



HOUSE BILL 916: Statewide Expansion of 1915(b)/(c) Waiver

2011-2012 General Assembly

Committee:	Joint Legislative Oversight Committee on Health and Human Services	Date:	October 10, 2011
Introduced by:	Reps. Barnhart, Dollar, Burr, Insko	Prepared by:	Shawn Parker
Analysis of:	S.L. 2011-264		Jan Paul Research Division

SUMMARY: *Session Law 2011-264 (HB 916) directs the Department of Health and Human Services to restructure the management responsibilities for the delivery of services for individuals with mental illness, intellectual and developmental disabilities, and substance abuse disorders by expanding operation of 1915(b)/(c) Medicaid Waivers statewide.*

System change

The act directs the Department of Health and Human Services (DHHS) to establish a system to deliver public services statewide to persons with mental illness, intellectual and developmental disabilities, and substance abuse disorders by expanding the 1915(b)/(c) Medicaid Waiver program. DHHS would complete restructuring of management responsibilities for all public resources for MH/DD/SAS programs by July 1, 2013, by:

- Becoming accountable for developing and managing a local system that provides easy access to care, makes available and delivers required services, and provides continuity of care;
- Adhering to the Piedmont Behavioral Health (PBH) system model;
- Within catchment areas, designating a single Local Management Entity (LME), either by merger or interlocal agreements (with one lead LME) to be responsible for all aspects of Waiver management;
- Employing specified managed care strategies, including care coordination and utilization management, to control costs while ensuring that consumers receive medically necessary care;
- Phasing out the current CAP-MR/DD and utilization management functions currently performed by other contractors;
- Designing the Innovations waiver to serve a greater number of qualified individuals within funding limits;
- Requiring 1915(b)/(c) Waiver-approved LMEs to maintain a community presence; implement a feedback and information exchange process to communicate with consumers, providers and others; create systems for communication and care coordination with other organized systems, such as local social service agencies, hospitals, schools, and other community agencies; and comply with specific operational requirements including maintaining disability specific competency to address the clinical, treatment, rehabilitative, habilitative, and support needs of all disabilities covered by the Waiver.

LMEs to operate 1915(b)/(c) waivers

The act directs DHHS by August 1, 2011 to select LMEs which meet the minimum Waiver operations criteria according to the requirements of the RFA 2011-261 issued on April 1, 2011. The bill further directs DHHS to cause LMEs that fail to meet minimum operational requirements by January 1, 2013 to merge or align an approved LME, and provides that under an interlocal agreement, a single LME would be responsible for all Waiver operations and contract requirements.

Local government limited liability

Under the act, county governments are not financially liable for cost overruns associated with the area authority's or single/multi-county program's Waiver operation beyond that entity's risk reserve and Medicaid fund balance amounts.

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Services for persons with Intellectual and Developmental Disability (IDD)

Targeted Case Management (TCM) is a service available statewide that assists individuals with intellectual and developmental disabilities in gaining access to needed services described in the State Medicaid Plan, as well as needed medical, social, educational, and other services. During the first year of Waiver operations, LMEs are directed to contract with previously approved TCM providers under the CAP-MR/DD Waiver to provide Community Guide service.

NC Innovations is a means of funding services and supports for people with mental retardation and other related developmental disabilities who are at risk for institutional care in an Intermediate Care Facility for Individuals with Mental Retardation (ICF-MR). Innovations also provides funding for people to return to their homes and communities from ICF-MRs. The act directs DHHS to assess by December 31, 2011, the feasibility of adding habilitation services through the 1915(i) Option for Medicaid enrollees with intellectual and developmental disabilities (IDD) who are not enrolled in the Innovations Waiver and are not residing in an ICF-MR.

The act further directs DHHS to consider impacts on ICF-MR facilities and evaluate and minimize possible inconsistencies between the certificate of need requirements and the viability and success of 1915(b)/(c) Waiver programs, and to discontinue for non-waiver LMEs the Supports Intensity Scale pilot program authorized in the 2010 Appropriations Act.

Managed Care Systems

The act directs DHHS to adopt written policies to align objectives of the 1915(b)/(c) Waiver and the care of eligible consumers with other managed care systems, including Community Care of North Carolina.

Reinvestment of Projected Savings

The act directs future General Assemblies to consider reinvesting 15% or more of the projected savings from operating the Waiver to increase the number of consumers served by the Innovations Waiver or to expand services for persons with intellectual and developmental disabilities.

Reporting requirements

The act directs DHHS, in coordination with other specified agencies, to submit a strategic plan for implementing this act to a legislative oversight committee, by October 1, 2011, and to submit periodic status reports to the General Assembly as to the progress of the restructuring and expansion authorized in Section 1.

LME catchment population

By July 1, 2012 the minimum population of an area authority or county program must be at least 300,000. The Department will reduce administrative funding of LMEs which do not comply with the minimum population to a rate consistent with catchments of 300,000. By July 1, 2013 the minimum population of an area authority or county program must be at least 500,000. The Department will reassign management responsibilities for State and federal pass-through funding from LMEs which do not comply with the minimum population requirements. Further, the bill provides that the dissolution of an area authority not meeting minimum population requirements is effective at any time during the fiscal year.

Rules not subject to the APA

The bill exempts the Department from the rule making under Article 2A of Chapter 150B in implementing, operating, or overseeing new or amending existing Waiver programs.

EFFECTIVE DATE: This act became effective June 23, 2011.