2021

Substantive Enacted Legislation Pertaining to Health and Human Services

February 2022

Legislative Analysis Division, North Carolina General Assembly

2021 Substantive Enacted Legislation
Pertaining to Health and Human Services

This document provides summaries of substantive legislation pertaining to health and human services enacted during the 2021 Session of the General Assembly. In an effort to facilitate use, the summaries of have been categorized under subheadings, and then arranged in numerical order by Session Law under each subheading.

The brief summaries contained in this document represent work products from the following Legislative Analysis Division staff members: Susan Barham, Jessica Boney, Jennifer Hillman, Theresa Matula, and Jason Moran-Bates. A more thorough summary of most bills may be found on the NCGA website: http://www.ncleg.net/Legislation/Legislation.html

Subheadings:

To facilitate use, each subheading below is hyperlinked to that section of the document.

SUMMARIES

AGING AND ADULT SERVICES

State-County Special Assistance Rates (S.L. 2021-180, Sec. 9A.1/SB 105 – 2021 Appropriations Act)

Section 9A.1 of S.L. 2021-180 provides that for the 2021-2023 fiscal biennium, the maximum monthly State-County Special Assistance rate for residents in adult care homes is $1,182 per resident per month and the maximum monthly rate for residents in Alzheimer's Dementia special care units is $1,515 per resident per month.

This section became effective July 1, 2021.

Increase in State-County Special Assistance Personal Needs Allowance (S.L. 2021-180, Sec. 9A.2/SB 105 – 2021 Appropriations Act)

Section 9A.2 of S.L. 2021-180 provides that effective January 1, 2022, the Division of Aging and Adult Services, Department of Health and Human Services, must increase the personal needs allowance under the State-County Special Assistance program from $46 to $70 per month per resident.

Effective January 1, 2022, the income limits for determining financial eligibility for State-County Special Assistance are as follows:

- The total countable monthly income for individuals residing in adult care homes must not exceed $1,228 per month per resident.
- The total countable monthly income for individuals residing in Alzheimer's/Dementia special care units must not exceed $1,515 per month per resident.

This section became effective July 1, 2021.

Removal of the Cap on the Number of Allowable State-County Special Assistance In-Home Payments (S.L. 2021-180, Sec. 9A.3/SB 105 – 2021 Appropriations Act)

Section 9A.3 of S.L. 2021-180 amends the law (G.S. 108A-47.1) to remove the cap on the use of existing State-County Special Assistance funds for Special Assistance payments to eligible individuals 18 years of age or older in in-home living arrangements. Previously the in-home payments were limited to 15% of the caseload for all State County Special Assistance.

This section became effective July 1, 2021.

State-County Special Assistance Program Changes (S.L. 2021-180, Sec. 9A.3A/SB 105 – 2021 Appropriations Act)

Section 9A.3A of S.L. 2021-180 directs changes to the State-County Special Assistance (SA) program to bring the SA In-Home program into parity with the SA Adult Care Home program, effectively merging the two programs and allowing individuals to qualify for the SA program and receive Medicaid coverage, regardless of the individual's residential setting, based upon the criteria historically used for the SA Adult Care Home program. The provision also codifies the maximum SA monthly payment rate set in Section 9A.1 of the act and adds an annual cost-of-living adjustment (COLA) beginning January 1, 2024, that is equal to the annual Social Security COLA. The SA program changes are contingent upon federal approval, as follows:

- The Department of Health and Human Services (DHHS) must apply for federal approval of the SA program changes by December 18, 2021.
- DHHS must use savings deposited in the HCBS Fund, established in Section 9D.8A of the act, to fund the Medicaid costs and the SA program costs associated with the SA program changes, for as long as funds remain in the HCBS Fund.
- The SA program changes become effective on the later of July 1, 2022, or 30 days after the date when all federal approvals have been received for the SA program changes and for the use of the savings in the HCBS Fund to fund the SA program changes. If all of these approvals have not been received by June 30, 2023, the SA program changes required by the provision will not take effect and the applicable portions of the provision will expire.

The remainder of the section became effective November 18, 2021.

Authorization for Local Entities to Set Reimbursement Rates for Adult Day Care, Adult Day Health, and Associated Transportation Services Funded by the Home and Community Care Block Grant and the State Adult Day Care Fund (S.L. 2021-180, Sec. 9A.3B/SB 105 – 2021 Appropriations Act)

Section 9A.3B of S.L. 2021-180 amends G.S. 143B-181.1 and G.S. 143B-153 to remove the maximum statewide reimbursement rates and to provide that reimbursement rates for adult day care services, adult day health services, and associated transportation services paid under the Home and Community Care Block Grant (HCCBG) and the State Adult Day Care Fund will be established at the local level. The locally established rates must reflect geographical differences, the availability of services, the cost to provide services and other local variables.

The section became effective November 18, 2021.

Nutrition Services for Older Adults (S.L. 2021-180, Sec. 9A.5/SB 105 – 2021 Appropriations Act)

Section 9A.5 of S.L. 2021-180 provides $3,585,000 in nonrecurring funds for the 2021-22 fiscal year from the State Fiscal Recovery Fund to the Division of Aging and Adult Services, Department of Health and Human Services, to be used to address food insecurity among older adults due to the COVID-19 pandemic.

Allowable activities include:

- Providing two meals per week or $20 per week in groceries to eligible older adults who are frail or functionally impaired.
- Providing two weeks of meals to eligible high-risk older adults after a hospital discharge.
- Expanding the North Carolina Senior Farmers' Market Nutrition Program across the State to eligible low-income older adults.

This section became effective July 1, 2021.

Adult Care Home Accreditation Pilot Program (S.L. 2021-180, Sec. 9E.6/SB 105 – 2021 Appropriations Act)

Section 9E.6 of S.L. 2021-180, as amended by Section 3.1 of S.L. 2021-189, allows the Cecil G. Sheps Center for Health Services Research (the Sheps Center) to oversee the administration of a two-year pilot program to be conducted by the Pilot Program Accrediting Body and the Sheps Center to evaluate the effectiveness of an accreditation process for adult care homes (ACHs). The Pilot Program Accrediting Body is defined as the Accreditation Commission for Healthcare, a nonprofit accreditation organization. In conducting the pilot, the Sheps Center must collaborate with the Department of Health and Human Services (DHHS), the Stakeholder Advisory Group, the NC Senior Living Association (NCSLA), the NC Assisted Living Association (NCALA), as well as the Pilot Program Accrediting Body. The Stakeholder Advisory Group must be appointed by DHHS, represent other interested parties not already involved in the pilot program, and be composed of at least one member representing Friends of Residents in Long Term Care, the North Carolina Ombudsman Association, AARP North Carolina, Disability Rights North Carolina, directors of county departments of social services, and DHHS. NCSLA and NCALA must develop a grant program that provides grant awards to up to 150 pilot adult care homes (ACHs) to cover the cost of 75 control group ACHs and 75 pilot ACHs. Criteria must be developed to select participants in the pilot and the criteria must ensure a diverse group of ACHs are selected.

Not later than 150 days after the section is effective, the Sheps Center, NCALA, and NCSLA must develop a standardized methodology for the collection of defined categories of information from program participants and control group members. Using quality outcome measures, the Sheps Center must provide an interim report on or before April 30, 2023, and a final report on or before July 31, 2024, to the Joint Legislative Oversight Committee on Health and Human Services,

DHHS, and the Stakeholder Advisory Group. The pilot program must terminate by August 1, 2024. No later than 90 days following submission of the final report, the Sheps Center must (i) conduct an evaluation of the effectiveness of the pilot program for a licensure accreditation process for adult care homes that could inform future changes to the licensure process and requirements and (ii) submit the evaluation to the Joint Legislative Oversight Committee on Health and Human Services and DHHS.

Of the funds appropriated to DHHS, $1,500,000 must be allocated to NCALA and NCSLA to jointly administer the grant program and $1,500,000 must be transferred to the Board of Governors of The University of North Carolina System to be allocated to the University of North Carolina at Chapel Hill for the Program on Aging, Disability, and Long-Term Care within the Sheps Center to operate the pilot program.

This section became effective July 1, 2021.

Adult Care Home Infection Prevention Requirements (S.L. 2021-180, Sec. 9E.7/SB 105 – 2021 Appropriations Act)

Section 9E.7 of S.L. 2021-180, as amended by Section 3.2(a) of S.L. 2021-189, amends the law (G.S. 131D-4.4A) which provides for adult care home infection prevention requirements. The definition of "adult care home staff" is amended to mean any employee of an adult care home, whether or not they are involved in direct resident care.

To prevent transmission of infectious diseases, each adult care home is required to do the following:

- Implement written infection prevention and control policies and procedures based on accepted national standards consistent with the federal Centers for Disease Control and Prevention guidelines on infection control. These policies and procedures must be maintained in the facility and accessible to adult care home staff. A list of detailed items that must be addressed in the policies and procedures is provided
- Require and monitor compliance with the facility's infection prevention and control policies and procedures.
- Update the infection prevention and control policies and procedures to maintain consistency with accepted national standards.
- Designate one on-site staff member for each noncontiguous facility who is knowledgeable about the federal Centers for Disease Control and Prevention guidelines on infection control to direct the facility's infection control activities and ensure that all adult care home staff is trained in the facility's written infection prevention and control policies and procedures. Any nonsupervisory staff member designated to direct the facility's infection control activities must complete the infection control course developed by the Department of Health and Human Services (DHHS)(G.S. 131D-4.5C).

- When a communicable disease outbreak has been identified at a facility or there is an emerging infectious disease threat, the facility must ensure implementation of the facility's infection control and prevention policies and procedures, or specific guidance or directives if issued by DHHS or the local health department.

This section became effective January 1, 2022.

Temporary Financial Assistance for Facilities Licensed to Accept State-County Special Assistance (S.L. 2021-180, Sec. 9I.1/SB 105 – 2021 Appropriations Act)

Section 9I.1 of S.L. 2021-180 provides $48,000,000 in nonrecurring funds for the 2021-2022 fiscal year from the State Fiscal Recovery Fund to the Division of Social Services, Department of Health and Human Services, to be allocated for facilities licensed to accept State-County Special Assistance. The Division of Social Services must expend up to $24,000,000 of these allocated funds during the 2021-2022 fiscal year, and any remaining funds during the 2022-2023 fiscal year, to provide temporary financial assistance in the form of a monthly payment to facilities to offset the increased costs of serving residents who are recipients of State-County Special Assistance during the public health emergency.

Between July 1, 2021, and the depletion of funds or the date federal law requires funds to be expended, whichever is earlier, the monthly payment authorized is $125 per month for each facility resident who is a recipient of State-County Special Assistance. Monthly payments must not be made for residents whose eligibility determination is pending.

This section became effective July 1, 2021.

Funds for National Multiple Sclerosis Society/Home Modification Program (S.L. 2021-180, Sec. 9J.2/ SB 105 – 2021 Appropriations Act)

Refer to the Children and Families heading in this document.

Adult Care Home Supervisors Training on Infection Control and Model Infection Prevention and Control Policies and Procedures (S.L. 2021-189, Sec. 3.2(b)-(c)/HB 334 Budget Technical Corrections)

Section 3.2(b)-(c) of S.L. 2021-189 amends the law (G.S. 131D-4.5) to establish requirements for the Department of Health and Human Services (DHHS) to develop and post model infection prevention and control policies and procedures for adult care home supervisors. Subsection (b) of this section requires DHHS to develop, in consultation with associations representing adult care home providers, model infection prevention and control policies and procedures that are consistent with accepted national standards and factors identified in G.S. 131D-4.4A(b)(1). DHHS must make these policies and procedures available to adult care homes on their internet website. This subsection becomes effective January 1, 2022.

Subsection (c) of this section became effective July 1, 2021, and requires DHHS to do the following by January 1, 2022:

- Develop and post to its internet website the model infection prevention and control policies and procedures required by G.S. 131D-4.5C(a), as enacted by subsection (b) of this section.
- Develop the mandatory, annual course for adult care home supervisors required by G.S. 131D-4.5C(b), as enacted by subsection (b) of this section.

CHILDREN AND FAMILIES

Modify Termination of Parental Rights Appeals (S.L. 2021-18/SB 113)

S.L. 2021-18 removes the right of direct appeal to the North Carolina Supreme Court and instead provides a right of direct appeal to the North Carolina Court of Appeals for the following: (i) an order that terminates parental rights or denies a petition or motion to terminate parental rights and (ii) an order eliminating reunification as a permanent plan.

This act requires the Director of the Administrative Office of the Courts to submit an annual report on appeals of termination of parental rights cases by February 1 of each year to the Chief Justice of the North Carolina Supreme Court and the General Assembly.

This act became effective July 1, 2021, and applies to appeals filed on or after that date.

Revise Health Standard for Lead (S.L. 2021-69/HB 272)

S.L. 2021-69 amends the definition of "lead poisoning hazard" under the statutes governing lead poisoning in children and pregnant women to decrease the amount of lead in drinking water that constitutes a "lead poisoning hazard" from 15 parts per billion (ppb) to ten ppb.

This act became effective December 1, 2021.

Expedite Child Safety and Permanency (S.L. 2021-132/SB 693)

Part I of S.L. 2021-132 makes various child welfare reforms to the Juvenile Code (Chapter 7B of the General Statutes) regarding abuse, neglect, and dependency laws, and does the following:

- Defines "relative" as an individual directly related to the juvenile by blood, marriage, or adoption.
- Requires the Department of Health and Human Services (DHHS) and county departments of social services (DSS) to share certain confidential records related to complaints of abuse and neglect with legislators and joint oversight committees who request them, making it a Class 1 misdemeanor for any violation of the requirements.
- Directs DSS to use due diligence to identify and notify adult relatives with legal custody of a sibling of the juvenile within 30 days as to the juvenile's nonsecure custody status.
- Authorizes the court to consider placement of a juvenile with a former foster parent, other persons with legal custody of a sibling of the juvenile, or nonrelative kin, if not with a relative.
- Permits DSS to recommend unsupervised visits as an option if the juvenile has been removed from the home.

- Requires that observation visits occur within 30 days of the hearing at which DSS makes a recommendation of either unsupervised visits or a return of physical custody.
- Makes a positive drug test insufficient on its own to deny parental visitation.
- Clarifies that if custody has not been removed, hearings are designated "review hearings," while if custody has been removed, hearings are designed "permanency planning hearings."
- Clarifies that a review or permanency planning hearing must take place within 90 days of the initial disposition hearing, and every six months thereafter.
- Allows any person with whom the juvenile is placed the opportunity to address the court regarding the juvenile's well-being.
- Requires the court to consider reports on the juvenile's continuation and appropriateness of that continuation in the home of the parent, guardian, or custodian at each hearing.
- Requires a permanency planning hearing with 30 days of the review if a juvenile is removed from the custody of a parent, guardian, or custodian.
- Specifies actions the court may take at any review hearing.
- Allows the court to terminate further review hearings or its jurisdiction when the parent, guardian, or custodian has successfully completed court-ordered services and the juvenile is residing in a safe home.
- Requires a review hearing if requested.
- Requires, as part of foster parent licensure, training on the role of a foster parent in judicial proceedings.
- Repeals G.S. 7B-905(b), which requires that dispositional orders removing custody of the juvenile from the parent, guardian, custodian, or caretaker must direct a review hearing to be held within 90 days of the dispositional hearing.
- Requires written findings at permanency planning hearings if reunification is not the primary or secondary plan.
- Authorize a person to petition for termination of parental rights if the juvenile has lived with the person for at least 18 months prior to the petition.

Part II of this act instructs the director of social services on how to provide notification to the responsible individual for a juvenile if the juvenile is the victim of human trafficking by someone other than the juvenile's parents or caretakers.

Part III of this act, as amended by Section 9I.13 of S.L. 2021-180, the 2021 Appropriations Act, directs the Department of Health and Human Services (DHHS) to implement a statewide child protective services (CPS) hotline. DHHS is required to submit a progress report on its development and implementation of the statewide CPS hotline to the Joint Legislative Oversight Committee on Health and Human Services by September 1, 2022.

Part IV of this act directs DHHS to develop a plan to increase the supply of appropriate treatment and residential settings for minors in need of behavioral and mental health services.

The operation plan was to be submitted to the Joint Legislative Oversight Committee on Health and Human Services by October 1, 2021.

Part V of this act implements the following requirements for the DSS director, local management entity/managed care organization (LME/MCOs), and prepaid health plans when a juvenile in the custody of DSS presents at a hospital emergency department for mental health treatment:

- Requires the DSS director to request an assessment within 24 hours of the determination that the juvenile should not remain at the hospital and that no appropriate placement is available.
- Instructs the LME/MCO or prepaid health plan to arrange for a comprehensive clinical assessment within five business days.
- Outlines appropriate placements for the juvenile depending on the outcome of the assessment.
- Requires the DSS director to notify DHHS's Rapid Response Team if an appropriate placement or provider is not located for a juvenile after the assessment.

Part V of this act authorizes a hearing for judicial review if the requirements for the appropriate placement of the juvenile in the custody of DSS are not satisfied and specifies possible remedies the court may order.

Part VI of this act requires the State Board of Education to adopt a rule requiring public school units to provide students in grades six through 12 with age-appropriate information on child abuse, neglect, and sexual abuse. The information must be provided in the form of a document given to the students at the beginning of the school year and as a display posted in visible, high-traffic areas throughout the school. Both the document and display must contain specified information. Part VI of S.L. 2021-132 applies to schools in public school units and high schools under the control of The University of North Carolina.

The various changes to the Juvenile Code became effective October 1, 2021, and apply to actions filed or pending on or after that date. The provision regarding human trafficking notification became effective October 1, 2021. The new procedures for juveniles in DSS custody presenting at emergency department for mental health treatment became effective October 1, 2021. The authorization of a hearing on appropriate placement for juveniles in need of mental health services became effective January 1, 2022. The requirement to provide information on child abuse, neglect and sexual abuse to students would apply beginning with the 2021-2022 school year. Except as otherwise provided, this act became effective September 1, 2021.

Foster Parents' Bill of Rights (S.L. 2021-144/HB 769)

S.L. 2021-144 creates a Bill of Rights recognizing the following rights of foster parents:

- To serve as a respected member of the child welfare team.
- To receive specified information about the responsibilities of foster parents and access to support services.

- To be notified of any expenses eligible for reimbursement and to have timely allocation of resources.
- To receive notice of hearings and to be heard in court for review and permanency planning hearings.
- To receive timely information pertinent to the day-to-day care of the child.
- To provide input in court and during periodic reviews of any information that may be relevant to the child's best interests.
- To provide input to and seek support from the supervising agency without fear of reprisal.
- To have reasonable opportunities for consultation and consideration in the scheduling of meetings related to the child the foster parent is allowed or required to attend.
- To request a change in licensed workers and to be considered as prospective adoptive parents.
- To utilize the reasonable and prudent parent standard in determining whether a foster parent can allow a child to participate in extracurricular activities.
- To request a shared parenting agreement and have that contact information be kept confidential when safety concerns are present.

A violation of the Bill of Rights would not create a cause of action against any State agency or an entity providing foster care. Nothing in the Bill of Rights would override existing law or rule.

This act became effective September 10, 2021.

Funds for the North Carolina Families Accessing Services Through Technology (NC FAST) System (S.L. 2021-180, Sec. 9B.2/ SB 105 – 2021 Appropriations Act)

Section 9B.2 of S.L. 2021-180 directs funding to be transferred from the Medicaid Transformation Reserve to the Division of Central Management and Support (Division), Department of Health and Human Services (DHHS), to be used for: (i) the deployment and maintenance of the child welfare case management component of the North Carolina Families Accessing Services through Technology (NC FAST) system; (ii) updates and changes to the system with respect to Medicaid Transformation, document management, and independent verification and validation support; and (iii) infrastructure modernization. The Division must report any change in approved federal funding or federal match rates within 30 days after the change to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Committee on Information Technology, and the Fiscal Research Division.

This section became effective July 1, 2021.

NC Pre-K Programs/Standards for Four- and Five-Star-Rated Facilities (S.L. 2021-180, Sec. 9C.1./SB 105 – 2021 Appropriations Act)

Section 9C.1.(a) of this act describes eligibility requirements for the NC Pre-K program to be established by the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services (DHHS). The income eligibility requirements for the program may not exceed 75% of the State median income. Up to 20% of children enrolled may have family incomes in excess of 75% of median income if those children have other designated risk factors. Any child who is 4 years of age on or before August 31 of the program year and is the child of an active duty member of the Armed Forces of the United States or a member of the Armed Forces of the United States is eligible for the NC Pre-K program.

Section 9C.1.(b) of the act directs DCDEE to require NC Pre-K contractors to issue multiyear contracts for licensed private child care centers providing NC Pre-K classrooms. Section 9C.1.(c) of the act requires private child care facilities and public schools operating NC Pre-K classrooms to meet the building standards for preschool students in G.S. 115C-521.1. Section 9C.1.(d) of the act requires entities operating NC Pre-K classrooms to adhere to programmatic standards and classroom requirements prescribed by DCDEE, except as noted in Section 9C.1.(c) of the act. Section 9C.1.(e) of the act instructs the local NC Pre-K committees to use the standard decision-making process developed by DCDEE in awarding NC Pre-K classroom slots and student selection.

Section 9C.1.(f) of the act requires the DCDEE to submit an annual report to the Joint Legislative Oversight Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division no later than March 15 of each year. The report must include specified data, including the number of children participating in the NC Pre-K program and expected NC Pre-K expenditures for the programs.

Section 9C.1.(g) of the act states the administration of the NC Pre-K program by local partnerships is subject to financial and compliance audits.

This section became effective July 1, 2021.

Raise Base Reimbursement Rates for NC Pre-K Child Care Centers (S.L. 2021-180, Sec. 9C.3/SB 105 – 2021 Appropriations Act)

Section 9C.3 of S.L. 2021-180 allocates funds to raise the base reimbursement rates for child care centers participating in the NC Pre-K program by 2% over 2020-2021 fiscal year rates for the 2021-2022 fiscal year and by an additional 2% over the 2021-2022 rates for the 2022-2023 fiscal year.

This section became effective July 1, 2021.

Child Care Subsidy Rates (S.L. 2021-180, Sec. 9C.4/SB 105 – 2021 Appropriations Act)

Section 9C.4.(a) of S.L. 2021-180 sets the maximum gross annual income for initial eligibility for subsidized child care services. The eligibility for a child aged zero to five is 200% of the federal poverty level and a child ages six to 12 is 133% of the federal poverty level. The eligibility for any child with special needs, including a child who is 13 years of age or older, is 200% of the federal poverty level.

Section 9C.4.(b) of the act specifies that fees for families required to share in the cost of care are established based on 10% of gross family income.

Section 9C.4.(c) of the act specifies certain requirements for the payments to purchase child care services for low-income children. Religious sponsored child care facilities and licensed child care centers and homes are paid the one-star county market rate or the rate they charge privately paying parents, whichever is lower. Licensed child care centers and homes with two or more stars receive the market rate for that rated license level for that age group or the rate they charge privately paying parents, whichever is lower. Transportation services are not payable. Payments for subsidized child care services for postsecondary education are limited to a maximum of 20 months of enrollment.

Section 9C.4.(d) of the act specifies the payment rates for child care providers in counties that do not have at least 50 children in each age group for center-based and home-based care.

Section 9C.4.(e) of the act directs the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services (DHHS), to calculate a statewide rate, a regional market rate, and a county rate for each rated license level for each age category of enrollees.

Section 9C.4.(f) of the act instructs DCDEE to implement policies in which, to the extent possible, child care subsidies are paid for child care in the higher quality centers and homes only. This section outlines a transition period for facilities to receive funds while increasing star ratings and allows for exemptions in cases where there are an inadequate number of higher rated facilities.

Section 9C.4.(g) of the act allows licensed child care facilities and religious sponsored child care facilities to participate in the program that provides for the purchase of care in child care facilities for minor children of needy families. Except as noted in Section 9C.4.(f) of the act, no separate licensing requirements must be used to select facilities to participate. A provider's failure to comply with requirements may not be used by county departments of social services as a condition to reduce the provider's subsidized child care rate.

Section 9C.4.(h) of the act states Temporary Assistance for Needy Families Block Grant funds used to pay for subsidized child care must comply with all regulations and policies issued by the DCDEE for the subsidized child care program.

Under Section 9C.4.(i) of the act, noncitizen families residing legally in the State are eligible for child care subsidies if all other eligibility conditions are met. Noncitizen families

residing illegally in the State are eligible for child care subsidies if the child is receiving child protective services or foster care services, is developmentally delayed or at risk of being developmentally delayed, or is a citizen of the United States.

Section 9C.4.(j) of the act directs DCDEE to require all county departments of social services to include whether the family is receiving assistance through the NC Pre-K Program or Head Start on any forms used to determine eligibility for child care subsidy.

Section 9C.4(k) of the act provides for Department of Defense-certified child care facilities to participate in the State-subsidized child care program as long as certain conditions are met.

This section became effective July 1, 2021.

Child Care Allocation Formula (S.L. 2021-180, Sec. 9C.5/SB 105 – 2021 Appropriations Act)

Section 9C.5.(a) of S.L. 2021-180 outlines the child care subsidy allocation formula. The base amount for each county's child care subsidy allocation is the mandatory 30% North Carolina Partnership for Children, Inc., subsidy allocation. In addition, the Department of Health and Human Services (DHHS) must allocate funds to a county based upon the projected cost of serving children under age 11 in families with all parents working who earn less than the applicable federal poverty level percentage.

Section 9C.5.(a) of the act allows DHHS to withhold up to 2% of available funds from the allocation formula for preventing termination of services throughout the fiscal year and repayment of any federal funds identified by counties as overpayments, including overpayments due to fraud. Any funds not needed for the purposes described in this section must be allocated to counties. DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division in each year of the 2021-2023 fiscal biennium 30 days after any funds withheld as allowed under this section are distributed, but no later than April 1 of each respective year. The report must include the following:

- The amount of funds used for preventing termination of services and the repayment of any federal funds.
- The date the remaining funds were distributed to counties.
- As a result of funds withheld under this section and after funds have been distributed, any counties that did not receive at least the amount the county received the previous year and the amount by which funds were decreased.

Section 9.C.5.(a) of the act requires DHHS to set aside 4% of child care subsidy allocations for vulnerable populations.

Section 9C.5.(b) of the act allows DHHS to reallocated unused child care subsidy voucher funds. Section 9C.5.(c) of the act places certain requirements on DHHS when implementing the formula under this section.

This section became effective July 1, 2021.

Smart Start Initiatives (S.L. 2021-180, Sec. 9C.6/SB 105 – 2021 Appropriations Act)

Section 9C.6.(a) of S.L. 2021-180 directs the North Carolina Partnership for Children, Inc., and its Board to ensure policies focus on the mission of improving child care qualify for children from birth to age 5. This section outlines the North Carolina Partnership for Children, Inc., funded activities including assisting child care facilities with improving quality and implementing prekindergarten programs. State funding for local partnerships is to be used for programs that increase children's literacy, increase the parents' ability to raise healthy, successful children, improve children's health and assist four- and five-star rated facilities in improving and maintaining quality.

Section 9C.6.(b) of the act directs administrative costs must be equivalent to, on an average statewide basis for all local partnerships, no more than 8% of the total statewide allocation to all local partnerships. The North Carolina Partnership for Children, Inc., is to continue using a single statewide contract management system that incorporates features of the required standard fiscal accountability plan. All local partnerships are required to participate in the contract management system and to collaborate with other local partnerships to increase efficiency and effectiveness.

Section 9C.6.(c) of the act outlines the salary schedule based on specified criteria to determine the maximum amount of State funds that may be used for the salary of the Executive Director and the directors of the local partnerships. Nothing in this subsection prohibits a local partnership from using non-State funds to supplement an individual's salary.

Section 9C.6.(d) of the act requires the North Carolina Partnership for Children, Inc., and all local partnerships, in the aggregate, to match 100% of the total amount budgeted for the program in each fiscal year of the 2021-2023 biennium. Of the funds that the North Carolina Partnership for Children, Inc., and the local partnerships are required to match, contributions of cash are to be equal to at least 13% and in-kind donated resources are to be equal to no more than 6%, for a total match requirement of 19% for each year of the 2021-2023 fiscal biennium. This section provides details on in-kind contributions, volunteer services and expenses. Failure to obtain a 19% match by June 30 of each year of the 2021-2023 fiscal biennium results in a dollar-for-dollar reduction in the appropriation for the program for a subsequent fiscal year.

Section 9C.6.(e) of the act requires the North Carolina Partnership for Children, Inc., and all local partnerships to use a specified competitive bidding practices in contracting for goods and services depending on contract amounts.

Section 9C.6.(f) of the act prohibits the North Carolina Partnership for Children, Inc., from reducing the allocation for counties with less than 35,000 in population below the 2012-2013 funding level.

Section 9C.6.(g) of the act requires the Department of Health and Human Services to continue implementing the performance-based evaluation system.

Section 9C.6.(h) of S.L. 2021-180 prohibits the use of funds allocated for Early Childhood Education and Development Initiatives for the 2021-2023 fiscal biennium from being administered or distributed for capital expenditures or for advertising and promotional activities.

Notwithstanding Section 9C.6.(h) of the act, Section 9C.6.(i) of the act allows up to 1% of State funds to be used for fundraising activities, and requires the North Carolina Partnership for Children, Inc., to include in its annual report required under G.S. 143B-168.12(d) a report on the use of State funds for fundraising.

This section became effective July 1, 2021.

Smart Start Literacy Initiative/Dolly Parton's Imagination Library (S.L. 2021-180, Sec. 9C.7/SB 105 – 2021 Appropriations Act)

Section 9C.7.(a) of S.L. 2021-180 directs that a portion of the funds allocated to the North Carolina Partnership for Children, Inc., are to continue being used to increase access to Dolly Parton's Imagination Library. Section 9C.7.(b) of the act allows the North Carolina Partnership for Children, Inc. to use up to 1% of the funds for statewide program management and up to 1% of the funds for program evaluation. The funds allocated under this section are not subject to child care services funding requirements, child care subsidy expansion requirements, or match requirements.

This section became effective July1, 2021.

Flexibility in the Use of Additional Smart Start Funds/Exemption from Certain Requirements (S.L. 2021-180, Sec. 9C.8/SB 105 – 2021 Appropriations Act)

Section 9C.8 of S.L. 2021-180 allows additional recurring funds allocated to the North Carolina Partnership for Children, Inc., for each year of the 2021-2023 fiscal biennium to be used for any of Smart Start's programs and clarifies that these funds are not subject to administrative cost requirements, child care services funding requirements, child care subsidy expansion requirements, or match requirements.

This section became effective July 1, 2021.

Grants for Child Care Facilities and NC Pre-K Classrooms/ARPA Funds (S.L. 2021-180, Sec. 9C.9/SB 105 – 2021 Appropriations Act)

Section 9C.9 of S.L. 2021-180 allocates $20,000,000 in nonrecurring funds to the Division of Child Development and Early Education, Department of Health and Human Services, to provide grants for child care facilities and NC Pre-K classrooms in response to the COVID-19 pandemic. The grants are one-time awards to assist with start-up costs associated with establishing a new NC Pre-K classroom or child care facility, quality improvements for existing NC Pre-K classrooms

or child care facilities that increase the classroom or facility's capacity or upgrade its star rating, and capital improvements or renovations.

This section became effective July 1, 2021.

Youth Tobacco Enforcement Funding (S.L. 2021-180, Sec. 9F.6/ SB 105 – 2021 Appropriations Act)

Section 9F.6 of S.L. 2021-180 directs the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services, to transfer $300,000 in recurring funds to the Alcohol Law Enforcement Division of the Department of Public Safety for each year of the 2021-2023 fiscal biennium to be used for compliance checks to enforce the State's youth tobacco access law.

This section became effective July 1, 2021.

Local Health Departments/Competitive Grant Process to Improve Maternal and Child Health (S.L. 2021-180, Sec. 9G.1/ SB 105 – 2021 Appropriations Act)

Section 9G.1 of S.L. 2021-180 directs the Division of Public Health (DPH), Department of Health and Human Services (DHHS), to use funds to continue administering a competitive grant process for local health departments based on maternal and infant health indicators and the county's detailed proposal to invest in evidence-based programs to achieve the following goals: (i) Improving the State's birth outcomes; (ii) Improving the overall health status of children age five and younger; and (iii) Lowering the State's infant mortality rate. The grant process must include (i) a request for application process to allow local health departments to apply for and receive the grants on a competitive basis, (ii) a prioritization of applications that are able to leverage non-State funds, (iii) a provision that grant funds do not supplant other existing sources of funds, and (iv) a provision allowing the grants to be awarded every two years.

The Secretary of DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the identity of each grantee, the amount awarded to each grantee, and the number of individuals served by each grantee.

No later than February 1 of each year, the grantees must provide DPH with a written report about all the activities funded by State appropriations.

This section became effective July 1, 2021.

Carolina Pregnancy Care Fellowship Funds/Grants for Services (S.L. 2021-180, Sec. 9G.4/ SB 105 – 2021 Appropriations Act)

Section 9G.4 of S.L. 2021-180 provides $500,000 in recurring funds and $1,203,437 in nonrecurring funds for the 2021-2022 fiscal year and $500,000 in recurring funds and $2,479,904 in nonrecurring funds for the 2022-2023 fiscal year to the Division of Public Health, Department of Health and Human Services, for Carolina Pregnancy Care Fellowship (CPCF) be allocated to

provide grants for services to pregnancy centers located in this State that apply to the CPCF. Only 10% of the funds may be used for administrative purposes, and CPCF must contact all pregnancy centers that are part of its network and advise them of the availability of the grants. CPCF must report to the Joint Legislative Oversight Committee on Health and Human Services, by July 1 of each year of the 2021-23 fiscal biennium with a list of the grantees and the amounts awarded.

This section became effective July 1, 2021.

Carolina Pregnancy Care Fellowship Funds/Grants for Durable Medical Equipment and Training (S.L. 2021-180, Sec. 9G.4A/ SB 105 – 2021 Appropriations Act)

Section 9G.4A of S.L. 2021-180 provides $750,000 in nonrecurring funds for the 2021-2022 fiscal year and $750,000 in nonrecurring funds for the 2022-2023 fiscal year to the Division of Public Health, Department of Health and Human Services, for Carolina Pregnancy Care Fellowship (CPCF) to be allocated to provide grants to pregnancy centers located in this State to purchase and pay for training on the use of durable medical equipment. Only 10% of the funds may be used for administrative purposes, and CPCF must contact all pregnancy centers that are part of its network and advise them of the availability of the grants. CPCF must report to the Joint Legislative Oversight Committee on Health and Human Services, by July 1 of each year of the 2021-23 fiscal biennium with a list of the grantees and the amounts awarded.

This section became effective July 1, 2021.

Mountain Area Pregnancy Centers (S.L. 2021-180, Sec. 9G.5/ SB 105 – 2021 Appropriations Act)

Section 9G.5 of S.L. 2021-180 clarifies that, of the funds appropriated to the Division of Public Health, Department of Health and Human Services, for Mountain Area Pregnancy Services, only 15% of the funds may be used for administrative purposes. The remainder of the funds must be used for direct services.

This section became effective July 1, 2021.

Expansion of the Continuum of Care Pilot Program into a Statewide Program (S.L. 2021-180, Sec. 9G.6/ SB 105 – 2021 Appropriations Act)

Section 9G.6 of S.L. 2021-180 provides $3,200,000 in nonrecurring funds in each year of the 2021-2023 fiscal biennium to be allocated to the Human Coalition to expand the continuum of care pilot program established by Section 11E-13(b) of S.L. 2017-57 into a statewide program. The program is designed to: (i) encourage healthy childbirth, (ii) support childbirth as an alternative to abortion, (iii) promote family formation, (iv) assist in establishing successful parenting techniques, and (v) increase the economic self-sufficiency of families. The program must include: (i) outreach to at-risk populations, (ii) the use of licensed nurses to assess

pregnancy needs and provide accurate pregnancy-related information, and (iii) use of licensed social workers to develop appropriate care plans and make necessary referrals. Only 10% of the allocated funds may be used for administrative purposes. Beginning December 1, 2021, and every six months thereafter, the Human Coalition must report to the Department of Health and Human Services (DHHS) on the expenditures of the programs and the individuals served. By April 1, 2023, DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the status of the program.

This section became effective July 1, 2021.

Timely Updates to Newborn Screening Program (S.L. 2021-180, Sec. 9G.6A/SB 105 – 2021 Appropriations Act)

Section 9G.6A of S.L. 2021-180 makes changes to the newborn screening program to require that each condition listed on the federal Recommended Uniform Screening Panel (RUSP) is included in the Newborn Screening Program within three years after being added to the RUSP. The Department of Health and Human Services (DHHS) is required to provide a report to the Joint Legislative Oversight Committee on Health and Human Services 18 months after a condition is added to the RUSP. When a delay adding a condition exceeds three years, DHHS must provide a report on the status and reasons for the delay to the Joint Legislative Oversight Committee on Health and Human Services every six months following the three-year delay.

This section became effective January 1, 2022.

Lead and Asbestos Remediation in Public School Units and Child Care Facilities (S.L. 2021-180, Sec. 9G.8/SB 105 – 2021 Appropriations Act)

Section 9G.8.(a) of S.L. 2021-180 provides $150,000,000 in nonrecurring funds for the 2021-2022 fiscal year for lead and asbestos remediation and abatement programs to benefit public school units and child care facilities. This section allocates $32,812,500 in nonrecurring funds to fund a program for the testing and remediation of lead levels in drinking water at public school units and child care facilities. It also allocates $117,187,500 in nonrecurring funds to fund a program for lead paint abatement and asbestos abatement in public school units and child care facilities.

Section 9G.8.(b) of the act declares the Division of Public Health (DPH), Department of Health and Human Services (DHHS), as the lead agency responsible for administering the programs authorized by this section. DPH is directed to collaborate with the Department of Public Instruction (DPI) and its Division of Child Development and Early Education while serving in this capacity.

Section 9G.8.(c) of the act requires DPH and DPI to report to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division on specified lead and asbestos remediation and abatement

activities authorized by this section, broken down by county. The report is due within six months after all funds appropriated for the purposes of this section have been expended.

Section 9G.8.(d) of the act specifies that funds allocated under this section must remain available until depleted or on the date federal law requires the funds to be fully expended, whichever is earlier.

This section became effective July 1, 2021.

Intensive Family Preservation Services Funding, Performance Enhancements, and Report (S.L. 2021-180, Sec. 9I.3/ SB 105 – 2021 Appropriations Act)

Section 9I.3 of S.L. 2021-180 notwithstanding the law (G.S. 143B-150.6) to require the Intensive Family Preservation Services (IFPS) Program to provide intensive services to children and families in cases of abuse, neglect, and dependency. The program must use standardized assessment criteria for determining imminent risk. The Department of Health and Human Services (DHHS) must require any entity that receives funding for the purpose of the IFPS to provide data that allows all of the following: (i) At least six months of follow-up services; (ii) Detailed information on the interventions that were used; (iii) Cost-benefit data; (iv) Data on long-term benefits; (v) The number of families remaining intact after IFPS intervention, and (vi) The number and percentage by race of children who received services as compared to the general population. Entities that do not share this data will not receive funding. DHHS must report annually on December 1 to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the data provided.

This section became effective July 1, 2021.

Child Caring Institutions (S.L. 2021-180, Sec. 9I.4/SB 105 – 2021 Appropriations Act)

Section 9I.4 of S.L. 2021-180 provides that until the Social Services Commission adopts rules setting standardized rates for child caring institutions as authorized by G.S. 143B-153(8), the maximum reimbursement must not exceed the rate established for the specific child caring institution by the Office of the Controller, Department of Health and Human Services.

This section became effective July 1, 2021.

Use of Foster Care Budget for Guardianship Assistance Program (S.L. 2021-180, Sec. 9I.5/SB 105 – 2021 Appropriations Act)

Section 9I.5 of S.L. 2021-180 provides that the Division of Social Services, Department of Health and Human Services (DHHS), may continue providing, of the funds available for foster care services, for the financial support of children deemed to be (i) in a permanent family placement setting, (ii) eligible for legal guardianship, and (iii) otherwise unlikely to receive permanency. This section clarifies no additional expenses must be incurred beyond the funds budgeted for foster

care for the Guardianship Assistance Program (GAP). GAP includes provisions for extending guardianship services for individuals and youth who exited foster care through GAP after 14 years of age or who have attained the age of 18 years and opt to continue to receive guardianship services until reaching 21 years of age if the individual meets specified criteria.

This section became effective July 1, 2021.

Child Welfare Postsecondary Support Program – NC REACH (S.L. 2021-180, Sec. 9I.6/ SB 105 – 2021 Appropriations Act)

Section 9I.6 of S.L. 2021-180 directs the Department of Health and Human Services (DHHS) to continue providing assistance with the cost of higher education for:

- Children aging out of the foster care system.
- Children no longer in foster care due to a permanent placement through the Guardian Assistance Program (GAP).
- Children with special needs who were adopted out of the foster care system after age 12.

This section allocates $50,000 to the North Carolina State Education Assistance Authority (SEAA) to manage and distribute scholarship funds. This section provides $339,493 for each year of the 2021-2023 fiscal biennium for the administration of the program and the provision of case management services. Lastly, this section requires that funds be awarded only to students attending public institutions of higher education in the State.

This section became effective July 1, 2021.

Federal Child Support Incentive Payments (S.L. 2021-180, Sec. 9I.7/ SB 105 – 2021 Appropriations Act)

Section 9I.7 of S.L. 2021-180 directs the North Carolina Child Support Services Section (NCCSS), Division of Social Services, Department of Health and Human Services (DHHS), to retain up to 15% of annual federal incentive payments for the enhancement of centralized child support services and to allocate the remainder of the annual federal incentive payments to county child support services programs for the improvement of program effectiveness and efficiency. NCCSS must require county child support services programs to submit annual plans on how the federal incentive payments will be used and on the federal funds received. NCCSS must submit a report on federal child support incentive funding to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1 of each year.

This section became effective July 1, 2021.

Successful Transition for Foster Care Youth (S.L. 2021-180, Sec. 9I.8/ SB 105 – 2021 Appropriations Act)

Section 9I.8 of S.L. 2021-180 directs the Foster Care Transitional Living Initiative Fund (Fund) to continue to support the Youth Villages Transitional Living Model, a demonstration project for youth 17-21 years of age transitioning out of foster care. The Fund must support the following strategies: transitional living services, public-private partnerships, impact measurement and evaluation, and the advancement of evidence-based processes.

This section became effective July 1, 2021.

Permanency Innovation Initiative (S.L. 2021-180, Sec. 9I.9 of S.L. 2021-180/ SB 105 – 2021 Appropriations Act)

Section 9I.9 of S.L. 2021-180 amends the law that creates the Permanency Innovation Initiative Fund (G.S. 131D-10.9B) to allow no more than 15% of the State funds appropriated for the Permanency Innovation Initiative to be used for administrative costs.

This section became effective July 1, 2021.

Report on Certain Expenditures for the Supplemental Nutritional Assistance Program and Temporary Assistance for Needy Families (S.L. 2021-180, Sec. 9I.10 of S.L. 2021-180/ SB 105 – 2021 Appropriations Act)

Refer to the Studies, Reports, and Pilot Programs heading in this document.

Increase Foster Care and Adoption Assistance Rates (S.L. 2021-180, Sec. 9I.11/ SB 105 – 2021 Appropriations Act)

Section 9I.11 of S.L. 2021-180 amends G.S. 108A-49.1 to increase the maximum rates for State participation in the foster care and adoption assistance programs to the following amounts:

- $514 per child per month for children from birth through five years of age.
- $654 per child per month for children six through 12 years of age.
- $698 per child per month for children at least 13 but less than 21 years of age.

The revised foster care assistance rates apply to family foster care homes, residential child care facilities, and Level 2 group homes. The Division of Social Services, Department of Health and Human Services, must use a portion of the funds allocated for rate increases to cover the county share of the cost of care for the rate increases under this section for the 2021-2022 fiscal year.

This section became effective January 1, 2022.

Child Welfare and Behavioral Health Pilot Project (S.L. 2021-180, Sec. 9I.12/ SB 105 – 2021 Appropriations Act)

Refer to Studies, Reports, and Pilot Programs heading in this document.

Regional Supervision and Support of Child Welfare Services/CPS Hotline (S.L. 2021-180, Sec. 9I.13/SB 105 – 2021 Appropriations Act)

Section 9I.13 of S.L. 2021-180 provides that of the funds appropriated to the Department of Health and Human Services (DHHS), Division of Social Services (DSS), $900,000 in recurring funds must be used to establish up to 15 positions for the (i) regional supervision support model directed by S.L. 2017-41 (Rylan's Law) and (ii) statewide child protective services (CPS) hotline.

This section also provides that, in accordance with the plan submitted by the Social Services Regional Supervision and Collaboration Working Group (SSWG) in its report on March 31, 2019, to the Joint Legislative Oversight Committee on Health and Human Services, DHHS must establish seven regions for regional supervision of child welfare and social services and begin providing oversight and support within those regions through State regional staff and the central office team by April 1, 2022. Additionally, DHHS must continue (i) redeploying positions identified in the report to support regionalization and all managerial staff needed to support regionalization in the central office and (ii) repurposing corresponding operating expenses. DHHS is required to pursue procurement of physical offices within each of the seven regions beginning in March 2023 and to prioritize staffing to improve the child welfare system. DHHS must move towards full implementation of a regional model, with offices, by March 1, 2024.

Further, DSS and the North Carolina Association of Regional Councils of Governments (Councils of Governments) are required to explore entering into a memorandum of agreement to (i) utilize Councils of Governments' physical office space and office-related needs for Division staff and (ii) facilitate cooperation between regions and evaluate the estimated costs by region for the office space and sample agreements between the Division and the Councils of Governments. DSS must submit a report to the chairs of the Senate Appropriations Committee on Health and Human Services and the House Appropriations Committee on Health and Human Services by February 1, 2022, on the estimated costs, by region, for office space and sample agreements as described in this subsection.

Finally, this section amends Section 3 of S.L. 2021-132 to conform with the content of this section and to require DHHS to submit a progress report on its development and implementation of the statewide CPS hotline to the Joint Legislative Oversight Committee on Health and Human Services no later than September 1, 2022.

This section became effective July 1, 2021.

Deploy Child Welfare Component of NC FAST (S.L. 2021-180, Sec. 9I.15/SB 105 – 2021 Appropriations Act)

Section 9I.15.(a) of S.L. 2021-180 directs the Division of Social Services (DSS), Department of Health and Human Services (DHHS), to use funds to resume deployment of the North Carolina Families Accessing Services through Technology (NC FAST) system as it relates to case management functionality for child welfare. This section directs DSS to deploy the child welfare case management component of the NC FAST system statewide before October 1, 2022.

Section 9I.15.(b) of the act requires DSS to release a request for proposal (RFP) for at least one significant augmentation to the child welfare component of the NC FAST system within 30 days from the date DSS receives federal approval of its procurement plan. DSS must enter into a contract to augment and enhance the child welfare case management component of the NC FAST system within 150 days of releasing the RFP.

Section 9I.15.(b1) of the act provides $3,500,000 in nonrecurring funds for each fiscal year of the 2021-2023 fiscal biennium to ensure that the child welfare case management component of the NC FAST system includes the capability to automate licensing and placements.

Section 9I.15.(c) of S.L. 2021-180 repeals Part III-N of S.L. 2019-240, which postponed the deployment of NC FAST case-management functionality for the child welfare system and aging and adult services' programs.

This section became effective July 1, 2021.

Funds for Cabarrus Cooperative Christian Ministry (S.L. 2021-180, Sec. 9I.16/SB 105 – 2021 Appropriations Act)

Section 9I.16 of S.L. 2021-180 provides $40,000 in nonrecurring funds for the 2021-2022 fiscal year as a directed grant to the Cabarrus Cooperative Christian Ministry to be used only in Cabarrus County. The Cabarrus Cooperative Christian Ministry provides immediate assistance and support to members of the community experiencing crisis in the areas of food, housing, or finances.

This section became effective July 1, 2021.

Child Advocacy Center Funds (S.L. 2021-180, Sec. 9I.17/ SB 105 – 2021 Appropriations Act)

Section 9I.17 of S.L. 2021-180 allocates $5,000,000 in recurring funds for each year of the 2021-2023 fiscal biennium and $5,000,000 in nonrecurring funds for the 2021-2022 fiscal year to the Children's Advocacy Centers of North Carolina, Inc. At least 75% of these funds must be distributed to child advocacy centers in the State.

This section became effective July 1, 2021.

Funds for Temporary Assistance for Needy Families/Work First Families (S.L. 2021-180, Sec. 9I.18/ SB 105 – 2021 Appropriations Act)

Section 9I.18 of S.L. 2021-180 allocates a portion of funding from the Pandemic Emergency Assistance Fund to the Division of Social Services (DSS), Department of Health and Human Services (DHHS), to ease the negative impacts of the COVID-19 public health emergency for families enrolled in the Temporary Assistance for Needy Families (TANF)/Work First Cash Assistance program with at least one child under 18 years of age. This section directs DSS to distribute payments via electronic benefit transfer (EBT) to families as follows:

- A first payment of $500 per child in the fall/winter of 2021-2022.
- A second payment of $500 per child, based on available funding, in the summer of 2022.

This section became effective July 1, 2022.

Funds for National Multiple Sclerosis Society/Home Modification Program (S.L. 2021-180, Sec. 9J.2/ SB 105 – 2021 Appropriations Act)

Section 9J.2 of S.L. 2021-180 allocates $300,000 in nonrecurring funds for the 2021-2022 fiscal year as a directed grant to the National Multiple Sclerosis Society for home modification services and home modification assistance grants to help residents in this State who have multiple sclerosis remain in their homes.

This section became effective July 1, 2021.

CIVIL PROCESS AND LEGAL PROTECTIONS

Notary/Video Witness Extension (S.L. 2021-3, Sec. 2.10/ HB 196 – 2021 COVID-19 Response and Relief)

Section 2.10(a) of S.L. 2021-3 amends the sunset on G.S. 10B-25(n), which allows a notary to perform an emergency video notarization using video conference technology provided certain requirements are satisfied. This section extends the sunset of the emergency video notarization statute from March 1, 2021, to December 31, 2021.

Section 2.10(b) of the act extends the sunset on Article 3 of Chapter 10B of the General Statutes governing video witnessing during a State of Emergency from March 1, 2021, to December 31, 2021.

This section became effective March 11, 2021.

Dignity for Women Who are Incarcerated (S.L. 2021-143/ HB 608)

S.L. 2021-143 establishes certain requirements related to the housing and treatment of females incarcerated in State correctional facilities and local confinement facilities. The act contains the elements outlined below:

- Definitions for body cavity searches, correctional facility, correctional facility employee, escape risk, important circumstance, incarcerated person, menstrual products, postpartum recovery, restraints, restrictive housing, and state of undress.
- Care for female incarcerated persons related to pregnancy and childbirth, including the following elements:
  - Limits the use of restraints
  - Limits body cavity searches.
  - Requires proper nutrition
  - Prohibits restrictive housing.
  - Requires lower bed height assignments.
  - Cost of care.
  - Reporting.
- Postpartum recovery of female incarcerated persons including:
  - A bonding period with the newborn.
  - Providing nutritional and hygiene products.
- Family considerations including:
  - Placement of female incarcerated person.
  - Visitation.
- Inspection by correctional facility employees, including:
  - When a female incarcerated person is in a state of undress.
  - Documentation.

- Access to menstrual products.
- Training and technical assistance, including:
  - Correctional facility employee training.
  - Educational programming for pregnant female incarcerated persons.

The act became effective December 1, 2021, and applies to individuals in custody on or after that date.

Use of Juul Settlement Funds (S.L. 2021-180, Sec. 9G.10/SB 105 – 2021 Appropriations Act)

Section 9G.10.(a) of S.L. 2021-180 creates the Youth Electronic Nicotine Dependence Abatement Fund (Fund) within the Division of Public Health (DPH), Department of Health and Human Services (DHHS), as a nonreverting special fund. The Fund consists of monies received by the State as a beneficiary of the final consent judgment resolving the case, *State of North Carolina, ex rel. Joshua H. Stein, Attorney General v. Juul Labs, Inc.* (JLI Case), and all interest and investment earnings received on monies in the Fund.

Section 9G.10.(b) of the act appropriates from the Fund to DPH $13,000,000 in nonrecurring funds for the 2021-2022 fiscal year to be used and allocated as follows:

- $2,000,000 to the Department of Justice to cover the costs of litigation.
- $4,400,000 for tobacco cessation media campaigns, resources, and programs to help both youth and young adults who have become addicted to nicotine using e-cigarettes and other tobacco/nicotine products quit.
- $3,300,000 for evidence-based media and education campaigns to prevent the initiation of tobacco use.
- $1,100,000 for data monitoring to track tobacco/nicotine use and exposure among youth and young adults and populations at risk and for independent evaluation of the reach and effectiveness of the State's tobacco prevention and cessation programs.
- $2,200,000 for staff, projects, and systems to educate partners and stakeholders about evidence-based policy, systems, and environmental change to help youth quit tobacco/nicotine products and prevent initiation of tobacco/nicotine products; and to track compliance with the conduct provisions set forth in Part III of the final consent judgment resolving the JLI Case.

Section 9G.10.(c) of the act directs DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the expenditures made from the Fund during the preceding fiscal year annually on September 1.

This section became effective July 1, 2021.

COVID-19

Extend Certain Deadlines for Use of COVID-19 Funds (S.L. 2021-1, Sec. 3.1/ SB 36 – COVID Bill Modifications)

Section 3.1 of S.L. 2021-1 amends Sec. 2.2 of S.L. 2020-4, to extend the deadline for expenditures that may be paid from the Coronavirus Relief Fund (Fund). The Fund provides relief and assistance from the effects of COVID-19 and is maintained as a special fund and administered by the Office of State Budget and Management. The funds allocated from the Fund must be used for necessary expenditures incurred due to the COVID-19 public health emergency. The language was amended to provide that the expenditures eligible for funding from the Fund are those that incurred from the period that began on March 1, 2020, and now ends on the deadline established by applicable federal law and guidance (previously December 30, 2020).

This section became effective February 10, 2021.

North Carolina Community Health Center Association Allocations and Reporting Requirements (S.L. 2021-1, Sec. 3.2/ SB 36 – COVID Bill Modifications)

Section 3.2 of S.L. 2021-1 amends Section 3.3(34) of S.L. 2020-4, which may have been amended by Section 3 of S.L. 2020-32, Section 4 of S.L. 2020-49, Section 1.1(d) of S.L. 2020-80, Section 3B(b) of S.L. 2020-88, Section 4.9(a) of S.L. 2020-91, and Section 1.2 of S.L. 2020-97, to allow the continued distribution of funds to member health centers to cover the cost of eligible COVID-19 health services. Previously the language allowed August 1, 2020, and November 1, 2020, but has now been amended to include April 1, 2021, and every four months thereafter until all funds are expended. Additionally, an additional report on the use of funds was added for February 1, 2022, to the Joint Legislative Oversight Committee on Health and Human Services.

This section became effective February 10, 2021.

Rural Hospital Relief Grant Reporting Requirements (S.L. 2021-1, Sec. 3.2/ SB 36 – COVID Bill Modifications)

Section 3.2 of S.L. 2021-1 amends Section 3.3(39) of S.L. 2020-4, which may have been amended by Section 3 of S.L. 2020-32, Section 4 of S.L. 2020-49, Section 1.1(d) of S.L. 2020-80, Section 3B(b) of S.L. 2020-88, Section 4.9(a) of S.L. 2020-91, and Section 1.2 of S.L. 2020-97 to require Rural Hospital Relief Grant recipients to submit a detailed written report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Joint Legislative Oversight Committee on Health and Human Services by February 1, 2022, in addition to the already-existing December 1,

2020, deadline. The report must contain a breakdown of all expenditures from the funds received under this subdivision and any Federal legislation.

This section became effective February 10, 2021.

Teaching Hospital Relief Grant Reporting Requirements (S.L. 2021-1, Sec. 3.2/ SB 36 – COVID Bill Modifications)

Section 3.2 of S.L. 2021-1 amends Section 3.3(40) of S.L. 2020-4, which may have been amended by Section 3 of S.L. 2020-32, Section 4 of S.L. 2020-49, Section 1.1(d) of S.L. 2020-80, Section 3B(b) of S.L. 2020-88, Section 4.9(a) of S.L. 2020-91, and Section 1.2 of S.L. 2020-97 to require Teaching Hospital Relief Grant recipients to submit a detailed written report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Joint Legislative Oversight Committee on Health and Human Services by February 1, 2022, in addition to the already-existing December 1, 2020, deadline. The report must contain a breakdown of all expenditures from the funds received under this subdivision and any Federal legislation.

This section became effective February 10, 2021.

General Hospital Relief Grant Reporting Requirements (S.L. 2021-1, Sec. 3.2/ SB 36 – COVID Bill Modifications)

Section 3.2 of S.L. 2021-1 amends Section 3.3(41) of S.L. 2020-4, which may have been amended by Section 3 of S.L. 2020-32, Section 4 of S.L. 2020-49, Section 1.1(d) of S.L. 2020-80, Section 3B(b) of S.L. 2020-88, Section 4.9(a) of S.L. 2020-91, and Section 1.2 of S.L. 2020-97, to require General Hospital Relief Grant recipients to submit a detailed written report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Joint Legislative Oversight Committee on Health and Human Services by February 1, 2022, in addition to the already-existing December 1, 2020, deadline. The report must contain a breakdown of all expenditures from the funds received under this subdivision and any Federal legislation.

This section became effective February 10, 2021.

Hospital Grant Recipients Reporting Requirements (S.L. 2021-1, Sec. 3.2/ SB 36 – COVID Bill Modifications)

Section 3.2 of S.L. 2021-1 amends Section 3.3(68) of S.L. 2020-4, which may have been amended by Section 3 of S.L. 2020-32, Section 4 of S.L. 2020-49, Section 1.1(d) of S.L. 2020-80, Section 3B(b) of S.L. 2020-88, Section 4.9(a) of S.L. 2020-91, and Section 1.2 of S.L. 2020-97, which previously required a hospital grant recipient to submit a report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Joint Legislative Oversight Committee on Health and Human

Services by December 1, 2020. The report was required to contain a breakdown of all expenditures from the funds received during calendar year 2020 to support the national response to COVID-19. The most recent amendment requires further reporting by instructing hospital grant recipients to submit a report on all expenditure from the funds received during calendar year 2021 by February 1, 2022, to the same entities.

This section became effective February 10, 2021.

Development Tier Two Area Hospital Grant Recipients Reporting Requirements (S.L. 2021-1, Sec. 3.2/ SB 36 – COVID Bill Modifications)

Section 3.2 of S.L. 2021-1 amends Section 3.3(69) of S.L. 2020-4, which may have been amended by Section 3 of S.L. 2020-32, Section 4 of S.L. 2020-49, Section 1.1(d) of S.L. 2020-80, Section 3B(b) of S.L. 2020-88, Section 4.9(a) of S.L. 2020-91, and Section 1.2 of S.L. 2020-97, which previously required a development tier two hospital that met certain criteria to submit a report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2020. The report was required to contain a breakdown of all expenditures from the funds received during calendar year 2020 to support the national response to COVID-19. The most recent amendment requires further reporting by instructing the development tier two hospital grant recipients to submit a report to the same entities on all expenditures from the funds received during calendar year 2021, by February 1, 2022.

This section became effective February 10, 2021.

Triangle Residential Options for Substance Abusers, Inc. Use of Grant Funds Deadline Extension (S.L. 2021-1, Sec. 3.2/ SB 36 – COVID Bill Modifications)

Section 3.2 of S.L. 2021-1 amends Section 3.3(111) of S.L. 2020-4, which may have been amended by Section 3 of S.L. 2020-32, Section 4 of S.L. 2020-49, Section 1.1(d) of S.L. 2020-80, Section 3B(b) of S.L. 2020-88, Section 4.9(a) of S.L. 2020-91, and Section 1.2 of S.L. 2020-97, which previously provided a $500,000 grant to Triangle Residential Options for Substance Abusers, Inc. to offset COVID-19 related expenses and losses incurred for providing treatment associated with the COVID-19 pandemic during the period of March 1, 2020 to December 30, 2020. The most recent amendment removes the December 30, 2020, deadline, and allows grant funds to be used until the deadline established by federal law and guidance.

This section became effective February 10, 2021.

Nurse Family Partnership Use of Funds Deadline Extension (S.L. 2021-1, Sec. 3.2/ SB 36 – COVID Bill Modifications)

Section 3.2 of S.L. 2021-1 amends Section 3.3(112) of S.L. 2020-4, which may have been amended by Section 3 of S.L. 2020-32, Section 4 of S.L. 2020-49, Section 1.1(d) of S.L. 2020-80, Section 3B(b) of S.L. 2020-88, Section 4.9(a) of S.L. 2020-91, and Section 1.2 of S.L. 2020-97, which previously provided a $1,000,000 grant to the Nurse Family Partnership to offset COVID-19 related expenses incurred for services and supplies provided during the period of March 1, 2020, to December 30, 2020. The most recent amendment removes the December 30, 2020,

deadline, and allows funds to be used until the deadline established by federal law and guidance.

This section became effective February 10, 2021.

North Carolina Senior Living Association, North Carolina Health Care Facilities Association and North Carolina Assisted Living Association Reporting Requirements (S.L. 2021-1, Sec. 3.2/ SB 36 – COVID Bill Modifications)

Section 3.2 of S.L. 2021-1 amends Section 3.3(114e) of S.L. 2020-4, which may have been amended by Section 3 of S.L. 2020-32, Section 4 of S.L. 2020-49, Section 1.1(d) of S.L. 2020-80, Section 3B(b) of S.L. 2020-88, Section 4.9(a) of S.L. 2020-91, and Section 1.2 of S.L. 2020-97, which previously required the North Carolina Senior Living Association (NCSLA), the North Carolina Health Care Facilities Association (NCHCFA), and the North Carolina Assisted Living Association (NCALA) to each submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by February 1, 2021, on the use of allocated funding to purchase and distribute specified materials to their member facilities. The most recent amendment requires further reporting on the use of allocated funds by requiring the NCSLA, the NCHCFA, and the NCALA to submit a report by April 1, 2021, and by February 1, 2022, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

This section became effective February 10, 2021.

North Carolina Pandemic Office (S.L. 2021-1, Sec. 3.5/ SB 36 – COVID Bill Modifications)

Section 3.5 of S.L. 2021-1 amends Section 4.3 of S.L. 2020-4, to provide that the authorization for the North Carolina Pandemic Recovery Office ends on December 31, 2021, and the Office will cease to operate upon expiration of the authorization.

New language is added to provide that beginning March 1, 2021, and ending on the date the Office ceases to exist, the Office must submit a monthly report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division that provides the number of staff hired and an accounting of nonpersonnel expenditures for each month since March 1, 2021; a description of the Office's activities during the 2020 calendar year; and a

description of the Office's activities related to the Fund that remain to be completed in the 2021 calendar year. Additionally, the language provides that the General Assembly finds the need for a fully staffed Office declines as funds are expended and reports are submitted so staffing should reduce accordingly. Finally, the language was removed that prohibited the expenditure of funds from the Coronavirus Relief Fund past December 30, 2020.

This section became effective February 10, 2021.

Southern Regional Area Health Education Center Funds (S.L. 2021-1, Sec. 3.10/ SB 36 – COVID Bill Modifications)

Section 3.10 of S.L. 2021-1 amends Section 8(b) of S.L. 2020-79, to remove a reference to the 2020-2021 fiscal year and provide that the funds the Board of Governors of The University of North Carolina allocates to the Southern Regional Area Health Education Center are available for expenditure until the deadline established by applicable federal law and guidance.

This section became effective February 10, 2021.

Allocation of ELC Enhancing Detection Through Coronavirus Response and Relief Supplemental Funds (S.L. 2021-3, Sec. 1.6/ HB 196 – COVID-19 Relief Modifications)

Section 1.6 of S.L. 2021-3 allocates to the Division of Public Health, Department of Health and Human Services (DHHS), the Enhancing Detection Through Coronavirus Response and Relief Supplemental Funds appropriated under Section 1.1(a) of the act. The funds must be used in accordance with guidance and regulations from the Centers for Disease Control and Prevention's (CDC) Emerging and Infection Disease Program (ELC) Enhancing Detection Expansion cooperative agreement. Allocation amounts are provided below.

- $84,000,000 allocated to local health departments based on the percentage of the State population served by each local health department. These funds must supplement and not supplant existing funds.
- $15,000,000 allocated to the North Carolina Policy Collaboratory (Collaboratory) at the University of North Carolina Chapel Hill through a grant agreement, subcontract, or other subrecipient agreement that addresses, formally and in writing, the arrangements for the Collaboratory to meet programmatic, administrative, financial, and reporting requirements of the ELC Enhancing Detection Expansion cooperative agreement grant, and ensures compliance with all applicable federal regulations and policies. The Collaboratory must develop and manage a plan for an initiative to implement alternative COVID-19 surveillance methods throughout the State utilizing the resources of The University of North Carolina and other partnerships. The plan must include, but is not limited to, wastewater surveillance and genetic sequencing to identify and catalog variant strains for SARS-CoV-2. The Collaboratory and the

Division of Public Health must ensure the plan meets specified criteria. The CDC must approve expending ELC Enhancing Detection Expansion cooperative agreement grant funds prior to allocation and expenditure of funds to the Collaboratory.

This section became effective March 11, 2021.

Medicaid Temporarily Increased Reimbursement Rates (S.L. 2021-3, Sec. 2.1/HB 196 – COVID-19 Relief Modifications)

Section 2.1 of S.L. 2021-3 extends, through June 30, 2021, the requirement under Section 4.6 of S.L. 2020-4 that the Department of Health and Human Services provide a 5% rate increase to Medicaid providers during the COVID-19 public health emergency.

This section became effective March 11, 2021.

Require Local Governments to Issue Temporary Certificate of Compliance/Occupancy to Health Service Facilities (S.L. 2021-3, Sec. 2.7/HB 196 – COVID-19 Relief Modifications)

Section 2.7 of S.L. 2021-3 directs local governments to issue a temporary certificate of compliance and a temporary certificate of occupancy to allow for the full operational use of a health care facility under the following circumstances:

- The facility is currently under construction and the scheduled completion date for the building will occur before the recission of Executive Order No. 116.
- The facility may be safely occupied and complies with the building permit and all applicable State and local laws.
- The only portions of the project that remain to be completed are off-site improvements to public roadways which are required as conditions for the approval of the permit and the facility agrees to: (i) complete the roadway improvements within 18 months of the date of the certificate of occupancy and (ii) post a performance bond or letter of credit.

This section became effective March 11, 2021, and expires upon the recission of Executive Order No. 116 or upon completion of the roadway improvements, whichever is later.

Vaccine Administration/Pharmacy Technicians and Interns (S.L. 2021-3, Sec. 2.8/ HB 196 – COVID-19 Relief Modifications)

Section 2.8 of S.L. 2021-3 amends Section 3D.3 of S.L. 2020-3, which previously allowed any individual to petition the State Health Director to authorize immunizing pharmacists to administer a COVID-19 vaccine by means of a statewide order if one is approved by the CDC at a time when the General Assembly is not in session. The change required the State Health Director to modify any standing order issued under Section 3D.3 to ensure that it is consistent with federal

law and guidance. It also granted individuals qualified under State or federal law immunity from suit for their actions in administering COVID-19 vaccines pursuant to the State Health Director's standing order.

This section became effective March 11, 2021.

Pharmacists/Long-Acting Injectables (S.L. 2021-3, Sec. 2.9/ HB 196 – COVID-19 Relief Modifications)

Section 2.9 of S.L. 2021-3 amends the law (G.S. 90-85.15B) to allow immunizing pharmacists to administer long-acting injectable medications to individuals at least 18 years old pursuant to a specific written prescription. Immunizing pharmacists who administer long-acting injectable medications must keep records and notify the prescriber within 72 hours of administering the medication.

This section became effective October 1, 2021.

Health Care Provider Liability Clarification (S.L. 2021-3, Sec. 2.13/ HB 196 – COVID-19 Relief Modifications)

Section 2.13 of S.L. 2021-3 amends Section 3D.7 of S.L. 2020-3 to clarify that health care providers and health care facilities listed in the Emergency or Disaster Treatment Protection Act (Article 1L of Chapter 90) have immunity from suit for their actions taken in response to the COVID-19 pandemic for the pendency of any declared state of emergency due to COVID-19.

This section became effective March 11, 2021.

Vaccine Volunteers (S.L. 2021-3, Sec. 2.14/ HB 196 – COVID-19 Relief Modifications)

Section 2.14 of S.L. 2021-3 amends Section 3D.7 of S.L. 2020-3, which was codified as the Emergency or Disaster Treatment Protection Act (Article 1L of Chapter 90), to add individuals who volunteer to assist state agencies in the administration of COVID-19 vaccines to the list of health care providers who are immune from liability.

This section became effective March 11, 2021.

Prescription Drug Access for Certain Expired Identification (S.L. 2021-3, Sec. 2.18/ HB 196 – COVID-19 Relief Modifications)

Section 2.18 of S.L. 2021-3 permits pharmacists to dispense Paregoric, Schedule II controlled substances, certain Schedule III controlled substances, Schedule V controlled substances, and pseudoephedrine products to individuals who have a valid prescription (if one is required), and a valid state identification, even if that identification expired during the period while Executive Order 116 is in effect.

This section became effective March 11, 2021, and expires six months after Executive Order 116 is rescinded.

Prepaid Health Plan Access to NC Immunization Registry Information (S.L. 2021-3, Sec. 2.20/ HB 196 – COVID-19 Relief Modifications)

Section 2.20 of S.L. 2021-3 requires the Department of Health and Human Services to grant prepaid health plans access to client-specific immunization information in the North Carolina Immunization Registry.

This section became effective March 11, 2021.

Appropriation of Certain Federal Grant Funds Provided Under the American Rescue Plan Act (S.L. 2021-25, Sec. 3.2/SB 172 – Additional COVID-19 Response and Relief)

Section 3.2 of S.L. 2021-25 appropriates federal funds received by the State under the American Rescue Plan. The funds are appropriated in the amounts provided in the notification of award from the federal government in accordance with the schedule provided below. State agencies may, with approval of the Director of the Budget, spend the funds received from federal receipts and federal grants. Any positions created with the funds must terminate at the earlier of the funds being fully expended or the deadline established by applicable federal law and guidance for use of the funds. The Total Estimated Funding is: $6,400,545,070, and the grant amounts below are estimates of North Carolina's allocations to be deposited in the State's Treasury and administered by State agencies.

- Higher Education Emergency Relief Fund: $701,279,800
- Emergency Assistance to Non-Public Schools: $82,952,000
- IDEA, Grants to States: $81,359,400
- IDEA, Preschool Grants: $5,961,100
- IDEA, Infants and Toddlers: $6,298,200
- Child Care Stabilization Grants: $805,767,400
- Child Care Entitlement to States: $16,096,000
- Community-Based Child Abuse Prevention: $7,695,000
- Child Abuse State Grants: $3,067,000
- Supportive Services: $13,984,000
- Congregate and Home Delivered Meals: $23,045,000
- Preventive Services: $1,363,000
- Family Caregiver: $4,463,000
- Title VII Long-Term Care Ombudsman: $310,000
- SNAP State Administrative Expense Grants: $35,443,000
- FTA Urbanized Area Formula: $4,696,400

- HOME Investment Partnerships Program: $137,414,000
- Emergency Management Performance Grants: $2,660,000
- National Endowment for the Arts: State Arts Agencies: $912,000
- Emergency Rental Assistance: $556,611,000
- Homeowner Assistance Fund: $273,337,000
- Elementary and Secondary School Emergency Relief Fund: $3,260,772,535
- Expand Genomic Sequencing: $6,662,900
- Epidemiology and Lab Capacity for School Testing: $315,895,900
- Community Health Centers Expanded Access to COVID-19 Vaccines, Build Vaccine Confidence: $4,057,900
- WIC Cash Value Vouchers Increase: $19,930,600
- Institute for Museum and Library Services: $4,309,000
- Homeless Children and Youth: $23,576,625
- Maternal, Infant, and Early Childhood Home Visiting Program: $625,310

Additionally, the final amount of federal funds awarded for the following programs are not yet known but are appropriated in the same manner as provided in this section: (i) State Veterans Home Construction Grants, (ii) Family Violence Prevention and Services, (iii) Payments to State Veterans Homes, and (iv) Elder Justice – Adult Protective Services.

This section became effective May 24, 2021.

Hold Harmless Star Ratings/Environmental Rating Scale Assessments Resume (S.L. 2021-127/SB 570)

Section 1 of S.L. 2021-127 directs the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services (DHHS), to not require a licensed child care facility to undergo an Environment Rating Scale (ERS) assessment if the assessment would result in the facility losing a star rating because of the facility's loss of educators and inability to replace those educators with comparably educated individuals. This section became effective August 30, 2021, and expires six months after the date Executive Order No. 116 is rescinded.

Section 2 of S.L. 2021-127 requires DCDEE to lower from 75% to 50% the threshold for the percentage of lead teachers in the program required to meet the "rated licensed education requirements" criteria to earn quality rating improvement system (QRIS) "education points" when the ERS assessments resume. This section became effective August 30, 2021, and expires June 30, 2023.

Section 2.5 of S.L. 2021-127 directs DCDEE to submit a report to the Joint Legislative Oversight Committee on Health and Human Services by March 30, 2023. The report must contain the following information from June 30, 2021, to January 31, 2023:

- Number of new high school Early Childhood Career and Technical Pathways programs across the State.

- New community college and university courses that award college credit towards a degree in early childhood based on work experience.
- New community college and university courses that allow college credits for taking online health, safety, and nutrition training modules.
- Information about the Early Childhood and Infant-Toddler Certificate Programs.
- Number of early childhood educators using T.E.A.C.H. Scholarships to pay for college tuition and the increase in the number of early childhood educators using T.E.A.C.H. scholarships to pay for college tuition.
- Information about the WAGE$ salary supplement program.
- Number and percentage increase of early childhood educators with associate degrees in early childhood education.

The report must also include the number and percentage increase of early childhood educators with associate degrees between June 30, 2016, and June 30, 2021.

Except as otherwise provided, this act became effective August 30, 2021.

Rapid Rehousing for Individuals and Families at Risk of Homelessness (S.L. 2021-180, Sec. 9A.4/ SB 105 – 2021 Appropriations Act).

Section 9A.4 of S.L. 2021-180 allocates $15,000,000 in nonrecurring funds for the 2021-2022 fiscal year to the Division of Aging and Adult Services, Department of Health and Human Services, for rapid rehousing services to assist families and individuals at risk of homelessness due to the COVID-19 pandemic. The funds must supplement existing funding for homelessness prevention services and may be used to cover the cost of acute financial assistance needs for eligible families and individuals.

This section became effective July 1, 2021.

Virtual Behavioral Health Services Grant Program (S.L. 2021-180, Sec. 9B.8A/SB 105 – 2021 Appropriations Act)

Section 9B.8A.(a) of S.L. 2021-180 directs $10,000,000 in nonrecurring funds for the 2021-2022 fiscal year of the funds appropriated in the 2021 Appropriations Act from the State Fiscal Recovery Fund to the Office of Rural Health, Division of Central Management and Support, Department of Health and Human Services (DHHS), to award competitive grants to hospitals to fund expanded telepsychiatry capabilities to respond to the COVID-19 public health emergency. The expanded telepsychiatry capabilities must facilitate patient access to hospital-based virtual telepsychiatry services from a primary care provider's office, from home, or from another nonhospital setting. The Office of Rural Health must establish the procedures and criteria for awarding the grants, subject to certain limitations.

Section 9B.8A.(b) of S.L. 2021-180 requires DHHS to announce the recipients of the competitive grants and to report to the Joint Legislative Oversight Committee on Health and

Human Services with the amount awarded to each grantee, the anticipated number of persons to be served, and the geographic area to be served as a result of expanded telepsychiatry services by May 1, 2022.

This section became effective July 1, 2021.

School-Based Virtual Care Pilot Program to Address Health Disparities in Historically Underserved Areas Disproportionately Impacted by the COVID-19 Public Health Emergency (S.L. 2021-180, Sec. 9B.8B/SB 105 – 2021 Appropriations Act)

Refer to the Studies, Reports, and Pilot Programs heading in this document.

Funds to Expand Local Communicable Disease Programs to Address the Impacts of the COVID-19 Public Health Emergency (S.L. 2021-180, Sec. 9G.11/SB 105 – 2021 Appropriations Act)

Section 9G.11 of S.L. 2021-180 provides that of the funds appropriated from the State Fiscal Recovery Fund to the Division of Public Health (DPH), Department of Health and Human Services (DHHS), $36,000,000 in nonrecurring funds for the 2021-2022 fiscal year must be allocated to local health departments to expand communicable disease surveillance, detection, control, and prevention activities to address the COVID-19 public health emergency and other communicable disease challenges impacted by the COVID-19 public health emergency.

DPH must expend up to $18,000,000 of the allocated funds during the 2021-2022 fiscal year and any remaining funds during the 2022-2023 fiscal year.

- In the distribution of these funds to local health departments, for each year of the 2021-2023 fiscal biennium, DPH must divide $9,000,000 equally among the local health departments based on the number of counties served by each local health department.
- DPH must distribute the remaining $9,000,000 to local health departments based upon the percentage of the State population served by each of the local health departments.
- DPH is required to begin distributing the funds no later than 60 days after the act becomes law.
- In utilizing these funds, local health departments must comply with applicable federal rules and guidance governing the State Fiscal Recovery Fund.

By February 1, 2022, DPH must report to the Joint Legislative Oversight Committee on Health and Human Services on the funding appropriated by this section and the report must include the following elements:

- The amount of funding that each county received for surveillance, detection, control, and prevention of communicable diseases.

- An explanation if the sum of the funding received by all counties under this section is not equivalent to the total funds appropriated each year.
- Information on how the local health departments plan to use and subsequently did use these funds to address surveillance, detection, control, and prevention of communicable diseases.
- Consistent with the supplement and not supplant intent of this section, the report must delineate funds other than those distributed in accordance with this section that were received by each county to address surveillance, detection, control, and prevention of communicable diseases.
- Additional information as may be requested by the Joint Legislative Oversight Committee on Health and Human Services.

This section became effective July 1, 2021.

Reservation of the CDC Cooperative Agreement for Emergency Response/Public Health Crisis Response/COVID-19 Public Health Workforce Supplemental Funding Receive Pursuant to the American Rescue Plan Act for School-Based Health Services Personnel (S.L. 2021-180, Sec. 9G.13/SB 105 – 2021 Appropriations Act)

Section 9G.13 of S.L. 2021-180 provides that of the funds appropriated to the Division of Public Health, Department of Health and Human Services, from the Centers for Disease Control and Prevention Cooperative Agreement for Emergency Response: Public Health Crisis Response, COVID-19 Public Health Workforce Supplemental Funding received pursuant to ARPA, at least 25% of the funds must be reserved in accordance with federal guidance to provide funding for school-based health services personnel in response to the COVID-19 pandemic.

For purposes of the section, school-based health services personnel include school nurses, school psychologists, school counselors, and school social workers. These funds must be used to supplement and not supplant other State, local, or federal funds appropriated or allocated for this purpose.

This section became effective July 1, 2021.

DEPARTMENT OF HEALTH AND HUMAN SERVICES – GENERALLY

Department of Health and Human Services Revisions (S.L. 2021-77/HB 734)

S.L. 2021-77 makes the following changes to the laws pertaining to programs and services under the authority of the Department of Health and Human Services (DHHS):

- Amends the definition of developmental disability (G.S. 122C-3).
- Amends the law (G.S. 122C-23) providing that decisions on the waiver of any of the rules on the licensure of facilities for the mentally ill, the developmentally disabled, and substance abusers may be appealed by filing a contested case (under Article 3 of GS Chapter 150B).
- Requires the Secretary of DHHS to adopt a copayment schedule for behavioral health services, intellectual and developmental disabilities services, and substance use disorder services based on the Medicaid copayments for those services be used by LMEs and by contractual provider agencies (G.S. 122C-112.1(a)(34).
- Amends the membership of the State Consumer and Family Advisory Committee (G.S. 122C-171).
- Adds various requirements to the involuntary commitment report to require transportation data (G.S. 122C-255).
- Amends the law (G.S. 122C-263) governing the first exam for involuntary commitment due to mental health or substance abuse to allow the use of "telehealth," previously referred to as "telemedicine" and makes conforming changes to other statutes.
- Allows the second examination for involuntary commitment due to mental illness or substance abuse to be conducted using telehealth equipment and procedures (G.S. 122C-266).
- Makes technical changes to the law governing transitional permits for food establishments (G.S. 130A-248).

The act also makes the following changes to the laws (Article 2 of Chapter 122C) governing the licensure of facilities for the mentally ill, the developmentally disabled, and substance abusers:

- Requires DHHS to conduct follow-up visits to ensure compliance with specified criteria following the issuance of a cease and desist order to facilities providing services without a required license.
- Prohibits the Secretary of DHHS from enrolling a new provider in the NC Medicaid or NC Health Choice programs or revalidating an enrolled provider in the Medicaid or NC Health Choice programs for any applicant meeting specified criteria.
- Gives the Secretary of DHHS the power to issue orders directing facilities not licensed under Article 2 that are providing services requiring a license to cease and desist.

- Increases the penalty for operating a licensable facility without a license to a Class H felony, including a fine of $1,000 per day that the facility is in violation.
- Amends the exclusion of licensure to state physicians and psychologists engaged in private office practice and receiving reimbursement under the Medicare program, NC Medicaid, or the NC Health Choice program may not be excluded from the licensure requirement.
- Directs DHHS to establish a database with specified, publicly available information on the status of any ongoing investigations of reported operation of a program or facility in violation.
- Retitles Article 2 of Chapter 122C of the General Statutes as "Licensure of Facilities for Individuals with Mental Health, Developmental Disabilities, and Substance Use Disorders" and makes various conforming changes.

Additionally, the act adds spas operating for display at temporary events to the definition of "public swimming pool" for purposes of regulation. This provision became effective July 1, 2020.

The remainder of this act became effective July 2, 2021.

Competitive Grant/Nonprofit Organizations (S.L. 2021-180, Sec. 9B.9/SB 105 – 2021 Appropriations Act)

Section 9B.9.(a) of S.L. 2021-180 provides that of the funds appropriated in the 2021 Appropriations Act to the Division of Central Management and Support, Department of Health and Human Services (DHHS), for each year of the 2021-2023 fiscal biennium, specified amounts must be allocated to nonprofit organizations.

Section 9B.9.(b) of the act requires DHHS to continue administering a competitive grants process for nonprofit funding and to administer a plan that includes the following specified minimum criteria:

- A request for application (RFA) process to allow nonprofits to apply for and receive State funds on a competitive basis.
- A requirement that nonprofits match a minimum of fifteen percent (15%) of the total amount of the grant award.
- A requirement that the Secretary prioritize grant awards to those nonprofits that are able to leverage non-State funds in addition to the grant award.
- A process that awards grants to nonprofits that have the capacity to provide services on a statewide basis and that support specified State health and wellness initiative.
- A process that ensures that funds received do not supplant existing funds for health and wellness programs and initiatives.
- A process that allows grants to be awarded to nonprofits for up to two years.
- A requirement that the initial disbursement of the grants be awarded no later than 30 days after certification of the State budget for the respective fiscal year.

- A requirement that nonprofits awarded grants use no more than fifteen percent (15%) of their total proposed expenditures for administrative costs.

Section 9B.9.(c) of the act instructs the Secretary of DHHS to announce the recipients of the competitive grants and to allocate funds to the grant recipients as specified in this section no later than July 1 of each year. The Secretary of DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the grant awards by September 1 of each year.

Section 9B.9.(d) of the act requires each nonprofit organization receiving funding under this section in the respective fiscal year to submit a written report of all activities funded by State appropriations no later than December 1 of each fiscal year to the Division of Central Management and Support.

Section 9B.9.(e) of the act allocates the following in each year of the 2021-2023 fiscal biennium: $350,000 to Big Brothers Big Sisters; $1,625,000 (and $1,600,000 in Substance Abuse Prevention and Treatment Block Grant funds) to Triangle Residential Options for Substance Abusers, Inc.; $2,750,000 to Boys and Girls Clubs; $250,000 to Cross Trail Outfitters; $250,000 to North Carolina Senior Games; and $250,000 to Special Olympics North Carolina.

This section became effective July 1, 2021.

Exempt Certain Employees of the Division of State Operated Healthcare Facilities from Most Provisions of the NC Human Resources Act (S.L. 2021-180, Sec. 9F.19/SB 105 – 2021 Appropriations Act)

Section 9F.19 of S.L. 2021-180 amends the statute (G.S. 126-5(c1)) outlining employees that are exempt from certain provisions of the State Human Resources Act. This section provides that the following employees of the Division of State Operated Healthcare Facilities, Department of Health and Human Services (DHHS), are exempt from the provisions contained in the State Human Resources Act, except Articles 6 and 7, if they are (i) healthcare professionals licensed under Chapter 90 or Chapter 90B, or (ii) engineers responsible for maintenance or building operations at one of the health care facilities operated by the DHHS Secretary.

The act became law July 1, 2021, and this section became effective 30 days after it became law.

HEALTH INFORMATION

Appropriation of Federal Grant Funds to the Government Data Analytics Center for COVID-19 Upgrades to the NC COVID Vaccine Management System and NC HealthConnex (S.L. 2021-3, Sec. 1.6A/HB 196 – 2021 COVID-19 Response and Relief)

Section 1.6A of S.L. 2021-3 directs the Department of Health and Human Services to allocate up to $3,000,000 dollars from COVID-19 Vaccine Preparedness grant funds to the Government Data Analytics Center to cover the costs of (i) integrating the NC COVID Vaccine Management System (CVMS) with NC HealthConnex and (ii) adding functionality to both systems to improve the State's response to the COVID-19 public health emergency.

This section became effective March 11, 2021.

Health Information Exchange Deadline Extension and Patient Protection (S.L. 2021-26/ HB 395)

S.L. 2021-26 does the following relative to the Health Information Exchange (HIE) Network known as NC HealthConnex:

- Exempts ambulatory surgical centers but requires a physician who performs procedures there to be connected and to submit demographic and clinical data.
- Extends the mandatory deadlines for certain entities to connect.
- Allows the Department of Health and Human Services (DHHS) to submit data on behalf of specified entities.
- Prohibits balance billing by in-network providers and entities under the State Health Plan that have not connected.
- Requires the HIE Authority to provide educational materials on how to access electronic health information.
- Requires the HIE Advisory Board to submit a report by March 1, 2022, to the Joint Legislative Oversight Committee on Health and Human Services containing recommendations regarding appropriate features or actions to support the Statewide Health Information Exchange Act.
- Requires the HIE Authority to work with the Department of State Treasurer and DHHS to identify and contact providers and entities who have not connected to the HIE in accordance with the law (G.S. 90-414.4) and to report on the status of these by March 1, 2022.

This act became effective May 27, 2021.

Improve Anatomical Gift Donation Process (S.L. 2021-32/ SB 135)

S.L. 2021-32 amends the anatomical gift process (organ, eye, and tissue donation) to clarify that a statement or symbol indicating the individual has made an anatomical gift remains on the donor's drivers license or identification card until the donor revokes consent by requesting removal in a manner prescribed by the Division of Motor Vehicles. The act also provides that an individual who became a donor in another state and applies for a driver's license or identification card in North Carolina is required to authorize that a statement or symbol be imprinted on the donor's license or card issued in this State for the anatomical gift to be valid.

This act became effective October 1, 2021.

Access to Patient Data Under the Medical Care Data Act (S.L. 2021-180, Sec. 9E.3/SB 105 – 2021 Appropriations Act)

Section 9E.3 of S.L. 2021-180 adds a new section to the Medical Care Data Act (Article 11A of Chapter 131E) pertaining to the duty of the Department of Health and Human Services (DHHS) to provide limited access to patient data. The new law requires data to be provided at no charge and in a manner and format of DHHS's choosing to any person or organization under contract with DHHS to provide medical care quality improvement services. The data provided must be the minimum necessary data components of compiled patient data as determined by DHHS and prepared for release or dissemination by a statewide data processor to the State Health Director pursuant to the law. The term, "medical care quality improvement services" for purposes of this section means evaluation of medical quality of healthcare performance.

A person or organization that receives patient data in accordance with this section is subject to the following requirements and limitations:

- Is prohibited from using the patient data for any purpose other than to fulfill its performance under the terms of the contract with DHHS.
- Must maintain confidentiality of the data.
- Must not retain the data beyond the term of its contract with DHHS.

This section became effective November 18, 2021, when the act became law.

Contract to Implement Electronic Health Records at State Psychiatric Hospitals (S.L. 2021-180, Sec. 9F.2/SB 105 – 2021 Appropriations Act)

Section 9F.2 of S.L. 2021-180 requires the Department of Health and Human Services in coordination with Department of Information Technology, to execute a contract within 6 months of the effective date of the section that provides:

- Within 18 months of contract execution, full implementation of standard, uniform platform for electronic health records that most closely resembles the electronic health records platform utilized by The University of North Carolina System within each of the State psychiatric hospitals.

- Training of the State's psychiatric hospitals' staff on the use of the electronic health records system.

This section became effective July 1, 2021.

HEALTH INSURANCE

Additional Information on Health Insurance Cards (S.L. 2021-30/SB 248)

S.L. 2021-30 requires health insurers to note on their insurance cards whether the plan is fully insured or self-funded.

This act became effective October 1, 2021.

State Health Plan Administrative Changes – (S.L. 2021-125/SB 159)

S.L. 2021-125 makes technical and clarifying changes to the State Health Plan.

This act became effective August 30, 2021.

Allow Employers to Offer Exclusive Provider Option Benefit Plans – (S.L. 2021-151/SB 228)

S.L. 2021-151 allows insurers to offer exclusive provider benefit health plans and establishes continuity of care provisions for those plans.

This act became October 1, 2021, and applies to contracts entered into, renewed, or amended on or after that date.

MEDICAID AND HEALTH CHOICE

Medicaid Modernized Hospital Assessments (S.L. 2021-61/HB 383)

S.L. 2021-61 enacts two modernized hospital assessments that support continued funding for Medicaid payments to hospitals under the new Medicaid managed care system that began July 1, 2021. The modernized assessments replace two hospital assessments that historically provided funding for Medicaid payments to hospitals but that could not continue to be operated in the same manner upon the transition of the Medicaid program to managed care. A complete summary of the act, along with background information, is available at: *https://dashboard.ncleg.gov/api/Services/BillSummary/2021/H383-SMTR-26(sl)-v-5*.

Section 1 of the act, repealing previous hospital assessment legislation, became effective July 1, 2020, and the remainder of the act became effective July 1, 2021.

Additional changes to the modernized hospital assessments that were enacted in this act were subsequently made in Section 9D.13A of S.L. 2021-180, the 2021 Appropriations Act, which is summarized in another section of this document.

Medicaid Administrative Changes and Technical Corrections (S.L. 2021-62/SB 594)

S.L. 2021-62 makes various technical and other changes to laws related to the Medicaid program and local management entities/managed care organizations (LME/MCOs).

Part I makes modifications to two Medicaid-related provisions of the 2020 COVID-19 Recovery Act, S.L. 2020-4, as follows:

- Section 1.1 excludes from managed care coverage the population of uninsured individuals who are eligible for Medicaid coverage only for services related to COVID-19 testing.
- Section 1.2 reinstates the following provisions of State law that were suspended during the public health emergency:
  - G.S. 108C-2.1, which requires a $100 fee for provider enrollment applications and requires recredentialing every five years. Section 9D.9 of S.L. 2021-180, the 2021 Appropriations Act, waives this fee from November 18, 2021, through June 30, 2023.
  - G.S. 108C-4(a), which imposes a State requirement to conduct criminal history record checks.
  - G.S. 108C-9(a) and (c), which requires providers to complete certain trainings prior to initial enrollment as a Medicaid and Health Choice provider.

Part II makes modifications to the existing Medicaid beneficiary appeals statutes in Chapters 108A and 108D of the General Statutes to allow certain appeals to be filed by telephone and to provide an expedited hearing option for certain appeals, as follows:

- Section 2.1 allows Medicaid beneficiaries to file an appeal of a fee-for-service adverse benefit determination, a prepaid health plan adverse disenrollment determination, a managed care entity level appeal, or a managed care notice of resolution of an adverse benefit determination, or file a managed care grievance, by telephone without following up in writing, in accordance with 42 C.F.R. § 431.221(a)(1)(i).
- Section 2.2 provides an expedited hearing option, in compliance with 42 C.F.R. § 431.224, for the following types of Medicaid beneficiary appeals: fee-for-service adverse benefit determinations, local appeal hearing decisions regarding Medicaid and Health Choice eligibility determinations, and managed care notices of resolution of an adverse benefit determination. An expedited appeal is allowed if the normal timeframe for the hearing could jeopardize the beneficiary's life, health, or ability to attain, maintain, or regain maximum function.

Part III makes various changes to laws related to the Medicaid program, as follows:

- Section 3.1 increases the number of Medicaid-covered therapeutic leave days to 90 (from 60) for a Medicaid beneficiary in an intermediate care facility.
- Sections 3.2 requires standard benefit plans to cover peer support services in addition to other behavioral health services specified in the law (G.S. 108D-35).
- Section 3.4A specifically restates the Department of Health and Human Services (DHHS) authority to contract with entities operating behavioral health and intellectual/developmental disabilities (BH IDD) tailored plans through a contract other than a BH IDD tailored plan for the management of behavioral health, intellectual and developmental disability, and traumatic brain injury services provided to the following populations of Medicaid recipients who are excluded from coverage by prepaid health plans: foster care or adoption assistance recipients, the medically needy, Indians, Health Insurance Premium Payment (HIPP) participants, Community Alternatives Program for Children (CAP/C) participants, Community Alternatives Program for Disabled Adults (CAP/DA) participants, nursing facility residents, and Medicare/Medicaid dual-eligibles who receive full Medicaid coverage.
- Section 3.5 requires the Secretary of DHHS to direct the dissolution of an area authority (also called an LME/MCO) that does not receive an initial contract to operate a BH IDD tailored plan under G.S. 108D-60. This section also clarifies that, upon dissolution of an area authority, (i) the Medicaid risk reserve fund balance of the dissolved area authority must be transferred along with the other fund balance of the dissolved area authority and (ii) these fund balances may be transferred to more than one area authority or BH IDD tailored plan if more than one area authority or BH IDD tailored plan is contracted to operate in the catchment area of the dissolved area authority.
- Section 3.5A directs DHHS to develop a formula or formulas to be used whenever a county disengages from an area authority. The formula(s) will determine the amount

of risk reserve and other funds that the area authority must transfer to the area authority that the county is joining and are subject to all of the following:

- The formula(s) must consider the stability of both impacted area authorities and must support their ability to carry out their responsibilities under State law, as well as the successful operation of BH IDD tailored plans. The formula(s) must assure that the area authority that loses the county keeps sufficient funds to pay its liabilities.
- Prior to finalizing the formula(s), DHHS must post the proposed formula(s) on its website, notify the area authorities, the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and the Fiscal Research Division, and accept public comment. The final formula(s) must be posted on DHHS's website by August 1, 2021.
- Beginning with disengagements that occur on or after September 1, 2021, when a county disengages, DHHS must determine the amount of funds to be transferred according to the formula(s). The area authorities involved must provide DHHS with the financial information necessary to apply the formula(s). Any appeal of DHHS's determination of the risk reserve and other funds to be transferred are exempt from a hearing at the Office of Administrative Hearings.
- DHHS must report quarterly to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and the Fiscal Research Division, on funds that were transferred during the prior quarter.

- Section 3.6 replaces the rate floor for durable medical equipment established by Section 11 of S.L. 2020-88 with a fixed reimbursement rate for durable medical equipment and supplies, orthotics, and prosthetics for the first five years of standard benefit plan contracts.

Part IV makes various technical corrections to laws related to the Medicaid program.

This act contains various effective dates detailed in the summary available at: *http://www.ncleg.net/Legislation/Legislation.html*.

Joint Legislative Committee on Access to Healthcare and Medicaid Expansion (S.L. 2021-180, Sec. 5.13/SB 105 – 2021 Appropriations Act)

Section 5.13 of S.L. 2021-180 creates the Joint Legislative Committee on Access to Healthcare and Medicaid Expansion to consider ways to improve access to health care and health insurance. The Committee may submit proposed legislation to the members of the General Assembly before the final adjournment of the 2021 Regular Session, at which time the Committee terminates.

This section became effective November 18, 2021.

Medicaid Transformation Reserve Funds for Information Technology Division Support of Medicaid Applications (S.L. 2021-180, Sec. 9B.2A/SB 105 – 2021 Appropriations Act)

Section 9B.2A of S.L. 2021-180 specifies funding to be transferred from the Medicaid Transformation Reserve to the Information Technology Division, Department of Health and Human Services, for information technology support of Medicaid applications.

This section became effective July 1, 2021.

Continue Medicaid Annual Report (S.L. 2021-180, Sec. 9D.1/SB 105 – 2021 Appropriations Act)

Section 9D.1 of S.L. 2021-180 requires the Division of Health Benefits, Department of Health and Human Services, to continue publishing the Medicaid Annual Report by December 31 of each year.

This section became effective July 1, 2021.

Volume Purchase Plans and Single Source Procurement (S.L. 2021-180, Sec. 9D.3/SB 105 – 2021 Appropriations Act)

Section 9D.3 of S.L. 2021-180 allows the Division of Health Benefits, Department of Health and Human Services, to utilize volume purchase plans and single source procurement for certain contracts to improve cost containment.

This section became effective July 1, 2021.

Duration of Medicaid and NC Health Choice Program Modifications (S.L. 2021-180, Sec. 9D.4/SB 105 – 2021 Appropriations Act)

Section 9D.4 of S.L. 2021-180 clarifies that, consistent with the authority of the Department of Health and Human Services (DHHS) over the Medicaid and NC Health Choice programs under G.S. 108A-54(e), DHHS is only required to maintain any modifications to these programs required by the act through June 30, 2023.

This section became effective July 1, 2021.

Administrative Hearings Funding (S.L. 2021-180, Sec. 9D.5/SB 105 – 2021 Appropriations Act)

Section 9D.5 of S.L. 2021-180 requires the Division of Health Benefits, Department of Health and Human Services, to transfer funds to the Office of Administrative Hearings for mediation services and other contracted services related to the Medicaid appeals process.

This section became effective July 1, 2021.

Creation of the HCBS Fund (S.L. 2021-180, Sec. 9D.8A/SB 105 – 2021 Appropriations Act)

Section 9D.8A of S.L. 2021-180 creates the HCBS Fund and directs the Division of Health Benefits (DHB), Department of Health and Human Services, to deposit into the HCBS Fund the savings associated with federal receipts from the enhanced federal medical assistance percentage for home and community-based services (HCBS) available to the State under the American Rescue Plan Act. Funds deposited in the HCBS Fund must be used for:

- Additional slots to serve individuals through the Innovations wavier and the Community Alternatives Program for Disabled Adults (CAP/DA) waiver as required by Section 9D.11 and 9D.12 of the act.
- Medicaid rate increases to HCBS providers to be used for wage increases for direct care workers required by Section 9D.15A of the act.
- The increase to the Medicaid rate paid for private duty nursing services required by Section 9D.15B of the act.
- The costs of the changes to the State-County Special Assistance program required by Section 9A.3A of the act.
- The cost of Medicaid services provided to individuals participating in the Transitions to Community Living Initiative.
- Other projects to enhance, expand, or strengthen HCBS services that neither requires recurring funds nor would become part of the Medicaid annual rebase.

DHB is authorized to use the funds in the HCBS Fund during the 2021-2022 fiscal biennium but must ensure that at least $97,600,000 remains in the HCBS Fund for use in the next biennium.

This section became effective July 1, 2021, and expires June 30, 2025.

Waive Medicaid Provider Enrollment and Revalidation Fees (S.L. 2021-180, Sec. 9D.9/SB 105 – 2021 Appropriations Act)

Section 9D.9 of S.L. 2021-180 waives the State fee of $100 paid by providers applying for enrollment or revalidation as a Medicaid provider, effective November 18, 2021, through June 30, 2023. This section directs the use of State funds for administrative costs for provider enrollment and revalidation.

This section became effective July 1, 2021.

Copayments for Medicaid Services (S.L. 2021-180, Sec. 9D.10/SB 105 – 2021 Appropriations Act)

Section 9D.10 of S.L. 2021-180 increases the copayments paid by Medicaid beneficiaries for certain services to $4.00 (from $2.00 or $3.00, depending on the service), beginning July 1, 2022. This section became effective July 1, 2021.

Continue Medicaid Coverage for Pregnant Women for Twelve Months Postpartum (S.L. 2021-180, Sec. 9D.13/SB 105 – 2021 Appropriations Act)

Section 9D.13 of S.L. 2021-180 provides pregnant women with full, instead of limited, Medicaid benefits and extends those benefits to 12 months postpartum instead of 60 days. As authorized under the American Rescue Plan Act, this increase in Medicaid coverage will begin April 1, 2022, and end March 31, 2027. Funding for the costs of this increase in coverage will be collected through an increase in the modernized hospital assessments, under Section 9D.13A of the act.

This section becomes effective April 1, 2022.

Modernized Hospital Assessments Additional Components and Technical Corrections (S.L. 2021-180, Sec. 9D.13A/SB 105 – 2021 Appropriations Act)

Section 9D.13A of S.L. 2021-180 adds two new components to the modernized hospital assessments enacted in S.L. 2021-61. The new components increase the amount of the assessments collected from hospitals in order to fund other changes to the Medicaid program required by the act, as follows:

- The postpartum coverage component assesses hospitals for costs associated with the increase in postpartum Medicaid coverage required by Section 9D.13 of the act. The postpartum component is effective during the five-year period that the postpartum coverage is authorized by Section 9D.13 of the act and the American Rescue Plan Act.
- The home and community-based services (HCBS) component assesses hospitals, beginning April 1, 2024, for ongoing costs associated with the HCBS projects that are described in Section 9D.8 of the act and that are to be funded through March 30, 2024, with nonrecurring funds from the HCBS Fund.

The other changes to the modernized hospital assessments made in this section are technical.

This section became effective January 1, 2022.

Allow a Parent to Retain Medicaid Eligibility While a Child is Temporarily Served by the Foster Care System (S.L. 2021-180, Sec. 9D.14/SB 105 – 2021 Appropriations Act)

Section 9D.14 of S.L. 2021-180 directs the Department of Health and Human Services to seek federal approval to allow a parent to retain Medicaid coverage while the parent's child is being served temporarily by the foster care system, so long as the parent is making reasonable efforts to comply with a court-ordered reunification plan. This retention of coverage will be effective upon federal approval, but if approval is not granted by June 30, 2023, then the section expires on that date. The remainder of this section became effective July 1, 2021.

Use of Medicaid Transformation Fund for Medicaid Transformation Needs (S.L. 2021-180, Sec. 9D.16/SB 105 – 2021 Appropriations Act)

Section 9D.16 of S.L. 2021-180 authorizes the use of funds from the Medicaid Transformation Fund for (i) claims runout, which refers to the payment of claims for services provided under the fee-for-service system to beneficiaries who have transitioned to managed care and (ii) for other qualifying needs relating to Medicaid transformation. Funds for qualifying needs may be transferred to the Division of Health Benefits (DHB), Department of Health and Human Services (DHHS), upon DHB's request and after verification by the Office of State Budget and Management (OSBM) that the request is for a qualifying need and that the amount requested will not result in total requirements that exceed a specified amount. Qualifying needs are defined as the following:

- Program design.
- Beneficiary and provider experience.
- Information technology upgrades, operations, and maintenance.
- Data management tools.
- Program integrity.
- Quality review.
- Actuarial rate setting functions.
- Technical and operational integration.
- Behavioral health and intellectual/developmental disabilities (BH IDD) tailored plan health homes.
- Legal fees.
- Expenses related to the Healthy Opportunities Pilots.

Any federal funds received in any fiscal year by DHHS that represent a return of the State share already expended on a qualifying need related to the transfer of these funds must be deposited into the Medicaid Transformation Fund.

This section became effective July 1, 2021.

Reimburse Durable Medical Equipment Prescribed by Podiatrists (S.L. 2021-180, Sec. 9D.19/SB 105 – 2021 Appropriations Act)

Section 9D.19 of S.L. 2021-180 requires the Division of Health Benefits, Department of Health and Human Services, to update the relevant Medicaid clinical coverage policies to allow for coverage of orthotics, prosthetics, and other durable medical equipment when prescribed by a podiatrist.

This section became effective July 1, 2021.

Prepaid Health Plans Reimbursement of Prescription Drugs at Pharmacist's Cost (S.L. 2021-180, Sec. 9D.19A/SB 105 – 2021 Appropriations Act)

Section 9D.19A of S.L. 2021-180 requires Medicaid prepaid health plans to reimburse prescription drug ingredient costs and dispensing fees at the same rate paid under fee-for-service through June 30, 2023. This effectively extends a term in the existing PHP contracts for one additional year.

This section became effective November 18, 2021, and expires June 30, 2023.

Charter Schools Medicaid Reimbursement (S.L. 2021-180, Sec. 9D.21/SB 105 – 2021 Appropriations Act)

Section 9D.21 of S.L. 2021-180 allows charter schools to receive federal Medicaid reimbursement for covered services in the same manner as other local education agencies by clarifying in statute that, despite the nonprofit status of charter schools under G.S. 115C-218.15(b), a charter school that is approved by the State as a public school is deemed to be a local governmental entity that will provide the State share of any Medicaid reimbursement for the Medicaid-covered services they may provide.

This section became effective July 1, 2021.

MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES

Reduce Regulations to Help Children with Autism (S.L. 2021-22/SB 103)

S.L. 2021-22 establishes a licensure process for behavior analysts and creates criminal penalties for practicing without a license.

The portion of the act creating a criminal penalty for unlicensed practice of behavioral analysis became effective January 1, 2022, and applies to acts committed on or after that date. The remainder of the act became effective May 17, 2021.

Down Syndrome Organ Transplant Nondiscrimination Act (S.L. 2021-64/HB 642)

S.L. 2021-64 creates a new Part 4A, Nondiscrimination in Organ Transplantation, in Article 16 of Chapter 130A of the General Statutes, which specifies that it is unlawful for a covered entity, on the basis of an individual's disability, to do the following:

- Consider an individual ineligible to receive an anatomical gift or organ transplant.
- Deny medical services or other services related to organ transplantation.
- Refuse to refer the individual to a transplant center or other related specialist for the purpose of being evaluated for or receiving an organ transplant.
- Refuse to place a qualified recipient on an organ transplant waiting list.
- Place a qualified recipient on an organ transplant list at a lower priority position than if the individual did not have a disability.
- Refuse insurance coverage for any procedure associated with being evaluated for or receiving an anatomical gift or organ transplant.

A covered entity would be permitted to take an individual's disability into account when making treatment or coverage recommendations or decisions only to the extent the disability has been found by a physician or surgeon to be medically significant to the provision of the anatomical gift. An individual affected by a covered entity's alleged violation would be allowed to bring an action for injunctive and other equitable relief against the covered entity. A covered entity would not be required to make a referral for, or perform, a medically inappropriate organ transplant.

S.L. 2021-64 prohibits insurers that offer a health benefit plan that provides coverage for anatomical gifts, organ transplants, or treatment and services related to anatomical gifts or transplants, from doing the following:

- Denying coverage to an insured solely on the basis of that individual's disability.
- Denying to an individual eligibility, or continued eligibility, to enroll or to renew coverage under the terms of a health benefit plan solely for the purpose of avoiding the requirements of the statute.
- Attempting to induce a health care provider to provide care to an insured in a manner inconsistent with the statute in specified ways.

- Reducing or limiting health benefit plan coverage benefits to an insured for any necessary services related to organ transplantation.

An insurer would not be required to provide coverage for a medically inappropriate organ transplant

This act became effective October 1, 2021.

Support Law Enforcement Mental Health (S.L. 2021-136/HB 436)

S.L. 2021-136 requires an in-person psychological screening examination, if practicable, by a licensed clinical psychologist before employment as a law enforcement officer or criminal justice officer to determine suitability to properly fulfill the responsibilities of the office. If an in-person examination is not practicable, a virtual examination is permitted. S.L. 2021-136 (i) directs all agencies employing certified criminal justice and justice officers to make information about State and local mental health resources easily available to all employees and (ii) creates a study to determine any benefits of ongoing physical fitness training on officers.

This act became effective September 2, 2021.

Amend NC Controlled Substances Act (S.L. 2021-155/SB 321)

S.L. 2021-155 amends the North Carolina Controlled Substances Act to reflect developments in forensic chemistry. S.L. 2021-155 makes various clarifications to the definition of isomer as used throughout the act, adds new controlled substances to the types of opiates, and clarifies "any fentanyl derivate" includes any derivative of fentanyl unless it is an exception listed in another schedule or approved by the US Food and Drug Administration (USDA). It also adds fentanyl and carfentanil to the list of controlled substances punishable as a Class I felony.

This act became effective December 1, 2021, and applies to offenses committed on or after that date.

LME/MCO Intergovernmental Transfers (S.L. 2021-180, Sec. 9D.7/SB 105 – 2021 Appropriations Act)

Section 9D.7 of S.L. 2021-180 requires each local management entity/managed care organization (LME/MCO) to transfer a specified amount through intergovernmental transfer to the Division of Health Benefits (DHB), Department of Health and Human Services. If any county other than Cabarrus County or Union County disengages from an LME/MCO and realigns with another LME/MCO during the 2021-2023 fiscal biennium, then DHB is authorized to reallocate the amount of intergovernmental transfer required by each LME/MCO in consideration of the change in catchment areas and covered populations.

This section became effective July 1, 2021.

Expand Community Alternatives Program for Disabled Adults (CAP/DA) Waiver Slots (S.L. 2021-180, Sec. 9D.11/SB 105 – 2021 Appropriations Act)

Section 9D.11 of S.L. 2021-180 adds a minimum of 114 slots to the Community Alternatives Program for Disabled Adults (CAP/DA) no later than June 30, 2022. Under Section 9D.8A of the act, funds in the HCBS Fund must be used for the cost of these slots.

This section became effective July 1, 2021.

Expand North Carolina Innovations Waiver Slots (S.L. 2021-180, Sec. 9D.12/SB 105 – 2021 Appropriations Act)

Section 9D.12 of S.L. 2021-180 adds 1,000 slots to the Innovations waiver over the 2021-2023 fiscal biennium. The majority of the slots are to be distributed among counties using the same method that has historically been used, but a smaller portion of the slots are to be distributed among counties on a per capita basis, if allowed by the Centers for Medicare and Medicaid Services. This section authorizes the Division of Health Benefits, Department of Health and Human Services, to pursue a new waiver or change the current Innovations waiver, including pursuing a tiered waiver system, to serve the maximum possible number of people on the State's registry of unmet needs in the future. Under Section 9D.8A of the act, funds in the HCBS Fund must be used for the cost of additional Innovation waiver slots.

This section became effective November 18, 2021.

Plan for Adequate Provider Supply for Services Provided Through the Innovations Waiver (S.L. 2021-180, Sec. 9D.12A/SB 105 – 2021 Appropriations Act)

Section 9D.12A of S.L. 2021-180 directs the Division of Health Benefits (DHB), Department of Health and Human Services, to begin to plan for future additions of Innovations waiver slots. By March 1, 2022, DHB is required to submit to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice a plan for adding a minimum of 1,000 waiver slots in the 2023-2025 fiscal biennium and to include recommendations for ensuring the supply of health care providers is adequate to support the needs of the additional individuals served under the Innovations waiver.

This section became effective July 1, 2021.

Choice in Accreditation for LME/MCOs Operating BH IDD Tailored Plans (S.L. 2021-180, Sec. 9D.17/SB 105 – 2021 Appropriations Act)

Section 9D.17 of S.L. 2021-180 prohibits the Division of Health Benefits, Department of Health and Human Services (DHHS), from requiring any local management entity/managed care organization (LME/MCO) to be accredited by any one specific accreditation organization during the first four years that LME/MCOs operate behavioral health and intellectual/developmental

disabilities (BH IDD) tailored plan contracts. LME/MCOs that are awarded a BH IDD tailored plan contract must be accredited by an accreditation organization that is selected by the LME/MCO and approved by DHHS based on specified criteria.

This section became effective July 1, 2021.

Require LME/MCOs to Pay for Behavioral Health Services Provided to Beneficiaries Awaiting Hospital Discharge (S.L. 2021-180, Sec. 9D.22/SB 105 – 2021 Appropriations Act)

Section 9D.22 of S.L. 2021-180 directs the Division of Health Benefits, Department of Health and Human Services, to develop Medicaid coverage for specified services provided to certain Medicaid beneficiaries in an acute hospital setting. The services must be covered as outpatient services after the beneficiary has been in the care of the hospital for at least 30 hours if the beneficiary is awaiting discharge to a more appropriate setting for the treatment of behavioral health needs. The services to be covered by Medicaid are:

- Treatment of psychiatric and behavioral health conditions and physical health conditions.
- Crisis stabilization and support.
- Monitoring of medical status and medical clearance.
- Nursing services and support.
- Reasonable and appropriate efforts to maintain patient safety.
- Provision of community resource information and psychoeducation.
- Development of a safety plan.
- Coordination to establish a safe discharge or transfer plan.

The services must be covered only for beneficiaries receiving NC Medicaid Direct (i.e., in fee-for-service) or enrolled with a local management entity/managed care organization (LME/MCO) or a tailored plan. For beneficiaries enrolled with an LME/MCO or tailored plan, the LME/MCO will negotiate the payment rate for these services with individual hospitals, but if no agreement is reached, then the rate is the most prevalent semiprivate room rate at the applicable hospital.

The new coverage will be implemented July 1, 2022, subject to federal approval, and it is the intent of the General Assembly that there will be no increase in the capitation rates paid to LME/MCOs for the addition of this coverage.

This section became effective November 18, 2021.

Use of Opioid Settlement Funds (S.L. 2021-180, Sec. 9F.1./SB 105 – 2021 Appropriations Act)

Section 9F.1.(a) of S.L. 2021-180 establishes the Opioid Abatement Reserve (Reserve) in the General Fund to maintain funds received by the State as a beneficiary of the final consent

judgment resolving the case, *State of North Carolina, ex rel. Joshua H. Stein, Plaintiff v. McKinsey and Company, Inc.,* and any other funds received by the State resulting from a settlement related to claims regarding opioids. Section 9F.1.(a) of S.L. 2021-180 directs funds in the Reserve must (i) cover the costs incurred by the State in investigating and pursuing these claims and (ii) abate and remediate the harms caused to North Carolina and its citizens by the opioid epidemic. This section also establishes the Opioid Abatement Fund (Fund) within the Department of Health and Human Services consisting of all interest and investment earnings received on monies in the Fund. It directs the transfer of $15,735,496 for the 2021-2022 fiscal year and $812,250 for the 2022-2023 fiscal year from the Reserve to the Fund.

Section 9F.1.(b) of S.L. 2021-180 directs how the funds in Section 9F.1.(a) must be used to respond the negative impacts of the opioid epidemic within the State as follows:

- To expand employment and transportation supports through innovative pilot programs in industries in the State that suffered the greatest job losses during the COVID-19 pandemic and are most relied upon by individuals recovering from opioid use disorders to reenter the workforce, such as the food service industry, the hotel and lodging industry, and the entertainment industry.
- To support individuals with opioid use disorder who are involved in the criminal justice system through programs and initiatives designed to establish or expand the following: existing prearrest and postarrest diversion programs, medication-assisted treatment programs, and reentry programs to connect individuals exiting incarceration with harm reduction, treatment, and recovery supports.
- To expand evidence-based treatment supports and to improve connections to care, especially for individuals hospitalized for overdose who are uninsured or underinsured, through evidence-based addiction treatment, expanded access to cost-effective, low-cost, or no-cost medication-assisted treatment in community-based settings, and expanded care management services.
- To develop evidence-based supportive housing services, such as Housing First, that are inclusive of individuals with substance use disorders. Funding may be provided for the following: (i) a move-in deposit, rental, or utility assistance; (ii) community training sessions on tenancy rights and responsibilities; (iii) establishing relationships with landlords; (iv) providing other housing-related supports such as tents, sleeping bags, or other supplies for outdoor living; and (v) funding or otherwise supporting recovery supported housing that accepts individuals who are utilizing any medication approved for the treatment of opioid use disorder.

This section became effective July 1, 2021.

Single-Stream Funding for the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services Community Services (S.L. 2021-180, Sec. 9F.3/SB 105 – 2021 Appropriations Act)

Section 9F.3 of S.L. 2021-180 requires local management entities/managed care organizations (LME/MCOs) to fund, in total, during each year of the 2021-2023 fiscal biennium, at least 90% of the level of single-stream services provided across the State during the 2014-2015 fiscal year. LME/MCOs may not reduce funding for home and community-based services or services that support the 2012 settlement with the U.S. Department of Justice.

This section also requires the Division of Health Benefits, Department of Health and Human Services (DHHS), to transfer certain funds to the LME/MCOs, if the Office of State Budget and Management certifies a Medicaid and NC Health Choice annual budget surplus in any of the following fiscal years: 2020-2021, 2021-2022, and 2022-2023. The amount to be transferred in each fiscal year is the amount of the certified surplus or $30,000,000, whichever is less.

This section became effective July 1, 2021, and the language pertaining to the 2020-2021 fiscal year became retroactively effective June 30, 2021.

Addiction Treatment Funds (S.L. 2021-180, Sec. 9F.3A/SB 105 – 2021 Appropriations Act)

Section 9F.3A of S.L. 2021-180 provides $500,000 in nonrecurring funds for the 2021-2022 fiscal year to Partners Health Management, local management entity/ managed care organization (LME/MCO), to address the needs of individuals in Surry County that have a substance use disorder or are otherwise struggling with addiction.

This section became effective July 1, 2021.

Local Inpatient Psychiatric Beds or Bed Days (S.L. 2021-180, Sec. 9F.4/SB 105 – 2021 Appropriations Act)

Section 9F.4(a) of S.L. 2021-180 states that funds appropriated to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), Department of Health and Human Services (DHHS), must continue to be used for the purchase of local inpatient psychiatric beds or bed days. This section instructs DHHS to continue implementing a two-tiered system of payment for purchasing these local inpatient psychiatric beds or bed days based on acuity level, with an enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels.

Section 9F.4.(b) of the act directs DHHS to work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, except that DHHS may use up to 10% of the funds for the purchase of local inpatient psychiatric beds or bed days to pay for facility-based crisis services

and nonhospital detoxification services for individuals in need of these services, regardless of whether the individuals are medically indigent.

Section 9F.4.(b) of the act requires DHHS to work to ensure that local inpatient psychiatric beds or bed days purchased are distributed across the State and according to need, and that beds or bed days for individuals with higher acuity levels are distributed across the State and according to greatest need based on hospital bed utilization data. This section directs DHHS to enter into contracts awarded equitably around all regions of the State with (local management entity/ managed care organization (LME/MCOs) and local hospitals for the management of these beds or bed days. The LME/MCOs are to manage and control these local inpatient psychiatric beds or bed days.

Section 9F.4.(c) of the act directs that funding appropriated to DHHS for the purchase of local inpatient psychiatric beds or bed days must not be allocated to LME/MCOs but held in a statewide reserve at DMH/DD/SAS to pay for services authorized by the LME/MCOs and billed by the hospitals through the LME/MCOs. Under this section, LME/MCOs are to remit claims for payment to DHHS within 15 working days after receipt of a clean claim from the hospital and pay the hospital within 30 working days after receipt of payment from DHHS.

Section 9F.4.(d) of the act permits DHHS to contract with another LME/MCO to manage the beds or bed days upon a determination by DHHS that an LME/MCO is not effectively managing the beds or bed days or has failed to comply with the payment provisions of this section.

Section 9F.4.(e) of the act requires LME/MCOs to report to DHHS on the utilization of beds or bed days.

Section 9F.4.(f) of the act requires DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by no later than December 1, 2022, and by no later than December 1, 2023, on the following:

- A uniform system for beds or bed days purchased during the preceding fiscal year.
- An explanation of the process to ensure that, except as otherwise noted, local inpatient psychiatric beds or bed days purchased are utilized solely for medically indigent individuals and the number of medically indigent individuals served.
- The amount of funds used to pay for facility-based crisis services, the number of individuals who received these services, and the outcomes for each individual.
- The amount of funds used to pay for nonhospital detoxification services, along with the number of individuals who received these services, and the outcomes for each individual.
- Other DHHS initiatives funded by State appropriations to reduce State psychiatric hospital use.

This section became effective July 1, 2021.

Funds for Overdose Medications (S.L. 2021-180, Sec. 9F.5/SB 105 – 2021 Appropriations Act)

Section 9F.5 of S.L. 2021-180 provides $100,000 in recurring funds for each fiscal year of the 2021-2023 fiscal biennium to purchase opioid antagonists to reverse opioid-related drug overdoses. This section allocates $75,000 to purchase opioid antagonists to be distributed at no charge to the North Carolina Harm Reduction Coalition and $25,000 to purchase opioid antagonists to be distributed at no charge to North Carolina law enforcement agencies.

This section became effective July 1, 2021.

Resume Funding for the Adult and Pediatric Traumatic Brain Injury Pilot Program (S.L. 2021-180, Sec. 9F.7/ SB 105 – 2021 Appropriations Act)

Section 9F.7A of S.L. 2021-180 directs the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), Department of Health and Human Services (DHHS), to resume the adult and pediatric traumatic brain injury pilot program (TBI pilot program). This section allocates $600,000 in nonrecurring funds to pay for unfunded costs accrued during the 2019-2021 biennium and provides an additional $600,000 in nonrecurring funds to DMH/DD/SAS for the continuation of the TBI pilot program through the 2022-2023 fiscal year.

DMH/DD/SAS must report by April 1, 2022, to the Joint Legislative Oversight Committee on Health and Human Services on: (i) the number and outcome of patients served at each program site, (ii) expenditures by type of service at each program site, (iii) estimates of expansion costs, (iv) any potential savings in State funds associated with expansion, and (v) a timeline and plan for expansion if expansion of the TBI pilot program is recommended.

This section became effective July 1, 2021.

Increase Funding for Traumatic Brain Injury Services (S.L. 2021-180, Sec. 9F.7A/ SB 105 – 2021 Appropriations Act)

Section 9F.8 of S.L. 2021-180 allocates $3,973,086 in recurring funds for each year of the 2021-2023 fiscal biennium to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), Department of Health and Human Services (DHHS), for traumatic brain injury (TBI) services. The funds must be used in each year of the 2021-2023 fiscal biennium as follows: (i) $559,218 in recurring funds for DMH/DD/SAS to contract with service providers that assist families with access to care and educational programs and (ii) $3,413,868 in recurring funds for the provision of services and supports established by DMH/DD/SAS for individuals with TBI.

This section became effective July 1, 2021.

Funds for Student Athlete Concussion and Traumatic Brain Injury Prevention and Care (S.L. 2021-180, Sec. 9F.8/ SB 105 – 2021 Appropriations Act)

Section 9F.8 of S.L. 2021-180 allocates $100,000 in nonrecurring funds for each year of the 2021-2023 fiscal biennium to Mt. Olive Family Medicine Center, Inc. for support of its Concussion Clinic and to provide concussion education, testing, assessment, and care to schools and adolescent athletes in eastern North Carolina.

This section became effective July 1, 2021.

Use of Dorothea Dix Hospital Property Funds for New Licensed Inpatient Behavioral Health Beds (S.L. 2021-180, Sec. 9F.9/ SB 105 – 2021 Appropriations Act)

Section 9F.9 of S.L. 2021-180 provides $4,261,444 in nonrecurring funds from the Dorothea Dix Hospital Property Fund to the Division on Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), Department of Health and Human Services, for the 2021-2022 fiscal year for new licensed inpatient behavioral health beds. This section directs DMH/DD/SAS to distribute the funds equally between the following facilities: (i) Good Hope Hospital in Harnett County; (ii) Betsy Johnson Hospital in Dunn, North Carolina; and (iii) Johnston Health Enterprises, Inc., in Johnston County. Additionally, this section provides a certificate of need review exemption for the facilities receiving funding to expand or establish behavioral health services and requires any establishment or expansion of behavioral health services at the facilities to be subject to existing licensure laws and requirements.

This section became effective July 1, 2021.

Dorotha Dix Hospital Property Funds Remain Available for Projects (S.L. 2021-180, Sec. 9F.10/ SB 105 – 2021 Appropriations Act)

Section 9F.10 of S.L. 2021-180 requires Dorothea Dix Hospital Property funds which are not expended or encumbered as of June 30, 2022, to remain in the Dorothea Dix Hospital Property Fund.

This section became effective July 1, 2021.

Behavioral Health Urgent Care Pilot Program (S.L. 2021-180, Sec. 9F.11/SB 105 – 2021 Appropriations Act)

Section 9F.11 of S.L. 2021-180 provides funding for a two-year behavioral health urgent care pilot program at the Dix Crisis Intervention Center (the Dix Crisis Center) in Onslow County. The purpose of the pilot program is to serve individuals experiencing a mental health crisis episode anticipated to require a stay of up to 23 hours. The pilot must ensure continuity of care for individuals who ultimately require a longer stay.

Trillium Health Resources (Trillium) must develop and obtain approval of a Medicaid service definition to ensure Medicaid coverage for these behavioral health urgent care services. The new services will be covered by standard benefit plans under Medicaid managed care, effective upon the approval of the service definition. Trillium and the Dix Crisis Center must act in good faith to continue their contractual relationship, and the Dix Crisis Center must make good faith efforts to contract with commercial insurers, Tri-Care, and any other health benefit plan to the extent the plan covers behavioral health urgent care services.

By August 1, 2023, the Dix Crisis Center must report to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), Department of Health and Human Services, on the services provided under the pilot, including information regarding utilization, outcomes, and expenditures. By October 1, 2023, DMH/DD/SAS must report to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and the Fiscal Research Division, on the pilot, including the information received in the report from the Dix Crisis Center.

Except with regard to standard benefit plan coverage, as specified above, this section became effective July 1, 2021.

Supplemental Short-Term Assistance for Group Homes (S.L. 2021-180, Sec. 9F.12/SB 105 – 2021 Appropriations Act)

Section 9F.12 of S.L. 2021-180 provides short-term State funding for group home residents who were eligible for Medicaid personal care services prior to January 1, 2013, who lost their eligibility for the services after that date, and who have continuously resided in a group home since December 31, 2012. The funding provides a monthly payment of $464 per resident, which the group home must use to provide necessary supervision and medication management for the resident. This short-term funding was originally established in the 2013 budget bill, and this section authorizes funding to continue through June 30, 2022.

This section became effective July 1, 2021.

Temporary Additional Funding Assistance for Intermediate Care Facilities for Individuals with Intellectual Disabilities (S.L. 2021-180, Sec. 9F.13/SB 105 – 2021 Appropriations Act)

Section 9F.13 of S.L. 2021-180 appropriates funds from the State Fiscal Recovery Fund to be used for a one-time payment to each local management entity/managed care organization for the purpose of providing temporary additional COVID-related funding assistance for intermediate care facilities for individuals with intellectual disabilities (ICF/IID) services on a per diem basis.

This section became effective July 1, 2021.

Group Home Stabilization and Transition Initiative (S.L. 2021-180, Sec. 9F.14/SB 105 – 2021 Appropriations Act)

Section 9F.14 of S.L. 2021-180 provides $10,000,000 in recurring funds to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services (DHHS), and includes a directive to develop and implement a more sustainable model for the provision of services by group homes that serve individuals with intellectual or developmental disabilities (IDD) or with mental illness who are not on the Innovations waiver. The new model must be implemented by July 1, 2022, in accordance with the following:

- DHHS must use the $10,000,000 to (i) incentivize local management entities/managed care organizations (LME/MCOs) to develop and implement new "in lieu of" services or other Medicaid services to meet the residential support needs of Medicaid recipients in group homes, (ii) establish new rate models and methodologies to replace current State-funded rates for residents of group homes that allow vacant beds to be filled by eligible individuals, (iii) increase capitation rates to LME/MCOs, to be allocated to group homes for individuals with IDD in per-person amounts, and (iv) continue the existing rate structure to offset the loss of bridge funds and maintain the current financial condition of group homes.
- In cooperation with stakeholders and local management entities/managed care organizations (LME/MCOs), DHHS must develop rate models and methodologies for the new Medicaid services that are (i) needs-based, (ii) actuarially sound, (iii) comparable to the rates for similar services provided under the Innovations waiver, and (iv) include wage and hour increases for direct support personnel working in group homes.
- DHHS must develop new model service definitions to meet the residential support needs of Medicaid recipients with mental health needs. The service definitions must require the delivery of new habilitation or rehabilitation support services.
- Group home residents who do not qualify to receive the new Medicaid services must continue to be served using State funds at a needs-based rate comparable to the Innovations waiver rate and must not be displaced.
- DHHS must plan to direct LME/MCOs to implement the new Medicaid services.
- By March 1, 2022, DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice on this new model.
- Any savings in the State funding that has been historically used to support group homes must be used to pay for the new funding model, including the new Medicaid services and increased rates to support and equalize wages of the direct support personnel.

This section became effective July 1, 2021.

Support County Crisis Behavioral Health Program Joint Partnerships (S.L. 2021-180, Sec. 9F.15/SB 105 – 2021 Appropriations Act)

Section 9F.15 of S.L. 2021-180 provides funds from the State Fiscal Recovery Fund to Forsyth and Mecklenburg counties for the 2021-2022 fiscal year to support each county's crisis behavioral health program partnerships with local hospitals, behavioral health crisis centers, emergency services providers, and local management entities/managed care organizations (LME/MCOs).

This section became effective July 1, 2021.

PROVIDERS, FACILITIES, AND LICENSURE

Occupational Therapy Interstate Compact (S.L. 2021-31/HB 224)

S.L. 2021-31 makes North Carolina a member of the Occupational Therapy Interstate Compact, which allows individuals licensed as occupational therapists in one state to practice across state lines in other member states.

The act was enacted June 11, 2021, and will become effective when the tenth member state enacts the Compact. As of August 18, 2021, eight other states had enacted the Compact.

Physician Assistant/Nurse Practitioner/STOP Act Clarification (S.L. 2021-70/HB 629)

S.L. 2021-70 clarifies that a physician assistant and a nurse practitioner must personally consult with the supervising physician when prescribing a targeted controlled substance to a patient being treated by a facility that primarily engages in the treatment of pain by prescribing narcotic medications.

This act became effective October 1, 2021.

Teledentistry/Registered Dental Hygienists Administer Local Anesthetic (S.L. 2021-95/SB 146)

S.L. 2021-95 does the following: (i) establishes standards for teledentistry, (ii) allows dental hygienists to administer local anesthetics while under the direct supervision of a licensed dentist, (iii) allows certain dental hygienists to practice without a licensed dentist physically present, (iv) allows licensure by credentials for certain dental instructors, and (v) adds the ECU School of Dental Medicine to the NC Caring Dental Professionals Board.

The modifications to the dental hygiene statutes became effective October 1, 2021, and apply to licenses granted on or after that date. The teledentistry portions became effective July 23, 2021. The act became effective July 23, 2021.

Allow Pharmacists to Administer Injectable Drugs (S.L. 2021-110/HB 96)

S.L. 2021-110 expands the number of vaccines and medications that immunizing pharmacists are allowed to administer, requires the State Health Director to issue a standing order prescribing those medications, authorizes the Board of Pharmacy to adopt rules, and requires parents to provide written consent before a vaccine approved under an Emergency Use Authorization is administered to a minor.

The provisions of the act allowing the administration of testosterone and B12 injections and directing the Boards to adopt rules became effective October 1, 2021. Most of the remaining provisions relating to the ability of immunizing pharmacists to administer medications became

effective February 1, 2022, but the provisions allowing them to administer the COIVD-19 or influenza vaccine to minors became effective September 1, 2021. The remainder of the act, including the parental consent for vaccines authorized under an Emergency Use Authorization (EUA), became effective August 20, 2021.

Update Chiropractic Laws (S.L. 2021-120/HB 415)

S.L. 2021-120 allows the Board of Chiropractic Examiners to adopt, amend, and repeal rules to administer Article 8 of Chapter 90 which pertains to chiropractic practice in North Carolina. It also repealed several portions of Article 8 and made technical and clarifying changes.

This act became effective October 1, 2021.

Certificate of Need/Threshold Amendments and Certificate Expirations (S.L. 2021-129/SB 462)

S.L. 2021-129 increases the dollar threshold that diagnostic center equipment, major medical equipment, and capital expenditures for new institutional health services must exceed before they are subject to certificate of need review. It also requires projects subject to a certificate of need to initiate construction within a specified timeframe.

The act became effective August 30, 2021, the severability clause in the act became effective August 30, 2021, and the certificate of need threshold and construction deadline provisions became effective October 1, 2021.

Clifford's Law (S.L. 2021-145/HB 351)

S.L. 2021-145 requires the Secretary of the Department of Health and Human Services (DHHS) to establish visitation protocols that would be in effect during declared disasters and emergencies and when a facility suspends or restricts normal visitation. The protocols must provide visitation rights for patients in nursing homes, combination homes, and adult care homes, including family care homes, and allow each resident to receive a visit at least twice per month from one preapproved visitor or preapproved alternate visitor. The protocols must be in place by June 15, 2022.

The provisions of the act establishing the standards for visitation become effective April 1, 2022. The provisions of the act requiring the DHHS Secretary to implement visitation protocols became effective September 10, 2021.

The Jeff Rieg Law/Patients Religious Rights (S.L. 2021-156/HB 447)

S.L. 2021-156 requires hospitals to allow clergy members to visit admitted patients.

This act became effective October 1, 2021.

Medication Cost Transparency Act (S.L. 2021-161/SB 257)

S.L. 2021-161 requires pharmacy benefits managers (PBMs) to be licensed. It provides additional consumer protections in the law (G.S. 58-56A-3), restricts PBMs from prohibiting pharmacies from taking certain actions, and establishes rules for claim overpayments and PBM networks. The PBMs and health benefit plans are required to provide coverage for biosimilars, and credit all amounts paid on behalf of insureds toward cost-sharing requirements for certain drugs. The act also increases the Commissioner of Insurances's ability to take enforcement action against PBMs and creates a workgroup to study a single unified process to accredit specialty pharmacies.

The act became effective October 1, 2021, and applies to contracts entered into, renewed, or amended on or after that date.

The No Patient Left Alone Act (S.L. 2021-171/SB 191)

S.L. 2021-171 enacts the No Patient Left Alone Act to ensure visitation rights for patients in most healthcare facilities during a declared disaster or emergency and to the fullest extent permitted under any applicable rules, orders, regulations, guidelines, or federal laws. It also requires the Department of Health and Human Services to assess a civil penalty for violations of those visitation rights.

This act became effective November 1, 2021.

Community Health Grant Program (S.L. 2021-180, Sec. 9B.3/ SB 105 – 2021 Appropriations Act)

Section 9B.3 of S.L. 2021-180 directs the Office of Rural Health to use funds appropriated to it to continue the Community Health Grant Program as modified by Section 11A.8 of S.L. 2017-57. The Office of Rural Health may use up to $200,000 of the appropriated funds for administrative purposes. No single grant may exceed $150,000, and recipients may not use the funds to increase employee compensation, supplant existing funds, or finance debt. The Office of Rural Health must report to the Joint Legislative Oversight Committee on Health and Human Services by September 1 of each year on the grantees and amounts issued. It must also report by February 1, 2022, to the Joint Legislative Oversight Committee on Health and Human Services on the establishment of a Primary Care Advisory Committee and the development of a standardized method for grant recipients to report objective, measurable quality health outcomes, as required by Section 11A.8 of S.L. 2017-57.

This section became effective July 1, 2021.

Funds for NC Dental Society Foundation's Mission of Mercy Dental Clinics (S.L. 2021-180, Sec. 9B.6/ SB 105 – 2021 Appropriations Act)

Section 9B.6 of S.L. 2021-180 clarifies that funds appropriated to the Office of Rural Health for allocation to the NC Dental Society Foundation for its Missions of Mercy dental clinics must not be used for any purpose other than patient care and purchasing necessary dental supplies.

This section became effective July 1, 2021.

Funds for Local Start Dental, Inc. (S.L. 2021-180, Sec. 9B.7/ SB 105 – 2021 Appropriations Act)

Section 9B.7 of S.L. 2021-180 clarifies that funds appropriated to the Office of Rural Health for allocation to Local Dental Start, Inc. must not be used for any purpose other than patient care and purchasing necessary dental supplies.

This section became effective July 1, 2021.

Funds for the Creation of a Continuing Medical Education Program on PANS/PANDAS (S.L. 2021-180, Sec. 9B.8C/ SB 105 – 2021 Appropriations Act)

Section 9B.8C of S.L. 2021-180 requires that of the funds appropriated to the Division of Central Management and Support, Department of Health and Human Services, $1,500,000 in nonrecurring funds must be allocated as a direct grant to the North Carolina Medical Society. The Medical Society must use those funds to award a grant to the Foundation for Children with Neuroimmune Disorders. The Foundation is required to use the funds to create a continuing medical education program for North Carolina physicians on Pediatric Acute-Onset Neuropsychiatric Syndrome (PANS) and Pediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections (PANDAS).

This section became effective July 1, 2021.

Increase Rates to Intermediate Care Facilities for Direct Care Worker Wage Increases (S.L. 2021-180, Sec. 9D.15/SB 105 – 2021 Appropriations Act)

Section 9D.15 of S.L. 2021-180 expresses the General Assembly's intent to assist in increasing the hourly wage paid to direct care workers to $15.00. To that end, this section directs the Division of Health Benefits (DHB), Department of Health and Human Services, to increase the Medicaid rate paid to intermediate care facilities (ICFs), and each ICF receiving the rate increase must use at least 80% of the rate increase to increase the wages it pays to its direct care workers above the wage paid on October 1, 2021. The section also specifies the following:

- DHB will determine the amount of the Medicaid rate increase paid to ICFs.
- DHB will determine the applicable definition of direct care worker.

- DHB will set the documentation standards that are necessary to verify that ICFs use 80% of the rate increase for wage increases.
- DHB may recoup funds related to rate increase from any ICF that DHB determines did not use at least 80% of the rate increase for wage increases.
- Capitation rates paid to local management entities/managed care organizations will be increased to provide funding for the Medicaid rate increase to the ICFs.

This section became effective November 18, 2021, and the rate increase to ICFs is effective upon federal approval.

Increase Rates to HCBS Providers to Increase Direct Care Worker Wages (S.L. 2021-180, Sec. 9D.15A/SB 105 – 2021 Appropriations Act)

Section 9D.15A of S.L. 2021-180 expresses the General Assembly's intent to assist in increasing the hourly wage paid to direct care workers to $15.00. To that end, this section directs the Division of Health Benefits (DHB), Department of Health and Human Services, to increase the rate paid to Medicaid providers of home and community-based services (HCBS) for the purposes of increasing direct care worker wages. The section also specifies the following:

- DHB will determine the amount of the Medicaid rate increase paid to HCBS providers.
- DHB will determine the applicable definition of direct care worker.
- DHB will determine the manner in which each HCBS provider is required to utilize the rate increase and to demonstrate compliance with those requirements.
- DHB must use federal receipts available under the American Rescue Plan Act for HCBS to the fullest extent possible.
- Under Section 9D.8A of the act, funds in the HCBS Fund must be used for the cost of the rate increase to HCBS providers.

This section became effective November 18, 2021, and the rate increase to HCBS providers is effective upon federal approval.

Increase Private Duty Nursing Rates (S.L. 2021-180, Sec. 9D.15B/SB 105 – 2021 Appropriations Act)

Section 9D.15B of S.L. 2021-180 requires an increase in the Medicaid rate paid for private duty nursing to $11.25 per 15-minute unit ($45.00 per hour) effective January 1, 2022. Under Section 9D.8A of the act, funds in the HCBS Fund must be used for the cost of this rate increase.

This section became effective July 1, 2021.

Modification of Certificate of Need Exemption for Legacy Medical Care Facilities (S.L. 2021-180, Sec. 9E.4/ SB 105 – 2021 Appropriations Act)

Section 9E.4 of S.L. 2021-180 amends the law (G.S. 131E-184(h)) to allow an individual seeking to operate a Legacy Medical Care Facility in a tier one or tier two area to request an additional extension of the deadline by which the facility must be operating from the Department of Health and Human Services. The request must be made prior to the expiration of the original 36-month extension and affirm a contract to begin operating the facility has been executed.

This section became effective July 1, 2021.

Temporary Certificate of Need Exemption (S.L. 2021-180, Sec. 9E.4A/ SB 105 – 2021 Appropriations Act)

Section 9E.4A of S.L. 2021-180 requires the Department of Health and Human Services to exempt new acute care hospitals from Certificate of Need review provided the requestor explains why the hospital is required, and the hospital will be in a county meeting all of the following criteria: (i) the county has a population between 40,000 and 50,000 and a land area under 460 square miles; (ii) the county contains a portion of a city that is in more than one county; and (iii) the county is along the State's border with another state.

This section became effective December 18, 2021, and will expire December 31, 2024.

One-Time Bonus Payment Program for Eligible Direct Care Workers (S.L. 2021-180, Sec. 39.21/SB 105 – 2021 Appropriations Act)

Section 39.21 of S.L. 2021-180 provides that of the funds appropriated from State Fiscal Recovery Fund to the Department of Health and Human Services (DHHS), $133,000,000 must be used for a one-time payment to eligible Medicaid and NC Health Choice providers to be passed along as a one-time bonus of up to $2,000 to eligible direct care workers. The provider types listed below are eligible for the one-time payment:

- Providers of services under the Community Alternatives Program for Children (CAP/C) waiver, the Community Alternatives Program for Disabled Adults (CAP/DA) waiver, the Innovations waiver, or the Traumatic Brain Injury (TBI) waiver.
- Personal care services (PCS) providers.
- Intermediate care facilities for individuals with intellectual disabilities (ICF/IID), including ICF/IID group homes.
- Home health providers.
- Nursing homes.
- Behavioral health residential facilities.

To be eligible for the one-time bonus, an employee must meet all the following criteria:

- The employee is a direct care worker as determined by DHHS. The definition of direct care worker must include workers who interact directly with patients or clients or who provide direct care support services at a licensed health care facility.
- The employee has been employed by the same eligible provider since March 10, 2020, through August 1, 2021.
- The employee has worked at least 1,000 hours providing direct care services between March 10, 2020, and August 1, 2021.
- The employee is not an employee of the State or eligible for any other employment-related bonus under the act.

To participate in the bonus payment program, an eligible provider must submit to DHHS, by January 31, 2022, the number of direct care workers it has employed who are eligible for the bonus and a description of the positions held by those employees. Eligible providers must also attest that the funds received will be provided directly to eligible direct care workers. DHHS must review the information submitted by the providers against available data to determine the correct number of eligible employees. DHHS must notify a provider by March 1, 2022, of any determination that the provider or an employee is not eligible for the bonus payment program.

DHHS must calculate the amount of the bonus payment based on the number of eligible employees designated by eligible providers, up to the amount of $2,000, and DHHS must issue the payments to eligible providers by March 1, 2022.

This section became effective July 1, 2021.

STUDIES, REPORTS, AND PILOT PROGRAMS

Catelyn's Courage Reporting Requirements (S.L. 2021-1, Sec. 3.4/ SB 36 – COVID Bill Modifications)

Section 3.4 of S.L. 2021-1 amends Section 4.2C(f) of S.L. 2020-4, as enacted by Section 1.1(e) of S.L. 2020-80, which required Caitlyn's Courage, Inc. to report on pilot program effectiveness to the Joint Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division by April 1, 2021. This section changes the reporting deadlines to require Caitlyn's Courage to submit an interim report by April 1, 2021, and then a final report by April 1, 2022, on the pilot program effectiveness.

This section became effective February 10, 2021.

Study Lipedema (S.L. 2021-29/ SB 586)

S.L. 2021-29 requires the Legislative Research Commission to study medical issues surrounding lipedema and to report findings and any proposed legislation to the 2022 Regular Session of the 2021 General Assembly.

This act became effective June 11, 2021.

Reports by Non-State Entities on the Use of Directed Grant Funds (S.L. 2021-180, Sec. 9B.1/SB 105 – 2021 Appropriations Act)

Section 9B.1 of S.L. 2021-180 provides that any non-State entity (defined by G.S. 143C-1-1) that receives nonrecurring funds as a directed grant under Part IX of S.L. 2021-180 must report on the use of directed grant funds to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

- Non-State entities receiving directed grant funds for the 2021-2022 fiscal year must report by July 1, 2022.
- Non-State entities receiving directed grant funds in the 2022-2023 fiscal year must report by July 1, 2023.

The section became effective July 1, 2021.

Veterans' Health Care Pilot Program (S.L. 2021-180, Sec. 9B.5/SB 105 – 2021 Appropriations Act)

Section 9B.5 of S.L. 2021-180 requires that of the funds appropriated to the Office of Rural Health, Division of Central Management and Support, Department of Health and Human Services (DHHS), $400,000 in the 2021-2022 fiscal year and $350,000 in the 2022-2023 fiscal year must be

used to develop and implement a two-year pilot program to provide health care services to veterans in Cumberland County.

DHHS and the Department of Military and Veterans Affairs, in coordination with Community Care of North Carolina and Maxim Health Care, must develop the pilot program with the following:

- A health care initiative to provide veterans increased access to health care resources through the care coordination efforts of community health workers.
- A workforce initiative to recruit and train unemployed and underemployed veterans as community health workers for the health care initiative described above.

Administrative costs are limited to 15% of the funds allocated, and the pilot program will terminate on June 30, 2023. By February 1, 2024, DHHS must conduct and submit to the Joint Legislative Oversight Committee on Health and Human Services a comprehensive evaluation of the pilot program. The evaluation must include a detailed breakdown of expenditures; specific ways the health care initiative increased access to health care resources; and the total number of unemployed and underemployed veterans who were recruited and trained as community health workers under the workforce initiative.

This section became effective July 1, 2021.

School-Based Virtual Care Pilot Program to Address Health Disparities in Historically Underserved Areas Disproportionately Impacted by the COVID-19 Public Health Emergency (S.L. 2021-180, Sec. 9B.8B/SB 105 – 2021 Appropriations Act)

Section 9B.8B of S.L. 2021-180 requires that of the funds appropriated from the State Fiscal Recovery Fund to the Office of Rural Health, Division of Central Management and Support, Department of Health and Human Services (DHHS), $1,000,000 in the 2021-2022 fiscal year must allocated as a directed grant to Atrium Health, Inc., a nonprofit corporation, to support the development and implementation of a school-based virtual care pilot program to address health disparities in historically underserved areas disproportionately impacted by the COVID-19 public health emergency. The pilot program must utilize telehealth to facilitate access to health care services and resources that improve health outcomes through the care coordination efforts of local providers. The funds must be allocated equally among 10 pilot program sites located in four elementary schools in Anson County and six elementary schools in Forsyth County where at least 90% of the students are eligible for free or reduced lunch.

This section became effective July 1, 2021.

Study Direct Care Workers Serving Individuals in the Innovations Waiver Program and Develop a Plan for Any Recommended Increase in Those Workers' Wages (S.L. 2021-180, Sec. 9D.15C/SB 105 – 2021 Appropriations Act)

Section 9D.15C of S.L. 2021-180 requires the Division of Health Benefits (DHB), Department of Health and Human Services, to report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by March 1, 2022, on the following:

- Statewide data on the number of licensed and non-licensed direct care workers by worker classification, as well as the weekly average number of hours worked and the average and range of wages.
- Identification of providers that employ direct care workers and the average length of the worker's employment with the provider.
- An assessment of whether the wages of direct care workers need to be increased. If DHB determines such a need exists, then the report should include a plan for the increase.

This section became effective July 1, 2021.

Evaluate Division of Health Benefits Needs in a Managed Care Environment (S.L. 2021-180, Sec. 9D.18/SB 105 – 2021 Appropriations Act)

Section 9D.18 of S.L. 2021-180 requires the Division of Health Benefits, Department of Health and Human Services (DHHS), to evaluate changes in DHHS's administrative and staffing needs due to the transition of the Medicaid program to a managed care delivery system. An initial report is due to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice on March 1, 2022, that identifies plans and a timeline for making staffing and administrative changes related to the implementation of standard benefit plans. A final report is due March 1, 2024, that includes: updated plans and a timeline for staffing and administrative changes related to the implementation of standard benefit plans as well as tailored plans, and the status and an assessment of the staffing and administrative changes identified in the in initial report.

This section became effective July 1, 2021.

Report on Premium Assistance Program within AIDS Drug Assistance Program (S.L. 2021-180, Sec. 9G.3/ SB 105 – 2021 Appropriations Act)

Section 9G.3 of S.L. 2021-180 requires the Division of Public Health to notify the Joint Legislative Oversight Committee on Health and Human Services when it determines that it will no longer be feasible to administer the health insurance premium assistance program implemented within the North Carolina AIDS Drug Assistance Program on a cost-neutral basis. The notification must include a proposed course of action.

This section became effective July 1, 2021.

Report on Certain Expenditures for the Supplemental Nutritional Assistance Program and Temporary Assistance for Needy Families (S.L. 2021-180, Sec. 9I.10 of S.L. 2021-180/ SB 105 – 2021 Appropriations Act)

Section 9I.10 of S.L. 2021-180 requires the Division of Social Services (DSS), Department of Health and Human Services, to allocate funds for vendor costs incurred with the generation of data for reports on the Supplemental Nutritional Assistance (SNAP) and Temporary Assistance for Needy Families (TANF) expenditures. The data submitted by the vendor must include:

- The number and dollar amounts of out-of-state transactions accessed or expended for SNAP and TANF benefits.
- The amount of benefits expended out-of-state from active cases for both SNAP and TANF programs.
- The dollar amount and number of transactions and benefits accessed or expended in this State for both SNAP and TANF programs.

This section also directs DSS to evaluate the data provided by the vendor and to report by June 30 and December 31 of each year of the 2021-2022 fiscal biennium to the Joint Legislative Oversight Committee on Health and Human Services on how this data is used to detect fraud and abuse in the SNAP and TANF programs.

This section became effective July 1, 2021.

Child Welfare and Behavioral Health Pilot Project (S.L. 2021-180, Sec. 9I.12/ SB 105 – 2021 Appropriations Act)

Section 9I.12 of S.L. 2021-180 directs the Division of Social Services (DSS) and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS) to collaborate and establish a two-year child welfare and behavioral health pilot program to increase access to comprehensive health care services for children in foster care. Davie, Forsyth, Rockingham, and Stokes counties must participate in the pilot project. DSS and DMH/DD/SAS must establish a trauma-informed integrated health foster care model to facilitate partnerships between local county departments of social services and local management entities/managed care organizations. This section directs DSS and DMH/DD/SAS to submit a progress report on the pilot program by April 1, 2022, and a final report by October 1, 2023, to the Joint Legislative Oversight Committee on Health and Human Services.

This section became effective July 1, 2021.

VETOED LEGISLATION

Human Life Nondiscrimination Act/No Eugenics (HB 453)

House Bill 453 would have prohibited individuals from performing an abortion unless a physician has confirmed the abortion is not being sought because of the actual or presumed race or sex of the unborn child or the presence or presumed presence of Down syndrome. Physicians would have been required to report whether the race or sex of the unborn child or the presence of Down syndrome had been detected and to affirm that the report was accurate. The bill was vetoed on June 25, 2021.

This bill would have been effective September 1, 2021, and would have applied to all abortions performed on or after that date. It was vetoed on June 25, 2021.