

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH80570-LN-351A (5/13)

Short Title: MH/Community Supports Changes.

(Public)

Sponsors: Representatives Neumann and Stam (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

1
2 AN ACT TO DIRECT THE DEPARTMENT OF HEALTH AND HUMAN
3 SERVICES TO TAKE CERTAIN ACTIONS TO REDUCE
4 OVEREXPENDITURES IN COMMUNITY SUPPORT SERVICES AND TO
5 REALLOCATE SAVINGS REALIZED FROM THE REDUCTION; AND TO
6 PROVIDE THAT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES
7 SHALL NOT CONSOLIDATE LOCAL MANAGEMENT ENTITIES.

8 Whereas, Since 2006, the General Assembly has appropriated funds for
9 community support services under the Medicaid and Mental Health, Developmental
10 Disabilities, and Substance Abuse Services programs; and

11 Whereas, the original budget for community supports was \$299,700,000; and

12 Whereas, in the 2007-2008 fiscal year DHHS is overbudget in its community
13 supports funding by \$508,000,000; and

14 Whereas, cost overruns for community supports must be contained in order to
15 provide funding for other essential Medicaid and mental health, developmental
16 disabilities, and substance abuse services; and

17 Whereas, the General Assembly should restrict funds for community support
18 services to the amount originally budgeted for these services and should reallocate the
19 overbudgeted amount for other purposes; Now, therefore,
20 The General Assembly of North Carolina enacts:

21 **SECTION 1.(a)** Not later than July 1, 2008, the Department of Health and
22 Human Services shall adopt procedures to restrict community support services only to
23 those individuals whose health condition would cause them to be institutionalized or
24 reinstitutionalized if community supports are not available to them. The Department
25 shall further require that as a condition of providing community supports to Medicaid
26 recipients, providers must also provide services to individuals whose services are
27 State-funded.

1 **SECTION 1.(b)** Savings realized from restrictions on Community Supports
2 under subsection (a) of this section shall be reallocated by the Department of Health and
3 Human Services as follows:

4	Reduction in community support funding	(\$154,439,034)
5	Medicaid inflationary increase	\$ 42,584,431
6	CAP-MR/DD Services	\$ 10,000,000
7	Community Health Centers	\$ 10,000,000
8	Rural Health Centers	\$ 10,000,000
9	Fund Recommendations of Joint Legislative Oversight	
10	Committee on Mental Health, Developmental	
11	Disabilities, and Substance Abuse Services	\$ 56,738,394
12	Funds for NC Association of Free Clinics (HB2077)	\$ 2,000,000
13	Health Care Connection Study	\$ 1,000,000
14	Mental Health Services for Combat Veterans & Families	
15	of Combat Veterans	\$ 2,200,000
16	Reimbursement rate for dental services under Medicaid	\$ 5,000,000
17	Rural Hospital Operations and Maintenance	\$ 2,000,000
18	LME Care Coordination Services for Consumers	\$ 5,000,000

19 Savings realized in accordance with this act that remain after allocations
20 required under this subsection shall not revert to the General Fund but shall remain with
21 the Division of Mental Health, Developmental Disabilities, and Substance Abuse
22 Services or Division of Medical Assistance, as applicable, to be used for other Medicaid
23 or mental health, developmental disabilities, and substance abuse services.

24 **SECTION 2.** Except as later authorized by law, the Department of Health
25 and Human Services shall not consolidate existing local management entities that
26 provide mental health, developmental disabilities, and substance abuse services, except
27 that local management entities that have initiated or are considering initiating
28 consolidation may consolidate as provided by law.

29 **SECTION 3.** This act becomes effective July 1, 2008.