

Health and Human Services

See full summary documents for additional detail

Health and Human Services – Medicaid & Health and Human Services Adjustments/Other Critical Needs.

SL 2026-1 (H696), Part III

Part III of S.L. 2026-1 (House Bill 696) does the following:

- Definitions: This Part defines the terms "CMS," "NC RHTP," "Public Law 119-21," "RHTP or Rural Health Transformation Program," "SNAP," and "Subrecipient."
- Periodic Reporting on the North Carolina Rural Health Transformation Plan (NC RHTP): This Part requires quarterly reporting from the Department of Health and Human Services (DHHS) to the Joint Legislative Commission on Governmental Operations on the implementation status of the NC RHTP. Report deadlines are set to align with the quarterly and annual reports due from DHHS to the Centers for Medicare and Medicaid Services (CMS) regarding the NC RHTP.
- Division of Health Benefits: This Part implements various budgetary adjustments and makes other various changes to the Medicaid program administered by DHHS, Division of Health Benefits (DHB), as follows:
 - Appropriates \$319 million in nonrecurring funds from the Medicaid Contingency Reserve for the Medicaid rebase for the 2025-2026 fiscal year.
 - Provides authority requiring local management entity/managed care organizations (LME/MCOs) to make \$18 million in recurring intergovernmental transfers to DHB for each fiscal year of the 2025-2026 fiscal biennium.
 - Makes changes to the statutes establishing Medicaid eligibility categories and income thresholds and the enrollment of eligible individuals in Medicaid managed care to comply with new requirements of Public Law 119-21, also known as the "One Big Beautiful Bill Act" and "H.R. 1" (H.R. 1). The changes (i) clarify statutory language requiring individuals to comply with applicable community engagement (work) requirements in order to be eligible for NC Health Works Medicaid coverage and (ii) make technical updates to conform with federal law changes to the categories of immigrants that are eligible for Medicaid.
 - Adds a statute requiring that DHHS must maintain, to the fullest extent allowable, work requirements as a condition of participation in the Medicaid program so long as work requirements may be authorized by CMS, and that Medicaid applicants must provide proof of compliance with work requirements for three consecutive months immediately preceding initial application and any three of the six months immediately preceding the date of eligibility redetermination.
 - Amends the statute requiring DHHS to review information concerning changes in circumstances that may affect Medicaid eligibility, to direct that review to be done monthly, rather than quarterly. Gambling winnings are added to the list of information that must be reviewed. This statute subsequently was amended in

Section 9E.20 of S.L. 2026-41 to restore quarterly review of information on earned income, unearned income, and financial resources.

- Adds a statute prohibiting DHHS or county departments of social services from accepting self-attestation as the only evidence in verification of Medicaid eligibility requirements, except as required by federal law.
- Adds a statutory requirement that the income of all household members, regardless of immigration status, must be considered when determining an applicant or beneficiary's Medicaid eligibility.
- Amends the statute establishing the confidentiality of records pertaining to applicants for public assistance to add a requirement that DHHS must refer any applicant or beneficiary to the United States Department of Homeland Security if citizenship or satisfactory immigration status cannot be verified.
- Requires the State Auditor to conduct a performance audit of the administration of the Medicaid program and NCWorks Career Center and appropriates \$500,000 in nonrecurring funds for this purpose.
- Adds a statute requiring DHHS to annually report to the Joint Legislative Oversight Committee on Medicaid (JLOCM) on (i) improper Medicaid payments that were determined to be fraud, waste, and abuse, (ii) recovered funds, and (iii) the percentage of improper payments that were investigated or reviewed.
- Amends the statute pertaining to Medicaid prepaid health plan (PHP) provider networks, and makes other conforming statutory changes, to authorize PHPs to develop closed networks for designated service categories if an open network for that service category would jeopardize quality of care, program integrity, or cost effective use of Medicaid funds, subject to DHHS approval and a demonstration of ongoing network adequacy. DHHS has 180 days to respond to a PHP's request to close a network or the request is deemed approved.
- Amends the statute pertaining to policies requiring prepayment review of claims submitted by Medicaid providers to (i) authorize PHPs to place a provider on prepayment claims review without approval from DHHS, (ii) eliminate the 20-day notice period given to providers, (iii) increase the prepayment claims review compliance threshold from 70% to 80%, (iv) eliminate the 24-month limit on how long a provider may remain on prepayment claims review, and (v) allow PHPs to remove providers from their provider networks if the provider fails to meet the prepayment claims review thresholds, subject to DHHS approval. DHHS has 90 days to respond to a PHP's request to exclude a provider or the request is deemed approved.
- Requires DHHS to establish a plan for Medicaid program integrity and efficiency that includes (i) reduction of DHHS's administrative expenses, (ii) increased flexibilities for PHPs to manage service utilization, costs, and claims, (iii) alignment of rate schedules for inpatient services that could be provided in an outpatient setting, (iv) flexibilities for PHPs to manage utilization of GLP-1 drugs, (v) improved alignment of PHP and Advanced Medical Home (AMH) contract incentives with cost containment efforts, (vi) improved reporting on AMH care management activities, and (vii) improved network management tools for PHPs. This section

requires DHHS to report to the JLOCM and the Fiscal Research Division on the plan by October 1, 2026, and implement the plan no earlier than July 1, 2027.

- Amends the statute pertaining to the role of DHHS in Medicaid managed care to require that DHHS not prohibit PHPs from requiring itemized bills for certain inpatient hospital outlier claims.
 - Adds a statute requiring DHHS to annually implement the highest allowable copayments for all Medicaid services. This statute subsequently was amended by Section 3.1 of S.L. 2026-42 to clarify that this requirement does not apply to dialysis services, Innovations waiver services, or Traumatic Brain Injury waiver services.
 - Extends, until June 30, 2027 (was June 30, 2025), the requirement for standard plan PHPs to pay a rate for durable medical equipment (DME) that is 100% of the lesser of the supplier's usual and customary rate and the maximum allowable Medicaid fee-for-service rate for DME.
 - Requires DHHS to update Medicaid Clinical Coverage Policy 8F (Research-Based Behavioral Health Treatment for Autism Spectrum Disorder) to (i) prohibit services provided by a paraprofessional via telehealth, (ii) require patient assessments to be conducted in person, (iii) allow services involving the observation and direction of a paraprofessional to be conducted via telehealth, while limiting these telehealth services to no more than 50% of services provided to a beneficiary, (iv) require 10% of services provided by a paraprofessional be observed by a licensed provider, (v) require licensed providers to develop individualized service plans for each beneficiary that include minimum requirements for caretaker involvement, (vi) require individualized service plans involving more than 16 hours of services a week to be approved by a PHP or DHHS, (vii) allow parent, guardian, and caregiver training to be provided via telehealth, (viii) exempt paraprofessionals from Medicaid credentialing, (ix) require paraprofessionals to be certified and allow a 120 day grace period for newly hired paraprofessionals, (x) provide a minimum and maximum percentage of billed hours per patient provided by professionals as a percentage of services provided by a paraprofessional. DHHS may adopt exceptions to these requirements based upon medical necessity or access to care requirements. This section also requires relevant professionals to be enrolled as in-State Medicaid providers.
 - Clarifies that, for any modifications to the Medicaid programs in this Part that are not statutory, DHHS is only required to maintain those modifications through June 30, 2027, consistent with DHHS's statutory authority over the Medicaid program.
- Hospital Assessment Adjustments: This Part provides funding to DHB for the next 10 State fiscal years, in the form of increased total receipts from amounts paid by hospitals through assessments and public hospital intergovernmental transfers, for the increased administrative costs of NC Health Works due to new community engagement (work) requirements and six-month eligibility redeterminations required by H.R. 1. This Part also requires certain reporting to the JLOCM and will end the increased funding sooner than 10 years if certain conditions pertaining to hospital funding occur.

- Division of Health Service Regulation: This Part allows adult day care and adult day health facilities to increase their overnight bed capacity from 6 to 12 beds; and directs the Medical Care Commission to amend the rules governing staffing for overnight respite facilities to establish minimum requirements based on the number of program participants. Specifically:
 - Facilities with 6 or fewer participants must have at least one staff member awake and on duty who is qualified to administer medications and trained to provide personal care and supervision to participants.
 - Facilities with 7-12 participants must have at least two staff members awake and on duty, at least one of whom is qualified to administer medications, and both of whom are trained to provide personal care and supervision to participants.
 - Performance of housekeeping or food service duties by staff during any shift the staff is assigned to provide personal care and supervision to participants is prohibited.
- Division of Social Services: This Part does the following:
 - Prohibits applicants from receiving SNAP benefits based solely on self-attestation of eligibility requirements unless expressly required by federal law. Eligibility must also be based on the income of all household members. The income and resources of all household members must be counted in determining eligibility, even if those members are themselves ineligible.
 - Requires a third party to study centralization of administration of all federally and State mandated social services. It also allocates \$1 million in nonrecurring funds for the 2026-2027 fiscal year to fund the study. The report must be submitted to Joint Legislative Oversight Committee on Health and Human Services, the JLOCM, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division by June 30, 2027.

The effective dates of this Part are as follows:

- On July 1, 2025, the Medicaid rebase funding, the LME/MCO intergovernmental transfers to DHB, and the Medicaid DME managed care rate extension became effective retroactively.
- On July 1, 2026, the funding to the State Auditor for the Medicaid program performance audit, certain increased Medicaid receipts from hospitals, the Division of Health Service Regulation provisions, and the Division of Social Services funding became effective.
- On October 1, 2026, the Medicaid eligibility law changes pertaining to information about beneficiaries' changes in circumstance, limitations on the acceptance of self-attestation to verify eligibility, and immigrant eligibility, the referral requirement when citizenship or satisfactory immigration status of public assistance applicants cannot be verified, as well as certain increased Medicaid receipts from hospitals become effective.
- On January 1, 2027, the requirement for DHHS to maintain work requirements to the fullest extent allowable becomes effective.
- July 1, 2027, the requirement for DHHS to annually implement the highest Medicaid copayment becomes effective.

- Except as otherwise provided, this Part became effective April 30, 2026.

Update Certain Workers' Compensation Benefits – Prohibit Litigation Investments/Amend Workers' Compensation Benefits.

SL 2026-14 (H315), Part II

Part II of S.L. 2026-14 (House Bill 315) increases benefits payable under the Workers' Compensation Act as follows:

- The minimum weekly rate of compensation payable for total disability is increased from \$30.00 to \$50.00.
- The maximum compensation of \$20,000 payable for serious facial or head disfigurement and for loss of, or permanent injury to, important organs or parts of the body, is increased to \$40,000.
- The maximum compensation of \$10,000 payable for serious bodily disfigurement not compensable under any other provision is increased to \$20,000.

This Part becomes effective July 1, 2027, and applies to claims arising on or after that date.

Physical Therapy Practice Act Modifications.

SL 2026-16 (H536)

S.L. 2026-16 (House Bill 536) makes the following changes to the Physical Therapy Practice Act:

- Changes the definition of "physical therapy" to include "the standards of acceptable and prevailing physical therapy practice."
- Updates the statute detailing how North Carolina Board of Physical Therapy Examiners (Board) members are appointed to reflect the current name of the American Physical Therapy Association of North Carolina.
- Allows the Board to encumber licenses of individuals who depart from the standards of acceptable and prevailing physical therapy practice.
- Updates the statute detailing qualifications for licensure to reflect the current name of the Council for Higher Education Accreditation.
- Updates the statute dealing with licensure requirements for graduates of foreign physical therapy education programs to reflect that those programs are not accredited by the Commission on Accreditation in Physical Therapy Education.
- Extends the window to apply for license renewal to November 1 through January 1.
- Establishes a fee of \$150 for continuing education course approval.
- Allows licensure applicants to practice physical therapy while completing clinical practice requirements.

This act becomes effective October 1, 2026.

Department of Health and Human Services. – North Carolina Border Protection Act.

SL 2026-19 (S153), Part II

Part II of S.L. 2026-19 (Senate Bill 153) requires the Department of Health and Human Services (DHHS) to do the following:

- Cease providing State-funded benefits and publicly funded housing benefits to noncitizens residing in the United State without legal permission to the extent permitted by federal law. "State-funded benefits" are defined to include various programs administered by DHHS or through a contract with DHHS. The term excludes benefits or services available under the listed programs that help eligible beneficiaries access food or meals.
- Develop a plan, to the extent permitted by federal law, to update and review eligibility criteria for all State-funded benefits and publicly funded housing benefits to ensure noncitizens residing the United States without legal permission are ineligible to receive those benefits.
- Report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the steps taken to cease providing benefits and the details of the developed and implemented plan, including all federal statutes or regulations prohibiting denial of benefits, by January 15, 2026.

This bill was vetoed by the Governor on June 20, 2025, and that veto was overridden by the General Assembly on June 24, 2026. This Part became effective June 24, 2026.

On-Site Wastewater System Changes – Water/Wastewater Affordability & Capacity Act.

SL 2026-32 (H376), Sec. 7

Section 7 of S.L. 2026-32 (House Bill 376) requires any modifications proposed by a local board of health to rules adopted by the Commission for Public Health (Commission) to be approved by the Department of Health and Human Services (DHHS) after DHHS notices and holds a public hearing on the proposed rules. Local rules must be at least as stringent as rules adopted by the Commission, and necessary to protect the public health.

This section forbids any person from covering or using a system of wastewater collection, treatment, and disposal until a local health department inspects the system and determines that it was installed or repaired in accordance with an Improvement Permit, a Construction Authorization, other rules, and State law.

If a wastewater system is installed or repaired in accordance with an Improvement Permit, Construction Authorization, or other requirements, then the local health department is required to issue an operation permit that authorizes a residence, place of business, or place of public assembly to be occupied, and for the wastewater system to be used or reused.

This section became effective on July 2, 2026, and applies to permits applied for on or after that date.

Private Drinking Water Well Program Changes – Water/Wastewater Affordability & Capacity Act.

SL 2026-32 (H376), Sec. 8

Section 8 of S.L. 2026-32 (House Bill 376) clarifies conflicts of laws within the North Carolina Well Construction Act.

Additionally, it requires each local health department to implement the private drinking water well permitting and inspection program established and adopted by the Environmental Management Commission and repeals all local boards of health rules concerning permits for private drinking water wells except for the testing standards in G.S. 87-96 and fees adopted pursuant to G.S. 130A-39.

This section became effective July 2, 2026.

Approve Certain Advanced Pretreatment Systems as Innovative Wastewater Systems – Water/Wastewater Affordability & Capacity Act.

SL 2026-32 (H376), Secs. 9-10

Sec. 9 of S.L. 2026-32 (House Bill 376) redefines, for the purposes of wastewater system approval, "pretreatment" as "advanced pretreatment," and clarifies that advanced pretreatment systems can be used in addition to or in place of a septic tank and requires that the advanced pretreatment effluent meets the Commission-set standards for better than septic tank effluent quality. This section also makes various conforming changes, including clarifying that the system is part of a ground absorption system.

Sec. 10 of S.L. 2026-32 (House Bill 376) narrows the innovative system approval process for systems approved based on evaluation established by a nationally recognized certification body to apply only to advanced pretreatment systems. This section provides that advanced pretreatment systems can be approved as innovative if the system has been approved under protocol established by a nationally recognized certification body, and the Department of Health and Human Services has verified that testing data meets certain requirements, the national body has approved the system, and the design and installation of the system are consistent with the approval.

The Commission for Public Health is authorized to adopt temporary and permanent rules to implement these sections.

Sections 9 and 10 became effective July 2, 2026, and apply to applications for innovative wastewater system approval filed with the Commission on or after that date.

Department of Environmental Quality/Department of Health and Human Services Private Well Rulemaking Technical Correction – Water/Wastewater Affordability & Capacity Act.

SL 2026-32 (H376), Sec. 11

Section 11 of S.L. 2026-32 (House Bill 376) makes a conforming change to update the statutes concerning private well rulemaking to reflect that the Department of Health and Human Services, not the Department of Environmental Quality, oversees private wells.

This section became effective July 2, 2026.

Study on Human Trafficking Reporting – Revise Laws on Minors/Human Trafficking.

SL 2026-34 (H83), Sec. 2

Section 2 of S.L. 2026-34 (House Bill 83) requires the North Carolina Human Trafficking Commission (Commission) to conduct a study on human trafficking needs in the State, including information on the development process for a statewide human trafficking reporting and response system (system). This section states that the Commission is encouraged to begin facilitating stakeholder collaboration on developing a system after completing the required study. This section states that it is the intent of the General Assembly to establish a system that will (i) notify law enforcement and child protection officials of high priority reports, (ii) provide a secure dashboard for authorized personnel to view, triage, and respond to reports, and (iii) support real-time communication between investigators and survivors or reporters with consent.

This section became effective July 2, 2026.

Improve Data Collection and Further Study – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 1

Section 1 of S.L. 2026-38 (House Bill 1104) requires the North Carolina Collaboratory (Collaboratory) to study statutes, practices, and available technological resources related to the involuntary commitment (IVC) process and identify areas for improvement in the IVC process. The Collaboratory must submit to the Joint Legislative Oversight Committee on Health and Human Services a progress report by December 1, 2026, and a final report by March 1, 2027.

This section became effective July 6, 2026.

Pilot Program to Use Telehealth in Jails to Complete Involuntary Commitment First Examination – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 2

Section 2 of S.L. 2026-38 (House Bill 1104) requires the Sheriffs' Association to create a proposal for the implementation of a pilot program to utilize telehealth services to conduct first examinations for individuals in custody of county jails. The Sheriffs' Association must submit this proposal to the Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Health and Human Services by March 1, 2027.

This section became effective July 6, 2026.

Plan to Utilize Mobile Crisis Units to Complete Involuntary Commitment First Examinations – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 3

Section 3 of S.L. 2026-38 (House Bill 1104) directs the Local Management Entities/Managed Care Organizations (LME/MCOs) and the Department of Health and Human Services (DHHS) to develop a plan to use mobile crisis units to enhance the efficiency of the involuntary commitment (IVC) process. The LME/MCOs and DHHS are required to consult with relevant stakeholders in developing this plan.

The LME/MCOs and DHHS must submit a report on the plan to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by October 1, 2026.

This section became effective on July 6, 2026.

Increased Training for Involuntary Commitment Examiners – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 4

Section 4 of S.L. 2026-38 (House Bill 1104) directs the Department of Health and Human Services (DHHS) to evaluate the standardized training program for involuntary commitment (IVC) examiners for necessary improvements and to incorporate additional training for IVC first examiners who work in county jails.

DHHS must submit a report on the standardized training program to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by December 1, 2026.

This section became effective on July 6, 2026.

Plan to Address Staffing and Bed Shortages in State-Operated Facilities – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 5

Section 5 of S.L. 2026-38 (House Bill 1104) requires the Department of Health and Human Services (DHHS) to develop a plan to address behavioral health staffing and bed shortages in State-operated facilities.

DHHS is also required to submit a report on the plan to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than December 1, 2026.

This section became effective July 6, 2026.

Study Lack of Use of Outpatient Commitment – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 6

Section 6 of S.L. 2026-38 (House Bill 1104) requires the North Carolina Collaboratory (Collaboratory) to conduct a study on how outpatient commitment can be more effectively used and implemented in the State. The Collaboratory must submit to the Joint Legislative Oversight Committee on Health and Human Services a progress report no later than December 1, 2026, and a final report on the study no later than March 1, 2027.

This section became effective July 6, 2026.

Behavioral Health Statewide Central Availability Navigator Updates (BH SCAN) – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 6.5

Section 6.5 of S.L. 2026-38 (House Bill 1104) directs the Department of Health and Human Services (DHHS), in consultation with the Sheriffs' Association and the North Carolina Healthcare Association, to study the practicality of granting law enforcement access to the Behavioral Health Statewide Central Availability Navigator (BH SCAN) and the practicality of implementing real-time data availability within BH SCAN. DHHS must submit a report on this study to the Joint Oversight Committee on Health and Human Services no later than March 1, 2027.

This section became effective July 6, 2026.

Study Legal Standards for Involuntary Commitment and Incapacity to Proceed – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 7

Section 7 of S.L. 2026-38 (House Bill 1104) requires the North Carolina Collaboratory (Collaboratory) to (i) conduct a comprehensive study of the differing legal standards governing involuntary commitment (IVC) and incapacity to proceed, and (ii) identify statutory revisions that would enhance each process's effectiveness. The study must include recommendations for statutory changes to address inconsistent terminology in the General Statutes and clarify procedures for the transition of individuals between IVC and incapacity to proceed proceedings.

The Collaboratory must submit to the Joint Legislative Oversight Committee on Health and Human Services (JLOCHHS) a progress report by December 1, 2026, and a final report to JLOCHHS by March 1, 2027.

This section became effective July 6, 2026.

Working Group to Address Mental Health and Criminal Justice Systems Operating as a "Revolving Door" – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 8

Section 8 of S.L. 2026-38 (House Bill 1104) requires the Department of Health and Human Services (DHHS) to establish a working group composed of representatives from the Administrative Office of the Courts and other stakeholders to examine the systemic factors contributing to the "revolving door" pattern in which individuals cycle through arrest, detention, and involuntary commitment.

Beginning on January 1, 2027, and quarterly thereafter, DHHS must report on the findings and recommendations of the group to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

This section became effective July 6, 2026.

Study the Provision of Medical and Behavioral Health Care in Jails – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 9

Section 9 of S.L. 2026-38 (House Bill 1104) requires the North Carolina Collaboratory (Collaboratory) to study the provision of medical and behavioral health care to individuals in custody of county jails in the State and make recommendations on improving that care. The study must be done in consultation with relevant stakeholders, including the North Carolina

Sheriff's Association and the Department of Health and Human Services. The Collaboratory must submit an interim report to the North Carolina Joint Legislative Oversight Committee on Health and Human Services no later than December 1, 2026, and a final report no later than March 1, 2027.

This section became effective July 6, 2026.

Study of the Feasibility to Change the Operation or Administration of State Psychiatric Hospitals – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 10

Section 10 of S.L. 2026-38 (House Bill 1104) directs the North Carolina Collaboratory to explore the feasibility of improving the provision of services at Broughton Hospital, Central Regional Hospital, and Cherry Hospital. UNC Health and the Department of Health and Human Services are directed to cooperate with the Collaboratory to complete the required research. The Collaboratory must submit to the Joint Legislative Oversight Committee on Health and Human Services a progress report by December 1, 2026, and a final report by March 1, 2027.

This section became effective July 6, 2026.

Modify Outpatient Commitment – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 11

Section 11 of S.L. 2026-38 (House Bill 1104) makes several changes to the outpatient involuntary commitment (IVC) process.

- The following items are added to the list of required findings necessary to support an outpatient commitment recommendation after the first examination:
 - The respondent is reasonably determined to be capable of surviving safely in the community, without posing a danger to others, when engaged in treatment for the respondent's mental health.
 - The respondent has a history of declining or nonadherence to prescribed treatment, which may be evidenced by the occurrence of one or more of the following in the relevant past:
 - A demonstrated history of prior violent convictions.
 - Repeated violations of civil protective orders.
 - Repeated incarcerations.
 - Repeated involuntary inpatient psychiatric hospitalizations.
 - The respondent is scheduled to be discharged from an inpatient hospital setting or released from a county jail or state prison. An individual residing in a non-

institutional setting that meets all other criteria set forth previously may be subject to outpatient commitment within the court's discretion.

- The outpatient treatment provider must examine the respondent and develop an initial outpatient treatment plan. The plan must include specific services to be provided, the recommended frequency of participation in services, the name of the provider, the arrangements made for the initial contact with each provider, and any other relevant information. The plan will be admitted into evidence and incorporated into the outpatient commitment order.
- The outpatient commitment order must show the provider responsible for care and the Local management Entity/Manages Care Organization (LME/MCO) or an alternative as determined by the Department of Health and Human Services (DHHS).
- The initial outpatient commitment timeframe is increased from a maximum of 90 days to a maximum of 180 days.
- The court must obtain the availability and consent of the provider to accept the respondent as a client before ordering outpatient commitment.
- If the respondent fails to comply with any part of the treatment plan, the provider must document efforts to solicit compliance and report these efforts to the LME/MCO, who then reports to the court with a request for supplemental hearing.
- The LME/MCO must maintain a list of all individuals on outpatient commitment and ensure the individual's care manager is aware of the treatment plan. DHHS will have access to the lists of individuals subject to outpatient orders and must keep this information confidential.
- Grant the LME/MCO, or an alternative, the authority to request the respondent be taken into custody for the purpose of an examination if the respondent fails to comply but does not clearly refuse to comply.
- The LME/MCO, or an alternative, must notify the clerk of superior court if the respondent moves to another state or unknown location.
- Create an additional option for the court when it determines during a supplemental hearing that the respondent has failed to comply with the outpatient commitment order. The court will be able to issue an order for inpatient commitment upon a finding by clear, cogent, and convincing evidence that the respondent is dangerous to himself or to others. A finding of noncompliance with an outpatient commitment order creates a rebuttable presumption that the respondent is dangerous to self or to others.
- If a patient under outpatient commitment in one county moves to another county, the court must designate the LME/MCO, or an alternative, that will be responsible for the monitoring and supervision of the respondent in the respondent's new county of residence. The clerk must provide a copy of the court's order to the LME/MCO or alternative in the new county of residence.
- Increase the outpatient commitment period from 90 days to 180 days when a respondent is transferred from inpatient to outpatient commitment at a supplemental hearing.
- Grant DHHS access to all relevant data, court orders, records or other relevant information related to its duties. DHHS is required to keep all information confidential.

This section becomes effective December 1, 2026, and applies to proceedings that occur on or after that date.

Department of Information Technology – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 12

Section 12 of S.L. 2026-38 (House Bill 1104) allows substance use data to be disclosed through the North Carolina Health Information Exchange (HIE) Network when the North Carolina HIE Authority has provided written notice to participating entities that the data can be disclosed. This section also adds the Deputy Secretary for the State's Medicaid program as an ex officio, voting member of the North Carolina HIE Advisory Board.

This section became effective July 6, 2026.

Implement Inpatient Capacity Restoration Program – Improve Involuntary Commitment Process and Enhance Public Safety.

SL 2026-38 (H1104), Sec. 13

Section 13 of S.L. 2026-38 (House Bill 1104) modifies various State laws governing capacity hearings to create and implement an inpatient capacity restoration program. These modifications reflect the State policy that persons found incapable to proceed should be provided with capacity restoration services whenever feasible and appropriate and that such services should be carried out in as efficient and timely a manner as possible in order to meet the needs of justice for victims, for the public, and for those persons who stand accused of crimes.

Generally, capacity restoration services that are directed toward a defendant gaining capacity to stand trial may include any or all of the following:

- Educational instruction regarding the criminal justice system, to include assisting the defendant in understanding his or her role in the proceedings.
- Psychoeducational instruction regarding the nature of a defendant's diagnosed condition and the resources and coping skills necessary to mitigate capacity deficits caused by the condition.
- Other mental health treatment or counseling which is medically reasonable and appropriate.

This section became effective December 1, 2026, and applies to any initial or supplemental capacity hearing conducted on or after that date.

Children's Hospital Antitrust/State Action Immunity. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 5.7

Section 5.7 of S.L. 2026-41 (Senate Bill 257) adds a definition of "North Carolina Children's Health" (NCC) to the list of definitions under Article 37A of Chapter 116 of the General Statutes, The

University of North Carolina Health Care System. The NCC is defined as a pediatric health facility and associated sites that (i) receive State funding and (ii) are developed by the University of North Carolina Health Care System (System) in partnership with Duke University Health System (Duke University).

This section further provides that the Board of Directors (Board) of the System can enter into cooperative agreements with Duke University, any component of The University of North Carolina (UNC), NCC, or any combination thereof, to provide pediatric research, health care, and discovery, including the development and joint operation of NCC, without regard to the effect on market competition. Through these partnerships and for these purposes, the System acts according to State policy by ensuring (i) pediatric health care is made available to all parts of North Carolina and (ii) North Carolina is at the forefront of pediatric research, health care delivery, and innovation.

This section provides that these activities by the System constitute "State action" for purposes of antitrust law and that the General Assembly intends that these agreements are immune from the application of federal and State antitrust law.

This section became effective July 1, 2026.

First Responder Modification. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 5A.20

Section 5A.20 of S.L. 2026-41 (Senate Bill 257) adds water and wastewater utility professionals to the list of first responders who may be deployed to disaster locations eligible for participation in a vaccination program administered by the Department of Health and Human Services and local health departments.

This section became effective July 1, 2026.

North Carolina Student Lifeline Information for University Students – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 8.19

Section 8.19 of S.L. 2026-41 (Senate Bill 257) requires the Board of Governors of The University of North Carolina to adopt a policy requiring all constituent institutions to provide students with the phone numbers for the Suicide and Crisis Lifeline and the NC Peer Warmline. Each constituent institution must provide the information in the following places:

- Newly issued student identifications.
- The institution's website.
- The home screen of any electronic device issued to students.
- Each school agenda or calendar, digital or printed.
- On a document during any suicide awareness activity.

- On a document when the student registers for attendance.

This section became effective July 7, 2026, and applies beginning with the 2026-2027 academic year.

North Carolina Collaboratory Report on Health Care Costs – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 8.26

Section 8.26 of S.L. 2026-41 (Senate Bill 257) directs the North Carolina Collaboratory (Collaboratory) to study health care costs in the State. The study must do the following:

- Identify factors contributing to the rapid increase in health care costs.
- Propose options to mitigate those increases.
- Examine how other states are addressing rising health care costs, including an analysis of recent Medicaid changes made in House Enrolled Act 1004 in Indiana.

The Collaboratory must submit the following two reports to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Commission on Governmental Operations, and the Fiscal Research Division:

- An initial report with (i) actions taken so far in this State to address increasing health care costs, (ii) initial recommendations to mitigate increasing health care costs in the State, and (iii) any funds necessary to complete the study required by this section by April 1, 2027.
- A final report with (i) recommendations to mitigate health care costs and (ii) any corresponding legislative recommendations by April 1, 2028.

This section became effective July 7, 2026.

Authorize Use of Personal Education Student Accounts for One-to-One Classroom Aides – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 8A.16

Section 8A.16 of S.L. 2026-41 (Senate Bill 257) allows the parents of a student receiving a Personal Education Student Account for Children with Disabilities to use scholarship funds for education-related support services provided by a one-to-one classroom aide who holds at least a high school diploma or its equivalent. To use scholarship funds for the services of a one-to-one classroom aide, the scholarship recipient's nonpublic school must submit documentation to the State Education Assistance Authority describing the education-related support services needed each semester.

A parent cannot use scholarship funds for a one-to-one classroom aide who is (i) an immediate relative of the student or (ii) an employee or independent contractor of the student's nonpublic school.

This section became effective July 7, 2026, and applies beginning with the 2026-2027 school year.

Reports by Non-State Entities on the Use of Directed Grant Funds – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9B.1

Section 9B.1 of S.L. 2026-41 (Senate Bill 257) requires the North Carolina Department of Health and Human Services (DHHS) to submit all reports received from non-State entities on the use of any directed grant funds allocated through DHHS funding for the 2026-2027 fiscal year.

These reports must be submitted to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than November 1, 2027.

This section became effective July 1, 2026.

Community Health Grant Program – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9B.2

Section 9B.2 of S.L. 2026-41 (Senate Bill 257) requires the Office of Rural Health (Office) of the Department of Health and Human Services to use funds appropriated under the act for the Community Health Grant Program (Program). The Office is required to make the final decision about awarding grants under the Program, but no single grant award can exceed \$150,000 during a fiscal year. Grant recipients are forbidden from using the funds for certain purposes.

The Office is allowed to use up to \$200,000 of the appropriated funds for administrative costs for the 2026-2027 fiscal year. It is required to submit a report on the awarded grants for the 2026 -2027 fiscal year to the Joint Legislative Oversight Committee on Health and Human Services by September 1, 2027.

This section became effective July 7, 2026.

Administrative Reorganization of the Functions, Powers, Duties, and Personnel of the Office of Health Equity – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9B.4

Section 9B.4 of S.L. 2026-41 (Senate Bill 257) transfers all the functions, authority, powers, and duties of the Office of Health Equity to the Division of Public Health. The statutory provision vesting the powers of the former Office of Minority Health with DHHS is repealed. The Governor and DHHS are prohibited from creating a new division, office, or section within DHHS that

performs any of the functions or duties transferred from the Office of Health Equity to the Division of Public Health.

This section became effective July 1, 2026.

Expansion of Lapsed Salary Report Provided by the Department of Health and Human Services to the Joint Legislative Oversight Committee on Health and Human Services – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9B.5

Section 9B.5 of S.L. 2026-41 (Senate Bill 257) is expanding the information that the Department of Health and Human Services (DHHS) is required to annually report on the use of lapsed salary funds by each Division within DHHS. This section requires DHHS to report the amount of any lapsed salary funds expended by DHHS, broken down by the original source of funds. "The original source of funds" is defined as (i) the General Fund, (ii) federal funds, or (iii) other departmental receipts, excluding federal funds.

The first report with this additional information is due by November 1, 2026.

This section became effective July 1, 2026.

Funds for SNAP Improvements – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9B.7

Section 9B.7 of S.L. 2026-41 (Senate Bill 257) allocates funds appropriated to the Department of Health and Human Services (Department) to improve the administration of the Supplemental Nutrition Assistance Program (SNAP). The funding amount is \$5,358,311 in both recurring and nonrecurring funds and associated receipts. The funds are to be allocated to:

- The Division of Central Management and Support to fund improvements to the NC FAST system. This funding is subject to requirements and limitations that include using the funds to reduce the State's SNAP payment error rate and funding a contract with the Government Data Analytics Center.
- The Division of Child and Family Well-Being to fund four specific efforts to reduce the State's SNAP payment error rate.
- The Division of Social Services to fund seven Continuous Quality Improvement Training Specialist positions, which are meant to increase training and technical assistance to support county departments of social services and their administration of SNAP.

No later than February 1, 2027, the Department is required to submit a report on the use of the funds to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

This section became effective July 1, 2026.

NC Pre-K Programs/Standards for Four- and Five-Star Rated Facilities. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9D.1

Section 9D.1 of S.L. 2026-41 (Senate Bill 257) requires the prekindergarten programs (NC Pre-K) operating in four- and five-star rated facilities to meet the following requirements:

- Children must be 4 years of age on or before August 31 of the program year and meet one or more of the following additional eligibility criteria:
 - The family's income cannot exceed 75% of the State median income.
 - Up to 20% of enrolled children can exceed this income limitation if those children have other designated risk factors, like developmental disabilities or other chronic health issues. Otherwise, health of the child cannot be considered by the Division in determining eligibility.
 - A child's parent is an active-duty member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces and was (i) ordered to active duty by the proper authority within the last 18 months or is expected to be ordered within the next 18 months, or (ii) was injured or killed while serving on active duty.
- The staff to child ratio cannot exceed 1 to 10 and classrooms cannot exceed 20 children. There must be at least one teacher and one teacher assistant per classroom. The Child Care Commission (Commission) must adopt any rules and the Department of Health and Human Services, Division of Child Development and Early Education (DCDEE) must revise any rules or policies necessary to implement these requirements.
- Multiyear contracts for licensed private child care centers providing NC Pre-K classrooms must be issued by the NC Pre-K contractor.
- Private child care facilities and public schools operating NC Pre-K classrooms must meet the building standards for preschool students instead of building standards for child care facilities.
- With the exception of building standards requirements, NC Pre-K operators must comply with all DCDEE policies regarding program standards and classroom requirements.
- Local NC Pre-K committees must use the process developed by DCDEE to award NC Pre-K classroom slots and student selection.
- DCDEE must submit an annual report no later than March 15 of each year to the Joint Legislative Oversight Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division which includes:
 - The number of children participating in the NC Pre-K program by county.
 - The number of children participating in the NC Pre-K program who have never been served in other early education programs such as child care, public or private preschool, Head Start, Early Head Start, or early intervention programs.
 - The expected NC Pre-K expenditures for the programs and the source of the local contributions.
 - The results of an annual evaluation of the NC Pre-K program.
- Administration of the NC Pre-K program by local partnerships is subject to financial and compliance audits authorized under State law.

DCDEE must continue implementing the NC Pre-K program. Eligibility determinations can continue through local education agencies and local North Carolina Partnership for Children, Inc., partnerships.

This section became effective July 1, 2026.

NC Pre-K Report on Reallocation of Unused Slots – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9D.2

Section 9D.2 of S.L. 2026-41 (Senate Bill 257) requires the Division of Child Development and Early Education of the Department of Health and Human Services to submit a report on how unused slots are reallocated in the NC Prekindergarten program to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The report must be submitted by March 1, 2027.

This section became effective July 7, 2026.

Subsidized Child Care/Increase Reimbursement Rates, Implement a Rate Floor, and Require Additional Reporting at the 50th Percentile for the Next Market Rate Study – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9D.4

Section 9D.4 of S.L. 2026-41 (Senate Bill 257), as amended by Section 3.2 of S.L. 2026-42, increases the child care subsidy market rates for children in three-, four-, and five-star rated centers to the seventy-fifth percentile as recommended by the 2023 Child Care Market Rate Study. Payment rates for child care providers in counties that have a county rate below the State rate for children in three-, four-, and five-star rated centers will also be set at the seventy-fifth percentile statewide market rate as recommended by the 2021 Child Care Market Rate Study. The new rates will be paid beginning October 1, 2026.

The Division of Child Development and Early Education must include in its next market rate study reporting of statewide rates at the fiftieth percentile in addition to reporting at the seventy-fifth percentile.

This section became effective July 1, 2026.

Smart Start Initiatives – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9D.6

Section 9D.6 of S.L. 2026-41 (Senate Bill 257) does the following regarding the North Carolina Partnership for Children, Inc. (Partnership for Children):

- Ensures funded activities include assisting child care facilities with improving quality and implementing prekindergarten programs. Funding must also be used for evidence-based or evidence-informed programs that follow specified goals for children from birth to 5 years of age.
- Directs administrative costs must be equivalent to, on an average statewide basis for all local partnerships, not more than 10% of the total statewide allocation to all local partnerships and requires participation in a single statewide contract management system.
- Sets salary maximums and provides salary schedule criteria for the Executive Director of the Partnership for Children and the directors of the local partnerships.
- Requires the application of set match percentages to the total budgeted amount for program in the 2026-2027 fiscal year, establishes requirements to meet the private match, and creates a reduction in funds for failure to obtain the required match.
- Creates a prescribed competitive bidding process based on the amount of the bid.
- Prevents the reduction of the allocation below the 2012-2013 funding level for counties with less than 35,000 in population.
- Requires the Department of Health and Human Services to continue to implement the performance-based evaluation system.
- Ensures the allocation of funds for Early Childhood Education and Development Initiatives for 2026-2027 are administered and distributed in a specified manner.
- Allows up to 1% of State funds to be used for fundraising activities and requires the amount of State funds used for fundraising activities to be included in its annual report.

This section became effective July 1, 2026.

Smart Start Literacy Initiative/Dolly Parton's Imagination Library – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9D.7

Section 9D.7 of S.L. 2026-41 (Senate Bill 257), as amended by Section 4.2 of S.L. 2026-61 (House Bill 268), requires the North Carolina Partnership for Children, Inc. (NCPC) to continue to use a portion of the funds allocated to it by the Department of Health and Human Services (DHHS) to increase access to Dolly Parton's Imagination Library.

NCPC is allowed to use up to 1% of the allocated funding for statewide program management and up to 1% for program evaluation. Funding provided under this section is not subject other administrative costs and match requirements in this act, or the statutory requirements for child care services funding and child care subsidy expansion. Additionally, the funding provided for Dolly Parton's Imagination Library will not revert on June 30, 2027, but will remain available until June 30, 2032, when the funds will revert to the appropriate fund.

NCPC is required to submit a report based on the program evaluation to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by December 1 of each even numbered year.

This section, as amended, became effective July 1, 2026.

Career-Ready Lead Teacher Academy Pilot Program. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9D.8

Section 9D.8 of S.L. 2026-41 (Senate Bill 257) appropriates to the Department of Health and Human Services, Division of Child Development and Early Education (DCDEE) \$1.5 million in nonrecurring funds from the General Fund for the 2026-2027 fiscal year to be allocated to the North Carolina Partnership for Children, Inc. (NCPC) to provide the State match for implementing the career-ready lead teacher academy pilot program as follows: (i) \$1 million for the 2026-2027 fiscal year for the State portion of tuition costs and (ii) \$500,000 for the 2026-2027 fiscal year for the stipends described below.

These funds must be used as follows:

- The funds must be allocated equally among the local partnerships selected to participate in the pilot program.
- Local partnerships must provide documentation of a 25% local match to receive State funds.
- Any unexpended and unencumbered funds at the end of the fiscal year from these funds will not revert to the General Fund but will remain available for use in accordance with these provisions.
- The funds cannot be used for administrative costs.
- The funds are not subject to the administrative cost and the match requirements under this act, or the statutory child care services funding and child care subsidy expansion requirements.

NCPC, in collaboration with the North Carolina Community College System Office (NC CCS), must develop a two-year pilot program expanding the child care academies currently operating in Johnston and Wayne counties. The academies must provide free, comprehensive training and support to individuals with no child care experience or education who are interested in a career in child care. They must ensure graduates are able to be credentialled as lead teachers or group leaders in a licensed child care program upon graduation and meet certain requirements regarding program size and length.

NCPC, in collaboration with the NC CCS, must select 10 local partnerships for the program, in addition to Johnston and Wayne counties. There must be at least one in each local partnership region of the statewide Smart Start network. The local partnerships can offer each graduate a one-time stipend of at least \$150 for completing the course. Students are eligible to receive an additional \$500 stipend if they begin full-time employment as a lead teacher in a licensed child care center or home in the State within three months of graduating from the academy, and complete 12 consecutive months of employment at the same child care program. NCPC and local partnerships must also collaborate with community colleges and make information about the academies available to the public.

NCPC, in collaboration with the local partnerships and community colleges participating in the pilot program, must submit a progress report on the pilot program to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by March 31, 2027 which includes any concerns or recommendations for program expansion. A final report must be submitted by December 31, 2027, that includes, at a minimum, the following: (i) the local partnerships and community colleges participating in the pilot program; (ii) the number of students enrolled in each career-ready lead teacher academy (academy), by county; (iii) the number of students who successfully completed the academy, by county; (iv) the number of newly credentialed graduates employed as lead teachers in licensed child care programs, by county; (v) the outcomes achieved from the pilot program, including any recommendations for expanding the program statewide; (vi) the number of new child care slots available as a result of adding the new lead teachers; (vii) total program costs, including any administrative costs borne by the county; and (viii) the amount of funds needed to expand the program statewide.

DCDEE must establish a provisional early childhood credential for individuals who are 16 or 17 years old and are preparing to work in the child care field. The provisional credential will allow these individuals to work in certain out of school child care facilities and summer camps as a group leader when staff to child ratios and group size requirements are met. When the individual turns 18 and receives a high school diploma or its equivalent, the individual will be eligible to receive the full NC Early Childhood Credential and be employed as a lead teacher at any licensed child care program in the State. The NC CCS, the North Carolina Department of Public Instruction, the North Carolina Center for Afterschool Programs, and DCDEE must ensure the required trainings to earn the provisional credential are accessible to interested individuals no later than March 31, 2027.

This section became effective July 1, 2026.

Child Care Mental and Behavioral Health Services Funding/Smart Start Special Fund – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9D.9

Section 9D.9 of S.L. 2026-41 (Senate Bill 257) allocates \$7.3 million in non-recurring funds to the North Carolina Partnership for Children, Inc. (NCPC). The allocation comes from the funds appropriated to the Division of Child Development and Early Education (Division) of the Department of Health and Human Services (Department).

The allocated funds are required to be distributed to local partnerships chosen by the NCPC and are to supplement existing Smart Start partnership behavioral health spending. The funds must be used to expand mental and behavioral health services for children, families, and staff in child care facility settings and out-of-school programs, including on-site services and behavioral health supports.

The NCPC is required to submit a progress report on the mental and behavioral health initiatives to the Joint Legislative Oversight Committee on Health and Human Services, the Secretary of the

Department, and the Fiscal Research Division by March 15, 2027. A final report is due by November 15, 2028.

The section also creates the North Carolina Partnership for Children, Inc., Special Fund (Fund), located in the Department. Funds appropriated from the General Fund to the Department for Smart Start and the NCPC are required to be deposited into the Fund and must be used by the NCPC and local partnerships for purposes laid out in statute. The NCPC is allowed to hold up to \$5 million in cash that exceeds incurred expenditures at the end of each fiscal year. The NCPC is required to provide the Division with a financial status report for the preceding fiscal year no later than August 1 of each year.

This section became effective on July 7, 2026.

Child Care Reforms/Expand Career Pathways for Child Care Center Administrators – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9D.10

Section 9D.10 of S.L. 2026-41 (Senate Bill 257) allows licensed child care centers to use the combined education and work experience of two staff members to meet the requirements for Level II and Level III certificates or designations and receive the same star rating in the same manner as if the requirements were met by one person, provided the following apply:

- One individual must (i) complete EDU 261 and EDU 262 as set out in the Child Care Rules in the Administrative Code, (ii) hold an associate degree or higher in business administration or a related field, or (iii) have at least two years of verifiable business or administrative work experience.
- One individual must (i) hold an associate degree or bachelor's of science degree in early childhood education or child development, (ii) be responsible for the center's curriculum, program delivery, and compliance practices, and (iii) be physically on-site for at least the minimum number of hours required by the child care staffing requirements.

The Department of Health and Human Services must allow an individual to earn the minimum mandatory North Carolina Early Childhood Administration Credential without completing coursework in EDU 261 and EDU 262 when the individual has (i) an associate degree or higher in business administration or a related field or (ii) two years of verifiable business or administrative work experience.

This section became effective July 1, 2026.

Continue Medicaid Annual Report – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.1

Section 9E.1 of S.L. 2026-41 (Senate Bill 257) continues the requirement for the Department of Health and Human Services, Division of Health Benefits, to publish the Medicaid Annual Report by December 31 each year.

This section became effective July 1, 2026.

Duration of Medicaid Program Modifications – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.3

Section 9E.3 of S.L. 2026-41 (Senate Bill 257) clarifies that, unless otherwise specified, the Department of Health and Human Services must only maintain the Medicaid program changes in Subpart E of this act until June 30, 2027. This duration limitation also applies to uncodified language that became law in 2023 requiring certain Medicaid reimbursements to ambulatory surgical centers for a specific dental service. Because that modification to the Medicaid program became law in a bill that was not the budget, it did not contain the standard duration limitation language typically appearing in budget bills, and this section corrects that omission.

This section became effective July 1, 2026.

Change in Hospital Status – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.8

Section 9E.8 of S.L. 2026-41 (Senate Bill 257) makes a technical adjustment to the statutory formula used to calculate the total amount of assessments that hospitals pay to the Department of Health and Human Services for the Medicaid program. This section adjusts how the total assessment amount is distributed between private hospitals and public hospitals. The adjustment accounts for the recent addition of a newly-licensed private hospital as documented in the April 28, 2026, [Change of Hospital Status Report](#) submitted by the Department of Health and Human Services to the Joint Legislative Oversight Committee on Medicaid as required by State law.

This section becomes effective October 1, 2026, and applies to hospital assessments imposed on or after that date.

Adjust Hospital Assessments to Account for Work Requirement Changes – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.9

Section 9E.9 of S.L. 2026-41 (Senate Bill 257) adjusts the statutory formula used to calculate the total amount of assessments that hospitals pay to the Department of Health and Human Services for the Medicaid program. This section adds \$650,000 per year to the calculation, beginning

January 1, 2027, and ending June 30, 2036, for new State administrative costs of the NC Health Works program. The costs are associated with the requirement in Section 3C.5 of S.L. 2026-1 that certain Medicaid beneficiaries must demonstrate three months of compliance with federally-mandated community engagement eligibility criteria beginning January 1, 2027.

The additional assessment amount becomes effective January 1, 2027, and applies to hospital assessments imposed on or after that date. Other conforming changes in this section have effective dates that are appropriate to the conforming change, with some having a conditional effective date and an expiration date of July 1, 2034, and others having become effective July 7, 2026.

Funds for Medicaid Fraud, Waste, and Abuse Technology – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.13

Section 9E.13 of S.L. 2026-41 (Senate Bill 257) directs the Department of Health and Human Services, Division of Health Benefits (DHB), to use \$1.5 million in recurring funds to leverage data available through the Government Data Analytics Center (GDAC) for the prevention of Medicaid fraud, waste, and abuse. This section requires DHB, in collaboration with the GDAC, to submit a report by November 15, 2026, to the Joint Legislative Oversight Committee on Medicaid and the Fiscal Research Division describing how the funds will be expended.

This section is effective July 1, 2026.

Increase Wages of Direct Care Workers / Innovations Waiver – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.14

Section 9E.14 of S.L. 2026-41 (Senate Bill 257) directs the Department of Health and Human Services, Division of Health Benefits (DHB), to use \$21.3 million in recurring funds to increase wages and benefits for the direct care workers who provide Medicaid Innovations waiver services. This section directs that this funding be used to increase the Medicaid reimbursement rate for the services provided by these direct care workers and to adjust the capitation rates paid to local management entity/managed care organizations (LME/MCOs) covering those services. Prior to receiving the rate increase, providers must attest to the relevant LME/MCO that the entire amount of the rate increase is being used for the benefit of the direct care workers. LME/MCOs must recoup from a provider any amount of the rate increase that the LME/MCO determines was not used for the benefit of the workers. By February 15, 2027, DHB must submit a report to the Joint Legislative Oversight Committee on Medicaid about how the funding was used.

This section became effective July 1, 2026, and the rate increase is effective on the date approved by the Centers for Medicare and Medicaid Services.

Medicaid Skilled Nursing Facility Cost Containment Pilot – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.16

Section 9E.16 of S.L. 2026-41 (Senate Bill 257) establishes a five-year pilot program, beginning January 1, 2028, that adds a cost containment factor to the methodology used to set the Medicaid reimbursement rate paid to skilled nursing facilities. Until the conclusion of the pilot program, (i) other changes to the skilled nursing facility reimbursement rate methodology are generally prohibited and (ii) beneficiaries residing in skilled nursing facilities would remain excluded from managed care coverage under prepaid health plans. This section specifies the details for calculating the cost containment factor and directs the Department of Health and Human Services, Division of Health Benefits (DHB), to submit a State Plan amendment to the Centers for Medicare and Medicaid Services adding the cost containment factor. This section requires DHB to report to the Joint Legislative Oversight Committee on Medicaid and the Fiscal Research Division (i) as needed during the implementation of the pilot and (ii) by April 1, 2033, on the outcomes of the pilot program and a recommendation whether to continue or expand the pilot program.

This section became effective June 1, 2026.

Medicaid Managed Care Cost Containment – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.17

Section 9E.17 of S.L. 2026-41 (Senate Bill 257) requires the Department of Health and Human Services, Division of Health Benefits, to include in its contracts with prepaid health plans certain terms clarifying the expectations for prepaid health plans with regard to Medicaid cost containment.

This section became effective July 7, 2026, and applies to contracts entered into on or after that date.

Continue CHIPRA 214 Coverage Option – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.18

Section 9E.18 of S.L. 2026-41 (Senate Bill 257) updates the law that establishes Medicaid eligibility categories to ensure the continuation of Medicaid coverage to pregnant women and children under the CHIPRA 214 State Option after the enactment of changes to that law that were made in Section 3C.4 of S.L. 2026-1.

This section becomes effective October 1, 2026.

Quarterly Review of Income and Financial Resources – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.20

Section 9E.20 of S.L. 2026-41 (Senate Bill 257) updates the law pertaining to Medicaid eligibility monitoring to maintain a quarterly review, rather than a monthly review, by the Department of Health and Human Services of certain financial information that determines a Medicaid beneficiary's continued eligibility for Medicaid. Section 3C.6 of S.L. 2026-1 would have changed the frequency of review of all data sources listed in the eligibility monitoring statute from quarterly to monthly beginning October 1, 2026; however, this section restores a quarterly review only for information on earned income, unearned income, and financial resources.

This section becomes effective October 1, 2026.

Align Rebidding Date for Medicaid Standard Plan and Tailored Plan PHP Contracts – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.21

Section 9E.21 of S.L. 2026-41 (Senate Bill 257) aligns the next procurement date for the prepaid health plan contracts for standard benefit plans and for behavioral health and intellectual/developmental disabilities tailored plans so that the next contracts for both plan types will begin December 1, 2029.

This section became effective July 1, 2026.

Modifications to Applied Behavior Analysis Therapy Medicaid Coverage / Closed Networks – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.22

Section 9E.22 of S.L. 2026-41 (Senate Bill 257) adjusts a requirement pertaining to Medicaid coverage of Research-Based Behavioral Health Treatment (RB-BHT), which includes Applied Behavior Analysis (ABA) therapy. For individualized service plans involving more than 16 hours of RB-BHT per week, this section changes the requirement that those plans be approved monthly by a prepaid health plan (PHP) or the Department of Health and Human Services to instead require reapproval every three months.

This section also amends the statutes pertaining to Medicaid managed care plan provider networks to require all PHPs to develop and maintain closed provider networks for peer support services, RB-BHT services, and community support team services.

This section became effective July 7, 2026.

Extend Durable Medical Equipment Rates in Medicaid Managed Care – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.23

Section 9E.23 of S.L. 2026-41 (Senate Bill 257) extends, through June 30, 2029, the required Medicaid reimbursement rate for durable medical equipment covered by standard benefit plan prepaid health plans.

This section became effective July 1, 2026.

Accreditation for Medicaid Managed Care Entities – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.24

Section 9E.24 of S.L. 2026-41 (Senate Bill 257) requires the Department of Health and Human Services, Division of Health Benefits (DHB), to allow Medicaid managed care entities, also called prepaid health plans, to attain and maintain accreditation through an accrediting organization of their choice that has been approved by DHB.

This section became effective July 7, 2026, and applies to contracts entered into on or after that date.

Extend Primary Care Task Force – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.25

Section 9E.25 of S.L. 2026-41 (Senate Bill 257) extends the authorization of the Primary Care Task Force to December 31, 2028, and clarifies responsibilities and safeguards pertaining to the submission of data and information to the Task Force.

This section became effective retroactively July 1, 2023.

Reducing Use of Inappropriate Settings for Delivery of Behavioral Health Services – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9E.26

Section 9E.26 of S.L. 2026-41 (Senate Bill 257) ends a State law requirement to add Medicaid coverage for services provided to certain beneficiaries who are in the hospital and are waiting to be discharged to a more appropriate setting for the treatment of behavioral health needs, after federal approval of this additional coverage was denied. This section requires a report to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid by October 1, 2026, on recent efforts to address the issue of the inappropriate use of acute care hospital settings for the delivery of behavioral health services.

This section became effective July 1, 2026.

Hospital and Ambulatory Surgical Facility Standards on Surgical Smoke Evacuation – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9F.1

Section 9F.1 of S.L. 2026-41 (Senate Bill 257) amends the definition of “smoke evacuation/filtering systems” applicable to hospitals and ambulatory surgical centers to specify that an assistant-held smoke evacuation device qualifies as a smoke evacuation/filtering system.

This section became effective July 7, 2026.

Elimination of Certified Public Accountant Requirement for Adult Care Home Cost Reports – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9F.2

Section 9F.2 of S.L. 2026-41 (Senate Bill 257) prohibits the Department of Health and Human Services (DHHS) from requiring an adult care home to use a certified public accountant or independent accountant to satisfy any part of the actual cost reporting requirements unless DHHS determines that an adult care home has submitted a grossly inadequate report.

This section became effective July 1, 2026, and applies to reports due on or after that date.

Streamlining Adult Care Home Inspections – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9F.3

Section 9F.3 of S.L. 2026-41 (Senate Bill 257) requires State or local departments, agencies, boards, or commissions, in specified circumstances, to accept a passed inspection of an adult care home completed by the Division of Health Service Regulation (DHSR) of the Department of Health and Human Services.

This requirement applies to facility, real property, workplace, or workplace safety inspections, and applies only if the inspection by the other State or local entities is a substantially similar inspection to the one completed by DHSR and occurs within three months of DHSR's inspection.

Authorized agencies retain the authority to conduct an inspection or investigation in response to a complaint, an incident, or for certain other reasons. Authorized agencies retain the authority to conduct an independent inspection when the agency has reasonable cause to believe conditions that affect resident health, safety, and other issues have changed since a prior inspection.

This section becomes effective October 1, 2026, and applies to inspections conducted on or after that date.

Repeal Certificate of Need Review for Inpatient Rehabilitation Services, Facilities, and Beds – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9F.4

Section 9F.4 of S.L. 2026-41 (Senate Bill 257) removes rehabilitation facilities and rehabilitation beds from certificate of need review.

This section becomes effective October 1, 2026.

Allow Live-In Direct Support Professionals in Group Homes – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9F.5

Section 9F.5 of S.L. 2026-41 (Senate Bill 257) directs the Division of Health Service Regulation (DHSR), Department of Health and Human Services to adopt rules permitting direct support professionals who provide services in supervised living facilities for adults with a primary diagnosis of developmental disability to reside permanently in those facilities

DHSR must report on its progress towards implementing the changes required by this section and any legislative changes requested to the Joint Legislative Oversight Committee on Health and Human Services by July 1, 2027.

This section is effective July 7, 2026.

Local Inpatient Psychiatric Beds or Bed Days – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9G.2

Section 9G.2 of S.L. 2026-41 (Senate Bill 257) allows funds appropriated to the Department of Health and Human Services (DHHS), Division of Mental Health, Developmental Disabilities, and Substance Use Services (Division) to continue to be used for the purchase of local inpatient psychiatric beds or bed days. The payments are based on the acuity of the patient. The purchase rate for the most acute patient cannot exceed the lowest average cost per patient bed day in State psychiatric hospitals. In addition, existing funds allocated to local management entities/managed care organizations (LME/MCOs) may be used to purchase additional local inpatient psychiatric beds or bed days. DHHS may allocate funding to the LME/MCOs for the purchase of facility-based crisis services, nonhospital detoxification services, and peer respite services to support individuals that do not meet the medical necessity for inpatient treatment and can be diverted from an inpatient hospital stay.

DHHS must work to ensure that any local inpatient psychiatric beds or bed days purchased are utilized solely for individuals who are medically indigent, but up to 40% of the funds appropriated may be used for the purchase of local inpatient psychiatric beds or bed days to pay for facility-based crisis services, nonhospital detoxification services, and peer respite services for individuals

in need of these services, regardless of whether the individuals are medically indigent. DHHS must work to ensure that any local inpatient psychiatric beds or bed days purchased are distributed across the State and according to need.

Funds appropriated in this act to DHHS must be held in a statewide reserve at the Division to pay for services authorized by the LME/MCOs and billed by the hospitals through the LME/MCOs. LME/MCOs must remit claims for payment to DHHS within 15 working days after receipt of a clean claim from the hospital and must pay the hospital within 30 working days after receipt of payment from DHHS.

If DHHS determines that (i) an LME/MCO is not effectively managing the beds or bed days for which it has responsibility or (ii) the LME/MCO has failed to comply with the prompt payment provisions of this section, DHHS may contract with another LME/MCO to manage the beds or bed days or pay the hospital directly.

LME/MCOs must report to DHHS regarding the utilization of these beds or bed days.

By December 1, 2026, DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on all of the following:

- A uniform system for beds or bed days purchased during the preceding fiscal year from (i) existing State appropriations and (ii) local funds.
- An explanation of the process used by DHHS to ensure local inpatient psychiatric beds or bed days are utilized solely for individuals who are medically indigent, along with the number of medically indigent individuals served by the purchase of these beds or bed days.
- The amount of funds used to pay for facility-based crisis services, along with the number of individuals who received these services and the outcomes for each individual.
- The amount of funds used to pay for nonhospital detoxification services, along with the number of individuals who received these services and the outcomes for each individual.
- Other DHHS initiatives funded by State appropriations to reduce State psychiatric hospital use.

This section became effective July 1, 2026.

Competitive Grants to Sheriffs' Offices for Addiction Treatment in Jails – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9G.3

Section 9G.3 of S.L. 2026-41 (Senate Bill 257), as amended by Section 4.5 of S.L. 2026-61 (House Bill 268), requires the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services (DMH/DD/SUS), to allocate \$2 million in recurring funds beginning in the 2026-2027 fiscal year to provide competitive grants under the MAT Grant Program (Program). MAT is defined as medication-assisted treatment. The purpose of the Program is to provide grants on a competitive basis to sheriffs' offices to assist in

establishing, maintaining, or expanding MAT programs for alcohol and opioid addiction in jails (categories) and DMH/DD/SUS must use the allocated funds as prorated for each of these categories.

Receipt of a grant is prioritized based upon the following criteria for the county in which that sheriffs' office sits: (i) the rate of opioid-related deaths, (ii) the rate of opioid-related hospital admissions, (iii) the rate of violations of probation or parole due to ongoing opioid or alcohol use, and (iv) the accessibility of mental and physical healthcare. Additionally, no sheriff's office can receive grants in more than one category in any fiscal year nor can a sheriff's office receive grants totaling the entire yearly allotment of funds provided for one of the categories in any fiscal year.

If qualified grant applications do not exhaust the funds allotted for one of the categories in a given fiscal year, the remaining funds for that category for that fiscal year may be redistributed equally between the other two categories.

The Secretary of the Department of Health and Human Services (Secretary) and must convene a working group comprised of (i) the Director of the Division of Community Supervision of the Department of Adult Correction or the Director's designee, (ii) the Director of the Office of Rural Health of the Department or the Director's designee, (iii) the Section Chief for Addictions and Management Operations of DMH/DD/SUS or the Section Chief's designee, and (iv) other relevant stakeholders as determined by the Secretary. The Secretary may assign support staff.

The working group must (i) evaluate applications for each of the categories and may award lower amounts than requested to individual sheriffs' offices in order to assure broader access to funds, (ii) ensure all FDA-approved drugs for the treatment of opioid dependence be considered as options for treatment, including long-acting, injectable medication regimens, and use any operational criteria and application processes for the MAT grant program established by State law in 2021.

This section became effective July 1, 2026.

Funds for Additional Opioid Remediation Activities – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9G.5

Section 9G.5 of S.L. 2026-41 (Senate Bill 257) directs the use of \$6 million from the funds appropriated to the Division of Mental Health, Developmental Disabilities, and Substance Use Services (DMH/DD/SUS) of the Department of Health and Human Services from the Opioid Abatement Fund. The \$6 million is for the 2026-2027 fiscal year and is nonrecurring, and must be allocated as follows:

- \$4 million to the Local Management Entities/Managed Care Organizations, to be spread equally among them and used to support opioid remediation activities in certain counties.
- \$1 million for the purchase of intranasal opioid antagonists for distribution within North Carolina.

- \$1 million to fund a contract for the purchase of intranasal and intramuscular opioid antagonists for distribution in North Carolina, and related ancillary services, as provided for in Section 9G.6 of this act.

The recipients of these directed grants are required to report to DMH/DD/SUS, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division on the use of these grants. The reports must be submitted by September 1, 2028.

This section became effective July 1, 2026.

Local Health Departments/Competitive Grant Process to Improve Maternal and Child Health – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9H.1

Section 9H.1 of S.L. 2026-41 (Senate Bill 257) requires funds allocated to the Department of Health and Human Services (DHHS) to be used to continue funding competitive grants to local health departments to improve maternal and child health, with the following goals:

- Improving birth outcomes.
- Improving the overall status of children's health from birth to age five.
- Lowering infant mortality.

Administration of the grant process must include the following:

- A request for application allowing local health departments to apply for and receive funds on a competitive basis.
- A requirement that the applications of local health departments who can leverage non-State funds be prioritized.
- Ensuring that funds received by DHHS to implement the grant program do not supplant existing funds.
- Allowing the grants to be awarded for up to three years.

DHHS must award the grants by July 1 of each year. After the grants have been awarded, DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services containing the following:

- The identity and a brief description of each grantee and each program or initiative offered by the grantee.
- The amount of funding awarded to each grantee.
- The number of persons served by each grantee, broken down by program or initiative.

No later than February 1 of each fiscal year, each local health department receiving funds must submit the following to the Division of Public Health:

- A description of the types of programs, services, and activities funded by the grant.

- Statistical and demographical information on the number of persons served by the programs.
- Outcome measures that demonstrate the impact and effectiveness of the programs.
- A detailed program budget and list of expenditures.

This section became effective July 1, 2026.

Report on Recommendations for a Plan to Improve Maternal and Infant Levels of Care in North Carolina – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9H.2

Section 9H.2 of S.L. 2026-41 (Senate Bill 257) requires the Division of Public Health (DPH), Department of Health and Human Services to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on recommendations for a plan to establish maternal levels of care and to update neonatal levels of care to reduce maternal and infant mortality rates within the State by April 1, 2027. The plan must be consistent with guidelines of specified organizations, and DPH must consult with specified maternal and infant health stakeholders in the State in developing plan recommendations.

This section became effective July 1, 2026.

Report on Premium Assistance Program within North Carolina HIV Medication Assistance Program – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9H.3

Section 9H.3 of S.L. 2026-41 (Senate Bill 257) requires the Department of Health and Human Services (DHHS) to submit a report to the Joint Legislative Oversight Committee on Health and Human Services if the Division of Public Health of DHHS determines that in six months or less it will no longer be feasible to operate the health insurance premium assistance program within the North Carolina HIV Medication Assistance Program on a cost-neutral basis or in a manner that achieves saving to the State.

The report would be required to include notification of the Division's determination, supporting documentation, and a proposed course of action for the participants in the health insurance premium assistance program.

This section became effective July 1, 2026.

Increase to Medical Examiner Fee – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9H.4

Section 9H.4 of S.L. 2026-41 (Senate Bill 257) increases the fee paid to the medical examiner for investigations and prompt filings of required reports by the State or county to \$400.

This section became effective July 1, 2026, and applies to fees imposed for medical examiner reports filed on or after that date.

Carolina Pregnancy Care Fellowship. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9H.6

Section 9H.6 of S.L. 2026-41 (Senate Bill 257) allocates the funds appropriated to the Division of Public Health (Division) of the Department of Health and Human Services (Department) for Carolina Pregnancy Fellowship (CPCF), a non-profit organization, as follows:

- \$3,950,000 for grants for services to pregnancy centers in North Carolina.
- \$1 million to pregnancy centers in North Carolina as grants for the purchase of durable medical equipment, training on the use of durable medical equipment, and pregnancy care training.
- \$1 million to fund the CPCF Circle of Care Program.

CPCF is required to establish an application process for the grants and any pregnancy center in the State is eligible for them. CPCF is not allowed to use more than 10% of the total funds for administrative purposes, nor can it use them for sectarian or religious purposes.

CPCF is required to submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the use of the allocated funds. The report is due by July 1, 2027, and July 1 of each odd-numbered year thereafter.

This section became effective July 7, 2026.

Statewide Continuum of Care Program – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9H.7

Section 9H.7 of S.L. 2026-41 (Senate Bill 257) allocates \$3,291,453 in nonrecurring funds for the 2026-27 fiscal year to the Human Coalition to fund its statewide continuum of care program, as expanded pursuant to Section 9G.6 of S.L. 2021-180. The funds must be used for nonreligious purposes, and only up to 5% of the funds may be used for administrative purposes.

By December 1, 2027, and every six months thereafter, the Human Coalition must report the following to the Department of Health and Human Services (DHHS):

- A detailed breakdown of expenditures for the program.
- The number of individuals served by the program and the types of services provided to each person.
- Any other information requested by DHHS.

By February 1, 2028, 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. The report must include at least all of the information the Human Coalition is required to report to DHHS.

This section became effective July 1, 2026.

Transfer and Reorganization of Rare Disease Advisory Council – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9H.8

Section 9H.8 of S.L. 2026-41 (Senate Bill 257) makes the following changes to the Rare Disease Advisory Council (Advisory Council):

- Moves the Advisory Council to within the Department of Health and Human Services (DHHS).
- Expands the membership of the Advisory Council to 19 members with specified credentials. The Secretary of DHHS must appoint 15 members. The President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Governor also must appoint one member each.
- Establishes the terms and term limits of Advisory Council members. The appointing authority may (i) remove members for misfeasance, malfeasance, or nonfeasance, and (ii) fill a vacancy on the Advisory Council.
- Requires the Advisory Council to meet quarterly. The Advisory Council can meet more frequently at the call of the chair or at the request of a majority of the members.
- Creates the following additional powers and duties of the Advisory Council:
 - Advising the Governor, the Secretary, and the General Assembly on (i) the coordination of statewide efforts to increase public awareness and understanding of rare diseases, (ii) the identification of policy issues related to rare diseases and the advancement of policy initiatives related to rare diseases at the State and federal levels, and (iii) the appropriation of State funds to facilitate increased public awareness of and improved treatment for rare diseases.
 - Developing resources or recommendations, in consultation with medical schools, schools of public health, and hospitals, on the quality of and access to treatment and services within the State for people diagnosed with a rare disease.
 - Advising and consulting with DHHS, the North Carolina Drug Utilization Review Board, and the Medicaid Preferred Drug List Review Panel in developing recommendations, resources, and programs relating to the diagnosis and treatment of rare diseases.
 - Identifying additional relevant areas for study and evaluation.
- Clarifies the terms of all members currently serving on the Advisory Council expire on October 1, 2026.

This section appropriates \$250,000 in non-recurring funds from the General Fund for the 2026-2027 fiscal year to DPH to cover the operating expenses of the Advisory Council.

This section became effective July 1, 2026.

Alignment of State and Federal Childhood Lead Dust Standards – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9H.9

Section 9H.9 of S.L. 2026-41 (Senate Bill 257) aligns the State childhood lead dust standards with the Federal standards in the State's definition of "lead poisoning hazard" and the State's requirements for lead poisoning hazard remediation plans. For the definition and remediation plans, the lead dust level is reduced to five micrograms per square foot for floors and 40 micrograms per square foot for interior windowsills. For remediation plans, lead dust on windowsill troughs is reduced to 100 micrograms per square foot.

This section becomes effective January 1, 2027.

Intensive Family Preservation Services Funding, Performance Enhancements, and Report – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9J.2

Section 9J.2 of S.L. 2026-41 (Senate Bill 257), notwithstanding the provisions of the North Carolina Family Services Prevention Act, requires the Intensive Family Preservation Services (IFPS) Program to provide intensive services to children and families in cases of abuse, neglect, and dependency where a child is at imminent risk of removal from the home and to children and families in cases of abuse where a child is not at imminent risk of removal. The IFPS Program must be implemented statewide on a regional basis. Standardized assessment criteria for determining imminent risk and clear criteria for determining out-of-home placement must be applied.

Any program or entity receiving State, federal, or other funding for the purpose of IFPS must provide the following information and data to the Department Health and Human Services (DHHS): (i) an established follow-up system with a minimum of six months of follow-up services; (ii) detailed information on the specific interventions applied, including utilization indicators and performance measurements; (iii) cost-benefit data; (iv) data on long-term benefits associated with IFPS which will be obtained by tracking families through the intervention process; (v) the number of families remaining intact and the associated interventions while in IFPS and 12 months after release from the IFPS; and (vi) 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.

DHHS must continue implementation of a performance-based funding protocol and only provide funding to those programs and entities providing the required information. DHHS must submit an annual report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by December 1 of each year that provides this information and data.

This section became effective July 1, 2026.

Federal Child Support Incentive Payments – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9J.6

Section 9J.6 of S.L. 2026-41 (Senate Bill 257) allows the North Carolina Child Support Services Section (NCCSS) of the Division of Social Services of the Department of Health and Human Services to retain up to 15% of the annual federal incentive payments it receives for the purpose of enhancing centralized child support services in specified ways.

NCCSS is required to allocate at least 85% of the annual federal incentives payments it receives to county child support services programs to improve effectiveness and efficiency using the federal performance measures. NCCSS is required to examine its methodology for distributing federal incentive funding to county programs and, if it adopts an alternative formula, develop a process to phase in the alternative formula for distributing federal incentive funding over a four-year period.

NCCSS is required to mandate the submission of an annual plan and report from county child support services programs, to ensure that those programs are following NCCSS' guidelines on the appropriate use of the funding.

NCCSS is required to submit a report on federal child support incentive funding to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1 of each year.

This section became effective on July 1, 2026.

Report on Certain SNAP and TANF Expenditures – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9J.8

Section 9J.8 of S.L. 2026-41 (Senate Bill 257) requires funds allocated to the Department of Health and Human Services for the 2026-27 fiscal year for a report on certain Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) expenditures to be used to pay vendors for generating the data regarding the expenditures of those programs. The vendor data must be submitted to the Division of Social Services (Division) and include at least the following:

- The dollar amount and number of transactions accessed or expended out-of-state for both SNAP benefits and TANF benefits.
- The amount of benefits expended out-of-state from active cases for both SNAP and TANF.
- The dollar amount and number of transactions of benefits accessed or expended in this State, by types of retailers or institutions, for both SNAP and TANF.

The Division must review the data and submit an analysis of the data to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The first analysis must report how this data is used to investigate fraud and abuse in both SNAP and TANF. The analysis must also be posted on the Division's website. The analysis must be

submitted to Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division and posted on the website by June 30 and December 31 of each year. All confidential information must be redacted from any public reports.

This section became effective July 1, 2026.

Inclusion of Eastern Band of Cherokee Indians in Child Advocacy Centers – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9J.10

Section 9J.10 of S.L. 2026-41 (Senate Bill 257) makes the following changes to the statutes governing Child Advocacy Centers:

- Amends the definition of "Department" to include the Eastern Band of Cherokee Indians Department of Public Health and Human Services.
- Expands the definition of "Multidisciplinary team" to include a tribal prosecutor for the Eastern Band of Cherokee Indians.
- Adds a tribal prosecutor for the Eastern Band of Cherokee Indians to the list of individuals to which disclosure of information and records is allowed.

This section became effective July 7, 2026.

Require Status Report on Foster Care Trauma-Informed Assessment – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9J.11

Section 9J.11 of S.L. 2026-41 (Senate Bill 257) requires the Department of Health and Human Services, Division of Social Services, to provide a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the status of the foster care trauma-informed assessment (assessment) required by State law by September 1, 2026, and continuing every six months until the assessment is fully implemented Statewide.

This section became effective July 1, 2026.

Responsible Fatherhood NC Program – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9J.13

Section 9J.13 of S.L. 2026-41 (Senate Bill 257), as amended by Section 4.10 of Session Law 2026-61 (House Bill 268), creates the "Responsible Fatherhood NC Program" (Program).

Of the funds appropriated from the General Fund to the Department of Health and Human Services, Division of Social Services (DSS), the sum of \$2,750,000 in nonrecurring funds for the 2026-2027 fiscal year must be used to implement the Program as follows: (i) up to \$2 million

must be used to contract for the Program Manager; and (ii) the remainder of the funds must be used for the authorized grants.

DSS must contract with a nonprofit organization to serve as the Program Manager. The nonprofit must have the following: (i) a history of focusing on responsible fatherhood; and (ii) the organizational capacity to manage a statewide initiative and successfully carry out the Program requirements.

The Program Manager has the sole responsibility for developing, implementing, and managing the Program which, at a minimum, must: (i) establish a statewide media campaign that increases the awareness and importance of fathers' involvement in their children's lives; (ii) provide resources and information to increase fathers' and father figures' engagement and involvement in their children's lives; and (iii) promote fatherhood programs provided by the Department of Public Instruction, the Community College System, or The University of North Carolina System. To effectively use the appropriated funds, the Program Manager must identify and use existing media assets, content, and online resources deemed appropriate.

DSS must establish a process to award the following two types of grants to nonprofit community-based organizations to address the needs of fathers: (i) grants that comprehensively address the needs of fathers by providing tailored services and case management services; and (ii) grants that provide evidence-based parenting education specifically for fathers.

DSS must prioritize these grant applicants based on the following: (i) the need in a geographic area and the population to be served by the grant as indicated by certain required data points; (ii) whether an applicant has a primary mission or history of significant and effective work addressing the needs of fathers; (iii) an applicant's involvement in the community being served; (iv) an applicant's commitment and capability to employ competent staff who can effectively engage with the fathers being served, including staff who share a similar background as the fathers; (v) the number of individuals the applicant plans to serve through the grant and the projected costs for the program; and (vi) an applicant's organizational capacity to effectively meet the grant requirements and deliver the programs proposed by the applicant. DSS can offer technical assistance to applicants and grant recipients that have lower organizational capacity as long as those organizations or its leadership have significant experience serving fathers. The grant recipients must submit reports to DSS as prescribed by DSS.

DSS must implement these requirements no later January 1, 2027.

This section became effective July 1, 2026.

SNAP Benefit Cost-Sharing – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9J.14

Section 9J.14 of S.L. 2026-41 (Senate Bill 257), provides a mechanism to fund the State's fiscal obligation to the federal government for Supplemental Nutrition Assistance Program (SNAP)

benefits costs, as required by federal law. It requires the Secretary of Revenue (Secretary) to withhold a portion of each county's monthly sales tax allocations.

The amount to be withheld (SNAP benefit cost-share amount) is equal to the sum of a flat assessment, which is applicable to every county, plus a proportional assessment, which applies to every county for which a payment error rate (PER) dollar amount is attributable. Using this formula, the Department of Health and Human Services (DHHS) must, on or before October 1 of each year, calculate and notify the Secretary of each county's SNAP benefit cost-share amount, which will be withheld from sales tax allocations in equal monthly installments and remitted to DHHS to pay the State's fiscal obligation.

DHHS must submit a report on the assessment amounts, by county, to the Joint Legislative Oversight Committee on Health and Human Services (JLOC HHS) by February 1 of each year.

DHHS is required to use the State PER for the 2024-2025 federal fiscal year for the first federal fiscal year that the cost-sharing is implemented, unless the 2025-2026 federal fiscal year results in a lesser cost-sharing fiscal obligation for the State, in which case the PER for the 2025-2026 federal fiscal year must be used. DHHS is required to submit, by February 1, 2027, an initial report to JLOC HHS and the Fiscal Research Division that includes the status of the implementation of this provision, the assessment amounts by county, and any recommendations.

The provisions requiring the county sales tax withholdings and the annual reporting requirement, other than the initial report, and specifying the applicable State PER for the first federal fiscal year the cost-sharing obligation is in place, become effective October 1, 2027. The provision requiring the initial report due February 1, 2027, became effective July 1, 2026.

Dominique Moody Safety Act – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9J.15

Section 9J.15 of S.L. 2026-41 (Senate Bill 257) requires the Division of Social Services to create a child welfare escalation team (Team) to conduct escalation assessments of children who have a history of child protective services attention because of safety and risk factors. The team will (i) support county departments of social services, (ii) provide an additional level of review to ensure child safety statewide, and (iii) provide quality assurance of the child protective services history of a family who has returned to the attention of child protective services. Additionally, the section creates definitions necessary to implement its provisions.

A county director of social services will send an escalation notice to the Team upon receiving a report of abuse or neglect of a child residing in a high-risk home. The county department of social services must assist the Team in getting access to the entire case file for the child and forward any records in its possession on request of the Team.

Once all necessary information is received, the Team will do the following:

- Assess child welfare history.

- Identify gaps in services and other areas that impact safety of the child.
- Review the overall safety planning for the child.
- Create a chronological time line of child protective services intervention to understand the maltreatment factors of concern related to the family to aid in decision making.

The Team will be involved in determining case decisions for the child and services needed for the child and will be required to discuss any concerns with the involvement of child welfare services related to the child and family with the director and the assigned regional child welfare team.

A combination of State and federal funding is appropriated for the creation of six full time positions for the creation of the Child Welfare Escalation Team to include five hundred fifty thousand dollars (\$550,000) in recurring funds beginning in the 2026-2027. \$100,000 in nonrecurring funds allocated to DHHS for the 2026-27 fiscal year must be spent on training county social service employees to recognize abuse and neglect.

The Division of Social Services must explore means and resources needed to for counties to alert the Team.

The Division of Social Services must amend protocols and rules necessary for the Team's entry into a private residence.

The appropriation provisions became effective July 1, 2026. The provisions creating the Team and its procedures become effective October 1, 2026. The remaining provisions became effective July 7, 2026.

Modification of North Carolina Medical Board Licensing and Registration Fees – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9L.1

Section 9L.1 of S.L. 2026-41 (Senate Bill 257) raises the North Carolina Medical Board fees as follows:

License Fees:

- \$550 for licensure to practice medicine and surgery.
- \$125 for a limited license to practice in a medical education and training program.
- \$200 for initial and annual licensure of an anesthesiologist assistant.
- \$325 for initial licensure of a physician assistant.

Registration Fees:

- \$350 annual registration fee for every licensee, except \$150 annual registration fee for those who have a limited license to practice in medical education or training program and \$200 annual registration fee for physician assistants.

Fees:

- \$400 for license application.
- \$400 for biennial renewal of license.
- \$200 for provisional license.

This section becomes effective October 1, 2026.

Study on Division of State Operated Healthcare Facilities and Local Management Entities/Managed Care Organizations – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9L.2

Section 9L.2 of S.L. 2026-41 (Senate Bill 257) requires the Office of State Budget and Management (OSBM), in consultation with the Department of Health and Human Services (DHHS), to develop and issue a request for proposal by September 1, 2026, to contract with a third-party organization to examine specified criteria, including the following:

- Opportunities to improve efficiencies by (i) selling or leasing State operated healthcare facilities to another entity to achieve State savings while requiring they continue to provide the same services or (ii) eliminating local management entities/managed care organizations and having the duties performed by a private entity.
- Benefits and risks of requiring an annual report on the number of North Carolina employers with at least 50 employees enrolled as Medicaid beneficiaries.

OSBM and DHHS must submit a report by March 31, 2027 to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Medicaid, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division containing the findings and recommendations based on the study.

OSBM is appropriated \$1 million dollars in nonrecurring funds for the 2026-2027 fiscal year to contract with a third party to conduct the study.

The funding in this section became effective July 1, 2026, and the remainder of this section became effective July 7, 2026.

Family Child Care Home Direct Support Pilot. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 9M.2

Section 9M.2 of S.L. 2026-41 (Senate Bill 257) creates the Family Child Care Home Direct Support Pilot Program (the Pilot), a two-year program coordinated by the Pilot participants to build child care capacity in their respective counties. The Pilot is funded through funds appropriated from the federal Child Care and Development Block Grant to the Department of Health and Human Services, Division of Child Development and Early Education (DCDEE), for quality and availability

initiatives, in the amount of \$3,250,000 for the 2026-2027 fiscal year. These funds are allocated in equal amounts to three councils of governments (councils) located in one county from the following: (i) Coastal Plain Region, (ii) Mountain Region, and (iii) Piedmont Region.

A request for application must be issued by each council for a vendor to contract with to administer the Pilot. To receive funds, the vendor must partner with the council to (i) increase the number of child care programs by recruiting and coaching prospective providers through the planning and implementation stages, and (ii) ensure sustainability of the new programs by providing a two-year mentorship. A participating council can use (i) a portion of its funds to provide additional solutions through the vendor to meet local early childhood education needs within their member communities, and (ii) up to 5% of its funds for administrative costs.

To be chosen, a vendor must have several qualifications, including: (i) experience establishing new family child care homes in at least three other states; (ii) technology which meets certain required criteria; (iii) experience successfully establishing family child care homes in rural communities and addressing child care access in underserved areas; and (iv) demonstrated success in establishing new family child care homes at scale on time lines of six months or less.

Selected vendors must: (i) determine where child care providers and substitute teachers are needed, and recruit new potential child care providers and substitutes; (ii) implement the technology requirements above; (iii) develop informational materials for in-home family child care providers to assist with marketing, advertising, and parental outreach; (iv) create child care slots and implement a substitute teacher pool; (v) craft an implementation strategy to meet community and workforce needs, including care during nontraditional hours and days; (vi) provide a dashboard that allows for government leaders to track vendor progress, get feedback from child care providers, and obtain real-time reporting; (vii) provide support, resources, coaching, and training for in-home family child care providers for a minimum of two years; and (viii) report all information required by this section.

Participating councils must submit an initial progress report by March 1, 2027, and additional progress reports every six months thereafter for the duration of the Pilot, to the Joint Legislative Oversight Committee on Health and Human Services, the Fiscal Research Division, and DCDEE. At a minimum, the reports must include the following Program data: (i) the number of programs created by county; (ii) the number of child care centers and family child care homes created; (iii) the number of new child care slots; and (iv) the costs associated with creating the child care programs, including any administrative costs.

This section became effective July 1, 2026.

Amend Inmate Medical Cost Containment Reporting Requirement – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 17.9

Section 17.9 of S.L. 2026-41 (Senate Bill 257) changes the inmate medical cost reporting requirement for the Department of Adult Correction in the following two ways:

- The report is also required to be submitted to the Joint Legislative Oversight Committee on Health and Human Services.
- The report is changed from a quarterly report to a semi-annual report.

This section became effective July 7, 2026, and applies to reports submitted on or after that date.

School Safety Grants – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 20.9

Section 20.9 of S.L. 2026-41 (Senate Bill 257) directs the Executive Director of the Center for Safer Schools to establish the School Safety Grants Program (Program) for the 2026-2027 fiscal year. The purpose of the program is to improve safety in public school units by providing grants for (i) services for students in crisis, (ii) school safety training, (iii) safety equipment in schools, and (iv) subsidizing the School Resource Officer Grants Program.

This section sets out the grant application process and criteria and guidelines for the administration and use of the grants. The program provides for grants for (i) students in crisis, (ii) training to increase school safety, and (iii) safety equipment. Additionally, funds may be used to cover applications received for funding for school resource officers if applications exceed the funding appropriated for school resource officer funding.

The Executive Director of the Center for Safer Schools shall report on the program to the General Assembly not later than April 1, 2027.

This section became effective July 1, 2026.

State Auditor Investigation Targeting Medicaid Waste and Abuse – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 24.3

Section 24.3 of S.L. 2026-41 (Senate Bill 257) appropriates funds to the State Auditor for the purpose of investigating waste and abuse in the Medicaid program and to assist with a performance audit related to Medicaid and the NCWorks Career Centers. It requires the State Auditor to report to the Joint Legislative Commission on Governmental Operation and the Fiscal Research Division and provide recommendations on these matters no later than February 28, 2027.

This section became effective July 1, 2026.

Victim Compensation Changes – Department of Public Safety/Other Changes.

SL 2026-53 (H206), Sec. 5

Section 5 of S.L. 2026-53 (House Bill 206) modifies various laws related to the payment of expenses as authorized by the North Carolina Crime Victims Compensation Act as follows:

- Increases the compensation amounts related to a dependent's economic loss, household support loss, and work loss.
- Specifies how sums remaining in the crime victims fund to promote the mission of the commission may be used.
- Expands the eligibility to receive an award related to economic loss.

This section became effective July 7, 2026.

Clarify Exemption for Stretching Services at Massage and Bodywork Therapy Establishments. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 8

Section 8 of S.L. 2026-59 (Senate Bill 445) defines "stretching services" and clarifies that a person who provides only stretching services, including a person who is employed by or contracts with a massage and bodywork therapy establishment, is not required to be licensed by the North Carolina Board of Massage and Bodywork Therapy.

This section became effective August 11, 2026.

Allow Private Swim Lessons in Private Pools. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 11

S.L. 2025-94 rewrote a 2024 exemption for private swimming pools serving a single-family dwelling used only by residents and their guests to apply regardless of whether the guests gain use of the private pool through a sharing economy platform or pay a fee. In cases where a fee is exchanged for pool access, the private pool must be "maintained in good and safe working order." S.L. 2025-94 also prohibited local health departments from regulating these exempted private pools.

Section 11 of S.L. 2026-59 (Senate Bill 445) expands that exemption to also apply to people providing private swimming instruction, regardless of whether the swim instructor gains use of the private pool through a sharing economy platform or by paying a fee. This section also prohibits local health departments from adopting rules regulating any recreational or instructional use of these exempted private pools.

This section became effective August 11, 2026.

Collaboratory Report on Recovery Court Study Results – 2026 Budget Technical Corrections - II.

SL 2026-61 (H268), Sec. 3.19

Section 3.19 of S.L. 2026-61 (House Bill 268) directs the North Carolina Collaboratory to expand its study of judicially managed accountability and recovery courts (JMARC) from the 2023 Appropriations Act, Section 8.11 of S.L. 2023-134. Phase I of the study includes programmatic aspects of JMARC. Under Phase II of the study, the Collaboratory will evaluate processes and intended outcomes for each type of JMARC, including adult drug treatment, impaired driving, family treatment, adult mental health, veterans, and juvenile drug treatment. Phase II will include comparisons of outcomes between JMARC participants and appropriate comparison groups, as well as a cost-benefit evaluation of the different types of JMARC. JMARC are authorized to share participant information with the Collaboratory and the University of North Carolina at Wilmington for purposes of this study, but information or data about individual JMARC participants is confidential and not a public record.

The Collaboratory must report on the results of Phase II of the study to various legislative committees no later than March 15, 2028. The report must include at least the following:

- Executive summary of the study and its findings.
- Evaluation of processes and intended outcomes for the different types of JMARC.
- Deidentified and aggregated results of the comparisons of outcomes between JMARC participants and appropriate comparison groups for the different types of JMARC.
- A cost-benefit evaluation of the different types of JMARC.

This section is effective retroactively to October 3, 2023.

Clarify ASL Interpreter Payments – 2026 Court Changes.

Ratified (H377), Sec. 7

Section 7 of House Bill 377 would have modified the statute that governs the payment of translators for deaf individuals to provide that when the relevant proceeding is in the General Courts of Justice, the fee is set by the director of the Administrative Office of the Courts.

House Bill 377 was ratified by the General Assembly on August 6, 2026, but was vetoed by the Governor on August 17th, 2026, and is not current law. If the General Assembly overrides the veto, Section 7 of House Bill 377 would become effective October 1, 2026.

Update Safe Babies Court Language to Allow Children Up to Age 5 to Participate. – 2026 Court Changes.

Ratified (H377), Sec. 13

Section 13 of House Bill 377 would have increased eligibility to participate in Safe Babies Court to include families who have at least one child who is no more than 5 years of age.

House Bill 377 was ratified by the General Assembly on August 6, 2026, and was vetoed by the Governor on August 17, 2026.