MCO, except when the needed service is made available by another payor.

PART II. LME/MCO MINIMALLY ADEQUATE SERVICES REQUIREMENTS

SECTION 2.(a) The Secretary shall adopt rules incorporating the following standards for minimally adequate services provided by local management entities/managed care organizations (LME/MCOs) to be met no later than December 31, 2023, and each quarter thereafter:



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(1) LME/MCOs shall have fewer than two beneficiaries per county in the LME/MCO's catchment area boarded in a hospital emergency department at any one time. For the purposes of this subdivision, the term "boarded" means a stay of more than 24 hours after an individual is medically cleared for discharge or referral to a behavioral healthcare setting.

(2) Individuals served by the LME/MCO shall have access to a willing and available healthcare provider and begin receiving all approved services within 45 days of the approval of the services at least eighty-five percent (85%) of the time. This goal does not include specialized medical services for which there are extended wait times for individuals who are not Medicaid beneficiaries.

SECTION 2.(b) The Secretary may incorporate the criteria specified in subsection (a) of this section in any future managed care contracts. In addition to the measures outlined in this section, the Secretary may develop additional measures of LME/MCO compliance with established requirements for timely access to services for individuals served by the LME/MCO.

SECTION 2.(c) The failure of an LME/MCO to meet the access to service benchmarks specified in subsection (a) of this section, or as specified in rules adopted in accordance with that subsection, for two consecutive quarters shall constitute a failure to provide for minimally adequate services and the Secretary shall take corrective action.

PART III. EFFECTIVE DATE

SECTION 3. This act is effective when it becomes law.