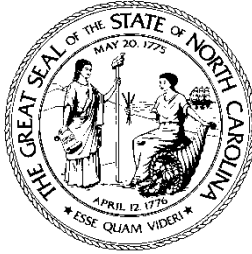


GENERAL ASSEMBLY OF NORTH CAROLINA



SPECIAL PROVISIONS  
HOUSE APPROPRIATIONS, HEALTH AND HUMAN SERVICES REPORT

APRIL 24, 2019

Report Last Updated: April 25, 2019 10:14 p.m.

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GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DAAS-H1-P

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

Requested by

1 *STATE-COUNTY SPECIAL ASSISTANCE RATES*

2       **SECTION #.(a)** For each year of the 2019-2021 fiscal biennium, the maximum  
3 monthly rate for residents in adult care home facilities shall be one thousand one hundred  
4 eighty-two dollars (\$1,182) per month per resident.

5       **SECTION #.(b)** For each year of the 2019-2021 fiscal biennium, the maximum  
6 monthly rate for residents in Alzheimer's/Dementia special care units shall be one thousand five  
7 hundred fifteen dollars (\$1,515) per month per resident.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

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SPECIAL PROVISION



2019-DAAS-H2-P

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

Requested by

1 *INCREASE IN STATE-COUNTY SPECIAL ASSISTANCE PERSONAL NEEDS*  
2 *ALLOWANCE*

3 **SECTION #.** Effective October 1, 2019, the Department of Health and Human  
4 Services, Division of Aging and Adult Services, shall increase the personal needs allowance  
5 under the State-County Special Assistance program from forty-six dollars (\$46.00) per month  
6 per recipient to seventy dollars (\$70.00) per month per recipient.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

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SPECIAL PROVISION



2019-DAAS-H3-P

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

Requested by

1 *AUTHORIZATION FOR SECRETARY OF DHHS TO RAISE THE MAXIMUM NUMBER*  
2 *OF STATE-COUNTY SPECIAL ASSISTANCE IN-HOME PAYMENTS*

3 **SECTION #.(a)** Notwithstanding the provisions of G.S. 108A-47.1 or any other  
4 provision of law to the contrary, and within existing appropriations for State-County Special  
5 Assistance, the Secretary of the Department of Health and Human Services may waive the fifteen  
6 percent (15%) cap on the number of Special Assistance in-home payments, as the Secretary  
7 deems necessary.

8 **SECTION #.(b)** This section expires on June 30, 2021.



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

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SPECIAL PROVISION



2019-HHSADMN-H2-P

Administrative Offices – DHHS  
House Appropriations, Health and Human Services

Requested by

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

3 **SECTION #.(a)** Of the funds appropriated to the Department of Health and Human  
4 Services, Division of Central Management and Support, the sum of eighteen million five hundred  
5 thirteen thousand three hundred seventy-two dollars (\$18,513,372) in nonrecurring funds for the  
6 2019-2020 fiscal year and the sum of twelve million three hundred one thousand seven hundred  
7 two dollars (\$12,301,702) in nonrecurring funds for the 2020-2021 fiscal year shall be used for  
8 nonrecurring operations and maintenance expenses for the North Carolina Families Accessing  
9 Services Through Technology (NC FAST) system and to match federal funds to expedite  
10 development and implementation of the following within the NC FAST system: (i) the child  
11 welfare case management component, (ii) 24/7 access, and (iii) a document management  
12 solution. The Department of Health and Human Services, Division of Central Management and  
13 Support, shall report any change in approved federal funding or federal match rates within 30  
14 days after the change to the Joint Legislative Oversight Committee on Health and Human  
15 Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal  
16 Research Division.

17 **SECTION #.(b)** Departmental receipts appropriated in this act in the sum of  
18 forty-one million three hundred fifty-two thousand eight hundred eighty-three dollars  
19 (\$41,352,883) for the 2019-20 fiscal year and in the sum of twenty-four million eight hundred  
20 forty-six thousand three hundred seven dollars (\$24,846,307) for the 2020-2021 fiscal year shall  
21 be used for the purposes described in subsection (a) of this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

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SPECIAL PROVISION



2019-HHSADMN-H3-P

Administrative Offices – DHHS  
House Appropriations, Health and Human Services

Requested by

1 **COMMUNITY HEALTH GRANT PROGRAM**

2 **SECTION #.(a)** Funds appropriated in this act to the Department of Health and  
3 Human Services, Division of Central Management, Office of Rural Health, for each year of the  
4 2019-2021 fiscal biennium for the Community Health Grant Program shall be used to continue  
5 to administer the Community Health Grant Program as modified by Section 11A.8 of S.L.  
6 2017-57.

7 **SECTION #.(b)** The Office of Rural Health shall make the final decision about  
8 awarding grants under this Program, but no single grant award shall exceed one hundred fifty  
9 thousand dollars (\$150,000) during the fiscal year. In awarding grants, the Office of Rural Health  
10 shall consider the availability of other funds for the applicant; the incidence of poverty in the area  
11 served by the applicant or the number of indigent clients served by the applicant; the availability  
12 of, or arrangements for, after hours care; and collaboration between the applicant and a  
13 community hospital or other safety net organizations.

14 **SECTION #.(c)** Grant recipients shall not use these funds to do any of the following:

- 15 (1) Enhance or increase compensation or other benefits of personnel,  
16 administrators, directors, consultants, or any other persons receiving funds for  
17 program administration; provided, however, funds may be used to hire or  
18 retain health care providers. The use of grant funds for this purpose does not  
19 obligate the Department of Health and Human Services to continue to fund  
20 compensation beyond the grant period.  
21 (2) Supplant existing funds, including federal funds traditionally received by  
22 federally qualified community health centers. However, grant funds may be  
23 used to supplement existing programs that serve the purposes described in  
24 subsection (a) of this section.  
25 (3) Finance or satisfy any existing debt.

26 **SECTION #.(d)** The Office of Rural Health may use up to two hundred thousand  
27 dollars (\$200,000) in recurring funds for each fiscal year of the 2019-2021 fiscal biennium for  
28 administrative purposes.

29 **SECTION #.(e)** By September 1 of each year, the Office of Rural Health shall submit  
30 a report to the Joint Legislative Oversight Committee on Health and Human Services on  
31 community health grants that includes at least all of the following information:

- 32 (1) The identity and a brief description of each grantee and each program or  
33 service offered by the grantee.  
34 (2) The amount of funding awarded to each grantee.  
35 (3) The number of individuals served by each grantee, and for the individuals  
36 served, the types of services provided to each.  
37 (4) Any other information requested by the Office of Rural Health as necessary  
38 for evaluating the success of the Community Health Grant Program.

39 **SECTION #.(f)** By November 1, 2019, the Office of Rural Health shall report to the  
40 Joint Legislative Oversight Committee on Health and Human Services on the implementation

- 1 status of the following Community Health Grant Program requirements enacted by Section 11A.8  
2 of S.L. 2017-57:
- 3 (1) Establishment of a Primary Care Advisory Committee, and that Committee's  
4 development of an objective and equitable process for grading applications  
5 for grants funded under the Community Health Grant Program.
  - 6 (2) Development of a standardized method for grant recipients to report objective,  
7 measurable quality health outcomes.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

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SPECIAL PROVISION



2019-HHSADMN-H4-P

Administrative Offices – DHHS  
House Appropriations, Health and Human Services

Requested by

1 *ALLOCATION OF FUNDS FOR PHYSICIANS AND DENTISTS UNDER THE RURAL*  
2 *HEALTH LOAN REPAYMENT PROGRAM*

3 **SECTION #.** Of the funds appropriated to the Department of Health and Human  
4 Services, Division of Central Management and Support, Office of Rural Health, for the loan  
5 repayment program administered pursuant to G.S. 143B-139.4C, the sum of two million one  
6 hundred fifty thousand dollars (\$2,150,000) in nonrecurring funds for the 2019-2020 fiscal year  
7 and the sum of one million one hundred fifty thousand dollars (\$1,150,000) in nonrecurring funds  
8 for the 2020-2021 fiscal year shall be allocated to fund student loan repayments for physicians  
9 and dentists under the program.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

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SPECIAL PROVISION



2019-HHSADMN-H5-P

Administrative Offices – DHHS  
House Appropriations, Health and Human Services

Requested by

1 *ELIMINATION OF OFFICE OF PROGRAM EVALUATION REPORTING AND*  
2 *ACCOUNTABILITY*

3 **SECTION #.(a)** The Office of Program Evaluation Reporting and Accountability  
4 within the Department of Health and Human Services is eliminated.

5 **SECTION #.(b)** Part 31A of Chapter 143B of the General Statutes is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

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SPECIAL PROVISION



2019-HHSADMN-H6-P

Administrative Offices – DHHS  
House Appropriations, Health and Human Services

Requested by

**VETERANS HEALTH CARE PILOT PROGRAM**

**SECTION #.(a)** Pilot Program. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, Office of Rural Health, the sum of four hundred thousand dollars (\$400,000) in nonrecurring funds for the 2019-2020 fiscal year and the sum of three hundred fifty thousand dollars (\$350,000) in nonrecurring funds for the 2020-2021 fiscal year shall be used to support the development and implementation of a two-year pilot program to provide health care services to veterans. The Department of Health and Human Services and the Department of Military and Veterans Affairs, in coordination with Community Care of North Carolina and Maxim Healthcare Services, shall develop and implement the pilot program in Cumberland County. The pilot program shall consist of the following initiatives:

- (1) A health care initiative to provide to veterans increased access to health care resources through the care coordination efforts of community health workers.
- (2) A workforce initiative to recruit and train unemployed and underemployed veterans as community health workers for the health care initiative described in subdivision (1) of this section.

**SECTION #.(b)** Termination. – The pilot program authorized by this section shall terminate on June 30, 2021.

**SECTION #.(c)** Evaluation. – By February 1, 2022, the Department of Health and Human Services shall conduct and submit to the Joint Legislative Oversight Committee on Health and Human Services a comprehensive evaluation of the pilot program authorized by this section. The comprehensive evaluation shall include at least all of the following:

- (1) A detailed breakdown of expenditures for the pilot program.
- (2) The specific ways in which the health care initiative provided to veterans increased access to health care resources.
- (3) The total number of unemployed and underemployed veterans who were recruited and trained as community health workers under the pilot program's workforce initiative.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-HHSADMN-H8-P

Administrative Offices – DHHS  
House Appropriations, Health and Human Services

Requested by

1 ***ELIMINATION OF UNNECESSARY AND REDUNDANT REPORTS***

2 **SECTION #.(a)** Eliminate Report on Expansion of Controlled Substances Reporting  
3 System Monitoring Capacity. – G.S. 90-113.73A(b) is repealed.

4 **SECTION #.(b)** Eliminate Report on Coordination of Diabetes Programs. –  
5 G.S. 130A-221.1(b) is repealed.

6 **SECTION #.(c)** Eliminate Report on Department's Coordination of Chronic Care  
7 Initiatives. – G.S. 130A-222.5(3) is repealed.

8 **SECTION #.(d)** Eliminate Report on Compliance with Federal Maintenance of  
9 Effort Requirements Under TANF. – G.S. 108A-27.12(g) is repealed.

10 **SECTION #.(e)** Eliminate Report on Use of Lapsed Salary Funds. –  
11 G.S. 120-208.4(b) is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-HHSADMN-H10-P

Administrative Offices – DHHS  
House Appropriations, Health and Human Services

Requested by

1 ***NORTH CAROLINA RARE DISEASE ADVISORY COUNCIL FUNDS***

2       **SECTION #.** Of the funds appropriated to the Department of Health and Human  
3 Services, Division of Central Management and Support, the sum of two hundred fifty thousand  
4 dollars (\$250,000) in recurring funds for the 2019-2020 fiscal year and the sum of two hundred  
5 fifty thousand dollars (\$250,000) in recurring funds for the 2020-2021 fiscal year shall be  
6 allocated to the School of Medicine of the University of North Carolina at Chapel Hill to support  
7 the activities of the Advisory Council on Rare Diseases (Council) established pursuant to  
8 G.S. 130A-33.65. These funds shall be used to develop a rare disease network across the State  
9 for the purposes of collecting data regarding regional rare disease prevalence, stimulating rare  
10 disease collaborations, and creating biotechnology economic development opportunities. The  
11 Council shall partner with legislators and other stakeholders in various regions of the State to  
12 increase public awareness and improve diagnosis times for individuals with rare diseases. In  
13 addition, the Council shall develop key strategies on increasing access to information, integrated  
14 and innovative support services, translational research collaborations, educational programs, and  
15 accelerated technology, as well as emphasizing economic development and retention of talented  
16 researchers. In support of these activities, the funds allocated pursuant to this section shall be  
17 used by the Council for the following:

- 18       (1) The sum of thirty thousand dollars (\$30,000) to be used to primarily support  
19 seminars on rare diseases to be held throughout the State.
- 20       (2) The sum of twenty-five thousand dollars (\$25,000) to be used to support travel  
21 and per diem for members of the Council to attend conferences and other  
22 partnership organization activities related to rare diseases.
- 23       (3) The sum of five thousand dollars (\$5,000) to maintain a Web site and social  
24 media presence and to create material on activities of the Council.
- 25       (4) The sum of one hundred sixty thousand dollars (\$160,000) to establish  
26 positions to support the Council, including contracting for temporary  
27 employees to launch larger initiatives of the Council.
- 28       (5) The sum of thirty thousand dollars (\$30,000) for literature, equipment, and  
29 supplies to support the Council's activities.



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-HHSADMN-H7-P

Administrative Offices – DHHS  
House Appropriations, Health and Human Services

Requested by

1 **COMPETITIVE GRANTS/NONPROFIT ORGANIZATIONS**

2 **SECTION #.(a)** Of the funds appropriated in this act to the Department of Health  
3 and Human Services, Division of Central Management and Support, for each year of the  
4 2019-2021 fiscal biennium, the following amounts shall be used to allocate funds for nonprofit  
5 organizations:

- 6 (1) The sum of eleven million one hundred fifty-three thousand nine hundred  
7 eleven dollars (\$11,153,911) in recurring funds for each year of the 2019-2021  
8 fiscal biennium.  
9 (2) The sum of four hundred fifty thousand dollars (\$450,000) in nonrecurring  
10 funds for each year of the 2019-2021 fiscal biennium.  
11 (3) The sum of four million seven hundred seventy-four thousand five hundred  
12 twenty-five dollars (\$4,774,525) for each year of the 2019-2021 fiscal  
13 biennium appropriated in Section #(BG) of this act in Social Services Block  
14 Grant funds.  
15 (4) The sum of one million six hundred thousand dollars (\$1,600,000) for each  
16 year of the 2019-2021 fiscal biennium appropriated in Section #(BG) of this  
17 act in Substance Abuse Prevention and Treatment Block Grant funds.

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

- 21 (1) A request for application (RFA) process to allow nonprofits to apply for and  
22 receive State funds on a competitive basis. The Department shall require  
23 nonprofits to include in the application a plan to evaluate the effectiveness,  
24 including measurable impact or outcomes, of the activities, services, and  
25 programs for which the funds are being requested.  
26 (2) A requirement that nonprofits match a minimum of fifteen percent (15%) of  
27 the total amount of the grant award.  
28 (3) A requirement that the Secretary prioritize grant awards to those nonprofits  
29 that are able to leverage non-State funds in addition to the grant award.  
30 (4) A process that awards grants to nonprofits that have the capacity to provide  
31 services on a statewide basis and that support any of the following State health  
32 and wellness initiatives:  
33 a. A program targeting advocacy, support, education, or residential  
34 services for persons diagnosed with autism.  
35 b. A system of residential supports for those afflicted with substance  
36 abuse addiction.  
37 c. A program of advocacy and supports for individuals with intellectual  
38 and developmental disabilities or severe and persistent mental illness,  
39 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. The provision of services and screening for blindness.
- j. A 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.
- l. A comprehensive smoking prevention and cessation program that screens and treats tobacco use in pregnant women and postpartum mothers.
- m. A program providing short-term or long-term residential substance abuse services. For purposes of this sub-subdivision, "long-term" means a minimum of 12 months.
- n. A program that provides year-round sports training and athletic competition for children and adults with disabilities.

It is the intent of the General Assembly that annually the Secretary evaluate and prioritize the categories of health and wellness initiatives described under this subdivision to determine the best use of these funds in making grant awards, exclusive of direct allocations made by the General Assembly.

- (5) A process that 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 process that allows grants to be awarded to nonprofits for up to two years.
- (7) A requirement that initial disbursement of the grants be awarded no later than 30 days after certification of the State budget for the respective fiscal year.

**SECTION #.(c)** No later than July 1 of each year, as applicable, the Secretary shall announce the recipients of the competitive grant awards and allocate funds to the grant recipients for the respective grant period pursuant to the amounts designated under subsection (a) of this section. After awards have been granted, by September 1 of each year, 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 #.(d)** No later than December 1 of each fiscal year, each nonprofit organization receiving funding pursuant to this section in the respective fiscal year 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.

- 1 (3) Statistical and demographical information on the number of persons served by  
2 these programs, services, and activities, including the counties in which  
3 services are provided.
- 4 (4) Outcome measures that demonstrate the impact and effectiveness of the  
5 programs, services, and activities.
- 6 (5) A detailed program budget and list of expenditures, including all positions  
7 funded, matching expenditures, and funding sources.

8 **SECTION #.(e)** For the 2019-2021 fiscal biennium only, from the funds identified  
9 in subsection (a) of this section, the Department shall make the following allocations, provided  
10 that each nonprofit organization receiving funds pursuant to this subsection shall be required to  
11 seek future funding through the competitive grants process in accordance with subsection (b) of  
12 this section:

- 13 (1) The sum of three hundred fifty thousand dollars (\$350,000) in each year of  
14 the 2019-2021 fiscal biennium to provide grants to Big Brothers Big Sisters.
- 15 (2) The sum of one million six hundred twenty-five thousand dollars (\$1,625,000)  
16 for each year of the 2019-2021 fiscal biennium and the sum of one million six  
17 hundred thousand dollars (\$1,600,000) appropriated in Section # of this act in  
18 Substance Abuse Prevention and Treatment Block Grant funds in each year  
19 of the 2019-2021 fiscal biennium to Triangle Residential Options for  
20 Substance Abusers, Inc., (TROSAs) for the purpose of assisting individuals  
21 with substance abuse addiction.
- 22 (3) The sum of two million seven hundred fifty thousand dollars (\$2,750,000) in  
23 each year of the 2019-2021 fiscal biennium to provide grants to Boys and Girls  
24 Clubs across the State to implement (i) programs that improve the motivation,  
25 performance, and self-esteem of youth and (ii) other initiatives that would be  
26 expected to reduce gang participation, school dropout, and teen pregnancy  
27 rates.
- 28 (4) The sum of two hundred fifty thousand dollars (\$250,000) to Cross Trail  
29 Outfitters for purposes of promoting wellness and physical activity for youth  
30 seven to 20 years of age.
- 31 (5) The sum of three million four hundred eighty-six thousand three hundred  
32 twenty-one dollars (\$3,486,321) recurring in each year of the 2019-2021 fiscal  
33 biennium and the sum of two hundred fifty thousand dollars (\$250,000)  
34 nonrecurring in each year of the 2019-2021 fiscal biennium to food banks in  
35 this State for the provision of food distribution to needy individuals, including  
36 Food Bank of the Albemarle, North Carolina Association of Feeding America  
37 Food Banks, MANNA Food Bank, Action Pathways, Food Bank of Central  
38 and Eastern North Carolina, Second Harvest Food Bank of Northwest North  
39 Carolina, and Second Harvest Food Bank of Metrolina.
- 40 (6) The sum of two hundred thirty-two thousand seven hundred fifty-seven  
41 dollars (\$232,757) in each year of the 2019-2021 fiscal biennium to the North  
42 Carolina Senior Games for purposes of promoting health and education for  
43 North Carolinians 50 years of age and better.
- 44 (7) The sum of one hundred thousand dollars (\$100,000) in each year of the  
45 2019-2021 fiscal biennium to Special Olympics North Carolina to promote  
46 training and athletic competition for children and adults with intellectual  
47 disabilities.

GENERAL ASSEMBLY OF NORTH CAROLINA

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Proofed  
SPECIAL PROVISION



2019-DCDEE-H1-P

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

Requested by

1 **NC PRE-K PROGRAMS/STANDARDS FOR FOUR- AND FIVE-STAR RATED**  
2 **FACILITIES**

3 **SECTION #.(a)** Eligibility. – The Department of Health and Human Services,  
4 Division of Child Development and Early Education, shall continue implementing the  
5 prekindergarten program (NC Pre-K). The NC Pre-K program shall serve children who are four  
6 years of age on or before August 31 of the program year. In determining eligibility, the Division  
7 shall establish income eligibility requirements for the program not to exceed seventy-five percent  
8 (75%) of the State median income. Up to twenty percent (20%) of children enrolled may have  
9 family incomes in excess of seventy-five percent (75%) of median income if those children have  
10 other designated risk factors. Furthermore, any age-eligible child who is a child of either of the  
11 following shall be eligible for the program: (i) an active duty member of the Armed Forces of the  
12 United States, including the North Carolina National Guard, State military forces, or a reserve  
13 component of the Armed Forces who was ordered to active duty by the proper authority within  
14 the last 18 months or is expected to be ordered within the next 18 months, or (ii) a member of the  
15 Armed Forces of the United States, including the North Carolina National Guard, State military  
16 forces, or a reserve component of the Armed Forces who was injured or killed while serving on  
17 active duty. Eligibility determinations for NC Pre-K participants may continue through local  
18 education agencies and local North Carolina Partnership for Children, Inc., partnerships.

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

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

25 **SECTION #.(c)** Building Standards. – Notwithstanding G.S. 110-91(4), private  
26 child care facilities and public schools operating NC Pre-K classrooms shall meet the building  
27 standards for preschool students as provided in G.S. 115C-521.1.

28 **SECTION #.(d)** Programmatic Standards. – Except as provided in subsection (b1)  
29 of this section, entities operating NC Pre-K classrooms shall adhere to all of the policies  
30 prescribed by the Division of Child Development and Early Education regarding programmatic  
31 standards and classroom requirements.

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

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

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

- 1           (2)    The number of children participating in the NC Pre-K program who have  
2           never been served in other early education programs such as child care, public  
3           or private preschool, Head Start, Early Head Start, or early intervention  
4           programs.  
5           (3)    The expected NC Pre-K expenditures for the programs and the source of the  
6           local contributions.  
7           (4)    The results of an annual evaluation of the NC Pre-K program.  
8           **SECTION #.(g)** Audits. – The administration of the NC Pre-K program by local  
9           partnerships shall be subject to the financial and compliance audits authorized under  
10          G.S. 143B-168.14(b).

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SPECIAL PROVISION



2019-DCDEE-H6-P

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

Requested by

1 ***RAISE BASE REIMBURSEMENT RATES FOR NC PRE-K CHILD CARE CENTERS***

2       **SECTION #.** Of the funds appropriated in this act to the Department of Health and  
3 Human Services, Division of Child Development and Early Education, funds shall be allocated  
4 to raise the base reimbursement rates for child care centers participating in the North Carolina  
5 Prekindergarten (NC Pre-K) program by two percent (2%) over the 2018-2019 fiscal year rates  
6 for the 2019-2020 fiscal year and by an additional six percent (6%) over the 2019-2020 rates for  
7 the 2020-2021 fiscal year. It is the intent of the General Assembly that funds allocated pursuant  
8 to this section be used to increase the salaries of teachers working in child care centers as a means  
9 to address disparities in teacher salaries among teachers working in child care centers versus  
10 those working in public schools or Head Start centers.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

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SPECIAL PROVISION



2019-DCDEE-H2-P

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

Requested by

**CHILD CARE SUBSIDY RATES**

**SECTION #.(a)** The maximum gross annual income for initial eligibility, adjusted annually, 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)** Fees for families who are required to share in the cost of care are established based on nine percent (9%) of gross family income. When care is received at the blended rate, the co-payment shall be eighty-three percent (83%) of the full-time co-payment. Co-payments for part-time care shall be seventy-five percent (75%) of the full-time co-payment.

**SECTION #.(c)** 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 (f) 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) No payments shall be made for transportation services charged by child care facilities.
- (4) Payments for subsidized child care services for postsecondary education shall be limited to a maximum of 20 months of enrollment.
- (5) 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 #.(d)** 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

1 purchase child care for low-income children, then the county market rate may  
2 be applied.

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

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

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

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

28 **SECTION #.(h)** Payment for subsidized child care services provided with  
29 Temporary Assistance for Needy Families Block Grant funds shall comply with all regulations  
30 and policies issued by the Division of Child Development and Early Education for the subsidized  
31 child care program.

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

- 36 (1) The child for whom a child care subsidy is sought is receiving child protective  
37 services or foster care services.
- 38 (2) The child for whom a child care subsidy is sought is developmentally delayed  
39 or at risk of being developmentally delayed.
- 40 (3) The child for whom a child care subsidy is sought is a citizen of the United  
41 States.

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

46 **SECTION #.(k)** Department of Defense-certified child care facilities licensed  
47 pursuant to G.S. 110-106.2 may participate in the State-subsidized child care program that  
48 provides for the purchase of care in child care facilities for minor children in needy families,  
49 provided that funds allocated from the State-subsidized child care program to Department of  
50 Defense-certified child care facilities shall supplement and not supplant funds allocated in  
51 accordance with G.S. 143B-168.15(g). Payment rates and fees for military families who choose



1 Department of Defense-certified child care facilities and who are eligible to receive subsidized  
2 child care shall be as set forth in this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

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SPECIAL PROVISION



2019-DCDEE-H3-P

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

Requested by

1 **CHILD CARE ALLOCATION FORMULA**

2 **SECTION #.(a)** The Department of Health and Human Services, Division of Child  
3 Development and Early Education (Division), shall allocate child care subsidy voucher funds to  
4 pay the costs of necessary child care for minor children of needy families. The mandatory thirty  
5 percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation under  
6 G.S. 143B-168.15(g) shall constitute the base amount for each county's child care subsidy  
7 allocation. The Department of Health and Human Services shall use the following method when  
8 allocating federal and State child care funds, not including the aggregate mandatory thirty percent  
9 (30%) North Carolina Partnership for Children, Inc., subsidy allocation:

10 (1) Funds shall be allocated to a county based upon the projected cost of serving  
11 children under age 11 in families with all parents working who earn less than  
12 the applicable federal poverty level percentage set forth in Section #(a)  
13 [subsidy rates sp] of this act.

14 (2) The Division may withhold up to two percent (2%) of available funds from  
15 the allocation formula for (i) preventing termination of services throughout  
16 the fiscal year and (ii) repayment of any federal funds identified by counties  
17 as overpayments, including overpayments due to fraud. The Division shall  
18 allocate to counties any funds withheld before the end of the fiscal year when  
19 the Division determines the funds are not needed for the purposes described  
20 in this subdivision. The Division shall submit a report to the Joint Legislative  
21 Oversight Committee on Health and Human Services and the Fiscal Research  
22 Division, which report shall include each of the following:

- 23 a. The amount of funds used for preventing termination of services and  
24 the repayment of any federal funds.
- 25 b. The date the remaining funds were distributed to counties.
- 26 c. As a result of funds withheld under this subdivision and after funds  
27 have been distributed, any counties that did not receive at least the  
28 amount the counties received the previous year and the amount by  
29 which funds were decreased.

30 The Division shall submit a report in each year of the 2019-2021 fiscal  
31 biennium 30 days after the funds withheld pursuant to this subdivision are  
32 distributed but no later than April 1 of each respective year.

33 (3) The Division shall set aside four percent (4%) of child care subsidy allocations  
34 for vulnerable populations, which include a child identified as having special  
35 needs and a child whose application for assistance indicates that the child and  
36 the child's family is experiencing homelessness or is in a temporary living  
37 situation. A child identified by this subdivision shall be given priority for  
38 receiving services until such time as set-aside allocations for vulnerable  
39 populations are exhausted.

1           **SECTION #.(b)** The Division may reallocate unused child care subsidy voucher  
2 funds in order to meet the child care needs of low-income families. Any reallocation of funds  
3 shall be based upon the expenditures of all child care subsidy voucher funding, including North  
4 Carolina Partnership for Children, Inc., funds within a county. Counties shall manage service  
5 levels within the funds allocated to the counties. A county with a spending coefficient over one  
6 hundred percent (100%) shall submit a plan to the Division for managing the county's allocation  
7 before receiving any reallocated funds.

8           **SECTION #.(c)** When implementing the formula under subsection (a) of this  
9 section, the Division shall include the market rate increase in the formula process rather than  
10 calculating the increases outside of the formula process. Additionally, the Department shall do  
11 the following:

12           (1) A county's initial allocation shall be the county's expenditure in the previous  
13 fiscal year or a prorated share of the county's previous fiscal year expenditures  
14 if sufficient funds are not available. With the exception of market rate  
15 increases consistent with any increases approved by the General Assembly, a  
16 county whose spending coefficient is less than ninety-two percent (92%) in  
17 the previous fiscal year shall receive its prior year's expenditure as its  
18 allocation and shall not receive an increase in its allocation in the following  
19 year. A county whose spending coefficient is at least ninety-two percent  
20 (92%) in the previous fiscal year shall receive, at a minimum, the amount it  
21 expended in the previous fiscal year and may receive additional funding, if  
22 available. The Division may waive this requirement and allow an increase if  
23 the spending coefficient is below ninety-two percent (92%) due to  
24 extraordinary circumstances, such as a State or federal disaster declaration in  
25 the affected county. By October 1 of each year, the Division shall report to the  
26 Joint Legislative Oversight Committee on Health and Human Services and the  
27 Fiscal Research Division the counties that received a waiver pursuant to this  
28 subdivision and the reasons for the waiver.

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

GENERAL ASSEMBLY OF NORTH CAROLINA

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Proofed  
SPECIAL PROVISION



2019-DCDEE-H4-P

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

Requested by

1 **SMART START INITIATIVES**

2 **SECTION #.(a) Policies.** – The North Carolina Partnership for Children, Inc., and  
3 its Board shall ensure policies focus on the North Carolina Partnership for Children, Inc.'s  
4 mission of improving child care quality in North Carolina for children from birth to five years of  
5 age. North Carolina Partnership for Children, Inc.-funded activities shall include assisting child  
6 care facilities with (i) improving quality, including helping one-, two-, and three-star-rated  
7 facilities increase their star ratings, and (ii) implementing prekindergarten programs. State  
8 funding for local partnerships shall also be used for evidence-based or evidence-informed  
9 programs for children from birth to 5 years of age that do the following:

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

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

25 **SECTION #.(c) Salaries.** – The salary schedule developed and implemented by the  
26 North Carolina Partnership for Children, Inc., shall set the maximum amount of State funds that  
27 may be used for the salary of the Executive Director of the North Carolina Partnership for  
28 Children, Inc., and the directors of the local partnerships. The North Carolina Partnership for  
29 Children, Inc., shall base the schedule on the following criteria:

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

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

1           **SECTION #.(d) Match Requirements.** – The North Carolina Partnership for  
2 Children, Inc., and all local partnerships shall, in the aggregate, be required to match one hundred  
3 percent (100%) of the total amount budgeted for the program in each fiscal year of the 2019-2021  
4 biennium. Of the funds the North Carolina Partnership for Children, Inc., and the local  
5 partnerships are required to match, contributions of cash shall be equal to at least thirteen percent  
6 (13%) and in-kind donated resources shall be equal to no more than six percent (6%) for a total  
7 match requirement of nineteen percent (19%) for each year of the 2019-2021 fiscal biennium.  
8 The North Carolina Partnership for Children, Inc., may carry forward any amount in excess of  
9 the required match for a fiscal year in order to meet the match requirement of the succeeding  
10 fiscal year. Only in-kind contributions that are quantifiable shall be applied to the in-kind match  
11 requirement. Volunteer services may be treated as an in-kind contribution for the purpose of the  
12 match requirement of this subsection. Volunteer services that qualify as professional services  
13 shall be valued at the fair market value of those services. All other volunteer service hours shall  
14 be valued at the statewide average wage rate as calculated from data compiled by the Division of  
15 Employment Security of the Department of Commerce in the Employment and Wages in North  
16 Carolina Annual Report for the most recent period for which data are available. Expenses,  
17 including both those paid by cash and in-kind contributions, incurred by other participating  
18 non-State entities contracting with the North Carolina Partnership for Children, Inc., or the local  
19 partnerships also may be considered resources available to meet the required private match. In  
20 order to qualify to meet the required private match, the expenses shall:

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

35           Failure to obtain a nineteen-percent (19%) match by June 30 of each year of the  
36 2019-2021 fiscal biennium shall result in a dollar-for-dollar reduction in the appropriation for the  
37 Program for a subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be  
38 responsible for compiling information on the private cash and in-kind contributions into a report,  
39 to be included in its annual report as required under G.S. 143B-168.12(d), in a format that allows  
40 verification by the Department of Revenue. The same match requirements shall apply to any  
41 expansion funds appropriated by the General Assembly.

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

- 45           (1) For amounts of five thousand dollars (\$5,000) or less, the procedures specified  
46 by a written policy as developed by the Board of Directors of the North  
47 Carolina Partnership for Children, Inc.
- 48           (2) For amounts greater than five thousand dollars (\$5,000), but less than fifteen  
49 thousand dollars (\$15,000), three written quotes.
- 50           (3) For amounts of fifteen thousand dollars (\$15,000) or more, but less than forty  
51 thousand dollars (\$40,000), a request for proposal process.

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

3 **SECTION #.(f)** Allocations. – The North Carolina Partnership for Children, Inc.,  
4 shall not reduce the allocation for counties with less than 35,000 in population below the  
5 2012-2013 funding level.

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

8 **SECTION #.(h)** Expenditure Restrictions. – Except as provided in subsection (i) of  
9 this section, the Department of Health and Human Services and the North Carolina Partnership  
10 for Children, Inc., shall ensure that the allocation of funds for Early Childhood Education and  
11 Development Initiatives for the 2019-2021 fiscal biennium shall be administered and distributed  
12 in the following manner:

13 (1) Capital expenditures are prohibited for the 2017-2019 fiscal biennium. For the  
14 purposes of this section, "capital expenditures" means expenditures for capital  
15 improvements as defined in G.S. 143C-1-1(d)(5).

16 (2) Expenditures of State funds for advertising and promotional activities are  
17 prohibited for the 2019-2021 fiscal biennium.

18 For the 2019-2021 fiscal biennium, local partnerships shall not spend any State funds on  
19 marketing campaigns, advertising, or any associated materials. Local partnerships may spend any  
20 private funds the local partnerships receive on those activities.

21 **SECTION #.(i)** Notwithstanding subsection (h) of this section, the North Carolina  
22 Partnership for Children, Inc., and local partnerships may use up to one percent (1%) of State  
23 funds for fund-raising activities. The North Carolina Partnership for Children, Inc., shall include  
24 in its annual report required under G.S. 143B-168.12(d) a report on the use of State funds for  
25 fund-raising. The report shall include the following:

26 (1) The amount of funds expended on fund-raising.

27 (2) Any return on fund-raising investments.

28 (3) Any other information deemed relevant.

29 **SECTION #.(j)** G.S. 143B-168.12(d) reads as rewritten:

30 "(d) The North Carolina Partnership for Children, Inc., shall make a report no later than  
31 December 1 of each year to the ~~General Assembly~~ Joint Legislative Oversight Committee on  
32 Health and Human Services and the Fiscal Research Division of the General Assembly that shall  
33 include the following:

34 (1) A description of the program and significant services and initiatives.

35 (2) A history of Smart Start funding and the previous fiscal year's expenditures.

36 (3) The number of children served by type of service.

37 (4) The type and quantity of services provided.

38 (5) The results of the previous year's evaluations of the Initiatives or related  
39 programs and services.

40 (6) A description of significant policy and program changes.

41 (7) Any recommendations for legislative action."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DCDEE-H5-P

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

Requested by

1 ***SMART START LITERACY INITIATIVE/DOLLY PARTON'S IMAGINATION LIBRARY***

2 **SECTION #.(a)** Funds allocated to the North Carolina Partnership for Children, Inc.,  
3 from the Department of Health and Human Services, shall be used to increase access to Dolly  
4 Parton's Imagination Library, an early literacy program that mails age-appropriate books on a  
5 monthly basis to children registered for the program.

6 **SECTION #.(b)** The North Carolina Partnership for Children, Inc., may use up to  
7 one percent (1%) of the funds for statewide program management and up to one percent (1%) of  
8 the funds for program evaluation. Funds appropriated under this section shall not be subject to  
9 administrative costs requirements under Section #(b) of this act, nor shall these funds be subject  
10 to the child care services funding requirements under G.S. 143B-168.15(b), child care subsidy  
11 expansion requirements under G.S. 143B-168.15(g), or the match requirements under Section  
12 #(d) of this act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H1-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

**MEDICAID ELIGIBILITY**

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

**"§ 108A-54.3A. Eligibility categories and income thresholds.**

(a) The Department shall provide Medicaid coverage for individuals in accordance with federal statutes and regulations and specifically shall provide coverage for the following populations:

(1) Families, children under the age of 21, pregnant women, and individuals who are aged, blind, or disabled, who are medically needy, subject to the following annual income levels after meeting the applicable deductible:

<u>Family Size</u>	<u>Income Level</u>
<u>1</u>	<u>\$2,904</u>
<u>2</u>	<u>3,804</u>
<u>3</u>	<u>4,404</u>
<u>4</u>	<u>4,800</u>
<u>5</u>	<u>5,196</u>
<u>6</u>	<u>5,604</u>
<u>7</u>	<u>6,000</u>
<u>8</u>	<u>6,300</u>
<u>9</u>	<u>6,504</u>
<u>10</u>	<u>6,900</u>
<u>11</u>	<u>7,200</u>
<u>12</u>	<u>7,596</u>
<u>13</u>	<u>8,004</u>
<u>14</u>	<u>8,400</u>

each additional family member add \$396

(2) Families and children under the age of 21, subject to the following annual income levels:

<u>Family Size</u>	<u>Income Level</u>
<u>1</u>	<u>\$5,208</u>
<u>2</u>	<u>6,828</u>
<u>3</u>	<u>8,004</u>
<u>4</u>	<u>8,928</u>
<u>5</u>	<u>9,888</u>
<u>6</u>	<u>10,812</u>
<u>7</u>	<u>11,700</u>
<u>8</u>	<u>12,432</u>
<u>9</u>	<u>13,152</u>
<u>10</u>	<u>14,028</u>

each additional family member add \$936



- 1           (3)    Children under the age of 6 with family incomes equal to or less than two  
2           hundred ten percent (210%) of the federal poverty guidelines.
- 3           (4)    Children aged 6 through 18 with family incomes equal to or less than one  
4           hundred thirty-three percent (133%) of the federal poverty guidelines.
- 5           (5)    Children under the age of 19 who are receiving foster care or adoption  
6           assistance under title IV-E of the Social Security Act, without regard to  
7           income.
- 8           (6)    Children in the legal custody of State-sponsored foster care who are under the  
9           age of 21 and ineligible for Title IV-E assistance, without regard to income.
- 10          (7)    Independent foster care adolescents ages 18, 19, and 20, as defined in 42  
11          U.S.C. § 1396d(w)(1), without regard to income.
- 12          (8)    Former foster care children under the age of 26 in accordance with 42 U.S.C.  
13          § 1396a(a)(10)(A)(i)(IX), without regard to income.
- 14          (9)    Adoptive children with special or rehabilitative needs, regardless of the  
15          adoptive family's income.
- 16          (10)   Pregnant women with incomes equal to or less than one hundred ninety-six  
17          percent (196%) of the federal poverty guidelines. Coverage for pregnant  
18          women eligible under this subdivision include only services related to  
19          pregnancy and to other conditions determined by the Department as  
20          conditions that may complicate pregnancy.
- 21          (11)   Men and women of childbearing age with family incomes equal to or less than  
22          one hundred ninety-five percent (195%) of the federal poverty guidelines.  
23          Coverage for the individuals described in this subdivision shall be limited to  
24          coverage for family planning services.
- 25          (12)   Women who need treatment for breast or cervical cancer and who are defined  
26          in 42 U.S.C. § 1396a(a)(10)(A)(ii)(XVIII).
- 27          (13)   Aged, blind, or disabled individuals, as defined in Subpart F of Part 435 of  
28          Subchapter C of Chapter IV of Title 42 of the Code of Federal Regulations,  
29          with incomes equal to or less than one hundred percent (100%) of the federal  
30          poverty guidelines.
- 31          (14)   Beneficiaries receiving supplemental security income under title XVI of the  
32          Social Security Act.
- 33          (15)   Workers with disabilities, as provided in G.S. 108A-66.1.
- 34          (16)   Qualified working disabled individuals, as provided in G.S. 108A-67.
- 35          (17)   Qualified Medicare beneficiaries with incomes equal to or less than one  
36          hundred percent (100%) of the federal poverty guidelines. Coverage for the  
37          individuals described in this subdivision shall be limited to payment of  
38          Medicare premiums and deductibles and co-insurance for Medicare-covered  
39          services.
- 40          (18)   Specified low-income Medicare beneficiaries with incomes equal to or less  
41          than one hundred twenty percent (120%) of the federal poverty guidelines.  
42          Coverage for the individuals described in this subdivision shall be limited to  
43          payment of Medicare Part B premiums.
- 44          (19)   Qualifying individuals who are Medicare beneficiaries and who have incomes  
45          equal to or less than one hundred thirty-five percent (135%) of the federal  
46          poverty guidelines, may be covered within funds available for the Limited  
47          Medicare-Aid Capped Enrollment program. Coverage for the individuals  
48          described in this subdivision shall be limited to payment of Medicare Part B  
49          premiums.
- 50          (20)   Recipients of an optional State supplementation program provided in  
51          accordance with 42 U.S.C. § 1382e.

- 1           (21) Individuals who meet eligibility criteria under a Medicaid waiver approved by  
2           the Centers for Medicare and Medicaid Services and authorized by an act of  
3           the General Assembly, within funds available for the waiver.  
4           (22) Refugees, in accordance with 8 U.S.C. § 1522.  
5           (23) Qualified aliens subject to the five-year bar for means tested public assistance  
6           under 8 U.S.C. § 1613 and undocumented aliens, only for emergency services  
7           under 8 U.S.C. § 1611."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H2-P

Division of Health Benefits  
House Appropriations, Health and Human Services

**Requested by**

1 ***MEDICAID ANNUAL REPORT***

2 **SECTION #.** The Department of Health and Human Services, Division of Health  
3 Benefits (DHB), shall continue the publication of the Medicaid Annual Report and  
4 accompanying tables. DHB shall publish the report and tables on its Web site no later than  
5 December 31 following each State fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H3-P

Division of Health Benefits  
House Appropriations, Health and Human Services

**Requested by**

1 ***ANNUAL ISSUANCE OF MEDICAID IDENTIFICATION CARDS***

2       **SECTION #.** The Department of Health and Human Services (Department) shall  
3 issue Medicaid identification cards to recipients on an annual basis with updates as needed. The  
4 Department shall adopt rules, or amend any current rules relating to Medicaid identification  
5 cards, to implement this section. No later than July 1, 2020, the Department shall submit a report  
6 to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice confirming the  
7 adoption or amendment of rules in accordance with this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H4-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

1 *ADMINISTRATIVE HEARINGS FUNDING*

2       **SECTION #.** Of the funds appropriated to the Department of Health and Human  
3 Services, Division of Health Benefits, for administrative contracts and interagency transfers, the  
4 Department of Health and Human Services (Department) shall transfer the sum of one million  
5 dollars (\$1,000,000) for the 2019-2020 fiscal year and the sum of one million dollars  
6 (\$1,000,000) for the 2020-2021 fiscal year to the Office of Administrative Hearings (OAH).  
7 These funds shall be allocated by the OAH for mediation services provided for Medicaid  
8 applicant and recipient appeals and to contract for other services necessary to conduct the appeals  
9 process. The OAH shall continue the Memorandum of Agreement (MOA) with the Department  
10 for mediation services provided for Medicaid recipient appeals and contracted services necessary  
11 to conduct the appeals process. The MOA will facilitate the Department's ability to draw down  
12 federal Medicaid funds to support this administrative function. Upon receipt of invoices from the  
13 OAH for covered services rendered in accordance with the MOA, the Department shall transfer  
14 the federal share of Medicaid funds drawn down for this purpose.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H5-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

1 ***ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE***

2 **SECTION #.(a)** Receivables reserved at the end of the 2019-2020 and 2020-2021  
3 fiscal years shall, when received, be accounted for as nontax revenue for each of those fiscal  
4 years.

5 **SECTION #.(b)** For the 2019-2020 fiscal year, the Department of Health and Human  
6 Services shall deposit from its revenues one hundred sixty-four million seven hundred thousand  
7 dollars (\$164,700,000) with the Department of State Treasurer to be accounted for as nontax  
8 revenue. For the 2020-2021 fiscal year, the Department of Health and Human Services shall  
9 deposit from its revenues one hundred forty-nine million six hundred thousand dollars  
10 (\$149,600,000) with the Department of State Treasurer to be accounted for as nontax revenue.  
11 These deposits shall represent the return of General Fund appropriations, nonfederal revenue,  
12 fund balances, or other resources from State-owned and State-operated hospitals that are used to  
13 provide indigent and nonindigent care services. The return from State-owned and State-operated  
14 hospitals to DHHS will be made from nonfederal resources in an amount equal to the amount of  
15 the payments from the Division of Health Benefits for uncompensated care. The treatment of any  
16 revenue derived from federal programs shall be in accordance with the requirements specified in  
17 the Code of Federal Regulations, Title 2, Part 225.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H6-P

Division of Health Benefits  
House Appropriations, Health and Human Services

**Requested by**

1 ***VOLUME PURCHASE PLANS AND SINGLE SOURCE PROCUREMENT***

2 **SECTION #.** The Department of Health and Human Services, Division of Health  
3 Benefits, may, subject to the approval of a change in the State Medicaid Plan, contract for  
4 services, medical equipment, supplies, and appliances by implementation of volume purchase  
5 plans, single source procurement, or other contracting processes in order to improve cost  
6 containment.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H7-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

1 ***LME/MCO OUT-OF-NETWORK AGREEMENTS***

2 **SECTION #.(a)** The Department of Health and Human Services (Department) shall  
3 continue to ensure that local management entities/managed care organizations (LME/MCOs)  
4 utilize an out-of-network agreement that contains standardized elements developed in  
5 consultation with LME/MCOs. The out-of-network agreement shall be a streamlined agreement  
6 between a single provider of behavioral health or intellectual/developmental disability (IDD)  
7 services and an LME/MCO to ensure access to care in accordance with 42 C.F.R. §  
8 438.206(b)(4), reduce administrative burden on the provider, and comply with all requirements  
9 of State and federal laws and regulations. LME/MCOs shall use the out-of-network agreement  
10 in lieu of a comprehensive provider contract when all of the following conditions are met:

- 11 (1) The services requested are medically necessary and cannot be provided by an  
12 in-network provider.
- 13 (2) The behavioral health or IDD provider's site of service delivery is located  
14 outside of the geographical catchment area of the LME/MCO, and the  
15 LME/MCO is not accepting applications or the provider does not wish to  
16 apply for membership in the LME/MCO closed network.
- 17 (3) The behavioral health or IDD provider is not excluded from participation in  
18 the Medicaid program, the NC Health Choice program, or other State or  
19 federal health care program.
- 20 (4) The behavioral health or IDD provider is serving no more than two enrollees  
21 of the LME/MCO, unless the agreement is for inpatient hospitalization, in  
22 which case the LME/MCO may, but shall not be required to, enter into more  
23 than five such out-of-network agreements with a single hospital or health  
24 system in any 12-month period.

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



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H9-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

**LME/MCO INTERGOVERNMENTAL TRANSFERS**

**SECTION #.** The local management entities/managed care organizations (LME/MCOs) shall make intergovernmental transfers to the Department of Health and Human Services, Division of Health Benefits (DHB), in an aggregate amount of eighteen million twenty-eight thousand two hundred seventeen dollars (\$18,028,217) in the 2019-2020 fiscal year and in an aggregate amount of eighteen million twenty-eight thousand two hundred seventeen dollars (\$18,028,217) for the 2020-2021 fiscal year. The due date and frequency of the intergovernmental transfer required by this section shall be determined by DHB. The amount of the intergovernmental transfer that each individual LME/MCO is required to make in each fiscal year shall be as follows:

	<b>2019-2020</b>	<b>2020-2021</b>
Alliance Behavioral Healthcare	\$2,994,453	\$2,994,453
Cardinal Innovations Healthcare	\$4,032,586	\$4,032,586
Eastpointe	\$1,701,156	\$1,701,156
Partners Behavioral Health Management	\$1,914,860	\$1,914,860
Sandhills Center	\$1,978,939	\$1,978,939
Trillium Health Resources	\$3,119,822	\$3,119,822
Vaya Health	\$2,286,401	\$2,286,401

In the event that any county disengages from an LME/MCO and realigns with another LME/MCO during the 2019-2021 fiscal biennium, DHB shall have the authority to reallocate the amount of the intergovernmental transfer that each affected LME/MCO is required to make, taking into consideration the change in catchment area and covered population, provided that the aggregate amount of the transfers received from all LME/MCOs in each year of the fiscal biennium are achieved.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H10-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

1 ***CO-PAYMENTS FOR MEDICAID SERVICES***

2 **SECTION #.(a)** Beginning November 1, 2019, the co-payments for Medicaid  
3 services shall be increased to four dollars (\$4.00). This section does not apply to services  
4 provided under Section 1905(a)(1) through 1905(a)(5) and under Section 1905(a)(7) of the Social  
5 Security Act or to recipients prohibited by federal law from cost-sharing requirements.

6 **SECTION #.(b)** The Department of Health and Human Services, Division of Health  
7 Benefits, shall submit any necessary State Plan amendments to the Centers for Medicare and  
8 Medicaid Services to implement this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H11-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

- 1 ***EXPAND NORTH CAROLINA INNOVATIONS WAIVER SLOTS***
- 2       **SECTION #.** The Department of Health and Human Services, Division of Health
- 3 Benefits, shall amend the North Carolina Innovations waiver to increase the number of slots
- 4 available under the waiver by 150 slots. These additional slots shall be made available on March
- 5 1, 2020.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H20-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

1 **ADDRESS GROUP HOMES DIRECT SUPPORT PERSONNEL STAFFING CRISIS**

2 **SECTION #.(a)** ICF/IID Group Homes. – Of the funds appropriated to the  
3 Department of Health and Human Services, Division of Health Benefits (DHB), the sum of five  
4 million six hundred fifty thousand dollars (\$5,650,000) in recurring funds for the 2019-2020  
5 fiscal year and the sum of eleven million three hundred thousand dollars (\$11,300,000) in  
6 recurring funds for the 2020-2021 fiscal year shall be used to adjust the per member per month  
7 (PMPM) capitation amount paid to local management entity/managed care organizations  
8 (LME/MCOs) operating capitated contracts for mental health, intellectual and other development  
9 disabilities, and substance abuse services to include amounts sufficient to increase wages paid to  
10 direct support personnel working in community-based Intermediate Care Facility for Individuals  
11 with Intellectual Disabilities (ICF/IID) group homes for individuals with intellectual and other  
12 developmental disabilities to align the wages paid to these direct support personnel with the  
13 current wages paid to State employees in State-owned developmental centers. Adjustments to the  
14 PMPM capitation amount paid, in accordance with this subsection, shall be implemented no  
15 sooner than January 1, 2020. The following shall apply to PMPM capitation amount adjustments  
16 made under this subsection:

- 17 (1) The adjustments shall be consistent with the North Carolina Medicaid State  
18 Plan requirements to provide for actuarially sound rates sufficient to operate  
19 and provide safe and effective services.
- 20 (2) DHB shall validate the actual amounts necessary to adjust the relevant portion  
21 of the LME/MCO PMPM capitation payment to wages paid to direct support  
22 personnel salaries with current wages paid to State employees in State-owned  
23 developmental centers.
- 24 (3) The adjustments shall be considered directed payments made to LME/MCOs  
25 under 42 C.F.R. § 438.6, in order to assure that the increased amounts are used  
26 for wage increases.
- 27 (4) Providers receiving any increase in funds from LME/MCOs to be used for  
28 wage increases, as required by this subsection, shall attest and provide  
29 verification that those increased funds are being used for the purpose of  
30 increasing wages paid to direct support personnel and employees who support  
31 direct support personnel. LME/MCOs may require verifiable methods of  
32 accounting such as payroll-based journals.

33 After the implementation of this subsection, DHB shall continue to work with  
34 stakeholders and service providers in order to develop an appropriate methodology, to track  
35 progress towards increasing direct support personnel wages, and to determine if any additional  
36 resources are necessary to achieve alignment of these wages with the current wages paid to State  
37 employees in State-owned developmental centers. Further, DHB shall maximize the ICF/IID  
38 assessment to increase the capitation payment rates for ICF/IIDs. DHB shall use all available  
39 proceeds of the adjusted ICF/IID assessment for the purpose of implementing this subsection.

1           **SECTION #.(b)** North Carolina Innovations Waiver. – Of the funds appropriated to  
2 the Department of Health and Human Services, Division of Health Benefits (DHB), the sum of  
3 two hundred fifty thousand dollars (\$250,000) in nonrecurring funds shall be used to conduct an  
4 actuarial analysis and a wage and hour study of the North Carolina Innovations waiver program.  
5 This actuarial analysis and study shall aid in determining the appropriate adjustments to the  
6 per-slot service costs that would be necessary to align wages paid to direct support personnel  
7 providing services under the North Carolina Innovations waiver with wages paid to State  
8 employees in State-owned developmental centers. The analysis and study shall be completed  
9 prior to the next local management entity/managed care organization (LME/MCO) rate  
10 negotiation cycle, but no later than January 15, 2020. DHB shall provide a copy of the analysis  
11 and wage and hour study to the Joint Legislative Oversight Committee on Medicaid and NC  
12 Health Choice and the Fiscal Research Division no later than January 15, 2020.

13           Upon completion of the analysis and the wage and hour study, DHB shall draft a plan  
14 that provides for multiyear adjustments, to be phased in over a two- to three-year period, to the  
15 per-slot cap on costs necessary to align wages paid to direct support personnel providing services  
16 under the Innovations waiver with wages paid to State employees working in State-operated  
17 developmental centers. This plan shall require that LME/MCOs and providers receiving an  
18 increase in funds as a result of the adjustments to attest and provide verification that those  
19 increased funds are being used for the purpose of increasing wages paid to direct support  
20 personnel and employees who supervise and support direct support personnel. The plan may  
21 require verifiable methods of accounting such as payroll-based journals.

22           The actuarial analysis conducted and the plan developed under this subsection shall  
23 include all of the following components:

- 24           (1) The average cost per Innovations waiver slot.
- 25           (2) The percent of average Innovations waiver slot costs that are related to labor  
26 costs.
- 27           (3) Current labor costs for direct support personnel providing services through the  
28 Innovations waiver.
- 29           (4) The percent of other indirect and administrative costs related to direct support  
30 personnel providing services through the Innovations waiver.
- 31           (5) Current indirect and administrative costs related to direct support personnel  
32 providing services through the Innovations waiver.
- 33           (6) An accurate number of full-time equivalents (FTEs) for direct support  
34 personnel providing services through the Innovations waiver.
- 35           (7) Current average hourly wage for direct support personnel providing services  
36 through the Innovations waiver.
- 37           (8) The total cost to increase the wages of direct support personnel providing  
38 services through the Innovations waiver to a minimum of fifteen dollars  
39 (\$15.00) per hour, or the current wage paid to State employees working in  
40 State-operated developmental centers.
- 41           (9) Recommended resources necessary to add additional Innovations waiver  
42 slots.
- 43           (10) Recommended resources necessary to increase the wages of direct support  
44 personnel providing services through the Innovations waiver to a minimum of  
45 fifteen dollars (\$15.00) per hour, or the current wage paid to State employees  
46 working in State-operated developmental centers.

47           No later than March 1, 2020, DHB shall submit a copy of the plan and any related  
48 recommendations to the Joint Legislative Oversight Committee on Medicaid and NC Health  
49 Choice. DHB shall not pursue any State Plan amendments or any changes to the North Carolina  
50 Innovations waiver that would be necessary to increase the wages of direct support personnel  
51 providing services through the Innovations waiver to a minimum of fifteen dollars (\$15.00) per

1 hour, or the current wage paid to State employees working in State-operated developmental  
2 centers, without further legislation directing the implementation of the wage increase.

3 **SECTION #.(c) Methodology for Determining Appropriate Wages to be Paid.** – To  
4 establish a baseline methodology for determining the appropriate wages to be paid in accordance  
5 with this section, the Department of Health and Human Services, Division of Health Benefits  
6 (DHB), shall use information from the Office of State Human Resources job classification and  
7 wage and hour data for the specific employees working at State-operated developmental centers  
8 who are in comparable job classifications as those direct support personnel working in  
9 community-based Intermediate Care Facility for Individuals with Intellectual Disabilities  
10 (ICF/IID) group homes and those direct support personnel providing services through the North  
11 Carolina Innovations waiver. DHB shall make appropriate adjustments for health insurance,  
12 retirement benefits, and other key factors that drive total labor costs. DHB shall also take into  
13 consideration market-based wage comparisons between direct support personnel working in  
14 community-based ICF/IID group homes and those direct support personnel providing services  
15 through the North Carolina Innovations waiver and State employees working in the  
16 State-operated developmental centers, direct support personnel working in private work settings,  
17 including health care facilities and health services settings, and employees working in private  
18 sector businesses that compete to hire the same employees, such as retail and fast food. DHB  
19 may accept actuarially sound projections of competitive wage and hour data and other cost data  
20 from non-State entities in order to calculate forward-looking wage analysis formulas and finalize  
21 the exact rates needed to meet this urgent need, as required by this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H18-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

1 ***DISABLED ADULT CHILD PASSALONG ELIGIBILITY***

2 **SECTION #.** Effective January 1, 2020, the eligibility requirements for the Disabled  
3 Adult Child Passalong authorized under Section 1634 of the Social Security Act for the Medicaid  
4 program shall consist of only the following four requirements:

- 5 (1) The adult is currently entitled to and receives federal Retirement, Survivors,  
6 and Disability Insurance (RSDI) benefits as a disabled adult child on a parent's  
7 record due to the retirement, death, or disability of a parent.  
8 (2) The adult is blind or has a disability that began before age 22.  
9 (3) The adult would currently be eligible for Supplemental Security Income (SSI)  
10 or State-County Special Assistance if the current RSDI benefit is disregarded.  
11 (4) For eligibility that is based on former receipt of State-County Special  
12 Assistance and not SSI, the adult must currently reside in an adult care home.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H14-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

- 1 ***DURATION OF MEDICAID AND NC HEALTH CHOICE PROGRAM MODIFICATIONS***
- 2       **SECTION #.** Except for eligibility categories and income thresholds and except for
- 3 statutory changes, the Department of Health and Human Services shall not be required to
- 4 maintain, after June 30, 2021, any modifications to the Medicaid and NC Health Choice programs
- 5 required by this Subpart.



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H8-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

1 ***MEDICAID CONTINGENCY RESERVE***

2 **SECTION #.(a)** Funds in the Medicaid Contingency Reserve established by Section  
3 12H.38 of S.L. 2014-100 shall be used only for budget shortfalls in the Medicaid Program. These  
4 funds shall be available for expenditure only upon an appropriation by act of the General  
5 Assembly. It is the intent of the General Assembly to appropriate funds from the Medicaid  
6 Contingency Reserve only if:

7 (1) The Director of the Budget, after the State Controller has verified that receipts  
8 are being used appropriately, has found that additional funds are needed to  
9 cover a shortfall in the Medicaid budget for the State fiscal year.

10 (2) The Director of the Budget has reported immediately to the Fiscal Research  
11 Division on the amount of the shortfall found in accordance with subdivision  
12 (1) of this subsection. This report shall include an analysis of the causes of the  
13 shortfall, such as (i) unanticipated enrollment and mix of enrollment, (ii)  
14 unanticipated growth or utilization within particular service areas, (iii) errors  
15 in the data or analysis used to project the Medicaid budget, (iv) the failure of  
16 the program to achieve budgeted savings, (v) other factors and market trends  
17 that have impacted the price of or spending for services, (vi) variations in  
18 receipts from prior years or from assumptions used to prepare the Medicaid  
19 budget for the current fiscal year, or (vii) other factors. The report shall also  
20 include data in an electronic format that is adequate for the Fiscal Research  
21 Division to confirm the amount of the shortfall and its causes.

22 **SECTION #.(b)** Nothing in this section shall be construed to limit the authority of  
23 the Governor to carry out his duties under the Constitution.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H15-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

1 **USE OF MEDICAID TRANSFORMATION FUND FOR MEDICAID TRANSFORMATION**  
2 **NEEDS**

3 **SECTION #.(a)** There is appropriated from the Medicaid Transformation Reserve  
4 in the General Fund to the Medicaid Transformation Fund, established under Section 12H.29 of  
5 S.L. 2015-241, the sum of two hundred six million one hundred forty-five thousand six hundred  
6 twelve dollars (\$206,145,612) in nonrecurring funds for the 2019-2020 fiscal year and the sum  
7 of sixty-two million five hundred eleven thousand six hundred ninety-two dollars (\$62,511,692)  
8 in nonrecurring funds for the 2020-2021 fiscal year.

9 **SECTION #.(b)** The Director of the Budget shall include the sum of forty million  
10 one hundred sixty-seven thousand six hundred fifty-five dollars (\$40,167,655) when developing  
11 the base budget, as defined in G.S. 143C-1-1, for the Department of Health and Human Services,  
12 Division of Health Benefits, for the 2021-2023 fiscal biennium.

13 **SECTION #.(c)** Subject to the fulfillment of conditions specified in subsection (d)  
14 of this section, the sum of fifty-five million eight hundred ninety-eight thousand six hundred two  
15 dollars (\$55,898,602) in nonrecurring funds for the 2019-2020 fiscal year and the sum of  
16 fifty-one million one hundred fifty-one thousand two hundred three dollars (\$51,151,203) in  
17 nonrecurring funds for the 2020-2021 fiscal year from the Medicaid Transformation Fund may  
18 be transferred to the Department of Health and Human Services, Division of Health Benefits  
19 (DHB), for the sole purpose of providing the State share for qualifying needs directly related to  
20 Medicaid Transformation, as required by S.L. 2015-241, as amended. Funds may be transferred  
21 to DHB as qualifying needs arise during the 2019-2021 biennium and need not be transferred in  
22 one lump sum.

23 For the purposes of this section, the term "qualifying need" shall be limited to  
24 information technology, time-limited staffing, and contracts related to the following Medicaid  
25 Transformation needs:

- 26 (1) Enrollment broker services.
- 27 (2) An Electronic Data Interchange and Information Exchange Portal.
- 28 (3) Ombudsman programs.
- 29 (4) Finance and program integrity capabilities.
- 30 (5) Provider credentialing verification.
- 31 (6) Provider data management.
- 32 (7) Other needs identified by DHB as determined in consultation with the Office  
33 of State Budget and Management.

34 **SECTION #.(d)** A request by the Department of Health and Human Services,  
35 Division of Health Benefits (DHB), for the transfer of funds pursuant to subsection (c) of this  
36 section shall be made to the Office of State Budget and Management (OSBM) and shall include  
37 the amount requested and the specific qualifying need for which the funds are to be used. None  
38 of the funds identified in subsection (c) of this section shall be transferred to DHB until OSBM  
39 verifies the following information:

- 1           (1)    The amount requested is to be used for a qualifying need in the 2019-2021  
2                    biennium.
- 3           (2)    The amount requested provides a State share that will not result in total  
4                    requirements that exceed two hundred thirty-three million dollars  
5                    (\$233,000,000) in the 2019-2020 fiscal year and one hundred ninety-nine  
6                    million dollars (\$199,000,000) in the 2020-2021 fiscal year.
- 7           **SECTION #.(e)** Any federal funds received in any fiscal year by the Department of  
8   Health and Human Services, Division of Health Benefits (DHB), that represent a return of State  
9   share already expended on a qualifying need related to the funds received by the DHB under this  
10 section shall be deposited into the Medicaid Transformation Fund.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H13-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

1 **TRIBAL OPTION/MEDICAID TRANSFORMATION**

2 **SECTION #.(a)** The Department of Health and Human Services may contract with  
3 an Indian managed care entity (IMCE) or an Indian health care provider (IHCP), as defined under  
4 42 C.F.R. § 438.14(a), to assist in the provision of health care or health care-related services to  
5 Medicaid and NC Health Choice beneficiaries who are members of federally recognized tribes  
6 or who are eligible to enroll in an IMCE. Contracts may include health care or health care-related  
7 services as agreed upon with the IMCE or IHCP, as approved by the Secretary of the Department  
8 of Health and Human Services and as allowed by the Centers for Medicare and Medicaid Services  
9 (CMS), including, but not limited to, the following services:

- 10 (1) Primary care case management as a primary care case managed system or  
11 entity, as described in 42 C.F.R. § 438.2.  
12 (2) Utilization management and referrals.  
13 (3) The management of or provision of home and community-based services  
14 under a 1915(c) waiver.  
15 (4) The management or provision of specialized services covered by a BH IDD  
16 Tailored Plan in accordance with Subdivision 10 of Section 4 of S.L.  
17 2015-245, as amended by S.L. 2018-48.

18 Coverage provided by the IMCE or IHCP may be more permissive, but no more  
19 restrictive, than Medicaid or an NC Health Choice medical coverage policy adopted or amended  
20 by the Department of Health and Human Services in accordance with G.S. 108A-54.2.

21 **SECTION #.(b)** Subdivision 5 of Section 4 of S.L. 2015-245, as amended by  
22 Subsection 2(b) of S.L. 2016-121, S.L. 2018-248, and Section 5 of 2018-49, reads as rewritten:

23 "(5) Populations covered by PHPs. – Capitated PHP contracts shall cover all  
24 Medicaid and NC Health Choice program aid categories except for the  
25 following categories:

26 ...

27 e. Members of federally recognized tribes. Members of federally  
28 recognized tribes shall have the option to enroll voluntarily in PHPs.

29 e1. Eligible recipients who are enrolled in a DHHS-contracted Indian  
30 managed care entity, as defined in 42 C.F.R. § 438.14(a). Eligible  
31 recipients who are enrolled in a DHHS-contracted Indian managed  
32 care entity shall have the option to enroll voluntarily in PHPs.

33 ...."

34 **SECTION #.(c)** The Department of Health and Human Services is authorized to seek  
35 approval from CMS and submit any necessary State Plan Amendments and waivers, or any  
36 amendments thereto, to implement the provisions of this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H17-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

1 ***REPEAL OF PAST DIRECTIVE TO ELIMINATE GME TO ALIGN WITH MEDICAID***  
2 ***TRANSFORMATION***

3 **SECTION #.** Section 12H.12(b) of S.L. 2014-100 and Section 12H.23 of S.L.  
4 2015-241, as amended by Section 88 of S.L. 2015-264, are repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHB-H19-P

Division of Health Benefits  
House Appropriations, Health and Human Services

Requested by

1 **REVISED AND NEW HOSPITAL ASSESSMENTS, SUPPLEMENTAL PAYMENTS, AND**  
2 **DIRECTED PAYMENTS**

3 **SECTION #.(a)** Effective October 1, 2019, Article 7 of Chapter 108A of the General  
4 Statutes is repealed.

5 **SECTION #.(b)** Effective October 1, 2019, Chapter 108A of the General Statutes is  
6 amended by adding a new Article to read:

7 "Article 7A.

8 "Hospital Assessment Act.

9 "Part 1. General.

10 **"§ 108A-130. Short title and purpose.**

11 This Article shall be known as the "Hospital Assessment Act." This Article does not authorize  
12 a political subdivision of the State to license a hospital for revenue or impose a tax or assessment  
13 on a hospital.

14 **"§ 108A-131. Definitions.**

15 The following definitions apply in this Article:

- 16 (1) Base assessment. – The assessment payable under G.S. 108A-142.  
17 (2) CMS. – Centers for Medicare and Medicaid Services.  
18 (3) Critical access hospital. – Defined in 42 C.F.R. § 400.202.  
19 (4) Department. – The Department of Health and Human Services.  
20 (5) Prepaid health plan. – As defined in Section 4 of S.L. 2015-245, as amended.  
21 (6) Public hospital. – A hospital that certifies its public expenditures to the  
22 Department pursuant to 42 C.F.R. § 433.51(b) during the fiscal year for which  
23 the assessment applies.  
24 (7) Secretary. – The Secretary of Health and Human Services.  
25 (8) State annual Medicaid payment. – An amount equal to one hundred ten million  
26 dollars (\$110,000,000) for State fiscal year 2019-2020, increased each year  
27 over the prior year's payment by the percentage specified as the Medicare  
28 Market Basket Index less productivity most recently published in the Federal  
29 Register.  
30 (9) Supplemental assessment. – The assessment payable under G.S. 108A-141.  
31 (10) Total hospital costs. – The costs as calculated using the most recent available  
32 Hospital Cost Report Information System's cost report data available through  
33 CMS or other comparable data, including both inpatient and outpatient  
34 components, for all hospitals that are not exempt from the applicable  
35 assessment.

36 **"§ 108A-132. Due dates and collections.**

37 (a) Beginning October 1, 2019, assessments under this Article are due quarterly in the  
38 time and manner prescribed by the Secretary and shall be considered delinquent if not paid within  
39 seven calendar days of this due date.



1           (2)    Any changes in the federal medical assistance percentage rate applicable to  
2                    the Medicaid or NC Health Choice programs for the applicable year.

3           (d)    The rate for the supplemental assessment for each taxable year shall be the percentage  
4 rate set by law by the General Assembly.

5 **"§ 108A-142. Base assessment.**

6           (a)    The base assessment shall be a percentage, established by the General Assembly, of  
7 total hospital costs.

8           (b)    The Department shall propose the rate of the base assessment to be imposed under  
9 this section when the Department prepares its budget request for each upcoming fiscal year. The  
10 Governor shall submit the Department's proposed base assessment rate to the General Assembly  
11 each fiscal year.

12           (c)    The Department shall base the proposed base assessment rate on all of the following  
13 factors:

14                   (1)    The change in the State's annual Medicaid payment for the applicable year.

15                   (2)    The percentage change in aggregate payments to hospitals subject to the base  
16 assessment for Medicaid and NC Health Choice enrollees, excluding hospital  
17 access payments made under 42 C.F.R § 438.6, as demonstrated in data from  
18 prepaid health plans and the State, as determined by the Department.

19                   (3)    Any changes in the federal medical assistance percentage rate applicable to  
20 the Medical or NC Health Choice programs for the applicable year.

21                   (4)    Any changes as determined by the Department in (i) reimbursement under the  
22 Medicaid State Plan, (ii) managed care payments authorized under 42 C.F.R  
23 § 438.6 for which the nonfederal share is not funded by General Fund  
24 appropriations, and (iii) reimbursement under the NC Health Choice program.

25           (d)    The rate for the base assessment for each taxable year shall be the percentage rate set  
26 by law by the General Assembly.

27 **"§ 108A-143. Payment from other hospitals.**

28           If a hospital that is exempt from both the base and supplemental assessments under this Part  
29 (i) makes an intergovernmental transfer to the Department to be used to draw down matching  
30 federal funds and (ii) has acquired, merged, leased, or managed another hospital on or after March  
31 25, 2011, then the exempt hospital shall transfer to the State an additional amount. The additional  
32 amount shall be a percentage of the amount of funds that (i) would be transferred to the State  
33 through such an intergovernmental transfer and (ii) are to be used to match additional federal  
34 funds that the exempt hospital is able to receive because of the acquired, merged, leased, or  
35 managed hospital. That percentage shall be calculated by dividing the amount of the State's  
36 annual Medicaid payment by the total amount collected under the base assessment under  
37 G.S. 108A-142.

38 **"§ 108A-144. Use of funds.**

39           The proceeds of the assessments imposed under this Part, and all corresponding matching  
40 federal funds, must be used to make the State's annual Medicaid payment to the State, to fund  
41 payments to hospitals made directly by the Department, to fund a portion of capitation payments  
42 to prepaid health plans attributable to hospital care, and to fund the nonfederal share of graduate  
43 medical education payments."

44           **SECTION #.(c)** The percentage rate to be used in calculating the supplemental  
45 assessment under G.S. 108A-141, as enacted in subsection (b) of this section, is three percent  
46 (3%) for the taxable year October 1, 2019, through September 30, 2020.

47           **SECTION #.(d)** The percentage rate to be used in calculating the base assessment  
48 under G.S. 108A-142, as enacted in subsection (b) of this section, is three percent (3%) for the  
49 taxable year October 1, 2019, through September 30, 2020.

50           **SECTION #.(e)** The Department of Health and Human Services shall revise the  
51 supplemental payment program for eligible medical professional providers described in the



1 Medicaid State Plan, Attachment 4.19-B, Section 5, Pages 2 and 3, as required by this section.  
2 This payment program shall be called the Average Commercial Rate Supplemental and Directed  
3 Payment Program. Effective October 1, 2019, the following two changes to the program shall be  
4 implemented:

- 5 (1) The program shall no longer utilize a limit on the number of eligible medical  
6 professional providers that may be reimbursed through the program, and  
7 instead shall utilize a limit on the total payments made under the program.
- 8 (2) Payments under the program shall consist of two components: (i)  
9 supplemental payments that increase reimbursement to the average  
10 commercial rate under the State Plan and (ii) directed payments that increase  
11 reimbursement to the average commercial rate under the managed care  
12 system.

13 **SECTION #.(f)** The limitation on total payments made under the Average  
14 Commercial Rate Supplemental and Directed Payment Program for eligible medical professional  
15 providers shall apply to the combined amount of payments made as supplemental payments under  
16 the State Plan and payments made as directed payments under the managed care system and shall  
17 be based on the amount of supplemental payments made during the 2018-2019 fiscal year as  
18 follows:

- 19 (1) For services provided during the period October 1, 2019, through June 30,  
20 2020, the total annual supplemental and directed payments made under the  
21 Average Commercial Rate Supplemental and Directed Payment Program shall  
22 not exceed seventy-five percent (75%) of the gross supplemental payments  
23 made to eligible medical providers during the 2018-2019 fiscal year.
- 24 (2) For services provided on or after July 1, 2020, the total annual supplemental  
25 and directed payments made under the Average Commercial Rate  
26 Supplemental and Directed Payment Program shall not exceed one hundred  
27 percent (100%) of the gross supplemental payments made to eligible medical  
28 providers during the 2018-2019 fiscal year, increased at the start of each State  
29 fiscal year by an inflation factor determined by the Department of Health and  
30 Human Services, Division of Health Benefits.

31 **SECTION #.(g)** Consistent with the existing supplemental payment program for  
32 eligible medical professional providers, the Department of Health and Human Services shall limit  
33 the total amount of supplemental and directed payments that may be received by the eligible  
34 providers affiliated with East Carolina University Brody School of Medicine and University of  
35 North Carolina at Chapel Hill Health Care System. Average commercial rate supplemental  
36 payments and directed payments shall not be made for services provided in Wake County.

37 **SECTION #.(h)** The Department of Health and Human Services is not authorized to  
38 make any modifications to the supplemental payment program for eligible medical professional  
39 providers, except as authorized in subsections (e) through (g) of this section.

40 **SECTION #.(i)** Effective October 1, 2019, Section 12H.13(b) of S.L. 2014-100 is  
41 repealed.

42 **SECTION #.(j)** The Department of Health and Human Services shall create the  
43 Medicare Rate Supplemental and Directed Payment Program. Payments under the program shall  
44 consist of two components: (i) supplemental payments made to eligible professionals that  
45 increase reimbursement to the Medicare rate under the State Plan and (ii) directed payments made  
46 to eligible professionals that increase reimbursement to the Medicare rate under the managed  
47 care system. No Medicare rate supplemental or directed payment shall be made for any service  
48 for which an average commercial rate supplemental or directed payment is made. Professionals  
49 eligible to receive payments under this program shall include Medicaid-enrolled North Carolina  
50 physicians, advance care practitioners, and other related professionals, who are employed or  
51 contracted by any of the following:

- 1 (1) State-operated schools of medicine.
- 2 (2) The University of North Carolina Health Care System.
- 3 (3) University Health Systems of Eastern Carolina, doing business as Vidant  
4 Health.
- 5 (4) Any entity controlled by or under common control with a hospital that  
6 qualifies to certify expenditures or a public hospital. For the purposes of this  
7 subdivision, common control includes common operational control.
- 8 (5) Any entity controlled by or under common control with a hospital that is not  
9 exempt from the supplemental assessment under G.S. 108A-140. For the  
10 purposes of this subdivision, common control includes common operational  
11 control.
- 12 (6) The faculty practice plan associated with Duke University.

13 The Department shall further condition eligibility for contracted eligible professionals upon  
14 a demonstration that the contracts account for at least eighty percent (80%) of net professional  
15 fees from commercial payers or that the contracts address the overall financial risk of the  
16 professional's practice or group.

17 **SECTION #.(k)** Article 7A of Chapter 108A of the General Statutes, as enacted by  
18 subsection (b) of this section, is amended by adding a new Part to read:

19 "Part 3. Professional Assessment.

20 **"§ 108A-150. Applicability.**

21 The professional assessment imposed under this Part applies to all licensed North Carolina  
22 hospitals, except for the following hospitals:

- 23 (1) Critical access hospitals.
- 24 (2) Freestanding psychiatric hospitals.
- 25 (3) Freestanding rehabilitation hospitals.
- 26 (4) Hospitals owned by the University Health Systems of Eastern Carolina, doing  
27 business as Vidant Health.
- 28 (5) Hospitals owned by the University of North Carolina Health Care System.
- 29 (6) Long-term care hospitals.
- 30 (7) Public hospitals.
- 31 (8) State-owned and State-operated hospitals.

32 **"§ 108A-151. Professional assessment.**

33 (a) The professional assessment shall be a percentage, established by the General  
34 Assembly, of total hospital costs.

35 (b) The Department shall propose the rate of the professional assessment to be imposed  
36 under this section when the Department prepares its budget request for each upcoming fiscal  
37 year. The Governor shall submit the Department's proposed professional assessment rate to the  
38 General Assembly each fiscal year.

39 (c) The Department shall base the proposed professional assessment rate on all of the  
40 following factors:

- 41 (1) The percentage change in aggregate payments to hospitals subject to the  
42 professional assessment for Medicaid and NC Health Choice enrollees,  
43 excluding hospital access payments made under 42 C.F.R § 438.6, as  
44 demonstrated in data from prepaid health plans and the State, as determined  
45 by the Department.
- 46 (2) Any required increases or decreases in the Medicare rate supplemental or  
47 directed payments.
- 48 (3) Any changes in the federal medical assistance percentage rate applicable to  
49 the Medicaid or NC Health Choice programs for the applicable year.

50 (d) The rate for the professional assessment for each taxable year shall be the percentage  
51 rate set by law by the General Assembly.

1 **"§ 108A-152. Use of funds.**

2 The proceeds of the assessment imposed under this Part, and all corresponding matching  
3 federal funds, must be used to fund a portion of fee-for-service Medicare rate supplemental  
4 payments to professionals made directly by the Department and to fund a portion of capitation  
5 Medicare rate directed payments to prepaid health plans."

6 **SECTION #.(l)** The percentage rate to be used in calculating the professional  
7 assessment under G.S. 108A-151, as enacted in subsection (k) of this section, is three percent  
8 (3%) for the taxable year October 1, 2019, through September 30, 2020.

9 **SECTION #.(m)** The Department of Health and Human Services shall submit a State  
10 Plan amendment, or other necessary documents, to the Centers for Medicare and Medicaid  
11 (CMS) to implement the Medicare Rate Supplemental and Directed Payment Program and the  
12 Professional Assessment, required under subsections (j) and (k) of this section. Upon approval  
13 by CMS, the Office of State Budget and Management (OSBM) shall certify whether the  
14 implementation of the Medicare Rate Supplemental and Directed Payment Program and the  
15 Professional Assessment is expected to result in total spending under the 1115 waiver that  
16 exceeds the budget neutrality limit during the demonstration period. The Department shall not  
17 make any Medicare rate supplemental or directed payments or collect any professional  
18 assessments unless and until OSBM certifies that the budget neutrality limit is not expected to be  
19 exceeded.

20 **SECTION #.(n)** Subsections (k) and (l) of this section are effective upon  
21 certification by the Office of State Budget and Management (OSBM) that the implementation of  
22 the Medicare Rate Supplemental and Directed Payment Program and the Professional  
23 Assessment is not expected to result in total spending under the 1115 waiver that exceeds the  
24 budget neutrality limit during the demonstration period. If OSBM certifies that the budget  
25 neutrality limit is not expected to be exceeded, then the Department of Health and Human  
26 Services shall notify the Revisor of Statutes of the certification and shall post the certification on  
27 its Web site.

28 **SECTION #.(o)** If at any point during the operation of the 1115 waiver, CMS  
29 determines that the budget neutrality limit in the waiver has been reached, then (i) the Department  
30 of Health and Human Services shall immediately discontinue the Medicare Rate Supplemental  
31 and Directed Payment Program, (ii) Part 3 of Article 7A of Chapter 108A of the General Statutes  
32 is repealed, and (iii) the Department shall notify the Revisor of Statutes of CMS's determination.

33 **SECTION #.(p)** Except as otherwise provided, this act is effective July 1, 2019.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DHSR-H1-P

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

Requested by

**FUNDS TO CONTINUE COMMUNITY PARAMEDICINE PILOT PROGRAM**

**SECTION #.(a)** Of the funds appropriated to the Department of Health and Human Services, Division of Health Service Regulation, the sum of three hundred fifty thousand dollars (\$350,000) in nonrecurring funds for the 2019-2020 fiscal year and the sum of three hundred fifty thousand dollars (\$350,000) in nonrecurring funds for the 2020-2021 fiscal year shall be used to continue the community paramedicine pilot program authorized in Section 12A.12 of S.L. 2015-241, as amended by Section 12A.3 of S.L. 2016-94, as follows:

- (1) The sum of two hundred ten thousand dollars (\$210,000) in nonrecurring funds for each year of the fiscal biennium shall be allocated to the New Hanover Regional Emergency Medical Services site.
- (2) The sum of seventy thousand dollars (\$70,000) in nonrecurring funds for each year of the fiscal biennium shall be allocated to the McDowell County Emergency Medical Services site.
- (3) The sum of seventy thousand dollars (\$70,000) in nonrecurring funds for each year of the fiscal biennium shall be allocated to the Wake County Emergency Medical Services site.

The focus of this community paramedicine pilot program shall continue to be expansion of the role of paramedics to allow for community-based initiatives that result in providing care that avoids nonemergency use of emergency rooms and 911 services and avoidance of unnecessary admissions into health care facilities.

**SECTION #.(b)** The participation requirements, objectives, standards, and required outcomes for the pilot program shall remain the same as established pursuant to Section 12A.12 of S.L. 2015-241, as amended by Section 12A.3 of S.L. 2016-94.

**SECTION #.(c)** By November 1, 2021, the Department of Health and Human Services shall submit an updated report on the community paramedicine pilot program to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. At a minimum, the updated report shall include all of the following:

- (1) Any updated version of the evaluation plan required by subsection (d) of Section 12A.12 of S.L. 2015-241.
- (2) An estimate of the cost to expand the program incrementally and statewide.
- (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 2019

Proofed  
SPECIAL PROVISION



2019-DHSR-H2-P

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

Requested by

1 **MORATORIUM ON SPECIAL CARE UNIT LICENSES**

2 **SECTION #.(a)** For the period beginning July 1, 2019, and ending June 30, 2021,  
3 the Department of Health and Human Services, Division of Health Service Regulation, shall not  
4 issue any licenses for special care units as defined in G.S. 131D-4.6 and G.S. 131E-114. This  
5 prohibition shall not restrict the Department of Health and Human Services from doing any of  
6 the following:

- 7 (1) Issuing a license to a facility that is acquiring an existing special care unit.
- 8 (2) Issuing a license for a special care unit in any area of the State upon a  
9 determination by the Secretary of the Department of Health and Human  
10 Services that increased access to this type of care is necessary in that area  
11 during the moratorium imposed by this section.
- 12 (3) Processing all completed applications for special care unit licenses received  
13 by the Division of Health Service Regulation along with the applicable license  
14 fee prior to June 1, 2013.
- 15 (4) Issuing a license to a facility that was in possession of a certificate of need as  
16 of July 31, 2013, that included authorization to operate special care unit beds.

17 **SECTION #.(b)** The Department of Health and Human Services shall submit a  
18 report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal  
19 Research Division by March 1, 2021, containing at least the following information:

- 20 (1) The number of licensed special care units in the State.
- 21 (2) The capacity of the currently licensed special care units to serve people in  
22 need of their services.
- 23 (3) The anticipated growth in the number of people who will need the services of  
24 a licensed special care unit.
- 25 (4) The number of applications received from special care units seeking licensure  
26 as permitted by this section and the number of those applications that were not  
27 approved.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DMH-H1A-P

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

Requested by

**SINGLE-STREAM FUNDING FOR MH/DD/SAS COMMUNITY SERVICES**

**SECTION #.(a)** For the purpose of mitigating cash flow problems that many local management entities/managed care organizations (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 (DMH/DD/SAS), shall distribute not less than one-twelfth of each LME/MCO's base budget 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. For each month of the fiscal year after July, the DMH/DD/SAS shall distribute, on the third working day of the month, one-eleventh of the amount of each LME/MCO's single-stream allocation that remains after subtracting the amount of the distribution that was made to the LME/MCO in July of the fiscal year.

**SECTION #.(b)** The DMH/DD/SAS shall allocate the recurring reduction for single-stream funding that was required by Section 11F.2 of S.L. 2017-57, as amended by Section 4 of S.L. 2017-206 and Section 11F.1 of S.L. 2018-5, among the LME/MCOs as follows:

	FY 2019-2020	FY 2020-2021
Alliance Behavioral Healthcare	(\$5,298,693)	(\$5,298,693)
Cardinal Innovations Healthcare	(\$9,640,838)	(\$9,640,838)
Eastpointe	(\$2,966,226)	(\$2,966,226)
Partners Behavioral Health Management	(\$3,904,081)	(\$3,904,081)
Sandhills Center	(\$3,509,283)	(\$3,509,283)
Trillium Health Resources	(\$5,759,070)	(\$5,759,070)
Vaya Health	(\$5,362,704)	(\$5,362,704)
Total	(\$36,440,895)	(\$36,440,895)

By March 1, 2020, the Secretary of Health and Human Services shall submit to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division a proposal for any adjustments to the specified recurring reductions among the LME/MCOs for future fiscal years. The proposal must include a detailed explanation supporting any proposed changes.

**SECTION #.(c)** If, on or after June 1, 2020, the Office of State Budget and Management (OSBM) certifies a Medicaid and NC Health Choice budget surplus and sufficient cash in Budget Code 14445 to meet total obligations for the 2019-2020 fiscal year, then the Department of Health and Human Services, Division of Health Benefits (DHB), may transfer to the DMH/DD/SAS funds not to exceed the amount of the certified surplus or thirty million dollars (\$30,000,000), whichever is less, to offset the reduction in single-stream funding required by this section.

If, on or after June 1, 2021, the OSBM certifies a Medicaid and NC Health Choice budget surplus and sufficient cash in Budget Code 14445 to meet total obligations for fiscal year 2018-2019, then the DHB may transfer to the DMH/DD/SAS funds not to exceed the amount of

1 the certified surplus or thirty million dollars (\$30,000,000), whichever is less, to offset the  
2 reduction in single-stream funding required by this section.

3 The DMH/DD/SAS shall allocate funds transferred pursuant to this subsection among  
4 the LME/MCOs based on the individual LME/MCO's percentage of recurring reductions in  
5 single-stream funding for the fiscal year, as required by subsection (b) of this section. These  
6 funds shall be allocated as prescribed by June 30 of each State fiscal year.

7 **SECTION #.(d)** The Department of Health and Human Services shall develop a  
8 maintenance of effort (MOE) spending requirement for all mental health and substance abuse  
9 services which must be maintained using nonfederal, State appropriations on an annual basis in  
10 order to meet MOE requirements for federal block grant awards. LME/MCOs shall ensure the  
11 MOE spending requirement is met using State appropriations.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DMH-H2-P

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

Requested by

**FUNDS FOR LOCAL INPATIENT PSYCHIATRIC BEDS OR BED DAYS**

**SECTION #.(a)** Use of Funds. – Of the funds appropriated 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 million six hundred twenty-one thousand six hundred forty-four dollars (\$40,621,644) in recurring funds for the 2019-2020 fiscal year and the sum of forty million six hundred twenty-one thousand six hundred forty-four dollars (\$40,621,644) in recurring funds for the 2020-2021 fiscal year shall be used to purchase additional new or existing local inpatient psychiatric beds or bed days not currently funded by or through local management entities/managed care organizations (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. – Except as provided in this subsection, the Department shall work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, as defined in this subsection. In addition, 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/MCO catchment areas 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.

The Department may use up to ten percent (10%) of the funds allocated in this section for each year of the 2019-2021 fiscal biennium to pay for facility-based crisis services and nonhospital detoxification services for individuals in need of these services, regardless if the individuals are medically indigent, defined as uninsured persons who (i) are financially unable



1 to obtain private insurance coverage as determined by the Department and (ii) are not eligible for  
2 government-funded health coverage such as Medicare or Medicaid.

3 **SECTION #.(c) Funds to Be Held in Statewide Reserve.** – Funds appropriated to the  
4 Department for the purchase of local inpatient psychiatric beds or bed days shall not be allocated  
5 to LME/MCOs but shall be held in a statewide reserve at the Division of Mental Health,  
6 Developmental Disabilities, and Substance Abuse Services to pay for services authorized by the  
7 LME/MCOs and billed by the hospitals through the LME/MCOs. LME/MCOs shall remit claims  
8 for payment to the Department within 15 working days after receipt of a clean claim from the  
9 hospital and shall pay the hospital within 30 working days after receipt of payment from the  
10 Department.

11 **SECTION #.(d) Ineffective LME/MCO Management of Beds or Bed Days.** – If the  
12 Department determines that (i) an LME/MCO is not effectively managing the beds or bed days  
13 for which it has responsibility, as evidenced by beds or bed days in the local hospital not being  
14 utilized while demand for services at the State psychiatric hospitals has not decreased, or (ii) the  
15 LME/MCO has failed to comply with the prompt payment provisions of subsection (c) of this  
16 section, the Department may contract with another LME/MCO to manage the beds or bed days  
17 or, notwithstanding any other provision of law to the contrary, may pay the hospital directly.

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

20 **SECTION #.(f) Reporting by Department.** – By no later than December 1, 2020, and  
21 by no later than December 1, 2021, the Department shall report to the Joint Legislative Oversight  
22 Committee on Health and Human Services and the Fiscal Research Division on all of the  
23 following:

- 24 (1) A uniform system for beds or bed days purchased during the preceding fiscal  
25 year from (i) funds appropriated in this act that are designated for this purpose  
26 in subsection (a) of this section, (ii) existing State appropriations, and (iii)  
27 local funds.
- 28 (2) An explanation of the process used by the Department to ensure that, except  
29 as otherwise provided in subsection (a) of this section, local inpatient  
30 psychiatric beds or bed days purchased in accordance with this section are  
31 utilized solely for individuals who are medically indigent, along with the  
32 number of medically indigent individuals served by the purchase of these beds  
33 or bed days.
- 34 (3) The amount of funds used to pay for facility-based crisis services, along with  
35 the number of individuals who received these services and the outcomes for  
36 each individual.
- 37 (4) The amount of funds used to pay for nonhospital detoxification services, along  
38 with the number of individuals who received these services and the outcomes  
39 for each individual.
- 40 (5) Other Department initiatives funded by State appropriations to reduce State  
41 psychiatric hospital use.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2019-DMH-H3-P

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

Requested by

1 **TRAUMATIC BRAIN INJURY FUNDING**

2 **SECTION #.** Of the funds appropriated in this act to the Department of Health and  
3 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse  
4 Services, for traumatic brain injury (TBI) services, the sum of two million three hundred  
5 seventy-three thousand eighty-six dollars (\$2,373,086) in recurring funds for the 2019-2020  
6 fiscal year and the sum of two million three hundred seventy-three thousand eighty-six dollars  
7 (\$2,373,086) in recurring funds for the 2020-2021 fiscal year shall be used exclusively to support  
8 TBI services as follows:

9 (1) The sum of three hundred fifty-nine thousand two hundred eighteen dollars  
10 (\$359,218) shall be used to fund contracts with the Brain Injury Association  
11 of North Carolina, Carolinas Rehabilitation, or appropriate service providers  
12 to assist families in accessing the continuum of care and to provide  
13 educational programs on brain injury prevention, intervention, and care.

14 (2) The sum of two million thirteen thousand eight hundred sixty-eight dollars  
15 (\$2,013,868) shall be used to (i) support residential programs across the State  
16 that are specifically designed to serve individuals with TBI and (ii) support  
17 requests submitted by individual consumers for assistance with services such  
18 as, but not limited to, residential supports, home modifications, transportation,  
19 and other requests deemed necessary by the consumer's local management  
20 entity/managed care organization.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DMH-H4-P

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

Requested by

1 ***DOROTHEA DIX HOSPITAL PROPERTY FUNDS***

2       **SECTION #.** Any funds allocated to the Department of Health and Human Services,  
3 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, from the  
4 Dorothea Dix Hospital Property Fund established under G.S. 143C-9-2(b1), pursuant to Section  
5 12F.4 of S.L. 2016-94 and Section 11F.5 of S.L. 2017-57, as amended, that are not expended or  
6 encumbered as of June 30, 2020, shall remain in the Dorothea Dix Hospital Property Fund.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DMH-H5-P

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

Requested by

1 ***FUNDS FOR NEW BROUGHTON HOSPITAL***

2       **SECTION #.** Of the funds appropriated in this act to the Department of Health and  
3 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse  
4 Services, for the new Broughton Hospital for the 2020-2021 fiscal year, the sum of up to eight  
5 million seven hundred sixty-nine thousand six hundred fifty-five dollars (\$8,769,655) in  
6 recurring funds shall be used only for the following purposes: (i) the creation of no more than 60  
7 full-time equivalent positions assigned to the new Broughton Hospital, (ii) costs directly related  
8 to planning for and transitioning patients from the old Broughton Hospital to the new Broughton  
9 Hospital, and (iii) operational costs for new beds at the new Broughton Hospital.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DMH-H6-P

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

Requested by

1 **SUPPLEMENTAL SHORT-TERM ASSISTANCE FOR GROUP HOMES**

2 **SECTION #.(a)** As used in this section, "group home" means any facility that (i) is  
3 licensed under Chapter 122C of the General Statutes, (ii) meets the definition of a supervised  
4 living facility under 10A NCAC 27G .5601(c)(1) or 10A NCAC 27G .5601(c)(3), and (iii) serves  
5 adults whose primary diagnosis is mental illness or a developmental disability but may also have  
6 other diagnoses.

7 **SECTION #.(b)** Of the funds appropriated to the Department of Health and Human  
8 Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,  
9 the sum of eight million dollars (\$8,000,000) in nonrecurring funds for the 2019-2020 fiscal year  
10 shall be used to provide temporary, short-term financial assistance in the form of a monthly  
11 payment to group homes on behalf of each resident who meets all of the following criteria:

- 12 (1) Was eligible for Medicaid-covered personal care services (PCS) prior to  
13 January 1, 2013, but was determined to be ineligible for PCS on or after  
14 January 1, 2013, due to Medicaid State Plan changes in PCS eligibility criteria  
15 specified in Section 10.9F of S.L. 2012-142, as amended by Section 3.7 of  
16 S.L. 2012-145 and Section 70 of S.L. 2012-194.  
17 (2) Has continuously resided in a group home since December 31, 2012.

18 **SECTION #.(c)** These monthly payments shall be subject to all of the following  
19 requirements and limitations:

- 20 (1) The amount of the monthly payments authorized by this section shall not  
21 exceed four hundred sixty-four dollars and thirty cents (\$464.30) per month  
22 for each resident who meets all criteria specified in subsection (b) of this  
23 section.  
24 (2) A group home that receives the monthly payments authorized by this section  
25 shall not, under any circumstances, use these payments for any purpose other  
26 than providing, as necessary, supervision and medication management for a  
27 resident who meets all criteria specified in subsection (b) of this section.  
28 (3) The Department shall make monthly payments authorized by this section to a  
29 group home on behalf of each resident who meets all criteria specified in  
30 subsection (b) of this section only for the period commencing July 1, 2019,  
31 and ending June 30, 2020, or upon depletion of the eight million dollars  
32 (\$8,000,000) in nonrecurring funds appropriated in this act to the Division of  
33 Mental Health, Developmental Disabilities, and Substance Abuse Services,  
34 for supplemental short-term assistance for group homes, for the 2019-2020  
35 fiscal year for the purpose of this section, whichever is earlier.  
36 (4) The Department shall make monthly payments authorized by this section only  
37 to the extent sufficient funds are available from the eight million dollars  
38 (\$8,000,000) in nonrecurring funds appropriated in this act to the Division of  
39 Mental Health, Developmental Disabilities, and Substance Abuse Services,

1 for supplemental short-term assistance for group homes, for the 2019-2020  
2 fiscal year for the purpose of this section.

3 (5) The Department shall not make monthly payments authorized by this section  
4 to a group home on behalf of a resident during the pendency of an appeal by  
5 or on behalf of the resident under G.S. 108A-70.9A.

6 (6) The Department shall terminate all monthly payments pursuant to this section  
7 on June 30, 2020, or upon depletion of the eight million dollars (\$8,000,000)  
8 in nonrecurring funds appropriated in this act to the Division of Mental Health,  
9 Developmental Disabilities, and Substance Abuse Services, for supplemental  
10 short-term assistance for group homes, for the 2019-2020 fiscal year for the  
11 purpose of this section, whichever is earlier.

12 (7) Each group home that receives the monthly payments authorized by this  
13 section shall submit to the Department a list of all funding sources for the  
14 operational costs of the group home for the preceding two years, in accordance  
15 with the schedule and format prescribed by the Department.

16 **SECTION #.(d)** The Department shall use an existing mechanism to administer  
17 these funds in the least restrictive manner that ensures compliance with this section and timely  
18 and accurate payments to group homes. The Department shall not, under any circumstances, use  
19 any portion of the eight million dollars (\$8,000,000) in nonrecurring funds appropriated in this  
20 act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,  
21 for supplemental short-term assistance for group homes, for the 2019-2020 fiscal year for any  
22 other purpose than the purpose specified in this section.

23 **SECTION #.(e)** Nothing in this section shall be construed as an obligation by the  
24 General Assembly to appropriate funds for the purpose of this section, or as an entitlement by  
25 any group home, resident of a group home, or other person to receive temporary, short-term  
26 financial assistance under this section.

27 **SECTION #.(f)** The funds allocated to the Department of Health and Human  
28 Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,  
29 in this section shall not revert at the end of the 2019-2020 fiscal year but shall be available to be  
30 used for the Group Home Stabilization and Transition Initiative established in Section # of this  
31 act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DMH-H13-P

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

Requested by

**GROUP HOME STABILIZATION AND TRANSITION INITIATIVE**

**SECTION #.(a)** This section shall be known as the "Group Home Stabilization and Transition Initiative."

**SECTION #.(b)** Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substances Abuse Services, the sum of twenty-three million dollars (\$23,000,000) in nonrecurring funds for the 2020-2021 fiscal year for the following purposes only:

- (1) Incentivizing local management entities/managed care organizations (LME/MCOs) to develop and implement new "in-lieu-of" services, or other Medicaid-funded services, to support the residential needs of Medicaid recipients living in licensed, community-based group homes.
- (2) Establishing new rate models and rate methodologies to replace the currently inadequate and insufficient State-funded rates supporting residents of licensed, community-based group homes. DHHS shall identify any vacant beds and eligible individuals to fill those beds under the new rate models and rate methodologies and assist with the orderly transition of the eligible individuals into the vacant beds.
- (3) Increasing the existing per member per month payments to LME/MCOs for the 2020-2021 fiscal year to quickly enable and facilitate the transition to a more appropriate and sustainable service-funding model for licensed, community-based group homes by January 1, 2021. Funds expended under this subdivision shall be allocated in per-person amounts, to be determined by DHHS, to individuals with intellectual or other developmental disabilities who received State funding prior to January 1, 2021, and who reside in licensed, community-based group homes for eligible individuals with intellectual and other developmental disabilities.
- (4) Continuing the existing rate structure at the per-person amounts for the 2019-2020 fiscal year to offset the loss of bridge funds and maintain the current financial conditions of licensed, community-based group homes that serve adults whose primary diagnosis is mental illness or an intellectual or developmental disability.

Residents of group homes who are supported by the North Carolina Innovations Waiver are not eligible to receive any funding under this subsection.

**SECTION #.(c)** DHHS shall develop a more appropriate and sustainable service model for residents of licensed, community-based group homes. In developing this service model, DHHS shall do all of the following:

- (1) In cooperation with stakeholders and LME/MCOs, develop actuarially sound, needs-based rate model and rate methodologies for new "in-lieu-of" services, or other Medicaid-funded services, that will be specific to the residential support services needed in group homes serving Medicaid recipients with

1 intellectual or other developmental disabilities and to residential support  
2 services needed in group homes serving Medicaid recipients with a primary  
3 diagnosis of mental illness. The rate methodologies shall be comparable to, or  
4 a percentage of, existing rates for similar services currently provided through  
5 the North Carolina Innovations Waiver. The new rate structures shall include  
6 wage and hour increases for direct support personnel working in these group  
7 homes.

8 (2) In cooperation with stakeholders and LME/MCOs, develop new model  
9 service definitions specific to the residential support services needed by  
10 Medicaid recipients with mental health needs living in licensed,  
11 community-based group homes. The new service definitions shall require the  
12 delivery of new habilitation or rehabilitation support services in the residential  
13 setting.

14 (3) Develop a process whereby all, or a portion of, the State funds used to support  
15 Medicaid recipients with mental illness or intellectual or other developmental  
16 disabilities living in licensed, community-based group homes prior to the  
17 implementation of the new rate structure are used for the new "in-lieu-of"  
18 services or other Medicaid services developed pursuant to this subsection. The  
19 policy shall ensure an orderly home-by-home transition process. The policy  
20 shall ensure that residents who are found to be ineligible for Medicaid services  
21 or who do not meet medical necessity criteria for the new "in-lieu-of" services,  
22 or other Medicaid-funded services, shall continue to be served using State  
23 funds at a needs-based rate comparable to the North Carolina Innovations  
24 Waiver rate. No resident shall be displaced as a result of being found ineligible  
25 for Medicaid services after the implementation of the new "in-lieu-of"  
26 services or other Medicaid-funded services. DHHS may use a regional  
27 phased-in approach to achieve the goals set forth in this subdivision.

28 (4) Include a plan to direct LME/MCOs to (i) implement "in-lieu-of" services or  
29 other Medicaid-funded services for all eligible residents with mental illness or  
30 intellectual or other developmental disabilities living in licensed,  
31 community-based group homes receiving State funds and (ii) transition  
32 eligible residents to these more sustainable and appropriate Medicaid services.

33 (5) No later than November 1, 2020, report to the Joint Legislative Oversight  
34 Committee on Health and Human Services and the Joint Legislative Oversight  
35 Committee on Medicaid and NC Health Choice on the service model for  
36 residents of licensed, community-based group homes that has been developed.  
37 The model shall be implemented by January 1, 2021. Once the model is  
38 implemented, the State funds that were used to support residents of licensed,  
39 community-based group homes prior to implementation shall be reinvested in  
40 their entirety in both the new funding model and increased rates to support  
41 and equalize wages of direct support personnel serving the residents. The  
42 reinvested State funds match plus the federal funds portion of the new services  
43 shall be annualized and become a part of the prepaid health plan per member  
44 per month amount.

45 **SECTION #.(d)** The more appropriate and sustainable service model for residents  
46 of licensed, community-based group homes developed in accordance with subsection (c) of this  
47 section shall be implemented by January 1, 2021. Once the model is implemented, the State funds  
48 that were used to support residents of licensed, community-based group homes prior to  
49 implementation shall be reinvested in their entirety in both the new funding model and increased  
50 rates to support and equalize wages of direct support personnel serving the residents. The



- 1 reinvested State funds match plus the federal funds portion of the new services shall be
- 2 annualized and become a part of the prepaid health plan per member per month amount.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DMH-H7-P

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

Requested by

1 **REPORT ON USE OF FUNDS TO PURCHASE INPATIENT ALCOHOL AND**  
2 **SUBSTANCE USE DISORDER TREATMENT SERVICES**

3 **SECTION #.** The Department of Health and Human Services, Division of Mental  
4 Health, Developmental Disabilities, and Substance Abuse Services, shall report annually,  
5 beginning September 1, 2019, and ending on September 1, 2026, on the implementation of the  
6 use of funds to purchase inpatient alcohol and substance use disorder treatment services required  
7 by Section 12F.12 of S.L. 2015-241, as amended by Section 11F.4 of S.L. 2017-57. The report  
8 shall be submitted to the Joint Legislative Oversight Committee on Health and Human Services  
9 and the Fiscal Research Division with the following information for the prior fiscal year and the  
10 two preceding fiscal years, for each Alcohol and Drug Abuse Treatment Center (ADATC):

- 11 (1) The number of beds in operation.
- 12 (2) The number of bed days.
- 13 (3) The total amount of receipts, the amount of those receipts that were received  
14 from local management entities/managed care organizations, and the amount  
15 of those receipts that were received from all other sources.
- 16 (4) Cost of operation of the ADATC, with personnel and staffing costs reported  
17 separately from all other costs.
- 18 (5) The ADATC's profit or loss.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2019-DMH-H8-P

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

Requested by

1 **FUNDS FOR OVERDOSE MEDICATIONS**

2 **SECTION #.** Of the funds appropriated in this act to the Department of Health and  
3 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse  
4 Services, the sum of one hundred thousand dollars (\$100,000) in recurring funds for each fiscal  
5 year of the 2019-2021 fiscal biennium shall be used to purchase opioid antagonists, as defined in  
6 G.S. 90-12.7, to reverse opioid-related drug overdoses as follows:

7 (1) Seventy-five thousand dollars (\$75,000) in recurring funds for each year of  
8 the 2019-2021 fiscal biennium shall be used to purchase opioid antagonists to  
9 be distributed at no charge to the North Carolina Harm Reduction Coalition  
10 to serve individuals at risk of experiencing an opioid-related drug overdose or  
11 to the friends and family members of an at-risk individual.

12 (2) Twenty-five thousand dollars (\$25,000) in recurring funds for each year of the  
13 2019-2021 fiscal biennium shall be used to purchase opioid antagonists to be  
14 distributed at no charge to North Carolina law enforcement agencies.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DMH-H9-P

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

Requested by

1 ***FUNDS FOR VAYA HEALTH TO EXPAND FACILITY-BASED CRISIS SERVICES***

2 **SECTION #.(a)** Funds appropriated in S.L. 2018-5 to the Department of Health and  
3 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse  
4 Services, to be allocated to Vaya Health (Vaya) as a grant-in-aid for the construction of a  
5 facility-based crisis center in Wilkes County, shall not revert, but shall be expended or  
6 encumbered by December 31, 2019. Vaya shall not use these funds for any purpose other than  
7 the purpose stated in Section 11F.5 of S.L. 2018-5.

8 **SECTION #.(b)** This section becomes effective June 30, 2019, and applies to funds  
9 not obligated on that date.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DMH-H10-P

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

Requested by

1 ***FUNDS FOR EVIDENCE-BASED SUPPORTED EMPLOYMENT SERVICES FOR***  
2 ***INDIVIDUALS WITH SERIOUS MENTAL ILLNESS, INTELLECTUAL***  
3 ***DISABILITIES, OR DEVELOPMENTAL DISABILITIES***

4 **SECTION #.** Of the funds appropriated in this act to the Department of Health and  
5 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse  
6 Services, the sum of one hundred twenty-five thousand dollars (\$125,000) in recurring funds for  
7 each year of the 2019-2021 fiscal biennium shall be allocated as a grant to the North Carolina  
8 Association of People Supporting Employment First (NC APSE) to develop and implement  
9 training programs for the Department, including online training modules, on the provision of  
10 evidence-based supported employment services for individuals in targeted populations, in order  
11 to assist these individuals with preparation for, identification of, and maintenance of integrated,  
12 paid, competitive employment. The Department shall make these training programs available  
13 throughout the State to (i) employers that have hired or are willing to hire individuals in targeted  
14 populations, (ii) service providers of local management entities/managed care organizations, and  
15 (iii) any other entity the Department determines will benefit from receiving this training in order  
16 to achieve improved employment outcomes for individuals in targeted populations. As used in  
17 this section, "individuals in targeted populations" means individuals with serious mental illness  
18 who are in or at risk of entry to an adult care home and individuals with intellectual disabilities,  
19 developmental disabilities, or both.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DMH-H11-P

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

Requested by

1 ***YOUTH TOBACCO ENFORCEMENT FUNDING***

2       **SECTION #.** Of the funds appropriated in this act to the Department of Health and  
3 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse  
4 Services, the sum of three hundred thousand dollars (\$300,000) in recurring funds for each year  
5 of the 2019-2021 fiscal biennium shall be transferred to the Alcohol Law Enforcement Branch.  
6 The Alcohol Law Enforcement Branch shall allocate these funds for the performance of statewide  
7 compliance checks to enforce the State's youth tobacco access law (G.S. 14-313).

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DMH-H12-P

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

Requested by

1 **STUDY ESTABLISHMENT OF A REGIONAL BEHAVIORAL HEALTH CENTER**

2 **SECTION #.(a)** Of the funds appropriated to the Department of Health and Human  
3 Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,  
4 the sum of one hundred eighty thousand dollars (\$180,000) in nonrecurring funds for the  
5 2019-2020 fiscal year, shall be used to conduct, through Partners Behavioral Health  
6 Management, a feasibility study for the establishment of a behavioral health crisis center located  
7 in Burke County to serve a broader region, to be determined by the findings of the feasibility  
8 study. The study shall, at a minimum, include all of the following:

- 9 (1) A description of all programs and services to be provided at the facility.
- 10 (2) The facility's service area and the demand for service in that area.
- 11 (3) Current provider capacity to meet the demand for service in that area.
- 12 (4) A recommended location for the facility, including the cost to rent, purchase,  
13 or construct a facility at the recommended location, along with the cost of any  
14 land, buildings, land improvements, or building improvements.
- 15 (5) Start-up costs for the facility and programs offered at the facility, including  
16 any necessary training.
- 17 (6) Annual cost to operate the facility, including staff, training, supplies, food,  
18 housekeeping, security, maintenance, administration, medications, and  
19 information technology.
- 20 (7) Cost to rent or purchase equipment for the facility.
- 21 (8) Anticipated sources of public and private payment for services provided at the  
22 facility, including private insurance, Medicaid, State appropriations, patient  
23 payments, and other payment sources.
- 24 (9) The estimated amount of recurring and nonrecurring State appropriations  
25 necessary to start and sustain the facility.
- 26 (10) Any referral agreements necessary to ensure continuity of patient care.
- 27 (11) An implementation time line.

28 **SECTION #.(b)** By February 10, 2020, the Department of Health and Human  
29 Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,  
30 and Partners Behavioral Health Management shall jointly submit a written report of the findings  
31 of the feasibility study authorized by subsection (a) of this section to the Joint Legislative  
32 Oversight Committee on Health and Human Services.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DPH-H1-P

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

Requested by

1 **LOCAL HEALTH DEPARTMENTS/COMPETITIVE GRANT PROCESS TO IMPROVE**  
2 **MATERNAL AND CHILD HEALTH**

3 **SECTION #.(a)** Funds appropriated in this act to the Department of Health and  
4 Human Services, Division of Public Health, for each year of the 2019-2021 fiscal biennium to  
5 award competitive grants to local health departments for the improvement of maternal and child  
6 health shall be used to continue administering a competitive grant process for local health  
7 departments based on maternal and infant health indicators and the county's detailed proposal to  
8 invest in evidence-based programs to achieve the following goals:

- 9 (1) Improve North Carolina's birth outcomes.
- 10 (2) Improve the overall health status of children in this State from birth to age 5.
- 11 (3) Lower the State's infant mortality rate.

12 **SECTION #.(b)** The plan for administering the competitive grant process shall  
13 include at least all of the following components:

- 14 (1) A request for application (RFA) process to allow local health departments to  
15 apply for and receive State funds on a competitive basis. The Department shall  
16 require local health departments to include in the application a plan to evaluate  
17 the effectiveness, including measurable impact or outcomes, of the activities,  
18 services, and programs for which the funds are being requested.
- 19 (2) A requirement that the Secretary prioritize grant awards to those local health  
20 departments that are able to leverage non-State funds in addition to the grant  
21 award.
- 22 (3) Ensures that funds received by the Department to implement the plan  
23 supplement and do not supplant existing funds for maternal and child health  
24 initiatives.
- 25 (4) Allows grants to be awarded to local health departments for up to two years.

26 **SECTION #.(c)** No later than July 1 of each year, as applicable, the Secretary shall  
27 announce the recipients of the competitive grant awards and allocate funds to the grant recipients  
28 for the respective grant period pursuant to the amounts designated under subsection (a) of this  
29 section. After awards have been granted, the Secretary shall submit a report to the Joint  
30 Legislative Oversight Committee on Health and Human Services on the grant awards that  
31 includes at least all of the following:

- 32 (1) The identity and a brief description of each grantee and each program or  
33 initiative offered by the grantee.
- 34 (2) The amount of funding awarded to each grantee.
- 35 (3) The number of persons served by each grantee, broken down by program or  
36 initiative.

37 **SECTION #.(d)** No later than December 1 of each fiscal year, each local health  
38 department receiving funding pursuant to this section in the respective fiscal year shall submit to  
39 the Division of Central Management and Support a written report of all activities funded by State



1 appropriations. The report shall include the following information about the fiscal year preceding  
2 the year in which the report is due:

- 3 (1) A description of the types of programs, services, and activities funded by State  
4 appropriations.
- 5 (2) Statistical and demographical information on the number of persons served by  
6 these programs, services, and activities, including the counties in which  
7 services are provided.
- 8 (3) Outcome measures that demonstrate the impact and effectiveness of the  
9 programs, services, and activities based on the evaluation protocols developed  
10 by the Division, in collaboration with the University of North Carolina  
11 Gillings School of Global Public Health, pursuant to Section 12E.11(e) of S.L.  
12 2015-241, and reported to the Joint Legislative Oversight Committee on  
13 Health and Human Services on April 1, 2016.
- 14 (4) A detailed program budget and list of expenditures, including all positions  
15 funded, matching expenditures, and funding sources.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DPH-H2-P

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

Requested by

1 *INCREASED FUNDS FOR LOCAL COMMUNICABLE DISEASE SURVEILLANCE,*  
2 *DETECTION, CONTROL, AND PREVENTION*

3       **SECTION #.** Of the funds appropriated to the Department of Health and Human  
4 Services, Division of Public Health, the sum of four million dollars (\$4,000,000) in recurring  
5 funds for the 2019-2020 fiscal year and the sum of four million dollars (\$4,000,000) in recurring  
6 funds for the 2020-2021 fiscal year, shall be allocated to local health departments to expand local  
7 infrastructure for activities associated with the surveillance, detection, control, and prevention of  
8 communicable diseases. In distributing these funds to local health departments pursuant to this  
9 section, for each year of the 2019-2021 fiscal biennium, and for each fiscal year thereafter, the  
10 Division of Public Health shall (i) allocate to each local health department twenty thousand  
11 dollars (\$20,000) for each county it serves and (ii) allocate the remaining two million dollars  
12 (\$2,000,000) to local health departments based upon the percentage of the State population  
13 served by each of the local health departments. Local health departments shall use all funds  
14 allocated under this section to supplement and not supplant existing funds for the surveillance,  
15 detection, control, and prevention of communicable diseases.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DPH-H3-P

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

Requested by

1 **LIMITATION ON USE OF STATE FUNDS**

2 **SECTION #.** The limitation on the use of State funds as stated in Section 12E.13 of  
3 S.L. 2015-241 shall apply to funds appropriated in this act to the Department of Health and  
4 Human Services for each fiscal year of the 2019-2021 fiscal biennium.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DPH-H4-P

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

Requested by

- 1 ***REPORT ON PREMIUM ASSISTANCE PROGRAM WITHIN AIDS DRUG ASSISTANCE***  
2 ***PROGRAM***  
3 **SECTION #.** Upon a determination by the Department of Health and Human  
4 Services, Division of Public Health, that, in six months or less, it will no longer be feasible to  
5 operate the health insurance premium assistance program implemented within the North Carolina  
6 AIDS Drug Assistance Program (ADAP) on a cost-neutral basis or in a manner that achieves  
7 savings to the State, the Department shall submit a report to the Joint Legislative Oversight  
8 Committee on Health and Human Services notifying the Committee of this determination along  
9 with supporting documentation and a proposed course of action with respect to health insurance  
10 premium assistance program participants.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DPH-H5-P

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

Requested by

1 ***CAROLINA PREGNANCY CARE FELLOWSHIP FUNDS***

2 **SECTION #.** Of the funds appropriated in this act to the Department of Health and  
3 Human Services, Division of Public Health, for Carolina Pregnancy Care Fellowship, a nonprofit  
4 corporation, no more than fifteen percent (15%) of the funds allocated for each year of the  
5 2019-2021 fiscal biennium shall be used for administrative purposes. The balance of these funds  
6 shall be used for direct services.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DPH-H7-P

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

Requested by

1 *CAROLINA PREGNANCY CARE FELLOWSHIP CARRYFORWARD FOR DURABLE*  
2 *MEDICAL EQUIPMENT AND TRAINING*

3 **SECTION #.(a)** Funds appropriated to the Department of Health and Human  
4 Services, Division of Public Health, for the 2018-2019 fiscal year, for allocation to Carolina  
5 Pregnancy Care Fellowship, a nonprofit corporation, shall not revert on June 30, 2019, but shall  
6 remain available until the end of the 2019-2021 fiscal biennium. Carolina Pregnancy Care  
7 Fellowship shall use these funds to provide grants to clinics that apply to the Carolina Pregnancy  
8 Care Fellowship for durable medical equipment, training, or a combination of both, without any  
9 limitation on how much of the funds carried forward may be expended for durable medical  
10 equipment or training. Carolina Pregnancy Care Fellowship shall not use more than ten percent  
11 (10%) of the funds carried forward from the 2018-2019 fiscal year for administrative purposes.

12 **SECTION #.(b)** This section becomes effective June 30, 2019.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DPH-H6-P

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

Requested by

1 **STATEWIDE EXPANSION OF THE CONTINUUM OF CARE PILOT PROGRAM**

2 **SECTION #.(a)** Of the funds appropriated to the Department of Health and Human  
3 Services, Division of Public Health, the sum of one million two hundred thousand dollars  
4 (\$1,200,000) in nonrecurring funds for the 2019-2020 fiscal year and the sum of one million two  
5 hundred thousand dollars (\$1,200,000) in nonrecurring funds for the 2020-2021 fiscal year shall  
6 be allocated to the Human Coalition, a nonprofit organization, to extend and expand the pilot  
7 program authorized by Section 11E.13(b) of S.L. 2017-57, as provided in subsection (b) of this  
8 section. These funds shall be used for nonreligious, nonsectarian purposes only.

9 **SECTION #.(b)** The Human Coalition shall use funds allocated pursuant to  
10 subsection (a) of this section to expand the continuum of care pilot program authorized by Section  
11 11E.13(b) of S.L. 2017-57 to a statewide program. The purpose of the statewide continuum of  
12 care program is to (i) encourage healthy childbirth, (ii) support childbirth as an alternative to  
13 abortion, (iii) promote family formation, (iv) assist in establishing successful parenting  
14 techniques, and (v) increase the economic self-sufficiency of families. The statewide continuum  
15 of care program shall consist of existing locations of the pilot program authorized by Section  
16 11E.13(b) of S.L. 2017-57 and other locations around the State to be determined by the Human  
17 Coalition. All providers rendering services under the statewide program for which they are  
18 compensated with funds allocated pursuant to subsection (a) of this section shall be physically  
19 located in the State of North Carolina. The statewide continuum of care program shall provide  
20 direct services, supports, social services case management, and referrals to biological parents of  
21 unborn children and biological or adoptive parents of children under the age of two, and shall  
22 consist of at least all of the following components:

- 23 (1) Outreach to at-risk populations eligible for the program.  
24 (2) The use of licensed nurses to perform the following functions:  
25 a. Assessment and evaluation of needs related to pregnancy or parenting.  
26 b. Provision of medically accurate, pregnancy-related medical  
27 information to program participants.  
28 (3) The use of licensed social workers, or other individuals of equivalent  
29 experience, to perform the following functions:  
30 a. Development of a care plan, resources, and supports for program  
31 participants to address identified needs.  
32 b. Referrals to appropriate local resources, including State and federal  
33 benefits programs and local charitable organizations.  
34 c. Assistance in applying for State and federal benefits programs.  
35 d. Assistance in accomplishing elements of the care plan.

36 **SECTION #.(c)** In order to be eligible to receive services under the statewide  
37 continuum of care program, an individual shall, at the time of initial contact with the program,  
38 be (i) a resident of North Carolina and (ii) a biological parent of an unborn child or a biological  
39 or adoptive parent of a child under the age of two. Participants of the pilot program authorized  
40 under Section 11E.13(b) of S.L. 2017-57, who terminated a pregnancy prior to birth, are eligible

1 to continue to receive continuum of care program services for a period of six months from the  
2 date of termination of pregnancy.

3 **SECTION #.(d)** The Human Coalition may use up to ten percent (10%) of the funds  
4 allocated for each year of the 2019-2021 fiscal biennium for administrative purposes.

5 **SECTION #.(e)** By December 1, 2019, and every six months thereafter, the Human  
6 Coalition shall report to the Department of Health and Human Services on the status and  
7 operation of the continuum of care program authorized by subsection (b) of this section. The  
8 report shall include at least all of the following:

9 (1) A detailed breakdown of expenditures for the program.

10 (2) The number of individuals served by the program, and for the individuals  
11 served, the types of services provided to each.

12 (3) Any other information requested by the Department of Health and Human  
13 Services as necessary for evaluating the success of the program.

14 **SECTION #.(f)** By April 1, 2020, the Department of Health and Human Services  
15 shall report to the Joint Legislative Oversight Committee on Health and Human Services and the  
16 Fiscal Research Division on the status and operation of the continuum of care program.

17 **SECTION #.(g)** Section 11E.13(f) of S.L. 2017-57 is repealed.



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DSS-H13-P

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

Requested by

1 **TEMPORARY FINANCIAL ASSISTANCE FOR FACILITIES LICENSED TO ACCEPT**  
2 **STATE-COUNTY SPECIAL ASSISTANCE**

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

4 (1) Facility licensed to accept State-County Special Assistance payments or  
5 facility. – Any residential care facility that is (i) licensed by the Department  
6 of Health and Human Services and (ii) authorized to accept State-County  
7 Special Assistance payments from its residents.

8 (2) State-County Special Assistance. – The program authorized by G.S. 108A-40.

9 **SECTION #.(b)** Nonrecurring funds appropriated in this act to the Department of  
10 Health and Human Services, Division of Social Services (DSS), for each year of the 2019-2021  
11 fiscal biennium for facilities licensed to accept State-County Special Assistance payments shall  
12 be used to provide temporary financial assistance in the form of a monthly payment to these  
13 facilities on behalf of each resident who is a recipient of State-County Special Assistance. The  
14 counties shall pay to the State fifty percent (50%) of the cost of providing these monthly  
15 payments to these facilities. The monthly payments provided by DSS to these facilities shall be  
16 subject to all of the following requirements and limitations:

17 (1) The amount of the monthly payments authorized by this section is equal to  
18 thirty-four dollars (\$34.00) per month for each resident of the facility as of the  
19 first day of the month who is a recipient of State-County Special Assistance.

20 (2) A facility that receives the monthly payments authorized by this section shall  
21 not, under any circumstances, use these payments for any purpose other than  
22 to offset the cost of serving residents who are recipients of State-County  
23 Special Assistance.

24 (3) The DSS shall make monthly payments authorized by this section to a facility  
25 on behalf of a resident only for the period commencing July 1, 2019, and  
26 ending June 30, 2021.

27 (4) The DSS shall make monthly payments authorized by this section only to the  
28 extent sufficient State and county funds allocated to the DSS for each year of  
29 the 2019-2021 fiscal biennium are available for this purpose.

30 (5) The DSS shall not make monthly payments authorized by this section to a  
31 facility on behalf of a resident whose eligibility determination for  
32 State-County Special Assistance is pending.

33 (6) The DSS shall terminate all monthly payments pursuant to this section on the  
34 earlier of the following:

35 a. June 30, 2021.

36 b. Upon depletion of the State and county funds allocated to the DSS for  
37 each year of the 2019-2021 fiscal year for this purpose.

38 **SECTION #.(c)** Notwithstanding any provision of this act or any other provision of  
39 law to the contrary, the DSS shall not be required to provide any temporary financial assistance

1 to facilities beyond June 30, 2021, or upon depletion of the State and county funds allocated to  
2 the DSS for each year of the 2019-2021 fiscal biennium for this purpose, whichever is earlier.

3 **SECTION #.(d)** If possible, the DSS shall use an existing mechanism to administer  
4 these funds in the least restrictive manner that ensures compliance with this section and timely  
5 and accurate payments to facilities. The DSS shall not, under any circumstances, use any portion  
6 of the State and county funds allocated to the DSS for each year of the 2019-2021 fiscal biennium  
7 for the purpose of this section for any other purpose.

8 **SECTION #.(e)** Of the funds appropriated in this act to the DSS for each year of the  
9 2019-2021 fiscal biennium for facilities licensed to accept State-County Special Assistance  
10 payments, the DSS shall not use more than two hundred fifty thousand dollars (\$250,000) in  
11 nonrecurring funds for each year of the 2019-2021 fiscal biennium for administrative purposes.

12 **SECTION #.(f)** Nothing in this section shall be construed as an obligation by the  
13 General Assembly to appropriate funds for the purpose of this section, or as an entitlement by  
14 any facility, resident of a facility, or other person to receive temporary financial assistance under  
15 this section.

16 **SECTION #.(g)** This section expires on June 30, 2021.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DSS-H1-P

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

Requested by

1 **TANF BENEFIT IMPLEMENTATION**

2 **SECTION #.(a)** Beginning October 1, 2019, the General Assembly approves the  
3 plan titled "North Carolina Temporary Assistance for Needy Families State Plan FY 2019-2022,"  
4 prepared by the Department of Health and Human Services and presented to the General  
5 Assembly. The North Carolina Temporary Assistance for Needy Families State Plan covers the  
6 period October 1, 2019, through September 30, 2022. The Department shall submit the State  
7 Plan, as revised in accordance with subsection (b) of this section, to the United States Department  
8 of Health and Human Services.

9 **SECTION #.(b)** The counties approved as Electing Counties in the North Carolina  
10 Temporary Assistance for Needy Families State Plan FY 2019-2022, as approved by this section,  
11 are Beaufort, Caldwell, Catawba, Lenoir, Lincoln, Macon, and Wilson.

12 **SECTION #.(c)** Counties that submitted the letter of intent to remain as an Electing  
13 County or to be redesignated as an Electing County and the accompanying county plan for years  
14 2019 through 2022, pursuant to G.S. 108A-27(e), shall operate under the Electing County budget  
15 requirements effective July 1, 2019. For programmatic purposes, all counties referred to in this  
16 subsection shall remain under their current county designation through September 30, 2022.

17 **SECTION #.(d)** For each year of the 2019-2021 fiscal biennium, Electing Counties  
18 shall be held harmless to their Work First Family Assistance allocations for the 2018-2019 fiscal  
19 year, provided that remaining funds allocated for Work First Family Assistance and Work First  
20 Diversion Assistance are sufficient for payments made by the Department on behalf of Standard  
21 Counties pursuant to G.S. 108A-27.11(b).

22 **SECTION #.(e)** In the event that departmental projections of Work First Family  
23 Assistance and Work First Diversion Assistance for the 2019-2020 fiscal year or the 2020-2021  
24 fiscal year indicate that remaining funds are insufficient for Work First Family Assistance and  
25 Work First Diversion Assistance payments to be made on behalf of Standard Counties, the  
26 Department is authorized to deallocate funds, of those allocated to Electing Counties for Work  
27 First Family Assistance in excess of the sums set forth in G.S. 108A-27.11, up to the requisite  
28 amount for payments in Standard Counties. Prior to deallocation, the Department shall obtain  
29 approval by the Office of State Budget and Management. If the Department adjusts the allocation  
30 set forth in subsection (d) of this section, then a report shall be made to the Joint Legislative  
31 Oversight Committee on Health and Human Services and the Fiscal Research Division.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DSS-H2-P

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

Requested by

1 ***INTENSIVE FAMILY PRESERVATION SERVICES FUNDING AND PERFORMANCE***  
2 ***ENHANCEMENTS***

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

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

- 13 (1) An established follow-up system with a minimum of six months of follow-up  
14 services.
- 15 (2) Detailed information on the specific interventions applied, including  
16 utilization indicators and performance measurement.
- 17 (3) Cost-benefit data.
- 18 (4) Data on long-term benefits associated with IFPS. This data shall be obtained  
19 by tracking families through the intervention process.
- 20 (5) The number of families remaining intact and the associated interventions  
21 while in IFPS and 12 months thereafter.
- 22 (6) The number and percentage, by race, of children who received IFPS compared  
23 to the ratio of their distribution in the general population involved with Child  
24 Protective Services.

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

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DSS-H3-P

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

Requested by

1 ***CHILD CARING INSTITUTIONS***

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

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DSS-H4-P

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

Requested by

1 ***USE OF FOSTER CARE BUDGET FOR GUARDIANSHIP ASSISTANCE PROGRAM***

2       **SECTION #.** Of the funds available for the provision of foster care services, the  
3 Department of Health and Human Services, Division of Social Services, may continue to provide  
4 for the financial support of children who are deemed to be (i) in a permanent family placement  
5 setting, (ii) eligible for legal guardianship, and (iii) otherwise unlikely to receive permanency.  
6 No additional expenses shall be incurred beyond the funds budgeted for foster care for the  
7 Guardianship Assistance Program (GAP). The Guardianship Assistance Program (GAP) shall  
8 include provisions for extending guardianship services for individuals who have attained the age  
9 of 18 years and opt to continue to receive guardianship services until reaching 21 years of age if  
10 the individual is (i) completing secondary education or a program leading to an equivalent  
11 credential, (ii) enrolled in an institution that provides postsecondary or vocational education, (iii)  
12 participating in a program or activity designed to promote, or remove barriers to, employment,  
13 (iv) employed for at least 80 hours per month, or (v) incapable of completing the educational or  
14 employment requirements of this section due to a medical condition or disability. The  
15 Guardianship Assistance Program rates shall reimburse the legal guardian for room and board  
16 and be set at the same rate as the foster care room and board rates in accordance with rates  
17 established under G.S. 108A-49.1.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DSS-H5-P

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

Requested by

1 ***CHILD WELFARE POSTSECONDARY SUPPORT PROGRAM (NC REACH)***

2 **SECTION #.(a)** Funds appropriated from the General Fund to the Department of  
3 Health and Human Services for the child welfare postsecondary support program shall be used  
4 to continue providing assistance with the "cost of attendance" as that term is defined in 20 U.S.C.  
5 § 108711 for the educational needs of foster youth aging out of the foster care system and special  
6 needs children adopted from foster care after age 12. These funds shall be allocated by the State  
7 Education Assistance Authority.

8 **SECTION #.(b)** Of the funds appropriated from the General Fund to the Department  
9 of Health and Human Services, the sum of fifty thousand dollars (\$50,000) for each year of the  
10 2019-2021 fiscal biennium shall be allocated to the North Carolina State Education Assistance  
11 Authority (SEAA). The SEAA shall use these funds only to perform administrative functions  
12 necessary to manage and distribute scholarship funds under the child welfare postsecondary  
13 support program.

14 **SECTION #.(c)** Of the funds appropriated from the General Fund to the Department  
15 of Health and Human Services, the sum of three hundred thirty-nine thousand four hundred  
16 ninety-three dollars (\$339,493) for each year of the 2019-2021 fiscal biennium shall be used to  
17 contract with an entity to administer the child welfare postsecondary support program described  
18 under subsection (a) of this section, which administration shall include the performance of case  
19 management services.

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

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DSS-H6-P

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

Requested by

1 **FEDERAL CHILD SUPPORT INCENTIVE PAYMENTS**

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

- 7 (1) In consultation with representatives from county child support services  
8 programs, identify how federal incentive funding could improve centralized  
9 services.
- 10 (2) Use federal incentive funds to improve the effectiveness of the State's  
11 centralized child support services by supplementing and not supplanting State  
12 expenditures for those services.
- 13 (3) Continue to develop and implement rules that explain the State process for  
14 calculating and distributing federal incentive funding to county child support  
15 services programs.

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

- 20 (1) In consultation with representatives from county child support services  
21 programs, examine the current methodology for distributing federal incentive  
22 funding to the county programs and determine whether an alternative formula  
23 would be appropriate. NCCSS shall use its current formula for distributing  
24 federal incentive funding until an alternative formula is adopted.
- 25 (2) Upon adopting an alternative formula, develop a process to phase in the  
26 alternative formula for distributing federal incentive funding over a four-year  
27 period.

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

- 32 (1) Submit an annual plan describing how federal incentive funding would  
33 improve program effectiveness and efficiency as a condition of receiving  
34 federal incentive funding.
- 35 (2) Report annually on the following: (i) how federal incentive funding has  
36 improved program effectiveness and efficiency and been reinvested into their  
37 programs, (ii) provide documentation that the funds were spent according to  
38 their annual plans, and (iii) explain any deviations from their plans.

39 **SECTION #.(d)** Reporting by NCCSS. – NCCSS shall submit a report on federal  
40 child support incentive funding to the Joint Legislative Oversight Committee on Health and



1 Human Services and the Fiscal Research Division by November 1 of each year. The report shall  
2 describe how federal incentive funds enhanced centralized child support services to benefit  
3 county child support services programs and improved the effectiveness and efficiency of county  
4 child support services programs. The report shall further include any changes to the State process  
5 the NCCSS used in calculating and distributing federal incentive funding to county child support  
6 services programs and any recommendations for further changes.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

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SPECIAL PROVISION



2019-DSS-H7-P

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

Requested by

1 ***FINAL REPORT/CHILD WELFARE SYSTEM CHANGES***

2 **SECTION #.(a)** Federal Improvement Plan Implementation/Report. – The  
3 Department of Health and Human Services, Division of Social Services (Division), shall continue  
4 implementing the requirements of the federal Program Improvement Plan to bring our State into  
5 compliance with national standards for child welfare policy and practices. The Division shall  
6 notify the Joint Legislative Oversight Committee on Health and Human Services (Committee)  
7 and the Fiscal Research Division within 30 days of complete implementation of the Program  
8 Improvement Plan. The Division shall submit a final report to the Committee on the  
9 implementation and outcomes of the Program Improvement Plan no later than 90 days after  
10 implementation is complete.

11 **SECTION #.(b)** Child Welfare/NC FAST/Report. – The Division shall notify the  
12 Joint Legislative Oversight Committee on Health and Human Services (Committee) and the  
13 Fiscal Research Division within 30 days of complete implementation of the child welfare  
14 component of the North Carolina Families Accessing Services Through Technology (NC FAST)  
15 system. The Division shall then submit a final report to the Committee on the implementation  
16 and outcomes of the child welfare component of the NC FAST system no later than 90 days after  
17 implementation is complete.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2019-DSS-H8-P

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

Requested by

1 ***INCREASE ACCESS TO PUBLIC BENEFITS FOR OLDER DUAL ELIGIBLE SENIORS***

2 **SECTION #.(a)** The Department of Health and Human Services, Division of Social  
3 Services (Division), shall continue implementing an evidence-based pilot program to increase  
4 access to public benefits for seniors aged 65 and older who are dually enrolled in Medicare and  
5 Medicaid to (i) improve the health and independence of seniors and (ii) reduce health care costs.  
6 The Division shall continue to partner with a not-for-profit firm for the purposes of engaging in  
7 a data-driven campaign to help seniors aged 65 and older who are dually enrolled in Medicare  
8 and Medicaid meet their basic social needs. The not-for-profit firm shall have demonstrated  
9 experience in assisting with these types of services and the partnership shall accomplish each of  
10 the following:

- 11 (1) Identify, through data sharing, dual eligible seniors aged 65 and older who  
12 qualify for the Supplemental Nutrition and Assistance Program (SNAP) but  
13 are not currently enrolled.
- 14 (2) Conduct an outreach program toward those seniors for the purpose of  
15 enrolling them into SNAP.
- 16 (3) Provide comprehensive application assistance through outreach specialists to  
17 complete public benefits application processes.
- 18 (4) Evaluate project effectiveness and explore how data can be utilized to achieve  
19 optimal outcomes.
- 20 (5) Make recommendations regarding policy options available to the State to  
21 streamline access to benefits.

22 **SECTION #.(b)** The Division shall report to the Office of the Governor and the Joint  
23 Legislative Oversight Committee on Health and Human Services on its progress in the pilot  
24 program by February 1 following each year the pilot program is in place. The report shall, at a  
25 minimum, include the following:

- 26 (1) The number of seniors age 65 and older who are dual eligibles but are not  
27 enrolled in SNAP.
- 28 (2) The number of those identified that would be included in the sample  
29 population.
- 30 (3) Methods of outreach toward those seniors in the sample population.
- 31 (4) Number of to date enrollments in SNAP as a direct result of outreach during  
32 the pilot program.
- 33 (5) Participation rate to date in SNAP of those seniors in the sample population.
- 34 (6) Any other findings the Division deems relevant.

35 **SECTION #.(c)** If funding and capacity exist, the Division of Social Services may  
36 expand the pilot program to include other public benefits programs.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

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SPECIAL PROVISION



2019-DSS-H9-P

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

Requested by

1 **SUCCESSFUL TRANSITION/FOSTER CARE YOUTH**

2 **SECTION #.** The Foster Care Transitional Living Initiative Fund shall continue to  
3 fund and support transitional living services that demonstrate positive outcomes for youth, attract  
4 significant private sector funding, and lead to the development of evidence-based programs to  
5 serve the at-risk population described in this section. The Fund shall continue to support a  
6 demonstration project with services provided by Youth Villages to (i) improve outcomes for  
7 youth ages 17-21 years who transition from foster care through implementation of  
8 outcome-based Transitional Living Services, (ii) identify cost-savings in social services and  
9 juvenile and adult correction services associated with the provision of Transitional Living  
10 Services to youth aging out of foster care, and (iii) take necessary steps to establish an  
11 evidence-based transitional living program available to all youth aging out of foster care. In  
12 continuing to implement these goals, the Foster Care Transitional Living Initiative Fund shall  
13 support the following strategies:

- 14 (1) Transitional Living Services, which is an outcome-based program that follows  
15 the Youth Villages Transitional Living Model. Outcomes on more than 7,000  
16 participants have been tracked since the program's inception. The program has  
17 been evaluated through an independent Randomized Controlled Trial. Results  
18 indicate that the Youth Villages Transitional Living Model had positive  
19 impacts in a variety of areas, including housing stability, earnings, economic  
20 hardship, mental health, and intimate partner violence in comparison to the  
21 control population.
- 22 (2) Public-Private Partnership, which is a commitment by private-sector funding  
23 partners to match at least fifty percent (50%) of the funds appropriated to the  
24 Foster Care Transitional Living Initiative Fund for the 2019-2021 fiscal  
25 biennium for the purposes of providing Transitional Living Services through  
26 the Youth Villages Transitional Living Model to youth aging out of foster  
27 care.
- 28 (3) Impact Measurement and Evaluation, which are services funded through  
29 private partners to provide independent measurement and evaluation of the  
30 impact the Youth Villages Transitional Living Model has on the youth served,  
31 the foster care system, and on other programs and services provided by the  
32 State which are utilized by former foster care youth.
- 33 (4) Advancement of Evidence-Based Process, which is the implementation and  
34 ongoing evaluation of the Youth Villages Transitional Living Model for the  
35 purposes of establishing the first evidence-based transitional living program  
36 in the nation. To establish the evidence-based program, additional randomized  
37 controlled trials may be conducted to advance the model.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DSS-H10-P

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

Requested by

1 *FINAL REPORT UPON COMPLETE IMPLEMENTATION/EASTERN BAND OF*  
2 *CHEROKEE INDIANS ASSUMPTION OF SERVICES*

3 **SECTION #.** The Department of Health and Human Services, Division of Social  
4 Services, shall submit a final report to the Joint Legislative Oversight Committee on Health and  
5 Human Services on the assumption of certain services by the Eastern Band of Cherokee Indians  
6 as implemented pursuant to Section 12C.10 of S.L. 2015-241, as amended by Section 12C.2 of  
7 S.L. 2016-94, when implementation is complete.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DSS-H11-P

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

Requested by

1 ***CHILD ADVOCACY CENTER FUNDING***

2 **SECTION #.** Of the funds appropriated in this act to the Department of Health and  
3 Human Services, Division of Social Services, for each year of the 2019-2021 fiscal biennium for  
4 child advocacy centers, allocations shall be made as follows:

- 5 (1) Up to one hundred thousand dollars (\$100,000) for each child advocacy center  
6 in good standing with Children's Advocacy Centers of North Carolina, Inc.  
7 (2) One hundred thousand dollars (\$100,000) to Children's Advocacy Centers of  
8 North Carolina, Inc., for its operations.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DSS-H15-P

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

Requested by

1 **ENHANCE PERMANENCY INNOVATION INITIATIVE**

2 **SECTION #.(a)** G.S. 131D-10.9B(a) reads as rewritten:

3 "(a) There is created the Permanency Innovation Initiative Fund that will support a  
4 demonstration project with services provided by Children's Home Society of North Carolina to  
5 (i) improve permanency outcomes for children living in foster care through reunification with  
6 parents, providing placement or guardianship with other relatives, or adoption, (ii) improve  
7 engagement with biological relatives of children in or at risk of entering foster care, and (iii)  
8 reduce costs associated with maintaining children in foster care. In implementing these goals, the  
9 Permanency Innovation Initiative Fund shall support the following strategies:

10 ...

11 (3) Permanency Training Services, which are services delivered by Children's  
12 Home Society of North Carolina to ~~enhance the readiness of support~~ county  
13 departments of social services to implement the permanency strategies under  
14 subdivision (2) of this ~~subsection~~ subsection, advance permanency-focused  
15 services for children in the legal custody of county departments of social  
16 services, and provide training services to support the delivery of the  
17 services and support services to caregivers and family members who are  
18 supporting the permanency goal of children in the legal custody of county  
19 departments of social services."

20 **SECTION #.(b)** Funds appropriated to the Department of Health and Human  
21 Services, Division of Social Services, for each year of the 2019-2021 fiscal biennium for the  
22 Permanency Innovation Initiative Fund shall be supplemented, not supplanted, by all available  
23 federal matching funds.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-DSS-H16-P

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

Requested by

**FUNDS FOR STANDARDIZED ASSESSMENT/FOSTER CARE PILOT**

**SECTION #.(a)** Of the funds appropriated to the Department of Health and Human Services, Division of Social Services, the sum of eighty thousand dollars (\$80,000) for the 2019-2020 fiscal year and the sum of one hundred fifty thousand dollars (\$150,000) for the 2020-2021 fiscal year shall be used for a pilot project to develop and implement a process for every child, four years of age and older, entering into foster care to receive a standardized trauma and evidence-informed screening and assessment to ensure an appropriate diagnosis, which will in turn lead to the proper provision of services for the child. Up to three local management entities/managed care organizations (LME/MCOs) shall participate in the pilot project. The LME/MCOs shall collaborate with their county departments of social services in up to four counties within the LME/MCOs' catchment areas on developing and implementing the standardized screening and assessments, with the intent that (i) by January 1, 2020, the LME/MCOs and their county departments of social services begin training for implementation of the assessments and (ii) by August 1, 2020, the LME/MCOs and county departments of social services begin conducting the assessments. The pilot project shall include support for the LME/MCOs and county departments of social services for training in trauma-focused care and the use of the screening and assessment tool. For providers, the pilot project shall provide ongoing oversight, training, certification, and coaching to ensure fidelity to the screening and assessment model. For purposes of this section, "trauma" is defined as the result of an event, series of events, or set of circumstances that is experienced by an individual as physically or emotionally harmful or threatening and that has lasting adverse effects on the individual's functioning and physical, social, emotional, or spiritual well-being.

**SECTION #.(b)** The Division of Social Services shall submit a report on the pilot project described under subsection (a) of this section to the Joint Legislative Oversight Committee on Health and Human Services by April 1, 2022, that shall include, for each participating county, tracking of case flow, completion and timing of the trauma checklist and screening tool, a comprehensive clinical assessment, and diagnostic finding and service recommendations from the assessment.



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2019

Proofed  
SPECIAL PROVISION



2019-BG-H1-P

DHHS Block Grants  
House Appropriations, Health and Human Services

Requested by

**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, 2021, according to the following schedule:

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

**FY 2019-2020**

**FY 2020-2021**

**Local Program Expenditures**

**Division of Social Services**

01. Work First Family Assistance	\$37,549,914	\$35,549,914
02. Work First County Block Grants	80,093,566	80,093,566
03. Work First Electing Counties	2,378,213	2,378,213
04. Adoption Services – Special Children 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. Funding for Counties to Assist with County Implementation of NC FAST, Project 4	8,092	0
07. Child Welfare Program Improvement Plan	775,176	775,176
08. Child Welfare Collaborative	400,000	400,000
09. Child Welfare Initiatives	1,400,000	1,400,000

**Division of Child Development and Early Education**

10. Subsidized Child Care Program	53,203,069	53,013,694
11. Swap-Child Care Subsidy	7,000,000	7,000,000
12. NC Pre-K Services	64,700,000	66,700,000

1			
2	<b>Division of Public Health</b>		
3			
4	13. Teen Pregnancy Prevention Initiatives	3,450,000	3,450,000
5			
6	<b>DHHS Administration</b>		
7			
8	14. Division of Social Services	2,482,260	2,482,260
9			
10	15. Office of the Secretary	34,042	34,042
11			
12	16. Eligibility Systems – Operations and		
13	Maintenance	653,815	711,349
14			
15	17. NC FAST Implementation	1,817,362	0
16			
17	18. Division of Social Services – Workforce		
18	Innovation & Opportunity Act (WIOA)	93,216	93,216
19			
20	<b>Transfers to Other Block Grants</b>		
21			
22	<b>Division of Child Development and Early Education</b>		
23			
24	19. Transfer to the Child Care and		
25	Development Fund	21,773,001	21,773,001
26			
27	<b>Division of Social Services</b>		
28			
29	20. Transfer to Social Services Block		
30	Grant for Child Protective Services –		
31	Training	1,300,000	1,300,000
32			
33	21. Transfer to Social Services Block		
34	Grant for Child Protective Services	5,040,000	5,040,000
35			
36	22. Transfer to Social Services Block		
37	Grant for County Departments of		
38	Social Services for Children's Services	13,097,783	13,097,783
39			
40	23. Transfer to Social Services Block		
41	Grant – Foster Care Services	1,385,152	1,385,152
42			
43	24. Transfer to Social Services Block	1,582,000	1,582,000
44	Grant – Child Advocacy Centers		
45			
46	25. Transfer to Social Services Block	737,067	737,067
47	Grant – Child Protective Services,		
48	Child Welfare Training for Counties		
49			
50	<b>TOTAL TEMPORARY ASSISTANCE FOR</b>		
51	<b>NEEDY FAMILIES (TANF) FUNDS</b>	<b>\$312,392,996</b>	<b>\$310,435,701</b>



1	Grant (HCCBG)	2,696,888	2,696,888
2			
3	13. Child Advocacy Centers		
4	(Transfer from TANF)	1,582,000	1,582,000
5			
6	14. Guardianship – Division of Social Services	1,802,671	1,802,671
7			
8	15. Foster Care Services		
9	(Transfer From TANF)	1,385,152	1,385,152
10			
11	<b>Division of Central Management and Support</b>		
12			
13	16. DHHS Competitive Block Grants		
14	for Nonprofits	4,774,525	4,774,525
15			
16	<b>Division of Mental Health, Developmental Disabilities, and Substance Abuse Services</b>		
17			
18	17. Mental Health Services – Adult and		
19	Child/Developmental Disabilities Program/		
20	Substance Abuse Services – Adult	4,149,595	4,149,595
21			
22	<b>DHHS Program Expenditures</b>		
23			
24	<b>Division of Services for the Blind</b>		
25			
26	18. Independent Living Program	3,603,793	3,603,793
27			
28	<b>Division of Health Service Regulation</b>		
29			
30	19. Adult Care Licensure Program	402,951	402,951
31			
32	20. Mental Health Licensure and		
33	Certification Program	200,880	200,880
34			
35	<b>Division of Aging and Adult Services</b>		
36			
37	21. Guardianship	3,825,443	3,825,443
38			
39	<b>DHHS Administration</b>		
40			
41	22. Division of Aging and Adult Services	679,541	679,541
42			
43	23. Division of Social Services	654,220	654,220
44			
45	24. Office of the Secretary/Controller's Office	132,047	132,047
46			
47	25. Legislative Increases/Fringe Benefits	236,278	236,278
48			
49	26. Division of Child Development and		
50	Early Education	13,878	13,878
51			

1	27. Division of Mental Health, Developmental		
2	Disabilities, and Substance Abuse Services	27,446	27,446
3			
4	28. Division of Health Service Regulation	121,719	121,719
5			
6	<b>TOTAL SOCIAL SERVICES BLOCK GRANT</b>	<b>\$74,055,372</b>	<b>\$74,055,372</b>
7			
8	<b>LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT</b>		
9			
10	<b>Local Program Expenditures</b>		
11			
12	<b>Division of Social Services</b>		
13			
14	01. Low-Income Energy Assistance		
15	Program (LIEAP)	\$40,298,638	\$40,298,638
16			
17	02. Crisis Intervention Program (CIP)	40,298,638	40,298,638
18			
19	<b>Local Administration</b>		
20			
21	<b>Division of Social Services</b>		
22			
23	03. County DSS Administration	6,618,366	6,618,366
24			
25	<b>DHHS Administration</b>		
26			
27	<b>Division of Central Management and Support</b>		
28			
29	04. Division of Social Services	10,000	10,000
30			
31	05. Office of the Secretary/DIRM	128,954	128,954
32			
33	06. Office of the Secretary/Controller's Office	18,378	18,378
34			
35	07. NC FAST Development	2,287,188	2,287,188
36			
37	08. NC FAST Operations and Maintenance	2,539,033	2,539,033
38			
39	<b>Transfers to Other State Agencies</b>		
40			
41	<b>Department of Environmental Quality</b>		
42			
43	09. Weatherization Program	8,692,641	8,552,641
44			
45	10. Heating Air Repair and Replacement		
46	Program (HARRP)	5,881,761	5,701,761
47			
48	11. Local Residential Energy Efficiency Service		
49	Providers – Weatherization	544,742	514,742
50			
51	12. Local Residential Energy Efficiency Service		

1	Providers – HARRP	327,169	277,169
2			
3	13. DEQ – Weatherization Administration	544,742	514,742
4			
5	14. DEQ – HARRP Administration	277,169	277,169
6			
7	<b>Department of Administration</b>		
8			
9	15. N.C. Commission on Indian Affairs	87,736	87,736
10			
11	<b>TOTAL LOW-INCOME ENERGY</b>		
12	<b>ASSISTANCE BLOCK GRANT</b>	<b>\$108,555,155</b>	<b>\$108,125,155</b>
13			
14	<b>CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT</b>		
15			
16	<b>Local Program Expenditures</b>		
17			
18	<b>Division of Child Development and Early Education</b>		
19			
20	01. Child Care Services	\$235,808,573	\$235,800,688
21			
22	02. Smart Start Subsidy	7,000,000	7,000,000
23			
24	03. Transfer from TANF Block Grant		
25	for Child Care Subsidies	21,773,001	21,773,001
26			
27	04. Quality and Availability Initiatives		
28	(TEACH Program \$3,800,000)	55,217,124	55,217,124
29			
30	<b>DHHS Administration</b>		
31			
32	<b>Division of Child Development and Early Education</b>		
33			
34	05. DCDEE Administrative Expenses	9,710,886	9,710,886
35			
36	<b>Division of Social Services</b>		
37			
38	06. Local Subsidized Child Care		
39	Services Support	18,533,357	18,533,357
40			
41	07. Direct Deposit for Child Care Payments	505,100	505,100
42			
43	<b>Division of Central Management and Support</b>		
44			
45	08. NC FAST Development	464,290	0
46			
47	09. NC FAST Operations and Maintenance	1,104,504	1,201,697
48			
49	10. DHHS Central Administration – DIRM		
50	Technical Services	645,162	645,162
51			

1	11. DHHS Central Administration	400,000	400,000
2			
3	<b>Division of Public Health</b>		
4			
5	12. Child Care Health Consultation Contracts	62,205	62,205
6			
7	<b>TOTAL CHILD CARE AND DEVELOPMENT</b>		
8	<b>FUND BLOCK GRANT</b>	<b>\$351,224,202</b>	<b>\$350,849,220</b>
9			
10	<b>MENTAL HEALTH SERVICES BLOCK GRANT</b>		
11			
12	<b>Local Program Expenditures</b>		
13			
14	01. Mental Health Services – Child	\$4,779,087	\$4,779,087
15			
16	02. Mental Health Services – Adult/Child	21,872,198	15,765,206
17			
18	03. Mental Health Services – First		
19	Psychotic Symptom Treatment	1,976,970	1,976,970
20			
21	<b>DHHS Administration</b>		
22			
23	<b>Division of Mental Health, Developmental Disabilities, and Substance Abuse Services</b>		
24			
25	04. Administration	200,000	200,000
26			
27	<b>TOTAL MENTAL HEALTH SERVICES</b>		
28	<b>BLOCK GRANT</b>	<b>\$28,828,255</b>	<b>\$22,721,263</b>
29			
30	<b>SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT</b>		
31			
32	<b>Local Program Expenditures</b>		
33			
34	<b>Division of Mental Health, Developmental Disabilities, and Substance Abuse Services</b>		
35			
36	01. Substance Abuse – HIV and IV Drug	\$2,550,915	\$2,550,915
37			
38	02. Substance Abuse Prevention	9,110,422	9,110,422
39			
40	03. Substance Abuse Services – Treatment for		
41	Children/Adults	30,453,564	29,500,823
42			
43	05. Crisis Solutions Initiatives – Collegiate		
44	Wellness/Addiction Recovery	1,085,000	1,085,000
45			
46	06. Crisis Solutions Initiatives – Community		
47	Paramedic Mobile Crisis Management	20,000	20,000
48			
49	<b>DHHS Program Expenditures</b>		
50			
51	<b>Division of Central Management and Support</b>		

1			
2	07. Competitive Grants	1,600,000	1,600,000
3			
4	<b>DHHS Administration</b>		
5			
6	<b>Division of Mental Health, Developmental Disabilities, and Substance Abuse Services</b>		
7			
8	08. Administration	454,000	454,000
9			
10	09. Controlled Substance Reporting System		
11	Enhancement	427,655	427,655
12			
13	10. Veterans Initiatives	250,000	250,000
14			
15	<b>TOTAL SUBSTANCE ABUSE PREVENTION</b>		
16	<b>    AND TREATMENT BLOCK GRANT</b>	<b>\$45,951,556</b>	<b>\$44,998,815</b>
17			
18	<b>MATERNAL AND CHILD HEALTH BLOCK GRANT</b>		
19			
20	<b>Local Program Expenditures</b>		
21			
22	<b>Division of Public Health</b>		
23			
24	01. Women and Children's Health Services		
25	(Safe Sleep Campaign \$45,000; Sickle Cell		
26	Centers \$100,000; Prevent Blindness \$575,000;		
27	March of Dimes \$350,000; Teen Pregnancy		
28	Prevention Initiatives \$650,000;		
29	17P Project \$52,000; Nurse-Family		
30	Partnership \$950,000; Perinatal & Neonatal		
31	Outreach Coordinator Contracts \$440,000;		
32	Mountain Area Pregnancy Services \$50,000)	\$14,719,224	\$14,719,224
33			
34	02. Oral Health	48,227	48,227
35			
36	03. Evidence-Based Programs in Counties		
37	With Highest Infant Mortality Rates	1,575,000	1,575,000
38			
39	<b>DHHS Program Expenditures</b>		
40			
41	04. Children's Health Services	1,427,323	1,427,323
42			
43	05. Women's Health – Maternal Health	169,864	169,864
44			
45	06. Women and Children's Health – Perinatal		
46	Strategic Plan Support Position	68,245	68,245
47			
48	07. State Center for Health Statistics	158,583	158,583
49			
50	08. Health Promotion – Injury and		
51	Violence Prevention	87,271	87,271



1			
2	<b>DHHS Administration</b>		
3			
4	09. Division of Public Health Administration	552,571	552,571
5			
6	<b>TOTAL MATERNAL AND CHILD</b>		
7	<b>HEALTH BLOCK GRANT</b>	<b>\$18,806,308</b>	<b>\$18,806,308</b>
8			
9	<b>PREVENTIVE HEALTH SERVICES BLOCK GRANT</b>		
10			
11	<b>Local Program Expenditures</b>		
12			
13	01. Physical Activity and Prevention	\$3,474,191	\$3,474,191
14			
15	02. Injury and Violence Prevention		
16	(Services to Rape Victims – Set-Aside)	160,000	160,000
17			
18	<b>DHHS Program Expenditures</b>		
19			
20	<b>Division of Public Health</b>		
21			
22	03. HIV/STD Prevention and		
23	Community Planning	137,648	137,648
24			
25	04. Oral Health Preventive Services	150,000	150,000
26			
27	05. Laboratory Services – Testing,		
28	Training, and Consultation	21,000	21,000
29			
30	06. Injury and Violence Prevention		
31	(Services to Rape Victims – Set-Aside)	53,206	53,206
32			
33	07. Performance Improvement and		
34	Accountability	592,123	592,123
35			
36	08. State Center for Health Statistics	82,505	82,505
37			
38	<b>DHHS Administration</b>		
39			
40	<b>Division of Public Health</b>		
41			
42	09. Division of Public Health	65,000	65,000
43			
44	<b>TOTAL PREVENTIVE HEALTH</b>		
45	<b>SERVICES BLOCK GRANT</b>	<b>\$4,735,673</b>	<b>\$4,735,673</b>
46			
47	<b>COMMUNITY SERVICES BLOCK GRANT</b>		
48			
49	01. Community Action Agencies	\$24,170,204	\$20,539,214
50			
51	02. Discretionary Funding	921,096	921,096

1			
2	03. Office of Economic Opportunity	981,096	981,096
3			
4	04. Office of Economic Opportunity – Workforce		
5	Investment Opportunities Act (WIOA)	60,000	60,000
6			
7	<b>TOTAL COMMUNITY SERVICES</b>		
8	<b>BLOCK GRANT</b>	<b>\$26,132,396</b>	<b>\$22,501,406</b>
9			

10 **GENERAL PROVISIONS**

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

- 14       (1) A delineation of the proposed allocations by program or activity, including  
15       State and federal match requirements.
- 16       (2) A delineation of the proposed State and local administrative expenditures.
- 17       (3) An identification of all new positions to be established through the Block  
18       Grant, including permanent, temporary, and time-limited positions.
- 19       (4) A comparison of the proposed allocations by program or activity with two  
20       prior years' program and activity budgets and two prior years' actual program  
21       or activity expenditures.
- 22       (5) A projection of current year expenditures by program or activity.
- 23       (6) A projection of federal Block Grant funds available, including unspent federal  
24       funds from the current and prior fiscal years.
- 25       (7) The amount of funds qualifying for maintenance of effort in the previous year  
26       delineated by program or activity.

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

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

40       Notwithstanding the provisions of this subsection, for fiscal years 2019-2020 and  
41 2020-2021, increases in the federal fund availability for the Temporary Assistance to Needy  
42 Families (TANF) Block Grant shall be used only for the North Carolina Child Care Subsidy  
43 program to pay for child care in four- or five-star rated facilities for 4-year-old children and shall  
44 not be used to supplant State funds.

45       Prior to allocating the change in federal fund availability, the proposed allocation  
46 must be approved by the Office of State Budget and Management. If the Department adjusts the  
47 allocation of any Block Grant due to changes in federal fund availability, then a report shall be  
48 made to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal  
49 Research Division.

50       **SECTION #.(d)** Except as otherwise provided, appropriations from federal Block  
51 Grant funds are made for each year of the fiscal biennium ending June 30, 2021, according to the

1 schedule enacted for State fiscal years 2019-2020 and 2020-2021 or until a new schedule is  
2 enacted by the General Assembly.

3 **SECTION #.(e)** All changes to the budgeted allocations to the Block Grants or  
4 contingency funds and other grants related to existing Block Grants administered by the  
5 Department of Health and Human Services that are not specifically addressed in this section shall  
6 be approved by the Office of State Budget and Management. The Office of State Budget and  
7 Management shall not approve funding for new programs or activities not appropriated in this  
8 section. Additionally, if budgeted allocations are decreased, the Office of State Budget and  
9 Management shall not approve any reduction of funds designated for subrecipients in subsection  
10 (a) of this section under Item 01 of the Maternal and Child Health Block Grant. The Office of  
11 State Budget and Management shall consult with the Joint Legislative Oversight Committee on  
12 Health and Human Services for review prior to implementing any changes. In consulting, the  
13 report shall include an itemized listing of affected programs, including associated changes in  
14 budgeted allocations. All changes to the budgeted allocations to the Block Grants shall be  
15 reported immediately to the Joint Legislative Oversight Committee on Health and Human  
16 Services and the Fiscal Research Division. This subsection does not apply to Block Grant  
17 changes caused by legislative salary increases and benefit adjustments.

18 **SECTION #.(f)** Except as otherwise provided, the Department of Health and Human  
19 Services shall have flexibility to transfer funding between the Temporary Assistance for Needy  
20 Families (TANF) Block Grant and the TANF Emergency Contingency Funds Block Grant so  
21 long as the total allocation for the line items within those block grants remains the same.  
22

### 23 ***TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS***

24 **SECTION #.(g)** The sum of eighty million ninety-three thousand five hundred  
25 sixty-six dollars (\$80,093,566) for each year of the 2019-2021 fiscal biennium appropriated in  
26 this section in TANF funds to the Department of Health and Human Services, Division of Social  
27 Services, shall be used for Work First County Block Grants. The Division shall certify these  
28 funds in the appropriate State-level services based on prior year actual expenditures. The Division  
29 has the authority to realign the authorized budget for these funds among the State-level services  
30 based on current year actual expenditures. The Division shall also have the authority to realign  
31 appropriated funds from Work First Family Assistance for electing counties to the Work First  
32 County Block Grant for electing counties based on current year expenditures so long as the  
33 electing counties meet Maintenance of Effort requirements.

34 **SECTION #.(h)** The sum of nine million four hundred twelve thousand three  
35 hundred ninety-one dollars (\$9,412,391) appropriated in this section to the Department of Health  
36 and Human Services, Division of Social Services, in TANF funds for each fiscal year of the  
37 2019-2021 fiscal biennium for child welfare improvements shall be allocated to the county  
38 departments of social services for hiring or contracting staff to investigate and provide services  
39 in Child Protective Services cases; to provide foster care and support services; to recruit, train,  
40 license, and support prospective foster and adoptive families; and to provide interstate and  
41 post-adoption services for eligible families.

42 Counties shall maintain their level of expenditures in local funds for Child Protective  
43 Services workers. Of the Block Grant funds appropriated for Child Protective Services workers,  
44 the total expenditures from State and local funds for fiscal years 2019-2020 and 2020-2021 shall  
45 not be less than the total expended from State and local funds for the 2012-2013 fiscal year.

46 **SECTION #.(i)** The sum of two million twenty-six thousand eight hundred  
47 seventy-seven dollars (\$2,026,877) appropriated in this section in TANF funds to the Department  
48 of Health and Human Services, Special Children Adoption Fund, for each fiscal year of the  
49 2019-2021 fiscal biennium shall be used in accordance with G.S. 108A-50.2. The Division of  
50 Social Services, in consultation with the North Carolina Association of County Directors of  
51 Social Services and representatives of licensed private adoption agencies, shall develop

1 guidelines for the awarding of funds to licensed public and private adoption agencies upon the  
2 adoption of children described in G.S. 108A-50 and in foster care. Payments received from the  
3 Special Children Adoption Fund by participating agencies shall be used exclusively to enhance  
4 the adoption services program. No local match shall be required as a condition for receipt of these  
5 funds.

6 **SECTION #.(j)** The sum of one million four hundred thousand dollars (\$1,400,000)  
7 appropriated in this section in TANF funds to the Department of Health and Human Services,  
8 Division of Social Services, for each fiscal year of the 2019-2021 fiscal biennium shall be used  
9 for child welfare initiatives to (i) enhance the skills of social workers to improve the outcomes  
10 for families and children involved in child welfare and (ii) enhance the provision of services to  
11 families in their homes in the least restrictive setting.

12 **SECTION #.(k)** Of the three million four hundred fifty thousand dollars  
13 (\$3,450,000) allocated in this section in TANF funds to the Department of Health and Human  
14 Services, Division of Public Health, for each year of the 2019-2021 fiscal biennium for teen  
15 pregnancy prevention initiatives, the sum of five hundred thousand dollars (\$500,000) in each  
16 year of the 2019-2021 fiscal biennium shall be used to provide services for foster care youth and  
17 juvenile justice.  
18

### 19 ***SOCIAL SERVICES BLOCK GRANT***

20 **SECTION #.(l)** The sum of nineteen million nine hundred five thousand eight  
21 hundred forty-nine dollars (\$19,905,849) for each year of the 2019-2021 fiscal biennium  
22 appropriated in this section in the Social Services Block Grant to the Department of Health and  
23 Human Services, Division of Social Services, and the sum of thirteen million ninety-seven  
24 thousand seven hundred eighty-three dollars (\$13,097,783) for each year of the 2019-2021 fiscal  
25 biennium transferred from funds appropriated in the TANF Block Grant shall be used for county  
26 block grants. The Division shall certify these funds in the appropriate State-level services based  
27 on prior year actual expenditures. The Division has the authority to realign the authorized budget  
28 for these funds, as well as State Social Services Block Grant funds, among the State-level services  
29 based on current year actual expenditures.

30 Of the funds appropriated in this subsection for each year of the 2019-2021 fiscal  
31 biennium for county block grants, three million dollars (\$3,000,000) shall be used to assist  
32 counties in the implementation of Project 4, Child Services, in North Carolina Families  
33 Accessing Services Through Technology (NC FAST). These funds shall be available in each  
34 fiscal year of the fiscal biennium for this purpose.

35 **SECTION #.(m)** The sum of one million three hundred thousand dollars  
36 (\$1,300,000) appropriated in this section in the Social Services Block Grant to the Department  
37 of Health and Human Services, Division of Social Services, for each fiscal year of the 2019-2021  
38 fiscal biennium shall be used to support various child welfare training projects as follows:

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

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

46 **SECTION #.(o)** Social Services Block Grant funds appropriated for the Special  
47 Children Adoption Incentive Fund shall require a fifty percent (50%) local match.

48 **SECTION #.(p)** The sum of five million forty thousand dollars (\$5,040,000)  
49 appropriated in this section in the Social Services Block Grant for each fiscal year of the  
50 2019-2021 fiscal biennium shall be allocated to the Department of Health and Human Services,  
51 Division of Social Services. The Division shall allocate these funds to local departments of social

1 services to replace the loss of Child Protective Services State funds that are currently used by  
2 county governments to pay for Child Protective Services staff at the local level. These funds shall  
3 be used to maintain the number of Child Protective Services workers throughout the State. These  
4 Social Services Block Grant funds shall be used to pay for salaries and related expenses only and  
5 are exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent (25%).

6 **SECTION #.(q)** The sum of four million seven hundred seventy-four thousand five  
7 hundred twenty-five dollars (\$4,774,525) for each year of the 2019-2021 fiscal biennium  
8 appropriated in this section in the Social Services Block Grant to the Department of Health and  
9 Human Services (DHHS), Division of Central Management and Support, shall be used for DHHS  
10 competitive block grants pursuant to Section # of this act. These funds are exempt from the  
11 provisions of 10A NCAC 71R .0201(3).

12 **SECTION #.(r)** The sum of one million five hundred eighty-two thousand dollars  
13 (\$1,582,000) appropriated in this section in the Social Services Block Grant for each fiscal year  
14 of the 2019-2021 fiscal biennium to the Department of Health and Human Services, Division of  
15 Social Services, shall be used to continue support for the Child Advocacy Centers, and the funds  
16 are exempt from the provisions of 10A NCAC 71R .0201(3).

17 **SECTION #.(s)** The sum of three million eight hundred twenty-five thousand four  
18 hundred forty-three dollars (\$3,825,443) for each fiscal year of the 2019-2021 fiscal biennium  
19 appropriated in this section in the Social Services Block Grant to the Department of Health and  
20 Human Services, Divisions of Social Services and Aging and Adult Services, shall be used for  
21 guardianship services pursuant to Chapter 35A of the General Statutes. The Department may  
22 expend funds appropriated in this section to support existing corporate guardianship contracts  
23 during the 2019-2020 and 2020-2021 fiscal years.

24 **SECTION #.(t)** Of the funds appropriated in the Social Services Block Grant to the  
25 Division of Aging and Adult Services for Adult Protective Services, the sum of eight hundred  
26 ninety-three thousand forty-one dollars (\$893,041) shall be used to increase the number of Adult  
27 Protective Services workers where these funds can be the most effective. These funds shall be  
28 used to pay for salaries and related expenses and shall not be used to supplant any other source  
29 of funding for staff. These funds are also exempt from 10A NCAC 71R .0201(3) requiring a local  
30 match of twenty-five percent (25%).

31 **SECTION #.(u)** The sum of seven hundred thirty-seven thousand sixty-seven dollars  
32 (\$737,067) appropriated in this section in the Social Services Block Grant for each fiscal year of  
33 the 2019-2021 fiscal biennium shall be allocated to the Department of Health and Human  
34 Services, Division of Social Services. These funds shall be used to assist with training needs for  
35 county child welfare training staff and shall not be used to supplant any other source of funding  
36 for staff. County departments of social services are exempt from 10A NCAC 71R .0201(3)  
37 requiring a local match of twenty-five percent (25%).

### 39 ***LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT***

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

48 **SECTION #.(w)** The sum of forty million two hundred ninety-eight thousand six  
49 hundred thirty-eight dollars (\$40,298,638) for each year of the 2019-2021 fiscal biennium  
50 appropriated in this section in the Low-Income Energy Assistance Block Grant to the Department  
51 of Health and Human Services, Division of Social Services, shall be used for Energy Assistance

1 Payments for the households of (i) elderly persons age 60 and above with income up to one  
2 hundred thirty percent (130%) of the federal poverty level and (ii) disabled persons eligible for  
3 services funded through the Division of Aging and Adult Services.

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

- 7 (1) Ensure that eligible households are made aware of the available assistance,  
8 with particular attention paid to the elderly population age 60 and above and  
9 disabled persons receiving services through the Division of Aging and Adult  
10 Services.
- 11 (2) Include efforts by the county department of social services to contact other  
12 State and local governmental entities and community-based organizations to  
13 (i) offer the opportunity to provide outreach and (ii) receive applications for  
14 energy assistance.
- 15 (3) Be approved by the local board of social services or human services board  
16 prior to submission.  
17

### 18 ***CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT***

19 **SECTION #.(x)** Payment for subsidized child care services provided with federal  
20 TANF funds shall comply with all regulations and policies issued by the Division of Child  
21 Development and Early Education for the subsidized child care program.

22 **SECTION #.(y)** If funds appropriated through the Child Care and Development  
23 Fund Block Grant for any program cannot be obligated or spent in that program within the  
24 obligation or liquidation periods allowed by the federal grants, the Department may move funds  
25 to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in order  
26 to use the federal funds fully.  
27

### 28 ***MENTAL HEALTH SERVICES BLOCK GRANT***

29 **SECTION #.(z)** The sum of one million nine hundred seventy-six thousand nine  
30 hundred seventy dollars (\$1,976,970) appropriated in this section in the Mental Health Services  
31 Block Grant to the Department of Health and Human Services, Division of Mental Health,  
32 Developmental Disabilities, and Substance Abuse Services, for each year of the 2019-2021 fiscal  
33 biennium is allocated for Mental Health Services – First Psychotic Symptom Treatment.  
34

### 35 ***SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT***

36 **SECTION #.(aa)** The sum of two hundred fifty thousand dollars (\$250,000)  
37 appropriated in this section in the Substance Abuse Prevention and Treatment Block Grant to the  
38 Department of Health and Human Services, Division of Mental Health, Developmental  
39 Disabilities, and Substance Abuse Services, for each fiscal year of the 2019-2021 fiscal biennium  
40 shall be used to support Veterans initiatives.  
41

### 42 ***MATERNAL AND CHILD HEALTH BLOCK GRANT***

43 **SECTION #.(bb)** If federal funds are received under the Maternal and Child Health  
44 Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193 (42 U.S.C.  
45 § 710), for the 2019-2020 fiscal year or the 2020-2021 fiscal year, then those funds shall be  
46 transferred to the State Board of Education to be administered by the Department of Public  
47 Instruction. The Department of Public Instruction shall use the funds to establish an abstinence  
48 until marriage education program and shall delegate to one or more persons the responsibility of  
49 implementing the program and G.S. 115C-81(e1)(4) and (4a). The Department of Public

1 Instruction shall carefully and strictly follow federal guidelines in implementing and  
2 administering the abstinence education grant funds.

3 **SECTION #.(cc)** The sum of one million five hundred seventy-five thousand dollars  
4 (\$1,575,000) appropriated in this section in the Maternal and Child Health Block Grant to the  
5 Department of Health and Human Services, Division of Public Health, for each year of the  
6 2019-2021 fiscal biennium shall be used for evidence-based programs in counties with the  
7 highest infant mortality rates. The Division shall report on (i) the counties selected to receive the  
8 allocation, (ii) the specific evidence-based services provided, (iii) the number of women served,  
9 and (iv) any impact on the counties' infant mortality rate. The Division shall report its findings  
10 to the House of Representatives Appropriations Committee on Health and Human Services, the  
11 Senate Appropriations Committee on Health and Human Services, and the Fiscal Research  
12 Division no later than December 31 of each year.

13 **SECTION #.(dd)** The sum of sixty-eight thousand two hundred forty-five dollars  
14 (\$68,245) allocated in this section in the Maternal and Child Health Block Grant to the  
15 Department of Health and Human Services, Division of Public Health, Women and Children's  
16 Health Section, for each fiscal year of the 2019-2021 fiscal biennium shall not be used to supplant  
17 existing State or federal funds. This allocation shall be used for a Public Health Program  
18 Consultant position assigned full-time to manage the North Carolina Perinatal Health Strategic  
19 Plan and provide staff support for the stakeholder work group.

20 **SECTION #.(ee)** The sum of one hundred thousand dollars (\$100,000) allocated in  
21 this section in the Maternal and Child Health Block Grant to the Department of Health and  
22 Human Services, Division of Public Health, for each year of the 2019-2021 fiscal biennium for  
23 community-based sickle cell centers shall not be used to supplant existing State or federal funds.