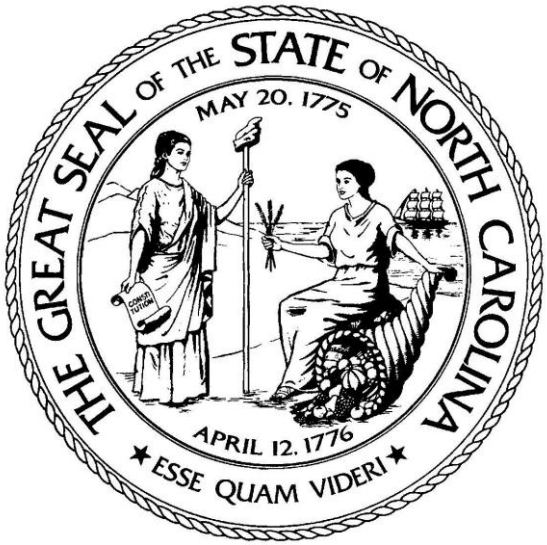
House Appropriations Committee on Health and Human Services

Proposed Special Provisions for H.B. 97, 2015 Appropriations Act



May 14, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
HOUSE APPROPRIATIONS, HEALTH AND HUMAN SERVICES REPORT

MAY 13, 2015

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GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-HHSADMN-H1-P**

Administrative Offices – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

TRANSITION TO PERFORMANCE-BASED MANAGED CARE, CARE MANAGEMENT, HEALTH SERVICES, AND HEALTH-RELATED SERVICES CONTRACTS

SECTION #.(a) The Department of Health and Human Services shall ensure that any contract related to managed care, care management, health services, or health-related services entered into or renewed by the Department, including any of its divisions, on or after the effective date of this section, contains all of the following clauses:

(1) A clause that clearly defines (i) objective, measurable outcomes and improvements in health status to be achieved at concrete milestones defined by the Department during the contract period and (ii) health outcomes measures to be maintained by the contractor during the contract period.

(2) A retainage clause specifying that, during the first year of the contract, five percent (5%) of the total amount of payment due from the Department will be withheld pending satisfactory achievement of the objective, measurable outcomes and improvements in health status specified in the contract. For each subsequent year of the contract, this percentage shall increase up to a maximum of ten percent (10%) by the third year of the contract.

(3) A clause specifying eligibility for, and the amount of, any bonuses to be paid to the contractor for exceeding specific health outcomes and improvements identified by the Department. In the event no bonuses are available for exceeding specific health outcomes and improvements, the Department shall ensure that this clause explicitly states the unavailability of such bonuses.

(4) A termination clause that allows the Department to terminate the contract without cause upon 30 days' notice.

SECTION #.(b) Provider participation agreements are not considered contracts related to the provision of health services for the purposes of this section.

DRAFT
SPECIAL PROVISION **2015-HHSADMN-H1B**

Administrative Offices – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

FUNDING FOR PROGRAMS TO IMPROVE CHILDREN'S HEALTH/ESTABLISH COMPETITIVE GRANTS PROCESS

SECTION #.(a) Findings. – The General Assembly finds that America spends twice as much on health care as any other nation, yet Americans are not the healthiest people in the world. Research indicates that spending on health care to treat people may actually come at the expense of investing in public health programs meant to keep people from getting sick in the first place. The General Assembly further finds that infant mortality rates are an indicator of a state's overall health status. North Carolina currently ranks 40th in the nation on infant mortality. Implementing statewide policies to invest in evidence-based programs that are scientifically proven to lower infant mortality rates, and improve birth outcomes and the health of children ages birth to five, will assure that future rankings for North Carolina are among the best in the nation.

SECTION #.(b) Designation of Lead Agency. – The Secretary of the North Carolina Department of Health and Human Services (Secretary) shall designate a lead agency that is responsible for doing all of the following:

(1) Assuming responsibility for controlling all funding and contracts designed to (i) improve North Carolina's birth outcomes, (ii) improve the overall health status of children in this State from ages birth to five, and (iii) lower this State's infant mortality rates.

(2) Working in consultation with the University of North Carolina Gillings School of Global Public Health to develop a statewide, comprehensive plan to accomplish the goals described in subdivision (1) of this subsection.

(3) Conducting a justification review of all programs and activities funded with State appropriations described under subsection (c) of this section.

SECTION #.(c) Nonrecurring Allocations. – For fiscal year 2015-2016 only, the Department of Health and Human Services shall allocate the following designated amounts for the following programs on a nonrecurring basis:

(1)	Maternal and Child Health Contracts	$ 2,847,094 NR
(2)	Healthy Beginnings	170,779 NR
(3)	Pregnancy Care Case Management	300,901 NR
(4)	Maternal, Infant, and Early Childhood Home Visiting	425,643 NR
(5)	Triple P-Positive Parenting Program	828,233 NR
(6)	NC Perinatal and Maternal Substance Abuse Initiative	2,729,316 NR
(7)	Perinatal Substance Abuse Specialist	45,000 NR
(8)	Residential Maternity Homes	375,000 NR

SECTION #.(d) Statewide Proposal and Justification Review. – By March 1, 2016, the Secretary shall submit the statewide proposal developed pursuant to subsection (b) of this section to the Joint Legislative Oversight Committee on Health and Human Services and the

Fiscal Research Division for consideration during the 2016 Regular Session of the 2015 General Assembly. The statewide proposal shall include at least all of the following:

(1) Details of the statewide plan and identification of the lead agency responsible for assuring the success of the plan.

(2) Justification for continuing, reducing, or eliminating funding for the programs and activities that receive nonrecurring allocations for the 2015-2016 fiscal year.

(3) Recommendations for reallocation of funding from programs and activities that are not evidence-based and that are not producing positive returns on investment consistent with the goals described in subdivision (1) of subsection (b) of this section.

(4) Recommendations for investments in new initiatives that accomplish the goals described in subdivision (1) of subsection (b) of this section.

SECTION #.(e) Establishment of Competitive Grants Process for Local Health Departments. – It is the intent of the General Assembly that, beginning fiscal year 2016-2017, the Department of Health and Human Services implement a competitive grants process for local health departments based on a county's current health status and the county's detailed proposal to invest in evidence-based programs to achieve the goals described in subdivision (1) of subsection (b) of this section. To that end, the Department shall develop a plan that establishes a competitive grants process to be administered by the Division of Central Management and Support. The Department shall develop a plan that, at a minimum, includes each of the following components:

(1) A request for application (RFA) process to allow local health departments to apply for and receive State funds on a competitive basis.

(2) A requirement that the Secretary prioritize grant awards to those local health departments that are able to leverage non-State funds in addition to the grant award.

(3) A process that awards grants to local health departments dedicated to providing services on a countywide basis and that supports the goals described in subdivision (1) of subsection (b) of this section.

(4) Ensures that funds received by the Department to implement the plan supplement and do not supplant existing funds for health and wellness programs and initiatives.

SECTION #.(f) Funds for Competitive Grants Process. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Public Health, the sum of two million five hundred thousand dollars ($2,500,000) in recurring funds for each year of the 2015-2017 fiscal biennium and the sum of two million five hundred thousand dollars ($2,500,000) in nonrecurring funds for the 2015-2016 fiscal year shall be used to establish the competitive grants process for local health departments described in subsection (e) of this section. The Department shall not use more than five percent (5%) of these funds for administrative purposes.

SECTION #.(g) Evaluation Protocol for Future Program Funding. – The Department shall work with the University of North Carolina Gillings School of Global Public Health (School of Global Public Health) to establish an evaluation protocol for determining program effectiveness and future funding requirements at the local level. By April 1, 2016, the Department, in consultation with the School of Global Public Health, shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the request for application process to allow local health departments to apply for and receive State funds on a competitive basis. The report shall include the counties awarded, the amount of the award, the

types of programs to be funded, and the evaluation process to be used in determining county performance.

Administrative Offices – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

CREATION OF OFFICE OF PROGRAM EVALUATION REPORTING AND ACCOUNTABILITY WITHIN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

SECTION #. Article 3 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-215.52. Department of Health and Human Services; office of program evaluation reporting and accountability.**

The Office of Program Evaluation Reporting and Accountability (OPERA) is hereby established within the Department of Health and Human Services.

"**§ 143B-215.53. Appointment, qualifications and removal of OPERA Director.**

(a) The Secretary of the Health and Human Services shall appoint a Director of OPERA, who shall perform the duties of the position independently. The director shall report directly to the Secretary, and shall not report to any other deputy, division director, or staff member of the Department.

(b) The director must have a minimum of ten years of experience in program evaluation equivalent to the duties of the office, including at least three years of experience at the management level.

(c) The director may only be removed by the Governor effective thirty days after written notification by the Secretary of Health and Human Services to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the State Auditor, and the Director of the Fiscal Research Division of the Legislative Services Office. The notification must itemize the causes and particulars justifying the director's removal.

"**§ 143B-215.54. Duties of the office of program evaluation reporting and accountability.**

The Office of Program Evaluation Reporting and Accountability has the following duties:

(1) To assess the evidentiary basis of all department programs as recommended by the Evidence-Based Policymaking Guide of the PEW-MacArthur Trust initiative.

(2) To identify and evaluate any department program when directed by the General Assembly, the Secretary, or as deemed necessary by the director.

(3) To develop an Internet Web site containing an inventory of departmental programs consisting of the program name and a link to a program profile. For each program, the profile must contain at a minimum all of the following:

a. Legal authority for the program.

b. Program performance for the past five fiscal years and year to date for the current fiscal year.

1. Outcome. – The verifiable quantitative effects or results attributable to the program compared to a performance standard.

2. Output. – The verifiable number of units of services or activities compared to standard.
3. Efficiency. – The verifiable total direct and indirect cost per output and per outcome compared to standard.
4. Performance standard. – A quantitative indicator based upon best practices, generally recognized standards, or comparisons with relevant programs in other states or regions for gauging achievement of efficiency, output, and outcomes.
5. Benchmarks. – A broad societal indicator used for gauging ultimate outcomes of the program, such as U.S. Census data.

c. Funding by source for the current and previous five fiscal years.
d. Listing of filled and vacant employee positions as specified by the Office of State Budget and Management.
e. Listing of contracts during the previous fiscal year and to date of the current fiscal year with individuals and firms and the actual and authorized cost, funding source, and purposes of those contracts.
f. Categorization by evidence of effectiveness as determined by the office.
g. Potential return on investment of each program.
h. Findings and recommendations from internal and external State or federal audits, office program assessments, and program evaluations.

(4) To assure that the office Internet Web site allows users to list all of the following:

a. Programs that exceeded met or did not meet performance standards for efficiency, outputs, and outcomes for the immediate preceding fiscal year.
b. Programs by category of evidence of effectiveness.
c. Programs by potential return on investment.
d. Programs listed in a manner determined useful by the office.

(5) To cooperate with and respond promptly to requests for program level data and information from the Office of State Budget and Management, the Fiscal Research and Program Evaluation Divisions of the Legislative Services Office, and the State Auditor.

"**§ 143B-216.55. Powers of the office of program evaluation reporting and accountability.**

The Office of Program Evaluation Reporting and Accountability is authorized to do all of the following:

(1) Have unfettered access to any data or record maintained by the department and to assure its confidentiality when required by State or federal law.
(2) Interview any department employee or independent contractor without others present.
(3) Conduct announced or unannounced inspections of departmental owned or leased facilities."

Administrative Offices – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

HEALTH INFORMATION TECHNOLOGY

SECTION #.(a) The Department of Health and Human Services, in cooperation with the State Chief Information Officer, shall coordinate health information technology (HIT) policies and programs within the State of North Carolina. The Department's goal in coordinating State HIT policy and programs shall be to avoid duplication of efforts and to ensure that each State agency, public entity, and private entity that undertakes health information technology activities does so within the area of its greatest expertise and technical capability and in a manner that supports coordinated State and national goals, which shall include at least all of the following:

(1) Ensuring that patient health information is secure and protected, in accordance with applicable law.

(2) Improving health care quality, reducing medical errors, reducing health disparities, and advancing the delivery of patient-centered medical care.

(3) Providing appropriate information to guide medical decisions at the time and place of care.

(4) Ensuring meaningful public input into HIT infrastructure development.

(5) Improving the coordination of information among hospitals, laboratories, physicians' offices, and other entities through an effective infrastructure for the secure and authorized exchange of health care information.

(6) Improving public health services and facilitating early identification and rapid response to public health threats and emergencies, including bioterrorist events and infectious disease outbreaks.

(7) Facilitating health and clinical research.

(8) Promoting early detection, prevention, and management of chronic diseases.

SECTION #.(b) The Department of Health and Human Services shall establish and direct an HIT management structure that is efficient and transparent and that is compatible with the Office of the National Health Coordinator for Information Technology (National Coordinator) governance mechanism. The HIT management structure shall be responsible for all of the following:

(1) Developing a State plan for implementing and ensuring compliance with national HIT standards and for the most efficient, effective, and widespread adoption of HIT.

(2) Ensuring that (i) specific populations are effectively integrated into the State plan, including aging populations, populations requiring mental health services, and populations utilizing the public health system, and (ii) unserved and underserved populations receive priority consideration for HIT support.

(3) Identifying all HIT stakeholders and soliciting feedback and participation from each stakeholder in the development of the State plan.

(4) Ensuring that existing HIT capabilities are considered and incorporated into the State plan.

(5) Identifying and eliminating conflicting HIT efforts where necessary.

(6) Identifying available resources for the implementation, operation, and maintenance of health information technology, including identifying resources and available opportunities for North Carolina institutions of higher education.

(7) Ensuring that potential State plan participants are aware of HIT policies and programs and the opportunity for improved health information technology.

(8) Monitoring HIT efforts and initiatives in other states and replicating successful efforts and initiatives in North Carolina.

(9) Monitoring the development of the National Coordinator's strategic plan and ensuring that all stakeholders are aware of and in compliance with its requirements.

(10) Monitoring the progress and recommendations of the HIT Policy and Standards Committee and ensuring that all stakeholders remain informed of the Committee's recommendations.

(11) Monitoring all studies and reports provided to the United States Congress and reporting to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the impact of report recommendations on State efforts to implement coordinated HIT.

SECTION #.(c) By no later than January 15, 2016, the Department of Health and Human Services shall provide a written report on the status of HIT efforts to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The report shall be comprehensive and shall include all of the following:

(1) Current status of federal HIT initiatives.

(2) Current status of State HIT efforts and initiatives among both public and private entities.

(3) Other State information technology initiatives with potential applicability to State HIT efforts.

(4) Efforts to ensure coordination and avoid duplication of HIT efforts within the State.

(5) A breakdown of current public and private funding sources and dollar amounts for State HIT initiatives.

(6) Department efforts to coordinate HIT initiatives within the State and any obstacles or impediments to coordination.

(7) HIT research efforts being conducted within the State and sources of funding for research efforts.

(8) Opportunities for stakeholders to participate in HIT funding and other efforts and initiatives during the next quarter.

(9) Issues associated with the implementation of HIT in North Carolina and recommended solutions to these issues.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-HHSADMN-H5**

Administrative Offices – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

TRANSFER OF OVERSIGHT AND ADMINISTRATION OF STATEWIDE HEALTH INFORMATION EXCHANGE NETWORK

SECTION #. Of the funds appropriated to the Department of Health and Human Services, Division of Central Management and Support, the sum of three million one hundred sixty thousand six hundred eleven dollars ($3,160,611) in fiscal year 2015-2016 and the sum of three million one hundred sixty thousand six hundred eleven dollars ($3,160,611) in fiscal year 2016-2017 shall be used by the Department to effect the transfer of the Orion Master Development Service Agreement and any other underlying contracts or agreements associated with the functionality of the HIE Network, as defined in G.S. 90-413.3, from the North Carolina Health Information Exchange (NC HIE), as defined in G.S. 90-413.3, to the Department of Health and Human Services, in the event of the dissolution of the NC HIE. The Department shall ensure that any transfer agreement contains a clause that obligates the NC HIE, prior to dissolution, to fully cooperate with the Department in all efforts related to the transfer, including providing the Department with access to any requested financial information pertaining to the HIE Network. The Department shall not use these funds for purposes other than the purposes described in this section.

Administrative Offices – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

FUNDS FOR NCTRACKS, THE REPLACEMENT MULTIPAYER MEDICAID MANAGEMENT INFORMATION SYSTEM

SECTION #. Funds appropriated in this act in the amount of two million seven hundred thousand dollars ($2,700,000) for the 2015-2016 fiscal year and in the amount of one million three hundred forty thousand dollars ($1,340,000) for the 2016-2017 fiscal year shall be used to match federal funds for NCTRACKS, the replacement multipayer Medicaid Management Information System. In the event these funds are insufficient, the Department may, with prior approval from the Office of State Budget and Management (OSBM), utilize overrealized receipts and funds appropriated to the Department to achieve the level of funding specified in this section for NCTRACKS. The Department shall report to the Joint Legislative Oversight Committees on Health and Human Services and Information Technology and the Fiscal Research Division on the utilization and amounts of any overrealized receipts or other funds used to make up for any shortfall in funding for NCTRACKS.

Administrative Offices – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

FUNDS FOR NORTH CAROLINA FAMILIES ACCESSING SERVICES THROUGH TECHNOLOGY (NC FAST)

SECTION #. Funds appropriated in this act in the amount of five million eight hundred three thousand dollars ($5,803,000) for the 2015-2016 fiscal year and thirteen million fifty-two thousand dollars ($13,052,000) for the 2016-2017 fiscal year along with prior year earned revenue in the amount of nine million four hundred thousand dollars ($9,400,000) and the cash balance in Budget Code 24410 Fund 2411 for the North Carolina Families Accessing Services through Technology (NC FAST) project shall be used to match federal funds in the 2015-2016 and 2016-2017 fiscal years to expedite the development and implementation of Child Care, Low Income Energy Assistance, Crisis Intervention Programs, Child Services, and NC FAST Federally-Facilitated Marketplace (FFM) Interoperability components of the NC FAST program. The Department shall report any changes in approved federal funding or federal match rates within 30 days after the change to the Joint Legislative Oversight Committees on Health and Human Services and Information Technology and the Fiscal Research Division.

Administrative Offices – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

FUNDING FOR NONPROFIT ORGANIZATIONS COMPETITIVE GRANTS PROCESS

SECTION #.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of ten million three hundred twenty-eight thousand nine hundred eleven dollars ($10,328,911) for each year of the 2015-2017 fiscal biennium and the sum of three million eight hundred fifty-two thousand five hundred dollars ($3,852,500) appropriated in Section # of this act in Social Services Block Grant funds for each year of the 2015-2017 fiscal biennium shall be used to allocate funds for nonprofit organizations.

SECTION #.(b) The Department shall continue administering a competitive grants process for nonprofit funding. The Department shall administer a plan that, at a minimum, includes each of the following:

(1) A request for application (RFA) process to allow nonprofits to apply for and receive State funds on a competitive basis.

(2) A requirement that nonprofits match a minimum of ten percent (10%) of the total amount of the grant award.

(3) 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.

(4) A process that awards grants to nonprofits that have the capacity to provide services on a statewide basis and that support any of the following State health and wellness initiatives:

a. A program targeting advocacy, support, education, or residential services for persons diagnosed with autism.

b. A system of residential supports for those afflicted with substance abuse addiction.

c. A program of advocacy and supports for individuals with intellectual and developmental disabilities or severe and persistent mental illness, substance abusers, or the elderly.

d. Supports and services to children and adults with developmental disabilities or mental health diagnoses.

e. A food distribution system for needy individuals.

f. The provision and coordination of services for the homeless.

g. The provision of services for individuals aging out of foster care.

h. Programs promoting wellness, physical activity, and health education programming for North Carolinians.

i. A program focused on enhancing vision screening through the State's public school system.

j. Provision for the delivery of after-school services for apprenticeships or mentoring at-risk youth.

k. The provision of direct services for amyotrophic lateral sclerosis (ALS) and those diagnosed with the disease. No less than four hundred thousand dollars ($400,000) shall be awarded for a program meeting the requirements of this sub-subdivision.

l. A comprehensive smoking prevention and cessation program that screens and treats tobacco use in pregnant women and postpartum mothers.

m. A program providing long-term residential substance abuse services. For purposes of this sub-subdivision, "long-term" means a minimum of 12 months.

(5) Ensures that funds received by the Department to implement the plan supplement and do not supplant existing funds for health and wellness programs and initiatives.

(6) A requirement that grants be awarded to nonprofits for two years.

SECTION #.(c) No later than December 1 of each fiscal year, each nonprofit organization receiving funding pursuant to subsection (b) of this section shall submit to the Division of Central Management and Support a written report of all activities funded by State appropriations. The report 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, matching expenditures, and funding sources.

SECTION #.(d) No later than July 1, 2015, and every two years thereafter, the Secretary shall announce the recipients of the competitive grant awards and allocate funds to the grant recipients for the respective two-year period pursuant to the amounts designated under subsection (a) of this section. After awards have been granted, the Secretary shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the grant awards that includes at least all of the following:

(1) The identity and a brief description of each grantee and each program or initiative offered by the grantee.

(2) The amount of funding awarded to each grantee.

(3) The number of persons served by each grantee, broken down by program or initiative.

SECTION #.(e) For the 2015-2017 fiscal biennium only, from the sum of ten million three hundred twenty-eight thousand nine hundred eleven dollars ($10,328,911) referred to in subsection (a) of this section, the Department shall allocate the sum of one million three hundred thousand dollars ($1,300,000) in each year of the 2015-2017 fiscal biennium to Triangle Residential Options for Substance Abusers, Inc., (TROSA) for the purpose of assisting individuals with substance abuse addiction. TROSA shall be required to seek future funding through the competitive grants process in accordance with subsection (b) of this section.

Office of Rural Health and Community Care
House Appropriations, Health and Human Services

Requested by: Representative

COMMUNITY HEALTH GRANT PROGRAM CHANGES

SECTION #. The Department of Health and Human Services, Office of Rural Health and Community Care, shall repurpose two million two hundred fifty thousand dollars ($2,250,000) in Health Net appropriations to the Community Health Grant Program. The new appropriation for this program is seven million six hundred eighty-seven thousand one hundred sixty-nine dollars ($7,687,169) in recurring funds. To ensure continuity of care, safety-net agencies receiving Health Net funds at the end of the 2014-2015 fiscal year shall be eligible to apply for and receive Community Health Grant funds at their current level of funding for the 2015-2016 and 2016-2017 fiscal years. After the 2016-2017 fiscal year, these agencies must submit an application for funding through the competitive Community Health Grant process. The Community Health Grant Program is available to rural health centers, free clinics, public health departments, school-based health centers, federally qualified health centers, and other nonprofit organizations that provide primary care and preventive health services to low-income populations, including uninsured, underinsured, Medicaid, and Medicare residents across the State.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-ORHCC-H2-P**

Office of Rural Health and Community Care
House Appropriations, Health and Human Services

Requested by: Representative

RURAL HEALTH LOAN REPAYMENT PROGRAMS

SECTION #.(a) The Department of Health and Human Services, Office of Rural Health and Community Care, shall use funds appropriated in this act for loan repayment to medical, dental, and psychiatric providers practicing in State hospitals or in rural or medically underserved communities in this State to combine the following loan repayment programs in order to achieve efficient and effective management of these programs:

(1) The Physician Loan Repayment Program.
(2) The Psychiatric Loan Repayment Program.
(3) The Loan Repayment Initiative at State Facilities.

SECTION #.(b) These funds may be used for the following additional purposes:

(1) Continued funding of the State Loan Repayment Program for primary care providers and expansion of State incentives to general surgeons practicing in Critical Access Hospitals (CAHs) located across the State.
(2) Expansion of the State Loan Repayment Program to include eligible providers residing in North Carolina who use telemedicine in rural and underserved areas.

Requested by: **Representative**

NC PRE-K PROGRAM/STANDARDS FOR FOUR- AND FIVE-STAR RATED FACILITIES

SECTION #.(a) Eligibility. – The Department of Health and Human Services, Division of Child Development and Early Education, shall continue implementing the prekindergarten program (NC Pre-K). The NC Pre-K program shall serve children who are four years of age on or before August 31 of the program year. In determining eligibility, the Division shall establish income eligibility requirements for the program not to exceed seventy-five percent (75%) of the State median income. Up to twenty percent (20%) of children enrolled may have family incomes in excess of seventy-five percent (75%) of median income if those children have other designated risk factors. Furthermore, any age-eligible child who is a child of either of the following shall be eligible for the program: (i) an active duty member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was ordered to active duty by the proper authority within the last 18 months or is expected to be ordered within the next 18 months or (ii) a member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was injured or killed while serving on active duty. Eligibility determinations for prekindergarten participants may continue through local education agencies and local North Carolina Partnership for Children, Inc., partnerships.

Other than developmental disabilities or other chronic health issues, the Division shall not consider the health of a child as a factor in determining eligibility for participation in the NC Pre-K program.

SECTION #.(b) Multiyear Contracts. – The Division of Child Development and Early Education shall require the NC Pre-K contractor to issue multiyear contracts for licensed private child care centers providing NC Pre-K classrooms.

SECTION #.(c) Programmatic Standards. – All entities operating prekindergarten classrooms shall adhere to all of the policies prescribed by the Division of Child Development and Early Education regarding programmatic standards and classroom requirements.

SECTION #.(d) NC Pre-K Committees. – Local NC Pre-K committees shall use the standard decision-making process developed by the Division of Child Development and Early Education in awarding prekindergarten classroom slots and student selection.

SECTION #.(e) Reporting. – The Division of Child Development and Early Education shall submit an annual report no later than March 15 of each year to the Joint Legislative Oversight Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division. The report shall include the following:

(1) The number of children participating in the NC Pre-K program by county.

(2) The number of children participating in the NC Pre-K program who have never been served in other early education programs such as child care,

public or private preschool, Head Start, Early Head Start, or early intervention programs.

(3) The expected NC Pre-K expenditures for the programs and the source of the local contributions.

(4) The results of an annual evaluation of the NC Pre-K program.

SECTION #.(f) Audits. – The administration of the NC Pre-K program by local partnerships shall be subject to the financial and compliance audits authorized under G.S. 143B-168.14(b).

Division of Child Development & Early Education - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

CHILD CARE SUBSIDY RATES

SECTION #.(a) The maximum gross annual income for initial eligibility, adjusted biennially, for subsidized child care services shall be determined based on a percentage of the federal poverty level as follows:

AGE	INCOME PERCENTAGE LEVEL
0-5	200%
6-12	133%

The eligibility for any child with special needs, including a child who is 13 years of age or older, shall be two hundred percent (200%) of the federal poverty level.

SECTION #.(b) Effective July 1, 2015, the Department of Health and Human Services, Division of Child Development and Early Education, shall revise its child care subsidy policy to exclude from the policy's definition of "income unit" a nonparent relative caretaker, and the caretaker's spouse and child, if applicable, when the parent of the child receiving child care subsidy does not live in the home with the child.

SECTION #.(c) Fees for families who are required to share in the cost of care are established based on ten percent (10%) of gross family income. Co-payments shall be prorated for part-time care based on policies that were in place prior to October 1, 2014.

SECTION #.(d) Payments for the purchase of child care services for low-income children shall be in accordance with the following requirements:

(1) Religious-sponsored child care facilities operating pursuant to G.S. 110-106 and licensed child care centers and homes that meet the minimum licensing standards that are participating in the subsidized child care program shall be paid the one-star county market rate or the rate they charge privately paying parents, whichever is lower, unless prohibited by subsection (g) of this section.

(2) Licensed child care centers and homes with two or more stars shall receive the market rate for that rated license level for that age group or the rate they charge privately paying parents, whichever is lower, unless prohibited by subsection (g) of this section.

(3) Nonlicensed homes shall receive fifty percent (50%) of the county market rate or the rate they charge privately paying parents, whichever is lower.

(4) No payments shall be made for transportation services or registration fees charged by child care facilities.

(5) Payments for subsidized child care services for postsecondary education shall be limited to a maximum of 20 months of enrollment.

(6) The Department of Health and Human Services shall implement necessary rule changes to restructure services, including, but not limited to, targeting benefits to employment.

SECTION #.(e) Provisions of 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 are as follows:

(1) Except as applicable in subdivision (2) of this subsection, payment rates shall be set at the statewide or regional market rate for licensed child care centers and homes.

(2) If it can be demonstrated that the application of the statewide or regional market rate to a county with fewer than 50 children in each age group is lower than the county market rate and would inhibit the ability of the county to purchase child care for low-income children, then the county market rate may be applied.

SECTION #.(f) A market rate shall be calculated for child care centers and homes at each rated license level for each county and for each age group or age category of enrollees and shall be representative of fees charged to parents for each age group of enrollees within the county. The Division of Child Development and Early Education shall also calculate a statewide rate and regional market rate for each rated license level for each age category.

SECTION #.(g) The Division of Child Development and Early Education shall continue implementing policies that improve the quality of child care for subsidized children, including a policy in which child care subsidies are paid, to the extent possible, for child care in the higher-quality centers and homes only. The Division shall define higher-quality, and subsidy funds shall not be paid for one- or two-star-rated facilities. For those counties with an inadequate number of four- and five-star-rated facilities, the Division shall continue a transition period that allows the facilities to continue to receive subsidy funds while the facilities work on the increased star ratings. The Division may allow exemptions in counties where there is an inadequate number of four- and five-star-rated facilities for non-star-rated programs, such as religious programs.

SECTION #.(h) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes and facilities operated pursuant to G.S. 110-106 may participate in the program that provides for the purchase of care in child care facilities for minor children of needy families. Except as authorized by subsection (g) of this section, no separate licensing requirements shall be used to select facilities to participate. In addition, child care facilities shall be required to meet any additional applicable requirements of federal law or regulations. Child care arrangements exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements established by other State law and by the Social Services Commission.

County departments of social services or other local contracting agencies shall not use a provider's failure to comply with requirements in addition to those specified in this subsection as a condition for reducing the provider's subsidized child care rate.

SECTION #.(i) Payment for subsidized child care services provided with Temporary Assistance for Needy Families Block Grant funds shall comply with all regulations and policies issued by the Division of Child Development for the subsidized child care program.

SECTION #.(j) Noncitizen families who reside in this State legally shall be eligible for child care subsidies if all other conditions of eligibility are met. If all other conditions of eligibility are met, noncitizen families who reside in this State illegally shall be eligible for child care subsidies only if at least one of the following conditions is met:

(1) The child for whom a child care subsidy is sought is receiving child protective services or foster care services.

(2) The child for whom a child care subsidy is sought is developmentally delayed or at risk of being developmentally delayed.

(3) The child for whom a child care subsidy is sought is a citizen of the United States.

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

Division of Child Development & Early Education - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

CHILD CARE ALLOCATION FORMULA

SECTION #.(a) The Department of Health and Human Services shall allocate child care subsidy voucher funds to pay the costs of necessary child care for minor children of needy families. The mandatory thirty-percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation under G.S. 143B-168.15(g) shall constitute the base amount for each county's child care subsidy allocation. The Department of Health and Human Services shall use the following method when allocating federal and State child care funds, not including the aggregate mandatory thirty-percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation:

(1) Funds shall be allocated 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 set forth in Section # of this act.

(2) No county's allocation shall be less than ninety percent (90%) of its State fiscal year 2001-2002 initial child care subsidy allocation.

(3) The Department of Health and Human Services shall allocate to counties all State funds appropriated for child care subsidy and shall not withhold funds during the 2015-2016 and 2016-2017 fiscal years.

SECTION #.(b) The Department of Health and Human Services may reallocate unused child care subsidy voucher funds in order to meet the child care needs of low-income families. Any reallocation of funds shall be based upon the expenditures of all child care subsidy voucher funding, including North Carolina Partnership for Children, Inc., funds within a county.

SECTION #.(c) When implementing the formula under subsection (a) of this section, the Department of Health and Human Services, Division of Child Development and Early Education, shall include the market rate increase in the formula process, rather than calculating the increases outside of the formula process. Additionally, the Department shall do the following:

(1) For fiscal year 2015-2016, (i) continue implementing one-third of the change in a county's allocation based on the new Census data; (ii) implement an additional one-third of the change in a county's allocation beginning fiscal year 2016-2017; and (iii) the final one-third change in a county's allocation beginning fiscal year 2018-2019. However, the following applies regarding increases to a county's allocation:

a. For the 2015-2016 fiscal year allocations, a county that did not have a child care subsidy waiting list during the 2014-2015 fiscal year shall not receive an increase in its allocation due to the new allocation formula directed in this subdivision.

b. Beginning fiscal year 2015-2016, a county whose spending coefficient is below ninety-five percent (95%) in the previous fiscal year shall not receive an increase in its allocation in the following fiscal year. The Division may waive this requirement and allow an increase if the spending coefficient is below ninety-five percent (95%) due to extraordinary circumstances, such as a State or federal disaster declaration in the affected county. By October 1 of each year, the Division shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division the counties that received a waiver pursuant to this sub-subdivision and the reasons for the waiver.

(2) Effective immediately following the next new Census data release, implement (i) one-third of the change in a county's allocation in the year following the data release; (ii) an additional one-third of the change in a county's allocation beginning two years after the initial change under this subdivision; and (iii) the final one-third change in a county's allocation beginning the following two years thereafter.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DCDEE-H4-P**

Division of Child Development & Early Education - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

CHILD CARE FUNDS MATCHING REQUIREMENTS

SECTION #. No local matching funds may be required by the Department of Health and Human Services as a condition of any locality's receiving its initial allocation of child care funds appropriated by this act unless federal law requires a match. If the Department reallocates additional funds above twenty-five thousand dollars ($25,000) to local purchasing agencies beyond their initial allocation, local purchasing agencies must provide a twenty percent (20%) local match to receive the reallocated funds. Matching requirements shall not apply when funds are allocated because of a disaster as defined in G.S. 166A-19.3(6).

Division of Child Development & Early Education - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

CHILD CARE REVOLVING LOAN

SECTION #. Notwithstanding any law to the contrary, funds budgeted for the Child Care Revolving Loan Fund may be transferred to and invested by the financial institution contracted to operate the Fund. The principal and any income to the Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral for borrowers, pay the contractor's cost of operating the Fund, or pay the Department's cost of administering the program.

Division of Child Development & Early Education - DHHS
House Appropriations, Health and Human Services

Requested by: **Representative**

ADMINISTRATIVE ALLOWANCE FOR COUNTY DEPARTMENTS OF SOCIAL SERVICES/USE OF SUBSIDY FUNDS FOR FRAUD DETECTION

SECTION #.(a) The Department of Health and Human Services, Division of Child Development and Early Education, shall fund the allowance that county departments of social services may use for administrative costs at four percent (4%) of the county's total child care subsidy funds allocated in the Child Care and Development Fund Block Grant plan or eighty thousand dollars ($80,000), whichever is greater.

SECTION #.(b) Each county department of social services may use up to two percent (2%) of child care subsidy funds allocated to the county for fraud detection and investigation initiatives.

SECTION #.(c) The Division of Child Development and Early Education may adjust the allocations in the Child Care and Development Fund Block Grant under Section #(a) of this act according to (i) the final allocations for local departments of social services under subsection (a) of this section and (ii) the funds allocated for fraud detection and investigation initiatives under subsection (b) of this section. The Division shall submit a report on the final adjustments to the allocations of the four percent (4%) administrative costs to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than September 30 of each year.

Division of Child Development & Early Education - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES ENHANCEMENTS

SECTION #.(a) Policies. – The North Carolina Partnership for Children, Inc., and its Board shall ensure policies focus on the North Carolina Partnership for Children, Inc.'s mission of improving child care quality in North Carolina for children from birth to five years of age. North Carolina Partnership for Children, Inc.-funded activities shall include assisting child care facilities with (i) improving quality, including helping one-, two-, and three-star-rated facilities increase their star ratings and (ii) implementing prekindergarten programs. State funding for local partnerships shall also be used for evidence-based or evidence-informed programs for children from birth to five years of age that do the following:

(1) Increase children's literacy.
(2) Increase the parents' ability to raise healthy, successful children.
(3) Improve children's health.
(4) Assist four- and five-star-rated facilities in improving and maintaining quality.

SECTION #.(b) Administration. – Administrative costs shall be equivalent to, on an average statewide basis for all local partnerships, not more than eight percent (8%) of the total statewide allocation to all local partnerships. For purposes of this subsection, administrative costs shall include costs associated with partnership oversight, business and financial management, general accounting, human resources, budgeting, purchasing, contracting, and information systems management. The North Carolina Partnership for Children, Inc., shall continue using a single statewide contract management system that incorporates features of the required standard fiscal accountability plan described in G.S. 143B-168.12(a)(4). All local partnerships are required to participate in the contract management system and, directed by the North Carolina Partnership for Children, Inc., to collaborate, to the fullest extent possible, with other local partnerships to increase efficiency and effectiveness.

SECTION #.(c) Salaries. – The salary schedule developed and implemented by the North Carolina Partnership for Children, Inc., 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. 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.
(3) The amount of total funds administered.
(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 #.(d) Match Requirements. – 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 2015-2017 biennium. Of the funds the North Carolina Partnership for Children, Inc., and the local partnerships are required to match, contributions of cash shall be equal to at least eleven percent (11%), and in-kind donated resources shall be equal to no more than four percent (4%) for a total match requirement of fifteen percent (15%) for the 2015-2017 fiscal biennium. 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 fair market value of those services. All other volunteer service hours shall be valued at the statewide average wage rate as calculated from data compiled by the Employment Security Commission in the Employment and Wages in North Carolina Annual Report for the most recent period for which data are available. Expenses, including both those paid by cash and in-kind contributions, incurred by other participating non-State entities contracting with the North Carolina Partnership for Children, Inc., or the local partnerships, also may be considered resources available to meet the required private match. In order to qualify to meet the required private match, the expenses shall:

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

Failure to obtain a fifteen-percent (15%) match by June 30 of the 2015-2016 and 2016-2017 fiscal years shall result in a dollar-for-dollar reduction in the appropriation for the Program for a subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report that is submitted to the Joint Legislative Oversight Committee on Health and Human Services in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

SECTION #.(e) Bidding. – The North Carolina Partnership for Children, Inc., and all local partnerships shall use competitive bidding practices in contracting for goods and services on contract amounts as follows:

(1) For amounts of five thousand dollars ($5,000) or less, the procedures specified by a written policy as developed by the Board of Directors of the North Carolina Partnership for Children, Inc.

(2) For amounts greater than five thousand dollars ($5,000), but less than fifteen thousand dollars ($15,000), three written quotes.

(3) For amounts of fifteen thousand dollars ($15,000) or more, but less than forty thousand dollars ($40,000), a request for proposal process.

(4) For amounts of forty thousand dollars ($40,000) or more, a request for proposal process and advertising in a major newspaper.

SECTION #.(f) Allocations. – The North Carolina Partnership for Children, Inc., shall not reduce the allocation for counties with less than 35,000 in population below the 2012-2013 funding level.

SECTION #.(g) Performance-Based Evaluation. – The Department of Health and Human Services shall continue to implement the performance-based evaluation system.

SECTION #.(h) Expenditure Restrictions. – The Department of Health and Human Services and the North Carolina Partnership for Children, Inc., shall ensure that the allocation of funds for Early Childhood Education and Development Initiatives for the 2015-2017 fiscal biennium shall be administered and distributed in the following manner:

(1) Capital expenditures are prohibited for the 2015-2017 fiscal biennium. For the purposes of this section, "capital expenditures" means expenditures for capital improvements as defined in G.S. 143C-1-1(d)(5).

(2) Expenditures of State funds for advertising and promotional activities are prohibited for the 2015-2017 fiscal biennium.

For the 2015-2017 fiscal biennium, local partnerships shall not spend any State funds on marketing campaigns, advertising, or any associated materials. Local partnerships may spend any private funds the local partnerships receive on those activities.

Division of Child Development & Early Education - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

STATEWIDE EARLY EDUCATION AND FAMILY SUPPORT PROGRAMS

SECTION #.(a) The Joint Legislative Oversight Committee on Health and Human Services shall appoint a subcommittee to study early childhood and family support programs, including the Child Care Subsidy program, NC Prekindergarten program (NC Pre-K), and the Smart Start program. In conducting the study, the subcommittee shall consider the following:

(1) The purpose, outcomes, and effectiveness of each program.

(2) The flexibility needed to ensure the needs of young children in counties across the State are met.

(3) The potential for streamlined administration across the programs.

(4) Any other relevant issues the subcommittee deems appropriate.

SECTION #.(b) The subcommittee may seek input from other states, stakeholders, and national experts on early child and family support programs as it deems necessary.

SECTION #.(c) The subcommittee shall develop a proposal for a statewide plan that addresses how to meet county or regional needs of children by county or region. The subcommittee shall submit a report on the proposed statewide plan to the Joint Legislative Oversight Committee on Health and Human Services on or before April 1, 2016, at which time the subcommittee shall terminate.

Division of Social Services - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

TANF BENEFIT IMPLEMENTATION

SECTION #.(a) The General Assembly approves the plan titled "North Carolina Temporary Assistance for Needy Families State Plan FY 2013-2016," 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, 2013, through September 30, 2016. 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.

SECTION #.(b) The counties approved as Electing Counties in the North Carolina Temporary Assistance for Needy Families State Plan FY 2013-2016, as approved by this section, are Beaufort, Caldwell, Catawba, Lenoir, Lincoln, Macon, and Wilson.

SECTION #.(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 years 2013 through 2016, pursuant to G.S. 108A-27(e), shall operate under the Electing County budget requirements effective July 1, 2015. For programmatic purposes, all counties referred to in this subsection shall remain under their current county designation through September 30, 2016.

SECTION #.(d) For each year of the 2015-2017 fiscal biennium, Electing Counties shall be held harmless to their Work First Family Assistance allocations for the 2014-2015 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 #.(e) In the event that departmental projections of Work First Family Assistance and Work First Diversion Assistance for the 2015-2016 fiscal year or the 2016-2017 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 Oversight Committee on Health and Human Services and the Fiscal Research Division.

Division of Social Services - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

INTENSIVE FAMILY PRESERVATION SERVICES FUNDING AND PERFORMANCE ENHANCEMENTS

SECTION #.(a) Notwithstanding the provisions of G.S. 143B-150.6, the Intensive Family Preservation Services (IFPS) Program shall provide intensive services to children and families in cases of abuse, neglect, and dependency where a child is at imminent risk of removal from the home and to children and families in cases of abuse where a child is not at imminent risk of removal. The Program shall be developed and implemented statewide on a regional basis. The IFPS shall ensure the application of standardized assessment criteria for determining imminent risk and clear criteria for determining out-of-home placement.

SECTION #.(b) The Department of Health and Human Services shall require that any program or entity that receives State, federal, or other funding for the purpose of IFPS shall provide information and data that allows for the following:

(1) An established follow-up system with a minimum of six months of follow-up services.

(2) Detailed information on the specific interventions applied, including utilization indicators and performance measurement.

(3) Cost-benefit data.

(4) Data on long-term benefits associated with IFPS. This data shall be obtained by tracking families through the intervention process.

(5) The number of families remaining intact and the associated interventions while in IFPS and 12 months thereafter.

(6) The number and percentage, by race, of children who received IFPS compared to the ratio of their distribution in the general population involved with Child Protective Services.

SECTION #.(c) The Department shall establish a performance-based funding protocol and shall only provide funding to those programs and entities providing the required information specified in subsection (b) of this section. The amount of funding shall be based on the individual performance of each program.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DSS-H3-P**

Division of Social Services - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

CHILD CARING INSTITUTIONS

SECTION #. Until the Social Services Commission adopts rules setting standardized rates for child caring institutions as authorized under G.S. 143B-153(8), the maximum reimbursement for child caring institutions shall not exceed the rate established for the specific child caring institution by the Department of Health and Human Services, Office of the Controller. In determining the maximum reimbursement, the State shall include county and IV-E reimbursements.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DSS-H4-P

Division of Social Services - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

USE OF FOSTER CARE BUDGET FOR GUARDIANSHIP ASSISTANCE PROGRAM

SECTION #. Of the funds available for the provision of foster care services, the Department of Health and Human Services, Division of Social Services, may provide for the financial support of children who are deemed to be (i) in a permanent family placement setting, (ii) eligible for legal guardianship, and (iii) otherwise unlikely to receive permanency. No additional expenses shall be incurred beyond the funds budgeted for foster care for the Guardianship Assistance Program (GAP). The Guardianship Assistance Program rates shall reimburse the legal guardian for room and board and be set at the same rate as the foster care room and board rates in accordance with rates established under G.S. 108A-49.1. The Social Services Board shall adopt rules establishing a Guardianship Assistance Program to implement this section, including defining the phrase "legal guardian" as used in this section.

Division of Social Services - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

CHILD WELFARE POSTSECONDARY SUPPORT PROGRAM (NC REACH)

SECTION #.(a) Funds appropriated from the General Fund to the Department of Health and Human Services for the child welfare postsecondary support program shall be used to continue providing assistance with the "cost of attendance" as that term is defined in 20 U.S.C. § 108711 for the educational needs of foster youth aging out of the foster care system and special needs children adopted from foster care after age 12. These funds shall be allocated by the State Education Assistance Authority.

SECTION #.(b) Of the funds appropriated from the General Fund to the Department of Health and Human Services, the sum of fifty thousand dollars ($50,000) for the 2015-2016 fiscal year and the sum of fifty thousand dollars ($50,000) for the 2016-2017 fiscal year shall be allocated to the North Carolina State Education Assistance Authority (SEAA). The SEAA shall use these funds only to perform administrative functions necessary to manage and distribute scholarship funds under the child welfare postsecondary support program.

SECTION #.(c) Of the funds appropriated from the General Fund to the Department of Health and Human Services, the sum of three hundred thirty-nine thousand four hundred ninety-three dollars ($339,493) for the 2015-2016 fiscal year and the sum of three hundred thirty-nine thousand four hundred ninety-three dollars ($339,493) for the 2016-2017 fiscal year shall be used to contract with an entity to administer the child welfare postsecondary support program described under subsection (a) of this section, which administration shall include the performance of case management services.

SECTION #.(d) Funds appropriated to the Department of Health and Human Services for the child welfare postsecondary support program shall be used only for students attending public institutions of higher education in this State.

DRAFT
SPECIAL PROVISION

2015-DSS-H6-P

Division of Social Services - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

SUCCESSFUL TRANSITION/FOSTER CARE YOUTH

SECTION #.(a) It is the intent of the General Assembly to fund and support transitional living services that demonstrate positive outcomes for youth, attract significant private sector funding, and will lead to the development of evidence-based programs to serve the at-risk population described in this section.

SECTION #.(b) To that end, there is created the Foster Care Transitional Living Initiative Fund that will support a demonstration project with services provided by Youth Villages to (i) improve outcomes for youth ages 17-21 years who transition from foster care through implementation of outcome-based Transitional Living Services, (ii) identify cost-savings in social services and juvenile and adult correction services associated with the provision of Transitional Living Services to youth aging out of foster care, and (iii) take necessary steps to establish an evidence-based transitional living program available to all youth aging out of foster care. In implementing these goals, the Foster Care Transitional Living Initiative Fund shall support the following strategies:

(1) Transitional Living Services, which is an outcome-based program that follows the Youth Villages Transitional Living Model. Outcomes on more than 7,000 participants have been tracked since the program's inception. The program has been evaluated through an independent Randomized Controlled Trial. Results indicate that Youth Villages Transitional Living Model had positive impacts in a variety of areas, including housing stability, earnings, economic hardship, mental health, and intimate partner violence in comparison to the control population.

(2) Public-Private Partnership, which is a commitment by private-sector funding partners to match one hundred percent (100%) of the funds appropriated to the Foster Care Transitional Living Initiative Fund for the 2015-2017 fiscal biennium for the purposes of providing Transitional Living Services through the Youth Villages Transitional Living Model to youth aging out of foster care.

(3) Impact Measurement and Evaluation, which are services funded through private partners to provide independent measurement and evaluation of the impact the Youth Villages Transitional Living Model has on the youth served, the foster care system, and on other programs and services provided by the State which are utilized by former foster care youth.

(4) Advancement of Evidence-Based Process, which is the implementation and ongoing evaluation of the Youth Villages Transitional Living Model for the purposes of establishing the first evidence-based transitional living program in the nation. To establish the evidence-based program, additional randomized controlled trials may be conducted to advance the model.

SECTION #.(c) G.S. 131D-10.9A reads as rewritten:

"**§ 131D-10.9A. Permanency Innovation Initiative Oversight Committee created.**

(a) Creation and Membership. – The Permanency Innovation Initiative Oversight Committee is established. The Committee shall be located administratively in the General Assembly. The Committee shall consist of ~~11~~ 12 members serving staggered terms. In making appointments, each appointing authority shall select members who have appropriate experience and knowledge of the issues to be examined by the Committee and shall strive to ensure racial, gender, and geographical diversity among the membership. The initial Committee members shall be appointed on or after July 1, 2013, as follows:

(1) Four members shall be appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives. Of the members appointed under this subdivision, at least one shall be a member of the judiciary who shall serve for a term of two years and at least one shall be a representative from the Children's Home Society of North Carolina who shall serve for a term of three years. One member of the House shall be appointed for a one-year term. The remaining appointee shall serve a one-year term.

(2) Four members shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate. Of the members appointed under this subdivision, at least one shall be a representative from the Department of Health and Human Services, Division of Social Services, who shall serve for a term of two years and at least one shall be a representative from The Duke Endowment who shall serve for a term of three years. One member of the Senate shall be appointed for a one-year term. The remaining appointee shall serve a one-year term.

(3) ~~Three~~ Four members shall be appointed by the Governor. Of the members appointed under this subdivision, at least one shall be a representative from a county department of social services who shall serve for a term of three ~~years and~~ years, at least one shall be a representative from the University of North Carolina at Chapel Hill who shall serve for a term of two ~~years.~~ years, and at least one shall be a representative from Youth Villages who shall serve for a term of two years. The remaining member shall serve a one-year term.

…

(c) Purpose and Powers. – The Committee shall:

(1) Design and implement a data tracking methodology to collect and analyze information to gauge the success of the ~~initiative.~~initiative established under this section as well as an initiative for foster care youth transitioning to adulthood in accordance with Part 3 of this Article.

(2) Develop a methodology to identify short- and long-term cost-savings in the provision of foster care and foster care transitional living services and any potential reinvestment strategies.

(3) Oversee program implementation to ensure fidelity to the program models identified under subdivisions (1) and (2) of ~~G.S. 131D-10.9B(a).~~G.S. 131D-10.9B(a) and under subdivisions (1) through (4) of G.S. 131D-10.9G(a).

(4) Study, review, and recommend other policies and services that may positively impact ~~permanency and well-being outcomes.~~permanency, well-being outcomes, and youth aging out of the foster care system.

…."

DRAFT
SPECIAL PROVISION

2015-DSS-H7-P

Division of Social Services - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

FEDERAL CHILD SUPPORT INCENTIVE PAYMENTS

SECTION #.(a) Centralized Services. – The North Carolina Child Support Services Section (NCCSS) of the Department of Health and Human Services, Division of Social Services, shall retain up to fifteen percent (15%) of the annual federal incentive payments it receives from the federal government to enhance centralized child support services. To accomplish this requirement, NCCSS shall do the following:

(1) In consultation with representatives from county child support services programs, identify how federal incentive funding could improve centralized services.

(2) Use federal incentive funds to improve the effectiveness of the State's centralized child support services by supplementing and not supplanting State expenditures for those services.

(3) Develop and implement rules that explain the State process for calculating and distributing federal incentive funding to county child support services programs.

SECTION #.(b) County Child Support Services Programs. – NCCSS shall allocate no less than eighty-five percent (85%) of the annual federal incentive payments it receives from the federal government to county child support services programs to improve effectiveness and efficiency using the federal performance measures. To that end, NCCSS shall do the following:

(1) In consultation with representatives from county child support services programs, examine the current methodology for distributing federal incentive funding to the county programs and determine whether an alternative formula would be appropriate. NCCSS shall use its current formula for distributing federal incentive funding until an alternative formula is adopted.

(2) Upon adopting an alternative formula, develop a process to phase-in the alternative formula for distributing federal incentive funding over a four-year period.

SECTION #.(c) Reporting by County Child Support Services Programs. - NCCSS shall establish guidelines that identify appropriate uses for federal incentive funding. To ensure those guidelines are properly followed, NCCSS shall require county child support services programs to comply with each of the following:

(1) Submit an annual plan describing how federal incentive funding would improve program effectiveness and efficiency as a condition of receiving federal incentive funding.

(2) Report annually on: (i) how federal incentive funding has improved program effectiveness and efficiency and been reinvested into their programs, (ii) provide documentation that the funds were spent according to their annual plans, and (iii) explain any deviations from their plans.

SECTION #.(d) Plan/Report by NCCSS. – The NCCSS shall develop a plan to implement the requirements of this section. Prior to implementing the plan, NCCSS shall submit a progress report on the plan to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1, 2015.

After implementing the plan, NCCSS shall 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. The report shall describe how federal incentive funds enhanced centralized child support services to benefit county child support services programs and improved the effectiveness and efficiency of county child support services programs. The report shall further include any changes to the State process the NCCSS used in calculating and distributing federal incentive funding to county child support services programs and any recommendations for further changes.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DSS-H8-P

Division of Social Services - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

CHILD PROTECTIVE SERVICES IMPROVEMENT INITIATIVE/REVISE STATEWIDE EVALUATION REPORT DATE

SECTION #. The Department of Health and Human Services, Division of Social Services, shall report on the findings and recommendations from the comprehensive, statewide evaluation of the State's child protective services system required by Section 12C.1(f) of S.L. 2014-100 to the Joint Legislative Oversight Committee on Health and Human Services on or before March 1, 2016.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DAAS-H1-P**

Division of Aging and Adult Services – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

STATE-COUNTY SPECIAL ASSISTANCE RATES

SECTION #.(a) For each year of the 2015-2017 fiscal biennium, the maximum monthly rate for residents in adult care home facilities shall be one thousand one hundred eighty-two dollars ($1,182) per month per resident.

SECTION #.(b) For each year of the 2015-2017 fiscal biennium, the maximum monthly rate for residents in Alzheimer's/Dementia special care units shall be one thousand five hundred fifteen dollars ($1,515) per month per resident.

DRAFT
SPECIAL PROVISION **2015-DPH-H1-P**

Division of Public Health - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

FUNDS FOR SCHOOL NURSES

SECTION #.(a) Funds appropriated in this act for the School Nurse Funding Initiative shall be used to supplement and not supplant other State, local, or federal funds appropriated or allocated for this purpose. Communities shall maintain their current level of effort and funding for school nurses. These funds shall not be used to fund nurses for State agencies. These funds shall be distributed to local health departments according to a formula that includes all of the following:

(1) School nurse-to-student ratio.
(2) Percentage of students eligible for free or reduced-price meals.
(3) Percentage of children in poverty.
(4) Per capita income.
(5) Eligibility as a low-wealth county.
(6) Mortality rates for children between one and 19 years of age.
(7) Percentage of students with chronic illnesses.
(8) Percentage of county population consisting of minority persons.

SECTION #.(b) The Division of Public Health shall ensure that school nurses funded with State funds (i) do not assist in any instructional or administrative duties associated with a school's curriculum and (ii) perform all of the following with respect to school health programs:

(1) Serve as the coordinator of the health services program and provide nursing care.
(2) Provide health education to students, staff, and parents.
(3) Identify health and safety concerns in the school environment and promote a nurturing school environment.
(4) Support healthy food services programs.
(5) Promote healthy physical education, sports policies, and practices.
(6) Provide health counseling, assess mental health needs, provide interventions, and refer students to appropriate school staff or community agencies.
(7) Promote community involvement in assuring a healthy school and serve as school liaison to a health advisory committee.
(8) Provide health education and counseling and promote healthy activities and a healthy environment for school staff.
(9) Be available to assist the county health department during a public health emergency.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DPH-H2-P**

Division of Public Health - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

AIDS DRUG ASSISTANCE PROGRAM (ADAP)

SECTION #. The Department of Health and Human Services shall work with the Department of Public Safety (DPS) to use DPS funds to purchase pharmaceuticals for the treatment of individuals in the custody of DPS who have been diagnosed with Human Immunodeficiency Virus or Acquired Immune Deficiency Syndrome (HIV/AIDS) in a manner that allows these funds to be accounted for as State matching funds in the Department of Health and Human Services drawdown of federal Ryan White funds earmarked for the AIDS Drug Assistance Program (ADAP).

Division of Public Health - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

COMMUNITY-FOCUSED ELIMINATING HEALTH DISPARITIES INITIATIVE

SECTION #.(a) Funds appropriated in this act to the Department of Health and Human Services, Division of Public Health, for the Community-Focused Eliminating Health Disparities Initiative (CFEHDI) shall be used to provide a maximum of 12 grants-in-aid to close the gap in the health status of African-Americans, Hispanics/Latinos, and American Indians as compared to the health status of white persons. These grants-in-aid shall focus on the use of measures to eliminate or reduce health disparities among minority populations in this State with respect to heart disease, stroke, diabetes, obesity, asthma, HIV/AIDS, and cancer. The Office of Minority Health shall coordinate and implement the grants-in-aid program authorized by this section.

SECTION #.(b) In implementing the grants-in-aid program authorized by subsection (a) of this section, the Department shall ensure all of the following:

(1) The amount of any grant-in-aid is limited to three hundred thousand dollars ($300,000).

(2) Only community-based organizations, faith-based organizations, local health departments, hospitals, and CCNC networks located in urban and rural areas of the western, eastern, and Piedmont areas of this State are eligible to apply for these grants-in-aid. No more than four grants-in-aid shall be awarded to applicants located in any one of the three areas specified in this subdivision.

(3) Each eligible applicant shall be required to demonstrate substantial participation and involvement with all other categories of eligible applicants in order to ensure an evidence-based medical home model that will affect change in health and geographic disparities.

(4) Eligible applicants shall select one or more of the following chronic illnesses or conditions specific to the applicant's geographic area as the basis for applying for a grant-in-aid under this section to affect change in the health status of African-Americans, Hispanics/Latinos, or American Indians:
   a. Heart Disease.
   b. Stroke.
   c. Diabetes.
   d. Obesity.
   e. Asthma.
   f. HIV/AIDS.
   g. Cancer.

(5) The minimum duration of the grant period for any grant-in-aid is two years.

(6) The maximum duration of the grant period for any grant-in-aid is three years.

(7) If approved for a grant-in-aid, the grantee (i) shall not use more than eight percent (8%) of the grant funds for overhead costs and (ii) shall be required

at the end of the grant period to demonstrate significant gains in addressing one or more of the health disparity focus areas identified in subsection (a) of this section.

(8) An independent panel with expertise in the delivery of services to minority populations, health disparities, chronic illnesses and conditions, and HIV/AIDS shall conduct the review of applications for grants-in-aid. The Department shall establish the independent panel required by this section.

SECTION #.(c) The grants-in-aid awarded under this section shall be awarded in honor of the memory of the following deceased members of the General Assembly: Bernard Allen, Pete Cunningham, John Hall, Robert Holloman, Howard Hunter, Ed Jones, Jeanne Lucas, Vernon Malone, William Martin, and William Wainwright. These funds shall be used for concerted efforts to address large gaps in health status among North Carolinians who are African-American, as well as disparities among other minority populations in North Carolina.

SECTION #.(d) By October 1, 2017, the Department shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on funds appropriated to the CFEHDI for the 2015-2017 fiscal biennium. The report shall include specific activities undertaken by grantees pursuant to subsection (a) of this section to address large gaps in health status among North Carolinians who are African-American and other minority populations in this State and shall also address all of the following:

(1) Which community-based organizations, faith-based organizations, local health departments, hospitals, and CCNC networks received CFEHDI grants-in-aid.

(2) The amount of funding awarded to each grantee.

(3) Which of the minority populations were served by each grantee.

(4) Which community-based organizations, faith-based organizations, local health departments, hospitals, and CCNC networks were involved in fulfilling the goals and activities of each grant-in-aid awarded under this section and what activities were planned and implemented by the grantee to fulfill the community focus of the CFEHDI program.

(5) How the activities implemented by the grantee fulfilled the goal of reducing health disparities among minority populations and the specific success in reducing particular incidences.

Division of Public Health - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

MANDATORY MEDICAL EXAMINER TRAINING AND REVOCATION OF APPOINTMENT FOR CAUSE

SECTION #.(a) G.S. 130A-382 reads as rewritten:

"**§ 130A-382. County medical examiners; appointment; term of office; ~~vacancies.~~vacancies; training requirements; revocation for cause.**

(a) The Chief Medical Examiner shall appoint one or more county medical examiners for each county for a three-year term. In appointing medical examiners for each county, the Chief Medical Examiner shall give preference to physicians licensed to practice medicine in this State but may also appoint licensed physician assistants, nurse practitioners, nurses, ~~coroners,~~ or emergency medical technician paramedics. A medical examiner may serve more than one county. The Chief Medical Examiner may take jurisdiction in any case or appoint another medical examiner to do so.

(b) County medical examiners shall complete annual continuing education training as directed by the Office of the Chief Medical Examiner and based upon established and published guidelines for conducting death investigations. The continuing education training shall include training regarding sudden unexplained death in epilepsy. The Office of the Chief Medical Examiner shall annually update and publish these guidelines on its Internet Web site. Newly appointed county medical examiners shall complete mandatory orientation training as directed by the Office of the Chief Medical Examiner within 90 days of their appointment.

(c) The Chief Medical Examiner may revoke a county medical examiner's appointment for failure to adequately perform the duties of the office after providing the county medical examiner with written notice of the basis for the revocation and an opportunity to respond."

SECTION #.(b) This section becomes effective January 1, 2016.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DPH-H7-P**

Division of Public Health - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

INCREASE IN NORTH CAROLINA MEDICAL EXAMINER AUTOPSY FEE

SECTION #.(a) G.S. 130A-389(a) reads as rewritten:

"(a) If, in the opinion of the medical examiner investigating the case or of the Chief Medical Examiner, it is advisable and in the public interest that an autopsy or other study be made; or, if an autopsy or other study is requested by the district attorney of the county or by any superior court judge, an autopsy or other study shall be made by the Chief Medical Examiner or by a competent pathologist designated by the Chief Medical Examiner. A complete autopsy report of findings and interpretations, prepared on forms designated for the purpose, shall be submitted promptly to the Chief Medical Examiner. Subject to the limitations of G.S. 130A-389.1 relating to photographs and video or audio recordings of an autopsy, a copy of the report shall be furnished to any person upon request. A fee for the autopsy or other study shall be paid by the State. However, if the deceased is a resident of the county in which the death or fatal injury occurred, that county shall pay the fee. The fee shall be ~~one thousand two hundred fifty dollars ($1,250).~~one thousand seven hundred fifty dollars ($1,750)."

SECTION #.(b) The Department of Health and Human Services, Division of Public Health, shall study and evaluate (i) the method of autopsy financing and the cost-sharing of this service between the State and counties and (ii) the amount of State appropriations that would be necessary to eliminate the shortfall between the amount of the autopsy fee imposed pursuant to G.S. 130A-389(a) and the actual cost of performing an autopsy. The Department shall report its findings and any recommended changes in State appropriations for, and cost-sharing of, this service to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division for consideration during the 2016 Regular Session of the 2015 General Assembly.

SECTION #.(c) Subsection (a) of this section becomes effective July 1, 2015, and applies to fees imposed for autopsies on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DPH-H8-P**

Division of Public Health - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

INCREASE IN MEDICAL EXAMINER FEES

SECTION #.(a) G.S. 130A-387 reads as rewritten:

"**§ 130A-387. Fees.**

For each investigation and prompt filing of the required report, the medical examiner shall receive a fee paid by the State. However, if the deceased is a resident of the county in which the death or fatal injury occurred, that county shall pay the fee. The fee shall be ~~one hundred dollars ($100.00).~~two hundred dollars ($200.00)."

SECTION #.(b) Subsection (a) of this section becomes effective July 1, 2015, and applies to fees imposed for investigations and reports filed on or after that date.

Requested by: Representative

FUNDS FOR LOCAL INPATIENT PSYCHIATRIC BEDS OR BED DAYS

SECTION #.(a) Use of Funds. – Of the funds appropriated in Section 2.1 of this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for crisis services, the sum of forty-three million forty-nine thousand one hundred forty-four dollars ($43,049,144) for the 2015-2016 fiscal year and the sum of forty-three million forty-nine thousand one hundred forty-four dollars ($43,049,144) for the 2016-2017 fiscal year shall be used to purchase additional local inpatient psychiatric beds or bed days not currently funded by or though LME/MCOs. The Department shall continue to implement 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, as defined by the Department. The enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels shall not exceed the lowest average cost per patient bed day among the State psychiatric hospitals. In addition, at the discretion of the Secretary of Health and Human Services, existing funds allocated to LME/MCOs for community-based mental health, developmental disabilities, and substance abuse services may be used to purchase additional local inpatient psychiatric beds or bed days. Funds designated in this subsection for the purchase of local inpatient psychiatric beds or bed days shall not be used to supplant other funds appropriated or otherwise available to the Department for the purchase of inpatient psychiatric services through contracts with local hospitals.

SECTION #.(b) Distribution and Management of Beds or Bed Days. – The Department shall work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are distributed across the State in LME/MCO catchment areas and according to need as determined by the Department. The Department shall ensure that beds or bed days for individuals with higher acuity levels are distributed across the State in LME catchment areas, including any catchment areas served by managed care organizations, and according to greatest need based on hospital bed utilization data. The Department shall enter into contracts with LME/MCOs and local 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. LME/MCOs shall manage and control these local inpatient psychiatric beds or bed days, including the determination of the specific local hospital or State psychiatric hospital to which an individual should be admitted pursuant to an involuntary commitment order.

SECTION #.(c) Funds to Be Held in Statewide Reserve. – Funds appropriated to the Department for the purchase of local inpatient psychiatric beds or bed days shall not be allocated to LME/MCOs 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 LME/MCOs and billed by the hospitals through the LME/MCOs.

LME/MCOs shall remit claims for payment to the Department within 15 working days after receipt of a clean claim from the hospital and shall pay the hospital within 30 working days after receipt of payment from the Department.

SECTION #.(d) Ineffective LME/MCO Management of Beds or Bed Days. – If the Department determines that (i) an LME/MCO 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/MCO has failed to comply with the prompt payment provisions of subsection (c) of this section, the Department may contract with another LME/MCO to manage the beds or bed days or, notwithstanding any other provision of law to the contrary, may pay the hospital directly.

SECTION #.(e) Reporting by LME/MCOs. – The Department shall establish reporting requirements for LME/MCOs regarding the utilization of these beds or bed days.

SECTION #.(f) Reporting by Department. – By no later than December 1, 2016, and by no later than December 1, 2017, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on all of the following:

(1) A uniform system for beds or bed days purchased during the preceding fiscal year from (i) funds appropriated in this act that are designated for this purpose in subsection (a) of this section, (ii) existing State appropriations, and (iii) local funds.

(2) Other Department initiatives funded by State appropriations to reduce State psychiatric hospital use.

Divisions of MH-DD-SAS and State Operated Healthcare Facilities – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

SINGLE STREAM FUNDING FOR MH/DD/SAS COMMUNITY SERVICES

SECTION #. For the purpose of mitigating cash flow problems that many LME/MCOs experience at the beginning of each fiscal year relative to single stream funding, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall distribute not less than one-twelfth of each LME/MCO's continuation allocation at the beginning of the fiscal year and subtract the amount of that distribution from the LME/MCO's total reimbursements for the fiscal year.

Divisions of MH-DD-SAS and State Operated Healthcare Facilities – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

FUNDS FOR THE NORTH CAROLINA CHILD TREATMENT PROGRAM

SECTION #.(a) Recurring funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2015-2017 fiscal biennium for the North Carolina Child Treatment Program (NC CTP) shall be used for the following purposes:

(1) To continue to provide clinical training and coaching to licensed Medicaid clinicians on an array of evidence-based treatments and to provide a statewide platform to assure accountability and outcomes.

(2) To maintain and manage a public roster of program graduates, linking high-quality clinicians with children, families, and professionals.

(3) To partner with State, LME/MCO, and private sector leadership to bring effective mental health treatment to children in juvenile justice and mental health facilities.

SECTION #.(b) All data, including any entered or stored in the State-funded secure database developed for the NC CTP to track individual-level and aggregate-level data with interface capability to work with existing networks within State agencies, is and remains the sole property of the State.

Divisions of MH-DD-SAS and State Operated Healthcare Facilities – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

FUNDS TO INCREASE CAPACITY FOR BEHAVIORAL HEALTH CRISIS SERVICES

SECTION #.(a) The following definitions apply in this section:

(1) Behavioral health urgent care center. – An outpatient facility that provides walk-in crisis assessment, referral, and treatment by licensed behavioral health professionals with prescriptive authority to individuals with an urgent or emergent need for mental health, intellectual or developmental disabilities, or substance abuse services.

(2) Facility-based crisis center. – A 24-hour residential facility licensed under 10A NCAC 27G .5000 to provide facility-based crisis services as described in 10A NCAC 27G .5001.

(3) Secretary. – The Secretary of the North Carolina Department of Health and Human Services.

SECTION #.(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, for community services for the 2015-2016 fiscal year, the Division shall use two million dollars ($2,000,000) in nonrecurring funds to accomplish the following:

(1) To increase the number of co-located or operationally linked behavioral health urgent care centers and facility-based crisis centers.

(2) To increase the number of facility-based crisis centers designated by the Secretary as facilities for the custody and treatment of involuntary clients pursuant to G.S. 122C-252 and 10A NCAC 26C .0101. The Department shall give priority to areas of the State experiencing a shortage of these types of facilities.

(3) To provide reimbursement for services provided by facility-based crisis centers.

(4) To establish facility-based crisis centers for children and adolescents.

Divisions of MH-DD-SAS and State Operated Healthcare Facilities – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

BEHAVIORAL HEALTH CLINICAL INTEGRATION AND PERFORMANCE MONITORING

SECTION #.(a) The Department of Health and Human Services shall require local management entities, including local management entities that have been approved to operate the 1915(b)/(c) Medicaid Waiver (LME/MCOs), to implement clinical integration activities with Community Care of North Carolina (CCNC) through Total Care, a collaborative initiative designed to improve and minimize the cost of care for patients who suffer from comorbid mental health or substance abuse and primary care or other chronic conditions.

SECTION #.(b) The Department shall ensure that all LME/MCOs continue to submit claims data, including to the extent practical, retrospective claims data and integrated payment and reporting system (IPRS) data, to the CCNC Informatics Center and to the Medicaid Management Information System. Upon receipt of this claims data, CCNC shall provide access to clinical data and care management information within the CCNC Informatics Center to LME/MCOs and authorized behavioral health providers to support (i) treatment, quality assessment, and improvement activities or (ii) coordination of appropriate and effective patient care, treatment, or habilitation.

SECTION #.(c) The Department, in consultation with CCNC and the LME/MCOs, shall develop quality and performance statistics on the status of mental health, developmental disabilities, and substance abuse services, including, but not limited to, variations in total cost of care, clinical outcomes, and access to and utilization of services.

SECTION #.(d) The Department shall, within available appropriations and as deemed necessary by the Department, expand or alter existing contracts by mutual agreement of all parties to the contract in order to implement the provisions of this section.

SECTION #.(e) By no later than March 1, 2016, and semiannually thereafter, the Department shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the progress, outcomes, and savings associated with the implementation of clinical integration activities with CCNC pursuant to this section.

Divisions of MH-DD-SAS and State Operated Healthcare Facilities – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

TRAUMATIC BRAIN INJURY FUNDING

SECTION #. 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, for the 2015-2016 fiscal year, the sum of two million three hundred seventy-three thousand eighty-six dollars ($2,373,086) shall be used exclusively to support traumatic brain injury (TBI) services as follows:

(1) The sum of three hundred fifty-nine thousand two hundred eighteen dollars ($359,218) shall be used to fund contracts with the Brain Injury Association of North Carolina, Carolinas Rehabilitation, or other appropriate service providers.

(2) The sum of seven hundred ninety-six thousand nine hundred thirty-four dollars ($796,934) shall be used to support residential programs across the State that are specifically designed to serve individuals with TBI.

(3) The sum of one million two hundred sixteen thousand nine hundred thirty-four dollars ($1,216,934) shall be used to support requests submitted by individual consumers for assistance with residential support services, home modifications, transportation, and other requests deemed necessary by the consumer's local management entity and primary care physician.

DRAFT
SPECIAL PROVISION **2015-DMH-H9-P**

Divisions of MH-DD-SAS and State Operated Healthcare Facilities – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

ESTABLISHMENT OF BEHAVIORAL HEALTH PARTNERSHIP PILOT PROGRAM

SECTION #.(a) It is the intent of the General Assembly to increase inpatient bed capacity for short-term care of individuals experiencing an acute mental health, substance abuse, or developmental disability crisis. Toward that end and subject to the availability of funds deposited into the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs and appropriated pursuant to subsection (e) of this section, the Department of Health and Human Services (Department) shall conduct a three-year pilot program to assist rural hospitals in the conversion of existing, unused acute care beds into licensed, short-term inpatient behavioral health beds. The Secretary shall select rural hospitals located in three different regions of the State that are currently participating in the statewide telepsychiatry program established under G.S. 143B-139.4B to participate in the pilot program. The maximum number of beds that may be converted into short-term inpatient behavioral health beds in each region is 50. At least one of the regions selected to participate in the pilot program shall be located in a rural area surrounding Wake County. Notwithstanding the State Medical Facilities Plan, Article 9 of Chapter 131E of the General Statutes, or any other provision of law to the contrary, each selected rural hospital shall be allowed to convert unused acute care beds into licensed, inpatient psychiatric or substance abuse beds without undergoing certificate of need review by the Division of Health Service Regulation. All converted beds shall be subject to existing licensure laws and requirements. As a condition of participating in the pilot program, each selected rural hospital shall reserve at least fifty percent (50%) of the beds converted under the pilot program for (i) purchase by the Department under the State-administered three-way contract and (ii) referrals by local management entities/managed care organizations (LME/MCOs) of individuals who are indigent or Medicaid recipients.

SECTION #.(b) At least once every six months, the Department shall conduct monitoring visits of the rural hospitals participating in the pilot program and shall also be responsible for investigating all complaints related to the pilot program. Each rural hospital participating in the pilot program shall provide a monthly report to the Department on the number of individuals receiving short-term, inpatient psychiatric, substance abuse, or developmental disability services under the pilot program and the average length of stay of individuals receiving these behavioral health services under the pilot program. The Department shall have the authority to suspend or terminate the pilot program at any time due to noncompliance with applicable regulatory requirements that has resulted in serious harm to individuals receiving behavioral health services under the pilot program or when there is a substantial risk that serious harm will occur to individuals receiving behavioral health services under the pilot program.

SECTION #.(c) The Department of Health and Human Services shall report on the status of the pilot program at least once each year to the Program Evaluation Division and the Fiscal Research Division. The report shall include at a minimum all of the following:

(1) The number of beds converted into licensed, inpatient psychiatric beds in each region, broken down by hospital.
(2) The number of beds or bed days purchased at each participating hospital by the Department under the State-administered three-way contract.
(3) The number of referrals to participating hospitals by the LME/MCOs.
(4) The number and age of the individuals receiving short-term, inpatient psychiatric, substance abuse, or developmental disability services under the pilot program.
(5) Objective, measurable outcomes of the individuals served through this pilot program.

SECTION #.(d) The Joint Legislative Program Evaluation Oversight Committee shall consider including in the 2017-2018 Work Plan for the Program Evaluation Division of the General Assembly a comprehensive evaluation of the pilot program authorized in subsection (a) of this section. The Program Evaluation Division shall submit its findings and recommendations to the Joint Legislative Program Evaluation Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division no later than November 1, 2018.

SECTION #.(e) Notwithstanding G.S. 146-30 or any other provision of law to the contrary, the net proceeds of any sale of the State-owned property encompassing the Dorothea Dix Hospital campus shall be deposited into the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs (Trust Fund). Notwithstanding G.S. 143C-9-2 or any other provision of law to the contrary, the sum of up to twenty-five million dollars ($25,000,000) is hereby appropriated from the Trust Fund to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substances Abuse Services, for the 2015-2016 fiscal year to pay for any renovation or building costs associated with converting existing acute care beds into licensed, short-term inpatient behavioral health beds designated for voluntarily and involuntarily committed patients in the rural hospitals selected to participate in the pilot program authorized under subsection (a) of this section. The Department shall not use these funds for any purpose other than as outlined in this section and shall not use these funds to supplement or supplant other State, local, or federal funds appropriated or allocated to the Department.

SECTION #.(f) The pilot program authorized under subsection (a) of this section expires three years from the date on which it commences.

DRAFT
SPECIAL PROVISION **2015-DMH-H10-P**

Divisions of MH-DD-SAS and State Operated Healthcare Facilities – DHHS
House Appropriations, Health and Human Services

Requested by: Representative

COMMUNITY PARAMEDIC MOBILE CRISIS MANAGEMENT PILOT PROGRAM

SECTION #.(a) Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of two hundred twenty-five thousand dollars ($225,000) for fiscal year 2015-2016 shall be used to continue the Department's community paramedic mobile crisis management program to divert behavioral health consumers from emergency departments by implementing a pilot of the thirteen programs across the State.

SECTION #.(b) The Department shall develop an evaluation plan for the community paramedic mobile crisis management pilot program based on the U.S. Department of Health and Human Services, Health Resources and Services Administration Office of Rural Health Policy's, Community Paramedicine Evaluation Tool, published in March 2012.

SECTION #.(c) The Department shall submit a report to the Senate Appropriations Committee on Health and Human Services, House Appropriations, Health and Human Services, and the Fiscal Research Division by June 1, 2016, on the progress of the project and the Department's evaluation plan.

SECTION #.(d) The Department of Health and Human Services shall submit a final report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1, 2016. At a minimum, the final report shall include the following:

(1) An updated version of the evaluation plan required by subsection (b) of this section.
(2) An estimate of the cost to expand the program incrementally.
(3) An estimate of any potential savings of State funds associated with expansion of the program.
(4) If expansion of the program is recommended, a time line for expanding the program.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DHSR-H1-P**

Division of Health Service Regulation - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

MORATORIUM ON HOME CARE AGENCY LICENSES FOR IN-HOME AIDE SERVICES

SECTION #.(a) Section 12G.4(a) of S.L. 2014-100 reads as rewritten:

"**SECTION 12G.4.(a)** For the period commencing on the effective date of this section, and ending ~~June 30, 2016,~~June 30, 2017, and notwithstanding the provisions of the Home Care Agency Licensure Act set forth in Part 3 of Article 6 of Chapter 131E of the General Statutes or any rules adopted pursuant to that Part, the Department of Health and Human Services shall not issue any licenses for home care agencies as defined in G.S. 131E-136(2) that intend to offer in-home aide services. This prohibition does not apply to companion and sitter services and shall not restrict the Department from doing any of the following:

(1) Issuing a license to a certified home health agency as defined in G.S. 131E-176(12) that intends to offer in-home aide services.

(2) Issuing a license to an agency that needs a new license for an existing home care agency being acquired.

(3) Issuing a license for a new home care agency in any area of the State upon a determination by the Secretary of the Department of Health and Human Services that increased access to care is necessary in that area."

SECTION #.(b) This section is effective when this act becomes law.

Division of Health Service Regulation - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

MORATORIUM ON SPECIAL CARE UNIT LICENSES

SECTION #.(a) Section 12G.1(a) of S.L. 2013-360, as amended by Section 12G.5 of S.L. 2014-100, reads as rewritten:

"**SECTION 12G.1.(a)** For the period beginning July 31, 2013, and ending ~~June 30, 2016,~~June 30, 2017, the Department of Health and Human Services, Division of Health Service Regulation (Department), shall not issue any licenses for special care units as defined in G.S. 131D-4.6 and G.S. 131E-114. This prohibition shall not restrict the Department from doing any of the following:

(1) Issuing a license to a facility that is acquiring an existing special care unit.

(2) Issuing a license for a special care unit in any area of the State upon a determination by the Secretary of the Department of Health and Human Services that increased access to this type of care is necessary in that area during the moratorium imposed by this section.

(3) Processing all completed applications for special care unit licenses received by the Division of Health Service Regulation along with the applicable license fee prior to June 1, 2013.

(4) Issuing a license to a facility that was in possession of a certificate of need as of July 31, 2013, that included authorization to operate special care unit beds."

SECTION #.(b) This section is effective when this act becomes law.

Requested by: **Representative**

LICENSURE OF OVERNIGHT RESPITE FACILITIES

SECTION #.(a) Article 1 of Chapter 131D of the General Statutes is amended by adding a new section to read:

"**§ 131D-6A. Licensure to offer overnight respite; rules; enforcement.**

(a) As used in this section, "overnight respite services" means the provision of group care and supervision in a place other than their usual place of abode on a 24-hour basis to adults who may be physically or mentally disabled and includes services provided by the following:

(1) Any facility certified to provide adult day care services pursuant to G.S. 131D-6 or adult day health services pursuant to 10A NCAC 06S, or both.

(2) Any adult care home or family care home licensed under this Article.

(b) Any facility described under subsection (a) of this section may apply to the Department for licensure to offer a program of overnight respite services. The Department shall annually license facilities providing overnight respite services under rules adopted by the Department pursuant to subsection (c) of this section. As part of the licensure process, the Division of Health Service Regulation shall inspect the construction projects associated with, and the operations of, each facility providing overnight respite services for compliance with the rules adopted by the Department pursuant to subsection (c) of this section.

(c) The Department shall adopt rules governing the licensure of facilities providing overnight respite in accordance with this section. The Department shall seek input from stakeholders before proposing rules for adoption as required by this subsection. The rules shall limit the provision of 24-hour care for each adult to (i) not more than 14 consecutive calendar days, and not more than 60 total calendar days, during a 365-day period or (ii) the amount of respite allowed under the North Carolina Innovations waiver or Community Alternatives Program for Disabled Adults (CAP/DA) waiver, as applicable. The rules shall include minimum requirements to ensure the health and safety of adult day care overnight respite participants. These requirements shall address all of the following:

(1) Program management.

(2) Staffing.

(3) Building specifications.

(4) Fire safety.

(5) Sanitation.

(6) Nutrition.

(7) Enrollment.

(8) Bed capacity limitations, which shall not exceed six beds in each adult day care program.

(9) Medication management.

(10) Program activities.

(d) The Division of Health Service Regulation shall have the authority to enforce the rules adopted by the Department under subsection (c) of this section and shall be responsible for the investigation of complaints pertaining to facilities licensed to provide overnight respite services.

(e) Each facility that is licensed to provide a program of overnight respite services under this section shall periodically report the number of individuals served and the average daily census to the Division of Health Service Regulation on a schedule determined by the Division.

(f) The Division of Health Service Regulation shall have the authority to suspend or revoke a facility's license to provide a program of overnight respite services at any time due to noncompliance with regulatory requirements that has resulted in death or serious physical harm, or when there is a substantial risk that death or serious physical harm will occur.

(g) Nothing in this section shall be construed to prevent a facility licensed to provide overnight respite services under this section from receiving State funds or participating in any government insurance plan, including the Medicaid program, to the extent authorized or permitted under applicable State or federal law.

(h) The Department shall charge each facility seeking to provide overnight respite services a nonrefundable initial licensure fee of three hundred fifty dollars ($350.00) and a nonrefundable renewal licensure fee in the amount of three hundred fifteen dollars ($315.00)."

SECTION #.(b) G.S. 131E-267(g) reads as rewritten:

"(g) The fee imposed for the review of the following residential construction projects is:

Residential Project	**Project Fee**
Family Care Homes	$225.00 flat fee
ICF/MR Group Homes	$350.00 flat fee
Group Homes: 1-3 beds	$125.00 flat fee
Group Homes: 4-6 beds	$225.00 flat fee
Group Homes: 7-9 beds	$275.00 flat fee
Adult Day Care Overnight Respite Facility	$225.00 flat fee
Adult Day Health Overnight Respite Facility	$225.00 flat fee
Other residential:	
More than 9 beds	$275.00 plus $0.15 per square foot of project space."

SECTION #.(c) Of the funds appropriated to the Department of Health and Human Services, Division of Health Service Regulation, the sum of eighty-two thousand six hundred six dollars ($82,606) for the 2015-2016 fiscal year and the sum of eighty-eight thousand thirty-three dollars ($88,033) for the 2016-2017 fiscal year shall be used to create one full-time equivalent Nursing Consultant position and one full-time equivalent Engineer/Architect position within the Division dedicated to inspecting adult day care, adult day health, adult care home, and family care home facilities seeking licensure to provide overnight respite services in accordance with G.S. 131D-6A, as enacted by subsection (a) of this section.

SECTION #.(d) The Department of Health and Human Services, Division of Aging and Adult Services, shall add adult day care overnight respite programs as a service category under the Home and Community Care Block Grant. Counties may elect to use an adult day care, adult day health, adult care home, or family care home facility licensed under G.S. 131D-6A, as enacted by subsection (a) of this section, to provide overnight respite services to caregivers of older adults from funds received under the Home and Community Care Block Grant.

SECTION #.(e) The Department of Health and Human Services, Division of Medical Assistance, shall take any and all action necessary to amend the North Carolina Innovations waiver and the North Carolina Community Alternatives Program for Disabled

Adults (CAP/DA) waiver for the purpose of allowing facilities licensed to provide adult day health overnight respite services under G.S. 131D-6A, as enacted by subsection (a) of this section, to become allowable providers of overnight respite under each waiver.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DMA-H1-P**

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

REINSTATE MEDICAID ANNUAL REPORT

SECTION #. The Department of Health and Human Services, Division of Medical Assistance, shall reinstate the publication of the Medicaid Annual Report and accompanying tables, which was discontinued after 2008. The Division shall publish the report and tables on its Web site and shall not publish copies in print.

DRAFT
SPECIAL PROVISION **2015-DMA-H2-P**

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

MEDICAID ELIGIBILITY

SECTION #.(a) Families and children who are categorically and medically needy are eligible for Medicaid, subject to the following annual income levels:

Family Size	Categorically Needy Income Level	Medically Needy Income Level
1	$ 5,208	$ 2,904
2	6,828	3,804
3	8,004	4,404
4	8,928	4,800
5	9,888	5,196
6	10,812	5,604
7	11,700	6,000
8	12,432	6,300

The Department of Health and Human Services shall provide Medicaid coverage to 19- and 20-year-olds under this subsection in accordance with federal rules and regulations. Medicaid enrollment of categorically needy families with children shall be continuous for one year without regard to changes in income or assets.

SECTION #.(b) For the following Medicaid eligibility classifications for which the federal poverty guidelines are used as income limits for eligibility determinations, the income limits will be updated each April 1 immediately following publication of federal poverty guidelines. The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to the following:

(1) All elderly, blind, and disabled people who have incomes equal to or less than one hundred percent (100%) of the federal poverty guidelines.

(2) Pregnant women with incomes equal to or less than one hundred ninety-six percent (196%) of the federal poverty guidelines and without regard to resources. Services to pregnant women eligible under this subsection continue throughout the pregnancy but include only those related to pregnancy and to those other conditions determined by the Department as conditions that may complicate pregnancy.

(3) Infants under the age of one with family incomes equal to or less than two hundred ten percent (210%) of the federal poverty guidelines and without regard to resources.

(4) Children aged one through five with family incomes equal to or less than two hundred ten percent (210%) of the federal poverty guidelines and without regard to resources.

(5) Children aged six through 18 with family incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines and without regard to resources.

(6) Workers with disabilities described in G.S. 108A-66A with unearned income equal to or less than one hundred fifty percent (150%) of the federal poverty guidelines.

The Department of Health and Human Services, Division of Medical Assistance, shall also provide family planning services to men and women of childbearing age with family incomes equal to or less than one hundred ninety-five percent (195%) of the federal poverty guidelines and without regard to resources.

SECTION #.(c) The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to adoptive children with special or rehabilitative needs, regardless of the adoptive family's income.

SECTION #.(d) The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to "independent foster care adolescents," ages 18, 19, and 20, as defined in section 1905(w)(1) of the Social Security Act (42 U.S.C. § 1396d(w)(1)), without regard to the adolescent's assets, resources, or income levels.

SECTION #.(e) The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to women who need treatment for breast or cervical cancer and who are defined in 42 U.S.C. § 1396a(a)(10)(A)(ii)(XVIII).

SECTION #.(f) G.S. 108A-70.21 reads as rewritten:

"**§ 108A-70.21. Program eligibility; benefits; enrollment fee and other cost-sharing; coverage from private plans; purchase of extended coverage.**

(a) Eligibility. – The Department may enroll eligible children based on availability of funds. Following are eligibility and other requirements for participation in the Program:

(1) Children must:

a. Be between the ages of 6 through 18;

b. Be ineligible for Medicaid, Medicare, or other federal government-sponsored health insurance;

c. Be uninsured;

d. Be in a family whose family income is above one hundred thirty-three percent (133%) ~~through~~ and less than or equal to two hundred eleven percent ~~(200%)~~(211%) of the federal poverty level;

e. Be a resident of this State and eligible under federal law; and

f. Have paid the Program enrollment fee required under this Part.

...

(b) Benefits. – All health benefits changes of the Program shall meet the coverage requirements set forth in this subsection. Except as otherwise provided for eligibility, fees, deductibles, copayments, and other cost sharing charges, health benefits coverage provided to children eligible under the Program shall be equivalent to coverage provided for dependents under North Carolina Medicaid Program except for the following:

(1) No services for long-term care.

(2) No nonemergency medical transportation.

(3) No EPSDT.

(4) Dental services shall be provided on a restricted basis in accordance with criteria adopted by the Department to implement this subsection.

In addition to the benefits provided under the North Carolina Medicaid Program, the following services and supplies are covered under the Health Insurance Program for Children established under this Part:

(1), (1a) Repealed by Session Laws 2011-145, s. 10.41(b), effective July 1, 2011.

(2) Vision: Scheduled routine eye examinations once every 12 months, eyeglass lenses or contact lenses once every 12 months, routine replacement of eyeglass frames once every 24 months, and optical supplies and solutions when needed. NCHC recipients must obtain optical services, supplies, and solutions from NCHC enrolled, licensed or certified ophthalmologists, optometrists, or opticians. In accordance with G.S. 148-134, NCHC providers must order complete eyeglasses, eyeglass lenses, and ophthalmic frames through Nash Optical Plant. Eyeglass lenses are limited to NCHC-approved single vision, bifocal, trifocal, or other complex lenses necessary for a Plan enrollee's visual welfare. Coverage for oversized lenses and frames, designer frames, photosensitive lenses, tinted contact lenses, blended lenses, progressive multifocal lenses, coated lenses, and laminated lenses is limited to the coverage for single vision, bifocal, trifocal, or other complex lenses provided by this subsection. Eyeglass frames are limited to NCHC-approved frames made of zylonite, metal, or a combination of zylonite and metal. All visual aids covered by this subsection require prior approval. Requests for medically necessary complete eyeglasses, eyeglass lenses, and ophthalmic frames outside of the NCHC-approved selection require prior approval. Requests for medically necessary fabrication of complete eyeglasses or eyeglass lenses outside of Nash Optical Plant require prior approval. Upon prior approval refractions may be covered more often than once every 12 months.

(3) Under the North Carolina Health Choice Program for Children, the co-payment for nonemergency visits to the emergency room for children whose family income is ~~at or below~~ less than or equal to one hundred ~~fifty~~fifty-nine percent ~~(150%)~~(159%) of the federal poverty level is ten dollars ($10.00). The co-payment for children whose family income is ~~between~~ above one hundred ~~fifty-one~~ fifty-nine percent ~~(151%)~~(159%) and less than or equal to two hundred eleven percent ~~(200%)~~(211%) of the federal poverty level is twenty-five dollars ($25.00).

...

(c) Annual Enrollment Fee. – There shall be no enrollment fee for Program coverage for enrollees whose family income is ~~at or below~~less than or equal to one hundred ~~fifty~~ fifty-nine percent ~~(150%)~~(159%) of the federal poverty level. The enrollment fee for Program coverage for enrollees whose family income is above one hundred ~~fifty~~ fifty-nine percent ~~(150%)~~(159%) ~~through~~and less than or equal to two hundred eleven percent ~~(200%)~~(211%) of the federal poverty level shall be fifty dollars ($50.00) per year per child with a maximum annual enrollment fee of one hundred dollars ($100.00) for two or more children. The enrollment fee shall be collected by the county department of social services and retained to cover the cost of determining eligibility for services under the Program. County departments of social services shall establish procedures for the collection of enrollment fees.

(d) Cost-Sharing. – There shall be no deductibles, copayments, or other cost-sharing charges for families covered under the Program whose family income is ~~at or below~~less than or equal to one hundred ~~fifty~~fifty-nine percent ~~(150%)~~(159%) of the federal poverty level, except that fees for outpatient prescription drugs are applicable and shall be one dollar ($1.00) for each outpatient generic prescription drug, for each outpatient brand-name prescription drug for which there is no generic substitution available, and for each covered over-the-counter medication. The fee for each outpatient brand-name prescription drug for which there is a generic substitution available is three dollars ($3.00). Families covered under the Program

whose family income is above one hundred ~~fifty~~ fifty-nine percent ~~(150%)~~(159%) of the federal poverty level shall be responsible for copayments to providers as follows:

(1) Five dollars ($5.00) per child for each visit to a provider, except that there shall be no copayment required for well-baby, well-child, or age-appropriate immunization services;

(2) Five dollars ($5.00) per child for each outpatient hospital visit;

(3) A one dollar ($1.00) fee for each outpatient generic prescription drug, for each outpatient brand-name prescription drug for which there is no generic substitution available, and for each covered over-the-counter medication. The fee for each outpatient brand-name prescription drug for which there is a generic substitution available is ten dollars ($10.00).

(4) Twenty dollars ($20.00) for each emergency room visit unless:

a. The child is admitted to the hospital, or

b. No other reasonable care was available as determined by the Department."

DRAFT
SPECIAL PROVISION

2015-DMA-H3Z

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

LME/MCO SINGLE CASE AGREEMENTS

SECTION #.(a) The Department of Health and Human Services (Department) shall ensure that local management entities/managed care organizations (LME/MCOs) utilize an out-of-network agreement that contains standardized elements developed in consultation with LME/MCOs. The out-of-network agreement shall be a streamlined agreement between a single provider of behavioral health or intellectual/developmental disability (IDD) services and an LME/MCO to ensure access to care in accordance with 42 C.F.R. 438.206(b)(4), reduce administrative burden on the provider, and comply with all requirements of State and federal laws and regulations. Beginning July 1, 2015, LME/MCOs shall use the single case agreement template in lieu of a comprehensive provider contract when all of the following conditions are met:

(1) The services requested are medically necessary and cannot be provided by an in-network provider;

(2) The behavioral health or IDD provider's site of service delivery is located outside of the geographical catchment area of the LME/MCO, and the LME/MCO is not accepting applications or the provider does not wish to apply for membership in the LME/MCO closed network.

(3) The behavioral health or IDD provider is not excluded from participation in the Medicaid program, the NC Health Choice program or other State or federal health care program.

(4) The behavioral health or IDD provider is serving no more than two enrollees of the LME/MCO, unless the agreement is for inpatient hospitalization, in which case the LME/MCO may, but shall not be required to, enter into more than five such out-of-network agreements with a single hospital or health system in any twelve-month period.

SECTION #.(b) Medicaid providers providing services pursuant to an out-of-network agreement shall be considered a network provider for purposes of Chapter 108D of the General Statutes only as it relates to enrollee grievances and appeals.

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

PROVIDER APPLICATION AND RECREDENTIALING FEE

SECTION #. The Department of Health and Human Services, Division of Medical Assistance, shall charge an application fee of one hundred dollars ($100.00), and the amount federally required, to each provider enrolling in the Medicaid Program for the first time. The fee shall be charged to all providers at recredentialing every three years.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DMA-H9-P**

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

REIMBURSEMENT FOR IMMUNIZING PHARMACIST SERVICES

SECTION #.(a) Effective January 1, 2016, the Department of Health and Human Services, Division of Medical Assistance (Department), shall provide Medicaid and NC Health Choice reimbursement for the administration of covered vaccinations or immunizations provided by immunizing pharmacists in accordance with G.S. 90-85.15B.

SECTION #.(b) In order to implement the requirements of subsection (a) of this section, the Department shall enroll immunizing pharmacists as providers.

SECTION #.(c) The Department shall submit any State plan amendments necessary to accomplish the requirements of this section.

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: **Representative**

TRAUMATIC BRAIN INJURY MEDICAID WAIVER

SECTION #.(a) The Department of Health and Human Services, Division of Medical Assistance and Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (Department), shall submit to the Centers for Medicare and Medicaid Services a request for approval of the 1915(c) waiver for individuals with traumatic brain injury (TBI) that the Department designed pursuant to Section 12H.6 of S.L. 2014-100, which the Joint Legislative Oversight Committee on Health and Human Services recommended as part of its December 2014 report to the General Assembly, and which is further described in the Department's February 1, 2015, report to the General Assembly.

SECTION #.(b) The Department shall report to the Joint Legislative Oversight Committee on Health and Human Services on the status of the Medicaid TBI waiver request and the plan for implementation no later than December 1, 2015. The Department shall submit an updated report by March 1, 2016. Each report shall include the following:

(1) The number of individuals who are being served under the waiver and the total number of individuals expected to be served.

(2) The expenditures to date and a forecast of future expenditures.

(3) Any recommendations regarding expansion of the waiver.

SECTION #.(c) Of the funds appropriated to the Department of Health and Human Services, Division of Medical Assistance, two million dollars ($2,000,000) for fiscal year 2015-2016 and two million dollars ($2,000,000) for fiscal year 2016-2017 shall be used to fund the Medicaid TBI waiver.

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: **Representative**

ASSESSMENTS

SECTION #. G.S. 108A-122(b) reads as rewritten:

"(b) Allowable Cost. – An assessment paid under this Article may be included as allowable costs of a hospital for purposes of any applicable Medicaid reimbursement ~~formula.~~ formula; assessments paid under this Article shall be excluded from cost settlement. An assessment imposed under this Article may not be added as a surtax or assessment on a patient's bill."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DMA-H11C-P**

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

ELIMINATE 2% FUNDING OF LME/MCO RISK RESERVE

SECTION #. Effective July 1, 2016, the Department of Health and Human Services, Division of Medical Assistance, shall discontinue paying the two percent (2%) added to the administrative payments to local management entities/managed care organizations (LME/MCOs), which have funded the LME/MCOs' contractually required risk reserve accounts.

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

ADMINISTRATIVE HEARINGS FUNDING

SECTION #. The Department of Health and Human Services (Department) shall transfer the sum of one million dollars ($1,000,000) for the 2015-2016 fiscal year and the sum of one million dollars ($1,000,000) for the 2016-2017 fiscal year to the Office of Administrative Hearings (OAH). These funds shall be allocated by the OAH for mediation services provided for Medicaid applicant and recipient appeals and to contract for other services necessary to conduct the appeals process. OAH shall continue the Memorandum of Agreement (MOA) with the Department for mediation services provided for Medicaid recipient appeals and contracted services necessary to conduct the appeals process. The MOA will facilitate the Department's ability to draw down federal Medicaid funds to support this administrative function. Upon receipt of invoices from OAH for covered services rendered in accordance with the MOA, the Department shall transfer the federal share of Medicaid funds drawn down for this purpose.

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE

SECTION #.(a) Receivables reserved at the end of the 2015-2016 and 2016-2017 fiscal years shall, when received, be accounted for as nontax revenue for each of those fiscal years.

SECTION #.(b) For the 2015-2016 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred thirty-nine million dollars ($139,000,000) with the Department of State Treasurer to be accounted for as nontax revenue. For the 2016-2017 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred thirty-nine million dollars ($139,000,000) with the Department of State Treasurer to be accounted for as nontax revenue. These deposits shall represent the return of General Fund appropriations, nonfederal revenue, fund balances, or other resources from State-owned and State-operated hospitals which are used to provide indigent and nonindigent care services. The return from State-owned and State-operated hospitals to DHHS will be made from nonfederal resources in an amount equal to the amount of the payments from the Division of Medical Assistance for uncompensated care. The treatment of any revenue derived from federal programs shall be in accordance with the requirements specified in the Code of Federal Regulations, Title 2, Part 225.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DMA-H20-P**

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

MEDICAID SPECIAL FUND TRANSFER

SECTION #. Of the funds transferred to the Department of Health and Human Services for Medicaid programs pursuant to G.S. 143C-9-1, there is appropriated from the Medicaid Special Fund to the Department of Health and Human Services the sum of forty-three million dollars ($43,000,000) for the 2015-2016 fiscal year and the sum of forty-three million dollars ($43,000,000) for the 2016-2017 fiscal year. These funds shall be allocated as prescribed by G.S. 143C-9-1(b) for Medicaid programs. Notwithstanding the prescription in G.S. 143C-9-1(b) that these funds not reduce State general revenue funding, these funds shall replace the reduction in general revenue funding effected in this act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DMA-H21-P**

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

MISCELLANEOUS MEDICAID PROVISIONS

SECTION #.(a) Volume Purchase Plans and Single Source Procurement. – The Department of Health and Human Services, Division of Medical Assistance, may, subject to the approval of a change in the State Medicaid Plan, contract for services, medical equipment, supplies, and appliances by implementation of volume purchase plans, single source procurement, or other contracting processes in order to improve cost containment.

SECTION #.(b) Cost Containment Programs. – The Department of Health and Human Services, Division of Medical Assistance, may undertake cost containment programs, including contracting for services, preadmissions to hospitals, and prior approval for certain outpatient surgeries before they may be performed in an inpatient setting.

SECTION #.(c) Medicaid Identification Cards. – The Department shall issue Medicaid identification cards to recipients on an annual basis with updates as needed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DMA-H22**

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

NONEMERGENCY MEDICAL TRANSPORTATION

SECTION #. The Department of Health and Human Services, Division of Medical Assistance, shall develop and issue a request for proposal for a contract beginning January 1, 2016, for the statewide management of Medicaid nonemergency medical transportation services.

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: **Representative**

MISCELLANEOUS HEALTH CHOICE PROVISIONS

SECTION #.(a) G.S. 108A-70.18(4a) is repealed.

SECTION #.(b) G.S. 108A-70.20 reads as rewritten:

"**§ 108A-70.20. Program established.**

The Health Insurance Program for Children is established. The Program shall be known as North Carolina Health Choice for Children, and it shall be administered by the Department of Health and Human Services in accordance with this Part and as required under Title XXI and related federal rules and regulations. Administration of ~~Program benefits and~~ claims processing shall be as ~~provided under Part 5 of Article 3 of Chapter 135 of the General Statutes.~~described in 42 C.F.R. § 447.45(d)(1)."

SECTION #.(c) Subsections (g) and (h) of G.S. 108A-70.21 are repealed.

SECTION #.(d) G.S. 108A-70.21(i) reads as rewritten:

"(i) ~~No Lifetime Maximum Benefit Limit. —~~Benefits provided to an enrollee in the Program ~~shall not be subject to a maximum lifetime limit.~~may be subject to lifetime maximum limits set forth in Medicaid and NC Health Choice medical coverage policies adopted pursuant to G.S. 108A-54.2."

SECTION #.(e) G.S. 108A-70.27(c) is repealed.

DRAFT
SPECIAL PROVISION

2015-DMA-H25Z

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

AUTHORIZE DHHS TO ADMINISTER MEDICAID AND HEALTH CHOICE WITHIN THEIR ENACTED BUDGETS

SECTION #.(a) Notwithstanding G.S. 108A-54.1A, G.S. 108A-54.2(c), and G.S. 108A-70.25, and except as specifically set forth in this act or other state law, for the 2015-2017 fiscal biennium, the Department of Health and Human Services (Department) is fully authorized to make any changes or take any actions necessary to administer and operate the Medicaid and Health Choice programs provided that the total expenditures, net of agency receipts, for the Medicaid program do not exceed three billion seven hundred seventy million fifty-two thousand seven hundred seventy eight dollars ($3,770,052,778) for fiscal year 2015-2016 and three billion nine hundred thirty-three million eight hundred ninety-six thousand eight hundred eighty eight dollars ($3,933,896,888) for fiscal year 2016-2017, and for the NC Health Choice program do not exceed fourteen million three hundred ninety-seven thousand five hundred seventy-nine dollars ($14,397,579) for fiscal year 2015-2016 and two million one hundred five thousand forty-two dollars ($2,105,042) for fiscal year 2016-2017.

SECTION #.(b) Notwithstanding any other provision of law, neither the Director of the Budget nor any other State official, officer, or agency shall authorize any adjustment, drawdown, or transfer unearned or borrowed receipts to implement this act or expend any other funds to implement this act, if doing so would impose, increase, or continue a financial obligation in the 2015-2016 fiscal year or any subsequent fiscal year.

SECTION #.(c) Chapter 120 of the General Statutes is amended by adding the following new Article:

"Article 23B.

"Joint Legislative Oversight Committee on Medicaid.

"**§ 120-209. Creation and membership of Joint Legislative Oversight Committee on Medicaid.**

(a) The Joint Legislative Oversight Committee on Medicaid is established. The Committee consists of 14 members as follows:

(1) Seven members of the Senate appointed by the President Pro Tempore of the Senate, at least two of whom are members of the minority party.

(2) Seven members of the House of Representatives appointed by the Speaker of the House of Representatives, at least two of whom are members of the minority party.

(b) Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

(c) A member continues to serve until a successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

"**§ 120-209.1. Purpose and powers of Committee.**

(a) The Joint Legislative Oversight Committee on Medicaid shall examine budgeting, financing, administrative, outcomes, and operational issues related to the Medicaid and NC Health Choice programs and to the Department of Health and Human Services.

(b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee.

"**§ 120-209.2. Organization of Committee.**

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Oversight Committee on Medicaid. The Committee shall meet upon the joint call of the cochairs and may meet while the General Assembly is in regular session.

(b) A quorum of the Committee is eight members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

(c) Members of the Committee receive subsistence and travel expenses, as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Directors of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

(d) The Committee cochairs may establish subcommittees for the purpose of examining issues relating to its Committee charge.

"**§ 120-209.3. Additional powers.**

The Joint Legislative Oversight Committee on Medicaid, while in discharge of official duties, shall have access to any paper or document, and may compel the attendance of any State official or employee before the Committee or secure any evidence under G.S. 120-19. In addition, G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Committee as if it were a joint committee of the General Assembly.

"**§ 120-209.4. Reports to Committee.**

Whenever Medicaid or NC Health Choice is required by law to report to the General Assembly or to any of its permanent, study, or oversight committees or subcommittees on matters affecting the Department, the Department shall transmit a copy of the report to the cochairs of the Joint Legislative Oversight Committee on Medicaid."

SECTION #.(d) Beginning July 1, 2015 and quarterly thereafter, the Department shall submit a report on the outcomes, operations, and budget of the Medicaid and NC Health Choice programs to the Joint Legislative Oversight Committee on Medicaid, the Fiscal Research Division, and the Office of State Budget and Management.

SECTION #.(e) On January 1 of each year, beginning in 2016, the Department shall submit a report to Joint Legislative Oversight Committee on Medicaid the Fiscal Research Division, and the Office of State Budget and Management a report on the Medicaid and NC Health Choice programs that includes at least the following information:

(1) A detailed four year forecast of expected changes to enrollment growth and enrollment mix.

(2) What program changes will be made by the Department in order to stay within the existing budget for the programs based on the next fiscal year's forecasted enrollment growth and enrollment mix.

(3) The cost to maintain the current level of services based on the next fiscal year's forecasted enrollment growth and enrollment mix.

SECTION #.(f) Notwithstanding 108A-54.1A, when the Department gives notice to the Native Americans of a state plan amendment, waiver, or waiver amendment, as required under federal law, the Department shall post the state plan amendment, waiver or waiver amendment on its Web site and notify the members of the Joint Legislative Oversight Committee on Medicaid, the Fiscal Research Division, and the Office of State Budget and Management of the posting. The Department shall maintain on its Web site the most current version of all state plan amendments, waivers, and waiver amendments posted as required by this subsection at least until the plan has been approved, rejected, or withdrawn.

SECTION #.(g) Prior to submitting any state plan amendment, waiver, or waiver amendment related to Medicaid reform to the Centers for Medicare and Medicaid Services, the Department shall submit a detailed report of the reform plan to the Joint Legislative Commission on Governmental Operations (Commission) and consult with the Commission. If the Commission does not hold a meeting to hear the consultation within 90 days of receiving the submission of the detailed report, the consultation requirement is satisfied.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION **2015-DMA-H26**

Division of Medical Assistance (Medicaid) - DHHS
House Appropriations, Health and Human Services

Requested by: Representative

1915(C) INNOVATIONS WAIVER SERVICES ASSESSMENT

SECTION #.(a) If (i) federal law or regulation is amended to allow the imposition of assessments on 1915(c) North Carolina Innovations Waiver (formerly Community Alternatives Program for Persons with Mental Retardation/Developmental Disabilities (CAP-MR/DD)) services or such assessments are otherwise allowed by the Centers for Medicare & Medicaid Services (CMS) through waivers and (ii) the providers of such services are willing to participate in an assessment program, then the Department of Health and Human Services, Division of Medical Assistance, may implement a Medicaid assessment program for such services up to the maximum percentage allowed by federal regulation. The Department may retain up to sixty-five percent (65%) of the amount from such an assessment program to support Medicaid expenditures. The Department shall amend contracts with local management entities that have been approved to operate as managed care organizations (LME/MCOs) to ensure that any assessment funds not retained by the Department are used to increase LME/MCO capitation rates and that the additional amounts are passed along to the providers of Innovations Waiver service providers through increased reimbursement rates.

SECTION #.(b) The authorization provided to the Department under subsection (a) of this section to impose a new assessment program on Innovations Waiver services shall continue to exist until July 1, 2017. If an assessment program has not been established by July 1, 2017, then this section expires.

DRAFT
SPECIAL PROVISION

2015-BG-H1

DHHS Block Grants
House Appropriations, Health and Human Services

Requested by: Representative

DHHS BLOCK GRANTS

SECTION #.(a) Except as otherwise provided, appropriations from federal block grant funds are made for each year of the fiscal biennium ending June 30, 2017, according to the following schedule:

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS		**FY2015-2016**	**FY2016-2017**
Local Program Expenditures			
Division of Social Services			
01.	Work First Family Assistance	$ 57,167,454	$ 57,167,454
02.	Work First County Block Grants	80,093,566	78,073,437
03.	Work First Electing Counties	2,378,213	2,378,213
04.	Adoption Services – Special Children's Adoption Fund	2,026,877	2,026,877
05.	Child Protective Services – Child Welfare Workers for Local DSS	9,412,391	9,412,391
06.	Child Welfare Collaborative	632,416	632,416
07.	Boys and Girls Clubs	2,427,975	2,427,975
08.	Reserve for Statewide Early Education And Family Support Programs -- Plan and Statewide Proposal to Improve Children's Health	0	2,723,306
Division of Child Development and Early Education			
09.	Subsidized Child Care Program	34,584,319	34,584,319
10.	Swap Child Care Subsidy	6,352,644	6,352,644

11.	Pre-K Swap Out	11,301,722	6,806,397
12.	Smart Start	5,527,584	5,527,584
	Division of Public Health		
13.	Teen Pregnancy Prevention Initiatives	2,500,000	2,500,000
DHHS Administration			
14.	Division of Social Services	2,482,260	2,482,260
15.	Office of the Secretary	34,042	34,042
16.	Eligibility Systems -- Operations and Maintenance	2,738,926	4,206,640
Transfers to Other Block Grants			
	Division of Child Development and Early Education		
17.	Transfer to the Child Care and Development Fund	71,773,001	71,773,001
	Division of Social Services		
18.	Transfer to Social Services Block Grant for Child Protective Services – Training	1,300,000	1,300,000
19.	Transfer to Social Services Block Grant for Child Protective Services	5,040,000	5,040,000
20.	Transfer to Social Services Block Grant for County Departments of Social Services for Children's Services	4,148,001	4,148,001
21.	Transfer to Social Services Block Grant – Foster Care Services	1,385,152	1,385,152
TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS		**$303,306,543**	**$ 300,982,109**
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS			
Local Program Expenditures			
	Division of Child Development and Early Education		

01.	Subsidized Child Care	29,033,340	28,600,000
02.	Subsidized Child Care Swap Out	4,547,023	0
TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS		**$33,580,363**	**$ 28,600,000**

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)	$ 27,335,315	$ 27,108,324
02.	Child Protective Services (Transfer from TANF)	5,040,000	5,040,000
03.	State In-Home Services Fund	2,035,075	1,943,950
04.	Adult Protective Services	1,245,363	1,245,363
05.	State Adult Day Care Fund	2,085,209	1,994,084
06.	Child Protective Services/CPS Investigative Services – Child Medical Evaluation Program	563,868	563,868
07.	Special Children Adoption Incentive Fund	462,600	462,600
08.	Child Protective Services – Child Welfare Training for Counties (Transfer from TANF)	1,300,000	1,300,000
09.	Home and Community Care Block Grant (HCCBG)	1,788,014	1,696,888
10.	Child Advocacy Centers	375,000	375,000
11.	Guardianship	4,235,704	4,035,704
12.	Foster Care Services (Transfer from TANF)	1,385,152	1,385,152

Division of Central Management and Support

13.	DHHS Competitive Block Grants for Nonprofits	3,852,500	3,852,500

14.	NC FAST – Operations and Maintenance	712,324	939,315
	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
15.	Mental Health Services – Adult and Child/Developmental Disabilities Program/ Substance Abuse Services – Adult	4,030,730	4,030,730
DHHS Program Expenditures			
	Division of Services for the Blind		
16.	Independent Living Program	3,361,323	3,361,323
	Division of Health Service Regulation		
17.	Adult Care Licensure Program	381,087	381,087
18.	Mental Health Licensure and Certification Program	190,284	190,284
DHHS Administration			
19.	Division of Aging and Adult Services	577,745	577,745
20.	Division of Social Services	559,109	559,109
21.	Office of the Secretary/Controller's Office	127,731	127,731
22.	Division of Child Development and Early Education	13,878	13,878
23.	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	27,446	27,446
24.	Division of Health Service Regulation	118,946	118,946
TOTAL SOCIAL SERVICES BLOCK GRANT		**$ 61,804,403**	**$ 61,331,027**
LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT			
Local Program Expenditures			
	Division of Social Services		
01.	Low-Income Energy Assistance Program (LIEAP)	$ 40,244,534	$ 39,303,674

02.	Crisis Intervention Program (CIP)	40,244,534	39,303,674
Local Administration			
	Division of Social Services		
03.	County DSS Administration	6,454,961	6,454,961
DHHS Administration			
04.	Office of the Secretary/DIRM	412,488	412,488
05.	Office of the Secretary/Controller's Office	18,378	18,378
06.	NC FAST Development	1,075,319	3,381,373
Transfers to Other State Agencies			
	Department of Environment and Natural Resources (DENR)		
07.	Weatherization Program	11,847,017	11,570,050
08.	Heating Air Repair and Replacement Program (HARRP)	6,303,514	6,156,147
09.	Local Residential Energy Efficiency Service Providers – Weatherization	475,046	475,046
10.	Local Residential Energy Efficiency Service Providers – HARRP	252,761	252,761
11.	DENR – Weatherization Administration	475,046	475,046
12.	DENR – HARRP Administration	252,760	252,760
	Department of Administration		
13.	N.C. Commission on Indian Affairs	87,736	87,736
TOTAL LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT		**$ 108,144,094**	**$ 108,144,094**
CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT			
Local Program Expenditures			
	Division of Child Development and Early Education		
01.	Child Care Services		

	(Smart Start $7,000,000)	152,370,856	152,370,856
02.	Electronic Tracking System	801,240	401,492
03.	Transfer from TANF Block Grant for Child Care Subsidies	71,773,001	71,773,001
04.	Quality and Availability Initiatives (TEACH Program $3,800,000)	26,019,987	26,019,987
DHHS Administration			
	Division of Child Development and Early Education		
05.	DCDEE Administrative Expenses	9,049,505	9,049,505
	Division of Social Services		
06.	Local Subsidized Child Care Services Support	15,930,279	15,930,279
07.	NC FAST Development	186,404	586,152
	Division of Central Administration		
08.	DHHS Central Administration – DIRM Technical Services	775,000	775,000
09.	Central Regional Maintenance	202,000	202,000
10.	Child Care Health Consultation Contracts	62,205	62,205
TOTAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT		**$ 277,170,477**	**$ 277,170,477**
MENTAL HEALTH SERVICES BLOCK GRANT			
Local Program Expenditures			
01.	Mental Health Services – Child	3,619,833	3,619,833
02.	Administration	200,000	200,000
03.	Mental Health Services – Adult/Child	11,755,152	11,755,152
04.	Crisis Solutions Initiative – Critical Time Intervention	750,000	750,000
05.	Mental Health Services – First Psychotic Symptom Treatment	643,491	643,491

TOTAL MENTAL HEALTH SERVICES BLOCK GRANT		**$ 16,968,476**	**$ 16,968,476**
SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT			
Local Program Expenditures			
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services			
01.	Substance Abuse – HIV and IV Drug	3,919,723	3,919,723
02.	Substance Abuse Prevention	8,669,284	8,669,284
03.	Substance Abuse Services – Treatment for Children/Adults	29,519,883	29,519,883
04.	Crisis Solutions Initiatives – Walk-In Crisis Centers	420,000	420,000
05.	Crisis Solutions Initiatives – Collegiate Wellness/Addiction Recovery	1,085,000	1,085,000
06.	Crisis Solutions Initiatives – Community Paramedic Mobile Crisis Management	60,000	60,000
07.	Crisis Solutions Initiatives -- Innovative Technologies	41,000	41,000
08.	Crisis Solutions Initiatives – Veteran's Crisis	250,000	250,000
09.	Administration	454,000	454,000
Division of Public Health			
10.	HIV Testing for Individuals in Substance Abuse Treatment	765,949	765,949
TOTAL SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT		**$ 45,184,839**	**$ 45,184,839**
MATERNAL AND CHILD HEALTH BLOCK GRANT			
Local Program Expenditures			
Division of Public Health			
01.	Children's Health Services (Safe Sleep Campaign		

	\$45,000; Prevent Blindness \$560,837)	\$ 7,574,703	\$ 7,574,703
02.	Women's Health (March of Dimes \$350,000; Teen Pregnancy Prevention Initiatives \$650,000; 17P Project \$52,000; Nurse-Family Partnership \$509,018)	7,445,148	7,445,148
03.	Oral Health	44,901	44,901
04.	Evidence-based Programs in Counties with Highest Infant Mortality Rates	650,000	650,000
DHHS Program Expenditures			
	Division of Public Health		
05.	Children's Health Services	1,342,928	1,342,928
06.	Women's Health – Maternal Health	107,714	107,714
07.	State Center for Health Statistics	158,583	158,583
08.	Health Promotion – Injury and Violence Prevention	87,271	87,271
DHHS Administration			
	Division of Public Health		
09.	Division of Public Health Administration	552,571	552,571
TOTAL MATERNAL AND CHILD HEALTH BLOCK GRANT		**\$ 17,963,819**	**\$ 17,963,819**
PREVENTIVE HEALTH SERVICES BLOCK GRANT			
Local Program Expenditures			
01.	Physical Activity and Prevention	\$ 2,855,366	\$ 3,250,582
02.	Injury and Violence Prevention (Services to Rape Victims – Set-Aside)	173,476	173,476
03.	Community-Focused Eliminating Health Disparities Initiative Grants	2,756,855	0
DHHS Program Expenditures			
	Division of Public Health		

04.	HIV/STD Prevention and Community Planning	145,819	145,819
05.	Oral Health Preventive Services	46,302	46,302
06.	Laboratory Services – Testing, Training, and Consultation	21,012	21,012
07.	Injury and Violence Prevention (Services to Rape Victims – Set-Aside)	192,315	192,315
08.	State Laboratory Services – Testing, Training, and Consultation	199,643	199,643
09.	Performance Improvement and Accountability	565,964	565,964
10.	Physical Activity and Nutrition	68,073	68,073
11.	State Center for Health Statistics	107,291	107,291
DHHS Administration			
	Division of Public Health		
12.	Division of Public Health	172,820	172,820
13.	Division of Public Health – Physical Activity and Nutrition Branch	1,243,899	0
TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT		**$ 8,548,826**	**$ 4,943,288**
COMMUNITY SERVICES BLOCK GRANT			
Local Program Expenditures			
	Office of Economic Opportunity		
01.	Community Action Agencies	$ 24,047,065	$ 24,047,065
02.	Limited Purpose Agencies	1,335,948	1,335,948
DHHS Administration			
03.	Office of Economic Opportunity	1,335,948	1,335,948
TOTAL COMMUNITY SERVICES BLOCK GRANT		**$ 26,718,961**	**$ 26,718,961**

GENERAL PROVISIONS

SECTION #.(b) Information to Be Included in Block Grant Plans. – The Department of Health and Human Services shall submit a separate plan for each Block Grant received and administered by the Department, and each plan shall include the following:

(1) A delineation of the proposed allocations by program or activity, including 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 fiscal years 2015-2016 and 2016-2017, increases in the federal fund availability for the Temporary Assistance to Needy Families (TANF) Block Grant shall be used only 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 and shall not be used to supplant State funds.

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 Oversight Committee on Health and Human Services and the Fiscal Research Division.

SECTION #.(d) Except as otherwise provided, appropriations from federal Block Grant funds are made for each year of the fiscal biennium ending June 30, 2017, according to the schedule enacted for State fiscal years 2015-2016 and 2016-2017 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 Oversight Committee on Health and Human Services 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 Joint Legislative Oversight 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) Except as otherwise provided, the Department of Health and Human Services shall have flexibility to transfer funding between the Temporary Assistance for Needy Families (TANF) Block Grant and the TANF Emergency Contingency Funds Block Grant so long as the total allocation for the line items within those block grants remains the same.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS

SECTION #.(g) The sum of eighty million ninety-three thousand five hundred sixty-six dollars ($80,093,566) for the 2015-2016 fiscal year and the sum of seventy-eight million seventy-three thousand four hundred thirty-seven dollars ($78,073,437) for the 2016-2017 fiscal year appropriated in this section in TANF funds to the Department of Health and Human Services, Division of Social Services, shall be used for Work First County Block Grants. The Division shall certify these funds in the appropriate State-level services based on prior year actual expenditures. The Division has the authority to realign the authorized budget for these funds among the State-level services based on current year actual expenditures.

SECTION #.(h) The sum of nine million four hundred twelve thousand three hundred ninety-one dollars ($9,412,391) appropriated in this section to the Department of Health and Human Services, Division of Social Services, in TANF funds for each year of the 2015-2017 fiscal biennium for child welfare improvements shall be allocated to the county departments of social services for hiring or contracting staff to investigate and provide services in Child Protective Services cases; to provide foster care and support services; to recruit, train, license, and support prospective foster and adoptive families; and to provide interstate and post-adoption services for eligible families.

Counties shall maintain their level of expenditures in local funds for Child Protective Services workers. Of the Block Grant funds appropriated for Child Protective Services workers, the total expenditures from State and local funds for fiscal years 2015-2016 and 2016-2017 shall not be less than the total expended from State and local funds for the 2012-2013 fiscal year.

SECTION #.(i) The sum of two million twenty-six thousand eight hundred seventy-seven dollars ($2,026,877) appropriated in this section in TANF funds to the Department of Health and Human Services, Special Children Adoption Fund, for each year of the 2015-2017 fiscal biennium shall be used in accordance with G.S. 108A-50.2. The Division of Social Services, in consultation with the North Carolina Association of County Directors of Social Services and representatives of licensed private adoption agencies, shall develop guidelines for the awarding of funds to licensed public and private adoption agencies upon the adoption of children described in G.S. 108A-50 and in foster care. Payments received from the Special Children Adoption Fund by participating agencies shall be used exclusively to enhance the adoption services program. No local match shall be required as a condition for receipt of these funds.

SECTION #.(j) The sum of two million four hundred twenty-seven thousand nine hundred seventy-five dollars ($2,427,975) appropriated in this section to the Department of Health and Human Services in the TANF Block Grant for each year of the 2015-2017 fiscal biennium for Boys and Girls Clubs shall be used to make grants for approved programs. The Department of Health and Human Services, in accordance with federal regulations for the use of TANF Block Grant funds, shall administer a grant program to award funds to the Boys and Girls Clubs across the State in order to implement programs that improve the motivation, performance, and self-esteem of youths and to implement other initiatives that would be

expected to reduce gang participation, school dropout, and teen pregnancy rates. The Department shall encourage and facilitate collaboration between the Boys and Girls Clubs and Support Our Students, Communities in Schools, and similar programs to submit joint applications for the funds, if appropriate.

SOCIAL SERVICES BLOCK GRANT

SECTION #.(k) The sum of twenty-seven million three hundred thirty-five thousand three hundred fifteen dollars ($27,335,315) for the 2015-2016 fiscal year and the sum of twenty-seven million one hundred eight thousand three hundred twenty-four dollars ($27,108,324) for the 2016-2017 fiscal year appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, shall be used for county block grants. The Division shall certify these funds in the appropriate State-level services based on prior year actual expenditures. The Division has the authority to realign the authorized budget for these funds among the State-level services based on current year actual expenditures.

SECTION #.(l) The sum of one million three hundred thousand dollars ($1,300,000) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, for each year of the 2015-2017 fiscal biennium shall be used to support various child welfare training projects as follows:

(1) Provide a regional training center in southeastern North Carolina.

(2) Provide training for residential child caring facilities.

(3) Provide for various other child welfare training initiatives.

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

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

SECTION #.(o) The sum of five million forty thousand dollars ($5,040,000) appropriated in this section in the Social Services Block Grant for each year of the 2015-2017 fiscal biennium shall be allocated to the Department of Health and Human Services, Division of Social Services. The Division shall allocate these funds to local departments of social services to replace the loss of Child Protective Services State funds that are currently used by county government to pay for Child Protective Services staff at the local level. These funds shall be used to maintain the number of Child Protective Services workers throughout the State. These Social Services Block Grant funds shall be used to pay for salaries and related expenses only and are exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent (25%).

SECTION #.(p) The sum of three million eight hundred fifty-two thousand five hundred dollars ($3,852,500) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Central Management and Support, shall be used for DHHS competitive block grants pursuant to Section # of this act for each year of the 2015-2017 fiscal biennium. These funds are exempt from the provisions of 10A NCAC 71R .0201(3).

SECTION #.(q) The sum of three hundred seventy-five thousand dollars ($375,000) appropriated in this section in the Social Services Block Grant for each year of the 2015-2017 fiscal biennium to the Department of Health and Human Services, Division of Social Services, shall be used to continue support for the Child Advocacy Centers and the funds are exempt from the provisions of 10A NCAC 71R .0201(3).

SECTION #.(r) The sum of four million two hundred thirty-five thousand seven hundred four dollars ($4,235,704) for the 2015-2016 fiscal year and the sum of four million thirty-five thousand seven hundred four dollars ($4,035,704) for the 2016-2017 fiscal year appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Divisions of Social Services and Aging and Adult Services, shall be used for guardianship services pursuant to Chapter 35A of the General Statutes. The Department may expend funds appropriated in this section to support (i) existing corporate guardianship contracts during the 2015-2016 and 2016-2017 fiscal years and (ii) guardianship contracts transferred to the State from local management entities or managed care organizations during the 2015-2016 and 2016-2017 fiscal years.

LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT

SECTION #.(s) Additional emergency contingency funds received may be allocated for Energy Assistance Payments or Crisis Intervention Payments without prior consultation with the Joint Legislative Oversight Committee on Health and Human Services. Additional funds received shall be reported to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division upon notification of the award. The Department of Health and Human Services shall not allocate funds for any activities, including increasing administration, other than assistance payments, without prior consultation with the Joint Legislative Oversight Committee on Health and Human Services.

SECTION #.(t) The sum of forty million two hundred forty-four thousand five hundred thirty-four dollars ($40,244,534) for the 2015-2016 fiscal year and the sum of thirty-nine million three hundred three thousand six hundred seventy-four dollars ($39,303,674) for the 2016-2017 fiscal year appropriated in this section in the Low-Income Energy Assistance Block Grant to the Department of Health and Human Services, Division of Social Services, shall be used for energy assistance payments for the households of (i) elderly persons age 60 and above with income up to one hundred thirty percent (130%) of the federal poverty level and (ii) disabled persons eligible for services funded through the Division of Aging and Adult Services.

County departments of social services shall submit to the Division of Social Services an outreach plan for targeting households with 60-year-old household members no later than August 1 of each year. The outreach plan shall comply with the following:

(1) Ensure that eligible households are made aware of the available assistance with particular attention paid to the elderly population age 60 and above and disabled persons receiving services through the Division of Aging and Adult Services.

(2) Include efforts by the county department of social services to contact other State and local governmental entities and community-based organizations to (i) offer the opportunity to provide outreach and (ii) receive applications for energy assistance.

(3) Be approved by the local board of social services or human services board prior to submission.

CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

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

SECTION #.(v) If funds appropriated through the Child Care and Development Fund Block Grant for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds

to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in order to use the federal funds fully.

MENTAL HEALTH SERVICES BLOCK GRANT

SECTION #.(w) The sum of six hundred forty-three thousand four hundred ninety-one dollars ($643,491) appropriated in this section in the Mental Health Services Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each year of the 2015-2017 fiscal biennium is allocated for Mental Health Services -- First Psychotic Symptom Treatment. The Division shall report on (i) the specific evidence-based treatment and services provided, (ii) the number of persons treated, and (iii) the measured outcomes or impact on the participants served. The Division shall report to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than December 31, 2016.

SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT

SECTION #.(x) The sum of two hundred fifty thousand dollars ($250,000) appropriated in this section in the Substance Abuse Prevention and Treatment Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each year of the 2015-2017 fiscal biennium shall be allocated to the Department of Administration, Division of Veterans Affairs, to establish a call-in center to assist veterans in locating service benefits and crisis services. The call-in center shall be staffed by certified veteran peers within the Division of Veterans Affairs and trained by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

MATERNAL AND CHILD HEALTH BLOCK GRANT

SECTION #.(y) If federal funds are received under the Maternal and Child Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193 (42 U.S.C. § 710), for the 2015-2016 fiscal year or the 2016-2017 fiscal year, then those funds shall be transferred to the State Board of Education to be administered by the Department of Public Instruction. The Department of Public Instruction shall use the funds to establish an abstinence until marriage education program and shall delegate to one or more persons the responsibility of implementing the program and G.S. 115C-81(e1)(4) and (4a). The Department of Public Instruction shall carefully and strictly follow federal guidelines in implementing and administering the abstinence education grant funds.

SECTION #.(z) The Department of Health and Human Services shall ensure that there will be follow-up testing in the Newborn Screening Program.

SECTION #.(aa) The sum of six hundred fifty thousand dollars ($650,000) appropriated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, for each year of the 2015-2017 fiscal biennium shall be used for Evidence-based Programs in Counties with Highest Infant Mortality Rates. The Division shall report on (i) the counties selected to receive the allocation, (ii) the specific evidenced-based services provided, (iii) the number of women served, and (iv) any impact on the counties' infant mortality rate. The Division shall report its findings to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than December 31, 2016.