Chapter 9
Health and Human Services

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Enacted Legislation

Pre-K Eligibility Clarification

S.L. 2012-13, Sec. 2 (HB 966, Sec. 2) clarifies that family income must not exceed 75% of the State median income (SMI) for a child to be eligible for the NC Pre-K program. Up to 20% of children enrolled may have family incomes in excess of 75% SMI, if they have other designated risk factors. The parental co-pay requirement is repealed.

This section of this act became effective June 11, 2012. (PLP)

Charitable Licensing Exemption Clarification

S.L. 2012-15 (HB 302) broadens the exemption from charitable licensing requirements for charitable, nonprofit, faith-based, adult residential treatment facilities that do not receive any federal or state funding by repealing the requirement that such entities be part of an international organization serving at least 50 countries. It also extends the sunset to December 31, 2015, on a waiver allowing the establishment of a pilot program to study the use of electronic supervision devices as an alternative means of supervision during sleep hours at facilities for children and adolescents who have a primary diagnosis of mental illness and/or emotional disturbance.

This act became effective July 1, 2012. (JPP)

Pseudoephedrine Amount Clarifications

S.L. 2012-35 (HB 941) clarifies that, without a prescription, no person may purchase or deliver more than 3.6 grams of specified pseudoephedrine products per day, nor more than 9 grams within a 30-day period, for purposes of pseudoephedrine transaction limits. The law also directs a retailer who sells pseudoephedrine products without a prescription to a person 18 years or older to require the buyer to produce specified identification, and clarifies electronic recordkeeping requirements for pseudoephedrine products.

This act became effective July 1, 2012. (JPP)

Use R&R Funds for 2011-2012 Medicaid Costs

S.L. 2012-57 (HB 14) directs the Director of the Budget, in conjunction with other necessary officials, to adjust the budget by requiring up to $94 million dollars appropriated to the Repairs and Renovations Reserve Account for 2011-2012 fiscal year, to be transferred to the State Controller, to the extent necessary to ensure adequate Medicaid funding. Transfers are limited to the amounts actually required to pay providers through the end of the 2011-2012 fiscal year. If any of the funds transferred are not required to pay providers, the authority to transfer

funds immediately lapses with respect to the unneeded portions, and any excess funds transferred will be transferred back to the Repairs and Renovations Reserve. On or before October 1, 2012, the Office of State Budget and Management and the Department of Health and Human Services will report to the Appropriations/Base Budget Committee of the Senate, the Appropriations Committee of the House of Representatives, and the Joint Legislative Commission on Governmental Operations regarding any necessary transfers.

This act became effective June 21, 2012. (AJJ)

Eliminate LME Provider Endorsement

S.L. 2012-66 (HB 1055), as recommended by the Joint Legislative Oversight Committee on Health and Human Services, amends the Mental Health, Developmental Disabilities, and Substance Abuse Act of 1985 (Chapter 122C of the North Carolina General Statutes), to eliminate provider endorsement as one of the functions and duties of a local management entity.

This act became effective June 26, 2012. (SB)

Provisional Licensure Changes Medicaid

S.L. 2012-72 (HB 1081) changes the titles of certain licensed psychologists, clinical social workers, and clinical addictions specialists in order to provide clarification regarding their licensure status and to meet requirements of the Center for Medicare and Medicaid Services. The act also adds licensed clinical social worker associates, licensed professional counselor associates, licensed marriage and family therapist associates, and licensed clinical addiction specialist associates to the list of providers of mandatory mental health services for children.

This act became effective June 26, 2012. (JPP)

Accountable County Commissioners/Expand Local Board Authority

S.L. 2012-126 (HB 438) authorizes boards of county commissioners to assume direct control of activities conducted by commissions, boards, or agencies appointed by or acting under the authority of the board of county commissioners subject to certain restrictions. The act requires consolidated agencies to comply federal merit personnel system requirements and allows the board of commissioners to elect to subject employees who serve as staff to such agencies to the provisions of the State Personnel Act.

Public Health Changes.-

- *Public Health Improvement Incentive Program.* - The act establishes within the Department of Health and Human Services, a Public Health Improvement Incentive Program to provide monetary incentives for local health departments that serve catchments of 75,000 people or more and directs the Commission for Public Health to adopt rules to implement the program. The act further provides that by July 1, 2014, in order to receive State and federal pass through funding a local health department must be accredited. Counties are directed to maintain local health department funding at the 2010-2011 fiscal year local ad valorem tax receipts.
- *Essential Public Health Services.* - The act rewrites the essential public health services provision of the public health law and codifies ten essential public health services to be available and accessible to persons served by the local health departments.
- *Study transferring responsibilities of the Division of Public Health.* - The act directs the Program Evaluation Division of the North Carolina General Assembly to study the feasibility of a transfer of functions, duties, and obligations of the Division of Public

Health to the UNC Healthcare System and/or the School of Public Health at The University of North Carolina and provide a report by February 1, 2013.

This act became effective June 29, 2012. (SP)

Mental Health Crisis Management

S.L. 2012-128 (SB 347) authorizes acute care hospitals and other sites of first examination to take certain actions to assist in the management of populations pending involuntary commitment placement. The act directs the Department of Health and Human Services to study and report on LME efforts to reduce multiple crisis episodes and acute care inpatient admissions.

This act became effective June 29, 2012. (SP)

Medicaid Program Disclosures to the Fiscal Research Division

S.L. 2012-142, Sec. 6.12. (HB 950, Sec. 6.12.). See **State Government**.

NC Pre-K/Child Care

S.L. 2012-142, Sec. 10.1 (HB 950, Sec. 10.1) makes several substantive and clarifying changes to the NC Pre-K program as follows:

- NC Pre-K contracts will issue multi-year contracts to licensed private child care centers providing NC Pre-K classrooms.
- The Division of Child Development and Early Education (DCDEE) is directed to create a pilot program for classroom-based funding instead of slot-based funding. The pilot program will be implemented in three different geographic regions. Findings of the pilot program regarding numbers and costs of students served and a comparison of average costs per student in the pilot program and through current methodology will be presented to the Health and Human Services Budget subcommittees of the House of Representatives and of the Senate, and the Fiscal Research Division by January 31, 2013.
- DCDEE is directed to continue to implement the NC Pre-K program serving children who reach age four by August and who meet eligibility criteria. Developmental disabilities or other chronic health care issues are the only health factors that can be considered as factors in determining eligibility.
- The Child Care Commission (CCC) is directed to adopt rules to exempt parentally provided food from meeting CCC nutrition standards, to prohibit child care facilities from providing supplemental food and beverages to children whose parents have opted out of supplemental food programs, and to prohibit the inclusion of parentally provided food and beverages as factors in child care environmental quality ratings.
- All entities providing NC Pre-K are directed to adhere to DCDEE policies, standards, and requirements.
- DCDEE is directed to develop a standard slot award and student selection process and to submit an annual report no later than March 15 of each year including the numbers of children served, those who have never been served by any other prekindergarten program, expenditures, local contributions, and program evaluation results to the Joint Legislative Commission on Governmental Operations, Joint Legislative Oversight Committee on Health and Human Services, the Health and Human Services Budget subcommittees of the House of Representatives and of the Senate, the Office of State Budget and Management, and the Fiscal Research Division.

- Child Care Subsidy waiting list information must include data on a family's receipt of services through NC Pre-K or Head Start.

This section became effective on July 1, 2012. (PLP)

"Read NC" Early Literacy Initiative / Development Officers / Assistance to Rural Partnerships

S.L. 2012-142, Sec. 10.4 (HB 950, Sec. 10.4) creates the "Read NC" early literacy pilot initiative to be managed by the NC Partnership for Children, Inc. Funds are set aside for this initiative dependent upon adequate funding for the Medicaid budget for the 2012-2013 fiscal year. If funding is available, "Read NC" would be implemented beginning January 1, 2013 and additional staff can be hired at the NC Partnership for Children, Inc. for program implementation and management. This initiative will educate families in essential literacy practices, increase the quality of literacy programming in child care, and increase community-based literacy opportunities for families and young children.

The Division of Child Development and Early Education and the North Carolina Partnership for Children will report by April 1, 2013 to the Joint Legislative Commission on Governmental Operations, Joint Legislative Oversight Committee on Health and Human Services, and the Health and Human Services Budget subcommittees of the House of Representatives and of the Senate, on the progress of the "Read NC" initiative.

The North Carolina Partnership for Children, Inc. is directed to train about, and assist with, grant writing and fund raising with local partnerships. Additional staff may be hired to help meet this directive. If funding is available, additional assistance to rural partnerships based on amounts of child poverty, child population characteristics, and county-wide economic levels, will be provided.

This section became effective on July 1, 2012. (PLP)

Medicaid Eligibility - COLA Disregard

S.L. 2012-142, Sec. 10.6 (HB 950, Sec. 10.6) directs the Department of Health and Human Services to disregard an increase in a Medicaid recipient's income that is due solely to a cost-of-living-adjustment to federal Social Security and Railroad Retirement payments when determining income eligibility for the Medicaid program.

This section becomes effective January 1, 2013 and expires on December 31, 2017. (AJJ)

Medicaid Nonemergency Medical Transportation Services

S.L. 2012-142, Sec. 10.7 (HB 950, Sec. 10.7) directs the Department of Health and Human Services (DHHS), in consultation with the Department of Transportation (DOT), to issue a Request for Proposal (RFP) for the management of nonemergency medical transportation for Medicaid recipients. The section directs DHHS and DOT to consider a list of specific information when developing the RFP. The Division of Medical Assistance will submit a written report to the Joint Legislative Oversight Committee on Health and Human Services and to the Joint Legislative Oversight Committee on Transportation which includes the analysis required for the development of the RFP by Sept 15, 2012. No contract will be entered into until the reporting requirement is met and DHHS determines that it is cost-effective to contract for the transportation services.

This section became effective July 1, 2012. (AJJ)

Prohibit Smart Card Pilot Program

S.L. 2012-142, Sec. 10.9. (HB 950, Sec. 10.9.) repeals S.L. 2011-117 which established the North Carolina Smart Card Pilot Program. The section requires the Department of Health and Human Services (DHHS), out of available funds (up to $1 million dollars), to implement the North Carolina Smart Card Pilot Program. DHHS may contract with a third-party vendor to develop and execute the pilot program. To reduce program cost, DHHS must work with the Division of Motor Vehicles to leverage State data such as drivers' license photos and other identification data.

The section requires the Provider and Recipient Services Unit of the Division of Medical Assistance to administer the program. The pilot program must be conducted in two urban and two rural areas of the State to evaluate the feasibility of the Smart Card Program in different geographical regions of the State. The pilot program must include the use of at least two different types of available technology designed to do the following:

- Authenticate recipients at the onset and completion of each point of transaction.
- Deny ineligible persons at the point of transaction.
- Authenticate providers at the point of transaction.
- Secure and protect the personal identity and information of recipients.
- Reduce the total amount of medical assistance expenditures by reducing average cost per recipient.

The pilot program must not include a requirement for preenrollment of recipients.

The section also directs DHHS to consider additional specified components of the pilot program.

DHHS must evaluate program expansion and the need for rules and policies related to the following:

- Lost, forgotten, or stolen cards.
- Enrollment of all recipients, regardless of age, for participation in the program.
- Distribution and activation of Smart Cards for designated recipients.

DHHS must submit a written report, no later than March 1, 2013, to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, the Senate Committee on Health and Human Services, the House Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division. The report must include:

- Results of the pilot in the four regions of the State, including cost savings.
- Implementation costs, including payments to vendors.
- Feasibility of implementing the Smart Card Program statewide.

This section became effective July1, 2012. (SB)

Medicaid Option - Special Care and Memory Care Units

S.L. 2012-142, Sec. 10.9E (HB 950, Sec. 10.9E), as amended by S.L. 2012-145, Sec. 3.5 (SB 187, Sec. 3.5) requires the Department of Health and Human Services (DHHS) by September 15, 2012, to develop and submit to the Centers for Medicare and Medicaid Services (CMS) an application for a home-and community-based services program, authorized under Medicaid State Plan 1915(i) authority. The program is for individuals who are typically served in special care and memory care units and are eligible for the State-County Special Assistance program and have been diagnosed with a degenerative, irreversible disease that attacks the brain and results in impaired memory, thinking, and behavior. The program developed by DHHS must focus on providing individuals with personal care services necessary to ameliorate the effects of gradual memory loss, impaired judgment, disorientation, personality change, difficulty learning, and loss of language skills. DHHS is required to implement the program upon approval of the application by CMS and on or before April 1, 2013, must provide a report on the status of approval and implementation to the Joint Legislative Commission on Governmental Operations, the Senate

Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services and the Fiscal Research Division.

This section became effective July 1, 2012. (TM)

Personal Care Services /Activities of Daily Living Eligibility

S.L. 2012-142, Sec. 10.9F (HB 950, Sec. 10.9F), as amended by S.L. 2012-145, Sec. 3.7 (SB 187, Sec. 3.7), makes changes to Medicaid Personal Care Services as outlined below.

- Repeals S.L. 2011-145, Sec. 10.38, which required Department of Health and Human Services (DHHS), Division of Medical Assistance (DMA) to develop and implement a home-and community-based services program under Medicaid State Plan 1915(i) authority in order to continue Medicaid funding of personal care services to individuals living in adult care homes.
- Directs the Division of Medical Assistance (DMA), DHHS, to provide Personal Care Services (PCS) as specified in this section which amends S.L. 2011-145, Sec. 10.37(a)(1), as amended by S.L. 2011-391, Sec. 25; and to apply to the Centers for Medicare and Medicaid Services for a Medicaid State Plan Amendment by July 15, 2012.
- Provides that Personal Care Services for Children will assist families in meeting personal care needs of children under the age of 21, and will include a Medical Coverage Policy that provides up to 60 hours per month in accordance with an independent assessment; a process for evaluation or reevaluation; and appropriate actions to manage the cost, quality, program compliance, and utilization of personal care services.
- Provides that effective January 1, 2013, a Medicaid recipient meeting the criteria below is eligible for up to 80 hours per month of personal care services as a result of an assessment performed by an independent assessment entity (IAE).
- Medicaid recipient must have a medical condition, disability, or cognitive impairment and demonstrates unmet needs for, at a minimum, (i) three of five qualifying activities of daily living (ADLs) with limited hands-on assistance; (ii) two ADLs in which one requires extensive assistance; or (iii) two ADLs in which one requires assistance at the full dependence level. The ADLs include: eating, dressing, bathing, toileting, and mobility. The ADLs do not include: nonmedical transportation; financial management; non-hands-on assistance (cueing, prompting, guiding, coaching, or babysitting); and household chores not directly related to qualifying ADLs.
- Medicaid recipient must reside in a private living arrangement, an adult care home, or a combination home.
- Requires assessments for personal care services be performed by an independent assessment entity (IAE) once the primary or attending physician provides written authorization for referral for the service, and the medical necessity for the service. After assessing a recipient's degree of functional disability and level of unmet needs for personal care services in the five ADLs, the IAE will determine and authorize the amount of the services to be provided.
- Requires DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services on implementation of this section and on the progress in making independent assessments of recipients by September 1, 2012.

Except as otherwise specified, this section became effective July 2, 2012. (TM)

AIDS Drug Assistance Program Pilot

S.L. 2012-142, Sec. 10.16 (HB 950, Sec. 10.16) directs the Department of Health and Human Services, out of funds available, to develop a pilot program to enroll individuals receiving

services under the Aids Drug Assistance Program (ADAP) in Inclusive Health North Carolina. The pilot must not be implemented until actuarial services determine that the program will be cost neutral or achieve savings. If the pilot is determined to be cost neutral or achieve savings, it must be implemented from January 1, 2013 through December 31, 2013. The Department must select up to three HIV/AIDS care providers with the highest number of ADAP recipients to participate in the pilot program. The Department may contract with a vendor to determine the results of the pilot and shall report the results to the Joint Legislative Oversight Committee on Health and Human Services by April, 2014.

This section became effective July 2, 2012. (BR)

Equalize Special Assistance Payments Under In-Home, Adult Care Home, and Rental Assistance Programs

S.L. 2012-142, Sec. 10.23 (HB 950, Sec. 10.23) makes a number of changes to the State-County Special Assistance in-home program as outlined below.

- Amends the law to increase the standard monthly payment to individuals enrolled in Special Assistance in-home from 75% to 100% of the monthly payment the individual would receive if they resided in an adult care home. And requires all county departments of social services to participate in the State-County Special Assistance in-home program by making slots available, previously participation was on a voluntary basis.
- Requires the Department of Health and Human Services (DHHS) to establish a formula to determine the need for additional State-County Special Assistance in-home slots for each county by February 15, 2013. Beginning July 1, 2014, the Department is responsible for reviewing the formula on July 1 of each year.
- Requires county departments of social services with State-County Special Assistance (SA) in-home slots:
  - to maintain at least the same number of slots during the 2012-13 fiscal year as the average number of slots filled during the 2011-12 fiscal year, if they don't have all of their slots filled by February 15, 2013; and
  - if they have SA in-home slots but have not filled any of the slots, to begin participating in the SA in-home program effective February 15, 2013 and filling slots.
- Requires county departments of social services without State-County SA in-home slots to begin participating in the SA in-home program effective February 15, 2013. DHHS will assess the need for slots based on a percentage of the caseload for all State-County Special Assistance within the county.
- Grants the Secretary of DHHS the authority to waive the 15% cap on SA in-home payments effective February 15, 2013, notwithstanding current law and within existing SA appropriations.
- Amends the law to provide that DHHS must maintain the State's appropriation to the State-County SA program at 100% of the State certified budget enacted by the General Assembly for the 2012-13 fiscal year. Each county department of social services is also required to maintain their allocation to the SA program at 100% of the county funds budgeted for the program for the 2011-12 fiscal year. Both DHHS and each county are required to use these budgeted funds for the SA program, the SA in-home program, and rental assistance.

This section becomes effective February 15, 2013. (TM)

Transitions to Community Living Initiative

S.L. 2012-142, Sec. 10.23A, subsections (a), (d)-(g), and (i)-(j) (HB 950, Sec. 10.23A, subsections (a), (d)-(g), and (i)-(j)), as amended by S.L. 2012-145, Sec. 3.6 (SB 187, Sec. 3.6), establishes the Transitions to Community Living Fund and appropriates $10,300,000 to the Department of Health and Human Services (DHHS) for transitioning individuals with severe mental illness and severe and persistent mental illness into community living arrangements, including establishing a rental assistance program. If the State executes an agreement or a plan with the United States Department of Justice in response to their findings, the funds must be used to implement the first year of the agreement or plan. This section gives DHHS the authority to implement temporary rules.

The sum of $39,700,000 is designated for implementation of the State's plan to provide temporary short-term assistance only to adult care homes as the State's Transitions to Community Living Initiative takes place. Following an independent assessment by December 31, 2012, and upon certification, DHHS may make a monthly payment to the adult care home to provide services for a resident who: (i) is no longer eligible to receive Medicaid reimbursable assistance, (ii) for whom a community placement has not been arranged, and (iii) who cannot be safely and timely discharged into the community. The monthly payments will be made from the $39,700,000 and each payment cannot exceed $694 per month per resident for a period not to exceed three months per resident. At the end of three months, the monthly payment will be reduced by 25% and cannot exceed $520.50 per month per resident. Once the home-and-community-based services program for elderly individuals who are typically served in special care or memory care units is implemented under Medicaid State Plan 1915(i) authority, DHHS will no longer make monthly payments for services provided to residents of special care or memory care units. DHHS can make no monthly payments pursuant to this section after June 30, 2013.

This section became effective July 2, 2012. The portion of funding provided for implementation of the State's plan to provide temporary short-term assistance to adult care homes expires June 30, 2013, and any unobligated funds revert to the Transitions to Community Living Fund. **See Studies this Chapter** for S.L. 2012-142, Sec. 10.23A, subsections (b)-(c) and (h). (TM)

Local Management Entity (LME) Governance

S.L. 2012-151 (SB 191) amends the Mental Health, Developmental Disabilities, and Substance Abuse Act of 1985 and other statutes to address identified barriers to the implementation of Statewide expansion of the 1915(b)/(c) Medicaid Waiver. The act provides a county's responsibility for the provision of mh/dd/sa services includes adhering to rules, policies, and guidelines developed pursuant to a statewide expansion of a 1915(b)/(c) Medicaid Waiver and makes the following changes:

LME Board. – The act changes board of director requirements by restricting the number of members and requiring specific expertise to be represented. Large LMEs (at least 1.25 million people within the catchment area) are authorized to utilize a different board structure with unanimous consent of each constituent county's board of commissioners and approval of the Secretary. Board members are required to receive training annually and may be removed for excessive absences.

LME Powers, Duties, and Merger Activity. - The act clarifies that only an LME may manage a 1915(b)/(c) Medicaid Waiver, allows an LME to add additional counties without unanimous approval of each county within the current catchment, and prohibits single county disengagement for a two year period while the Secretary develops rules that account for undisrupted services, catchment population requirements, capitation rates, and distribution of real property. The act authorizes LMEs to hold title to real property, borrow money, exclusively appoint the area director, protect competitive health care information, and seek approval from

the Director of the Office of State Personnel for employees and director salaries which are in excess of ranges established by the State Personnel Commission.

Guardianship.- The act repeals the provision of law authorizing qualified area directors, officers, or employees of an area authority to serve as a guardian for adults adjudicated incompetent under Chapter 35A. The section redefines *disinterested public agent* to mean the director or assistant director of a county department of social services (was local human services agency). Further, the section adds training requirements for corporations contracting with the disinterested public agent and prohibits certain providers from serving as guardians to individuals to whom it also provides mh/dd/sa services pursuant to an LME contract.

This act became effective July 12, 2012. (SP)

Enact Volunteer Health Care Services Act

S.L. 2012-155 (HB 614) creates within Department of Health and Human Services (DHHS) a registration system to allow for free health care services at properly registered Volunteer Health Care Events. Licensed Health Care providers (in-state/out of state) receive limited liability for the provision services provided at these events unless the act was the result of gross negligence, wanton conduct, or an intentional wrong doing. In addition out of state practitioners who are approved to participate are not subject to additional licensure requirements during the event. To receive the described exemptions, a sponsoring organizations-

- Must register with DHHS and pay nominal fee.
- Must limit events to no more than 7 days a calendar year (usually 2 day events).
- Must provide to DHHS list of participating providers with 14 days of the event which will be verified by State Licensure boards for comparability.
- Maintain a list of qualified participants.
- Submit quarterly reports on which services and providers participated in sponsored events.
- Ensure at least one North Carolina licensed health care provider with access to the State Controlled Substance Reporting System is onsite during event.
- Post notice of the limited liability onsite.

The act authorizes DHHS to revoke a sponsoring organizations status for failure to comply, and to waive requirements during a natural disaster or emergency circumstance.

This act becomes effective January 1, 2013. (SP)

Strengthen Child Safety Laws/Care Facilities

S.L. 2012-160 (HB 737) makes the following changes to the law requiring criminal history checks on child care providers:

- Expands the definition of "child care provider" to include both permanent and temporary employees and substitute providers as well as family members and nonfamily members in family child care homes who use the home as a permanent or temporary place of residence, and eliminates from the definition the requirement that the employee have contact with the children.
- Expands the definition of "criminal history" to include criminal charges.
- Adds additional offenses to the list of crimes bearing on the safety of children.
- Adds definitions for "substitute provider" and "uncompensated provider."
- Prohibits certain convicted and adjudicated persons from being child care providers or uncompensated child care providers.
- Continues the requirement that the Department of Health and Human Services (DHHS) ensure certain criminal history checks of providers prior to employment and every three years thereafter.

- Permits DHHS to prevent habitually excessive alcohol and drug users or mentally or emotionally impaired individuals from being child care providers.
- Adds intentional falsification on a criminal history check as a ground for DHHS to disallow an individual to provide child care.
- Specifies that district court review of DHHS decision is *de novo* and that no jury trial is available for such appeals.
- Amends certain provisions regarding payment for required criminal history checks.

This act becomes effective January 1, 2013. (JPP)

Absconding Probation/Violators Forfeit Benefits

S.L. 2012-170 (HB 1173). See **Courts, Justice & Corrections**.

Critical Access Behavioral Health Agencies

S.L. 2012-171 (SB 525) directs the Department of Health and Human Services (DHHS) to ensure that Critical Access Behavioral Health Agencies (CABHAs) are the sole providers of Community Support Team, Intensive In-Home, and Child and Adolescent Day Treatment services for the State Medicaid program. CABHAs are required to provide, at a minimum, a comprehensive clinical assessment, medication management, outpatient therapy, and at least two of the listed services within an age- and disability-specific continuum; to provide services in accordance with State and federal requirements and policies; and to meet specified staffing requirements.

This act became effective July 12, 2012. (JPP)

Modify UNCHCS Board

S.L. 2012-174 (HB 1073). See **Education**.

Dentistry Management Arrangements

S.L. 2012-195 (SB 655) addresses management arrangements between dentists or dental practices, and management companies. The act requires that all dental management arrangements executed on or after January 1, 2013, contain a conspicuous and specific warning to the parties executing the agreement. The act directs that no member of the North Carolina State Board of Dental Examiners (Board) will be subject to examination in connection with a review by the Board of a management arrangement. Additionally, the act allows employees or agents of the Board to report information that a crime may have been committed to the appropriate law enforcement agency or district attorney and requires the Board to cooperate with any investigations that may be conducted, and provides for the confidentiality of information disclosed by the Board.

The act also adds Wake County as an appropriate venue under G.S. 90-40.1 for actions to enjoin acts constituting the unlawful practice of dentistry.

The act sets up a task force on dental management arrangement rules. The task force will study and make recommendations regarding issues arising in the consideration of dental management arrangements. The task force will report its findings and recommendations to the Board by January 1, 2013. The Board must submit a report, along with the Board's proposed course of action to the General Assembly by February 1, 2013. The act directs the Board to adopt rules and to conform its existing rules after the Board has considered recommendations from the task force.

This act became effective July, 19, 2012. (AJJ)

Studies

New/Independent Studies/Commissions

Blue Ribbon Commission on Transitions to Community Living

S.L. 2012-142, Sec. 10.23A, subsections (b)-(c) and (h) (HB 950, Sec. 10.23A, subsections (b)-(c) and (h)) establishes the Blue Ribbon Commission on Transitions to Community Living to examine the State's system of community housing and community supports for people with severe mental illness, severe and persistent mental illness, and intellectual and developmental disabilities; and to develop a plan to continue to advance the State's current system into a statewide system of person-centered affordable services and supports that emphasize an individual's dignity, choice, and independence. The Commission will be composed of 32 members represented as follows:

- Six members of the House of Representatives.
- Six members of the Senate.
- Secretary of DHHS, or designee.
- Director of the Housing Finance Agency, or designee.
- Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of DHHS, or designee.
- Director of the Division of Medical Assistance of DHHS, or designee.
- The following 16 representatives appointed jointly by the chairs:
  - Two mental health consumers or their family representatives.
  - Two developmental disabilities consumers or their family representatives.
  - Two persons in the field of banking or representing a financial institution with housing finance expertise
  - Two representatives of local management entities/managed care organizations.
  - A county government representative.
  - A North Carolina Association, Long Term Care Facilities representative.
  - A North Carolina Assisted Living Association representative.
  - A family care home representative.
  - A representative of group homes for adults with developmental disabilities.
  - A representative of group homes for individuals with mental illness.
  - Two representatives of service providers with proven experience in innovated housing and support services in the State.

During the course of study, the Commission must consider the following nine issues:

- Alterations to the State's practice of services delivered as close to an individual's home and family as possible.
- Best practices in managing and administering long-term care to individuals with disabilities.
- Services and supports for people with severe mental illness and severe and persistent mental illness, including: respite; community-based supported housing; community-based mental health services; evidence-based, person-centered recovery supports and crisis services; and supported employment.
- Expanding community-based services and supports, housing options, and supported work for adults with intellectual and other developmental disabilities. Maximizing the use of habilitation services that may be available via the Medicaid "I" option for individuals who do not meet the ICF-MR level of need.
- Methods to manage the growth in long-term care spending, including use of Medicaid waivers.
- Options for repurposing existing resources while considering the diverse economic challenges in communities across the State.

- Opportunities for systemic change and maximization of housing, and service and supports funding streams, including State-County Special Assistance and the State's Medicaid program.
- Role of adult care homes and other residential settings in the State.
- Other resources that might be leveraged to enhance reform efforts.

The Commission must appoint a Subcommittee on Housing and a Subcommittee on Adult Care Homes, each composed of 15 members. Reporting requirements include an interim report by October 1, 2012 and a final plan to the General Assembly no later than February 1, 2013. The Commission will expire upon submitting the final plan.

This section became effective July 2, 2012. (TM)

Referrals to Existing Commissions/Committees

Examination of the State's Delivery of Mental Health Services

S.L. 2012-142, Sec. 10.11, (HB 950, Sec. 10.11) as amended by S.L. 2012-145, Sec. 3.4 (SB 187, Sec. 3.4) directs the Joint Legislative Oversight Committee on Health and Human Services to appoint a subcommittee to examine the State's delivery of mental health services. The following components must be reviewed:

- The State's progress in delivering mental health services in integrated settings.
- The State's capacity to meet growing mental health needs.
- The process for determining catchment areas for psychiatric hospitals including managed care organization groupings and alternatives to the current process that would increase efficiency and equity.
- The impact of implementing the 1915(b)/(c) waiver and other mental health reforms on guardianship roles, responsibilities, relationships, and recommended legislation to transfer State Mental Health/Developmental Disabilities/Substance Abuse Services guardianship responsibilities to county departments of social services.

The subcommittee will report its findings to the Joint Legislative Oversight Committee on Health and Human Services by January 15, 2013 at which time it will terminate.

This section became effective on July 1, 2012. (PLP)

Guardianship Services

S.L. 2012-145, Sec. 3.4. (SB 187, Sec. 3.4.), adds an additional provision to S.L. 2012-142, Sec. 10.11 (HB 950, Sec. 10.11), relating to the State's delivery of mental health services, by adding a provision requiring a subcommittee of the Joint Legislative Oversight Committee on Health and Human Services to review the impact of implementing the 1915(b)/(c) Medicaid waiver and other mental health system reforms on public guardianship services.

S.L. 2012-145 and S.L. 2012-142 became effective July 1, 2012. (JPP)

Referrals to Program Evaluation or Fiscal Research

Accountable County Commissioners/Expand Local Board Authority

S.L. 2012-126 (HB 438) directs the Program Evaluation Division of the North Carolina General Assembly to study the feasibility of a transfer of functions, duties, and obligations of the

Division of Public Health to the UNC Healthcare System and/or the School of Public Health at The University of North Carolina and provide a report by February 1, 2013.

This act became effective June 29, 2012. (SB)

Program Evaluation Division and Fiscal Research Division Joint Study Medicaid Organization

S.L. 2012-142, Sec. 10.9B (HB 950, Sec. 10.9B) directs the Program Evaluation Division and the Fiscal Research Division of the General Assembly to study the feasibility of creating a separate Department of Medicaid. A joint recommendation will be made to the 2013 Regular Session of the General Assembly no later than February 5, 2013, and will include a review of the administration of other state Medicaid programs, an analysis of benefits and disadvantages to creating a Department of Medicaid, any adverse impact a Department of Medicaid may have on the administration of other agencies within the Department of Health and Human Services, and an identification of various Medicaid organizational structures, including any costs and savings associated with such structures.

This section became effective July 2, 2012. (AJJ)

Referrals to Departments, Agencies, Etc.

Study Electronic Prior Authorization for Medicaid Prescriptions

S.L. 2012-142, Sec. 10.8A (HB 950, Sec. 10.8A) directs the Department of Health and Human Services (DHHS) to study the implementation of an electronic prior authorization system for prescription medication consistent with standards adopted by the National Council of Prescription Drug Programs. DHHS will include a review of other states' experiences and report the findings to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than March 1, 2013.

This section became effective July 2, 2012. (AJJ)