## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2007

H HOUSE BILL 2546

Short Title: MH/Community Supports Changes. (Public)

Sponsors: Representatives Neumann, Stam, Dollar, Hurley (Primary Sponsors); Cleveland, Current, Killian, Langdon, McGee, and Moore.

Referred to: Mental Health Reform, if favorable, Appropriations.

## May 26, 2008

A BILL TO BE ENTITLED

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

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

Whereas, the original budget for community supports was \$299,700,000; and Whereas, in the 2007-2008 fiscal year DHHS is overbudget in its community supports funding by \$508,000,000; and

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

Whereas, the General Assembly should restrict funds for community support services to the amount originally budgeted for these services and should reallocate the overbudgeted amount for other purposes; Now, therefore,

The General Assembly of North Carolina enacts:

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

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

4	Reduction in community support funding	(\$1	54,439,034)
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

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

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

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