A BILL TO BE ENTITLED
AN ACT TRANSFORMING BEHAVIORAL HEALTH AND RESILIENCE AND
SUPPORTING CHILD AND FAMILY WELL-BEING.

The General Assembly of North Carolina enacts:

SECTION 1. Appropriation of Funds. – There is appropriated from the ARPA Temporary Savings Fund, established under Section 1.3 of S.L. 2023-7, to the Department of Health and Human Services the sum of one billion dollars ($1,000,000,000) in nonrecurring funds for the 2023-2025 fiscal biennium to be allocated and used as provided in Section 2 of this act. Except as otherwise provided, these funds shall not revert.

SECTION 2.(a) Allocation of Funds for Child Welfare and Family Well-Being Transformation. – The Department of Health and Human Services shall allocate a portion of the funds appropriated in Section 1 of this act to the following Divisions within the Department as follows:

(1) The following amounts to the Division of Child and Family Well-Being:

a. Eight million dollars ($8,000,000) to expand access to family partners capable of supporting the caregivers of children with high behavioral health needs, to expand intensive supports in the community that facilitate the coordination of wraparound services for families, and to increase structured options for trained and licensed parents to meet the needs of children in crisis, such as Intensive Alternative Family Treatment services.

b. Sixteen million dollars ($16,000,000) to strengthen and expand specialized behavioral health treatment options in community, residential, and inpatient settings for children to divert them from emergency departments. These options may include treatment to safely stabilize children experiencing a behavioral health crisis, specialty treatment programs for children with complex behavioral health needs, and intensive supports in the community.

c. Eleven million dollars ($11,000,000) to launch community assessment teams to facilitate the provision of behavioral health services to children within their communities by clinicians who specialize in working with children. Each community assessment team would include a behavioral health clinician who would collaborate with the
appropriate Child and Family Team to make holistic and individualized recommendations for level of care, services and supports, and other considerations for treatment and disposition planning.

(2) The following amounts to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services:

a. Twenty-one million dollars ($21,000,000) for behavioral health mobile crisis teams able to address the needs to children experiencing a behavioral health crisis.

b. Eleven million dollars ($11,000,000) to increase the number of youth crisis stabilization beds available statewide and to create reserve crisis stabilization bed capacity.

(3) The following amounts to the Division of Social Services:

a. Six million dollars ($6,000,000) to provide Division-based supports for families, including professional foster parenting programs.

b. Sixteen million dollars ($16,000,000) to provide funding for intensive supports in the community, such as (i) programs that specialize in collaborating with parents who struggle with substance use and (ii) teams that coordinate and provide wraparound family services, including any of the following:

1. Sobriety Treatment and Recovery Team (START), a program model that pairs child welfare workers trained in family engagement with family mentors, who are peer support employees in long-term recovery, using a system-of-care and team decision-making approach with families, treatment providers, and the court. The program model provides for quick entry to START services to safely maintain child placement in the home, when possible, and rapid access to intensive addiction/mental health assessment and treatment.

2. Safe Babies Court, a pilot program that builds partnerships among the courts, child welfare agencies, and local agencies to provide services to children from birth through 3 years of age who are in foster care due to abuse or neglect. The program connects children and families with wraparound support and services to promote healthy child development and expeditious discharges from the foster care system.

c. Ten million dollars ($10,000,000) to strengthen and expand the child welfare workforce. Funds provided pursuant to this subdivision shall be used to supplement, not supplant any county funding.

SECTION 2.(b) Allocation of Funds to Strengthen the North Carolina Behavioral Health Crisis System. – The Department of Health and Human Services shall allocate a portion of the funds appropriated in Section 1 of this act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services as follows:

(1) Twenty million dollars ($20,000,000) for the 988 Suicide & Crisis Lifeline.

(2) Twenty million dollars ($20,000,000) to be used as start-up funding for new mobile crisis teams throughout the State.

(3) Sixty million dollars ($60,000,000) to develop new behavioral health urgent care and facility-based crisis combination facilities, peer drop-in facilities, and additional North Carolina Systemic, Therapeutic, Assessment, Resources and Treatment (NC START) respite locations.
Eighty million dollars ($80,000,000) for a pilot program transporting individuals needing psychiatric hospitalization from hospital emergency departments and behavioral health urgent care facilities to the inpatient facility at which a bed has been located for each individual.

Twenty million dollars ($20,000,000) to be used for housing supports for individuals with serious mental illness and competitive integrated employment training that enhances employment opportunities for individuals with intellectual and developmental disabilities.

**SECTION 2.(c) Allocation of Funds for Community and School-Based Behavioral Health.** – The Department of Health and Human Services shall allocate a portion of the funds appropriated in Section 1 of this act to the following Divisions within the Department as follows:

1. The following amounts to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services:
   a. Thirty-eight million dollars ($38,000,000) to be used to expand the number of certified community behavioral health clinics in this State.
   b. Ten million dollars ($10,000,000) to be used for an education campaign to reduce stigma around mental health.
   c. Thirty million dollars ($30,000,000) for the development of a workforce training center that provides training to behavioral health and intellectual and developmental disabilities providers at no charge to the provider.

2. Seven million dollars ($7,000,000) to the Division of Health Benefits to increase connections between primary care providers and psychiatry services by funding the start-up costs associated with primary care practice adoption of the collaborative care model and by continuing funding for the North Carolina Psychiatric Access Line supporting primary care providers caring for children with complex needs.

3. Fifty million dollars ($50,000,000) to the Division of Central Management and Support, Office of Rural Health, to expand the North Carolina Loan Repayment Program to include all licensed providers of behavioral health services practicing in rural and underserved areas of the State who are enrolled Medicaid providers.

4. Forty million dollars ($40,000,000) for statewide expansion of school behavioral health services. The Division of Child and Family Well-Being, in collaboration with the Department of Public Instruction, may use these funds to address the challenges and implement the strategies outlined in the NC Unified School Behavioral Health Action Plan dated March 2023, such as school-based tele-behavioral health pilot programs, Project AWARE (Advancing Wellness and Resiliency in Education), Project ACTIVATE (Advancing Coordinated and Timely InterVentions, Awareness, Training, and Education), a statewide school-based electronic health records system, locally driven behavioral health initiatives, and training to connect schools to local behavioral health providers. To meet the needs of young children in schools and early child care and education settings, these allocated funds may be used to expand access to professional development, technical assistance, screening and evaluation, and services for teachers, providers, and families to enable positive behavioral supports for children.

**SECTION 2.(d) Allocation of Funds for Justice-Related Behavioral Health Matters.** – The Department of Health and Human Services shall allocate a portion of the funds appropriated in Section 1 of this act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services as follows:
(1) One hundred eight million dollars ($108,000,000) to operate community-based pre-arrest diversion and reentry programs and to fund local partnerships between law enforcement, counties, and behavioral health providers.

(2) Forty million dollars ($40,000,000) to operate both community-based and detention center-based restoration programs.

(3) Two million dollars ($2,000,000) to be used for judicial education programs designed to increase understanding of mental health issues and behavioral health treatment options.

SECTION 2.(e) Allocation of Funds to Improve the Capacity of the State Psychiatric Facilities. – The Department of Health and Human Services shall allocate a portion of the funds appropriated in Section 1 of this act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services as follows:

(1) Thirty million dollars ($30,000,000) to be used to support individualized community-based treatment and support for adults with long lengths of stay or repeated stays at State-operated psychiatric hospitals.

(2) Forty million dollars ($40,000,000) to recruit and retain the healthcare workforce at State-operated healthcare facilities.

(3) Twenty-seven million dollars ($27,000,000) to implement electronic medical records in all State-operated healthcare facilities.

(4) Three million dollars ($3,000,000) for the purchase of automated medication dispensing cabinets at State-operated healthcare facilities.

SECTION 2.(f) Allocation of Funds to Improve Behavioral Health Data and Technology. – The Department of Health and Human Services shall allocate a portion of the funds appropriated in Section 1 of this act to the following Divisions within the Department as follows:

(1) Twenty million dollars ($20,000,000) to the Division of Central Management and Support, Office of Rural Health, to increase access to telehealth services in rural and underserved areas of the State. These funds shall be used to purchase equipment and infrastructure for healthcare providers practicing in rural and underserved areas of the State and for broadband expansion in these areas. As used in this subdivision, “broadband expansion” means a program designed to expand broadband infrastructure or broadband utilization.

(2) The following amounts to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services:

a. Twenty million dollars ($20,000,000) to expand the centralized bed registry, known as BHSCAN.

b. Ten million dollars ($10,000,000) to provide funding and technological assistance to behavioral healthcare providers related to the modernization of data and technology, including funds to assist with connection to the Health Information Exchange (HIE), new staff, and changes in billing practices.

SECTION 2.(g) Allocation of Funds to Invest in Medicaid Rates. – Of the funds appropriated in Section 1 of this act, the Department of Health and Human Services shall allocate the sum of two hundred twenty-five million dollars ($225,000,000) to the Division of Health Benefits to be used to increase rates paid to Medicaid behavioral healthcare providers for a period of three years.

SECTION 2.(h) Allocation of Remaining Funds. – Of the funds appropriated in Section 1 of this act, the sum of one million dollars ($1,000,000) shall be allocated to the Department of Health and Human Services to be used for administrative purposes related to one
or more programs for which funds have been allocated under subsections (a) through (g) of this section.

SECTION 2.(i) Authorization for Time-Limited Positions. – As part of the implementation or administration of the programs for which funds have been allocated under subsections (a) through (g) of this section, the Department of Health and Human Services is authorized to create up to 48 time-limited positions.

SECTION 3. Timing of Funding. – The funds appropriated in Section 1 of this act shall become available during the course of the 2023-2025 fiscal biennium as the funds are deposited into the ARPA Temporary Savings Fund, established under Section 1.3 of S.L. 2023-7. The Department of Health and Human Services (DHHS) shall not provide allocations of the funds appropriated in Section 1 of this act until the funds are available within the ARPA Temporary Savings Fund, in whole or in part. When any portion of the funds appropriated in Section 1 of this act becomes available, the Secretary of DHHS shall promptly allocate those funds for the uses described in Section 2 of this act and, at the discretion of the Secretary, shall prioritize the allocations, taking into account any time lines for the use of the funds, the best interest of the citizens of the State, and the avoidance of any disruption in services to those citizens.

SECTION 4. Report on Use of Funds. – In addition to any report required under this act or any other law, the Department of Health and Human Services shall submit a quarterly report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division beginning on January 1, 2024, detailing the use of funds appropriated in this act. Each report required under this section shall include the amount of funds received to date, how the funds were used during the quarterly reporting period, and the amount of funds that remained unspent at the end of the quarterly reporting period. The requirement under this section to submit a quarterly report shall end upon submission of the final report, which shall be no later than 90 days from the date the allocated funds have been fully expended.

SECTION 5.(a) Section 1 of this act is effective on the date the Current Operations Appropriations Act for the 2023-2024 fiscal year becomes law or July 1, 2023, whichever is later.

SECTION 5.(b) If, by June 30, 2024, no Current Operations Appropriations Act for the 2023-2024 fiscal year has become law, then this act shall expire on that date.

SECTION 6. Except as otherwise provided, this act is effective when it becomes law.