

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

S

1

SENATE BILL 1191

Short Title: LMEs Handle Case Management.

(Public)

Sponsors: Senators Nesbitt; and Atwater.

Referred to: Appropriations/Base Budget.

March 22, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE CASE MANAGEMENT AN ADMINISTRATIVE FUNCTION
3 TO BE IMPLEMENTED BY LOCAL MANAGEMENT ENTITIES AND TO
4 APPROPRIATE FUNDS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 122C-115.4 reads as rewritten:

7 "**§ 122C-115.4. Functions of local management entities.**

8 (a) Local management entities are responsible for the management and oversight
9 of the public system of mental health, developmental disabilities, and substance abuse
10 services at the community level. An LME shall plan, develop, implement, and monitor
11 services within a specified geographic area to ensure expected outcomes for consumers
12 within available resources.

13 (b) The primary functions of an LME are administrative, are designated in this
14 subsection, and shall not be conducted by any other entity unless the LME voluntarily
15 enters into a contract with that entity under subsection (c) of this section. The primary
16 functions include all of the following:

- 17 (1) Access for all citizens to the core services described in G.S. 122C-2. In
18 particular, this shall include the implementation of a 24-hour a day,
19 seven-day a week screening, triage, and referral process and a uniform
20 portal of entry into care.
- 21 (2) Provider endorsement, monitoring, technical assistance, capacity
22 development, and quality control. An LME may remove a provider's
23 endorsement if a provider fails to meet defined quality criteria or fails
24 to provide required data to the LME.
- 25 (3) Utilization management, utilization review, and determination of the
26 appropriate level and intensity of services including the review and
27 approval of the person centered plans for consumers who receive
28 State-funded services. Concurrent review of person centered plans for

1 all consumers in the LME's catchment area who receive Medicaid
2 funded services.

3 (4) Authorization of the utilization of State psychiatric hospitals and other
4 State facilities. Authorization of eligibility determination requests for
5 recipients under a CAP-MR/DD waiver.

6 (5) Care coordination and quality management. This function includes the
7 direct monitoring of the effectiveness of person centered plans. It also
8 includes the initiation of and participation in the development of
9 required modifications to the plans for high risk and high cost
10 consumers in order to achieve better client outcomes or equivalent
11 outcomes in a more cost-effective manner. Monitoring effectiveness
12 includes reviewing client outcomes data supplied by the provider,
13 direct contact with consumers, and review of consumer charts.

14 (6) Community collaboration and consumer affairs including a process to
15 protect consumer rights, an appeals process, and support of an
16 effective consumer and family advisory committee.

17 (7) Financial management and accountability for the use of State and local
18 funds and information management for the delivery of publicly funded
19 services.

20 (8) Case management. This function requires the LME to conduct an
21 independent assessment of a consumer's service needs, to provide the
22 consumer with referrals to providers who offer the appropriate services
23 based upon the assessment, and to monitor the services provided as
24 required under subdivision (5) of this subsection. The LME shall
25 provide the consumer's assessment to any provider chosen by the
26 consumer so the provider can develop a person-centered plan for the
27 consumer.

28 (c) Subject to subsection (b) of this section and to all applicable State and federal
29 laws and rules established by the Secretary, an ~~area authority, or county program or~~
30 ~~consolidated human services agency~~ LME may contract with a public or private entity
31 for the implementation of LME functions ~~articulated under~~ designated under subsection
32 (b) of this section. Nothing in this subsection shall be construed to supersede the
33 authority of an LME to be the sole entity with the authority to implement the functions
34 designated in subsection (b) of this section.

35 (d) Except as provided in G.S. 122C-142.1 and G.S. 122C-125, the Secretary
36 may not remove from an LME or designate another entity as also eligible to implement
37 any function enumerated under subsection (b) of this section unless all of the following
38 applies:

39 (1) The LME fails during the previous three months to achieve a
40 satisfactory outcome on any of the critical performance measures
41 developed by the Secretary under G.S. 122C-112.1(33).

42 (2) The Secretary provides focused technical assistance to the LME in the
43 implementation of the function. The assistance shall continue for at

1 least six months or until the LME achieves a satisfactory outcome on
2 the performance measure, whichever occurs first.

- 3 (3) If, after six months of receiving technical assistance from the
4 Secretary, the LME still fails to achieve or maintain a satisfactory
5 outcome on the critical performance measure, the Secretary shall enter
6 into a contract with another LME or agency to implement the function
7 on behalf of the LME from which the function has been removed.

8 (e) Notwithstanding subsection (d) of this section, in the case of serious financial
9 mismanagement or serious regulatory noncompliance, the Secretary may temporarily
10 remove an LME function after consultation with the Joint Legislative Oversight
11 Committee on Mental Health, Developmental Disabilities, and Substance Abuse
12 Services.

13 (f) The Commission shall adopt rules regarding the following matters:

- 14 (1) The definition of a high risk consumer. Until such time as the
15 Commission adopts a rule under this subdivision, a high risk consumer
16 means a person who has been assessed as needing emergent crisis
17 services three or more times in the previous 12 months.
18 (2) The definition of a high cost consumer. Until such time as the
19 Commission adopts a rule under this subdivision, a high cost consumer
20 means a person whose treatment plan is expected to incur costs in the
21 top twenty percent (20%) of expenditures for all consumers in a
22 disability group.
23 (3) The notice and procedural requirements for removing one or more
24 LME functions under subsection (d) of this section."

25 **SECTION 2.** There is appropriated from the General Fund to the
26 Department of Health and Human Services to be allocated to the Division of Mental
27 Health, Developmental Disabilities, and Substance Abuse Services the sum of five
28 million dollars (\$5,000,000) for the 2007-2008 fiscal year and the sum of five million
29 dollars (\$5,000,000) for the 2008-2009 fiscal year. The funds shall be used to
30 supplement State funds appropriated for LME administrative costs and to pay for LMEs
31 to conduct case management as provided in G.S. 122C-115.4 of Section 1 of this act.
32 The Division shall recalculate the LME administrative cost model and develop quality
33 measures for the case management function. The Division shall report its findings to the
34 General Assembly and to the Joint Legislative Oversight Committee on Mental Health,
35 Developmental Disabilities, and Substance Abuse Services by October 1, 2007.

36 **SECTION 3.** This act becomes effective July 1, 2007, and applies to
37 assessments conducted on or after that date.