

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

**SESSION LAW 2012-66
HOUSE BILL 1055**

AN ACT RELATING TO PROVIDER ENDORSEMENT FUNCTIONS OF LOCAL
MANAGEMENT ENTITIES, AS RECOMMENDED BY THE JOINT LEGISLATIVE
OVERSIGHT COMMITTEE ON HEALTH AND HUMAN SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 122C-114 reads as rewritten:

"§ 122C-114. Powers and duties of the Commission.

(a) The Commission shall have authority as provided by this Chapter, Chapters 90 and 148 of the General Statutes, and by G.S. 143B-147.

(b) The Commission shall adopt rules regarding all of the following:

- (1) The development of a process for screening, triage, and referral, including a uniform portal process, for implementation by the Secretary as required under G.S. 122C-112.1(14).
- (2) LME monitoring ~~and endorsement~~ of providers of mental health, developmental disabilities, and substance abuse services.
- (3) LME provision of technical assistance to providers of mental health, developmental disabilities, and substance abuse services.
- (4) The requirements of a qualified public or private provider as that term is used in G.S. 122C-141. In adopting rules under this subsection, the Commission shall take into account the need to ensure fair competition among providers."

SECTION 2. 122C-115.4(b)(2) reads as rewritten:

"(2) Provider ~~endorsement~~, monitoring, technical assistance, capacity development, and quality control. ~~An LME may remove a provider's endorsement if a provider fails to do any of the following:~~

- ~~a. Meet defined quality criteria.~~
- ~~b. Adequately document the provision of services.~~
- ~~c. Provide required staff training.~~
- ~~d. Provide required data to the LME.~~
- ~~e. Allow the LME access in accordance with rules established under G.S. 143B-139.1.~~
- ~~f. Allow the LME access in the event of an emergency or in response to a complaint related to the health or safety of a client.~~

If at anytime the LME has reasonable cause to believe a violation of licensure rules has occurred, the LME shall make a referral to the Division of Health Service Regulation. If at anytime the LME has reasonable cause to believe the abuse, neglect, or exploitation of a client has occurred, the LME shall make a referral to the local Department of Social Services, Child Protective Services Program, or Adult Protective Services Program."

SECTION 3. G.S. 122C-151.4(a) reads as rewritten:

"(a) Definitions. – The following definitions apply in this section:

- (1) "Appeals Panel" means the State MH/DD/SA Appeals Panel established under this section.
- (1a) "Client" means an individual who is admitted to or receiving public services from an area facility. "Client" includes the client's personal representative or designee.



- (1b) "Contract" means a contract with an area authority or county program to provide services, other than personal services, to clients and other recipients of services.
- (2) "Contractor" means a person who has a contract or who had a contract during the current fiscal year, ~~or whose application for endorsement has been denied by an area authority or county program year.~~
- (3) "Former contractor" means a person who had a contract during the previous fiscal year."

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 20th day of June, 2012.

s/ Walter H. Dalton
President of the Senate

s/ Thom Tillis
Speaker of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 4:04 p.m. this 26th day of June, 2012