

GENERAL ASSEMBLY OF NORTH CAROLINA



**SPECIAL PROVISIONS
APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES
REPORT**

MAY 23, 2012

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GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

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SPECIAL PROVISION



2012-DHHS-H5A-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

1 *NC PRE-K*

2 **SECTION #.(a)** The Division of Child Development and Early Education shall
3 require the NC Pre-K contractor to issue multiple-year contracts for licensed private child care
4 centers providing NC Pre-K classrooms.

5 **SECTION #.(b)** The Division of Child Development and Early Education
6 (Division) shall create a pilot program that provides funding for NC Pre-K classrooms on a per
7 classroom basis. The pilot program shall include three different NC Pre-K contractual regions
8 that are geographically diverse. The local NC Pre-K administrator shall contract with the
9 provider for operation of a classroom established pursuant to the pilot program. The Division
10 shall report to the House of Representatives Appropriations Subcommittee on Health and
11 Human Services, the Senate Appropriations/Base Budget Committee on Health and Human
12 Services, and the Fiscal Research Division on the pilot program no later than January 31, 2013.
13 The report shall include the following:

- 14 (1) The number of students served.
- 15 (2) The amount of funds paid for each classroom.
- 16 (3) The amount of funds paid per student.
- 17 (4) The attendance information on students in the pilot program as compared to
18 those students in a classroom having a traditional funding structure.
- 19 (5) Information on the number of students and students' families using the
20 Subsidized Early Education for Kids (SEEK) system.
- 21 (6) A cost comparison of the classroom pilots to the average cost per student
22 through the per student funding methodology.

23 **SECTION #.(c)** The Division of Child Development and Early Education
24 (DCDEE) shall continue the implementation of the NC Pre-K program. The NC Pre-K shall
25 serve children who reach the age of four on or before August 31 of that school year and who
26 meet eligibility criteria.

27 **SECTION #.(d)** Other than developmental disabilities or other chronic health
28 issues, the Division of Child Development and Early Education shall not consider the health of
29 a child as a factor in determining eligibility for participation in the NC Pre-K program.

30 **SECTION #.(e)** All entities operating NC Pre-K classrooms shall adhere to all of
31 the policies prescribed by the Division of Child Development and Early Education regarding
32 programmatic standards and classroom requirements.

33 **SECTION #.(f)** The Division of Child Development and Early Education shall
34 establish a standard decision-making process to be used by local NC Pre-K committees in
35 awarding NC Pre-K classroom slots and student selection.

36 **SECTION #.(g)** The Division of Child Development and Early Education shall
37 submit an annual report no later than March 15 of each year to the Joint Legislative
38 Commission on Governmental Operations, the Joint Legislative Oversight Committee on
39 Health and Human Services, the Senate Appropriations Committee on Health and Human

1 Services, the House of Representatives Appropriations Subcommittee on Health and Human
2 Services, the Office of State Budget and Management, and the Fiscal Research Division. The
3 report shall include the following:

- 4 (1) The number of children participating in the NC Pre-K program.
- 5 (2) The number of children participating in the NC Pre-K program who have
6 never been served in other early education programs, such as child care,
7 public or private preschool, Head Start, Early Head Start, or early
8 intervention programs.
- 9 (3) The expected NC Pre-K expenditures for the programs and the source of the
10 local contributions.
- 11 (4) The results of an annual evaluation of the NC Pre-K program.

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SPECIAL PROVISION



2012-DHHS-H8-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

1 ***REVISE CHILD CARE SUBSIDY RATES PROVISION***

2 **SECTION #.** Section 10.1 of S.L. 2011-145 is amended by adding the following
3 new subsection to read:

4 **"SECTION 10.1(g1)** The Department of Health and Human Services, Division of Child
5 Development and Early Education, shall require all county departments of social services to
6 include on any forms used to determine eligibility for child care subsidy whether the family
7 waiting for subsidy is receiving assistance through the NC Pre-K program or Head Start."

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SPECIAL PROVISION



2012-DHHS-H16-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

**EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES
ENHANCEMENTS/SALARY SCHEDULE/MATCH REQUIREMENT
ADJUSTMENTS**

SECTION #.(a) Section 10.5(c) of S.L. 2011-145 is repealed.

SECTION #.(b) Section 10.5 of S.L. 2011-145 is amended by adding the following new subsection to read:

"SECTION 10.5.(c1) The North Carolina Partnership for Children, Inc., shall develop and implement a salary schedule for the Executive Director of the North Carolina Partnership for Children, Inc., and the directors of local partnerships. The salary schedule shall set the maximum amount of State funds that may be used for the salary of the Executive Director of the North Carolina Partnership for Children, Inc., and the directors of the local partnerships. In establishing a salary schedule, the North Carolina Partnership for Children, Inc., shall base the schedule on the following criteria:

- (1) The population of the area serviced by a local partnership.
- (2) The amount of State funds administered by the North Carolina Partnership for Children, Inc.
- (3) The amount of total funds administered by the North Carolina Partnership for Children, Inc.
- (4) The professional experience of the individual to be compensated.
- (5) Any other relevant factors pertaining to salary, as determined by the North Carolina Partnership for Children, Inc.

The salary schedule shall be used only to determine the maximum amount of State funds that may be used for compensation. Nothing in this subsection shall be construed to prohibit a local partnership from using non-State funds to supplement an individual's salary in excess of the amount set by the salary schedule established under this subsection."

SECTION #.(c) Section 10.5(e) of S.L. 2011-145, as amended by Section 21A of S.L. 2011-391, reads as rewritten:

"SECTION 10.5.(e) The North Carolina Partnership for Children, Inc., and all local partnerships shall, in the aggregate, be required to match one hundred percent (100%) of the total amount budgeted for the program in each fiscal year of the biennium. Of the funds the North Carolina Partnership for Children, Inc., and the local partnerships are required to match, contributions of cash shall equal to at least ~~seven percent (7%)~~ ten percent (10%) and in-kind donated resources equal to no more than three percent (3%) for a total match requirement of ~~ten percent (10%)~~ thirteen percent (13%) for each fiscal year. The North Carolina Partnership for Children, Inc., may carry forward any amount in excess of the required match for a fiscal year in order to meet the match requirement of the succeeding fiscal year. Only in-kind contributions that are quantifiable shall be applied to the in-kind match requirement. Volunteer services may be treated as an in-kind contribution for the purpose of the match requirement of this subsection. Volunteer services that qualify as professional services shall be valued at the

1 fair market value of those services. All other volunteer service hours shall be valued at the
2 statewide average wage rate as calculated from data compiled by the Employment Security
3 Commission in the Employment and Wages in North Carolina Annual Report for the most
4 recent period for which data are available. Expenses, including both those paid by cash and
5 in-kind contributions, incurred by other participating non-State entities contracting with the
6 North Carolina Partnership for Children, Inc., or the local partnerships, also may be considered
7 resources available to meet the required private match. In order to qualify to meet the required
8 private match, the expenses shall:

- 9 (1) Be verifiable from the contractor's records.
- 10 (2) If in-kind, other than volunteer services, be quantifiable in accordance with
11 generally accepted accounting principles for nonprofit organizations.
- 12 (3) Not include expenses funded by State funds.
- 13 (4) Be supplemental to and not supplant preexisting resources for related
14 program activities.
- 15 (5) Be incurred as a direct result of the Early Childhood Initiatives Program and
16 be necessary and reasonable for the proper and efficient accomplishment of
17 the Program's objectives.
- 18 (6) Be otherwise allowable under federal or State law.
- 19 (7) Be required and described in the contractual agreements approved by the
20 North Carolina Partnership for Children, Inc., or the local partnership.
- 21 (8) Be reported to the North Carolina Partnership for Children, Inc., or the local
22 partnership by the contractor in the same manner as reimbursable expenses.

23 Failure to obtain a ~~ten percent (10%)~~thirteen percent (13%) match by June 30 of each fiscal
24 year shall result in a dollar-for-dollar reduction in the appropriation for the Program for a
25 subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible
26 for compiling information on the private cash and in-kind contributions into a report that is
27 submitted to the Joint Legislative Commission on Governmental Operations in a format that
28 allows verification by the Department of Revenue. The same match requirements shall apply to
29 any expansion funds appropriated by the General Assembly."

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SPECIAL PROVISION



2012-DHHS-H25-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

***"READ NC" EARLY LITERACY INITIATIVE/DEVELOPMENT
OFFICERS/ASSISTANCE TO RURAL PARTNERSHIPS***

SECTION #.(a) Of the funds appropriated to the Department of Health and Human Services, Division of Child Development and Early Education, for the North Carolina Partnership for Children, Inc., the sum of three million five hundred thousand dollars (\$3,500,000) for the 2012-2013 fiscal year shall be used by the North Carolina Partnership for Children, Inc., to develop and administer an early literacy initiative pilot program, to be known as "Read NC," hire four North Carolina Partnership for Children, Inc., development officers, and provide additional funds for rural partnerships. "Read NC" will focus on increasing the early literacy skills of children who are most at risk for reading below grade level. The pilot program shall be distributed geographically to ensure adequate representation of the diverse areas of the State.

SECTION #.(b) The focus of the pilot program will be to actively engage parents, child care teachers, and communities to help young children build a firm foundation for language acquisition and literacy skills. To that end, the pilot program shall do the following:

- (1) Educate parents in essential early literacy practices.
- (2) Increase the quality of early literacy programming in child care.
- (3) Increase early literacy opportunities for young children and families in community settings by incorporating the following programs:
 - a. "Reach Out and Read," a program that supports doctors in their efforts to "prescribe" reading to young children and families during well-child visits through early literacy guidance and book sharing, free books for children to keep, and literacy-rich waiting rooms.
 - b. "Raising a Reader" (RAR), a program that rotates bright red bags filled with award-winning books into children's homes on a weekly basis, exposing children on average to over 100 books per rotation cycle, and pairs this book rotation with parent training and information on how to effectively share books to promote family literacy habits, language and literacy skills, and a love of learning.
 - c. "Motherread/Fatheread," a program that combines the teaching of literacy skills with child development and family empowerment issues.
 - d. "Dolly Parton Imagination Library," a program that provides a free, age-appropriate book each month to children ages birth to five years.

SECTION #.(c) The Division of Child Development and Early Education and the North Carolina Partnership for Children, Inc., shall report by April 1, 2013, to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Committee on Health and Human Services, the Senate Appropriations/Base Budget Committee on Health and

1 Human Services, and the House of Representatives Appropriations Subcommittee on Health
2 and Human Services on the progress in complying with this section.

3 **SECTION #.(d)** The North Carolina Partnership for Children, Inc., shall include in
4 its assistance to local partnerships, training and assistance with fund-raising activities. Of the
5 funds designated under subsection (a) of this section, the North Carolina Partnership for
6 Children, Inc., shall hire a staff of four individuals who are qualified in the areas of grant
7 writing and fund-raising to assist local partnerships in raising the amount of non-State funds
8 required by law. The staff hired pursuant to this subsection shall be located regionally and be
9 accessible to participate in the various local partnerships' activities.

10 **SECTION #.(e)** Of the funds designated under subsection (a) of this section, the
11 North Carolina Partnership for Children, Inc., shall provide assistance to local partnerships
12 located in rural areas of the State.

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Session 2011

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SPECIAL PROVISION**



2012-DHHS-H4A-P

**Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services**

Requested by: Representative

1 ***MEDICAID THERAPIES LIMIT REVISED***

2 **SECTION #.** Section 10.37(a)(2) of S.L. 2011-145 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H13B-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

1 **MEDICAID ELIGIBILITY/COLA DISREGARD**

2 **SECTION #.(a)** Chapter 108A of the General Statutes is amended by adding a new
3 section to read:

4 **"§ 108A-54.4 Income disregard for federal cost-of-living adjustments.**

5 An increase in a Medical Assistance Program recipient's income due solely to a
6 cost-of-living adjustment to federal Social Security and Railroad Retirement payments shall be
7 disregarded when determining income eligibility for the Medical Assistance Program. This
8 section shall not be deemed to render a recipient eligible for the Medical Assistance Program if
9 all other eligibility requirements are not met."

10 **SECTION #.(b)** The Department of Health and Human Services shall apply to the
11 Center for Medicare and Medicaid Services for any necessary approvals to implement the
12 income disregard required in subsection (a) of this section.

13 **SECTION #.(c)** Subsection (a) of this section is effective January 1, 2013. The
14 remainder of this section is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

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SPECIAL PROVISION



2012-DHHS-H28-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

MEDICAID NONEMERGENCY MEDICAL TRANSPORTATION SERVICES

SECTION #.(a) The Department of Health and Human Services, Division of Medical Assistance, in consultation with the Department of Transportation, Public Transportation Division, shall develop and issue a Request for Proposal (RFP) for the management of nonemergency medical transportation (NEMT) services for Medicaid recipients.

SECTION #.(b) The following information shall be considered when developing the RFP required by subsection (a) of this section:

- (1) An analysis of nonemergency transportation brokerage services implemented in other states that examines:
 - a. State-level governance and program performance evaluation.
 - b. Assignment of geographic regions for operating and monitoring purposes.
 - c. Quality of transportation service delivery and recipient access.
 - d. Accuracy of eligibility determinations.
 - e. Pricing models.
 - f. Contract structure, including terms and conditions.
 - g. Cost of service.
- (2) Assessment of the current coordination of human services transportation within North Carolina and the potential impact of brokerage services on transit system funding and operations.
- (3) A cost-benefit analysis of implementing a statewide NEMT brokerage model for Medicaid recipients.

SECTION #.(c) The Division of Medical Assistance shall submit a written report to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Transportation on the status of the RFP by September 15, 2012.

SECTION #.(d) The Division of Medical Assistance shall consider the selection of a vendor or vendors generating a savings to the overall Medicaid transportation budget.

SECTION #.(e) The Department of Health and Human Services shall apply to the Centers for Medicare and Medicaid Services for any approvals necessary to implement the requirements of this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2012-DHHS-H29A-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

MODIFY AND IMPROVE PHARMACY SERVICES

SECTION #. Section 10.48 of S.L. 2011-145 reads as rewritten:

"**SECTION 10.48.(a)** The Department of Health and Human Services shall revise its pharmacy dispensing fees under the Medicaid Program in order to encourage a greater proportion of prescriptions dispensed to be generic prescriptions and thereby achieve savings of fifteen million dollars (\$15,000,000) in the 2011-2012 fiscal year and twenty-four million dollars (\$24,000,000) in the 2012-2013 fiscal year.

"**SECTION 10.48.(a1)** For the 2012-2013 fiscal year, the Department shall modify and improve pharmacy services under the Medicaid Program in a manner that achieves savings of thirty million six hundred seventy-one thousand five hundred seven dollars (\$30,671,507) through the implementation of a special pharmacy for hemophilia drugs and the expansion of prior authorization requirements. In addition, the Department shall lower pharmacy dispensing fees to achieve additional savings within the Medicaid Program.

"**SECTION 10.48.(b)** The Department shall report its progress in achieving the savings required by subsection (a) of this section on November 1, 2011, January 1, 2012, and quarterly thereafter to the House and Senate Appropriations Subcommittees on Health and Human Services and to the Fiscal Research Division. If any report required by this subsection reveals that those savings are not being achieved, the Department shall reduce prescription drug rates by an amount sufficient to achieve the savings.

"**SECTION 10.48.(b1)** The Department shall report its progress in achieving the savings required by subsection (a1) of this section on November 1, 2012, January 1, 2013, and quarterly thereafter to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H30-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

SMART CARD PILOT PROGRAM

SECTION #.(a) S.L. 2011-117 is repealed.

SECTION #.(b) The Department of Health and Human Services shall implement a smart card pilot program that involves enrollment, distribution, and use of smart cards by designated vendors and recipients as replacements for currently used Medicaid assistance cards. The Provider and Recipient Services Unit of the Division of Medical Assistance (DMA) shall administer the pilot program. The Department may contract with a third-party vendor or vendors to develop and execute the pilot program. If the Department elects to use a third-party vendor or vendors to develop and execute the pilot program, the Department shall select the vendor or vendors through a Request for Proposal process conducted prior to implementation of the pilot program. In developing and implementing the pilot program, the Department shall comply with all applicable information technology procurement requirements. The smart card pilot program shall not expand beyond the areas described in subsection (c) of this section unless the expansion is approved by an act of the General Assembly.

SECTION #.(c) The purpose of the pilot program is to evaluate the feasibility of the smart card program in different geographical regions of the State. DMA shall select a region of the State to participate in the pilot program that is served by Community Care of North Carolina and meets all other requirements set forth in this section. The pilot program shall be conducted in two urban areas and two rural areas with a representative group of Medicaid recipients from each area.

SECTION #.(d) The pilot program shall include and evaluate the use of at least two different types of available technology that are designed to do all of the following:

- (1) Authenticate recipients at the onset and completion of each point of transaction in order to prevent card sharing and other forms of fraud.
- (2) Deny ineligible persons at the point of transaction.
- (3) Authenticate providers at the point of transaction to prevent phantom billing and other forms of provider fraud.
- (4) Secure and protect the personal identity and information of recipients.
- (5) Reduce the total amount of medical assistance expenditures by reducing the average cost per recipient.

SECTION #.(e) The pilot program may include all of the following:

- (1) A secure Web-based information system for recording and reporting authenticated transactions.
- (2) A secure Web-based information system that interfaces with the appropriate State databases to determine eligibility of recipients.
- (3) A system that gathers analytical information to be provided to business intelligence companies in order to assist in business intelligence processes.
- (4) A smart card with the ability to store multiple recipients' information on one card.

1 (5) An image of the recipient stored on both the smart card and database.

2 **SECTION #.(f)** The pilot program shall not include a requirement for
3 preenrollment of recipients.

4 **SECTION #.(g)** In conducting the pilot program, the Department may do the
5 following:

6 (1) Incorporate additional or alternative methods of authentication of recipients.

7 (2) Enter and store billing codes, deductible amounts, and bill confirmations.

8 (3) Allow electronic prescribing services and prescription database integration
9 and tracking in order to prevent medical error through information sharing
10 and to reduce pharmaceutical abuse and lower health care costs.

11 (4) Implement quick-pay incentives for providers who use electronic prescribing
12 services, electronic health records, electronic patient records, or
13 computerized patient records that automatically synchronize with recipients'
14 smart cards and electronically submit a claim.

15 (5) Adapt smart cards, fingerprint scanners, and card readers, for use by other
16 State programs administered by the Department in order to reduce costs
17 associated with the necessity of multiple cards per recipient.

18 **SECTION #.(h)** During the pilot program, the Department shall evaluate the
19 feasibility of expanding the pilot program, including the need to develop rules and policies
20 related to the following:

21 (1) Lost, forgotten, or stolen cards.

22 (2) Enrollment of all recipients, regardless of age, for participation in the
23 program.

24 (3) Distribution and activation of smart cards for designated recipients.

25 **SECTION #.(i)** The Department shall work with the Division of Motor Vehicles to
26 ensure that State data, such as drivers license photos and other identification data, is leveraged
27 to reduce program cost.

28 **SECTION #.(j)** By no later than March 1, 2013, the Department shall submit a
29 detailed written report to the Joint Legislative Oversight Committee on Health and Human
30 Services, the Joint Legislative Oversight Committee on Information Technology, the Senate
31 Committee on Health and Human Services, the House Appropriations Subcommittee on Health
32 and Human Services, and the Fiscal Research Division. The report shall include (i) detailed
33 results of the pilot in the four different geographic regions of the State, including cost-savings
34 achieved in each region; (ii) costs associated with implementation of the pilot program,
35 including payments to vendors; and (iii) an evaluation of the feasibility of, and issues
36 associated with, implementing the smart card program statewide.

37 **SECTION #.(k)** Of the funds appropriated from the General Fund to the
38 Department of Health and Human Services for the 2012-2013 fiscal year, the sum of up to one
39 million dollars (\$1,000,000) may be used to implement the smart card pilot program authorized
40 by this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H22A-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

FUNDS FOR INPATIENT PSYCHIATRIC BEDS OR BED DAYS

SECTION #. Section 10.8(b) of S.L. 2011-145 reads as rewritten:

"SECTION 10.8.(b) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of twenty-nine million one hundred twenty-one thousand six hundred forty-four dollars (\$29,121,644) for the 2011-2012 fiscal year and the sum of ~~twenty-nine million one hundred twenty-one thousand six hundred forty-four dollars~~ forty-seven million two hundred seventy-one thousand six hundred forty-four dollars (\$47,271,644) for the 2012-2013 fiscal year shall be allocated for the purchase of local inpatient psychiatric beds or bed days. In addition, at the discretion of the Secretary of Health and Human Services, existing funds allocated to LMEs for community-based mental health, developmental disabilities, and substance abuse services may be used to purchase additional local inpatient psychiatric beds or bed days. These beds or bed days shall be distributed across the State in LME catchment ~~areas~~areas, including any catchment areas served by managed care organizations, and according to need as determined by the Department. The Department shall enter into contracts with the LMEs and community hospitals for the management of these beds or bed days. The Department shall work to ensure that these contracts are awarded equitably around all regions of the State. Local inpatient psychiatric beds or bed days shall be managed and controlled by the LME, including the determination of which local or State hospital the individual should be admitted to pursuant to an involuntary commitment order. Funds shall not be allocated to LMEs but shall be held in a statewide reserve at the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to pay for services authorized by the LMEs and billed by the hospitals through the LMEs. LMEs shall remit claims for payment to the Division within 15 working days of receipt of a clean claim from the hospital and shall pay the hospital within 30 working days of receipt of payment from the Division. If the Department determines (i) that an LME is not effectively managing the beds or bed days for which it has responsibility, as evidenced by beds or bed days in the local hospital not being utilized while demand for services at the State psychiatric hospitals has not reduced, or (ii) the LME has failed to comply with the prompt payment provisions of this subsection, the Department may contract with another LME to manage the beds or bed days, or, notwithstanding any other provision of law to the contrary, may pay the hospital directly. The Department shall develop reporting requirements for LMEs regarding the utilization of the beds or bed days. Funds appropriated in this section for the purchase of local inpatient psychiatric beds or bed days shall be used to purchase additional beds or bed days not currently funded by or through LMEs and shall not be used to supplant other funds available or otherwise appropriated for the purchase of psychiatric inpatient services under contract with community hospitals, including beds or bed days being purchased through Hospital Utilization Pilot funds appropriated in S.L. 2007-323. Not later than March 1, 2012, the Department shall report to the House of Representatives Appropriations Subcommittee on Health and Human Services, the

1 Senate Appropriations Committee on Health and Human Services, the Joint Legislative
2 Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse
3 Services, and the Fiscal Research Division on a uniform system for beds or bed days purchased
4 (i) with local funds, (ii) from existing State appropriations, (iii) under the Hospital Utilization
5 Pilot, and (iv) purchased using funds appropriated under this subsection."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H31-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

EXAMINATION OF THE STATE'S DELIVERY OF MENTAL HEALTH SERVICES

SECTION #.(a) The Joint Legislative Oversight Committee on Health and Human Services shall appoint a subcommittee to examine the State's delivery of mental health services. As part of its examination, the subcommittee shall review all of the following:

- (1) The State's progress in reforming the mental health system to deliver mental health services to individuals in the most integrated setting appropriate, without unnecessary institutionalization.
- (2) The State's capacity to meet its growing mental health needs with community-based supports.
- (3) The process for determining the catchment areas served by the State's psychiatric hospitals, with consideration of both of the following:
 - a. Factors used in assigning the geographic groupings of local management areas and managed care organizations into catchment areas.
 - b. Alternatives to the current process for determining the catchment areas served by the State's psychiatric hospitals, including a determination of whether there is a more efficient and equitable manner of assigning hospital catchment areas.

SECTION #.(b) The subcommittee shall report its findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services on or before January 15, 2013, at which time it shall terminate.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H1A-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

FUNDS FOR FAMILY PLANNING SERVICES BY LOCAL HEALTH DEPARTMENTS

SECTION #. Of the funds appropriated in this act to the Department of Health and Human Services for the 2012-2013 fiscal year, none shall be allocated to renewing, extending, or entering into new contracts for the provision of family planning services and pregnancy prevention activities with providers other than local health departments. Upon the expiration of any contracts in effect during the 2011-2012 fiscal year between the Division of Public Health and private providers of family planning services and pregnancy prevention activities, the Department shall reallocate three hundred forty-three thousand dollars (\$343,000) of these contract funds to local health departments. Local health departments receiving funds under this section shall not contract with outside vendors for the provision of family planning services or pregnancy prevention activities. These services shall be provided directly by local health department recipients. This section does not apply to contracts administered by the Department pursuant to G.S. 130A-131.15A.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H36A-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

1 ***REPEAL MANDATORY LOCAL HEALTH DEPARTMENT ACCREDITATION.***

2 **SECTION #.(a)** Article 2 of Chapter 130A of the General Statutes is amended by
3 adding a new section to read:

4 **"§ 130A-34.1A. National accreditation of local health departments encouraged.**

5 **All local health departments are encouraged to obtain and maintain accreditation from a**
6 **national accrediting organization."**

7 **SECTION #.(b)** Section 130A-34.1 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H17-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

1 **COMMUNITY HEALTH GRANT FUNDING**

2 **SECTION #.(a)** By no later than January 1, 2013, the Department of Health and
3 Human Services shall enter into contracts obligating the entire amount of funds appropriated in
4 this act for the 2012-2013 fiscal year for community health centers. These funds shall be used
5 only for community health grants to nonprofit or public health care safety nets that provide
6 primary and preventive medical services to uninsured or medically indigent patients, including
7 free clinics, community health care centers, rural health centers, school-based health centers,
8 and local health departments. The Department shall not use these funds to supplant any
9 reduction in funding prescribed by the General Assembly for the 2012-2013 fiscal year.

10 **SECTION #.(b)** By no later than March 1, 2013, the Department of Health and
11 Human Services shall submit a written report on community health grants awarded during the
12 2012-2013 fiscal year to the Joint Legislative Oversight Committee on Health and Human
13 Services, the Senate Appropriations Committee on Health and Human Services, the House
14 Appropriations Subcommittee on Health and Human Services, and the Fiscal Research
15 Division. The report shall include the identity and a brief description of the community health
16 activities performed by each grantee, the amount of funding awarded to each grantee, and the
17 number of persons served by each grantee.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H9-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

FUNDS FOR COMMUNITY-BASED HEALTH AND WELLNESS INITIATIVES

SECTION #.(a) Funds appropriated in this act to the Department of Health and Human Services for the 2012-2013 fiscal year for community-based health and wellness programs and initiatives shall be used only for the following:

- (1) Programs to prevent and reduce tobacco use by students in grades kindergarten through 12. The Department shall not spend any funds allocated to these programs for statewide marketing and media campaigns for tobacco cessation and prevention. This subdivision shall not be construed to prohibit the use of these funds for (i) local or community-based tobacco cessation and prevention campaigns or (ii) tobacco cessation and prevention campaigns conducted on the premises of North Carolina elementary schools, middle schools, and high schools.
- (2) ChecKmeds.
- (3) Medication Assistance Program.
- (4) Roanoke Chowan Telehealth Network.
- (5) County health department initiatives. County health departments shall use these funds only for county community health and wellness initiatives to promote healthy behaviors, including, but not limited to, tobacco cessation, improved nutrition, increased physical activity, disease prevention, and school nurse positions. Funds received by county health departments pursuant to this section shall not supplant existing funds for health and wellness programs or initiatives.

SECTION #.(b) By December 1, 2013, the Department shall submit a written report to the Joint Legislative Oversight Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division on the use of these funds. The report shall include the identity and a brief description of each grantee and each program or initiative offered by the grantee; the amount of funding awarded to each grantee; and the number of persons served by each grantee, broken down by program or initiative.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H11-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

- 1 ***DELAY LOCAL RECEIPT OF LARGER PORTION OF FOOD & LODGING FEES***
- 2 **SECTION #.** Section 31.11A(c) of S.L. 2011-145, as amended by Section 61A of
- 3 S.L. 2011-391, reads as rewritten:
- 4 "SECTION 31.11A.(c) Subsection (a) of this section becomes effective July 1, 2012.July
- 5 1, 2013."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H34-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

AIDS DRUG ASSISTANCE PROGRAM PILOT

SECTION #.(a) The Department of Health and Human Services, Division of Public Health, shall develop and implement a pilot program to begin on January 1, 2013, and terminate on December 31, 2013, to enroll individuals receiving services under the Aids Drug Assistance Program (ADAP) in Inclusive Health North Carolina. The purposes of the pilot are (i) to determine cost savings to ADAP through enrollment of ADAP recipients in a preexisting conditions insurance program (PCIP) and (ii) to inform the Department of best practices in transitioning ADAP recipients to Medicaid as they become eligible. The Department shall select up to three HIV/AIDS care provider agencies with the highest number of ADAP recipients to participate in the pilot. The Department shall ensure that the total number of ADAP recipients participating in the pilot meets all of the following requirements:

- (1) Participation does not exceed ten percent (10%) of the total number of ADAP recipients receiving services at the selected HIV/AIDS care provider agencies.
- (2) ADAP recipients shall be enrolled only in Inclusive Health North Carolina up to the point that enrollment remains cost-neutral or achieves cost savings to ADAP, as determined by an actuary. The Department shall obtain actuarial services to ensure the cost neutrality or cost savings of enrolling ADAP recipients in Inclusive Health North Carolina prior to implementing the pilot program. The Department shall not implement the pilot program if the actuary determines implementation will not be cost-neutral or achieve savings.

SECTION #.(b) The Department may contract with an outside vendor to evaluate the results of the pilot program. By no later than April 1, 2014, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the House Appropriations Subcommittee on Health and Human Services on the results of the pilot program. The report shall include all of the following:

- (1) The number of pilot program participants.
- (2) A cost analysis for the pilot program, including a cost comparison between ADAP recipients who received services through Inclusive Health North Carolina and ADAP recipients who received services only through ADAP.
- (3) Feedback from pilot program participants.
- (4) Best practices identified by the Department for transitioning ADAP recipients to Medicaid as they become eligible.
- (5) Improved health outcomes.

SECTION #.(c) The Department shall use funds appropriated to it to develop and implement the pilot program authorized by this section. The Division of Public Health shall manage the number of ADAP recipients enrolled in Inclusive Health North Carolina as part of

- 1 the pilot program and the number of ADAP recipients receiving services only through ADAP
- 2 in order to ensure that pilot program expenditures do not exceed available funds.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H20-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

POSITION ELIMINATIONS FOR FISCAL YEAR 2012-2013

SECTION #. For fiscal year 2012-2013, the Department of Health and Human Services shall eliminate an additional 50 full-time equivalent positions that have been continuously vacant since July 1, 2010. To the extent possible, the Secretary shall not eliminate positions assigned to the Division of State Operated Healthcare Facilities. This section shall not be construed to give the Department flexibility in achieving the savings attributed to these 50 position eliminations by any other means. By October 1, 2012, the Secretary shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services, the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division on the position eliminations required by this section. The report shall include at least all of the following information about each eliminated position:

- (1) Division assignment.
- (2) Title.
- (3) Salary.
- (4) Fringe benefits.
- (5) The percentage and identity of any non-State funding sources.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2012-DHHS-H10A-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

REDUCE FUNDING FOR NONPROFIT ORGANIZATIONS

SECTION #.(a) Section 10.18 of S.L. 2011-145 is repealed.

SECTION #.(b) For fiscal year 2012-2013, the Department of Health and Human Services shall reduce the amount of funds allocated to nonprofit organizations by five million dollars (\$5,000,000) on a recurring basis. The Department shall not, under any circumstances, use any funds, including State funds, federal funds, special revenue funds, or departmental receipts, to supplement the reduced amount of funding to be allocated to nonprofit organizations pursuant to this subsection. In achieving the reductions required by this subsection, the Department (i) shall minimize reductions to funds allocated to nonprofit organizations for the provision of direct services and (ii) shall not reduce funds allocated to nonprofit organizations to pay for direct services to individuals with developmental disabilities.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H18-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

**REPORTS BY NON-STATE ENTITIES RECEIVING DIRECT STATE
APPROPRIATIONS**

SECTION #.(a) The Department of Health and Human Services shall require the following non-State entities to match ten percent (10%) of the total amount of State appropriations received each fiscal year. In addition, the Department shall direct these entities to submit a written report annually, beginning December 1, 2012, of all activities funded by State appropriations to the Joint Legislative Oversight Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division:

- (1) North Carolina Senior Games, Inc.
- (2) ARC of North Carolina.
- (3) ARC of North Carolina – Wilmington.
- (4) Autism Society of North Carolina.
- (5) The Mariposa School for Children with Autism.
- (6) Easter Seals UCP of North Carolina.
- (7) Easter Seals UCP of North Carolina and Virginia.
- (8) ABC of North Carolina Child Development Center.
- (9) Residential Services, Inc.
- (10) Oxford House, Inc.
- (11) Brain Injury Association of North Carolina.
- (12) Food Bank of Central and Eastern North Carolina, Inc.
- (13) Food Bank of the Albemarle.
- (14) Manna Food Bank.
- (15) Second Harvest Food Bank of Metrolina, Inc.
- (16) Second Harvest Food Bank of Northwest North Carolina, Inc.
- (17) Prevent Blindness NC.

SECTION #.(b) The report required by subsection (a) of this section shall include the following information about the fiscal year preceding the year in which the report is due:

- (1) The entity's mission, purpose, and governance structure.
- (2) A description of the types of programs, services, and activities funded by State appropriations.
- (3) Statistical and demographical information on the number of persons served by these programs, services, and activities, including the counties in which services are provided.
- (4) Outcome measures that demonstrate the impact and effectiveness of the programs, services, and activities.
- (5) A detailed program budget and list of expenditures, including all positions funded and funding sources.

- 1 (6) The source and amount of any matching funds received by the entity.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H32-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

REPORT ON LAPSED SALARY FUNDS

SECTION #. Beginning no later than November 1, 2012, the Department of Health and Human Services shall submit quarterly reports to the Joint Legislative Oversight Committee on Health and Human Services, the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division on the use of lapsed salary funds by each Division within the Department. For each Division, the report shall include the following information about the preceding calendar quarter:

- (1) The total amount of lapsed salary funds.
- (2) The number of full-time equivalent positions comprising the lapsed salary funds.
- (3) The Fund Code for each full-time equivalent position included in the number reported pursuant to subdivision (2) of this section.
- (4) The purposes for which the Department expended lapsed salary funds.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H21-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

PREVENTIVE HEALTH INVENTORY AND CONSOLIDATION PLAN

SECTION #.(a) The Department of Health and Human Services shall complete an inventory of its preventive health services and activities, including those provided under the North Carolina Partnership for Children, Inc. The inventory shall identify (i) services and activities provided directly by the Department and (ii) services and activities provided by grantees and outside vendors.

SECTION #.(b) The Department shall conduct a comprehensive assessment of all services and activities included in the inventory prepared pursuant to subsection (a) of this section. The comprehensive assessment shall include at least all of the following for each identified service or activity:

- (1) A program name and a description of the services or activities.
- (2) The number of persons served, if applicable.
- (3) A breakdown of all funding sources.

SECTION #.(c) By October 1, 2012, the Department shall report on the information required by this section to the Joint Legislative Oversight Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

SECTION #.(d) The Department shall develop a plan to consolidate all preventive health services and activities. By no later than March 1, 2013, the Department shall submit this plan to the Joint Legislative Oversight Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division. The Department shall not implement this plan without approval by the General Assembly.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H37-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

REVISE DATES/TANF BENEFIT IMPLEMENTATION

SECTION #. Section 10.55 of S.L. 2011-145 reads as rewritten:

"SECTION 10.55.(a) The General Assembly approves the plan titled "North Carolina Temporary Assistance for Needy Families State Plan FY ~~2010-2012~~,2012-2014," prepared by the Department of Health and Human Services and presented to the General Assembly. The North Carolina Temporary Assistance for Needy Families State Plan covers the period October 1, ~~2010,2012~~, through September 30, ~~2012,2014~~. The Department shall submit the State Plan, as revised in accordance with subsection (b) of this section, to the United States Department of Health and Human Services, as amended by this act or any other act of the 2011 General Assembly.

"SECTION 10.55.(b) The counties approved as Electing Counties in the North Carolina Temporary Assistance for Needy Families State Plan FY ~~2010-2012,2012-2014~~, as approved by this section are Beaufort, Caldwell, Catawba, Lenoir, Lincoln, Macon, and Wilson.

"SECTION 10.55.(c) Counties that submitted the letter of intent to remain as an Electing County or to be redesignated as an Electing County and the accompanying county plan for fiscal year ~~2011-2012~~ through ~~2012,2014~~, pursuant to G.S. 108A-27(e), shall operate under the Electing County budget requirements effective July 1, ~~2009,2012~~. For programmatic purposes, all counties referred to in this subsection shall remain under their current county designation through September 30, ~~2012,2014~~.

"SECTION 10.55.(d) For the ~~2011-2012~~2012-2014 fiscal year, Electing Counties shall be held harmless to their Work First Family Assistance allocations for the ~~2010-2011~~2012-2014 fiscal year, provided that remaining funds allocated for Work First Family Assistance and Work First Diversion Assistance are sufficient for payments made by the Department on behalf of Standard Counties pursuant to G.S. 108A-27.11(b).

"SECTION 10.55.(e) In the event that departmental projections of Work First Family Assistance and Work First Diversion Assistance for the ~~2011-2012~~2012-2014 fiscal year indicate that remaining funds are insufficient for Work First Family Assistance and Work First Diversion Assistance payments to be made on behalf of Standard Counties, the Department is authorized to deallocate funds, of those allocated to Electing Counties for Work First Family Assistance in excess of the sums set forth in G.S. 108A-27.11, up to the requisite amount for payments in Standard Counties. Prior to deallocation, the Department shall obtain approval by the Office of State Budget and Management. If the Department adjusts the allocation set forth in subsection (d) of this section, then a report shall be made to the Joint Legislative Commission on Governmental Operations, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division."

GENERAL ASSEMBLY OF NORTH CAROLINA

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DRAFT
SPECIAL PROVISION



2012-DHHS-H19-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

1 REMOVE CAP ON SPECIAL ASSISTANCE IN-HOME PAYMENT RECIPIENTS

2 SECTION #. G.S. 108A-47.1 reads as rewritten:

3 "§ 108A-47.1. Special Assistance in-home payments.

4 The Department of Health and Human Services may use funds from the existing
5 State-County Special Assistance budget to provide Special Assistance payments to eligible
6 individuals 18 years of age or older in in-home living arrangements. ~~These payments may be~~
7 ~~made for up to fifteen percent (15%) of the caseload for all State-County Special Assistance.~~
8 The standard monthly payment to individuals enrolled in the Special Assistance in-home
9 program shall be seventy-five percent (75%) of the monthly payment the individual would
10 receive if the individual resided in an adult care home and qualified for Special Assistance,
11 except if a lesser payment amount is appropriate for the individual as determined by the local
12 case manager. The Department shall implement Special Assistance in-home eligibility policies
13 and procedures to assure that in-home program participants are those individuals who need and,
14 but for the in-home program, would seek placement in an adult care home facility. The
15 Department's policies and procedures shall include the use of a functional assessment. The
16 Department shall make this in-home option available to all counties on a voluntary basis. To
17 the maximum extent possible, the Department shall consider geographic balance in the
18 dispersion of payments to individuals across the State."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H40-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

1 ***TELECOMMUNICATIONS RELAY SERVICE***

2 **SECTION #.(a)** G.S. 62-157(d1) reads as rewritten:

3 "(d1) The Department of Health and Human Services shall utilize revenues from the
4 wireless surcharge collected under subsection (i) of this section to ~~fund the Regional Resource~~
5 ~~Centers within support~~ the Division of Services for the Deaf and the Hard of Hearing, in
6 accordance with G.S. 143B-216.33, G.S. 143B-216.34, and Chapter 8B of the General
7 Statutes."

8 **SECTION #.(b)** G.S. 62-157(e) reads as rewritten:

9 "(e) Administration of Service. – The Department of Health and Human Services shall
10 administer the statewide telecommunications relay service program, including its
11 establishment, operation, and promotion. The Department may contract out the provision of
12 this service for four-year periods to one or more service providers, using the provisions of
13 G.S. 143-129. The Department shall administer all programs and services, including the
14 Regional Resource Centers within the Division of Services for the Deaf and the Hard of
15 Hearing in accordance with G.S. 143B-216.33, G.S. 143B-216.34, and Chapter 8B of the
16 General Statutes."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DHHS-H14A-P

Department of Health and Human Services
Appropriations Subcommittee on Health and Human Services

Requested by: Representative

DHHS BLOCK GRANTS

SECTION #.(a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 2013, according to the following schedule:

**TEMPORARY ASSISTANCE TO NEEDY FAMILIES
(TANF) FUNDS**

Local Program Expenditures

Division of Social Services

01.	Work First Family Assistance	\$ 61,671,297
02.	Work First County Block Grants	83,386,330
03.	Work First Electing Counties	2,378,213
04.	Adoption Services – Special Children's Adoption Fund	2,026,877
05.	Family Violence Prevention	2,200,000
06.	Child Protective Services – Child Welfare Workers for Local DSS	15,893,996
07.	Child Welfare Collaborative	754,115

Division of Child Development

08.	Subsidized Child Care Program	59,645,662
09.	Swap Child Care Subsidy	6,352,644

Division of Public Health

10.	Teen Pregnancy Initiatives	2,500,000
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DHHS Administration

11.	Division of Social Services	2,482,260
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12.	Office of the Secretary	34,042
Transfers to Other Block Grants		
Division of Child Development		
13.	Transfer to the Child Care and Development Fund (Smart Start Quality Initiative \$2,700,000)	75,773,001
14.	Transfer to Social Services Block Grant for Child Protective Services – Child Welfare Training in Counties	1,300,000
15.	Transfer to Social Services Block Grant for Child Protective Services	5,040,000
16.	Transfer to Social Services Block Grant for County Departments of Social Services	4,148,001
TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) FUNDS		\$ 325,586,438
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS		
Local Program Expenditures		
Division of Social Services		
01.	Work First County Block Grants	\$ 11,066,985
TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS		\$ 11,066,985
SOCIAL SERVICES BLOCK GRANT		
Local Program Expenditures		
Divisions of Social Services and Aging and Adult Services		
01.	County Departments of Social Services (Transfer from TANF \$4,148,001)	\$ 35,211,798
02.	Child Protective Services (Transfer from TANF)	5,040,000
03.	State In-Home Services Fund	2,101,113
04.	State Adult Day Care Fund	2,155,301

1	05.	Child Protective Services/CPS Investigative	
2		Services-Child Medical Evaluation Program	609,455
3			
4	06.	Foster Care Services	1,497,138
5			
6	07.	Special Children Adoption Incentive Fund	500,000
7			
8	08.	Child Protective Services-Child Welfare Training	
9		for Counties (Transfer from TANF)	1,300,000
10			
11	09.	Home and Community Care Block Grant (HCCBG)	1,834,077
12			
13	10.	Maternity Homes	925,085
14			
15	11.	Child Advocacy Centers	375,000
16			
17	12.	Work First – Boys and Girls Clubs	2,452,500
18			
19	13.	Food Banks	1,000,000
20			
21	14.	Child Care Subsidy	2,452,500
22			
23	15.	Developmental Disabilities Services Program	4,356,604
24			
25		Division of Public Health	
26			
27	16.	HIV/STD Prevention and Community Planning	145,819
28			
29	17.	Prevent Blindness	150,000
30			
31		Division of Vocational Rehabilitation	
32			
33	18.	Vocational Rehabilitation Services – Easter Seal Society/UCP	
34		Community Health Program	188,263
35			
36		DHHS Program Expenditures	
37			
38		Division of Services for the Blind	
39			
40	19.	Independent Living Program	3,633,077
41			
42	20.	Accessible Electronic Information for Blind and Disabled Persons	75,000
43			
44		Division of Health Service Regulation	
45			
46	21.	Adult Care Licensure Program	411,897
47			
48	22.	Mental Health Licensure and Certification Program	205,668
49			
50		DHHS Administration	

23.	Division of Aging and Adult Services	624,454
24.	Division of Social Services	701,140
25.	Office of the Secretary/Controller's Office	138,058
26.	Division of Child Development	15,000
27.	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	29,665
28.	Division of Health Service Regulation	128,562
TOTAL SOCIAL SERVICES BLOCK GRANT		\$ 68,257,174

LOW-INCOME HOME ENERGY ASSISTANCE BLOCK GRANT

Local Program Expenditures

Division of Social Services

01.	Low-Income Energy Assistance Program (LIEAP)	\$ 15,000,000
02.	Crisis Intervention Program (CIP)	33,255,130

Local Administration

Division of Social Services

03.	County DSS Administration	4,444,717
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DHHS Administration

04.	Office of the Secretary/DIRM	219,490
05.	Office of the Secretary/Controller's Office	9,779

Transfers to Other State Agencies

Department of Commerce

06.	Weatherization Program	8,464,517
07.	Heating Air Repair and Replacement Program (HARRP)	3,762,265
08.	Local Residential Energy Efficiency Service Providers – Weatherization	19,825

1	09.	Local Residential Energy Efficiency Service	
2		Providers – HARRP	180,041
3			
4	10.	Department of Commerce Administration –	
5		Weatherization	19,825
6			
7	11.	Department of Commerce Administration –	
8		HARRP	180,041
9			
10		Department of Administration	
11			
12	12.	N.C. Commission on Indian Affairs	87,736
13			
14	TOTAL LOW-INCOME HOME ENERGY ASSISTANCE		
15	BLOCK GRANT		\$ 65,643,366
16			
17	CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT		
18			
19	Local Program Expenditures		
20			
21	Division of Child Development		
22			
23	01.	Subsidized Child Care Services (CCDF)	\$ 158,004,959
24			
25	02.	Electronic Tracking System	3,336,345
26			
27	03.	Subsidized Child Care Services	
28		(Transfer from TANF)	73,000,000
29			
30	04.	Quality and Availability Initiatives	
31		(TEACH Program \$3,800,000; Smart Start \$4,000,000)	25,948,434
32			
33	Division of Social Services		
34			
35	05.	Local Subsidized Child Care Services Support	16,471,587
36		(4% Administrative Allowance)	
37			
38	DHHS Administration		
39			
40	Division of Child Development		
41			
42	06.	DCD Administrative Expenses	6,539,277
43			
44	Division of Central Administration		
45			
46	07.	DHHS Central Administration – DIRM	
47		Technical Services	774,317
48			
49	TOTAL CHILD CARE AND DEVELOPMENT FUND		
50	BLOCK GRANT		\$ 284,074,919

1
2 **MENTAL HEALTH SERVICES BLOCK GRANT**

3
4 Local Program Expenditures

5

6	01.	Mental Health Services – Adult	\$ 8,870,595
7			
8	02.	Mental Health Services – Child	5,121,991
9			
10	03.	Administration	100,000

11
12 TOTAL MENTAL HEALTH SERVICES BLOCK GRANT \$ 14,092,586

13
14 **SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT**

15
16 Local Program Expenditures

17
18 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

19

20	01.	Substance Abuse Services – Adult	\$ 15,328,802
21			
22	02.	Substance Abuse Treatment Alternative for Women	6,050,300
23			
24	03.	Substance Abuse – HIV and IV Drug	3,919,723
25			
26	04.	Substance Abuse Prevention – Child	7,186,857
27			
28	05.	Substance Abuse Services – Child	4,940,500
29			
30	06.	Administration	454,000

31
32 Division of Public Health

33

34	07.	Risk Reduction Projects	575,654
35			
36	08.	Aid-to-Counties	190,295

37
38 TOTAL SUBSTANCE ABUSE PREVENTION
39 AND TREATMENT BLOCK GRANT \$ 38,646,131

40
41 **MATERNAL AND CHILD HEALTH BLOCK GRANT**

42
43 Local Program Expenditures

44
45 Division of Public Health

46

47	01.	Children's Health Services (Nurse-Family Partnership \$375,000)	\$ 8,528,156
48			
49			
50	02.	Women's Health	

1	(March of Dimes \$350,000; Teen Pregnancy Prevention	
2	Initiatives \$650,000; Perinatal Quality Collaborative \$250,000)	8,510,783
3		
4	03. Oral Health	42,268
5		
6	DHHS Program Expenditures	
7		
8	Division of Public Health	
9		
10	04. Children's Health Services	1,417,087
11		
12	05. Women's Health	136,628
13		
14	06. State Center for Health Statistics	164,318
15		
16	07. Quality Improvement in Public Health	1,636
17		
18	08. Health Promotion	89,374
19		
20	DHHS Administration	
21		
22	Division of Public Health	
23		
24	09. Division of Public Health Administration	558,831
25		
26	TOTAL MATERNAL AND CHILD	
27	HEALTH BLOCK GRANT	\$ 19,449,081
28		
29	COMMUNITY SERVICES BLOCK GRANT	
30		
31	Local Program Expenditures	
32		
33	Office of Economic Opportunity	
34		
35	01. Community Action Agencies	\$ 18,075,488
36		
37	02. Limited Purpose Agencies	1,004,194
38		
39	DHHS Administration	
40		
41	03. Office of Economic Opportunity	1,004,194
42		
43	TOTAL COMMUNITY SERVICES BLOCK GRANT	\$ 20,083,876
44		
45	GENERAL PROVISIONS	
46	SECTION #.(b) Information to Be Included in Block Grant Plans. – The	
47	Department of Health and Human Services shall submit a separate plan for each Block Grant	
48	received and administered by the Department, and each plan shall include the following:	
49	(1) A delineation of the proposed allocations by program or activity, including	
50	State and federal match requirements.	

- (2) A delineation of the proposed State and local administrative expenditures.
- (3) An identification of all new positions to be established through the Block Grant, including permanent, temporary, and time-limited positions.
- (4) A comparison of the proposed allocations by program or activity with two prior years' program and activity budgets and two prior years' actual program or activity expenditures.
- (5) A projection of current year expenditures by program or activity.
- (6) A projection of federal Block Grant funds available, including unspent federal funds from the current and prior fiscal years.

SECTION #.(c) Changes in Federal Fund Availability. – If the Congress of the United States increases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall allocate the increase proportionally across the program and activity appropriations identified for that Block Grant in this section. In allocating an increase in federal fund availability, the Office of State Budget and Management shall not approve funding for new programs or activities not appropriated in this section.

If the Congress of the United States decreases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall develop a plan to adjust the block grants based on reduced federal funding.

Notwithstanding the provisions of this subsection, for the 2012-2013 fiscal year, increases in the federal fund availability for the Temporary Assistance to Needy Families (TANF) Block Grant shall be used for the North Carolina Child Care Subsidy program to pay for child care in four- or five-star rated facilities for four-year-old children.

Prior to allocating the change in federal fund availability, the proposed allocation must be approved by the Office of State Budget and Management. If the Department adjusts the allocation of any Block Grant due to changes in federal fund availability, then a report shall be made to the Joint Legislative Commission on Governmental Operations, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division.

SECTION #.(d) Appropriations from federal Block Grant funds are made for the fiscal year ending June 30, 2013, according to the schedule enacted for State fiscal year 2012-2013 or until a new schedule is enacted by the General Assembly.

SECTION #.(e) All changes to the budgeted allocations to the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services that are not specifically addressed in this section shall be approved by the Office of State Budget and Management, and the Office of State Budget and Management shall consult with the Joint Legislative Commission on Governmental Operations for review prior to implementing the changes. The report shall include an itemized listing of affected programs, including associated changes in budgeted allocations. All changes to the budgeted allocations to the Block Grants shall be reported immediately to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division. This subsection does not apply to Block Grant changes caused by legislative salary increases and benefit adjustments.

SECTION #.(f) If the Preventive Health Services Block Grant is funded at the federal level and the State receives a block grant for Preventive Health Services, the 2011-2012 allocation plan shall remain in effect for the 2012-2013 fiscal year.

1
2 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS**

3 **SECTION #.(g)** The sum of eighty-three million three hundred eighty-six thousand
4 three hundred thirty dollars (\$83,386,330) appropriated in this section in TANF funds to the
5 Department of Health and Human Services, Division of Social Services, for the 2012-2013
6 fiscal year shall be used for Work First County Block Grants. The Division shall certify these
7 funds in the appropriate State-level services based on prior year actual expenditures. The
8 Division has the authority to realign the authorized budget for these funds among the
9 State-level services based on current year actual expenditures.

10 **SECTION #.(h)** The sum of two million four hundred eighty-two thousand two
11 hundred sixty dollars (\$2,482,260) appropriated in this section in TANF funds to the
12 Department of Health and Human Services, Division of Social Services, for the 2012-2013
13 fiscal year shall be used to support administration of TANF-funded programs.

14 **SECTION #.(i)** The sum of two million two hundred thousand dollars
15 (\$2,200,000) appropriated under this section in TANF funds to the Department of Health and
16 Human Services, Division of Social Services, for the 2012-2013 fiscal year shall be used to
17 provide domestic violence services to Work First recipients. These funds shall be used to
18 provide domestic violence counseling, support, and other direct services to clients. These funds
19 shall not be used to establish new domestic violence shelters or to facilitate lobbying efforts.
20 The Division of Social Services may use up to seventy-five thousand dollars (\$75,000) in
21 TANF funds to support one administrative position within the Division of Social Services to
22 implement this subsection.

23 Each county department of social services and the local domestic violence shelter
24 program serving the county shall develop jointly a plan for utilizing these funds. The plan shall
25 include the services to be provided and the manner in which the services shall be delivered. The
26 county plan shall be signed by the county social services director or the director's designee and
27 the domestic violence program director or the director's designee and submitted to the Division
28 of Social Services by December 1, 2012. The Division of Social Services, in consultation with
29 the Council for Women, shall review the county plans and shall provide consultation and
30 technical assistance to the departments of social services and local domestic violence shelter
31 programs, if needed.

32 The Division of Social Services shall allocate these funds to county departments of
33 social services according to the following formula: (i) each county shall receive a base
34 allocation of five thousand dollars (\$5,000) and (ii) each county shall receive an allocation of
35 the remaining funds based on the county's proportion of the statewide total of the Work First
36 caseload as of July 1, 2012, and the county's proportion of the statewide total of the individuals
37 receiving domestic violence services from programs funded by the Council for Women as of
38 July 1, 2012. The Division of Social Services may reallocate unspent funds to counties that
39 submit a written request for additional funds.

40 **SECTION #.(j)** The sum of fifteen million eight hundred ninety-three thousand
41 nine hundred ninety-six dollars (\$15,893,996) appropriated in this section to the Department of
42 Health and Human Services, Division of Social Services, in TANF funds for the 2012-2013
43 fiscal year for child welfare improvements shall be allocated to the county departments of
44 social services for hiring or contracting staff to investigate and provide services in Child
45 Protective Services cases; to provide foster care and support services; to recruit, train, license,
46 and support prospective foster and adoptive families; and to provide interstate and
47 post-adoption services for eligible families.

48 Counties shall maintain their level of expenditures in local funds for Child
49 Protective Services' workers. Of the block grant funds appropriated for Child Protective
50 Services' workers, the total expenditures from State and local funds for the 2012-2013 fiscal

1 year shall not be less than the total expended from State and local funds for the 2011-2012
2 fiscal year.

3 **SECTION #.(k)** The sum of two million twenty-six thousand eight hundred
4 seventy-seven dollars (\$2,026,877) appropriated in this section in TANF funds to the
5 Department of Health and Human Services, Special Children Adoption Fund, for the
6 2012-2013 fiscal year shall be used in accordance with G.S. 108A-50.2, as enacted in Section
7 10.48 of S.L. 2009-451. The Division of Social Services, in consultation with the North
8 Carolina Association of County Directors of Social Services and representatives of licensed
9 private adoption agencies, shall develop guidelines for the awarding of funds to licensed public
10 and private adoption agencies upon the adoption of children described in G.S. 108A-50 and in
11 foster care. Payments received from the Special Children Adoption Fund by participating
12 agencies shall be used exclusively to enhance the adoption services program. No local match
13 shall be required as a condition for receipt of these funds.

14 **SECTION #.(l)** The sum of seven hundred fifty-four thousand one hundred fifteen
15 dollars (\$754,115) appropriated in this section to the Department of Health and Human
16 Services in TANF funds for the 2012-2013 fiscal year shall be used to continue support for the
17 Child Welfare Collaborative.

18 19 **SOCIAL SERVICES BLOCK GRANT**

20 **SECTION #.(m)** The sum of thirty-five million two hundred eleven thousand
21 seven hundred ninety-eight dollars (\$35,211,798) appropriated in this section in the Social
22 Services Block Grant to the Department of Health and Human Services, Division of Social
23 Services, for the 2012-2013 fiscal year shall be used for County Block Grants. The Division
24 shall certify these funds in the appropriate State level services based on prior year actual
25 expenditures. The Division has the authority to realign the authorized budget for these funds
26 among the State-level services based on current year actual expenditures.

27 **SECTION #.(n)** The sum of one million three hundred thousand dollars
28 (\$1,300,000) appropriated in this section in the Social Services Block Grant to the Department
29 of Health and Human Services, Division of Social Services, for the 2012-2013 fiscal year shall
30 be used to support various child welfare training projects as follows:

- 31 (1) Provide a regional training center in southeastern North Carolina.
- 32 (2) Provide training for residential child caring facilities.
- 33 (3) Provide for various other child welfare training initiatives.

34 **SECTION #.(o)** The sum of one million four hundred ninety-seven thousand one
35 hundred thirty-eight dollars (\$1,497,138) appropriated in this section in the Social Services
36 Block Grant for child caring agencies for the 2012-2013 fiscal year shall be allocated in support
37 of State foster home children.

38 **SECTION #.(p)** The Department of Health and Human Services is authorized,
39 subject to the approval of the Office of State Budget and Management, to transfer Social
40 Services Block Grant funding allocated for departmental administration between divisions that
41 have received administrative allocations from the Social Services Block Grant.

42 **SECTION #.(q)** Social Services Block Grant funds appropriated for the Special
43 Children's Adoption Incentive Fund will require a fifty percent (50%) local match.

44 **SECTION #.(r)** The sum of five million forty thousand dollars (\$5,040,000)
45 appropriated in this section in the Social Services Block Grant for the 2012-2013 fiscal year
46 shall be allocated to the Department of Health and Human Services, Division of Social
47 Services. The Division shall allocate these funds to local departments of social services to
48 replace the loss of Child Protective Services State funds that are currently used by county
49 government to pay for Child Protective Services staff at the local level. These funds shall be
50 used to maintain the number of Child Protective Services workers throughout the State. These

1 Social Services Block Grant funds shall be used to pay for salaries and related expenses only
2 and are exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent
3 (25%).

4 **SECTION #.(s)** The sum of two million four hundred fifty-two thousand five
5 hundred dollars (\$2,452,500) appropriated in this section to the Department of Social Services,
6 Division of Social Services, in the Social Services Block Grant for Boys and Girls Clubs for the
7 2012-2013 fiscal year shall be used to make grants for approved programs. The Department of
8 Health and Human Services, in accordance with federal regulations for the use of Social
9 Services Block Grant funds, shall administer a grant program to award funds to the Boys and
10 Girls Clubs across the State in order to implement programs that improve the motivation,
11 performance, and self-esteem of youths and to implement other initiatives that would be
12 expected to reduce gang participation, school dropout, and teen pregnancy rates. The
13 Department shall facilitate collaboration between the Boys and Girls Clubs and Support Our
14 Students, Communities in Schools, and similar programs and encourage them to submit joint
15 applications for the funds if appropriate. These funds are exempt from the provisions of 10A
16 NCAC 71R .0201(3).

17 **SECTION #.(t)** The sum of nine hundred twenty-five thousand eighty-five dollars
18 (\$925,085) appropriated in this section in the Social Services Block Grant for the 2012-2013
19 fiscal year to the Department of Health and Human Services, Division of Services for the
20 Blind, shall be used for maternity homes. These funds are exempt from the provisions of 10A
21 NCAC 71R .0201(3).

22 **SECTION #.(u)** The sum of one hundred fifty thousand dollars (\$150,000)
23 appropriated in this section in the Social Services Block Grant for the 2012-2013 fiscal year to
24 the Department of Health and Human Services, Division of Public Health, shall be allocated to
25 Prevent Blindness North Carolina to be used for direct service programs. These funds are
26 exempt from the provisions of 10A NCAC 71R .0201(3).

27 **SECTION #.(v)** The sum of seventy-five thousand dollars (\$75,000) appropriated
28 in this section in the Social Services Block Grant for the 2012-2013 fiscal year to the
29 Department of Health and Human Services, Division of Services for the Blind, shall be used to
30 provide accessible electronic information for blind and disabled persons. These funds are
31 exempt from the provisions of 10A NCAC 71R .0201(3).

32 **SECTION #.(w)** The sum of three hundred seventy-five thousand dollars
33 (\$375,000) appropriated in this section in the Social Services Block Grant for the 2012-2013
34 fiscal year to the Department of Health and Human Services, Division of Social Services, shall
35 be used to continue support for the Child Advocacy Centers and are exempt from the
36 provisions of 10A NCAC 71R .0201(3).

37 **SECTION #.(x)** Social Services Block Grant funds allocated for the 2012-2013
38 fiscal year for child medical evaluations are exempt from the provisions of 10A NCAC 71R
39 .0201(3).

40 **SECTION #.(y)** The sum of one million dollars (\$1,000,000) appropriated in this
41 section in the Social Services Block Grant for the 2012-2013 fiscal year to the Department of
42 Health and Human Services, Division of Social Services, shall be allocated to North Carolina
43 Food Bank agencies to be used to purchase and distribute food staples for emergency food
44 assistance. These funds are exempt from the provisions of 10A NCAC 71R .0201(3).

45 **LOW-INCOME HOME ENERGY ASSISTANCE BLOCK GRANT**

46 **SECTION #.(z)** Additional emergency contingency funds received may be
47 allocated for Energy Assistance Payments or Crisis Intervention Payments without prior
48 consultation with the Joint Legislative Commission on Governmental Operations. Additional
49 funds received shall be reported to the Joint Legislative Commission on Governmental
50

1 Operations and the Fiscal Research Division upon notification of the award. The Department of
2 Health and Human Services shall not allocate funds for any activities, including increasing
3 administration, other than assistance payments, without prior consultation with the Joint
4 Legislative Commission on Governmental Operations.

5 **SECTION #.(aa)** The sum of fifteen million dollars (\$15,000,000) appropriated in
6 this section in the Low-Income Home Energy Assistance Block Grant for the 2012-2013 fiscal
7 year to the Department of Health and Human Services, Division of Social Services, shall be
8 used for energy assistance payments for the households of (i) elderly persons age 60 and above
9 with income up to one hundred thirty percent (130%) of the federal poverty level and (ii)
10 disabled persons eligible for services funded through the Division of Aging and Adult Services.
11 County departments of social services shall submit to the Division of Social Services an
12 outreach plan for targeting households with 60-year-old household members no later than
13 August 1 of each year.

14 15 **CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT**

16 **SECTION #.(bb)** Payment for subsidized child care services provided with federal
17 TANF funds shall comply with all regulations and policies issued by the Division of Child
18 Development for the subsidized child care program.

19 **SECTION #.(cc)** If funds appropriated through the Child Care and Development
20 Fund Block Grant for any program cannot be obligated or spent in that program within the
21 obligation or liquidation periods allowed by the federal grants, the Department may move funds
22 to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in
23 order to use the federal funds fully.

24 25 **MATERNAL AND CHILD HEALTH BLOCK GRANT**

26 **SECTION 10.60.(dd)** If federal funds are received under the Maternal and Child
27 Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193
28 (42 U.S.C. § 710), for the 2012-2013 fiscal year, then those funds shall be transferred to the
29 State Board of Education to be administered by the Department of Public Instruction. The
30 Department of Public Instruction shall use the funds to establish an abstinence until marriage
31 education program and shall delegate to one or more persons the responsibility of
32 implementing the program and G.S. 115C-81(e1)(4) and (4a). The Department of Public
33 Instruction shall carefully and strictly follow federal guidelines in implementing and
34 administering the abstinence education grant funds.

35 **SECTION 10.60.(ee)** The Department of Health and Human Services shall ensure
36 that there will be follow-up testing in the Newborn Screening Program.