2023

Substantive Enacted Legislation Pertaining to Health and Human Services

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Legislative Analysis Division, North Carolina General Assembly

2023 Substantive Enacted Legislation Pertaining to Health and Human Services

This document provides summaries of substantive legislation pertaining to health and human services enacted during the 2023 Session of the General Assembly. In an effort to facilitate use, the summaries of have been categorized under headings, and then arranged in numerical order by Session Law under each heading.

The brief summaries contained in this document represent work products from the following Legislative Analysis Division staff members: Jessica Boney, Debbie Griffiths, Jennifer Hillman, Theresa Matula, and Jason Moran-Bates.

A more thorough summary of most bills may be found on the NCGA website: https://ncleg.gov/Legislation

Headings:

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

SUMMARIES

AGING AND ADULT SERVICES

Conforming Parity Changes Pertaining to the State-County Special Assistance In-Home Program (S.L. 2023-134, Sec. 9A.1/HB 259 – 2023 Appropriations Act)

Section 9A.1 of S.L. 2023-134 amends the law (G.S. 108A-47.1(b)) to remove an outdated requirement that the Department of Health and Human Services establish a formula to determine the need for additional State-County Special Assistance (SA) In-Home Program slots for each county and to annually review and revise the formula. This change conforms with Section 9A.3A of S.L. 2021-180 which brought the SA In-Home program into parity with the SA Adult Care Home program.

This section became effective July 1, 2023.

Continue to Address the Reimbursement Methodology Used for Services Provided to Senior Dual Eligibles (S.L. 2023-134, Sec. 9E.26/HB 259 – 2023 Appropriations Act)

Refer to the Medicaid heading in this document.

Statewide Continuum of Care Program (S.L. 2023-134, Sec. 9H.12/HB 259 – 2023 Appropriations Act)

Section 9H.12 of S.L. 2023-134 provides that of the funds appropriated by the act from the ARPA Temporary Savings Fund to the Division of Public Health, Department of Health and Human Services (DHHS), $1.5 million in nonrecurring funds for the 2023-2024 fiscal year, and $1.5 million in nonrecurring funds for the 2024-2025 fiscal year, must be allocated to the Human Coalition, a nonprofit organization, to fund operation of the Human Coalition's statewide Continuum of Care Program, as expanded pursuant to Section 9G.6 of S.L. 2021-180. The funds must be used for nonreligious, nonsectarian purposes only and the Human Coalition may use up to 10% of the funds allocated for the statewide Continuum of Care Program for each year of the 2023-2025 fiscal biennium for administrative purposes.

- Human Coalition Report to DHHS - Beginning December 1, 2023, and every six months after until December 1, 2026, the Human Coalition must report to DHHS on the status and operation of the statewide Continuum of Care Program. The report must include at least all of the following: (i) a detailed breakdown of expenditures for the program; (ii) the number of individuals served by the program and, for the individuals served, the types of services provided to each; (iii) and any other information requested by DHHS that is necessary for evaluating the success of the program.

- Department of Health and Human Services Report - By February 1, 2025, and February 1, 2026, DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the status and operation of the statewide Continuum of Care Program. At a minimum, the report must include the information specified above in the Human Coalition report to DHHS.

This section became effective July 1, 2023.

Senior Care Options (S.L. 2023-150/SB 274)

Refer to the Providers, Facilities, and Licensure heading in this document.

CHILDREN AND FAMILIES

Paid Parental Leave for State Employees (S.L. 2023-14, Part V/SB 20 – Care for Women, Children, and Families Act)

Part V of S.L. 2023-14, as amended by Part XIII-A of S.L. 2023-65, grants State employees eight weeks of paid leave after giving birth to a child and four weeks of paid leave after becoming a parent in any other manner.

This bill was vetoed by the Governor on May 14, 2023. The veto was overridden by the General Assembly on May 16, 2023. This Part became effective July 1, 2023.

Child Permanency, Safe Surrender of Infants, Foster Care, Adoption, and Support for New Mothers (S.L. 2023-14, Part VI/SB 20 – Care for Women, Children, and Families Act)

Part VI of S.L. 2023-14 amends the current law for the safe surrender of an infant by identifying specific individuals to whom an infant can be surrendered and outlining the duties, immunity, confidentiality, and notice related to a safely surrendered infant. It also appropriates funds to the State Maternity Home Fund, prevents racial discrimination in adopting or placing a child for foster care, increases the kinship care and foster care rates, appropriates funds to cover a loss in federal receipts from the Family First Prevention Services Act, and appropriates funds to the NC Finish Line Grants Program.

This bill was vetoed by the Governor on May 14, 2023. The veto was overridden by the General Assembly on May 16, 2023. The provisions of this Part dealing with the safe surrender of infants became effective October 1, 2023, and apply to infants surrendered on or after that date. The remaining provisions of this Part became effective July 1, 2023.

Expanding Access to Child Care (S.L. 2023-14, Part VII/SB 20 – Care for Women, Children, and Families Act)

Part VII of S.L. 2023-14 continues current funding for three-, four-, and five-star rated childcare facilities until October 1, 2023, when it increases and funds are appropriated for this purpose. Tuition reimbursement for low-income children at private childcare facilities are decoupled from subsidized childcare market rates.

This bill was vetoed by the Governor on May 14, 2023. The veto was overridden by the General Assembly on May 16, 2023. This Part became effective July 1, 2023.

Quality Rating and Improvement System (QRIS) – Star Rating Reform (S.L. 2023-40/SB 291)

Section 1.(a) of S.L. 2023-40 extends the expiration date of Section 2 of S.L. 2021-127 from June 30, 2023, until June 30, 2026. This section pertains to awarding QRIS "education points" to a licensed child care facility toward its star rating. The change extends lowering the criteria from 75% to 50% of lead teachers in the program required to meet the "rated licensed education points".

Section 1.(b) of S.L. 2023-40 extends the expiration date of Section 1 of S.L. 2021-127 from six months after the expiration of Executive Order 116 (February 15, 2023) until June 30, 2024. This section pertains to the Division of Child Development and Early Education, Department of Health and Human Services, resuming Environmental Rating Scale (ERS) assessments that would cause a child care facility to lose a star rating due to a facility's loss and inability to replace similarly qualified educators.

Section 2 of S.L. 2023-40 requires the North Carolina Child Care Commission to complete recommendations for QRIS/Star Rating reform by March 31, 2024, and submit those recommendations to the Joint Legislative Oversight Committee on Health and Human Services before the 2024 legislative session begins. Those recommendations must include accreditation from a national early childhood education accreditation organization as an alternative path to earning a star rating equivalent to the accreditation requirements.

This act became effective June 12, 2023.

Parental Consent to Donate Blood (S.L. 2023-79/SB 389)

S.L. 2023-79 amends the law (G.S. 130A-412.31) to require written consent from the parent, parents, or guardian, of a donor who is 16 or 17 years old before they are permitted to donate blood to an individual, hospital, blood bank, or blood collection center. Individuals who are 18 years of age or older may give or donate blood without the consent of the parent, parents, or guardian.

Except as otherwise provided, this portion of the act became effective June 28, 2023.

The Loving Homes Act (S.L. 2023-82/HB 815)

S.L. 2023-82 allows a foster home which otherwise qualifies for family foster home licensure but for having five biological children residing in the home to provide care for one foster child or sibling group and codifies certain provisions of the Administrative Code related to family foster homes.

If the amended State Plan does not require approval by the U.S. Secretary of Health and Human Services, Section 1 of the act became effective on October 1, 2023. If the amended State Plan requires approval, then Section 1 becomes effective on the date that the amended family

foster care home rule is approved by the Secretary. The Secretary of the North Carolina Department of Health and Human Services must report to the Revisor of Statutes the applicable effective date of the statute once known.

The remainder of the act became effective July 7, 2023.

Child Care Flexibilities (S.L. 2023-87/SB 722)

S.L. 2023-87 directs the Division of Child Development and Early Education, Department of Health and Human Services, to develop and implement criteria to allow the child development associate credential to satisfy education requirements of the star rating system for child care.

This act became effective October 1, 2023.

Child Advocacy Centers/Share Information (S.L. 2023-96/HB 674)

S.L. 2023-96 establishes criteria for Children's Advocacy Centers to receive State funds, establishes certain requirements for the sharing of information and access to records held by Children's Advocacy Centers and multidisciplinary teams, and establishes immunity from liability for certain circumstances for the multidisciplinary team, individuals, and volunteers working for a Children's Advocacy Center.

This act becomes effective July 1, 2024.

Management Flexibility for the Department of Health and Human Services to Expend Certain ARPA Temporary Savings Fund Appropriations for Purposes Related to Child and Family Well-Being (S.L. 2023-134, Sec. 9B.9/HB 259 – 2023 Appropriations Act)

Section 9B.9 of S.L. 2023-134 appropriates nonrecurring funds from the ARPA Temporary Savings Fund to the Department of Health and Human Services (DHHS) for the 2023-2024 fiscal year in the amount of $20 million and for the 2024-2025 fiscal year in the amount of $60 million. These funds must be allocated and used to for the purposes listed below:

- Supporting families and other caregivers of children with high behavioral health or other special needs through community intensive support expansion and increasing structured options to meet the needs of those children.
- Strengthening specialized treatment options for children with complex behavioral or other special needs.

DHHS may allocate the funds to the following Divisions in such amounts, programs, and initiatives it deems necessary if the purpose and initiatives meet the requirements above:

- Child Welfare and Family Well-Being.

- Mental Health, Developmental Disabilities, and Substance Use Services.
- Social Services.

This section became effective July 1, 2023.

NC Pre-K Programs and Standards for Four- and Five-Star Rated Facilities (S.L. 2023-134, Sec. 9D.1/HB 259 – 2023 Appropriations Act)

Section 9D.1 of S.L. 2023-134 requires the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services, to continue implementation of the prekindergarten program (NC Pre-K). Eligibility requirements for the NC Pre-K program include the following:

- The child must be 4 years old on or before August 31 of the program year.
    - Income may not exceed 75% of the State median income.
        - Up to 20% of the enrolled children may exceed this limitation if they also have other designated risk factors.
- Any age-eligible child whose parent is a member of the Armed Forces of the United States is eligible for enrollment if one of the following conditions is met:
    - A parent was ordered to active duty within the last 18 months or is expected to be ordered to active duty within the next 18 months.
    - A parent was killed in action while on active duty.
    - The Armed Forces of the United States includes the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces.
- Eligibility determinations may continue through partnerships with local education agencies and local North Carolina Partnership for Children, Inc.
- The maximum staff-to-child ratio shall not exceed one staff per 10 children and the classroom size cannot exceed 20 children.
    - A classroom with 11 to 20 students must have at least one teacher and one teacher assistant.
    - A classroom with 10 or less students must have at least one teacher.
- The Child Care Commission must adopt rules and DCDEE must revise rules or policies necessary to implement the staff-to-child ration and classroom size rules.
- DCDEE must require the NC Pre-K contractor to issue multiyear contracts for licensed private child care centers providing NC Pre-K classrooms.

- Private child care providers and public schools providing NC Pre-K classrooms must meet building requirements for preschool students provided by law (G.S. 115C-521.1) and notwithstanding the mandatory building standards for a license (G.S. 110-91(4)).
- NC Pre-K classrooms must comply with all policies by DCDEE regarding program standards and classroom requirements except as provided.
- Local Pre-K committees must use the standards developed by DCDEE for awarding classroom slots and student selection.
- DCDEE must submit an annual report by March 15 to the Joint Legislative Oversight Committee on Health and Human Services, Office of State Budget and Management, and the Fiscal Research Division. This report must include the following:
    - The number of children participating in the program broken down by county.
    - The number of children participating in the program who have never been served by any other early education program.
    - The expected expenditures for the programs and the source of local funds.
    - The results of an annual evaluation of the program.
- The administration of the program by local partners is subject to financial and compliance audits authorized under G.S. 143B-168.14(b).

This section became effective July 1, 2023.

Child Care Subsidy Rates (S.L. 2023-134, Sec. 9D.3/HB 259 – 2023 Appropriations Act)

Section 9D.3 of S.L. 2023-134 establishes the requirements and rules regarding child care subsidy rates including the following:

- The maximum gross annual income for initial eligibility for subsidized child care services must be on an income percentage of the federal poverty level as follows:
    - 200% for children aged 0-5 years.
    - 133% for children aged 6-12.
    - 200% for any child with special needs.
- Establishes maximum fees a family pays if they are required to share in the cost of child-care.
- Purchase of child care services for low-income families must meet the following requirements:

- Religious sponsored facilities and licensed child care centers and homes meeting the minimum licensing requirements must be paid the one-star county market rate or the rate they charge private pay parents unless otherwise prohibited by this section.
- Licensed centers and homes rated with two or more stars shall receive the market rate for the age group.
- Payments for transportation provided by the child care center or home shall not be made.
- Postsecondary education child care payments are limited to a maximum of 20 months enrollment which does not start until the family's recertification.
- The Department of Health and Human Services is required to restructure services, including targeting benefits to employment, and implement rules necessary to do so.

- Establishes payment rates for counties with fewer than 50 children in each age group for center and home-based child care.
- Requires the calculation of market rates for child care for each county and each age group which is representative of fees charged to parents privately paying for child care.
- The Division of Child Development and Early Education (DCDEE), Department of Health and Human Services, must continue implementation of policies that improve the quality of child care for subsidized children to include a policy in which the subsidies are paid for higher quality centers and homes, where possible. DCDEE must define higher quality and not pay subsidies to one- and two-star centers and homes. For counties with insufficient four- and five-star centers, the subsidies can continue to be paid while the centers and homes work to increase their star ratings. Exemptions may be allowed in counties with inadequate four- and five-star facilities for non-rated programs such as religious programs.
- Payments for subsidized child care made with funds from the Temporary Assistance for Needy Families (TANF) block grant must comply with all regulations and policies issued by DCDEE for the subsidized child care program.
- Noncitizen families residing in the State legally shall be eligible for subsidized child care payments if all other eligibility requirements are met. Noncitizen families residing in the State illegally are eligible for child care subsidies if all other eligibility requirements are met and at least one of the following is met:
  - The child for whom the subsidy is sought is receiving child protective or foster care services.

- The child for whom the subsidy is sought is developmentally delayed or is at risk of developmental delay.
- The child for whom the subsidy is sought is a citizen of the United States.

- Any forms used to determine eligibility for a subsidy must include whether the family seeking the subsidy is receiving assistance through NC Pre-K or Head Start.
- Department of Defense (DOD) certified child care facilities may participate in this subsidy program with the state subsidy supplementing other funds received by the DOD facility.

This section became effective July 1, 2023.

Child Care Allocation Formula (S.L. 2023-134, Sec. 9D.4/HB 259 – 2023 Appropriations Act)

Section 9D.4 of S.L. 2023-134 requires the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services (DHHS) to allocate child care subsidy vouchers. The base amount for each county is the mandatory 30% North Carolina Partnership for Children, Inc. subsidy allocation. DHHS must use the procedure established in this section for the allocation of federal and state child care funds exclusive of the North Carolina Partnership for Children, Inc. subsidy allocation.

This section further requires DCDEE to submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division each year of the 2023-2025 biennium which must include the following:

- The amount of funds used for preventing termination of services and repayment of federal funds.
- The date remaining funds were distributed to counties.
- Any counties that received less funds than the previous year and the amount the funds were decreased.

The county may reallocate unused child care subsidy vouchers to meet the child care needs of low-income families. The reallocation must be based on the expenditure of all child care subsidy voucher funds in the county.

Additional requirements of DCDEE include calculation of the market rate increase in the formula established by this section.

This section became effective July 1, 2023.

Smart Start Initiatives (S.L. 2023-134, Sec. 9D.5/HB 259 – 2023 Appropriations Act)

Section 9D.5 of S.L. 2023-134 establishes the policies and procedures for Smart Start Initiatives including:

- The North Carolina Partnership for Children, Inc. must ensure policies focus on improving child care quality in North Carolina for children from birth to five years old including utilization of funds for activities which assist child care facilities in improving quality and implementing pre-kindergarten programs. Improvement of quality includes helping one-, two-, and three-star programs increase their star ratings.
- State funding for local partnerships must also be used for evidence-based and evidence-informed programs for children from birth to 5 years old which increase children's literacy, increase the parent's ability to raise healthy, successful children, improve children's health, and assist four- and five-star facilities improve and maintain quality.
- This section also establishes the requirements for the administration of the initiative including capping the administrative costs at no more than 10% of the total statewide allocation to all local partnerships.
- This section also establishes the criteria for the salary schedule for the Executive Director of the North Carolina Partnership for Children, Inc. and the directors of the local partnership which must be used to determine the maximum amount of State funds which can be used for payment of those salaries. There is no prohibition on using non-State funds to supplement those salaries.
- In addition, the section requires that the North Carolina Partnership for Children, Inc., and the local partnerships comply with the following:
    - In the aggregate, they must match 100% the funds allocated by the State for each year of the 2023-2025 fiscal biennum which can be done through a minimum of a 13% cash contribution and a maximum of 6% in-kind contributions.
    - Utilize competitive bidding in contracting for goods and services which is based upon the cost of the goods or services being sought.
- The North Carolina Partnership for Children, Inc. must not reduce the allocation of a county with a population less than 35,000 below the 2012-2013 level.
- The Department of Health and Human Services must continue with the implementation of a performance-based evaluation system.
- Capital expenditures and expenditures of State funds for advertising and promotional activities are prohibited for the 2023-2025 biennium. Up to 1% of State funds can be used by the North Carolina Partnership for Children, Inc. for fundraising. Its required

annual report must include the amount of funds spent on fundraising, any return on fundraising investments, and any other pertinent information.

This section became effective July 1, 2023.

Smart Start Literacy Initiative/Dolly Parton's Imagination Library (S.L. 2023-134, Sec. 9D.6/HB 259 – 2023 Appropriations Act)

Section 9D.6 of S.L. 2023-134 allocates a portion of the funds allocated by the act to the North Carolina Partnership for Children, Inc. from the Department of Health and Human Services, to be used to increase access to Dolly Parton's Imagination Library.

The North Carolina Partnership of Children, Inc. may use up to 1% of the funds for statewide management and up to 1% for program evaluation.

Funds allocated under this section are not subject to the following:

- The administrative cost requirements under Section 9D.5(b) of this act.
- The child care services funding requirements under G.S. 143B-168.15(b).
- The child care subsidy expansion requirements under G.S. 143B-168.15(g).
- The match requirements under Section 9D.5(d) of this act.

This section became effective July 1, 2023.

Increase Provision of In-Home Child Care/Pilot Program (S.L. 2023-134, Sec. 9D.8/HB 259 – 2023 Appropriations Act)

Section 9D.8 of S.L. 2023-134 appropriates $525,000 in nonrecurring funds from the General Fund to the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services, for each year of the 2023-2025 fiscal biennium to establish a pilot program that provides business and financial assistance in establishing new in-home child care programs and sustaining existing in-home child care programs. DCDEE must:

- Issue a request for application (RFA) for an organization to contract with DCDEE to administer the program by January 15, 2024.
- Submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division of the General Assembly by January 31, 2025. The report must contain the number of child care programs created through the pilot program by county and any other relevant information.

This section became effective July 1, 2023.

Tri-Share Pilot Program (S.L. 2023-134, Sec. 9D.9/HB 259 – 2023 Appropriations Act)

Section 9D.9 of S.L. 2023-134 requires the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services, in collaboration with the North Carolina Partnership for Children, Inc. (NCPC), to develop the Tri-Share Pilot Program. This will be a two-year pilot program creating a public/private partnership for the sharing of child care costs equally between the employee, the employer, and the State. The State will provide $900,000 in nonrecurring funds for each year of the 2023-2025 fiscal biennium to be divided evenly between the regional hubs established under this section and selected to participate in the pilot program. Any unused funds must revert to the General Fund. Local partnerships chosen to serve as facilitator for each hub shall design the program requirements consistent with this section. Childcare for this section includes full-time and part-time care, before and after school care, and summer camps. The regional facilitator may use up to 9% of its allocated funds for administrative costs. Within six months of the completion of the pilot program, DCDEE must submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division including, at a minimum, the following:

- The number of children served by age and county.
- Total pilot program costs including administrative costs.
- The amount of funds needed to expand the program statewide.
- The list of employers participating in the pilot program.
- Any other relevant information.

This section became effective July 1, 2023.

Increase Capacity/Family Child Care Homes (S.L. 2023-134, Sec. 9D.10/HB 259 – 2023 Appropriations Act)

Section 9D.10 of S.L. 2023-134 amends the law (G.S. 110-86(3)) to increase the maximum number of children allowed in a family child care home to 10 children provided the arrangement complies with the law on family child care home capacity (G.S. 110-91(7)b).

This Section also amends the family child care home capacity law (G.S. 110-91(7)b) to allow a family child care home to provide care to one of the following groups of children:

- A maximum of eight children made up of no more than five children from birth to 5 years old and three school-aged children.
- A maximum of three children from birth to 24 months old, plus three children from 2 to 5 years old, and three school-aged children up to 13 years old, for a maximum of nine children.

- A maximum of 10 children if all children are older than 24 months old.
- Each of these numbers includes the operator's own preschool aged children and excludes the operator's school aged children up to 13 years old.

This section became effective July 1, 2023.

Extend Compensation Grants for Child Care Programs (S.L. 2023-134, Sec. 9D.11/HB 259 – 2023 Appropriations Act)

Section 9D.11 of S.L. 2023-134 amends Section 9L.2(b) of S.L. 2021-180, as amended by Section 9L.2(a) of S.L. 2022-74, as follows:

- Provides that $503,793,711 in nonrecurring funds appropriated in this act from the federal Child Care and Development Block Grant funds received under ARPA by the Division of Child Development and Early Education, Department of Health and Human Services, must be allocated as follows:
    - Up to $274 million of the funds must be used as follows:
        - Up to $206 million and no more than $215 million must be used to reduce the waitlist for subsidized child care of children in foster care.
            - Reducing the waitlist for subsidized child care for children not in foster care is to be addressed, after the waitlist for children in foster care is addressed.
        - A portion of these funds must be used to extend the compensation grants under the child care stabilization grants authorized under Section 3.2(a) of S.L. 2021-25, until these funds are exhausted.
    - Up to $207,777,789 of the funds may be used to increase the supply of qualified teachers by providing bonuses and other programs such as fast-track programs.

This section became effective July 1, 2023.

Additional Medicaid Services for Foster Youth (S.L. 2023-134, Sec. 9E.21/HB 259 – 2023 Appropriations Act)

Section 9E.21 of S.L. 2023-134 provides that youth receiving foster care services through the county are entitled to trauma-informed interventions that are also evidence based, evidence informed or both. Under this section, Division of Health Benefits (DHB), Department of Health and Human Services (DHHS), must convene a workgroup to identify innovative Medicaid services to fill in gaps in the care received by these youth. The service options must be one of the following:

- Models of community evidenced based, and evidence informed practices supporting a foster child's timely return to their family and diverting from higher levels of foster care placement.
- Models of intensive community or short-term residential treatment options serving children with higher acuity needs and which divert a child from a higher-level placement.

The workgroup must consist of county child welfare agencies, individuals with lived experiences in child welfare, Benchmarks, prepaid health plans, and LME/MCOs.

No more than three months after completing the workgroup work, DHB must begin distributing funds appropriated in this act to be used for the innovative Medicaid services identified by the workgroup. These funds may be used for either of the following:

- New services identified by the workgroup that may be implemented regionally or statewide.
- Expanding a service or modality to a county or region where it was not previously available.

Any entity receiving these funds must provide DHB with the following information:

- Timelines for, and establishment of, first- and second-year deliverables for any service that may be a phased-in service.
- Identification of required funding, including start-up funding and a three-year budget, including projected revenue sources and amounts.
- Specific outcome measures with attestation of timely submission of data to the prepaid health plan and DHB. The outcomes must be aligned with child welfare safety and permanency measures and support positive childhood outcomes.

DHHS may prioritize the funds distribution to the areas of greatest need identified by the workgroup.

DHHS must provide training to all county departments of social services and must offer training to tribal welfare offices on any Medicaid services funded under this section and must continue to provide status updates on implementation to any county or tribal offices within any impacted counties or regions.

This section is effective October 3, 2023.

Local Health Departments/Competitive Grant Process to Improve Maternal and Child Health (S.L. 2023-134, Sec. 9H.1/HB 259 – 2023 Appropriations Act)

Refer to the Public Health heading in this document.

Limitation on Use of State Funds for Abortion (S.L. 2023-134, Sec. 9H.3/HB 259 – 2023 Appropriations Act)

Refer to the Public Health heading in this document.

Carolina Pregnancy Care Fellowship (S.L. 2023-134, Sec. 9H.11/HB 259 – 2023 Appropriations Act)

Section 9H.11 of S.L. 2023-134 requires the Department of Health and Human Services to allocate $6.25 million in recurring funds for the 2023-2024 fiscal year, and $6.25 million in recurring funds for the 2024-2025 fiscal year, to the Carolina Pregnancy Care Fellowship (CPCF), a nonprofit corporation. The recurring funds are to be allocated as follows:

- $2.9 million to provide grants for services to pregnancy centers located in the State.
- $1 million to provide grants to purchase durable medical equipment and to provide training on the use of the durable medical equipment and pregnancy centers.
- $250,000 to provide grants to cover the cost of nonreligious, nonsectarian educational training and resources about pregnancy.
- $2.1 million to fund the operation of the CPCF Circle of Care Program.

This section directs the CPCF to establish an application process for the grants authorized under this section, and the CPCF may not use more than 10% of the funds allocated for administrative purposes. The funds allocated under this section are to be used for nonsectarian, nonreligious purposes only.

The CPCF is required to report by July 1, 2025, and each July 1st of odd-numbered years thereafter, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the identity of each grantee and the amount of funding awarded, the number of persons served by each grantee, and the number of persons served by the Circle of Care Program.

This section became effective July 1, 2023.

Establishment and Funding of the State Office of Child Fatality Prevention within the Department of Health and Human Services, Division of Public Health (S.L. 2023-134, Sec. 9H.15(a)-(d)/HB 259 – 2023 Appropriations Act)

Section 9H.15(a)-(d) of S.L. 2023-134 creates the State Office of Child Fatality Prevention by creating several new statutes (Part 4C in Article 3 of Chapter 143B). There is a new definition section (G.S. 143B-150.25) that defines the Child Fatality Prevention System as being comprised of: Local Teams, the NC Child Fatality Task Force (G.S. 7B-142), the State Office of Child Fatality Prevention, and staff within the Office of the Chief Medical Examiner whose primary responsibilities involve death investigations into child fatalities. The State Office of Child Fatality

Prevention is established within the Division of Public Health (DPH), Department of Health and Human Services (DHHS), and will serve as the lead agency for child fatality prevention and coordinate State level support functions in a manner that maximizes efficiency and effectiveness and expands system capacity (G.S. 143B-150.26).

Powers and Duties - The powers and duties (G.S. 143B-150.27) of the State Office are as follows:

- Coordinate the work of the statewide Child Fatality Prevention System.
- Implement and manage a centralized data and information system capable of gathering, analyzing, and reporting aggregate information from child death review teams with appropriate protocols for sharing information and protecting confidentiality.
- Create and implement tools, guidelines, resources, and training, and provide technical assistance for Local Teams to enable the teams to do the following:
    - Conduct effective reviews tailored to the type of death being reviewed.
    - Make effective recommendations about child fatality prevention.
    - Gather, analyze, and appropriately report on case data and findings while protecting confidentiality.
    - Facilitate the implementation of prevention strategies in their communities.
- Work with medical examiner child fatality staff and the State Center for Health Statistics to provide Local Teams initial information about child deaths in their respective counties.
- Perform research, consult with stakeholders and experts, and collaborate with others to understand the causes of child deaths and strategies, programs, and policies to prevent child deaths, abuse, and neglect in order to inform the work of the Child Fatality Prevention System or as requested by the Child Fatality Task Force.
- Educate State and local leaders, including the General Assembly, and others about the Child Fatality Prevention System and issues and prevention strategies addressed by the system.
- Collaborate with State and local agencies, nonprofit organizations, academia, advocacy organizations, and others to facilitate the implementation of evidence driven initiatives to prevent child abuse, neglect, and death, such as education and awareness initiatives.
- Create and implement processes for evaluating the ability of the Child Fatality Prevention System to achieve outcomes and to report to the Child Fatality Task Force.

- Consider opportunities to seek and administer grant and other non-State funding sources to support State or local efforts.
- Develop guidance, including a model agreement to be used by counties, to inform local decisions about the formation and implementation of single versus multicounty Local Teams.

Funding - Of the funds appropriated by the act to DPH, the recurring sum of $569,885, and the nonrecurring sum $18,115 for the 2023-2024 fiscal year; and the recurring sum of $758,885 for the 2024-2025 fiscal year must be allocated and used as follows:

- $554,885 in recurring funds for each year of the 2023-2025 fiscal biennium for operational costs to establish the State Office. DHHS may use up to $514,735 of these recurring funds for each year of the 2023-2025 fiscal biennium to establish up to five full time positions within the State Office.
- $18,115 in nonrecurring funds for the 2023-2024 fiscal year for nonrecurring costs associated with establishing the State Office.
- Up to $15,000 in recurring funds for each year of the 2023-2025 fiscal biennium to support the work of the Child Fatality Task Force and to pay its members, staff, and consultants in accordance with statutes (G.S. 7B-1414), as amended by this act.

DHHS is prohibited from using the funds listed above for any purpose other than those specified.

$189,000 in recurring funds for the 2024-2025 fiscal year must be distributed among the State's 100 counties, as determined by DHHS, to support implementation of the changes authorized by this act to restructure child death reviews by Local Teams and to offset the costs associated with Local Team participation in the National Fatality Review Case Reporting System. Counties are prohibited from using these funds for any purpose other than specified.

This portion of this section that makes statutory changes creating the State Office of Child Fatality Prevention became effective October 3, 2023, the funding portions became effective July 1, 2023.

Transition Plan for Shifting State Support of the Child Fatality Prevention System to the State Office of Child Fatality Prevention, Creating and Supporting a Centralized Data and Reporting System, and Restructuring Existing Child Death Review Teams (S.L. 2023-134, Sec. 9H.15(e)/HB 259 – 2023 Appropriations Act).

Section 9H.15(e) of S.L. 2023-134 establishes requirements for a plan to transition support of the Child Fatality Prevention System to the State Office of Child Fatality Prevention (Office), as established in Section 9H.15(a) of S.L. 2023-134. As part of that transition plan, the Department of Health and Human Services is directed to do the following:

- Report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. This report must include status of preparing Local Teams for the transition and participation in the National Fatality Review Case Reporting System (NFR-CRS). The report must be made by July 1, 2024.
- Ensure Local Teams continue to receive state level support.
- Ensure that the Office is fully staffed, able to carry out is functions, and has entered into all contractual agreements necessary for participation in NFR-CRS. This must be accomplished by January 1, 2025.
- Through the Office, ensure all Local Teams have been provided guidelines and training addressing participation in NFR-CRS. This must be accomplished by July 1, 2025.

This section became effective October 3, 2023.

Modifications and Additions to Child Fatality Prevention System Statutes to Restructure Child Death Review Teams, Implement Participation in the National Fatality Review Case Reporting System, and Clarify the Functions of the North Carolina Child Fatality Task Force (S.L. 2023-134, Sec. 9H.15(f)-(i)/HB 259 – 2023 Appropriations Act).

Section 9H.15(f)-(i) of S.L. 2023-134 amends Article 14, North Carolina Child Fatality Prevention System, of Chapter 7B of the General Statutes, by amending current statutes and creating new statutes pertaining to (i) the North Carolina Child Fatality Task Force; (ii) the responsibilities for the Local Team for each County or the Multicounty Local Team; (iii) the review of child maltreatment deaths; (iv) the review of infant deaths; (v) Team findings and reporting; (vi) the duties of the medical examiner child fatality staff; (vii) the duties of the director of the local department of health, director of county department of social services, or consolidated health and human services director; (viii) records access; (ix) participation in the National Fatality Review Case Reporting System; and (x) administration and funding.

The **Child Fatality Prevention System** is a statewide system that includes: Local Teams, the North Carolina Child Fatality Task Force (Task Force), the State Office, and the medical examiner child fatality staff. The following terms are defined as follows (G.S. 7B-1401):

- Local Team – A multidisciplinary child death review team that is either a single or multicounty team responsible for performing any type of review required by law (Article 14, Chapter 7B).
- Medical Examiner child fatality staff – Staff within the Office of Chief Medical Examiner whose primary responsibilities involving reviewing, investigating, training, educating, or supporting death investigations of child fatalities falling under the medical examiner's jurisdiction.

- National Fatality Review Case Reporting System (NFR-CRS) – The web-based system used by a majority of states to provide child death teams with a method of capturing, analyzing, and reporting a full set of information provided at the review.
- State Office – The State Office of Child Fatality Prevention (as established in Section 9H.15(a) of S.L. 2023-134.)

The **North Carolina Child Fatality Task Force** (G.S. 7B-1402.5) will receive recommendations from three new committees: a Perinatal Health Committee, an Unintentional Death Prevention Committee, and an Intentional Death Prevention Committee. The recommendations developed by the committees and submitted to the Task Force become effective upon majority vote of the Task Force. The Task Force chair or cochairs will work with the Secretary of the Department of Health and Human Services to hire or designate staff to coordinate the work of the Task Force. Task Force duties (G.S. 7B-1403) are outlined below.

- Study the incidences and causes of child deaths in the State and evidence-driven strategies for prevention of future deaths, abuse, and neglect. The minimum study requirements include:
    - Aggregate information from child death reviews complied by the State Office addressing data on child deaths, systemic problems, and Local Team recommendations for prevention or changes in law or policy.
    - A data analysis of all child deaths by age, cause, race and ethnicity, socioeconomic status, and geographic distribution.
    - Information from subject matter experts to aid in understanding the cause of child deaths, strategies to prevent child deaths, abuse, and neglect, or a combination of these.
- Advise the State Office regarding an effective statewide system for multidisciplinary review of child deaths and implementation of evidence-driven strategies to prevent child deaths, abuse, and neglect.
- Receive reports from the State Office addressing aggregate data, information, findings, and recommendations resulting from Local Team reviews of child deaths, the functioning of the statewide system, and any other information the Task Force deems relevant to carrying out its duties.
- Recommend changes in law, policy, rules, or implementation of evidence-driven prevention strategies.
- Any other study, evaluation, or determination the Task Force considers necessary to carry out its duties.

Reports -The Task Force is required (G.S. 7B-1412) to report annually within the first week of the convening or reconvening of the General Assembly. The reports must be made to the General Assembly, the Governor, the Secretary of Health and Human Services, and the Chairs of the House and Senate Appropriations Committees on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight

Committee on Justice and Public Safety, and the Joint Legislative Education Oversight Committee. At a minimum, the report must contain: a summary of the conclusions and recommendations for each of the Task Force's duties, a summary of activities and functioning of the Child Fatality Prevention System as a whole, and any other recommendations for changes to any law, rule, policy, or for the implementation of evidence-driven strategies that will promote the safety and well-being of children including specific legislative policies or proposals. The Task Force may seek assistance from the Fiscal Research Division of the General Assembly in the development of fiscal notes or other fiscal information to accompany the recommendations.

Administration – Current law (G.S. 7B-1414) is amended to require the Task Force to work with the Secretary of Health and Human Services to hire or designate staff consultants to assist the Task Force and its committees. The amendments also clarify travel and subsistence expense payment for Task Force members.

Local Teams (G.S. 7B-1406.5) – Each county's local board of commissioners must determine whether the county will have its own Local Team or participate in a multicounty Local Team. The board of commissioners will make the determination based on a consultation with the local health department director, the local department of social services director or the consolidated human services director, and guidance created by the State Office. Local Teams must participate in periodic training provided by the State Office and must employ best practices in conducting child death reviews.

Local Team Mandatory and Permissive Review of Deaths - Each Local Team must conduct a mandatory review (G.S. 1406.5(c)) for all child deaths of resident children under age 18 in the county or counties comprising the Local Team that fall under the following categories: (i) undetermined cause of death, (ii) unintentional injury, (iii) violence, (iv) motor vehicle incidents, (v) deaths related to child maltreatment or where the child or the child's family was reported to child protective services, (vi) sudden unexpected infant death, (vii) suicide, (viii) deaths not expected in the next six months, and (ix) infant deaths related to low birth weight, short gestation, perinatal complications, etc (G.S. 7B-1407.6). A review of fatalities outside of the nine required categories is permitted. The Local Team would also review an active case or cases if requested by the director of the local department of social services. Under these circumstances, the Local Team is not required to make findings or create reports of such reviews but may develop recommendations.

Local Team Composition (G.S. 7B-1407) – Local Teams must consist of representatives of public and nonpublic agencies that provide services to children and their families and other individuals who represent the community. The required membership for the Local Team was increased from 10 to 15 members with the following representatives added: an emergency medical services provider or firefighter, a district court judge, a county medical examiner, a representative of a local childcare facility or Head Start program, and a parent of a child who died before reaching the child's eighteenth birthday. Previously, these five additional individuals were included under limited certain circumstances. The chair of the Local Team may appoint up to an additional five ad hoc members on a case-by-case basis if the chair believes the individual's area of expertise will aid in the evaluation of a specific case. An ad hoc member may be selected from

outside of the area served by the Local Team and must sign the same confidentiality agreement as the permanent members.

*Review of child maltreatment deaths and deaths of children known to child protective services (CPS) (*G.S. 7B-1407.5) – The provisions of this law apply when, in addition to other requirements, the following criteria are met: the decedent was reported as being abused or neglected regardless of the final disposition of that report; there was a report of abuse or neglect involving the child's family within three years of the child's death regardless of the disposition; the decedent or the decedent's family was involved with CPS within three years of the child's death; available information indicates that possible abuse or neglect may be a direct or contributing cause of the child's death.

Under this new law, the State Office is required to perform the steps below for child death reviews when the criteria outlined above is met.

- Develop policies, procedures, and tools to address effective reviews of these types of deaths based on best practices and available resources.
- Provide technical assistance to the Local Teams which may include assistance coordinating the review, gathering information, determining participants, following procedures, developing recommendations, and drafting reports.
- Create a proper process that complies with federal and State laws for the creation and release of reports resulting from Local Teams' review of deaths under these categories. and addresses the following: findings and recommendations related to improving coordination between State and local entities regarding child deaths in these categories; disclosure of information in child fatality or near fatality cases (G.S. 7B-2902); and information the State is required to disclose under federal law.
- Develop and implement a process to follow up with an agency on the implementation of recommendations. If feasible, the State Office should work with the agency to assist in implementation of the recommendations.
- Work with the Division of Social Services, the Office of the Chief Medical Examiner, the State Center for Health Statistics, and other relevant experts and agencies in the development of a system for the State Office to identify these categories of child fatalities and a system for defining, identifying, and including the child fatality data North Carolina is required to report to the federal government.
- Work with the Division of Social Services (DSS) to determine the manner in which information from internal fatality reviews by DSS can appropriately inform Local Team reviews of these cases.
- Work with DSS to determine the manner in which information from a review of child maltreatment deaths and deaths of children know to CPS can be shared with citizen review panels (established under G.S. 108A-15.20).

When reviewing child maltreatment deaths and deaths of children known to CPS, Local Teams have the following powers and duties regarding their review:

- Conduct reviews within the policies and procedures established by the State Office and seek technical assistance from the State Office when necessary.
- When the Local Team determines it is necessary, the Team may conduct interviews of individuals who are determined to have pertinent information regarding the death under review and may examine pertinent written documentation. The Local Team may not contact or interview family members of the decedent or conduct an interview or take other action which would interfere with a law enforcement investigation or the duties of the district attorney.
- Work with the State Office to produce a report appropriate for public release addressing the findings and recommendations within the limitations of State and federal law. Consultation with the district attorney must occur prior to the release of this report. The findings of this report are not admissible as evidence in any civil or administrative hearing against individuals or entities participating in a review required under these circumstances.

Review of infant deaths (G.S. 7B-1407.6) – The State Office is required to consult with perinatal health experts and participants in reviews of infant deaths, to develop criteria Local Teams must use to identify a subset of additional infant deaths subject to review that fall outside of the nine categories for mandatory review of deaths (G.S. 7B-1406(c)) taking into account the leading causes of infant death such as short gestation, low birthweight, and perinatal complications. These criteria must be updated at least biannually.

Team Findings and Reporting (G.S. 7B-1407.10*)* - The Local Team must make findings addressing at least the following for each child death reviewed: significant challenges faced by the child or family, the systems with which they interacted, and the outcomes of those interactions; notable positive elements that may have promoted resiliency in the child or family, the systems with which they interacted and the outcome, recommendations and initiatives that could be implemented to prevent future deaths, and whether the cause or a contributing cause of death was related to child abuse or neglect. There are reporting requirements for required reviews, permissive reviews, and to the county commissioners:

- For each required review (G.S. 7B-1406(c)) information about the case, the circumstances surrounding the death, and the Local Team's finding must be entered into the National Fatality Review Case Reporting System (NFS-CRS) in accordance with required law (G.S. 7B-1413.5).
- For each permissive review (G.S. 7B-1406.5(d)), the Local Team may enter case information into the (NFS-CRS).
- Local Teams must submit an annual report to the board of county commissioners that includes recommendations, if any, for systemic improvements and resources needed to fill gaps or deficiencies. The report must be simultaneously provided to the State Office.

Duties of the medical examiner child fatality staff (G.S. 7B-1407.15) - Medical examiner child fatality staff must work collaboratively with the State Office and Local Teams and provide Local Teams with access to completed reports for review, enter relevant information into NFR-

CRS, respond to State Office or Task Force request for data, serve as subject matter experts, and offer training to law enforcement related to child death investigation.

Duties of the director of the local department of health; director of the county department of social services; or consolidated health and human services director for counties with consolidated human services (G.S. 7B-1410) – Current law is amended to add a duty for the director of the local department of health to serve alongside the Local Team as a liaison between the State Office and the Local Team. Additionally, the following duties for the local department of social services director as a member of the Local Team are added: serve along with the Local Team Chair as a liaison between the State Office and the Local Team; provide staff support for cases reviewed under the permissive review of active CPS cases (G.S. 7B-1405.5(e)) or review of child maltreatment deaths or deaths of children know to CPS (G.S. 7B-1407.5); report on Team activities quarterly to the county board of social services, or as required by the board; determine whether and when to request the Local Team, or citizen review panel, to review an active CPS case as required by law (G.S. 7B-1406.5(e) and G.S. 108A-15.20).

Participation in the National Fatality Review Case Reporting System (NFR-CRS) (G.S. 7B-1413.5) – A new law is created that requires Local Teams, the State Office, and medical examiner child fatality staff to utilize the NFR-CRS to collect, analyze, and report information on child death reviews. The State Office is required to provide coordination, training, management, and technical assistance to support the State's full and effective participation in NFR-CRS. The State Office is also required to provide policies, guidelines, and training for Local Teams for NFR-CRS use including the protection of information and authorized access.

Section 9H.15(i) of S.L. 2023-134 provides that participation in the NFR-CRS, as contained in G.S. 7B-1413.5, becomes effective July 1, 2025.

Access to records and Disclosure in child fatality or near fatality cases - Current law (G.S. 7B-1413) is amended to make conforming changes using the new process and terminology previously outlined above. With regard to record access, the law clarifies that subject to all State and federal laws, the Local Teams, Task Force, and State Office have access to all medical records, hospital records, and records maintained by the State, any county, or any local agency deemed necessary to carry out the law (Article 14, Chapter 7B). If requested information is not received within 30 days from making the request, the requesting entity may file an application in district court of the county where the review is taking place seeking a court order compelling disclosure of the records. The district court must schedule the matter for immediate hearing and appellate courts must give priority to appeal of those orders. Additionally, citizen review panels are given access to information obtained or created under these provisions when the information is relevant to the purposes of the citizen review panels.

Disclosure in child fatality or near fatality cases - Current law (G.S. 7B-2902) is amended to make conforming changes using the new process and terminology previously outlined above.

Effective Dates - Except as otherwise provided, Section 9H.15 (f) and(g) summarized above became effective October 3, 2023.

Section 9H.15(h) of S.L. 2023-134 repeals the following laws effective January 1, 2025: State Team creation, membership, duties (G.S. 7B-1404); State Team duties (G.S. 7B-1405),

Community Child Protection Teams: Child Fatality Prevention Teams; creation and duties (G.S. 7B-1406), Child Fatality Prevention Team Coordinator; duties (G.S. 7B-1408), Community Child Protection Teams; duties of the director of the county department of social services (G.S. 7B-1409), Community Child Protection Teams; responsibility for training of team members (G.S. 7B-1411), State Child Fatality Review Team; establishment; purpose; powers; duties; report by Division of Social Services (G.S. 143B-150.20).

Establishment of North Carolina Citizen Review Panels (S.L. 2023-134, Sec. 9H.15(j)/HB259 – 2023 Appropriations Act)

Section 9H.15(j) of S.L. 2023-134 establishes at least three citizen review panels as required by the federal Child Abuse Prevention and Treatment Act (CAPTA). These panels must be operated and managed by a qualified organization independent from any State or county department of social services. Each panel will consist of volunteer members broadly representing the community including members with expertise in the prevention and treatment of child abuse and neglect and may include adult former victims of child abuse or neglect. The panels will evaluate the extent to which the State is meeting its responsibilities under its CAPTA State Plan, review policies, procedures, and practices of State and local child protection agencies, and may review any other criteria it determines important to the safety of children, including review of child fatalities and near fatalities, and the extent to which the State and local child protective services are coordinated with Title IV-E foster care and adoption assistance programs of the Social Security Act. The panels must include public outreach and comment to assess the impact of current procedures and practices on children and families. The panels must prepare an annual report available to the State and public summarizing the panel's activities and recommendations for improving child protection at the State and local level. The Division of Social Services, Department of Health and Human Services, must prepare a response to the review panels' report describing whether or how the recommendations will be incorporated to make measurable progress in improving State and local child protective services.

This section becomes effective January 1, 2025.

TANF Benefit Implementation (S.L. 2023-134, Sec. 9J.1/HB 259 – 2023 Appropriations Act)

Section 9J.1 of S.L. 2023-134 expresses the General Assembly's approval of the plan titled, "North Carolina Temporary Assistance for Needy Families State Plan FY 2022-25". The Plan was prepared by the Department of Health and Human Services (DHHS), presented to the General Assembly, and covers the period of October 1, 2022, through September 30, 2025. DHHS is authorized to submit the plan to the US Department of Health and Human Services. The section also specifies the following:

- The following counties are approved as Electing Counties: Beaufort, Caldwell, Catawba, Lenoir, Lincoln, Macon, and Wilson.

- Counties that submitted the letter of intent to remain as an Electing County, or to be redesignated as an Electing County and the accompanying county plan for years 2022- 2025, must operate under the Electing County budget requirements effective July 1, 2022. For programmatic purposes, these referenced counties must remain under their current county designation through September 30, 2025.

- For each year of the 2023-2025 fiscal biennium, Electing Counties will be held harmless to their Work First Family Assistance allocations for the 2022-2023 fiscal year, provided that remaining funds allocated for Work First Family Assistance and Work First Diversion Assistance are sufficient for payments made by DHHS on behalf of Standard Counties pursuant to the statute (G.S. 108A 27.11(b)).

- If the projections of Work First Family Assistance and Work First Diversion Assistance for the 2023-2024 fiscal year, or the 2024-2025 fiscal year, indicate that remaining funds are insufficient for Work First Family Assistance and Work First Diversion Assistance payments to be made on behalf of Standard Counties, DHHS is authorized to deallocate funds, of those allocated to Electing Counties for Work First Family Assistance in excess of the sums set forth in the law (G.S. 108A-27.11), up to the requisite amount for payments in Standard Counties. Prior to deallocation, DHHS must obtain approval by the Office of State Budget and Management. If DHHS adjusts the allocation, then a report must be made to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

This section became effective July 1, 2023.

Intensive Family Preservation Services Funding, Performance Enhancements, and Report (S.L. 2023-134, Sec. 9J.2/HB 259 – 2023 Appropriations Act)

Section 9J.2 of S.L. 2023-134 requires the Intensive Family Preservation Services (IFPS) Program to provide intensive services to (i) children and families in cases of abuse, neglect, and dependency where a child is at imminent risk of removal from the home and (ii) children and families in cases of abuse where a child is not at imminent risk of removal. The Program must be implemented statewide on a regional basis. Any program that receives funding under IFPS must provide data that shows the following:

- An established follow-up system with a minimum of six months of follow-up services.
- Detailed information on the specific interventions applied, including utilization indicators and performance measurement.
- Cost-benefit data.
- Data on long-term benefits associated with IFPS.

- The number of families remaining intact and the associated interventions while in IFPS and 12 months thereafter.
- The number and percentage, by race, of children who received IFPS compared to the ratio of their distribution in the general population involved with Child Protective Services.

The Department of Health and Human Services must report annually to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the data provided by the programs that receive funding. This report must be made by December 1 of each year.

This section became effective July 1, 2023.

Child Caring Institutions (S.L. 2023-134, Sec. 9J.3/HB 259 – 2023 Appropriations Act)

Section 9J.3 of S.L. 2023-134 requires the maximum reimbursement for child caring institutions to not exceed the rate established by the Office of the Controller, Department of Health and Human Services, until the Social Services Commission adopts rules setting standardized rates.

This section became effective July 1, 2023.

Use of Foster Care Budget for Guardian Assistance Program (S.L. 2023-134, Sec. 9J.4/HB 259 – 2023 Appropriations Act)

Section 9J.4 of S.L. 2023-134 allows the Department of Health and Human Services to use funds available for foster care to provide for financial support for children who are (i) in a permanent family placement setting, (ii) eligible for legal guardianship, and (iii) otherwise unlikely to receive permanency. No additional expenses can be incurred beyond the funds budgeted for foster care for the Guardianship Assistance Program (GAP). This amount will include provisions for extending guardianship services for individuals and youth who exited foster care through GAP after 14 years of age or who have attained the age of 18 years and opt to continue to receive guardianship services until reaching 21 years of age, provided the individual is (i) completing secondary education or a program leading to an equivalent credential, (ii) enrolled in an institution that provides postsecondary or vocational education, (iii) participating in a program or activity designed to promote, or remove barriers to, employment, (iv) employed for at least 80 hours per month, or (v) incapable of completing the educational or employment requirements due to a medical condition or disability.

This section became effective July 1, 2023.

Child Welfare Postsecondary Support Program (NC Reach) (S.L. 2023-134, Sec. 9J.5/HB 259 – 2023 Appropriations Act)

Section 9J.5 of S.L. 2023-134 requires that funds appropriated by the act from the General Fund to the Department of Health and Human Services (DHHS) for the child welfare postsecondary support program be used to continue providing assistance with the cost of attendance as defined in federal law (20 U.S.C. 1087ll) for the needs of (i) foster youth aging out of the foster care system, (ii) foster youth who exit foster care to a permanent home through the Guardianship Assistance Program, or (iii) special needs children adopted from foster care after the age of 12. These funds must be allocated by the State Education Assistance Authority.

This section also allocates $50,000 of the funds appropriated from the General Fund to DHHS for each year of the 2023-2025 fiscal biennium to the State Education Assistance Authority (SEAA). The SEAA must only use these funds to perform the administrative functions necessary to manage and distribute the scholarships under the section.

Additionally, this section requires that $339,493 of the funds appropriated from the General Fund to the DHHS for each year of the 2023-2025 fiscal biennium be used to contract with an organization to administer the child welfare education program inclusive of case management services.

The funds appropriated in the act to DHHS for the child welfare postsecondary support program must only be used for students attending in State public institutions of higher education.

This section became effective July 1, 2023.

Federal Child Support Incentive Payments (S.L. 2023-134, Sec. 9J.6/HB 259 – 2023 Appropriations Act)

Section 9J.6 of S.L. 2023-134 requires the North Carolina Child Support Services Section (NCCSS), Division of Social Services, Department of Health and Human Services, to retain up to 15% of the annual federal incentive payments received to enhance centralized child support services. To meet this requirement, NCCSS must do the following:

- Consult with county child support services representatives to identify how federal incentive funding can improve centralized services.
- Use federal incentive funds to improve centralized services to supplement the State's funding.
- Continue development and implementation of rules explaining the State's process for calculating and distributing federal incentive funds to the county child support services programs.

This section also requires NCCSS to allocate no less than 85% of the annual federal incentive payments to the county child support services programs to improve effectiveness and efficiency using federal performance measures. To meet this requirement, NCCSS must:

- Consult with county child support services programs to examine the current method of distributing these federal funds to the county programs and determine whether an alternative method is needed.
- Develop a process to phase in the alternative method for distribution upon adoption of an alternative formula.

This section further requires NCCSS to continue implementing guidelines identifying appropriate uses for the federal incentive funding. Each county child support services program must do the following:

- Submit an annual plan describing how receipt of federal incentive funds would improve efficiency and effectiveness.
- Provide an annual report which must include the following:
  - How the federal incentive funding improved efficiency and effectiveness and how that was reinvested into their program.
  - Documentation showing the funds were spent according to the annual plan.
  - Explanation for any deviation from the annual plan.

NCCSS must submit a report by November 1 of each year to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the federal child support incentive funding describing how federal incentive funding enhanced centralized services to benefit the county services and improved the effectiveness and efficiency of the county services, any changes to the State process used by NCCSS to calculate and distribute these funds to the county programs, and any recommendations for additional changes.

This section became effective July 1, 2023.

Successful Transition/Foster Care Youth (S.L. 2023-134, Sec. 9J.7/HB 259 – 2023 Appropriations Act)

Section 9J.7 of S.L. 2023-134 provides for the continuation of the Foster Care Transitional Living Initiative Fund. This Fund must continue to fund and support transitional living services that demonstrate positive outcomes for the youth, attract significant private funding, and lead to evidence based programs to serve the at-risk population described in this section.

This section became effective July 1, 2023.

Permanency Innovation Initiative/Codify Supplementation of Federal Funds Requirement (S.L. 2023-134, Sec. 9J.8/HB 259 – 2023 Appropriations Act)

Section 9J.8 of S.L. 2023-134 adds a new subsection to the law (G.S. 131D-10.9B) to clarify that the funds provided for the Permanency Innovation Initiative Fund are to supplement all available federal matching funds.

This section became effective July 1, 2023.

Report on Certain SNAP and TANF Expenditures (S.L. 2023-134, Sec. 9J.9/HB 259 – 2023 Appropriations Act)

Section 9J.9 of S.L. 2023-134 provides that funds appropriated by the act to the Department of Health and Human Services (DHHS) for each year of the 2023-2025 fiscal biennium for a report on SNAP and TANF expenditures must be allocated for vendor costs to generate the data regarding program expenditures. The section outlines the data that must be generated by the vendor and submitted to DHHS. Upon receiving the expenditure data from the vendor, the Division of Social Services (DSS), DHHS, must evaluate the data and submit a report on the analysis to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. DSS must also post the report on its website by June 30 and December 31 each year. DSS is required to maintain confidentiality and to properly redact any information subject to reporting to prevent identification of individuals in receipt of SNAP or TANF benefits.

This section became effective July 1, 2023.

Child Advocacy Center Funds (S.L. 2023-134, Sec. 9J.11/HB 259 – 2023 Appropriations Act)

Section 9J.11 of S.L. 2023-134 requires that $3 million in recurring funds for each year of the 2023-2025 fiscal biennium of the funds appropriated by the act to Division of Social Services, Department of Health and Human Services, be allocated to the Children's Advocacy Centers of North Carolina, Inc. (CACNC). At least 75% of these funds must be distributed to child advocacy centers in the State in good standing with CACNC in accordance with the requirements of G.S. 108A-75.2, as enacted in Section 1(a) of S.L. 2023-96.

This section became effective July 1, 2023.

Foster Care Trauma-Informed Assessment (S.L. 2023-134, Sec. 9J.12/HB 259 – 2023 Appropriations Act)

Section 9J.12 of S.L. 2023-134 allocates $750,000 in nonrecurring funds for each year of the 2023-2025 fiscal biennium of the funds appropriated to the Division of Social Services (DSS),

Department of Health and Human Services (DHHS), for the development of a foster care, trauma-informed, standardized assessment. The purpose of the assessment is to assist children who are at risk of entry into the foster care system or are already in the foster care system and have experienced trauma warranting involvement of DSS and other agencies and who, because of the trauma, are at a higher risk of needing behavioral health, intellectual, or developmental disability services.

The assessment must be developed by the following organizations or individuals:

- Representatives from the following Divisions of DHHS:
  - Division of Social Services.
  - Division of Health Benefits.
  - Division of Mental Health, Developmental Disabilities, and Substance Use Services.
  - Division of Family and Child Well-Being.
- Prepaid health plans and primary care case management entities that serve children at risk of entry into the foster care system or who are in the foster care system.
- Representatives from county departments of social services.
- Benchmarks.
- Individuals with lived experiences.
- Others identified by the groups above based upon areas of expertise.

This section also includes requirements for the assessment's development which must include a rollout plan with a goal of implementation in all 100 counties. The rollout plan must include:

- Development of the assessment's template by March 31, 2024.
- A finalized template by September 30, 2024, inclusive of training curriculum and methodology, vendor selection to manage and conduct the training and determine the statewide rollout, and coordination with tribal jurisdictions.
- The phased in approach to begin on October 1, 2024, and have the assessment functional statewide by September 30, 2025.
- Establishment of a base rate for the assessment which supports the oversight, training, and monitoring of the fidelity to the assessment.
- Establishment of standardized workflow of notifications to payers and child welfare agencies.
- Identification of core outcomes.

- Establishment of a statewide training plan.

At a minimum, the assessment must do the following:

- Juveniles between 4 and 17 years of age being placed into foster care receive the assessment within 10 working days of the referral.
- Each juvenile who is included in the Medicaid children and families specialty plan receives an assessment.
- Each assessment may be administered in person or by telehealth.
- A county department of social services must make the referral for an assessment within five working days of a determination the juvenile was abused or neglected in accordance with G.S. 7B-302.
- A juvenile can receive an assessment with parental consent if the county department of social services determines that the juvenile is at imminent risk of entry into foster care.
- If necessary, an individual from 18 to 21 years old may receive an assessment.
- Provide an evidence informed and standardized template and content for the assessment.
- If the juvenile has an assigned case manager under the Medicaid program, the responsible case management entity is informed of the assessment referral and to whom.

DHHS must do all of the following for implementation and rollout:

- Leverage the expertise and lessons learned from the entities who have successfully implemented these assessments and training venues.
- Complete required documentation and, if applicable, leverage all available federal revenues for such activities.
- Amend existing contracts between DHHS and entities who have the expertise to manage the assessment and rollout plan.
- Create a Division of Social Services Statewide Dashboard with the assessment implementation and rollout plan status which must be updated monthly. The dashboard must contain:
    - Referrals.
    - Case management.
    - Assessments.
    - Lag between referrals, assessments, and service initiation.

- Youth personal outcomes focused on supporting permanency.
- Any other elements identified by the partnership.

This section became effective July 1, 2023.

Transportation Of High-Risk Juveniles (S.L. 2023-134, Sec. 9J.13/HB 259 – 2023 Appropriations Act)

Section 9J.13 of S.L. 2023-134 creates a new statute (G.S. 7B-905.2) to address transportation of high-risk juveniles when the county department of social services (DSS) has obtained custody of the juvenile after filing a petition alleging abuse or neglect.

A high-risk juvenile is defined as a juvenile under 18 years old who has been abused or neglected, who has serious emotional, mental, or behavioral disturbances which pose a risk to the juvenile or others, and who resides outside of a residential placement due to the serious emotional, mental, or behavioral disturbances.

A high-risk juvenile transporter is a law enforcement agency, the Division of Juvenile Justice of the Department of Public Safety, or the Department of Adult Corrections, including designated staff of those agencies.

When providing transportation required by this statute, the high-risk juvenile transporter may use reasonable force if it appears necessary to protect the transporter or others. The transporter may determine reasonable restraints necessary for the safety of the juvenile, the transporter, or others.

A high-risk juvenile transporter may not be held criminally or civilly liable because of reasonable measures taken under this statute. The immunity does not extend to gross negligence, wanton conduct, or intentional wrongdoing that is otherwise actionable.

The county DSS director may enter into a transportation agreement with a high-risk juvenile transporter establishing procedures, requirements, and guidelines for the transport. The county with custody of the juvenile is responsible for the expense and cost of transporting the juvenile.

This section became effective July 1, 2023.

Conform Privilege Exemptions for Psychiatrists, Licensed Marriage and Family Therapists, Social Workers, Clinical Mental Health Counselors, and Psychologists (S.L. 2023-134, Sec. 9L.1/HB 259 – 2023 Appropriations Act)

Section 9L.1 of S.L. 2023-134 amends the statute requiring mandatory reporting of crimes against juveniles to prevent psychiatrists and licensed marriage and family therapists from being required to report those crimes if a patient-therapist privilege exists. This section became effective July 1, 2023.

DEPARTMENT OF HEALTH AND HUMAN SERVICES – GENERALLY

Abortion Law Revisions (S.L. 2023-14, Part I/SB 20 – Care for Women, Children, and Families Act)

Part I of S.L. 2023-14, as amended by Part XIII-B and Part XIV of S.L. 2023-65, repeals and replaces the current abortion law in North Carolina. Under the new law, abortion is permitted through the first 12 weeks of pregnancy for any reason, through the 20th week of pregnancy if the pregnancy resulted from rape or incest, through the 24th week of pregnancy if there is a life-limiting anomaly in the unborn child, and at any time if there is a medical emergency for the pregnant woman. Part I also bifurcates the definition of abortion into surgical and medical abortions and creates new informed consent provisions for both. Finally, Part I criminalizes the provision or advertising of abortion-inducing drugs in certain circumstances, prohibits eugenic abortions, and establishes reporting requirements for abortion.

This bill was vetoed by the Governor on May 14, 2023. The veto was overridden by the General Assembly on May 16, 2023. This Part became effective July 1, 2023. The criminal provisions apply to any offenses committed on or after that date.

Born-Alive Abortion Survivors Protection (S.L. 2023-14, Part III/SB 20 – Care for Women, Children, and Families Act).

Part III of S.L. 2023-14 requires medical providers to employ the same duty of care for children born alive after attempted abortions that they would for any other child of the same gestational age. It also creates criminal penalties for the failure to do so.

This bill was vetoed by the Governor on May 14, 2023. The veto was overridden by the General Assembly on May 16, 2023. This Part became effective July 1, 2023, and applies to offenses committed on or after that date.

Department of Health and Human Services Revisions (S.L. 2023-65/HB 190)

S.L. 2023-65 makes the following changes:

- Implements the Emergency Solutions Grant Program.
- Equalizes State-County Special Assistance eligibility regardless of residence property value.
- Amends contract language pertaining to nonprofit grantees receiving government funds.
- Makes conforming name changes for the new Division of Child and Family Well-Being.
- Clarifies duties of the Medical Care Commission.

- Makes managed care related changes for local management entity/managed care organizations (LME/MCO) populations.
- Changes "Substance Abuse" to "Substance Use" in the name of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services Division.
- Allows the newborn screening equipment fund to be used to maintain and support equipment.
- Expands the professionals who can serve as county medical examiners.
- Lengthens the duration of the County Plan for Work First/Temporary Assistance for Needy Families (TANF).
- Removes a requirement for the child abuse and neglect document required for public school students. This change became effective June 29, 2023, and applies beginning with the 2023-2024 school year.
- Amends definitions in the child support statutes and strengthens enforcement.
- Recognizes child welfare training completed in another state.
- Clarifies maximum daily rate setting for adult day care services.
- Renames the "Division of Vocational Rehabilitation Services" to the "Division of Employment and Independence for People with Disabilities".
- Amends the education and experience requirements for registered environmental health specialists. These changes became effective October 1, 2023.
- Authorizes opioid treatment program medication units and mobile units. The language requiring the adoption of rules related to these treatment programs became effective June 29, 2023. The remaining language becomes effective on the effective date of the emergency rules adopted by the Commission for Mental Health, Developmental Disabilities, and Substance Use Services.
- Adds gabapentin to the Controlled Substance Reporting System. The changes related to a veterinarian who prescribes gabapentin become effective March 1, 2025, the remaining changes become effective March 1, 2024.
- Requires electronic prescribing of codeine cough syrup in an effort to address forgery of prescriptions. This change became effective January 1, 2024.
- Adds over-the-counter opioid antagonists to the treatment and immunity statutes.
- Makes technical and clarifying changes to paid parental leave enacted by S.L. 2023-14. These changes became effective July 1, 2023, and apply to requests for paid parental leave related to births occurring on or after that date.
- Makes technical and clarifying changes to the informed consent to medical abortion law (G.S. 90-21.83A) enacted by S.L. 2023-14. This change became effective July 1, 2023.

- Makes technical and conforming changes to S.L. 2023-14 that became effective July 1, 2023.

Except as otherwise provided, the act became effective June 29, 2023.

Gender Transition/Minors (S.L. 2023-111/HB 808)

S.L. 2023-111 prohibits medical professionals from performing surgical gender transition procedures on minors and prescribing, providing, or dispensing puberty-blocking drugs or cross-sex hormones to minors, with some exceptions. Medical professionals who violate these provisions would have their licenses revoked, and minors who underwent a surgical gender transition procedure or who were prescribed or provided with puberty-blocking drugs or cross-sex hormones would have a private right of action against the medical provider who performed the procedure or prescribed or provided the drugs. State funds cannot be used for surgical gender transition procedures on minors or prescribing, providing, or dispensing puberty-blocking drugs or cross-sex hormones to minors.

The provisions of this act allowing a civil cause of action became effective July 1, 2023. The provisions prohibiting surgical gender transition procedures, puberty-blocking drugs, or cross-sex hormones for minors and funding for those treatments became effective August 1, 2023. The provisions allowing the State Health Plan to cover certain treatment would expire 30 days after the court order requiring that coverage is vacated or overturned. The remainder of the act became effective August 16, 2023.

Retain Adult Developmental and Vocational Rehabilitation Programs (S.L. 2023-115/HB 323)

S.L. 2023-115 prohibits the Department of Health and Human Services from reducing the number of Adult Developmental and Vocational Programs and Community Rehabilitation Programs, or the number of individuals in those programs, without consulting stakeholders and/or appropriately reviewing current services.

This act became effective August 24, 2023.

Reports by Non-State Entities on the Use of Directed Grant Funds (S.L. 2023-134, Sec. 9B.1/HB 259 – 2023 Appropriations Act)

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

Transfer of Positions to the Department of Public Instruction for the Care and Maintenance of Governor Morehead School for the Blind (S.L. 2023-134, Sec. 9B.6/HB 259 – 2023 Appropriations Act)

Section 9B.6 of S.L. 2023-134 requires the Department of Health and Human Services to transfer several positions responsible for the care and maintenance of the grounds of the Governor Morehead School for the Blind to the Department of Public Instruction.

This section became effective July 1, 2023.

HEALTH INFORMATION

Medical Freedom/COVID-19 Vaccinations (S.L. 2023-134, Sec. 5.8/HB 259 – 2023 Appropriations Act)

Section 5.8 of S.L. 2023-134 creates several new statutes (G.S. 143-162.10, G.S. 130A-158.3, G.S. 153A-465, and G.S. 160A-499.10) that prohibit State agencies, local governments, and political subdivisions from discriminating against individuals based on their refusal to provide proof of, or to submit to, a COVID-19 vaccination, unless the vaccine is required for employees in a facility certified by federal Centers for Medicare and Medicaid Services (CMS), is required for employees as a condition of an entity receiving federal funding, or is required for employees of the Department of Health and Human Services, Division of State Operated Healthcare Facilities. For purposes of this section, "COVID-19" is defined as the coronavirus disease of 2019.

The section also amends the immunization requirement statute (G.S. 130A-152) to prohibit the Commission for Public Health, public school units, community colleges, and constituent institutions of The University of North Carolina from requiring a student to provide proof of a COVID-19 vaccination or to submit to a COVID-19 vaccination or series of vaccinations unless the requirement for vaccination or proof of vaccination is required for participation in a program of study, or fulfilling education requirements pertaining to working, volunteering, or training in a facility certified by the Centers for Medicare and Medicaid Services.

This section became effective January 1, 2024.

State Ownership of Health Information Exchange Network Data (S.L. 2023-137, Sec. 31/H600 – 2023 Regulatory Reform Act).

Section 31 of S.L. 2023-137 provides that patient identifiers created by the Health Information Exchange Authority must be released to the Government Data Analytics Center and the Department of Health and Human Services, and that those identifiers are State-owned data and not public records.

This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on October 10, 2023.

Voluntary Connection to North Carolina Health Information Exchange Network for Chiropractors (S.L. 2023-137, Sec. 32/H600 – 2023 Regulatory Reform Act).

Section 32 of S.L. 2023-137 allows chiropractors to voluntarily submit data to the Health Information Exchange Network.

This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on October 10, 2023.

MEDICAID

Access to Healthcare Options (S.L. 2023-7/HB 76)

S.L. 2023-7 does the following:

- Provides Medicaid coverage through NC Health Works to adults aged 18-64 with incomes up to 133% of the federal poverty level, beginning on the later of (i) the date the Current Operations Appropriations Act for the 2023-2024 fiscal year becomes law or (ii) the federally-approved start date (Section 1.1). Coverage took effect December 1, 2023. Related to adding this coverage, the act also does the following:
    - Triggers the discontinuation of the NC Health Works coverage as follows: (i) if the federal share of the cost of providing the coverage becomes less than 90%, then coverage ends no earlier than the date the lower federal share is effective (Section 1.2, G.S. 108A-54.3C); and (ii) coverage ends as expeditiously as possible if, for any fiscal year, the nonfederal share of the cost of the NC Health Works coverage cannot be fully funded through the following sources (Section 1.2, G.S. 108A-54.3B):
        - Increases in revenue from the gross premiums tax due to NC Health Works coverage.
        - Increases in intergovernmental transfers due to NC Health Works coverage.
        - The hospital health advancement assessments enacted in Section 1.6 of the act.
        - Savings to the State attributable to NC Health Works coverage that correspond to State General Fund budget reductions to other State programs.
    - Establishes an ARPA Temporary Savings Fund to hold savings realized by the Division of Health Benefits (DHB) from the enhanced federal medical assistance percentage (FMAP) available under the American Rescue Plan Act (ARPA) for states that expand Medicaid (Section 1.3).
    - Allows the federally facilitated marketplace to make Medicaid eligibility determinations for a temporary period of up to 12 months after NC Health Works coverage begins, to decrease the Medicaid enrollment burden on county departments of social services (Section 1.8).
- Authorizes increased Medicaid reimbursements to hospitals through the Healthcare Access and Stabilization Program (HASP). The Department of Health and Human Services (DHHS) is directed to request federal approval from the Centers for Medicare

and Medicaid Services (CMS) for a new directed payment program, HASP, to provide reimbursements to hospitals (Section 1.4/G.S. 108A-148.1). Key features of HASP include:

- HASP reimbursements may begin at the start of the next fiscal quarter after HASP is approved by CMS. If allowable and approved, the increased hospital reimbursements may be made for hospital services provided since July 1, 2022.
- For the 2023-2024 fiscal year, DHHS must request total hospital reimbursements of at least $3.2 billion for hospital services provided to Medicaid enrollees who are not in NC Health Works. HASP reimbursements may also be made for NC Health Works enrollees, and those amounts would be in addition to the $3.2 billion.
- HASP reimbursements may only be made to hospitals through contracts with prepaid health plans.
- The nonfederal share of HASP reimbursement costs is funded through hospital assessments. In any quarter where the total of all hospital assessments exceeds the permissible federal limit on those assessments, HASP reimbursements must be reduced.
- The authority for HASP became effective March 27, 2023. HASP was approved September 28, 2023, and the first HASP payments were made to prepaid health plans in November 2023 to be used by prepaid health plans to reimburse hospitals for services provided during the 2022-2023 State fiscal year.

- Increases hospital assessments to provide funding for the nonfederal share of the cost of NC Health Works coverage and HASP reimbursements, as follows:
  - A one-time hospital assessment would have collected funding in October 2023 to reimburse for the nonfederal share of start-up costs for implementing NC Health Works coverage; however, this assessment expired September 30, 2023, without taking effect (Section 1.5).
  - Statutory health advancement assessments on hospitals generate funding for the nonfederal share of the ongoing costs of adding NC Health Works coverage, including the following costs (Section 1.6(b)):
    - Service costs, including the cost of HASP reimbursements. The assessments collect a presumptive amount of service cost each quarter, and the amount is reconciled two quarters later based on actual expenditures for services (Section 1.6(b)/G.S. 108A-147.5, G.S. 108A-147.6, and G.S. 108A-147.11).

        - Administrative costs, including county administrative costs. Hospital assessment funds representing the county share of administrative costs of NC Health Works coverage must be paid to the counties (Section 1.6(b)/G.S. 108A-147.7).
    - A state retention component of $10.75 million per quarter ($43 million annually) offsets the anticipated loss of disproportionate share (DSH) receipts resulting from the addition of NC Health Works coverage and HASP (Section 1.6(b)/G.S. 108A-147.8).
    - Intergovernmental transfers made by qualified public hospitals reduce the amount of assessments collected from those hospitals (Section 1.6(b)/G.S. 108A-147.9).
    - The amount of assessments collected from hospitals also is reduced by an estimated amount of the increase in gross premiums tax revenue collected by the State as a result of the NC Health Works program. (Section 1.6(b)/G.S. 108A-147.12) The General Assembly's intention is to use the increase in the gross premiums tax revenue to fund NC Health Works coverage and, for each fiscal year, to appropriate to DHB an amount equaling the increase in gross premiums tax revenue for that purpose (Section 1.6(d)).
    - Health advancement assessment receipts are deposited into a Health Advancement Receipts Special Fund to ensure they are used for their intended purposes (Section 1.6(c) and Section 1.6(b)/G.S. 108A-147.13).
    - Technical and conforming changes are made to the existing modernized hospital assessments related to the addition of the NC Health Works coverage and HASP (Section 1.7).
    - The hospital assessments for the nonfederal share of HASP directed payments, the health advancement assessments for the nonfederal share of NC Health Works costs, and the Health Advancements Receipts Special Fund became effective April 1, 2023.
- Enacts various workforce development measures to promote employment among Medicaid enrollees, as follows:
    - Directs the Secretary of Commerce (Commerce) to develop a plan to create a seamless, statewide, comprehensive workforce development program that includes both existing programs and the development of new programs. Commerce is required to develop this plan in collaboration with identified stakeholders (Section 2.1).
    - Directs DHHS, in collaboration with Commerce, to develop a referral plan that includes consultation with a workforce development case manager for

assessing the employment status and barriers to employment of Medicaid and other social service programs beneficiaries (Section 2.2).

- Directs DHB to provide Medicaid applicants with information about the Health Insurance Marketplace that includes contact information for the Navigators Consortium. This information must also be provided to all Medicaid enrollees by January 1, 2024, and again each time their Medicaid eligibility is redetermined, and upon their termination from the Medicaid program (Section 2.3).
- Requires DHB to negotiate with CMS to obtain approval to add work requirements as a condition of participation in the Medicaid program if there is any indication that work requirements may be authorized (Section 2.4).

- Removes the following from certificate of need review, effective March 27, 2023 (Section 3.1):
  - Psychiatric beds and facilities.
  - Chemical dependency treatment beds and facilities.
  - Replacement equipment up to $3 million, indexed to inflation.
  - Aggregate total of $3 million for all the equipment at a diagnostic center that individually exceeds $10,000.
  - Early and Periodic Screening, Diagnosis, and Treatment services to children under age 21 at home health agencies in compliance with federal law.
- Exempts ambulatory surgical centers from certificate of need review if those centers (i) are licensed by DHHS, (ii) are located in a county with a population in excess of 125,000, and (iii) commit 4% of their total earned revenue to charity care, effective two years after the first HASP payment is made (Section 3.2).
- Removes MRI machines in counties with a population in excess of 125,000 from certificate of need review, effective three years after the first HASP payment is made (Section 3.3).

Except as otherwise provided, the remainder of the act became effective October 3, 2023.

Reforms to Reduce Infant and Maternal Mortality and Morbidity and Increase Access to Contraceptives (S.L. 2023-14, Part IV/SB 20 – Care for Women, Children, and Families Act).

Refer to the Public Health heading in this document.

Ensuring Certain Medicaid Receipts (S.L. 2023-134, Sec. 9E.7/HB 259 – 2023 Appropriations Act)

Section 9E.7 of S.L. 2023-134 changes the calculation of the modernized hospital assessments under Part 2 of Article 7B of Chapter 108A of the General Statutes for one taxable quarter to allow the Department of Health and Human Services (DHHS) to collect an additional $43 million in hospital assessments. This additional assessment amount offsets $43 million in Medicaid disproportionate share adjustment receipts that were anticipated for the 2022-2023 fiscal year but that were not collected as a result of the retroactive implementation of the healthcare access and stabilization program (HASP) which is a new initiative providing increased Medicaid reimbursements to hospitals participating in Medicaid managed care. This section allows DHHS to use the additional hospital assessment receipts in the same manner as was allowed for the disproportional share adjustment receipts that are being offset.

The effective date of this section is the later of the following dates: (i) the first day of the next assessment quarter after this act becomes law or (ii) the first day of the next assessment quarter after the Centers for Medicare and Medicaid Services (CMS) approves HASP hospital reimbursements for the 2022-2023 fiscal year that are greater than $400 million. Based on the timing of these conditions being met, this section became effective January 1, 2024.

Medicaid Rebase Tracking, Transparency, and Predictability (S.L. 2023-134, Sec. 9E.8/HB 259 – 2023 Appropriations Act)

Section 9E.8 of S.L. 2023-134 provides a schedule for the Division of Health Benefits, Department of Health and Human Services, to report specified information related to Medicaid spending and Medicaid funding needs during the 2023-2025 fiscal biennium. The information is intended to help the General Assembly closely monitor whether a budget shortfall exists in relation to the amount of funding needed to maintain the current scope of the Medicaid program so that the General Assembly can appropriate funds in the event of a shortfall. The reason for the close monitoring is due to the uncertainty of the timing and rate of disenrollments for individuals losing Medicaid coverage as a result of the unwinding of the public health emergency related to the COVID-19 pandemic, among other factors.

This section became effective July 1, 2023.

Use of the Medicaid Transformation Fund for Medicaid Transformation Needs (S.L. 2023-134, Sec. 9E.9/HB 259 – 2023 Appropriations Act)

Section 9E.9 of S.L. 2023-134 authorizes the use of funds from the Medicaid Transformation Fund for (i) claims runout, which refers to the payment of claims for services provided under the fee-for-service system to beneficiaries who have transitioned to managed care, and (ii) other qualifying needs relating to Medicaid transformation. Funds for qualifying needs may be transferred to the Division of Health Benefits (DHB), Department of Health and

Human Services (DHHS), upon DHB's request and after verification by the Office of State Budget and Management that the request is for a qualifying need and that the amount requested will not result in total requirements that exceed a specified amount. Qualifying needs are defined as the following:

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

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

This section became effective July 1, 2023.

Expand North Carolina Innovations Waiver Slots (S.L. 2023-134, Sec. 9E.10/HB 259 – 2023 Appropriations Act)

Section 9E.10 of S.L. 2023-134 adds 350 Innovations waiver slots to be made available upon approval by the Centers for Medicare and Medicaid Services. This section repeals Section 9F.14 of S.L. 2021-180 related to the Group Home Stabilization and Transition Initiative; however, services that were developed under the repealed section may still be provided, as long as there is sufficient money in the Medicaid program budget to cover the cost.

This section became effective July 1, 2023.

Medicaid Skilled Nursing Facility Rates (S.L. 2023-134, Sec. 9E.11/HB 259 – 2023 Appropriations Act)

Section 9E.11 of S.L. 2023-134 provides funding to continue the Medicaid reimbursement rates for skilled nursing facilities, on an ongoing basis, at rates that are not less than the rates that were being provided on a temporary basis in response to the COVID-19 public health emergency.

This section became effective July 1, 2023.

Medicaid Personal Care Services Rates (S.L. 2023-134, Sec. 9E.12/HB 259 – 2023 Appropriations Act)

Section 9E.12 of S.L. 2023-134 provides funding to continue the Medicaid reimbursement rate for personal care services, on an ongoing basis, at the same rate that was being provided on a temporary basis in response to the COVID-19 public health emergency.

This section became effective July 1, 2023.

Increase Private Duty Nursing Rates (S.L. 2023-134, Sec. 9E.12A/HB 259 – 2023 Appropriations Act)

Section 9E.12A of S.L. 2023-134 increases the Medicaid reimbursement rate for private duty nursing services from $45 per hour to $52 per hour.

This section became effective July 1, 2023.

Rates for Durable Medical Equipment (S.L. 2023-134, Sec. 9E.13B/HB 259 – 2023 Appropriations Act)

Section 9E.13B of S.L. 2023-134 increases the Medicaid reimbursement rate for durable medical equipment. The rate increase may not exceed a cost to the State of more than $1 million for a twelve-month period and is supported by nonrecurring funding.

This section became effective July 1, 2023.

Increase Wages of Direct Care Workers / Innovations Waiver (S.L. 2023-134, Sec. 9E.15/HB 259 – 2023 Appropriations Act)

Section 9E.15 of S.L. 2023-134 requires the Division of Health Benefits (DHB), Department of Health and Human Services, to provide a Medicaid reimbursement rate increase to providers of Innovations waiver services. The rate increase is to be used to increase the wages paid to the direct care workers performing the Innovations waiver services. Prior to receiving the rate increase, providers must attest that the entire amount of the rate increase is being used for the benefit of the direct care workers. DHB must recoup from a provider any amount of the rate increase that DHB determines was not used for the benefit of the workers.

This section became effective July 1, 2023.

Behavioral Health and Intellectual/Developmental Disabilities Tailored Plan Updates (S.L. 2023-134, Sec. 9E.16/HB 259 – 2023 Appropriations Act)

Section 9E.16 of S.L. 2023-134 directs certain activities related to the upcoming transition to a Medicaid managed care model for delivering whole-person physical and behavioral health

services to Medicaid beneficiaries in need of specialized behavioral health services. The services covered under this model are referred to as a behavioral health and intellectual/developmental disabilities tailored plan (Tailored Plan). This section directs the following activities:

- Requires the launch of Tailored Plans by July 1, 2024 (Section 9E.16(a)).
- Requires the initial term of the Tailored Plan contracts to be no less than four years (Section 9E.16(a)).
- Requires the Department of Health and Human Services (DHHS) and local management entity/managed care organizations (LME/MCOs) to report a proposal for modifying the existing statutes that require LME/MCOs to use closed provider networks. If proposed modifications are not enacted by July 1, 2024, then specified legislative changes will become effective that will require LME/MCOs to accept certain additional providers in their networks (Section 9E.16(b)).
- Requires DHHS to report a plan to transition the administration of the Community Alternatives Program for Disabled Adults (CAP/DA) program to Tailored Plan contracts by January 1, 2025. The report must be submitted to the Joint Legislative Oversight Committee on Medicaid by June 1, 2024 (Section 9E.16(c)).
- Requires DHHS to request federal approval to expand the Traumatic Brain Injury waiver statewide and to seek an implementation date of January 1, 2025 (Section 9E.16(d)).
- Requires DHHS to report a plan for a waiver to provide Medicaid services to the adult incarcerated population through Tailored Plans by January 1, 2025. The report must be submitted to the Joint Legislative Oversight Committee on Medicaid by January 1, 2024 (Section 9E.16(e)).

Except as specified with regard to closed provider networks, this section became effective October 3, 2023.

Expedited Medicaid Preferred Drug List Review for Drugs Treating Serious Mental Illness (S.L. 2023-134, Sec. 9E.17/HB 259 – 2023 Appropriations Act)

Section 9E.17 of S.L. 2023-134 requires the Medicaid program to provide immediate coverage of new prescription medications treating serious mental illness that are approved by the Food and Drug Administration and available to the public, if the manufacturer of the medication is enrolled in the Medicaid Drug Rebate Program. For any of these new prescription medications that are eligible for inclusion on the Medicaid program's Preferred Drug List, the Department of Health and Human Services must submit, by the end of the next calendar quarter after the medication is available to the public, a proposal for consideration by the Preferred Drug List Policy Review Panel (Review Panel) regarding whether to include the medication on the

Preferred Drug List. This section also codifies previously enacted language establishing the Review Panel and requires the Review Panel to meet at least quarterly, rather than twice a year.

This section became effective October 3, 2023.

Relatives Providing Care to Minors on the Innovations Waiver (S.L. 2023-134, Sec. 9E.18/HB 259 – 2023 Appropriations Act)

Section 9E.18 of S.L. 2023-134 directs the Department of Health and Human Services to seek federal approval to allow Community Living and Support services provided through the Innovations waiver to be provided by a relative living in the same house as the individual receiving the service, even if the individual is under the age of 18. This would make permanent a temporary policy allowed during the COVID-19 public health emergency under which family members could provide services to minors on the Innovations waiver, when no other provider is available to provide the services, in the same manner as has been allowed for adults on the Innovations waiver.

This section became effective July 1, 2023.

Further Adjust Implementation Date for Requiring Local Management Entity/Managed Care Organizations to Pay for Behavioral Health Services Provided to Beneficiaries Awaiting Hospital Discharge (S.L. 2023-134, Sec. 9E.19/HB 259 – 2023 Appropriations Act)

Section 9E.19 of S.L. 2023-134 amends Section 9D.22(f) of S.L. 2021-180, as previously amended by Section 9D.9 of S.L. 2022-74, which directed the Division of Health Benefits, Department of Health and Human Services, to develop Medicaid coverage for specified services provided to Medicaid beneficiaries in an acute hospital setting after the beneficiary has been in the care of the hospital for at least 30 hours if the beneficiary is awaiting discharge to a more appropriate setting for the treatment of behavioral health needs. This section changes the implementation date of the Medicaid coverage for the new service from December 31, 2022, to March 1, 2023, and includes language restating that standard benefit plans are not required to cover the new services.

This section became effective December 31, 2022.

Draft Serious Mental Illness/Serious Emotional Disturbance Waiver (S.L. 2023-134, Sec. 9E.19A/HB 259 – 2023 Appropriations Act)

Section 9E.19A of S.L. 2023-134 requires the Division of Health Benefits (DHB), Department of Health and Human Services, to develop a proposed Medicaid 1115 demonstration waiver focused on adults with serious mental illness and/or children with serious emotional disturbances. The proposal must be designed so that the State would begin receiving federal

financial participation for covered services furnished to Medicaid beneficiaries during stays greater than 15 days for acute care in psychiatric hospitals or residential treatment settings that qualify as an institution of mental disease. DHB must submit a report on the proposal, along with a draft of the 1115 waiver and an estimate of any costs or savings to the State, to the Joint Legislative Oversight Committee on Medicaid by March 1, 2024.

This section became effective July 1, 2023.

Prepaid Health Plans Performance Metrics (S.L. 2023-134, Sec. 9E.20/HB 259 – 2023 Appropriations Act)

Section 9E.20 of S.L. 2023-134 requires the Department of Health and Human Services to establish and report to the Joint Legislative Oversight Committee on Medicaid on performance metrics that prepaid health plans must meet regarding the timely payment of provider claims.

This section became effective July 1, 2023.

Children and Families Specialty Plan (S.L. 2023-134, Sec. 9E.22/HB 259 – 2023 Appropriations Act)

Section 9E.22 of S.L. 2023-134 requires the Department of Health and Human Services (DHHS) to issue a request for proposals (RFP) for one statewide Medicaid managed care Children and Families Specialty Plan (CAF Specialty Plan) to launch December 1, 2024, and makes other changes to the Medicaid managed care statutes.

This section establishes the CAF Specialty Plan as a new type of managed care prepaid health plan (PHP) contract in addition to the standard benefit plans (Standard Plans) and behavioral health and intellectual/developmental disabilities tailored plans (Tailored Plans) that already exist in law. The CAF Specialty Plan will:

- Be one statewide contract. Medicaid beneficiaries in all counties must be covered by the CAF Specialty Plan (Section 9E.22(a) and (o)).
- Begin operating December 1, 2024. (Section 9E.22(a)).
- Be awarded based on responses to an RFP. Only licensed PHPs, local management entities/managed care organization (LME/MCOs) under contract as Tailored Plans, and consortia formed by LME/MCOs are eligible to respond to the RFP (Section 9E.22(k)/G.S. 108D-62(b)(1)). In order to bid on and operate the CAF Specialty Plan, LME/MCOs may do any of the following:
    - Form a consortium with other LME/MCOs by interlocal agreement. (Section 9E.22(p)/G.S. 122C-116(c)).
    - Partner with other LME/MCOs or PHPs. (Section 9E.22(p)/G.S. 122C-116(d)).

- Operate outside of their catchment area under contracts and grants (Section 9E.22(n)/G.S. 122C-115.4(a1)).

- Cover the same services as Tailored Plans, except for the following services (Section 9E.22(k)/G.S. 108D-62(c)):
  - Innovations waiver services.
  - Traumatic Brain Injury waiver services.
  - Services provided in an intermediate care facility for individuals with intellectual disabilities (ICF-IID).
  - Services to individuals participating in Transitions to Community Living.
  - Non-Medicaid, publicly-funded behavioral health services.
- Automatically enroll the following individuals in the CAF Specialty Plan (Section 9E.22(k)/G.S. 108D-62(d)(1), (f)):
  - Individuals in foster care.
  - Individuals receiving adoption assistance.
  - Former foster youth until age 26.
  - The children of any of the above individuals.
- Allow specified siblings, specified adults, and any other recipients who have had involvement with the child welfare system that DHHS determines would benefit from enrollment in the CAF Specialty Plan to enroll voluntarily in the CAF Specialty Plan, but they will not be enrolled automatically (Section 9E.22(k)/G.S. 108D-62(d), (f)).
- Allow all individuals who are eligible for the CAF Specialty Plan to opt out of the CAF Specialty Plan by choosing to enroll in a Standard Plan instead. Individuals who meet the eligibility criteria for a Tailored Plan could opt out of the CAF Specialty Plan by choosing to enroll in either a Tailored Plan or a Standard Plan. If allowed by the Centers for Medicare and Medicaid Services, children who are automatically enrolled in the CAF Specialty Plan will only be able to choose a Standard Plan or a Tailored Plan if doing so is in the best interest of the child (Section 9E.22(k)/G.S. 108D-62(g)).
- Disallow the following individuals from enrolling in the CAF Specialty Plan (Section 9E.22(k)/G.S. 108D-62(e)):
  - Recipients who require services that are excluded from CAF Specialty Plan coverage.
  - Certain temporary safety provider caregivers.
  - Recipients who are generally excluded from enrolling with a PHP.

- Allow individuals to remain enrolled in the CAF Specialty Plan for 12 months after they exit the custody of the county department of social services (Section 9E.22(k)/G.S. 108D-62(h)).

This section makes other changes to the Medicaid managed care statutes as outlined below.

- Allows enrollees in a Tailored Plan to request disenrollment any time without cause. (Section 9E.22(d)/G.S. 108D-5.3(b)(7)) Under prior law, these enrollees could only request disenrollment without cause during the 90 days following initial enrollment and once every 12 months after that.
- Adjusts the behavioral health services covered by Standard Plans, as follows:
  - Behavioral health services provided under a 1915(i) waiver that may be approved in the future will not be covered by Standard Plans.
  - Standard Plans will be allowed to cover the following new substance use disorder services, but a Standard Plan enrollee's use of these services will trigger the individual to be moved to a Tailored Plan (Section 9E.22(g)/G.S. 108D-35(b)(1), Section 9E.22(h)/G.S. 108D-40(a)(12)d.7.):
    - Substance abuse comprehensive outpatient treatment program services.
    - Substance abuse intensive outpatient program services.
    - Social setting detoxification services.
- Prohibits recipients of certain services that are not offered under a Standard Plan from disenrolling from Tailored Plans and enrolling in a Standard Plan instead (Section 9E.22(j)/G.S. 108D-60(a)(11)). The services include:
  - Innovations waiver services.
  - Traumatic Brain Injury waiver services.
  - Services in an ICF-IID.
  - Services to individuals participating in Transitions to Community Living.
  - State-funded residential services.

All changes in this section became effective October 3, 2023.

Agency Requested Changes / Division of Health Benefits (S.L. 2023-134, Sec. 9E.23/HB 259 – 2023 Appropriations Act)

Section 9E.23 of S.L. 2023-134 makes technical, clarifying, and conforming updates to various laws relating to Medicaid as requested by the Department of Health and Human Services.

Sections 9E.23(a1) and (a2) revise the Medicaid prescription drug lock-in statute (G.S. 108A-68.2) to address issues identified in a recent decision of the Office of Administrative Hearings. The statute establishes the criteria for when a Medicaid beneficiary's choice of prescriber and choice of pharmacy may be limited, also referred to as "lock-in". Key changes to the statute include:

- Prepaid health plans (PHPs) must develop a lock-in program for individuals who meet the criteria specified in the statute. Previously, PHPs had the option to use a lock-in program for those individuals.
- The criteria for placing an individual in a lock-in program are revised as follows:
    - An individual who has filled 10 (previously six) or more prescriptions for specified controlled substances within two consecutive months when not medically necessary (previously for any reason) shall be subject to the PHP's lock-in program.
    - An individual who received prescriptions for specified controlled substances from four (previously three) or more prescribers within two consecutive months when not medically necessary (previously for any reason) shall be subject to the PHP's lock-in program.
- A beneficiary may select two prescribers and pharmacies when medically necessary.
- The lock-in may last for up to two years upon certain findings by a PHP.

Section 9E.23(b1) extends the Office of Administrative Hearings contested case hearings exemption for prepaid health plans to also apply to prepaid inpatient health plans and primary care case management entities. This subsection applies to disputes arising on or after October 3, 2023.

Section 9E.23(c1) corrects a technical deficiency in G.S. 108A-54.3A around the timing of the applicability of new federal poverty level figures each year. This subsection became effective retroactively June 26, 2020.

Section 9E.23(d1) amends G.S. 108A-55.4 to conform with recently enacted federal legislation regarding the acceptance by third parties of certain Medicaid documentation to satisfy the third party's prior authorization requirements in cases when the third party is liable for the coverage initially provided by Medicaid. This subsection became effective January 1, 2024.

Section 9E.23(e1) adds explanatory language clearly stating that any work requirements that may be applicable in the future to individuals eligible for Medicaid coverage through NC Health Works under G.S. 108A-54.3A(24) must be federally approved work requirements. This subsection became effective December 1, 2023.

Sections 9E.23(f1) and (f2) make technical changes to the Medicaid Modernized Hospital Assessments in Article 7B of Chapter 108A of the General Statutes related to the recent change in ownership of Davis Regional Medical Center. The changes were needed as a result of

information provided in a report from the Department of Health and Human Services to the Joint Legislative Oversight Committee on Medicaid dated July 18, 2023. These subsections became effective January 1, 2024, and apply to assessments imposed on or after that date.

Except as otherwise specified, this section became effective October 3, 2023.

Ensure Adherence to Medicaid State Plan / Reimbursements for Ambulatory Surgical Centers (S.L. 2023-134, Sec. 9E.24/HB 259 – 2023 Appropriations Act)

Section 9E.24 of S.L. 2023-134 requires the Division of Health Benefits, Department of Health and Human Services, to set and adjust Medicaid reimbursement rates for new services provided by licensed ambulatory surgical centers so that these services are reimbursed at 95% of the Medicare Ambulatory Surgical Centers fee schedule in effect as of January 1 of each year. The reimbursements required by this section are consistent with the reimbursement requirements already in the State's Medicaid State Plan.

This section became effective July 1, 2023.

Increase Medicaid Personal Needs Allowance (S.L. 2023-134, Sec. 9E.25/HB 259 – 2023 Appropriations Act)

Section 9E.25 of S.L. 2023-134 increases from $30 to $60 the Medicaid personal needs allowance, which is the amount of income that Medicaid beneficiaries residing in a long-term care setting may retain for their personal needs. The increase in the personal needs allowance will begin on the date approved by the Centers for Medicare and Medicaid Services.

This section became effective July 1, 2023.

Continue to Address the Reimbursement Methodology Used for Services Provided to Senior Dual Eligibles (S.L. 2023-134, Sec. 9E.26/HB 259 – 2023 Appropriations Act)

Section 9E.26 of S.L. 2023-134 expresses the intent of the General Assembly to continue to address the need for changes to the Medicaid reimbursement methodology used for certain services provided to seniors aged 65 and older who are dually enrolled in Medicare and Medicaid. In consultation with relevant stakeholders, the Division of Health Benefits (DHB), Department of Health and Human Services, is required to explore all options available to increase access to Medicaid services for dual eligibles that provide alternatives to nursing home placements, including adult care homes, special care units, and in-home living. DHB is required to take specified actions, but is prohibited from implementing any changes, new programs, or new services if implementation exceeds DHB's statutory authority (G.S. 108A-54(e)(1)) or creates a recurring cost to the State that would reasonably be anticipated to exceed a future authorized budget for the Medicaid program. The actions specified are as follows:

- Make a formal request to the Centers for Medicare and Medicaid Services (CMS) for coverage by the Medicare program of services provided to individuals who reside in adult care homes, assisted living settings, or special care units, or to support in-home living of older individuals.
- Develop the proposed changes to the current Medicaid personal care services under Clinical Coverage Policy 3L required to implement a per diem payment for personal care services provided in a congregate setting in a manner, similar to the payment methodology used by Washington state and outlined in the report to the Joint Legislative Oversight Committee on Medicaid entitled "Establish New Adult Care Home Payment Methodology" dated June 10, 2022.
- Develop the proposed service definition and draft clinical coverage policy for Adult Care Home Congregate Care Services (ACH CCS) as a new Medicaid covered service, as outlined in the report referenced above. DHB must also develop the proposed per diem rate methodology to be used for these services and create the proposed new independent assessment tool to be used.
- Identify what amendments may be needed to the 1115 waiver for Medicaid transformation or the Medicaid State Plan to provide more appropriate reimbursement for services provided to Medicaid recipients residing in adult care homes or other congregate settings.
- Propose any pilot program or new Medicaid demonstration waiver to support alternatives to nursing home placement for seniors.
- Design innovative payment and service delivery models, including Dual Eligible Special Needs Plans (D-SNPs) and Institutional Equivalent Special Needs Plans (IE-SNPs) for assisted living facilities and adult care homes.

No later than March 1, 2025, DHB must submit a report to the Joint Legislative Oversight Committee on Medicaid and the Fiscal Research Division on specified items as they relate to requirements outlined under this section. The specified items that must be included in the report are as follows:

- The details of the request required to be submitted to CMS and the response to the request.
- A draft of the proposed changes to Clinical Coverage Policy 3L and the annual cost or savings to the State associated with the implementation of those changes.
- A draft of the proposed service definition for ACH CSS and the associated per diem rate methodology and assessment tool, including the annual cost or savings to the State associated with the implementation of any or all of these items.
- A draft of any 1115 waiver or State Plan amendments developed in accordance with this section, including the annual cost or savings to the State associated with the implementation of the waiver or State Plan amendments.

- Details on any pilot program or new Medicaid demonstration waiver being proposed and any annual cost or savings to the State associated with the implementation of each proposed pilot program or demonstration waiver.
- Details and a draft of any innovative payment and service delivery models developed, including Dual Eligible Special Needs Plans (D-SNPs) and Institutional Equivalent Special Needs Plans (IE-SNPs) for assisted living facilities and adult care homes.
- A description of the stakeholders involved in the development of any plan or proposal.
- Any recommended legislative changes.

This section became effective July 1, 2023.

Healthcare Access and Stabilization Program (HASP) / Freestanding Psychiatric Hospitals (S.L. 2023-134, Sec. 9E.27/HB 259 – 2023 Appropriations Act)

Section 9E.27 of S.L. 2023-134 requires the Division of Health Benefits (DHB), Department of Health and Human Services, to develop a proposal to allow freestanding psychiatric hospitals to receive reimbursements through the healthcare access and stabilization program (HASP) that are contingent upon the receipt of the nonfederal share of the reimbursements through hospital assessments in which those hospitals would participate. DHB must submit a report containing the proposal to the Joint Legislative Oversight Committee on Medicaid by March 1, 2024. DHB is prohibited from implementing the proposal without further authorization by the General Assembly.

This section became effective October 3, 2023.

Primary Care Payment Reform Task Force (S.L. 2023-134, Sec. 9E.28/HB 259 – 2023 Appropriations Act)

Section 9E.28 of S.L. 2023-134 creates a new temporary Primary Care Payment Reform Task Force (Task Force) in the Division of Health Benefits (DHB), Department of Health and Human Services. This section directs the Task Force to do the following:

- Define the term primary care for purposes of the Task Force.
- Conduct an actuarial evaluation of the current healthcare spend on primary care services, both as it relates to the North Carolina Medicaid program and the commercial market.
- Determine the adequacy of the primary care delivery system in North Carolina.
- Study the primary care payment landscape in other states, including states that have implemented a minimum primary care spend.

- Identify data collection and measurement systems to inform creation of a primary care investment target for the North Carolina Medicaid program, the State Health Plan, and commercial insurance.
- Evaluate the need for the Task Force to be permanent.

The Task Force must submit a report with findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid by April 1, 2024. This section became effective July 1, 2023, and expires on May 1, 2024.

Agency Requested Changes / Behavioral Health (S.L. 2023-134, Sec. 9G.7A/HB 259 – 2023 Appropriations Act)

Section 9G.7A of S.L. 2023-134 makes updates to various statutes governing oversight by the Department of Health and Human Services (DHHS) of local management entity/managed care organizations (LME/MCOs) regarding the following:

- Mergers, consolidations, and dissolutions of LME/MCOs and the alignment of counties with the LME/MCOs.
- Subcontracts of LME/MCOs.
- Employees of LME/MCOs.

With regard to mergers, consolidations, and dissolutions of LME/MCOs, and the alignment of counties with the LME/MCOs, Section 9G.7A does the following:

- Sections 9G.7A(a6) and (a20) require a reduction in the number of LME/MCOs. In order to achieve the reduction in LME/MCOs, these subsections do the following:
    - Increase the minimum population threshold for an LME/MCO from 500,000 to 1,500,000 residents living within its catchment area (Section 9G.7A(a6)/G.S. 122C-115).
    - Require the Secretary of DHHS (Secretary) to reduce the number of LME/MCOs from 6 to either 5 or 4 within 90 days after the budget becomes law, to achieve compliance with the increased minimum population threshold for LME/MCOs established in the section (Section 9G.7A(a20)(1), (6)).
    - Authorize the Secretary to direct the dissolution, merger, or consolidation of existing LME/MCOs to achieve the required reduction (Section 9G.7A(a20)(2)).
    - Require the Secretary to redefine the regions of operation of the behavioral health and intellectual/developmental disabilities tailored plans (Tailored Plans) to match the realignment of counties resulting from the reduction in the number of LME/MCOs (Section 9G.7A(a20)(3)).

- Establish that there is no right to appeal the Secretary's decision to direct the dissolution, merger, or consolidation of LME/MCOs to meet this requirement to reduce the number of LME/MCOs (Section 9G.7A(a20)(7)).

- Sections 9G.7A(a1) through (a19) reorganize and amend numerous laws pertaining to dissolutions of LME/MCOs and other mergers and consolidations of LME/MCOs. Authorities of the Secretary of DHHS to dissolve an LME/MCO that previously appeared in G.S. 122C-115, G.S. 122C-115.3, G.S. 122C-124.2, G.S. 122C-125, and Section 3.5A of S.L. 2021-62 are reorganized into new G.S. 122C-115.5 and G.S. 122C-115.6. These subsections make the following changes to existing statutes:
  - Make permanent the previously temporary language stating that the Secretary shall dissolve an LME/MCO upon termination of its Tailored Plan contract (G.S. 122C-115.5(d)).
  - Allow the Secretary of DHHS the authority to establish the timeline for a Secretary-directed dissolution of an LME/MCO (G.S. 122C-115.5(e)(2)).
  - Ensure an LME/MCO shall have at least seven and up to 30 days to negotiate a merger or consolidation when the Secretary directs the dissolution of an LME/MCO (G.S. 122C-115.5(e)(2)).
  - Direct the Secretary to dissolve an LME/MCO if a Tailored Plan contract with that LME/MCO is terminated. The Secretary must assign the LME/MCO's contract to one or more LME/MCOs receiving at least one county (G.S. 122C-115.5(e)(4)).
  - Direct that when a contract with an LME/MCO for operation of a Tailored Plan is terminated, the Tailored Plan contract and the State-funded services contract will be assigned to one or more LME/MCOs with a Tailored Plan contract (G.S. 122C-115.5(e)(5)).
  - Prohibit counties from withdrawing funding for mental health, developmental disabilities, and substance abuse services upon dissolution of an LME/MCO (G.S. 122C-115.5(e)(10)).
  - Codify the previously temporary law that directs the transfer of fund balance from an LME/MCO when a county realigns with a different LME/MCO and clarifies that the law applies when an LME/MCO is dissolved (G.S. 122C-115.6).
  - Allow Tailored Plan enrollees of an LME/MCO to be temporarily enrolled in service delivery options other than a Tailored Plan during the dissolution of the LME/MCO. Enrollees with an LME/MCO may also be moved to another service delivery system any time the enrollee cannot access covered services from providers experienced in addressing the enrollee's health care needs (G.S. 108D-60).

- Update the statutory solvency standards for LME/MCOs by replacing the statutory formula with a requirement that DHHS establish solvency standards in the LME/MCO contracts. The contractual solvency standards must be based on industry-standard financial accounting measures and the contracts must require corrective action plans for noncompliant LME/MCOs. DHHS must report quarterly on each LME/MCO's compliance with the contractual solvency standards by publishing data on DHHS's website and notifying the General Assembly (G.S. 122C-125.3).
- Specify factors for the Secretary to consider when approving an LME/MCO merger or consolidation and when assigning an LME/MCO contract that has been terminated (G.S. 122C-115.5(f)). The factors include readiness, historical performance, statewide distribution of covered lives, network adequacy, county input, and geographical contiguity of counties, among other factors.
- Establish that there is no right to appeal the Secretary's decision to approve or disapprove a proposed LME/MCO merger or consolidation (G.S. 122C-115.5(g)).

- Sections 9G.7A(b1) through (b4) amend the circumstances when an individual county may request a realignment from one LME/MCO to another and establish new processes for counties to seek resolution of concerns or issues with LME/MCOs and other prepaid health plans (PHPs), as follows:
  - Limit the time period when counties may request a realignment to the 6-month period prior to each rebidding of the Tailored Plan contracts. Any realignment must be approved or disapproved by the Secretary within 30 days upon the consideration of specified factors (G.S. 108D-46(b)). This statute replaces previous authority under G.S. 122C-115(a3) allowing counties to request realignment at any time.
  - Create a statutory process for counties to formally raise performance concerns about their LME/MCO to the Secretary, the LME/MCO and the Chairs of the Joint Legislative Oversight Committee on Health and Human Services (G.S. 122C-124.3). Upon receipt of notice from a county of a performance concern, DHHS must evaluate the concern and, if the concern is valid, must direct the LME/MCO to resolve the concern and must take any other appropriate action under the terms of DHHS's contract with the LME/MCO, including imposing sanctions or terminating the contract.
  - Require DHHS to consult with counties annually regarding the performance of LME/MCOs and other PHPs in operating Tailored Plans or Standard Plans (G.S. 108D-46(d)).
  - Direct DHHS to create a dedicated issue-resolution channel for county leadership when beneficiaries enrolled in any Medicaid PHP are having issues. DHHS must

use the issues and resolutions raised through this channel to drive systemic improvement (Section 9G.7A(b4)).

- Establish that there is no right to appeal the Secretary's decision to approve or disapprove county realignment requests (G.S. 108D-46(b)(7)).

With regard to LME/MCO subcontracts, Sections 9G.7A(c1) through (c6) require LME/MCOs to cancel subcontracts, or direct the removal of staff from subcontracts, when directed by DHHS to achieve compliance with contractual or legal requirements (G.S. 122C-115.4(c)).

With regard to LME/MCO employees, Sections 9G.7A(d1) through (d4) enable the Secretary of DHHS to discharge key personnel of an LME/MCO for failure to substantially comply with the role description for the key personnel in the LME/MCO's contract with DHHS (G.S. 122C-121.1). DHHS may also establish minimum qualifications for the LME/MCO area directors in DHHS's contracts with LME/MCOs that are in addition to the minimum qualifications established in statute.

Section 9G.7A also makes technical and conforming changes throughout to bring the statutes up to date.

This section became effective October 3, 2023.

MENTAL HEALTH/DEVELOPMENTAL DISABILITIES/ SUBSTANCE USE SERVICES

Control Substances/Opioid Vaccine/At Home Omnibus (S.L. 2023-15/SB 206)

Refer to the Providers, Facilities, and Licensure heading in the document.

Department of Health and Human Services Revisions (S.L. 2023-65/HB 190)

Refer to the Public Health heading in this document.

Mental Health Confidential Information Disclosure (S.L. 2023-95/HB 484)

S.L. 2023-95 amends the law (G.S. 122C-52) to conform to federal regulations as it pertains to the requirements for disclosure of confidential information regarding a client by a mental health facility. It also requires the Commission for Mental Health, Developmental Disabilities, and Substance Use Services, Department of Health and Human Services, to adopt temporary rules until permanent rules become effective.

The act became effective October 1, 2023, and applies to releases of information consented to on or after that date.

Retain Adult Developmental and Vocational Rehabilitation Programs (S.L. 2023-115/HB323)

Refer to the Department of Health and Human Services - Generally heading in this document.

North Carolina – Psychiatry Access Line (S.L. 2023-134, Sec. 9E.19B/HB 259 – 2023 Appropriations Act)

Section 9E.19B of S.L. 2023-134 provides that of the funds appropriated in the act to the Division of Health Benefits, Department of Health of Human Services (DHHS), $1.85 million in recurring funds for the 2023-2024 fiscal year, and $1.95 million in recurring funds for the 2024-2025 fiscal year, must be used for the North Carolina – Psychiatry Access Line (NC-PAL). NC-PAL is a partnership between DHHS and the Department of Psychiatry and Behavioral Sciences at Duke University.

No later than September 1, 2024, and September 1, 2025, NC-PAL must submit the information below to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

- The number of consultations by NC-PAL Child Psychiatry and NC-PAL Perinatal Psychiatry provided over the previous fiscal year.

- The geographic regions by county utilizing NC-PAL services.
- The percentage of NC-PAL consultations that resulted in treatment of an individual by that individual's primary care provider, rather than a referral to a specialist.
- The estimated number of avoided emergency department visits resulting from services provided through NC-PAL.
- The results of any new pilot program offering consultations with county departments of social services offices or residential providers and whether those consultations reduced placement disruptions for children in the custody of county departments of social services or the need for crisis intervention.

This section became effective July 1, 2023.

Single-Stream Funding for Division of Mental Health/Developmental Disabilities/Substance Use Services Community Services (S.L. 2023-134, Sec. 9G.1/HB 259 – 2023 Appropriations Act)

Section 9G.1 of S.L. 2023-134 requires the Division of Mental Health/Developmental Disabilities/Substance Use Services (DMH/DD/SUS), Department of Health and Human Services (DHHS), to distribute at least one-twelfth of a local management entity/managed care organization's (LME/MCO) base budget allocation at the beginning of the fiscal year to assist with mitigating LME/MCO cash flow problems. The remaining base budget allocation must be distributed evenly on the third working day of each month for the remainder of the fiscal year. If there is a Medicaid budget surplus, the Division of Health Benefits, DHHS, must transfer to DMH/DD/SUS the amount of the surplus or $30 million, whichever is less.

This section became effective July 1, 2023.

Maximize Ability to Stabilize the Behavioral Health Workforce in State Facilities (S.L. 2023-134, Sec. 9G.1A/HB 259 – 2023 Appropriations Act)

Section 9G.1A of S.L. 2023-134 allocates $20 million in nonrecurring funds for the 2023-2024 fiscal year and $20 million in nonrecurring funds for the 2024-2025 fiscal year from the ARPA Temporary Savings Fund to the Division of Mental Health, Developmental Disabilities, and Substance Use Services, Department of Health and Human Services, to allocate to the Division of State Operated Healthcare Facilities to provide sign-on and retention bonuses to employees working at State facilities. The sign-on and retention bonuses may not exceed 15% of the midpoint of the recipient employee's salary grade.

This section became effective July 1, 2023.

Local Inpatient Psychiatric Beds or Bed Days (S.L. 2023-134, Sec. 9G.2/HB 259 – 2023 Appropriations Act)

Section 9G.2 of S.L. 2023-134 directs that funds appropriated in the 2023 Appropriations Act to the Division of Mental Health, Development Disabilities, and Substance Use Services, Department of Health and Human Services (DHHS) must continue to be used for the purchase of local inpatient psychiatric beds or bed days. DHHS will work to ensure local inpatient beds or bed days purchased in accordance with this section are utilized solely for medically indigent individuals, with one exception. DHHS will also work to ensure local inpatient psychiatric beds or bed days are distributed across the State in accordance with need and acuity levels.

If DHHS determines a local management entity/managed care organization (LME/MCO) is not effectively managing the beds or bed days or fails to comply with the prompt payment provision of this section, DHHS may contract with another LME/MCO to manage the beds or bed days or may pay the hospital directly. LME/MCOs are required to report to DHHS on the utilization of beds or bed days.

This section requires DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on (i) a uniform system for beds or bed days purchased during the preceding fiscal year, (ii) explanation of the process to ensure local inpatient psychiatric beds or bed days are utilized solely for medically indigent individuals and the number of those served, (iii) amount of funds used to pay for facility-based crisis services, the number and outcomes of those served, (iv) amount of funds used for detoxification services and the number and outcomes of those served, (v) other DHHS initiatives to reduce State psychiatric hospital use.

This section became effective July 1, 2023.

Justice Related Behavioral Health Programs (S.L. 2023-134, Sec. 9G.B2/HB 259 – 2023 Appropriations Act)

Section 9G.2B of S.L. 2023-134 allocates $29 million in nonrecurring funds for the 2024-2025 fiscal year and $70 million in nonrecurring funds for the 2024-2025 fiscal year from the ARPA Temporary Savings Fund to the Division of Mental Health, Developmental Disabilities, and Substance Use Services (MH/DD/SUS), Department of Health and Human Services. The funds must be used (i) for community-based pre-arrest diversion and reentry programs, (ii) to fund local partnerships between law enforcement, counties, and behavioral health providers, and (iii) for community-based and detention center-based restoration programs.

MH/DD/SUS must consult with the Department of Adult Correction (DAC) in developing or operating any of the programs detailed in this section. MH/DD/SUS may enter into a Memorandum of Understanding or Memorandum of Agreement with DAC if it would be the most effective use of funds or manner of implementation.

The section became effective July 1, 2023.

Funds for Hyperbaric Oxygen Therapy for Veterans Program (S.L. 2023-134, Sec. 9G.3/HB 259 – 2023 Appropriations Act)

Section 9G.3 of S.L. 2023-134 provides that of the funds appropriated to the Division of Mental Health, Developmental Disabilities, and Substance Use Services, Department of Health and Human Services, $500,000 in nonrecurring funds for the 2023-2024 fiscal year must be allocated as a direct grant to the Community Foundation of NC East, Inc., a nonprofit in Pitt County, to be used to support its hyperbaric oxygen therapy (HBOT) for Veterans Program.

This section became effective July 1, 2023.

Start-Up Funds for Wilkes Recovery Revolution, Inc. (S.L. 2023-134, Sec. 9G.5/HB 259 – 2023 Appropriations Act)

Section 9G.5 of S.L. 2023-134 appropriates $2.72 million in nonrecurring funds from the ARPA Temporary Savings Fund to the Division of Mental Health, Developmental Disabilities, and Substance Use Services, Department of Health and Human Services, to be allocated to Wilkes Recovery Revolution, Inc. and used to build or purchase a new building, or to remodel an existing building, where services will be provided to individuals with substance use disorders. The funds may also be used for one-time startup costs associated with providing these services.

This section became effective July 1, 2023.

Workforce Development Funds for Adults with Intellectual and Developmental Disabilities (S.L. 2023-134, Sec. 9G.6/HB 259 – 2023 Appropriations Act)

Section 9G.6 of S.L. 2023-134 appropriates $2 million for the 2023-2024 fiscal year and $2 million for the 2024-2025 fiscal year in nonrecurring funds from the ARPA Temporary Savings Fund to the Division of Mental Health, Developmental Disabilities, and Substance Use Services, Department of Health and Human Services to allocate to UMAR Services, Inc., a nonprofit corporation, to provide services for adults with intellectual and developmental disabilities (IDD). At least 50% of the funds are to be used to provide workforce development opportunities and vocation services for adults with IDD.

This section became effective July 1, 2023.

Building A Safety Net Through an Accountable System of Care Focused on Substance Use and Mental Health Issues in the Workplace/Pilot Program (S.L. 2023-134, Sec. 9G.6A/HB 259 – 2023 Appropriations Act)

Section 9G.6A of S.L. 2023-134 appropriates $2 million in nonrecurring funds for the 2023-2024 fiscal year to the Division of Mental Health, Developmental Disabilities, and Substance Use Services (DMH/DD/SUS), Department of Health and Human Services, to allocate to Truusight

Health Solutions, LLC, for a two-year public-private partnership pilot program in Cabarrus and Stanly Counties to address the needs of employees requiring access to behavioral health services and to support employers in this State to navigate the complex behavioral health system. The pilot program must do the following:

- Include the involvement of relevant stakeholders.
- Develop necessary requirements and protocols to operationalize a coordinated system of care.
- Develop and deploy technology capable of tracking and managing access to services that is compatible with NCCare 360.

Within a year to 18 months of the start date of the pilot program, DMH/DD/SUS in coordination with Truusight Health Solutions, LLC, are required to submit a report to the Joint Legislative Oversight Committee on Health and Human Services. The report must include (i) an assessment of the success of the pilot program, (ii) any challenges faced by the pilot program, (iii) outcomes for both employees and employers, (iv) impacts to the involved counties, and (v) recommendations and estimates for permanent implementation of the pilot program within Cabarrus and Stanly County, as well as statewide.

This section became effective July 1, 2023.

Report on Implementation Status of New Electronic Health Records System at State Psychiatric Hospitals (S.L. 2023-134, Sec. 9G.9/HB 259 – 2023 Appropriations Act)

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

Stop Addiction Fraud Ethics Act of 2023 (S.L. 2023-141/HB 415)

S.L. 2023-141 creates the Stop Addition Fraud Ethics Act of 2023 (SAFE Act of 2023 - Article 5H Chapter 90), which provides new laws for substance use disorder treatment providers and facilities related to truth in marketing and patient brokering and kickbacks. The new law would not apply to a hospital or a hospital authority.

The act defines the following terms: patient, referral, recovery residence, treatment facility, and treatment provider. It establishes laws for advertising and marketing materials; the operation of a recovery residence or treatment facility while also providing outpatient services; and prohibited actions and consequences for violation. A violation of the prohibited acts outlined above, constitutes an unfair or deceptive trade practice (under G.S. 75-1.1) and a person or entity in violation will be guilty of a Class G felony and each violation will be a separate offense.

The act makes it unlawful for a person, entity, treatment provider, treatment facility, recovery residence, or third party providing service to knowingly offer to pay anything of value or engage in a split-fee arrangement: (i) to induce the referral of a patient or patronage to or from a treatment provider or laboratory; (ii) in return for referring a patient or patronage to or

from a treatment provider or laboratory; (iii) in return for the acceptance or acknowledgement of treatment from a health care provider or any health care facility; or aiding or abetting conduct that violates these items. This section would not apply to a discount; payment; waiver of payment practice authorized by, or regulation adopted in accordance with, federal law (42 USC § 1320-7b(b)(3)); or a reasonable contingency management technique or motivational incentive that is part of a treatment provided by a treatment provider. A person who violates this section is guilty of a Class G felony.

The act also amends the law regarding ear wax removal by audiologists. This change is reflected in the audiology updates section of the summary of S.L. 2023-129.

The act became effective January 1, 2024, and applies to offenses committed on or after that date.

PROVIDERS, FACILITIES, AND LICENSURE

Repurpose R.J. Blackley Center as Psychiatric Hospital (S.L. 2023-3/SB115)

S.L. 2023-3 exempts from certificate of need review the conversion of the R.J. Blackley Alcohol and Drug Treatment Center in Granville County to a psychiatric hospital for children and adolescents.

This act became effective March 10, 2023.

Suitable Facilities for the Performance of Surgical Abortions (S.L. 2023-14, Part II/SB 20 – Care for Women, Children, and Families Act)

Part II of S.L. 2023-14, as amended by Part XIV of S.L. 2023-65, requires that all surgical abortions be performed in hospitals, ambulatory surgical centers, or licensed abortion clinics and establishes licensure requirements for abortion clinics. It also authorizes the Department of Health and Human Services (DHHS) to adopt rules for the regulation of abortion clinics.

This bill was vetoed by the Governor on May 14, 2023. The veto was overridden by the General Assembly on May 16, 2023. The provisions in this Part authorizing DHHS to adopt rules became effective July 1, 2023. The remaining provisions in this Part became effective October 1, 2023.

Reforms to Reduce Infant and Maternal Mortality and Morbidity and Increase Access to Contraceptives (S.L. 2023-14, Part IV/SB 20 – Care for Women, Children, and Families Act)

Refer to the Public Health heading in this document.

Controlled Substances/Opioid/Vaccine/At Home Omnibus (S.L. 2023-15/SB 206)

S.L. 2023-15 seeks to stop counterfeit pills by making pill counterfeiting a Class E felony; expands the definition of opioid antagonist; continues to authorize pharmacists, pharmacy interns, and pharmacy technicians to administer vaccinations and immunizations in response to the expiring Public Readiness and Emergency Preparedness Act (PREP Act); and extends the Acute Hospital Care at Home Program as implemented by the Centers for Medicare and Medicaid.

The counterfeit pills change became effective December 1, 2023, and applies to offenses committed on or after that date. The acute hospital care at home program change became effective May 19, 2023, and expires on December 31, 2024. The remaining changes became effective May 19, 2023.

Department of Health and Human Services Revisions (S.L. 2023-65/HB 190)

Refer to the Public Health heading in this document.

Clarify Reference Pertaining to Administration of Midwifery (S.L. 2023-79/SB 389)

Section 2 of S.L. 2023-79 makes technical and clarifying changes to Section 4.3 of SL 2023-14 pertaining to midwifery statutes and the reference to the "joint subcommittee".

These changes became effective October 1, 2023.

Mental Health Licensure Fair Practice Standards (S.L. 2023-80/HB 344)

S.L. 2023-80 requires the Division of Health Service Regulation, Department of Health and Human Services, to establish a quality dashboard making licensure, rule violation, and contested case information available on its website. It also must establish a workgroup to identify ongoing issues and provide training to providers based on the workgroup's findings.

This act became effective October 1, 2023.

Certified Alcohol and Drug Counselor Supervision Requirements (S.L. 2023-83/SB 45)

S.L. 2023-83 modifies the supervision requirements for certified alcohol and drug counselors as well as those for certified criminal justice addictions professionals.

This act became effective October 1, 2023.

Chiropractic Preceptorship Modifications (S.L. 2023-84/SB 507)

S.L. 2023-84 allows students in a chiropractic preceptorship program to observe and perform chiropractic services under the direct supervision of a licensed chiropractor.

This act became effective October 1, 2023.

North Carolina Health and Human Services Workforce Act (S.L. 2023-129/HB 125)

S.L. 2023-129, as amended by Section 2.7 of S.L. 2023-141, makes numerous changes in a range of content areas as outlined below.

- **Allows Military Relocation Licenses for Physician and Physician Assistant Servicemembers and Spouses.** – Part I creates a new statute (G.S. 90-12.02) to allow the North Carolina Medical Board to issue a military relocation license to a physician or physician assistant who is a servicemember of the United States Armed Forces or

the spouse of a servicemember not otherwise actively licensed by the Board as long as specified criteria are met. This section becomes effective February 1, 2024.

- **Modifies the Hearing Aid Dealers and Fitters Laws with regard to Over-the-Counter Hearing Aids.**– Part III amends the definition section (G.S. 93D-1) that pertains to the North Carolina State Hearing Aid Dealers and Fitters Board to include a definition for an "over-the-counter hearing aid" as that term is defined by the United States Food and Drug Administration (in 21 C.F.R. § 801). It further provides that the Chapter of the General Statutes for Hearing Aid Dealers and Fitters (Chapter 93D) does not apply to the selling of over-the-counter hearing aids.

- **Modifies Behavior Analyst Credentialing.** - Part IV amends the definition section of the law (G.S. 90-732) to provide that the certifying entity includes the nationally accredited Qualified Behavior Analysis Credentialing Board, in addition to the nationally accredited Behavior Analyst Certification Board.

- **Makes Modifications to Optometry Laws**. – Part V amends the licensure renewal dates; increases a number of license fees; amends the criteria for being issued a license or being subject to discipline, suspension, or revocation of a license; and outlines incidences that must be reported to the Board, as well as clarifying the duty to report and specifying how those reports must be made. These changes became effective October 1, 2023.

  This Part also authorizes an optometrist registered with the North Carolina Board of Pharmacy to dispense certain drugs and establishes the fees for a dispensing optometrist under the Board of Pharmacy. Requires the State Board of Examiners of Optometry and the Board of Pharmacy to adopt rules. These changes become effective March 1, 2024.

- **Requires Evaluation of Federal Requirements and, if appropriate, Requires Development of a Plan to Transition the Nurse Aide I Education and Training Program from the Department of Health and Human Services to the Board of Nursing.**- Part VII requires the Board of Nursing and the Division of Health Service Regulation, Department of Health and Human Services (DHHS), to evaluate the federal requirements applicable to the Nurse Aide I education and training program and, to the extent consistent with the applicable federal requirements, develop a plan for the Board of Nursing to assume responsibility for and provide oversight of all nurse aide programs, regardless of nurse aide title, as individuals in these positions collaborate with nurses and other health care providers to deliver care across all health care settings. The registries will continue to be maintained by DHHS.

  On or before September 1, 2024, DHHS and the Board of Nursing must report to the Joint Legislative Oversight Committee on Health and Human Services on the evaluation of the federal requirements and, to the extent consistent with the applicable federal requirements, provide a plan for the Board of Nursing to assume responsibility for it, a transition time line, and recommendations for statutory changes

necessary to transition the Nurse Aide I education and training program from DHHS to the Board of Nursing.

- **Protect Health Care Workers from Violence.** – Part VIII contains several new laws related to protecting health care workers.

  Section 8.1 adds a new law (Part 3A to Article 5, of Chapter 131E) titled the "Hospital Violence Prevention Act" as outlined below.

  - *Security Assessment and Security Plan Evaluating the Appropriateness of a Law Enforcement Officer in a Hospital Emergency Department* – This section requires each hospital licensed under the Article that has an emergency department to conduct a security risk assessment and develop and implement a security plan. Unless the exemption applies, the security plan must ensure that at least one law enforcement officer is present at all times in the emergency department or on the same campus of the emergency department, except when temporarily required to leave in connection with the discharge of their duties.

  - *Exemption to the Requirement to Have a Law Enforcement Officer Present* - A hospital with an emergency department is not required to have at least one law enforcement officer present in the emergency department or on the hospital campus at all times if the hospital in good faith determines that a different level of security is necessary and appropriate for any of its emergency departments based upon findings in the security risk assessment. A hospital determining that a different level of security is necessary and appropriate must include the basis for that determination in its security risk assessment, and the security plan must include the following: the signature of the county sheriff; the signature of the municipal police chief, if applicable; and the approval and signature of the county emergency management director.

  - *Violence Prevention* - Additionally, every hospital with an emergency department must provide appropriate hospital workplace violence prevention program training, education, and resources to staff, practitioners, and non-law enforcement officer security personnel.

  - *Access to Security Plans* - DHHS must have access to all security plans for hospitals with an emergency department and must maintain a list of those hospitals with a security plan where the hospital has determined an exemption from the law enforcement officer requirement is appropriate. A hospital security risk assessment and a hospital security plan, regardless of who has custody of the assessment or plan, are not public records as defined by Chapter 132 of the General Statutes.

  - *Reports (G.S. 131E- 88.2)* –

    - Annually by October 1, the Division of Health Service Regulation, DHHS, must collect the following data from hospitals for the preceding calendar

year: (i) the number of assaults occurring in the hospital or on hospital grounds that required the involvement of law enforcement, whether the assaults involved hospital personnel, and how those assaults were pursued by the hospital and processed by the judicial system, (ii) the number and impact of incidences where patient behavioral health and substance use issues resulted in violence in the hospital and the number that occurred specifically in the emergency department, and (iii) the number of workplace violence incidences occurring at the hospital that were reported as required by accrediting agencies, the Occupational Safety and Health Administration, and other entities.

DHHS must compile this information and share that data with the North Carolina Sheriffs' Association, the North Carolina Association of Chiefs of Police, and the North Carolina Emergency Management Association. Further, DHHS must request these organizations examine the data and make recommendations to DHHS to decrease the incidences of violence in hospitals and to decrease assaults on hospital personnel. The first data collection for this report must occur on or before September 1, 2025. The first report required is due on or before December 1, 2025.

- Annually by September 1, the Administrative Office of the Courts shall report to DHHS the number of persons charged and convicted during the preceding calendar year of assault or affray on a firefighter, an emergency medical technician, medical responder, and medical practice and hospital personnel (G.S. 14-34.6). This portion of the act became effective October 1, 2024, and the first report is due October 1, 2025. This portion of the act expires October 30, 2030.
- DHHS is required to compile the information from the above reports and report findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services annually by December 1.

  By October 1, 2023, DHHS must notify all licensed hospitals of the requirements of this Part including the reporting requirements. The notification requirement became effective September 29, 2023.

Except as otherwise provided, Section 8.1 pertaining to the Hospital Violence Prevention Act becomes effective October 1, 2024.

- *Assault on a health care worker.* – Section 8.2(a) amends the criminal statute (G.S. 14-34.6) for assaulting a firefighter, emergency medical technician, medical responder, and hospital personnel to include medical practice personnel and individuals under contract to provide services at a hospital or medical practice. A person who commits an assault or affray causing physical injury on any of the covered individuals who are discharging or attempting to discharge their official duties is guilty of a Class I felony. Unless a person's conduct is covered under some other provision of law providing greater

punishment, a person is guilty of a Class F felony (previously Class G) if the person inflicts serious bodily injury or uses a deadly weapon other than a firearm. Unless a person's conduct is covered under some other provision of law providing greater punishment, a person is guilty of a Class D felony (previously Class E) if the person uses a firearm. This section became effective December 1, 2023, and applies to offenses committed on or after that date.

- *Assault on legislative officer, executive officer, or court officer* – Section 8.2(b) amends a criminal statute (G.S. 14-16.6(c)) to increase the penalty from a Class F to a Class E for inflicting serious bodily injury to a legislative officer, executive officer, or court officer. Section 8.2(c) amends another statute (G.S. 14-16.10(1)) to clarify that a "court officer" includes any attorney or other individual employed by, contracted by, or acting on behalf of a county department of social services. This section became effective December 1, 2023, and applies to offenses committed on or after that date.
- *Aggravating Factors* – Section 8.3 amends the criminal law (G.S. 15A-1340.16) pertaining to aggravated and mitigated sentences to include as an aggravating factor a defendant who commits an offense on the property of a hospital and a defendant who commits an offense on the property of a medical practice. This section becomes effective December 1, 2023, and applies to offenses committed on or after that date.

- **Extend Flexibility for Ambulance Transport Provided.** – Part X clarifies that the flexibilities previously enacted regarding the temporary waiver of credentialed personnel in an ambulance continue to apply to Non-Emergency Medical Transportation (NEMT) services through May 11, 2024. DHHS is required to work with NEMT stakeholders to develop a permanent plan regarding staffing as included in the waiver. This section became effective September 29, 2023, and expires May 11, 2024.
- **Audiology Updates.** – Part XII, as amended by Section 2.7 of S.L. 2023-141, modifies the statutes (Article 22 of Chapter 90) governing the practice of audiology, including modifications to reflect the new definition of over-the-counter hearing aids. It also amends the definition of audiology to include specified responsibilities. This Part creates a new statute on the treatment of minors (G.S. 90-294A) which provides that audiologists who are supervised by a physician can assess minors for hearing impairment treatment. Other changes (G.S. 90-295) include the clinical experience needed for licensure is no longer required to be broken down into specific treatment areas however the amount of overall clinical experience would remain unchanged. Changes also include the fee for an audiology assistant would have to be submitted to the Board prior to the assistant being registered (G.S. 90-298.1).

  The change in S.L. 2023-141 to this section clarifies that audiologists are prohibited from performing complex earwax removal which includes instances where it is impacted to the point that it requires anesthesia or micro instrumentation.

  These changes became effective January 1, 2024.

- **Adjust Medicaid Reimbursement for Dental Procedures Performed in Ambulatory Surgical Centers**. – Part XV provides that the following apply to the new Healthcare Common Procedure Coding System (HCPCS) procedure code G0330, adopted by DHHS as of January 1, 2023, and incorporated into the Medicaid Clinical Coverage Policy 4A: Dental Services:
    - The Division of Health Benefits (DHB), DHHS, is not allowed to be reimbursed for ambulatory surgical centers based solely on the length of the procedure. As of July 1, 2023, DHB must reimburse ambulatory surgical centers so that services billed under procedure code G0330 are reimbursed at 95% of the total payment rate listed on the Medicare Part B Hospital Outpatient Prospective Payment System (OPPS), in effect as of January 1, 2023. Starting January 1, 2024, and each year thereafter, DHB shall update these rates annually so that services are reimbursed at 95% of the Medicare Part B OPPS payment rate, in effect as of January 1, for that procedure code.
    - Since services billed under procedure code G0330 are surgical procedures and not traditional dental procedures, all standard benefit plans and behavioral health/intellectual and developmental disabilities tailored plans are required to cover these procedures.
- **Amend the Definition of a Bar in the Sanitation Statutes**. – This language defines a "bar" as an establishment with a permit to sell alcoholic beverages and does not prepare or serve food other than beverage garnishes, ice, or food that does not require time or temperature control.

Except as otherwise provided above, the contents of the act became effective September 29, 2023.

Expansion of the Medical Assistant Apprenticeship Initiative Pilot Program (S.L. 2023-134, Sec. 9B.5/HB 259 – 2023 Appropriations Act).

Section 9B.5 of S.L. 2023-134 requires the Office of Rural Health, Division of Central Management, Department of Health and Human Services, to allocate $1,703,250 in nonrecurring funds from the ARPA Temporary Savings Fund for each year of the 2023-2025 fiscal biennium as a grant to the North Carolina Community Health Center Association (NCCHCA) to expand its Medical Assistant Apprenticeship Initiative. The apprentices funded by this initiative will be placed at the following sites:

- Rural Health Group, Inc. locations in Edgecombe, Granville, Halifax, Northampton, Vance, and Warren Counties.
- OIC Family Medical Center.
- Cabarrus Rowan Community Health Centers, Inc.
- Kintegra Health in Davidson County.

- United Health Centers in Forsyth County.

NCCHCA must report on the use of the funds to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1, 2024, and November 1, 2025.

This section became effective July 1, 2023.

Division of Health Service Regulation Report (S.L. 2023-134, Sec. 9F.10/HB 259 – 2023 Appropriations Act)

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

New Rural Emergency Hospital Designation (S.L. 2023-134, Sec. 9F.11/HB 259 – 2023 Appropriations Act)

Section 9F.11 of S.L. 2023-134 amends the definition of "hospital" in the Hospital Licensure Act to include a rural emergency hospital as defined by the Centers for Medicare and Medicaid Services (CMS). Previously existing hospitals that seek CMS designation as rural emergency hospitals must notify the Department of Health and Human Services that they are seeking that designation.

This section became effective October 3, 2023.

Codify Existing Stroke Center Designations and Add a Thrombectomy-Capable Stroke Center Designation (S.L. 2023-137, Sec. 30/H600 – 2023 Regulatory Reform Act).

Section 30 of S.L. 2023-137 codifies existing stroke center designations, creates a new designation for thrombectomy-capable stroke centers, and requires stroke-certified hospitals to report their certifications to the Department of Health and Human Services within 90 days of receiving the certification.

This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on October 10, 2023.

Revisions Regarding the Lease or Sale of Hospital Facilities to or from For-Profit or Nonprofit Corporations or Other Business Entities by Municipalities and Hospital Authorities (S.L. 2023-137, Sec. 53/H600 – 2023 Regulatory Reform Act).

Section 53 of S.L. 2023-137 exempts from sale and leasing requirements any leases in which the same tenant has continuously held possession of a hospital facility, or part of a hospital facility, since at least June 30, 1984.

This bill was vetoed by the Governor on October 2, 2023, and that veto was overridden by the General Assembly on October 10, 2023. This section became effective on January 1, 2024.

Senior Care Options (S.L. 2023-1150/SB 274)

S.L. 2023-150 establishes licensure requirements for home assistance services providers, which are defined as entities licensed by the Department of Health and Human Services to provide in-home companion, sitter, or respite care services and homemaker services.

This act became effective November 9, 2023.

PUBLIC HEALTH

Reforms to Reduce Infant and Maternal Mortality and Morbidity and Increase Access to Contraceptives (S.L. 2023-14, Part IV/SB 20 – Care for Women, Children, and Families Act)

Part IV of S.L. 2023-14, as amended by Section 2 of S.L. 2023-79, appropriates funds for long-term birth control, increases the Medicaid rate for obstetrics maternal bundle payments, expands the practice authority of Certified Nurse Midwifes, and appropriates funds to expand the Safe Sleep North Carolina Campaign.

This bill was vetoed by the Governor on May 14, 2023. The veto was overridden by the General Assembly on May 16, 2023. The Certified Nurse Midwife provisions in this Part became effective October 1, 2023. The remainder of the Part became effective July 1, 2023.

Transformational Investments in North Carolina Health (S.L. 2023-134, Sec. 4.10/HB 259 – 2023 Appropriations Act)

Section 4.10 of S.L. 2023-134 recodifies many of the existing provisions relating to the University of North Carolina Health Care System and the East Carolina University Health Care System. It expands some of those provisions, giving the Board of Directors and Chancellor more authority, and it allows the UNC System to purchase insurance or self-insure against medical malpractice claims. It clarifies that the UNC System is a State agency and states that employees of both systems hired on or after January 1, 2024, are ineligible to participate in the Teachers' and State Employees' Retirement System. Finally, the act makes conforming changes throughout the General Statutes, appropriates $420 million to the NC Care Initiative, and contains reporting requirements.

The appropriation and reporting provisions became effective July 1, 2023. The remaining provisions became effective October 3, 2023.

Community Health Grant Program (S.L. 2023-134, Sec. 9B.2/HB 259 – 2023 Appropriations Act)

Section 9B.2 of S.L. 2023-134 continues funding of the Community Health Grant Program administered by the Office of Rural Health (ORH), Division of Central Management, Department of Health and Human Services. No individual grant can exceed $150,000, and ORH must consider (i) the incidence of poverty in the area served by the applicant, or the number of indigent clients served by the applicant; (ii) the availability of, or arrangements for, after-hours care; and (iii) collaboration between the applicant and a community hospital or other safety net organizations in awarding grants. Grant money may not be used to enhance compensation or benefits or supplant existing funds, and only $200,000 may be spent for administrative purposes. ORH must

submit annual reports on September 1 on the grants to the Joint Legislative Oversight Committee on Health and Human Services.

This section became effective July 1, 2023.

Funds for North Carolina Dental Society Foundation's Missions of Mercy Dental Clinics (S.L. 2023-134, Sec. 9B.3/HB 259 – 2023 Appropriations Act)

Section 9B.3 of S.L. 2023-134 requires funds allocated to the North Carolina Dental Society Foundation's Missions of Mercy Dental Clinics to be used only for providing direct services to patients and purchasing dental supplies. No funds may be spent for administrative purposes.

This section became effective July 1, 2023.

Expansion of the North Carolina Loan Repayment Program/Incentives for the Recruitment and Retention of Health Providers in Outpatient Primary Care Settings in Rural, Underserved Areas (S.L. 2023-134, Sec. 9B.4/HB 259 – 2023 Appropriations Act)

Section 9B.4 of S.L. 2023-134 requires the Office of Rural Health (ORH), Division of Central Management, Department of Health and Human Services, to allocate $25 million in nonrecurring funds from the ARPA Temporary Savings Fund for each year of the 2023-2025 fiscal biennium to the North Carolina Loan Repayment Program (NC LRP). The funds must be used as follows:

- $9 million in nonrecurring funds for each year of the 2023-2025 fiscal biennium is allocated to expand the current NC LRP.
- $5 million in nonrecurring funds for each year of the 2023-2025 fiscal biennium is allocated to fund a new initiative to recruit and retain primary care physicians in rural and underserved areas of the state.
- $10 million in nonrecurring funds for each year of the 2023-2025 fiscal biennium is allocated to fund a new initiative to recruit and retain behavioral health providers in rural and underserved areas of the state.
- $1 million in nonrecurring funds for each year of the 2023-2025 fiscal biennium is allocated to expand the NC LRP to include nurses.

Up to 5% of the funds allocated may be used for administrative purposes and to partner with the North Carolina Area Health Education Center Program to enroll additional NC LRP participants. ORH must report to the Joint Legislative Oversight Committee on Health and Human Services on January 1, 2025, and January 1, 2026, on the use of the funds appropriated under this section. This section became effective July 1, 2023.

Funds for Telehealth Infrastructure Grant Program (S.L. 2023-134, Sec. 9B.7A/HB 259 – 2023 Appropriations Act)

Section 9B.7A of S.L. 2023-134 requires the Office of Rural Health (ORH), Division of Central Management, Department of Health and Human Services, to allocate $5 million in nonrecurring funds for the 2023-2024 fiscal year and $15 million in funds for the 2024-2025 fiscal year from the ARPA Temporary Savings Fund to award competitive grants to rural healthcare providers to purchase the infrastructure necessary for establishing telehealth services. ORH must report on the grants to the Joint Legislative Oversight Committee on Health and Human Services on April 1, 2024, and April 1, 2025.

This section became effective July 1, 2023.

Temporary Certificate of Need Exemption (S.L. 2023-134, Sec. 9F.1/HB 259 – 2023 Appropriations Act)

Section 9F.1 of S.L. 2023-134 extends the deadline for a certificate of need waiver in the 2021 Appropriations Act for a new acute care hospital in a county that (i) has a population between 40,000 and 50,000, (ii) has an area under 460 square miles, (iii) has a city located in more than one county, and (iv) borders another state from December 31, 2024, to December 31, 2027.

This section became effective July 1, 2023.

Use of Opioid Settlement Funds (S.L. 2023-134, Sec. 9G.8/HB 259 – 2023 Appropriations Act)

Section 9G.8 of S.L. 2023-134 directs the State Controller to transfer $5.5 million in nonrecurring funds for the 2023-2024 fiscal year and $5.5 million in nonrecurring funds for the 2024-2025 fiscal year from the Opioid Abatement Reserve to the Board of Governors of the University of North Carolina. For the 2023-2024 fiscal year, $300,000 of the funds are to conduct a study on judicially managed accountability and recovery courts. The remaining amount of the funds are to make grants available to each campus of the constituent institutions of the University of North Carolina for opioid abatement research and development projects.

Section 9G.8 of S.L. 2023-134 instructs the State Controller to transfer $3,692,461 in nonrecurring funds for the 2023-2024 fiscal year and $4,478,462 in nonrecurring funds for the 2024-2025 fiscal year from the Opioid Abatement Reserve to the Opioid Abatement Fund to the Division of Mental Health, Developmental Disabilities, and Substance Use Services (DMH/DD/SUS), Department of Health and Human Services, to be allocated as grants to specified recipients. Fund recipients must use the grants to fund opioid remediation programs, services, and activities within the State.

Recipients of funds under this section are required to report by September 1, 2024, and by September 1, 2025, to DMH/DD/SUS, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division with (i) an itemized list of expenditures and (ii) the types of opioid remediation programs funded and the number of people served, broken down by geographic location.

This section became effective July 1, 2023.

Local Health Departments/Competitive Grant Process to Improve Maternal and Child Health (S.L. 2023-134, Sec. 9H.1/HB 259 – 2023 Appropriations Act)

Section 9H.1 of S.L. 2023-134 requires that funds appropriated to the Division of Public Health (DPH), Department of Health and Human Services (DHHS), for each year of the 2023-2025 fiscal biennium to award competitive grants to local health departments for the improvement of maternal and child health must be used to continue administering a competitive grant process for local health departments based on maternal and infant health indicators and the county's detailed proposal to invest in evidence-based programs to achieve the following goals:

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

- **Plan for Administering Grants**- The plan for administering the competitive grant process must include specified components. These components include the following:
    - A request for application (RFA) process to allow local health departments to apply for and receive State funds on a competitive basis and DHHS must require local health departments to include specified information in the application.
    - A requirement that the Secretary prioritize grant awards to those local health departments that are able to leverage non-State funds in addition to the grant award.
    - Assurances that funds received by DHHS to implement the plan supplement and do not supplant existing funds for maternal and child health initiatives.
    - Grants may be awarded to local health departments for up to two years.
- **Awarding the Grants and Reporting** - The Secretary must announce the recipients of the competitive grant awards and allocate fund to recipients no later than July 1 each year. Then the Secretary is required to submit a report to the Joint Legislative Oversight Committee on Health and Human Services that specifies the following for each grant award: the identity and a brief description of each grantee and each program or initiative offered by the grantee; the amount of funding awarded; and the number of persons served by each grantee, broken down by program or initiative.
- **Local Public Health Department Reports on Grant Activities** – No later than February 1 of each year, each local health department receiving funding pursuant to this section in the

respective fiscal year must submit to DPH a written report of all activities funded by State appropriations. The report must include the following specific information about the fiscal year preceding the year in which the report is due:

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

This section became effective July 1, 2023.

Report on Premium Assistance Program Within AIDS Drug Assistance Program (S.L. 2023-134, Sec. 9H.2/HB 259 – 2023 Appropriations Act)

Section 9H.2 of S.L. 2023-134 provides that if the Division of Public Health, Department of Health and Human Services (DHHS), determines that in six months or less, it will no longer be feasible to operate the health insurance premium assistance program, implemented within the North Carolina AIDS Drug Assistance Program (ADAP), on a cost-neutral basis or in a manner that achieves savings to the State, DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services notifying the Committee of this determination along with supporting documentation and a proposed course of action with respect to health insurance premium assistance program participants.

This section became effective July 1, 2023.

Limitation on Use of State Funds for Abortion (S.L. 2023-134, Sec. 9H.3/HB 259 – 2023 Appropriations Act)

Section 9H.3 of S.L. 2023-134 amends the statute (G.S. 143C-6-5.5) pertaining to the limitation on State funds for abortions to specify that no State funds may be used by a State agency to renew or extend existing contracts or enter into new contracts for the provision of family planning services, pregnancy prevention activities, or adolescent parenting programs with any provider that performs abortions. This language is not intended to prevent a State agency

from paying any healthcare provider for services authorized under the State Health Plan for Teachers and State Employees or the Medicaid program.

This section became effective July 1, 2023.

Use of Juul Settlement Funds (S.L. 2023-134, Sec. 9H.4/HB 259 – 2023 Appropriations Act).

Section 9H.4 of S.L. 2023-134 appropriates $11.25 million in nonrecurring funds for the 2023-2024 fiscal year, and $11.25 million in nonrecurring funds for the 2024-2025 fiscal year, from the Youth Electronic Nicotine Dependence Abatement Fund to the Division of Public Health, Department of Health and Human Services (DHHS).

For the 2023-2024 fiscal year, $750,000 shall be used to support data monitoring to track tobacco/nicotine use and exposure among youth, young adults, and populations at risk and for independent evaluation of the State's evidence-based programs designed to help youth addicted through electronic cigarettes and other emerging products to quit.

This section directs DHHS to annually report an itemized list of expenditures, and an evaluation of the reach, effectiveness, and outcomes of funded activities, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1, 2023.

This section became effective July 1, 2023.

Requirement and Funding for the Office of the Chief Medical Examiner to Conduct Toxicology Screening in all Child Death Cases Under the Jurisdiction of a Medical Examiner (S.L. 2023-134, Sec. 9H.7/HB 259 – 2023 Appropriations Act)

Section 9H.7 of S.L. 2023-134 amends the duties of the medical examiner (G.S. 130A-385) to include conducting a comprehensive toxicology screening in all child death cases under the jurisdiction of the medical examiner.

This section provides that of the funds appropriated to the Office of the Chief Medical Examiner (OCME), Division of Public Health, Department of Health and Human Services, the recurring sum of $164,696 for each year of the 2023-2023 fiscal biennium and the nonrecurring sum of $550,000 for the 2023-2024 fiscal year must be allocated and used to comply with the toxicology screening requirements required by law (G.S. 130A-385(a1)). OCME may also use allocated funds to create permanent, full-time positions to enable comprehensive toxicology screening in all child deaths that fall within the jurisdiction of the medical examiner.

This section also instructs the OCME to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by December 30, 2024, and December 30, 2025, on (i) the number of child deaths that fell within the medical

examiner's jurisdiction, (ii) the number of child deaths reported for which the toxicology screening under this section was performed, and (iii) an explanation for any delay or failure to comply with the toxicology screening required by this section.

The addition of toxicology screening in all child death cases to the duties of the medical examiner becomes effective January 1, 2024, and applies to child death cases pending or initiated after that date. The remainder of this section became effective July 1, 2023.

Autopsy Requirement in Suspected Death by Distribution Cases; Increased Autopsy Fees; Funding to Increase the Autopsy Capacity of the Medical Examiner System; Strategic Plan for Improving the Medical Examiner System; Annual Autopsy Centers Report (S.L. 2023-134, Sec. 9H.8/HB 259 – 2023 Appropriations Act)

Section 9H.8(a) of S.L. 2023-134 repeals the autopsy law changes (G.S. 130A-389) enacted by Section 5 of S.L. 2023-123 (SB 189).

Section 9H.8(b) amends the autopsy law (G.S. 130A-389) to add a requirement for the Chief Medical Examiner, or designee, to perform an autopsy or other study in any case in which the district attorney of the county asserts there is probable cause to believe a violation the death by distribution law (G.S.14-18.4) has occurred. This section became effective December 1, 2023, and applies to medical examiner cases arising on or after that date.

Section 9H.8(c) amends the law (G.S. 130A-389) to increase the autopsy fees from $2,800 to $5,800, with the county where the deceased resided to pay $3,625, and the State paying the remaining $2,175, unless the death occurred outside the deceased's county, in which case the State pays the entire fee of $5,800. This section became effective July 1,2024.

Section 9H.8(d) allocates $2 million in recurring funds for the 2023-2024 fiscal year and $2 million in recurring funds for the 2024-2025 fiscal from the funds appropriated to the Office of the Chief Medical Examiner (OCME), Division of Public Health (DPH), Department of Health and Human Services (DHHS), to be used to increase the capacity of the medical examiner system to perform autopsies.

Section 9H.8(e)-(f) requires OCME to develop and submit a strategic plan for improving the operation and efficiency of the State's medical examiner system. The report must be submitted by March 1, 2024, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The strategic plan must include an evaluation and recommendations for any proposed reorganization of the medical examiner system, necessary legislative changes, an explanation of obstacles, a long-term plan for the establishment of additional regional autopsy centers, and recruitment strategies. OCME must collaborate with industry representatives in developing the strategic plan.

Section 9H.8(g) directs OCME to submit an annual report with specified information beginning February 1, 2024, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the autopsy centers and regional autopsy centers within the North Carolina medical examiner system. The report must include:

- The total number of death investigation toxicology screenings and autopsies, by center.
- The number of death investigation toxicology screening and autopsies performed by the center as a result of a district attorney request.
- The total number of outstanding autopsies to be completed by the center on the report date.
- Beginning with the February 1, 2025, report, an analysis of the newly established autopsy fee.

Except as otherwise provided, this section became effective July 1, 2023.

South Piedmont Regional Autopsy Center Funds (S.L. 2023-134, Sec. 9H.10/HB 259 – 2023 Appropriations Act)

Section 9H.10 of S.L. 2023-134 provides that of the funds appropriated to the Office of the Chief Medical Examier (OCME), Division of Public Health, Department of Health and Human Services (DHHS), $2 million in recurring funds for the 2023-2024 fiscal year, and $2 million in recurring funds for the 2024-2025 fiscal year, must be allocated to Union County for operational costs and equipment associated with the establishment of a county-operated regional autopsy center. There are nine counties, including Union, specified to be served by the autopsy center.

Union County must notify DHHS, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division when the autopsy center funded by this section is operational. OCME is required to enter into a contract with Union County with specified terms.

The section also requires Union County to submit progress reports by February 1, 2024, and December 1, 2024, to DHHS, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division on the status and operation of the regional autopsy center.

This section became effective July 1, 2023.

East Carolina University Regional Autopsy Center (S.L. 2023-134, Sec. 9H.10A/HB 259 – 2023 Appropriations Act)

Section 9H.10A of S.L. 2023-134 directs the Office of the Chief Medical Examiner(OCME), Division of Public Health, Department of Health and Human Services (DHHS), to ensure any

contract for the performance of pathology service with East Carolina University (ECU) includes the following requirements: (i) ECU is reimbursed for each completed autopsy; (ii) ECU, at the request of the OCME, serves as a backup for performing autopsies for other areas of the State in certain circumstances; (iii) ECU is available for critical medical examiner surge capacity, and (iv) the authority of the Chief Medical Examiner to contract with qualified persons to perform or provide support services for autopsies and other investigations is preserved.

The section also requires ECU to notify DHHS, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division, when the new ECU Medical Examiner's Office, listed as project code "UNC/ECU23-3" in Section 40.1 of S.L. 2023-134, is completed and has begun operation.

Annually beginning February 1, 2024, ECU is required to submit a progress report to DHHS, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division on the status of relocating the regional autopsy center serving the State's eastern counties.

This section became effective October 3, 2023, and applies to contracts entered into, extended, or renewed on or after that date.

Establishment and Funding of the State Office of Child Fatality Prevention within the Department of Health and Human Services, Division of Public Health (S.L. 2023-134, Sec. 9H.15/HB 259 – 2023 Appropriations Act)

Refer to the Children and Families heading in this document.

STUDIES, REPORTS, AND PILOT PROGRAMS

Quality Rating and Improvement System (QRIS) – Star Rating Reform (S.L. 2023-40/SB 291)

Section 2 of S.L. 2023-40 requires the North Carolina Child Care Commission (Commission) to complete recommendations for QRIS/Star Rating reform by March 31, 2024, and submit those recommendations to the Joint Legislative Oversight Committee on Health and Human Services before the 2024 legislative session begins. Those recommendations must include accreditation from a national early childhood education (ECE) accreditation organization as an alternative path to earning a Star Rating equivalent to the accreditation requirements.

This act became effective June 12, 2023.

Refer to the full summary for this act located under the Children and Families heading.

North Carolina Health and Human Services Workforce Act (S.L. 2023-129/HB 125)

S.L. 2023-129, as amended by Section 2.7 of S.L. 2023-141, requires submission of the following reports:

- On or before September 1, 2024, the Department of Health and Human Services (DHHS) and the Board of Nursing must report to the Joint Legislative Oversight Committee on Health and Human Services on the evaluation of the federal requirements applicable to the Nurse Aide I education and training program (Program) and, to the extent consistent with the applicable federal requirements, provide a plan for the Board of Nursing to assume responsibility for it, a transition time line, and recommendations for statutory changes necessary to transition the Program from DHHS to the Board of Nursing.
- Annually by October 1, the Division of Health Service Regulation, DHHS, must collect the following data from hospitals for the preceding calendar year: (i) the number of assaults occurring in the hospital or on hospital grounds that required the involvement of law enforcement, whether the assaults involved hospital personnel, and how those assaults were pursued by the hospital and processed by the judicial system, (ii) the number and impact of incidences where patient behavioral health and substance use issues resulted in violence in the hospital and the number of those incidences that occurred specifically in the emergency department, and (iii) the number of workplace violence incidences occurring at the hospital that were reported as required by accrediting agencies, the Occupational Safety and Health Administration, and other entities. DHHS must compile this information and share that data with the North Carolina Sheriffs' Association, the North Carolina Association of Chiefs of Police, and the North Carolina Emergency Management Association. Further, DHHS must request these organizations examine the data and make

recommendations to DHHS to decrease the incidences of violence in hospitals and to decrease assaults on hospital personnel. The first data collection for this report must occur on or before September 1, 2025. The first report required is due on or before December 1, 2025.

- Annually by September 1, the Administrative Office of the Courts shall report to DHHS the number of persons charged and convicted during the preceding calendar year of assault or affray on a firefighter, an emergency medical technician, medical responder, and medical practice employee, or hospital personnel employee (G.S. 14-34.6 and G.S. 131E-88.3). This portion became effective October 1, 2024, and the first report is due October 1, 2025. The reporting requirement expires October 30, 2030.
- DHHS must compile the information from the above reports and report findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services annually by December 1.
- By October 1, 2023, the Department of Health and Human Services must notify all licensed hospitals of the reporting requirements. The notification requirement became effective September 29, 2023.

Refer to the full summary for this act located under the Providers, Facilities, and Licensure heading.

Transformational Investments in North Carolina Health (S.L. 2023-134, Sec. 4.10/HB 259 – 2023 Appropriations Act).

Section 4.10 of S.L. 2023-134 contains reporting requirements.

The reporting provisions became effective July 1, 2023.

Refer to the full summary for this section located under the Public Health heading.

Reports by Non-State Entities on the Use of Directed Grant Funds (S.L. 2023-134, Sec. 9B.1/HB 259 – 2023 Appropriations Act)

Section 9B.1 of S.L. 2023-134 requires the Department of Health and Human Services to submit to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division all reports received under the administrative code requirement (9 NCAC 03M .0205) from non-State entities, as defined in statute (G.S. 143C-1-1), that are recipients of nonrecurring funds allocated in Part IX-B of the act as a directed grant. The reports must be submitted based on the following schedule:

- By November 1, 2024, all reports on the use of directed grant funds received under the applicable Part for the 2023-2024 fiscal year.
- By November 1, 2025, all reports on the use of directed grant funds received under the applicable Part for the 2024-2025 fiscal year.

This section became effective July 1, 2023.

Community Health Grant Program (S.L. 2023-134, Sec. 9B.2/HB 259 – 2023 Appropriations Act).

Section 9B.2 of S.L. 2023-134 continues funding of the Community Health Grant Program administered by the Office of Rural Health (ORH), Division of Central Management, Department of Health and Human Services. ORH must submit annual reports on the grants on September 1 to the Joint Legislative Oversight Committee on Health and Human Services.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Public Health heading.

Expansion of the North Carolina Loan Repayment Program/Incentives for the Recruitment and Retention of Health Providers in Outpatient Primary Care Settings in Rural, Underserved Areas (S.L. 2023-134, Sec. 9B.4/HB 259 – 2023 Appropriations Act)

Section 9B.4 of S.L. 2023-134 requires the Office of Rural Health (ORH), Division of Central Management, Department of Health and Human Services, to allocate $25 million in nonrecurring funds from the ARPA Temporary Savings Fund for each year of the 2023-2025 fiscal biennium to the North Carolina Loan Repayment Program (NC LRP). ORH must report to the Joint Legislative Oversight Committee on Health and Human Services on January 1, 2025, and January 1, 2026, on the use of the funds appropriated under this section.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Public Health heading.

Expansion of the Medical Assistant Apprenticeship Initiative Pilot Program (S.L. 2023-134, Sec. 9B.5/HB 259 – 2023 Appropriations Act)

Section 9B.5 of S.L. 2023-134 requires the Office of Rural Health, Division of Central Management, Department of Health and Human Services, to allocate $1,703,250 in nonrecurring funds from the ARPA Temporary Savings Fund for each year of the 2023-2025 fiscal biennium as a grant to the North Carolina Community Health Center Association (NCCHCA) to expand its Medical Assistant Apprenticeship Initiative. NCCHCA must report on the use of the funds to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1, 2024, and November 1, 2025.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Providers, Facilities, and Licensure heading.

Funds for Telehealth Infrastructure Grant Program (S.L. 2023-134, Sec. 9B.7A/HB 259 – 2023 Appropriations Act)

Section 9B.7A of S.L. 2023-134 requires the Office of Rural Health (ORH), Division of Central Management, Department of Health and Human Services, to report on competitive grants to rural health care providers to the Joint Legislative Oversight Committee on Health and Human Services on April 1, 2024, and April 1, 2025.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Public Health heading.

NC Pre-K Programs and Standards for Four- and Five-Star Rated Facilities (S.L. 2023-134, Sec. 9D.1/HB 259 – 2023 Appropriations Act)

Section 9D.1 of S.L. 2023-134 requires the Division of Child Development and Early Education, Department of Health and Human Services, to report by March 15 annually to the Joint Legislative Oversight Committee on Health and Human Services, Office of State Budget and Management, and the Fiscal Research Division. This report must include the following:

- The number of children participating in the program, broken down by county.
- The number of children participating in the program who have never been served by any other early education program.
- The expected expenditures for the programs and the source of local funds.
- The results of an annual evaluation of the program.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Children and Families heading.

Child Care Allocation Formula (S.L. 2023-134, Sec. 9D.4/HB 259 – 2023 Appropriations Act)

Section 9D.4 of S.L. 2023-134 requires the Division of Child Development and Early Education, Department of Health and Human Services, to submit a report to the Joint Legislative Oversight Committee of Health and Human Services and the Fiscal Research Division by April 1 of each year of the 2023-2025 fiscal biennium, which must include the following:

- The amount of funds used for preventing termination of services and repayment of federal funds.
- The date remaining funds were distributed to counties.

- Any counties that received less funds than the previous year and the amount the funds were decreased.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Children and Families heading.

Smart Start Initiatives (S.L. 2023-134, Sec. 9D.5/HB 259 – 2023 Appropriations Act).

Section 9D.5 of S.L. 2023-134 requires that the annual report due from the North Carolina Partnership for Children, Inc. under G.S. 143B-168.12(d) must include the amount of funds spent on fundraising, any return on fundraising investments, and any other pertinent information.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Children and Families heading.

Increase Provision of In-Home Child Care/Pilot Program (S.L. 2023-134, Sec. 9D.8/HB 259 – 2023 Appropriations Act)

Section 9D.8 of S.L. 2023-134 requires the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services, to establish a pilot program that provides business and financial assistance in establishing new in-home child care programs and sustaining existing in-home child care programs and to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division of the General Assembly by January 31, 2025. The report must contain the number of child care programs created through the pilot program by county and any other relevant information.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Children and Families heading.

Tri-Share Pilot Program (S.L. 2023-134, Sec. 9D.9/HB 259 – 2023 Appropriations Act)

Section 9D.9 of S.L. 2023-134 requires the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services, in collaboration with the North Carolina Partnership for Children, Inc. (NCPC), to develop the Tri-Share Pilot Program. Within six months of the completion of the pilot program, DCDEE must submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division including, at a minimum, the following:

- The number of children served by the pilot program, by age and county.
- Total pilot program costs, including administrative costs.

- The amount of funds needed to expand the program statewide.
- The list of employers participating in the pilot program.
- Any other relevant information.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Children and Families heading.

Behavioral Health and Intellectual/Developmental Disabilities Tailored Plan Updates (S.L. 2023-134, Sec. 9E.16/HB 259 – 2023 Appropriations Act)

Section 9E.16 of S.L. 2023-134 directs certain activities related to the upcoming transition to a Medicaid managed care model for delivering whole-person physical and behavioral health services to Medicaid beneficiaries in need of specialized behavioral health services known as behavioral and intellectual/developmental disabilities tailored plans (Tailored Plans). This section requires submission of the following reports:

- The Department of Health and Human Services (DHHS) and local management entity/managed care organizations (LME/MCOs) must report on a proposal for modifying the existing statutes that require LME/MCOs to use closed provider networks. If proposed modifications are not enacted by July 1, 2024, then specified legislative changes will become effective that will require LME/MCOs to accept certain additional providers in their networks (Section 9E.16(b)).
- DHHS must report on a plan to transition the administration of the Community Alternatives Program for Disabled Adults (CAP/DA) program to Tailored Plan contracts by January 1, 2025. The report must be submitted to the Joint Legislative Oversight Committee on Medicaid by June 1, 2024 (Section 9E.16(c)).
- DHHS must report on a plan for a waiver to provide Medicaid services to the adult incarcerated population through Tailored Plans by January 1, 2025. The report must be submitted to the Joint Legislative Oversight Committee on Medicaid by January 1, 2024 (Section 9E.16(e)).

The reporting requirements of this section became effective October 3, 2023.

Refer to the full summary for this section located under the Medicaid heading.

Draft Serious Mental Illness /Serious Emotional Disturbance Waiver (S.L. 2023-134, Sec. 9E.19A/HB 259 – 2023 Appropriations Act)

Section 9E.19A of S.L. 2023-134 requires the Division of Health Benefits (DHB), Department of Health and Human Services, must submit a report on this proposal, along with a draft of the 1115 waiver and an estimate of any costs or savings to the State, to the Joint Legislative Oversight Committee on Medicaid by March 1, 2024.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Medicaid heading.

North Carolina – Psychiatry Access Line (S.L. 2023-134, Sec. 9E.19B/HB 259 – 2023 Appropriations Act)

Section 9E.19B of S.L. 2023-2024 requires that, no later than September 1, 2024, and September 1, 2025, the North Carolina – Psychiatry Access Line (NC-PAL) must submit the following information to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division:

- The number of consultations by NC-PAL Child Psychiatry and NC-PAL Perinatal Psychiatry provided over the previous fiscal year.
- The geographic regions by county utilizing NC-PAL services.
- The percentage of NC-PAL consultations that resulted in treatment of an individual by that individual's primary care provider, rather than a referral to a specialist.
- The estimated number of avoided emergency department visits resulting from services provided through NC-PAL.
- The results of any new pilot program offering consultations with county departments of social services offices or residential providers and whether those consultations reduced placement disruptions for children in the custody of county departments of social services or the need for crisis intervention.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Mental Health, Developmental Disabilities, and Substance Use Services heading.

Prepaid Health Plans Performance Metrics (S.L. 2023-134, Sec. 9E.20/HB 259 – 2023 Appropriations Act)

Section 9E.20 of S.L. 2023-134 requires the Department of Health and Human Services to establish and report to the Joint Legislative Oversight Committee on Medicaid on performance metrics that prepaid health plans must meet regarding the timely payment of provider claims for reimbursement.

This section became effective July 1, 2023.

Continue to Address the Reimbursement Methodology Used for Services Provided to Senior Dual Eligibles (S.L. 2023-134, Sec. 9E.26/HB 259 – 2023 Appropriations Act)

Section 9E.26 of S.L. 2023-134 expresses the intent of the General Assembly to continue to address the need for changes to the Medicaid reimbursement methodology used for certain services provided to seniors aged 65 and older who are dually enrolled in Medicare and Medicaid. No later than March 1, 2025, the Division of Health Benefits (DHB), Department of Health and Human Services, must submit a report to the Joint Legislative Oversight Committee on Medicaid and the Fiscal Research Division on specified items as they relate to requirements outlined under this section. The specified items that must be included in the report are as follows:

- The details of the request required to be submitted to the Centers for Medicare and Medicaid Services (CMS) regarding the Medicare coverage of services provided in adult care homes and the response to the request.
- Proposed changes to Clinical Coverage Policy 3L necessary to implement per diem payment for personal care services and the annual cost or savings to the State associated with the implementation of those changes.
- A proposed service definition for adult care home congregate care services and an associated per diem rate methodology and assessment tool, including the annual cost or savings to the State associated with the implementation of any or all of these items.
- A draft of any 1115 waiver or State Plan amendments for more appropriate reimbursements for Medicaid services developed in accordance with this section, including the annual cost or savings to the State associated with the implementation of the waiver or State Plan amendments.
- Details on any proposed pilot program or new Medicaid demonstration waiver supporting alternatives to nursing home placements and any annual cost or savings to the State associated with the implementation of each proposed pilot program or demonstration waiver.
- Details and a draft of any innovative payment and service delivery models developed, including Dual Eligible Special Needs Plans (D-SNPs) and Institutional Equivalent Special Needs Plans (IE-SNPs) for assisted living facilities and adult care homes.
- A description of the stakeholders involved in the development of any plan or proposal.
- Any recommended legislative changes.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Medicaid heading.

Healthcare Access and Stabilization Program (HASP) / Freestanding Psychiatric Hospitals (S.L. 2023-134, Sec. 9E.27/HB 259 – 2023 Appropriations Act)

Section 9E.27 of S.L. 2023-134 requires the Division of Health Benefits (DHB), Department of Health and Human Services, to submit a report on this section to the Joint Legislative Oversight Committee on Medicaid by March 1, 2024. DHB is prohibited from implementing the proposal without further authorization by the General Assembly.

This section became effective October 3, 2023.

Refer to the full summary for this section located under the Medicaid heading.

Primary Care Payment Reform Task Force (S.L. 2023-134, Sec. 9E.28/HB 259 – 2023 Appropriations Act)

Section 9E.28 of S.L. 2023-134 creates a new temporary Primary Care Payment Reform Task Force (Task Force) in the Division of Health Benefits (DHB), Department of Health and Human Services. This section directs the Task Force to submit a report with findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid by April 1, 2024.

This section became effective July 1, 2023, and expires on May 1, 2024.

Refer to the full summary for this section located under the Medicaid heading.

Division of Health Service Regulation Report (S.L. 2023-134, Sec. 9F.10/HB 259 – 2023 Appropriations Act)

Section 9F.10 of S.L. 2023-134 requires the Division of Health Service Regulation (DHSR), Department of Health and Human Services, to report on the following to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division:

- For each facility type DHSR is legally required to inspect:
  - The number of facilities seeking initial licensure.
  - The number of facilities licensed and operating.
  - The frequency of inspection required by law.
  - Whether DHSR is current on inspections.
- For the Complaint Intake Unit:
  - The number of complaints for each facility type.
  - The timeline for investigating complaints.
  - Whether DHSR is current on complaint investigations.

- The total compensatory time accrued by staff.
- The total overtime worked by staff.
- The total amount of lapsed salary funds.
- An explanation of any problems DHSR is having with recruitment or retention of employees.

The initial report is due November 1, 2023, and subsequent reports must be made every six months thereafter.

This section became effective July 1, 2023.

Local Inpatient Psychiatric Beds or Bed Days (S.L. 2023-134, Sec. 9G.2/HB 259 – 2023 Appropriations Act)

Section 9G.2 of S.L. 2023-134 requires DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on (i) a uniform system for beds or bed days purchased during the preceding fiscal year, (ii) an explanation of the process to ensure local inpatient psychiatric beds or bed days are utilized solely for medically indigent individuals and the number of those served, (iii) the amount of funds used to pay for facility-based crisis services and the number and outcomes of those served, (iv) the amount of funds used for detoxification services and the number and outcomes of those served, and (v) other DHHS initiatives to reduce State psychiatric hospital use.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Mental Health, Developmental Disabilities, and Substance Use Services heading.

Building A Safety Net Through an Accountable System of Care Focused on Substance Use and Mental Health Issues in the Workplace/Pilot Program (S.L. 2023-134, Sec. 9G.6A/HB 259 – 2023 Appropriations Act)

Section 9G.6A of S.L. 2023-134 directs the Division of Mental Health, Developmental Disabilities, and Substance Use Services (DMH/DD/SUS), Department of Health and Human Services, in coordination with Truusight Health Solutions, LLC, to submit a report to the Joint Legislative Oversight Committee on Health and Human Services. The report must include (i) an assessment of the success of the pilot program, (ii) any challenges faced by the pilot program, (iii) outcomes for both employees and employers, (iv) impacts to the involved counties, and (v) recommendations and estimates for permanent implementation of the pilot program within Cabarrus and Stanly County, as well as statewide.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Mental Health, Developmental Disabilities, and Substance Use Services heading.

Use of Opioid Settlement Funds (S.L. 2023-134, Sec. 9G.8/HB 259 – 2023 Appropriations Act)

Section 9G.8 of S.L. 2023-134 requires recipients of funds under this section to conduct a study on judicially managed accountability and recovery courts and to use funds as grants for opioid abatement research and development projects. This section requires recipients to report by September 1, 2024, and by September 1, 2025, to the Division of Mental Health, Developmental Disabilities, and Substance Use Services, Department of Health and Human Services; the Joint Legislative Oversight Committee on Health and Human Services; and the Fiscal Research Division; with (i) an itemized list of expenditures and (ii) the types of opioid remediation programs funded, and (iii) number of people served by geographic location.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Public Health heading.

Report on Implementation Status of New Electronic Health Records System at State Psychiatric Hospitals (S.L. 2023-134, Sec. 9G.9/HB 259 – 2023 Appropriations Act)

Section 9G.9 of S.L. 2023-134 requires the Division of State-Operated Healthcare Facilities, Department of Health and Human Services, to submit a report to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2023, and December 1, 2024, on the status of (i) the execution of a contract providing full implementation of a new electronic health records system within State psychiatric hospitals, (ii) full implementation of a new electronic health records system within each State psychiatric hospital, and (iii) training of staff on the use of the new electronic health records system.

This section became effective July 1, 2023.

Local Health Departments/Competitive Grant Process to Improve Maternal and Child Health (S.L. 2023-134, Sec. 9H.1/HB 259 – 2023 Appropriations Act)

Refer to the full summary for this section located under the Public Health heading.

Report on Premium Assistance Program Within AIDS Drug Assistance Program (S.L. 2023-134, Sec. 9H.2/HB 259 – 2023 Appropriations Act)

Section 9H.2 of S.L. 2023-134 provides that if the Division of Public Health, Department of Health and Human Services (DHHS), determines that in six months or less, it will no longer be feasible to operate the health insurance premium assistance program, implemented within the North Carolina AIDS Drug Assistance Program (ADAP), on a cost-neutral basis or in a manner that

achieves savings to the State, DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services notifying the Committee of this determination along with supporting documentation and a proposed course of action with respect to health insurance premium assistance program participants.

This section became effective July 1, 2023.

Use of Juul Settlement Funds (S.L. 2023-134, Sec. 9H.4/HB 259 – 2023 Appropriations Act)

Section 9H.4 of S.L. 2023-134 appropriates $11.25 million in nonrecurring funds for the 2023-2024 fiscal year and $11.25 million in nonrecurring funds for the 2024-2025 fiscal year from the Youth Electronic Nicotine Dependence Abatement Fund to the Division of Public Health, Department of Health and Human Services (DHHS).

This section directs DHHS to annually report an itemized list of expenditures, and an evaluation of the reach, effectiveness, and outcomes of funded activities, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1, 2023.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Public Health heading.

Requirement and Funding for the Office of the Chief Medical Examiner to Conduct Toxicology Screening in all Child Death Cases Under the Jurisdiction of a Medical Examiner (S.L. 2023-134, Sec. 9H.7/HB 259 – 2023 Appropriations Act)

Section 9H.7 of S.L. 2023-134 amends the duties of the medical examiner (G.S. 130A-385) to include conducting a comprehensive toxicology screening in all child death cases under the jurisdiction of the medical examiner.

This section instructs the Office of the Chief Medical Examiner, Department of Health and Human Services, to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by December 30, 2024, and December 30, 2025, on (i) the number of child deaths that fell within the medical examiner's jurisdiction, (ii) the number of child deaths reported for which the toxicology screening under this section was performed, and (iii) an explanation for any delay or failure to comply with the toxicology screening required by this section.

The addition of toxicology screening in all child death cases to the duties of the medical examiner becomes effective January 1, 2024, and applies to child death cases pending or initiated after that date. The remainder of this section became effective July 1, 2023.

Refer to the full summary for this section located under the Public Health heading.

Autopsy Requirement in Suspected Death by Distribution Cases; Increased Autopsy Fees; Funding to Increase the Autopsy Capacity of the Medical Examiner System; Strategic Plan for Improving the Medical Examiner System; Annual Autopsy Centers Report (S.L. 2023-134, Sec. 9H.8/HB 259 – 2023 Appropriations Act)

Section 9H.8 of S.L. 2023-134 requires the Office of the Chief Medical Examiner (OCME), Department of Health and Human Services, to develop and submit a strategic plan by March 1, 2024, for improving the operation and efficiency of the State's medical examiner system to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The strategic plan must include an evaluation, and recommendations for any proposed reorganization of the medical examiner system; necessary legislative changes; an explanation of obstacles; a long-term plan for the establishment of additional regional autopsy centers; and recruitment strategies. OCME must collaborate with industry representatives in developing the strategic plan.

OCME must submit an annual report with specified information beginning February 1, 2024, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the autopsy centers and regional autopsy centers within the North Carolina medical examiner system.

This section is effective July 1, 2023.

Refer to the full summary for this section located under the Public Health heading.

South Piedmont Regional Autopsy Center Funds. (S.L. 2023-134, Sec. 9H.10/HB 259 – 2023 Appropriations Act).

Section 9H.10 of S.L. 2023-134 requires Union County to submit progress reports by February 1, 2024, and December 1, 2024, to the Department of Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division on the status and operation of the regional autopsy center being established in the county.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Public Health heading.

East Carolina University Regional Autopsy Center. (S.L. 2023-134, Sec. 9H.10A/HB 259 – 2023 Appropriations Act).

Section 9H.10A of S.L. 2023-134 requires East Carolina University (ECU) to notify the Department of Health and Human Services (DHHS), the Joint Legislative Oversight Committee on

Health and Human Services, and the Fiscal Research Division when the new ECU Medical Examiner's Office is completed and has started operating.

This section also requires ECU to annually submit a progress report by February 1, 2024, to DHHS, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division on the status of relocating the regional autopsy center serving the State's eastern counties.

This section became effective October 2, 2023, and applies to contracts entered into, extended, or renewed on or after that date.

Refer to the full summary for this section located under the Public Health heading.

Statewide Continuum of Care Program (S.L. 2023-134, Sec. 9H.12/HB 259 – 2023 Appropriations Act)

Section 9H.12 of S.L. 2023-134, requires submission of the following reports:

- Human Coalition Report to the Department of Health and Human Services (DHHS) - Beginning December 1, 2023, and every six months thereafter until December 1, 2026, the Human Coalition must report to DHHS on the status and operation of the statewide Continuum of Care Program. The report must include at least all of the following: a detailed breakdown of expenditures for the program; the number of individuals served by the program and, for the individuals served, the types of services provided to each; and any other information requested by DHHS that is necessary for evaluating the success of the program.

- DHHS Report - By February 1, 2025, and February 1, 2026, DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the status and operation of the statewide Continuum of Care Program. At a minimum, the report must include the information specified above in the Human Coalition report to DHHS.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Aging and Adult Services heading.

Transition Plan for Shifting State Support of the Child Fatality Prevention System to the State Office, Creating and Supporting a Centralized Data and Reporting System, and Restructuring Existing Child Death Review Teams (S.L. 2023-134, Sec. 9H.15(e)/HB 259 – 2023 Appropriations Act).

Section 9H.15(e) of S.L. 2023-134 contains the plan for transitioning the statewide Child Fatality Prevention System to the newly established State Office of Child Fatality Prevention

(State Office) and requires the Department of Health and Human Services (DHHS) to meet the following deadlines:

- **By July 1, 2024,** DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the status of creating, implementing, and staffing the State Office, and must provide support to local child death review teams (Local Teams).
- **By January 1, 2025,** DHHS must have the State Office sufficiently staffed and prepared to carry out its required duties and have all necessary agreements executed for participation in the National Fatality Review Case Reporting System (NFR-CRS).
- **By July 1, 2025,** DHHS, through the State Office, must ensure all Local Teams have been provided training and guidelines regarding participation in NFR-CRS and Local Teams must begin using that system.

Section 9H.15(e) of S.L. 2023-134 became effective October 3, 2023.

Refer to the full summary for this section located under the Children and Families heading.

TANF Benefit Implementation (S.L. 2023-134, Sec. 9J.1/HB 259 – 2023 Appropriations Act)

Section 9J.1 of S.L. 2023-134 authorizes a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division if certain criteria occurs.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Children and Families heading.

Intensive Family Preservation Services Funding, Performance Enhancements, and Report (S.L. 2023-134, Sec. 9J.2/HB 259 – 2023 Appropriations Act)

Section 9J.2 of S.L. 2023-134 requires the Department of Health and Human Services to report annually to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the data provided by the programs that receive funding. This report must be made by December 1 of each year.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Children and Families heading.

Federal Child Support Incentive Payments (S.L. 2023-134, Sec. 9J.6/HB 259 – 2023 Appropriations Act)

Section 9J.6 of S.L. 2023-134 requires the North Carolina Child Support Services Section (NCCSS), Division of Social Services, Department of Health and Human Services, to continue implementing guidelines identifying appropriate uses for federal incentive funding. Each county child support services program must comply do the following:

- Submit an annual plan describing how receipt of federal incentive funds would improve efficiency and effectiveness.
- Provide an annual report which must include the following:
  - A description of how federal incentive funding improved efficiency and effectiveness and how it that was reinvested into the county's program.
  - Documentation showing the funds were spent according to the county's annual plan.
  - An explanation for any deviation from the county's annual plan.

NCCSS must submit a report by November 1 of each year to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the federal child support incentive funding describing how federal incentive funding enhanced centralized services to benefit the county services and improved the effectiveness and efficiency of the county services, any changes to the State process used by NCCSS to calculate and distribute these funds to the county programs, and any recommendations for additional changes.

This section became effective July 1, 2023.

Refer to the full summary for this section located under the Children and Families heading.

Report on Certain SNAP and TANF Expenditures (S.L. 2023-134, Sec. 9J.9/HB 259 – 2023 Appropriations Act)

Section 9J.9 of S.L. 2023-134 provides that funds appropriated by the act to the Department of Health and Human Services (DHHS) for each year of the 2023-2025 fiscal biennium for a report on SNAP and TANF expenditures must be allocated for vendor costs to generate the data regarding program expenditures. The section outlines the data that must be generated by the vendor and submitted to DHHS. Upon receiving the expenditure data from the vendor, the Division of Social Services (DSS), DHHS must evaluate the data and submit a report on the analysis to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. DSS must also post the report on its website by June 30 and December 31 each year. DSS is required to maintain confidentiality and to properly redact any information subject to reporting to prevent identification of individuals in receipt of SNAP or TANF benefits.

This section became effective July 1, 2023.

Require Reports/Protection and Advocacy Agency (S.L. 2023-135/HB 361).

S.L. 2023-135 requires the designated Protection and Advocacy Agency (Agency) for the State to submit a report twice a year on the actions the Agency has taken to advocate for persons with disabilities. The report must be submitted to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee during the interim, and to the chairs of the House and Senate Appropriations Committees on Health and Human Services during session.

The Agency is required to submit a report by December 1, 2023, to the Joint Legislative Committee on Health and Human Services and the Joint Legislative Education Oversight Committee with specific examples of how the Agency has reduced barriers to employment, enabled independent living, and increased postsecondary educational opportunities for persons with disabilities.

The Agency is also encouraged to annually hold six meetings with the public throughout the State to share the reports.

This act became effective October 3, 2023.