

§ 122C-151.4. Appeal to State MH/DD/SA Appeals Panel.

- (a) Definitions. – The following definitions apply in this section:
- (1) Repealed by Session Laws 2021-88, s. 16(d), effective July 22, 2021.
 - (1a) Client. – An individual who is admitted to or receiving public services from an area facility. The term includes the client's personal representative or designee.
 - (1b) Contract. – 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. – A person that has a contract or that had a contract during the current fiscal year.
 - (3) Former contractor. – A person that had a contract during the previous fiscal year.
 - (4) Panel. – The State MH/DD/SA Appeals Panel established under this section.
- (b) Appeals Panel. – The State MH/DD/SA Appeals Panel is established. The Panel shall consist of three members appointed by the Secretary. The Secretary shall determine the qualifications of the Panel members. Panel members serve at the pleasure of the Secretary.
- (c) Persons That May Appeal. – The following persons may appeal to the Panel after having exhausted the appeals process at the appropriate area authority or county program:
- (1) A contractor or a former contractor that claims that an area authority or county program is not acting or has not acted within applicable State law or rules in denying the contractor's application for endorsement or in imposing a particular requirement on the contractor on fulfillment of the contract.
 - (2) A contractor or a former contractor that claims that a requirement of the contract substantially compromises the ability of the contractor to fulfill the contract.
 - (3) A contractor or former contractor that claims that an area authority or county program has acted arbitrarily and capriciously in reducing funding for the type of services provided or formerly provided by the contractor or former contractor.
 - (4) A client or a person who was a client in the previous fiscal year, who claims that an area authority or county program has acted arbitrarily and capriciously in reducing funding for the type of services provided or formerly provided to the client directly by the area authority or county program.
 - (5) A person that claims that an area authority or county program did not comply with a State law or a rule adopted by the Secretary or the Commission in developing the plans and budgets of the area authority or county program and that the failure to comply has adversely affected the ability of the person to participate in the development of the plans and budgets.
- (d) Hearing. – All members of the Panel shall hear an appeal to the Panel. An appeal shall be filed with the Panel within the time required by the Secretary and shall be heard by the Panel within the time required by the Secretary. A hearing shall be conducted at the place determined in accordance with the rules adopted by the Secretary. A hearing before the Panel shall be informal; no sworn testimony shall be taken and the rules of evidence do not apply. The person that appeals to the Panel has the burden of proof. The Panel shall not stay a decision of an area authority during an appeal to the Panel.
- (e) Decision. – The Panel shall make a written decision on each appeal to the Panel within the time set by the Secretary. A decision may direct a contractor, an area authority, or a county program to take an action or to refrain from taking an action, but it shall not require a party to the appeal to pay any amount except payment due under the contract. In making a decision, the Panel

shall determine the course of action that best protects or benefits the clients of the area authority or county program. If a party to an appeal fails to comply with a decision of the Panel and the Secretary determines that the failure deprives clients of the area authority or county program of a type of needed service, the Secretary may use funds previously allocated to the area authority or county program to provide the service.

(f) Chapter 150B Appeal. – A person that is dissatisfied with a decision of the Panel may commence a contested case under Article 3 of Chapter 150B of the General Statutes. Notwithstanding G.S. 150B-2(1b), an area authority or county program is considered an agency for purposes of the limited appeal authorized by this section. If the need to first appeal to the Panel is waived by the Secretary, a contractor may appeal directly to the Office of Administrative Hearings after having exhausted the appeals process at the appropriate area authority or county program.

(g) Limitation of Applicability. – This section does not apply to LME/MCOs, enrollees, applicants, providers of emergency services, or network providers subject to Chapter 108D of the General Statutes. (1993, c. 321, s. 220(o); 2001-437, s. 1.17(c); 2008-107, s. 10.15A(h); 2011-398, s. 40; 2012-66, s. 3; 2013-397, s. 3; 2021-88, s. 16(d).)