GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
HOUSE APPROPRIATIONS, HEALTH AND HUMAN SERVICES REPORT

APRIL 24, 2019
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MATERNAL AND CHILD HEALTH BLOCK GRANT
STATE-COUNTY SPECIAL ASSISTANCE RATES

SECTION #.(a) For each year of the 2019-2021 fiscal biennium, the maximum monthly rate for residents in adult care home facilities shall be one thousand one hundred eighty-two dollars ($1,182) per month per resident.

SECTION #.(b) For each year of the 2019-2021 fiscal biennium, the maximum monthly rate for residents in Alzheimer's/Dementia special care units shall be one thousand five hundred fifteen dollars ($1,515) per month per resident.
Requested by

1  INCREASE IN STATE-COUNTY SPECIAL ASSISTANCE PERSONAL NEEDS ALLOWANCE
2  
3  SECTION #. Effective October 1, 2019, the Department of Health and Human Services, Division of Aging and Adult Services, shall increase the personal needs allowance under the State-County Special Assistance program from forty-six dollars ($46.00) per month per recipient to seventy dollars ($70.00) per month per recipient.
1 AUTORIZATION FOR SECRETARY OF DHHS TO RAISE THE MAXIMUM NUMBER
2 OF STATE-COUNTY SPECIAL ASSISTANCE IN-HOME PAYMENTS
3 SECTION #.(a) Notwithstanding the provisions of G.S. 108A-47.1 or any other
4 provision of law to the contrary, and within existing appropriations for State-County Special
5 Assistance, the Secretary of the Department of Health and Human Services may waive the fifteen
6 percent (15%) cap on the number of Special Assistance in-home payments, as the Secretary
7 deems necessary.
8 SECTION #.(b) This section expires on June 30, 2021.
Requested by

Funds for North Carolina Families Accessing Services Through Technology (NC FAST)

Section #.(a) Of the funds appropriated to the Department of Health and Human Services, Division of Central Management and Support, the sum of eighteen million five hundred thirteen thousand three hundred seventy-two dollars ($18,513,372) in nonrecurring funds for the 2019-2020 fiscal year and the sum of twelve million three hundred one thousand seven hundred two dollars ($12,301,702) in nonrecurring funds for the 2020-2021 fiscal year shall be used for nonrecurring operations and maintenance expenses for the North Carolina Families Accessing Services Through Technology (NC FAST) system and to match federal funds to expedite development and implementation of the following within the NC FAST system: (i) the child welfare case management component, (ii) 24/7 access, and (iii) a document management solution. The Department of Health and Human Services, Division of Central Management and Support, shall report any change in approved federal funding or federal match rates within 30 days after the change to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division.

Section #.(b) Departmental receipts appropriated in this act in the sum of forty-one million three hundred fifty-two thousand eight hundred eighty-three dollars ($41,352,883) for the 2019-20 fiscal year and in the sum of twenty-four million eight hundred forty-six thousand three hundred seven dollars ($24,846,307) for the 2020-2021 fiscal year shall be used for the purposes described in subsection (a) of this section.
GENERAL ASSEMBLY OF NORTH CAROLINA
Session 2019

SPECIAL PROVISION

Administrative Offices – DHHS
House Appropriations, Health and Human Services

Requested by

COMMUNITY HEALTH GRANT PROGRAM

SECTION #.(a) Funds appropriated in this act to the Department of Health and Human Services, Division of Central Management, Office of Rural Health, for each year of the 2019-2021 fiscal biennium for the Community Health Grant Program shall be used to continue to administer the Community Health Grant Program as modified by Section 11A.8 of S.L. 2017-57.

SECTION #.(b) The Office of Rural Health shall make the final decision about awarding grants under this Program, but no single grant award shall exceed one hundred fifty thousand dollars ($150,000) during the fiscal year. In awarding grants, the Office of Rural Health shall consider the availability of other funds for the applicant; the incidence of poverty in the area served by the applicant or the number of indigent clients served by the applicant; the availability of, or arrangements for, after hours care; and collaboration between the applicant and a community hospital or other safety net organizations.

SECTION #.(c) Grant recipients shall not use these funds to do any of the following:

(1) Enhance or increase compensation or other benefits of personnel, administrators, directors, consultants, or any other persons receiving funds for program administration; provided, however, funds may be used to hire or retain health care providers. The use of grant funds for this purpose does not obligate the Department of Health and Human Services to continue to fund compensation beyond the grant period.

(2) Supplant existing funds, including federal funds traditionally received by federally qualified community health centers. However, grant funds may be used to supplement existing programs that serve the purposes described in subsection (a) of this section.

(3) Finance or satisfy any existing debt.

SECTION #.(d) The Office of Rural Health may use up to two hundred thousand dollars ($200,000) in recurring funds for each fiscal year of the 2019-2021 fiscal biennium for administrative purposes.

SECTION #.(e) By September 1 of each year, the Office of Rural Health shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services on community health grants that includes at least all of the following information:

(1) The identity and a brief description of each grantee and each program or service offered by the grantee.

(2) The amount of funding awarded to each grantee.

(3) The number of individuals served by each grantee, and for the individuals served, the types of services provided to each.

(4) Any other information requested by the Office of Rural Health as necessary for evaluating the success of the Community Health Grant Program.

SECTION #.(f) By November 1, 2019, the Office of Rural Health shall report to the Joint Legislative Oversight Committee on Health and Human Services on the implementation
status of the following Community Health Grant Program requirements enacted by Section 11A.8 of S.L. 2017-57:

(1) Establishment of a Primary Care Advisory Committee, and that Committee's development of an objective and equitable process for grading applications for grants funded under the Community Health Grant Program.

(2) Development of a standardized method for grant recipients to report objective, measurable quality health outcomes.
Requested by

1 ALLOCATION OF FUNDS FOR PHYSICIANS AND DENTISTS UNDER THE RURAL HEALTH LOAN REPAYMENT PROGRAM

2 SECTION #. Of the funds appropriated to the Department of Health and Human Services, Division of Central Management and Support, Office of Rural Health, for the loan repayment program administered pursuant to G.S. 143B-139.4C, the sum of two million one hundred fifty thousand dollars ($2,150,000) in nonrecurring funds for the 2019-2020 fiscal year and the sum of one million one hundred fifty thousand dollars ($1,150,000) in nonrecurring funds for the 2020-2021 fiscal year shall be allocated to fund student loan repayments for physicians and dentists under the program.
ELIMINATION OF OFFICE OF PROGRAM EVALUATION REPORTING AND ACCOUNTABILITY

SECTION #.(a) The Office of Program Evaluation Reporting and Accountability within the Department of Health and Human Services is eliminated.

SECTION #.(b) Part 31A of Chapter 143B of the General Statutes is repealed.
VETERANS HEALTH CARE PILOT PROGRAM

SECTION #.(a) Pilot Program. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, Office of Rural Health, the sum of four hundred thousand dollars ($400,000) in nonrecurring funds for the 2019-2020 fiscal year and the sum of three hundred fifty thousand dollars ($350,000) in nonrecurring funds for the 2020-2021 fiscal year shall be used to support the development and implementation of a two-year pilot program to provide health care services to veterans. The Department of Health and Human Services and the Department of Military and Veterans Affairs, in coordination with Community Care of North Carolina and Maxim Healthcare Services, shall develop and implement the pilot program in Cumberland County. The pilot program shall consist of the following initiatives:

(1) A health care initiative to provide to veterans increased access to health care resources through the care coordination efforts of community health workers.

(2) A workforce initiative to recruit and train unemployed and underemployed veterans as community health workers for the health care initiative described in subdivision (1) of this section.

SECTION #.(b) Termination. – The pilot program authorized by this section shall terminate on June 30, 2021.

SECTION #.(c) Evaluation. – By February 1, 2022, the Department of Health and Human Services shall conduct and submit to the Joint Legislative Oversight Committee on Health and Human Services a comprehensive evaluation of the pilot program authorized by this section. The comprehensive evaluation shall include at least all of the following:

(1) A detailed breakdown of expenditures for the pilot program.

(2) The specific ways in which the health care initiative provided to veterans increased access to health care resources.

(3) The total number of unemployed and underemployed veterans who were recruited and trained as community health workers under the pilot program's workforce initiative.
Requested by

ELIMINATION OF UNNECESSARY AND REDUNDANT REPORTS

SECTION #.(a) Eliminate Report on Expansion of Controlled Substances Reporting System Monitoring Capacity. – G.S. 90-113.73A(b) is repealed.

SECTION #.(b) Eliminate Report on Coordination of Diabetes Programs. – G.S. 130A-221.1(b) is repealed.

SECTION #.(c) Eliminate Report on Department's Coordination of Chronic Care Initiatives. – G.S. 130A-222.5(3) is repealed.

SECTION #.(d) Eliminate Report on Compliance with Federal Maintenance of Effort Requirements Under TANF. – G.S. 108A-27.12(g) is repealed.

SECTION #.(e) Eliminate Report on Use of Lapsed Salary Funds. – G.S. 120-208.4(b) is repealed.
SECTION #. Of the funds appropriated to the Department of Health and Human Services, Division of Central Management and Support, the sum of two hundred fifty thousand dollars ($250,000) in recurring funds for the 2019-2020 fiscal year and the sum of two hundred fifty thousand dollars ($250,000) in recurring funds for the 2020-2021 fiscal year shall be allocated to the School of Medicine of the University of North Carolina at Chapel Hill to support the activities of the Advisory Council on Rare Diseases (Council) established pursuant to G.S. 130A-33.65. These funds shall be used to develop a rare disease network across the State for the purposes of collecting data regarding regional rare disease prevalence, stimulating rare disease collaborations, and creating biotechnology economic development opportunities. The Council shall partner with legislators and other stakeholders in various regions of the State to increase public awareness and improve diagnosis times for individuals with rare diseases. In addition, the Council shall develop key strategies on increasing access to information, integrated and innovative support services, translational research collaborations, educational programs, and accelerated technology, as well as emphasizing economic development and retention of talented researchers. In support of these activities, the funds allocated pursuant to this section shall be used by the Council for the following:

1. The sum of thirty thousand dollars ($30,000) to be used to primarily support seminars on rare diseases to be held throughout the State.
2. The sum of twenty-five thousand dollars ($25,000) to be used to support travel and per diem for members of the Council to attend conferences and other partnership organization activities related to rare diseases.
3. The sum of five thousand dollars ($5,000) to maintain a Web site and social media presence and to create material on activities of the Council.
4. The sum of one hundred sixty thousand dollars ($160,000) to establish positions to support the Council, including contracting for temporary employees to launch larger initiatives of the Council.
5. The sum of thirty thousand dollars ($30,000) for literature, equipment, and supplies to support the Council's activities.
COMPETITIVE GRANTS/NONPROFIT ORGANIZATIONS

SECTION #.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for each year of the 2019-2021 fiscal biennium, the following amounts shall be used to allocate funds for nonprofit organizations:

1. The sum of eleven million one hundred fifty-three thousand nine hundred eleven dollars ($11,153,911) in recurring funds for each year of the 2019-2021 fiscal biennium.
2. The sum of four hundred fifty thousand dollars ($450,000) in nonrecurring funds for each year of the 2019-2021 fiscal biennium.
3. The sum of four million seven hundred seventy-four thousand five hundred twenty-five dollars ($4,774,525) for each year of the 2019-2021 fiscal biennium appropriated in Section #(BG) of this act in Social Services Block Grant funds.
4. The sum of one million six hundred thousand dollars ($1,600,000) for each year of the 2019-2021 fiscal biennium appropriated in Section #(BG) of this act in Substance Abuse Prevention and Treatment Block Grant funds.

SECTION #.(b) The Department shall continue administering a competitive grants process for nonprofit funding. The Department shall administer a plan that, at a minimum, includes each of the following:

1. A request for application (RFA) process to allow nonprofits to apply for and receive State funds on a competitive basis. The Department shall require nonprofits to include in the application a plan to evaluate the effectiveness, including measurable impact or outcomes, of the activities, services, and programs for which the funds are being requested.
2. A requirement that nonprofits match a minimum of fifteen percent (15%) of the total amount of the grant award.
3. A requirement that the Secretary prioritize grant awards to those nonprofits that are able to leverage non-State funds in addition to the grant award.
4. A process that awards grants to nonprofits that have the capacity to provide services on a statewide basis and that support any of the following State health and wellness initiatives:
   a. A program targeting advocacy, support, education, or residential services for persons diagnosed with autism.
   b. A system of residential supports for those afflicted with substance abuse addiction.
   c. A program of advocacy and supports for individuals with intellectual and developmental disabilities or severe and persistent mental illness, substance abusers, or the elderly.
d. Supports and services to children and adults with developmental disabilities or mental health diagnoses.

e. A food distribution system for needy individuals.

f. The provision and coordination of services for the homeless.

g. The provision of services for individuals aging out of foster care.

h. Programs promoting wellness, physical activity, and health education programming for North Carolinians.

i. The provision of services and screening for blindness.

j. A provision for the delivery of after-school services for apprenticeships or mentoring at-risk youth.

k. The provision of direct services for amyotrophic lateral sclerosis (ALS) and those diagnosed with the disease.

l. A comprehensive smoking prevention and cessation program that screens and treats tobacco use in pregnant women and postpartum mothers.

m. A program providing short-term or long-term residential substance abuse services. For purposes of this sub-subdivision, "long-term" means a minimum of 12 months.

n. A program that provides year-round sports training and athletic competition for children and adults with disabilities.

It is the intent of the General Assembly that annually the Secretary evaluate and prioritize the categories of health and wellness initiatives described under this subdivision to determine the best use of these funds in making grant awards, exclusive of direct allocations made by the General Assembly.

(5) A process that ensures that funds received by the Department to implement the plan supplement and do not supplant existing funds for health and wellness programs and initiatives.

(6) A process that allows grants to be awarded to nonprofits for up to two years.

(7) A requirement that initial disbursement of the grants be awarded no later than 30 days after certification of the State budget for the respective fiscal year.

SECTION #.(c) No later than July 1 of each year, as applicable, the Secretary shall announce the recipients of the competitive grant awards and allocate funds to the grant recipients for the respective grant period pursuant to the amounts designated under subsection (a) of this section. After awards have been granted, by September 1 of each year, the Secretary shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the grant awards that includes at least all of the following:

(1) The identity and a brief description of each grantee and each program or initiative offered by the grantee.

(2) The amount of funding awarded to each grantee.

(3) The number of persons served by each grantee, broken down by program or initiative.

SECTION #.(d) No later than December 1 of each fiscal year, each nonprofit organization receiving funding pursuant to this section in the respective fiscal year shall submit to the Division of Central Management and Support a written report of all activities funded by State appropriations. The report shall include the following information about the fiscal year preceding the year in which the report is due:

(1) The entity's mission, purpose, and governance structure.

(2) A description of the types of programs, services, and activities funded by State appropriations.
(3) Statistical and demographical information on the number of persons served by these programs, services, and activities, including the counties in which services are provided.

(4) Outcome measures that demonstrate the impact and effectiveness of the programs, services, and activities.

(5) A detailed program budget and list of expenditures, including all positions funded, matching expenditures, and funding sources.

SECTION #.(e) For the 2019-2021 fiscal biennium only, from the funds identified in subsection (a) of this section, the Department shall make the following allocations, provided that each nonprofit organization receiving funds pursuant to this subsection shall be required to seek future funding through the competitive grants process in accordance with subsection (b) of this section:

(1) The sum of three hundred fifty thousand dollars ($350,000) in each year of the 2019-2021 fiscal biennium to provide grants to Big Brothers Big Sisters.

(2) The sum of one million six hundred twenty-five thousand dollars ($1,625,000) for each year of the 2019-2021 fiscal biennium and the sum of one million six hundred thousand dollars ($1,600,000) appropriated in Section # of this act in Substance Abuse Prevention and Treatment Block Grant funds in each year of the 2019-2021 fiscal biennium to Triangle Residential Options for Substance Abusers, Inc., (TROSA) for the purpose of assisting individuals with substance abuse addiction.

(3) The sum of two million seven hundred fifty thousand dollars ($2,750,000) in each year of the 2019-2021 fiscal biennium to provide grants to Boys and Girls Clubs across the State to implement (i) programs that improve the motivation, performance, and self-esteem of youth and (ii) other initiatives that would be expected to reduce gang participation, school dropout, and teen pregnancy rates.

(4) The sum of two hundred fifty thousand dollars ($250,000) to Cross Trail Outfitters for purposes of promoting wellness and physical activity for youth seven to 20 years of age.

(5) The sum of three million four hundred eighty-six thousand three hundred twenty-one dollars ($3,486,321) recurring in each year of the 2019-2021 fiscal biennium and the sum of two hundred fifty thousand dollars ($250,000) nonrecurring in each year of the 2019-2021 fiscal biennium to the food banks in this State for the provision of food distribution to needy individuals, including Food Bank of the Albemarle, North Carolina Association of Feeding America Food Banks, MANNA Food Bank, Action Pathways, Food Bank of Central and Eastern North Carolina, Second Harvest Food Bank of Northwest North Carolina, and Second Harvest Food Bank of Metrolina.

(6) The sum of two hundred thirty-two thousand seven hundred fifty-seven dollars ($232,757) in each year of the 2019-2021 fiscal biennium to the North Carolina Senior Games for purposes of promoting health and education for North Carolinians 50 years of age and better.

(7) The sum of one hundred thousand dollars ($100,000) in each year of the 2019-2021 fiscal biennium to Special Olympics North Carolina to promote training and athletic competition for children and adults with intellectual disabilities.
GENERAL ASSEMBLY OF NORTH CAROLINA
Session 2019
Proofed
SPECIAL PROVISION
2019-DCDEE-H1-P

Division of Child Development & Early Education - DHHS
House Appropriations, Health and Human Services

Requested by

NC PRE-K PROGRAMS/STANDARDS FOR FOUR- AND FIVE-STAR RATED
FACILITIES

SECTION #.(a) Eligibility. – The Department of Health and Human Services,
Division of Child Development and Early Education, shall continue implementing the
prekindergarten program (NC Pre-K). The NC Pre-K program shall serve children who are four
years of age on or before August 31 of the program year. In determining eligibility, the Division
shall establish income eligibility requirements for the program not to exceed seventy-five percent
(75%) of the State median income. Up to twenty percent (20%) of children enrolled may have
family incomes in excess of seventy-five percent (75%) of median income if those children have
other designated risk factors. Furthermore, any age-eligible child who is a child of either of the
following shall be eligible for the program: (i) 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 who was 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) a 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 who was injured or killed while serving on
active duty. Eligibility determinations for NC Pre-K participants may continue through local

Other than developmental disabilities or other chronic health issues, the Division shall
not consider the health of a child as a factor in determining eligibility for participation in the NC
Pre-K program.

SECTION #.(b) Multiyear Contracts. – The Division of Child Development and
Early Education shall require the NC Pre-K contractor to issue multiyear contracts for licensed
private child care centers providing NC Pre-K classrooms.

SECTION #.(c) Building Standards. – Notwithstanding G.S. 110-91(4), private
child care facilities and public schools operating NC Pre-K classrooms shall meet the building
standards for preschool students as provided in G.S. 115C-521.1.

SECTION #.(d) Programmatic Standards. – Except as provided in subsection (b1)
of this section, entities operating NC Pre-K classrooms shall adhere to all of the policies
prescribed by the Division of Child Development and Early Education regarding programmatic
standards and classroom requirements.

SECTION #.(e) NC Pre-K Committees. – Local NC Pre-K committees shall use the
standard decision-making process developed by the Division of Child Development and Early
Education in awarding NC Pre-K classroom slots and student selection.

SECTION #.(f) Reporting. – The Division of Child Development and Early
Education shall 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. The report shall include the following:

(1) The number of children participating in the NC Pre-K program by county.
(2) 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.

(3) The expected NC Pre-K expenditures for the programs and the source of the local contributions.

(4) The results of an annual evaluation of the NC Pre-K program.

SECTION #.(g) Audits. – The administration of the NC Pre-K program by local partnerships shall be subject to the financial and compliance audits authorized under G.S. 143B-168.14(b).
Requested by

RAISE BASE REIMBURSEMENT RATES FOR NC PRE-K CHILD CARE CENTERS

SECTION #. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Child Development and Early Education, funds shall be allocated to raise the base reimbursement rates for child care centers participating in the North Carolina Prekindergarten (NC Pre-K) program by two percent (2%) over the 2018-2019 fiscal year rates for the 2019-2020 fiscal year and by an additional six percent (6%) over the 2019-2020 rates for the 2020-2021 fiscal year. It is the intent of the General Assembly that funds allocated pursuant to this section be used to increase the salaries of teachers working in child care centers as a means to address disparities in teacher salaries among teachers working in child care centers versus those working in public schools or Head Start centers.
CHILD CARE SUBSIDY RATES

SECTION #.(a) The maximum gross annual income for initial eligibility, adjusted annually, for subsidized child care services shall be determined based on a percentage of the federal poverty level as follows:

<table>
<thead>
<tr>
<th>AGE</th>
<th>INCOME PERCENTAGE LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 5</td>
<td>200%</td>
</tr>
<tr>
<td>6 – 12</td>
<td>133%</td>
</tr>
</tbody>
</table>

The eligibility for any child with special needs, including a child who is 13 years of age or older, shall be two hundred percent (200%) of the federal poverty level.

SECTION #.(b) Fees for families who are required to share in the cost of care are established based on nine percent (9%) of gross family income. When care is received at the blended rate, the co-payment shall be eighty-three percent (83%) of the full-time co-payment. Co-payments for part-time care shall be seventy-five percent (75%) of the full-time co-payment.

SECTION #.(c) Payments for the purchase of child care services for low-income children shall be in accordance with the following requirements:

(1) Religious sponsored child care facilities operating pursuant to G.S. 110-106 and licensed child care centers and homes that meet the minimum licensing standards that are participating in the subsidized child care program shall be paid the one-star county market rate or the rate they charge privately paying parents, whichever is lower, unless prohibited by subsection (f) of this section.

(2) Licensed child care centers and homes with two or more stars shall receive the market rate for that rated license level for that age group or the rate they charge privately paying parents, whichever is lower, unless prohibited by subsection (g) of this section.

(3) No payments shall be made for transportation services charged by child care facilities.

(4) Payments for subsidized child care services for postsecondary education shall be limited to a maximum of 20 months of enrollment.

(5) The Department of Health and Human Services shall implement necessary rule changes to restructure services, including, but not limited to, targeting benefits to employment.

SECTION #.(d) Provisions of payment rates for child care providers in counties that do not have at least 50 children in each age group for center-based and home-based care are as follows:

(1) Except as applicable in subdivision (2) of this subsection, payment rates shall be set at the statewide or regional market rate for licensed child care centers and homes.

(2) If it can be demonstrated that the application of the statewide or regional market rate to a county with fewer than 50 children in each age group is lower than the county market rate and would inhibit the ability of the county to
purchase child care for low-income children, then the county market rate may be applied.

SECTION #.(e) A market rate shall be calculated for child care centers and homes at each rated license level for each county and for each age group or age category of enrollees and shall be representative of fees charged to parents for each age group of enrollees within the county. The Division of Child Development and Early Education shall also calculate a statewide rate and regional market rate for each rated license level for each age category.

SECTION #.(f) The Division of Child Development and Early Education shall continue implementing policies that improve the quality of child care for subsidized children, including a policy in which child care subsidies are paid, to the extent possible, for child care in the higher quality centers and homes only. The Division shall define higher quality, and subsidy funds shall not be paid for one- or two-star rated facilities. For those counties with an inadequate number of four- and five-star rated facilities, the Division shall continue a transition period that allows the facilities to continue to receive subsidy funds while the facilities work on the increased star ratings. The Division may allow exemptions in counties where there is an inadequate number of four- and five-star rated facilities for non-star rated programs, such as religious programs.

SECTION #.(g) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes and facilities operated pursuant to G.S. 110-106 may participate in the program that provides for the purchase of care in child care facilities for minor children of needy families. Except as authorized by subsection (f) of this section, no separate licensing requirements shall be used to select facilities to participate. In addition, child care facilities shall be required to meet any additional applicable requirements of federal law or regulations. Child care arrangements exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements established by other State law and by the Social Services Commission. County departments of social services or other local contracting agencies shall not use a provider's failure to comply with requirements in addition to those specified in this subsection as a condition for reducing the provider's subsidized child care rate.

SECTION #.(h) Payment for subsidized child care services provided with Temporary Assistance for Needy Families Block Grant funds shall comply with all regulations and policies issued by the Division of Child Development and Early Education for the subsidized child care program.

SECTION #.(i) Noncitizen families who reside in this State legally shall be eligible for child care subsidies if all other conditions of eligibility are met. If all other conditions of eligibility are met, noncitizen families who reside in this State illegally shall be eligible for child care subsidies only if at least one of the following conditions is met:

(1) The child for whom a child care subsidy is sought is receiving child protective services or foster care services.

(2) The child for whom a child care subsidy is sought is developmentally delayed or at risk of being developmentally delayed.

(3) The child for whom a child care subsidy is sought is a citizen of the United States.

SECTION #.(j) The Department of Health and Human Services, Division of Child Development and Early Education, shall require all county departments of social services to include on any forms used to determine eligibility for child care subsidy whether the family waiting for subsidy is receiving assistance through the NC Pre-K Program or Head Start.

SECTION #.(k) Department of Defense-certified child care facilities licensed pursuant to G.S. 110-106.2 may participate in the State-subsidized child care program that provides for the purchase of care in child care facilities for minor children in needy families, provided that funds allocated from the State-subsidized child care program to Department of Defense-certified child care facilities shall supplement and not supplant funds allocated in accordance with G.S. 143B-168.15(g). Payment rates and fees for military families who choose
Department of Defense-certified child care facilities and who are eligible to receive subsidized child care shall be as set forth in this section.
CHILD CARE ALLOCATION FORMULA

SECTION #.(a) The Department of Health and Human Services, Division of Child Development and Early Education (Division), shall allocate child care subsidy voucher funds to pay the costs of necessary child care for minor children of needy families. The mandatory thirty percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation under G.S. 143B-168.15(g) shall constitute the base amount for each county's child care subsidy allocation. The Department of Health and Human Services shall use the following method when allocating federal and State child care funds, not including the aggregate mandatory thirty percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation:

1. Funds shall be allocated to a county based upon the projected cost of serving children under age 11 in families with all parents working who earn less than the applicable federal poverty level percentage set forth in Section #.(a) [subsidy rates sp] of this act.

2. The Division may withhold up to two percent (2%) of available funds from the allocation formula for (i) preventing termination of services throughout the fiscal year and (ii) repayment of any federal funds identified by counties as overpayments, including overpayments due to fraud. The Division shall allocate to counties any funds withheld before the end of the fiscal year when the Division determines the funds are not needed for the purposes described in this subdivision. The Division shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division, which report shall include each of the following:
   a. The amount of funds used for preventing termination of services and the repayment of any federal funds.
   b. The date the remaining funds were distributed to counties.
   c. As a result of funds withheld under this subdivision and after funds have been distributed, any counties that did not receive at least the amount the counties received the previous year and the amount by which funds were decreased.

The Division shall submit a report in each year of the 2019-2021 fiscal biennium 30 days after the funds withheld pursuant to this subdivision are distributed but no later than April 1 of each respective year.

3. The Division shall set aside four percent (4%) of child care subsidy allocations for vulnerable populations, which include a child identified as having special needs and a child whose application for assistance indicates that the child and the child's family is experiencing homelessness or is in a temporary living situation. A child identified by this subdivision shall be given priority for receiving services until such time as set-aside allocations for vulnerable populations are exhausted.
SECTION #.(b) The Division may reallocate unused child care subsidy voucher funds in order to meet the child care needs of low-income families. Any reallocation of funds shall be based upon the expenditures of all child care subsidy voucher funding, including North Carolina Partnership for Children, Inc., funds within a county. Counties shall manage service levels within the funds allocated to the counties. A county with a spending coefficient over one hundred percent (100%) shall submit a plan to the Division for managing the county's allocation before receiving any reallocated funds.

SECTION #.(c) When implementing the formula under subsection (a) of this section, the Division shall include the market rate increase in the formula process rather than calculating the increases outside of the formula process. Additionally, the Department shall do the following:

(1) A county's initial allocation shall be the county's expenditure in the previous fiscal year or a prorated share of the county's previous fiscal year expenditures if sufficient funds are not available. With the exception of market rate increases consistent with any increases approved by the General Assembly, a county whose spending coefficient is less than ninety-two percent (92%) in the previous fiscal year shall receive its prior year's expenditure as its allocation and shall not receive an increase in its allocation in the following year. A county whose spending coefficient is at least ninety-two percent (92%) in the previous fiscal year shall receive, at a minimum, the amount it expended in the previous fiscal year and may receive additional funding, if available. The Division may waive this requirement and allow an increase if the spending coefficient is below ninety-two percent (92%) due to extraordinary circumstances, such as a State or federal disaster declaration in the affected county. By October 1 of each year, the Division shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division the counties that received a waiver pursuant to this subdivision and the reasons for the waiver.

(2) Effective immediately following the next new decennial census data release, implement (i) one-third of the change in a county's allocation in the year following the data release, (ii) an additional one-third of the change in a county's allocation beginning two years after the initial change under this subdivision, and (iii) the final one-third change in a county's allocation beginning the following two years thereafter.
SMART START INITIATIVES

SECTION #.(a) Policies. – The North Carolina Partnership for Children, Inc., and its Board shall ensure policies focus on the North Carolina Partnership for Children, Inc.'s mission of improving child care quality in North Carolina for children from birth to five years of age. North Carolina Partnership for Children, Inc.-funded activities shall include assisting child care facilities with (i) improving quality, including helping one-, two-, and three-star-rated facilities increase their star ratings, and (ii) implementing prekindergarten programs. State funding for local partnerships shall also be used for evidence-based or evidence-informed programs for children from birth to 5 years of age that do the following:

1. Increase children's literacy.
2. Increase the parents' ability to raise healthy, successful children.
3. Improve children's health.
4. Assist four- and five-star-rated facilities in improving and maintaining quality.

SECTION #.(b) Administration. – Administrative costs shall be equivalent to, on an average statewide basis for all local partnerships, not more than eight percent (8%) of the total statewide allocation to all local partnerships. For purposes of this subsection, administrative costs shall include costs associated with partnership oversight, business and financial management, general accounting, human resources, budgeting, purchasing, contracting, and information systems management. The North Carolina Partnership for Children, Inc., shall continue using a single statewide contract management system that incorporates features of the required standard fiscal accountability plan described in G.S. 143B-168.12(a)(4). All local partnerships required to participate in the contract management system and, directed by the North Carolina Partnership for Children, Inc., to collaborate, to the fullest extent possible, with other local partnerships to increase efficiency and effectiveness.

SECTION #.(c) Salaries. – The salary schedule developed and implemented by the North Carolina Partnership for Children, Inc., shall set the maximum amount of State funds that may be used for the salary of the Executive Director of the North Carolina Partnership for Children, Inc., and the directors of the local partnerships. The North Carolina Partnership for Children, Inc., shall base the schedule on the following criteria:

1. The population of the area serviced by a local partnership.
2. The amount of State funds administered.
3. The amount of total funds administered.
4. The professional experience of the individual to be compensated.
5. Any other relevant factors pertaining to salary, as determined by the North Carolina Partnership for Children, Inc.

The salary schedule shall be used only to determine the maximum amount of State funds that may be used for compensation. Nothing in this subsection shall be construed to prohibit a local partnership from using non-State funds to supplement an individual's salary in excess of the amount set by the salary schedule established under this subsection.
SECTION #.(d)  Match Requirements. – The North Carolina Partnership for Children, Inc., and all local partnerships shall, in the aggregate, be required to match one hundred percent (100%) of the total amount budgeted for the program in each fiscal year of the 2019-2021 biennium. Of the funds the North Carolina Partnership for Children, Inc., and the local partnerships are required to match, contributions of cash shall be equal to at least thirteen percent (13%) and in-kind donated resources shall be equal to no more than six percent (6%) for a total match requirement of nineteen percent (19%) for each year of the 2019-2021 fiscal biennium.

The North Carolina Partnership for Children, Inc., may carry forward any amount in excess of the required match for a fiscal year in order to meet the match requirement of the succeeding fiscal year. Only in-kind contributions that are quantifiable shall be applied to the in-kind match requirement. Volunteer services may be treated as an in-kind contribution for the purpose of the match requirement of this subsection. Volunteer services that qualify as professional services shall be valued at the fair market value of those services. All other volunteer service hours shall be valued at the statewide average wage rate as calculated from data compiled by the Division of Employment Security of the Department of Commerce in the Employment and Wages in North Carolina Annual Report for the most recent period for which data are available. Expenses, including both those paid by cash and in-kind contributions, incurred by other participating non-State entities contracting with the North Carolina Partnership for Children, Inc., or the local partnerships also may be considered resources available to meet the required private match. In order to qualify to meet the required private match, the expenses shall:

(1) Be verifiable from the contractor’s records.
(2) If in-kind, other than volunteer services, be quantifiable in accordance with generally accepted accounting principles for nonprofit organizations.
(3) Not include expenses funded by State funds.
(4) Be supplemental to and not supplant preexisting resources for related program activities.
(5) Be incurred as a direct result of the Early Childhood Initiatives Program and be necessary and reasonable for the proper and efficient accomplishment of the Program’s objectives.
(6) Be otherwise allowable under federal or State law.
(7) Be required and described in the contractual agreements approved by the North Carolina Partnership for Children, Inc., or the local partnership.
(8) Be reported to the North Carolina Partnership for Children, Inc., or the local partnership by the contractor in the same manner as reimbursable expenses.

Failure to obtain a nineteen-percent (19%) match by June 30 of each year of the 2019-2021 fiscal biennium shall result in a dollar-for-dollar reduction in the appropriation for the Program for a subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report, to be included in its annual report as required under G.S. 143B-168.12(d), in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

SECTION #.(e) Bidding. – The North Carolina Partnership for Children, Inc., and all local partnerships shall use competitive bidding practices in contracting for goods and services on contract amounts as follows:

(1) For amounts of five thousand dollars ($5,000) or less, the procedures specified by a written policy as developed by the Board of Directors of the North Carolina Partnership for Children, Inc.
(2) For amounts greater than five thousand dollars ($5,000), but less than fifteen thousand dollars ($15,000), three written quotes.
(3) For amounts of fifteen thousand dollars ($15,000) or more, but less than forty thousand dollars ($40,000), a request for proposal process.
(4) For amounts of forty thousand dollars ($40,000) or more, a request for proposal process and advertising in a major newspaper.

SECTION #.(f) Allocations. – The North Carolina Partnership for Children, Inc., shall not reduce the allocation for counties with less than 35,000 in population below the 2012-2013 funding level.

SECTION #.(g) Performance-Based Evaluation. – The Department of Health and Human Services shall continue to implement the performance-based evaluation system.

SECTION #.(h) Expenditure Restrictions. – Except as provided in subsection (i) of this section, the Department of Health and Human Services and the North Carolina Partnership for Children, Inc., shall ensure that the allocation of funds for Early Childhood Education and Development Initiatives for the 2019-2021 fiscal biennium shall be administered and distributed in the following manner:

(1) Capital expenditures are prohibited for the 2017-2019 fiscal biennium. For the purposes of this section, "capital expenditures" means expenditures for capital improvements as defined in G.S. 143C-1-1(d)(5).

(2) Expenditures of State funds for advertising and promotional activities are prohibited for the 2019-2021 fiscal biennium. For the 2019-2021 fiscal biennium, local partnerships shall not spend any State funds on marketing campaigns, advertising, or any associated materials. Local partnerships may spend any private funds the local partnerships receive on those activities.

SECTION #.(i) Notwithstanding subsection (h) of this section, the North Carolina Partnership for Children, Inc., and local partnerships may use up to one percent (1%) of State funds for fund-raising activities. The North Carolina Partnership for Children, Inc., shall include in its annual report required under G.S. 143B-168.12(d) a report on the use of State funds for fund-raising. The report shall include the following:

(1) The amount of funds expended on fund-raising.
(2) Any return on fund-raising investments.
(3) Any other information deemed relevant.

SECTION #.(j) G.S. 143B-168.12(d) reads as rewritten:

"(d) The North Carolina Partnership for Children, Inc., shall make a report no later than December 1 of each year to the General Assembly Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division of the General Assembly that shall include the following:

(1) A description of the program and significant services and initiatives.
(2) A history of Smart Start funding and the previous fiscal year's expenditures.
(3) The number of children served by type of service.
(4) The type and quantity of services provided.
(5) The results of the previous year's evaluations of the Initiatives or related programs and services.
(6) A description of significant policy and program changes.
(7) Any recommendations for legislative action."
GENERAL ASSEMBLY OF NORTH CAROLINA
Session 2019

Proofed
SPECIAL PROVISION

Division of Child Development & Early Education - DHHS
House Appropriations, Health and Human Services

Requested by

SMART START LITERACY INITIATIVE/DOLLY PARTON'S IMAGINATION LIBRARY

SECTION #.(a) Funds allocated to the North Carolina Partnership for Children, Inc.,
from the Department of Health and Human Services, shall be used to increase access to Dolly
Parton's Imagination Library, an early literacy program that mails age-appropriate books on a
monthly basis to children registered for the program.

SECTION #.(b) The North Carolina Partnership for Children, Inc., may use up to
one percent (1%) of the funds for statewide program management and up to one percent (1%) of
the funds for program evaluation. Funds appropriated under this section shall not be subject to
administrative costs requirements under Section #(b) of this act, nor shall these funds be subject
to the child care services funding requirements under G.S. 143B-168.15(b), child care subsidy
expansion requirements under G.S. 143B-168.15(g), or the match requirements under Section
#(d) of this act.
MEDICAID ELIGIBILITY

SECTION #. Article 2 of Chapter 108A of the General Statutes is amended by adding a new section to read:

"§ 108A-54.3A. Eligibility categories and income thresholds.

(a) The Department shall provide Medicaid coverage for individuals in accordance with federal statutes and regulations and specifically shall provide coverage for the following populations:

(1) Families, children under the age of 21, pregnant women, and individuals who are aged, blind, or disabled, who are medically needy, subject to the following annual income levels after meeting the applicable deductible:

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Income Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$2,904</td>
</tr>
<tr>
<td>2</td>
<td>3,804</td>
</tr>
<tr>
<td>3</td>
<td>4,404</td>
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<tr>
<td>4</td>
<td>4,800</td>
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<td>5,196</td>
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<tr>
<td>6</td>
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<td>12</td>
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<td>13</td>
<td>8,004</td>
</tr>
<tr>
<td>14</td>
<td>8,400</td>
</tr>
</tbody>
</table>

each additional family member add $396

(2) Families and children under the age of 21, subject to the following annual income levels:

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Income Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$5,208</td>
</tr>
<tr>
<td>2</td>
<td>6,828</td>
</tr>
<tr>
<td>3</td>
<td>8,004</td>
</tr>
<tr>
<td>4</td>
<td>8,928</td>
</tr>
<tr>
<td>5</td>
<td>9,888</td>
</tr>
<tr>
<td>6</td>
<td>10,812</td>
</tr>
<tr>
<td>7</td>
<td>11,700</td>
</tr>
<tr>
<td>8</td>
<td>12,432</td>
</tr>
<tr>
<td>9</td>
<td>13,152</td>
</tr>
<tr>
<td>10</td>
<td>14,028</td>
</tr>
</tbody>
</table>

each additional family member add $936
(3) Children under the age of 6 with family incomes equal to or less than two hundred ten percent (210%) of the federal poverty guidelines.

(4) Children aged 6 through 18 with family incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines.

(5) Children under the age of 19 who are receiving foster care or adoption assistance under title IV-E of the Social Security Act, without regard to income.

(6) Children in the legal custody of State-sponsored foster care who are under the age of 21 and ineligible for Title IV-E assistance, without regard to income.

(7) Independent foster care adolescents ages 18, 19, and 20, as defined in 42 U.S.C. § 1396d(w)(1), without regard to income.

(8) Former foster care children under the age of 26 in accordance with 42 U.S.C. § 1396a(a)(10)(A)(i)(IX), without regard to income.

(9) Adoptive children with special or rehabilitative needs, regardless of the adoptive family’s income.

(10) Pregnant women with incomes equal to or less than one hundred ninety-six percent (196%) of the federal poverty guidelines. Coverage for pregnant women eligible under this subdivision include only services related to pregnancy and to other conditions determined by the Department as conditions that may complicate pregnancy.

(11) Men and women of childbearing age with family incomes equal to or less than one hundred ninety-five percent (195%) of the federal poverty guidelines. Coverage for the individuals described in this subdivision shall be limited to coverage for family planning services.


(13) Aged, blind, or disabled individuals, as defined in Subpart F of Part 435 of Subchapter C of Chapter IV of Title 42 of the Code of Federal Regulations, with incomes equal to or less than one hundred percent (100%) of the federal poverty guidelines.

(14) Beneficiaries receiving supplemental security income under title XVI of the Social Security Act.

(15) Workers with disabilities, as provided in G.S. 108A-66.1.

(16) Qualified working disabled individuals, as provided in G.S. 108A-67.

(17) Qualified Medicare beneficiaries with incomes equal to or less than one hundred percent (100%) of the federal poverty guidelines. Coverage for the individuals described in this subdivision shall be limited to payment of Medicare premiums and deductibles and co-insurance for Medicare-covered services.

(18) Specified low-income Medicare beneficiaries with incomes equal to or less than one hundred twenty percent (120%) of the federal poverty guidelines. Coverage for the individuals described in this subdivision shall be limited to payment of Medicare Part B premiums.

(19) Qualifying individuals who are Medicare beneficiaries and who have incomes equal to or less than one hundred thirty-five percent (135%) of the federal poverty guidelines, may be covered within funds available for the Limited Medicare-Aid Capped Enrollment program. Coverage for the individuals described in this subdivision shall be limited to payment of Medicare Part B premiums.

(20) Recipients of an optional State supplementation program provided in accordance with 42 U.S.C. § 1382e.
Individuals who meet eligibility criteria under a Medicaid waiver approved by the Centers for Medicare and Medicaid Services and authorized by an act of the General Assembly, within funds available for the waiver.


Qualified aliens subject to the five-year bar for means tested public assistance under 8 U.S.C. § 1613 and undocumented aliens, only for emergency services under 8 U.S.C. § 1611.
Requested by

1 MEDICAID ANNUAL REPORT
2 SECTION #. The Department of Health and Human Services, Division of Health
3 Benefits (DHB), shall continue the publication of the Medicaid Annual Report and
4 accompanying tables. DHB shall publish the report and tables on its Web site no later than
5 December 31 following each State fiscal year.
Requested by

1 **ANNUAL ISSUANCE OF MEDICAID IDENTIFICATION CARDS**

2 **SECTION #.** The Department of Health and Human Services (Department) shall

3 issue Medicaid identification cards to recipients on an annual basis with updates as needed. The

4 Department shall adopt rules, or amend any current rules relating to Medicaid identification

5 cards, to implement this section. No later than July 1, 2020, the Department shall submit a report

6 to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice confirming the

7 adoption or amendment of rules in accordance with this section.
Requested by

**ADMNISTRATIVE HEARINGS FUNDING**

**SECTION #.** Of the funds appropriated to the Department of Health and Human Services, Division of Health Benefits, for administrative contracts and interagency transfers, the Department of Health and Human Services (Department) shall transfer the sum of one million dollars ($1,000,000) for the 2019-2020 fiscal year and the sum of one million dollars ($1,000,000) for the 2020-2021 fiscal year to the Office of Administrative Hearings (OAH). These funds shall be allocated by the OAH for mediation services provided for Medicaid applicant and recipient appeals and to contract for other services necessary to conduct the appeals process. The OAH shall continue the Memorandum of Agreement (MOA) with the Department for mediation services provided for Medicaid recipient appeals and contracted services necessary to conduct the appeals process. The MOA will facilitate the Department's ability to draw down federal Medicaid funds to support this administrative function. Upon receipt of invoices from the OAH for covered services rendered in accordance with the MOA, the Department shall transfer the federal share of Medicaid funds drawn down for this purpose.
ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE

SECTION #.(a) Receivables reserved at the end of the 2019-2020 and 2020-2021 fiscal years shall, when received, be accounted for as nontax revenue for each of those fiscal years.

SECTION #.(b) For the 2019-2020 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred sixty-four million seven hundred thousand dollars ($164,700,000) with the Department of State Treasurer to be accounted for as nontax revenue. For the 2020-2021 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred forty-nine million six hundred thousand dollars ($149,600,000) with the Department of State Treasurer to be accounted for as nontax revenue. These deposits shall represent the return of General Fund appropriations, nonfederal revenue, fund balances, or other resources from State-owned and State-operated hospitals that are used to provide indigent and nonindigent care services. The return from State-owned and State-operated hospitals to DHHS will be made from nonfederal resources in an amount equal to the amount of the payments from the Division of Health Benefits for uncompensated care. The treatment of any revenue derived from federal programs shall be in accordance with the requirements specified in the Code of Federal Regulations, Title 2, Part 225.
Requested by

1  **VOLUME PURCHASE PLANS AND SINGLE SOURCE PROCUREMENT**
2  **SECTION #.** The Department of Health and Human Services, Division of Health
3  Benefits, may, subject to the approval of a change in the State Medicaid Plan, contract for
4  services, medical equipment, supplies, and appliances by implementation of volume purchase
5  plans, single source procurement, or other contracting processes in order to improve cost
6  containment.
REQUESTED BY

HOUSE APPROPRIATIONS, HEALTH AND HUMAN SERVICES

LME/MCO OUT-OF-NETWORK AGREEMENTS

SECTION #.(a) The Department of Health and Human Services (Department) shall continue to ensure that local management entities/managed care organizations (LME/MCOs) utilize an out-of-network agreement that contains standardized elements developed in consultation with LME/MCOs. The out-of-network agreement shall be a streamlined agreement between a single provider of behavioral health or intellectual/developmental disability (IDD) services and an LME/MCO to ensure access to care in accordance with 42 C.F.R. § 438.206(b)(4), reduce administrative burden on the provider, and comply with all requirements of State and federal laws and regulations. LME/MCOs shall use the out-of-network agreement in lieu of a comprehensive provider contract when all of the following conditions are met:

1. The services requested are medically necessary and cannot be provided by an in-network provider.
2. The behavioral health or IDD provider's site of service delivery is located outside of the geographical catchment area of the LME/MCO, and the LME/MCO is not accepting applications or the provider does not wish to apply for membership in the LME/MCO closed network.
3. The behavioral health or IDD provider is not excluded from participation in the Medicaid program, the NC Health Choice program, or other State or federal health care program.
4. The behavioral health or IDD provider is serving no more than two enrollees of the LME/MCO, unless the agreement is for inpatient hospitalization, in which case the LME/MCO may, but shall not be required to, enter into more than five such out-of-network agreements with a single hospital or health system in any 12-month period.

SECTION #.(b) Medicaid providers providing services pursuant to an out-of-network agreement shall be considered a network provider for purposes of Chapter 108D of the General Statutes only as it relates to enrollee grievances and appeals.
SPECIAL PROVISION

Division of Health Benefits
House Appropriations, Health and Human Services

Requested by

LME/MCO INTERGOVERNMENTAL TRANSFERS

SECTION #. The local management entities/managed care organizations (LME/MCOs) shall make intergovernmental transfers to the Department of Health and Human Services, Division of Health Benefits (DHB), in an aggregate amount of eighteen million twenty-eight thousand two hundred seventeen dollars ($18,028,217) in the 2019-2020 fiscal year and in an aggregate amount of eighteen million twenty-eight thousand two hundred seventeen dollars ($18,028,217) for the 2020-2021 fiscal year. The due date and frequency of the intergovernmental transfer required by this section shall be determined by DHB. The amount of the intergovernmental transfer that each individual LME/MCO is required to make in each fiscal year shall be as follows:

<table>
<thead>
<tr>
<th>LME/MCO Interests Healthcare</th>
<th>2019-2020</th>
<th>2020-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliance Behavioral Healthcare</td>
<td>$2,994,453</td>
<td>$2,994,453</td>
</tr>
<tr>
<td>Cardinal Innovations Healthcare</td>
<td>$4,032,586</td>
<td>$4,032,586</td>
</tr>
<tr>
<td>Eastpointe</td>
<td>$1,701,156</td>
<td>$1,701,156</td>
</tr>
<tr>
<td>Partners Behavioral Health Management</td>
<td>$1,914,860</td>
<td>$1,914,860</td>
</tr>
<tr>
<td>Sandhills Center</td>
<td>$1,978,939</td>
<td>$1,978,939</td>
</tr>
<tr>
<td>Trillium Health Resources</td>
<td>$3,119,822</td>
<td>$3,119,822</td>
</tr>
<tr>
<td>Vaya Health</td>
<td>$2,286,401</td>
<td>$2,286,401</td>
</tr>
</tbody>
</table>

In the event that any county disengages from an LME/MCO and realigns with another LME/MCO during the 2019-2021 fiscal biennium, DHB shall have the authority to reallocate the amount of the intergovernmental transfer that each affected LME/MCO is required to make, taking into consideration the change in catchment area and covered population, provided that the aggregate amount of the transfers received from all LME/MCOs in each year of the fiscal biennium are achieved.
Requested by

1 **CO-PAYMENTS FOR MEDICAID SERVICES**
2 **SECTION #. (a)** Beginning November 1, 2019, the co-payments for Medicaid services shall be increased to four dollars ($4.00). This section does not apply to services provided under Section 1905(a)(1) through 1905(a)(5) and under Section 1905(a)(7) of the Social Security Act or to recipients prohibited by federal law from cost-sharing requirements.
3 **SECTION #. (b)** The Department of Health and Human Services, Division of Health Benefits, shall submit any necessary State Plan amendments to the Centers for Medicare and Medicaid Services to implement this section.
The Department of Health and Human Services, Division of Health Benefits, shall amend the North Carolina Innovations waiver to increase the number of slots available under the waiver by 150 slots. These additional slots shall be made available on March 1, 2020.
GENERAL ASSEMBLY OF NORTH CAROLINA
Session 2019

Requested by

ADDRESS GROUP HOMES DIRECT SUPPORT PERSONNEL STAFFING CRISIS

SECTION #.(a)  ICF/IID Group Homes. – Of the funds appropriated to the
Department of Health and Human Services, Division of Health Benefits (DHB), the sum of five
million six hundred fifty thousand dollars ($5,650,000) in recurring funds for the 2019-2020
fiscal year and the sum of eleven million three hundred thousand dollars ($11,300,000) in
recurring funds for the 2020-2021 fiscal year shall be used to adjust the per member per month
(PMPM) capitation amount paid to local management entity/managed care organizations
(LME/MCOs) operating capitated contracts for mental health, intellectual and other development
disabilities, and substance abuse services to include amounts sufficient to increase wages paid to
direct support personnel working in community-based Intermediate Care Facility for Individuals
with Intellectual Disabilities (ICF/IID) group homes for individuals with intellectual and other
developmental disabilities to align the wages paid to these direct support personnel with the
current wages paid to State employees in State-owned developmental centers. Adjustments to the
PMPM capitation amount paid, in accordance with this subsection, shall be implemented no
sooner than January 1, 2020. The following shall apply to PMPM capitation amount adjustments
made under this subsection:

(1) The adjustments shall be consistent with the North Carolina Medicaid State
Plan requirements to provide for actuarially sound rates sufficient to operate
and provide safe and effective services.

(2) DHB shall validate the actual amounts necessary to adjust the relevant portion
of the LME/MCO PMPM capitation payment to wages paid to direct support
personnel salaries with current wages paid to State employees in State-owned
developmental centers.

(3) The adjustments shall be considered directed payments made to LME/MCOs
under 42 C.F.R. § 438.6, in order to assure that the increased amounts are used
for wage increases.

(4) Providers receiving any increase in funds from LME/MCOs to be used for
wage increases, as required by this subsection, shall attest and provide
verification that those increased funds are being used for the purpose of
increasing wages paid to direct support personnel and employees who support
direct support personnel. LME/MCOs may require verifiable methods of
accounting such as payroll-based journals.

After the implementation of this subsection, DHB shall continue to work with
stakeholders and service providers in order to develop an appropriate methodology, to track
progress towards increasing direct support personnel wages, and to determine if any additional
resources are necessary to achieve alignment of these wages with the current wages paid to State
employees in State-owned developmental centers. Further, DHB shall maximize the ICF/IID
assessment to increase the capitation payment rates for ICF/IIDs. DHB shall use all available
proceeds of the adjusted ICF/IID assessment for the purpose of implementing this subsection.
SECTION #.(b) North Carolina Innovations Waiver. – Of the funds appropriated to the Department of Health and Human Services, Division of Health Benefits (DHB), the sum of two hundred fifty thousand dollars ($250,000) in nonrecurring funds shall be used to conduct an actuarial analysis and a wage and hour study of the North Carolina Innovations waiver program. This actuarial analysis and study shall aid in determining the appropriate adjustments to the per-slot service costs that would be necessary to align wages paid to direct support personnel providing services under the North Carolina Innovations waiver with wages paid to State employees in State-owned developmental centers. The analysis and study shall be completed prior to the next local management entity/managed care organization (LME/MCO) rate negotiation cycle, but no later than January 15, 2020. DHB shall provide a copy of the analysis and wage and hour study to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division no later than January 15, 2020.

Upon completion of the analysis and the wage and hour study, DHB shall draft a plan that provides for multiyear adjustments, to be phased in over a two- to three-year period, to the per-slot cap on costs necessary to align wages paid to direct support personnel providing services under the Innovations waiver with wages paid to State employees working in State-operated developmental centers. This plan shall require that LME/MCOs and providers receiving an increase in funds as a result of the adjustments to attest and provide verification that those increased funds are being used for the purpose of increasing wages paid to direct support personnel and employees who supervise and support direct support personnel. The plan may require verifiable methods of accounting such as payroll-based journals.

The actuarial analysis conducted and the plan developed under this subsection shall include all of the following components:

(1) The average cost per Innovations waiver slot.
(2) The percent of average Innovations waiver slot costs that are related to labor costs.
(3) Current labor costs for direct support personnel providing services through the Innovations waiver.
(4) The percent of other indirect and administrative costs related to direct support personnel providing services through the Innovations waiver.
(5) Current indirect and administrative costs related to direct support personnel providing services through the Innovations waiver.
(6) An accurate number of full-time equivalents (FTEs) for direct support personnel providing services through the Innovations waiver.
(7) Current average hourly wage for direct support personnel providing services through the Innovations waiver.
(8) The total cost to increase the wages of direct support personnel providing services through the Innovations waiver to a minimum of fifteen dollars ($15.00) per hour, or the current wage paid to State employees working in State-operated developmental centers.
(9) Recommended resources necessary to add additional Innovations waiver slots.
(10) Recommended resources necessary to increase the wages of direct support personnel providing services through the Innovations waiver to a minimum of fifteen dollars ($15.00) per hour, or the current wage paid to State employees working in State-operated developmental centers.

No later than March 1, 2020, DHB shall submit a copy of the plan and any related recommendations to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice. DHB shall not pursue any State Plan amendments or any changes to the North Carolina Innovations waiver that would be necessary to increase the wages of direct support personnel providing services through the Innovations waiver to a minimum of fifteen dollars ($15.00) per...
hour, or the current wage paid to State employees working in State-operated developmental centers, without further legislation directing the implementation of the wage increase.

**SECTION #.(c) Methodology for Determining Appropriate Wages to be Paid.** – To establish a baseline methodology for determining the appropriate wages to be paid in accordance with this section, the Department of Health and Human Services, Division of Health Benefits (DHB), shall use information from the Office of State Human Resources job classification and wage and hour data for the specific employees working at State-operated developmental centers who are in comparable job classifications as those direct support personnel working in community-based Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) group homes and those direct support personnel providing services through the North Carolina Innovations waiver. DHB shall make appropriate adjustments for health insurance, retirement benefits, and other key factors that drive total labor costs. DHB shall also take into consideration market-based wage comparisons between direct support personnel working in community-based ICF/IID group homes and those direct support personnel providing services through the North Carolina Innovations waiver and State employees working in the State-operated developmental centers, direct support personnel working in private work settings, including health care facilities and health services settings, and employees working in private sector businesses that compete to hire the same employees, such as retail and fast food. DHB may accept actuarially sound projections of competitive wage and hour data and other cost data from non-State entities in order to calculate forward-looking wage analysis formulas and finalize the exact rates needed to meet this urgent need, as required by this section.
Requested by

DISABLED ADULT CHILD PASSALONG ELIGIBILITY

SECTION #. Effective January 1, 2020, the eligibility requirements for the Disabled
Adult Child Passalong authorized under Section 1634 of the Social Security Act for the Medicaid
program shall consist of only the following four requirements:

1. The adult is currently entitled to and receives federal Retirement, Survivors,
   and Disability Insurance (RSDI) benefits as a disabled adult child on a parent's
   record due to the retirement, death, or disability of a parent.

2. The adult is blind or has a disability that began before age 22.

3. The adult would currently be eligible for Supplemental Security Income (SSI)
   or State-County Special Assistance if the current RSDI benefit is disregarded.

4. For eligibility that is based on former receipt of State-County Special
   Assistance and not SSI, the adult must currently reside in an adult care home.
Section #.  Except for eligibility categories and income thresholds and except for statutory changes, the Department of Health and Human Services shall not be required to maintain, after June 30, 2021, any modifications to the Medicaid and NC Health Choice programs required by this Subpart.
MEDICAID CONTINGENCY RESERVE

SECTION #.(a) Funds in the Medicaid Contingency Reserve established by Section 12H.38 of S.L. 2014-100 shall be used only for budget shortfalls in the Medicaid Program. These funds shall be available for expenditure only upon an appropriation by act of the General Assembly. It is the intent of the General Assembly to appropriate funds from the Medicaid Contingency Reserve only if:

(1) The Director of the Budget, after the State Controller has verified that receipts are being used appropriately, has found that additional funds are needed to cover a shortfall in the Medicaid budget for the State fiscal year.

(2) The Director of the Budget has reported immediately to the Fiscal Research Division on the amount of the shortfall found in accordance with subdivision (1) of this subsection. This report shall include an analysis of the causes of the shortfall, such as (i) unanticipated enrollment and mix of enrollment, (ii) unanticipated growth or utilization within particular service areas, (iii) errors in the data or analysis used to project the Medicaid budget, (iv) the failure of the program to achieve budgeted savings, (v) other factors and market trends that have impacted the price of or spending for services, (vi) variations in receipts from prior years or from assumptions used to prepare the Medicaid budget for the current fiscal year, or (vii) other factors. The report shall also include data in an electronic format that is adequate for the Fiscal Research Division to confirm the amount of the shortfall and its causes.

SECTION #.(b) Nothing in this section shall be construed to limit the authority of the Governor to carry out his duties under the Constitution.
SPECIAL PROVISION

Division of Health Benefits
House Appropriations, Health and Human Services

Requested by

USE OF MEDICAID TRANSFORMATION FUND FOR MEDICAID TRANSFORMATION NEEDS

SECTION #.(a) There is appropriated from the Medicaid Transformation Reserve in the General Fund to the Medicaid Transformation Fund, established under Section 12H.29 of S.L. 2015-241, the sum of two hundred six million one hundred forty-five thousand six hundred twelve dollars ($206,145,612) in nonrecurring funds for the 2019-2020 fiscal year and the sum of sixty-two million five hundred eleven thousand six hundred ninety-two dollars ($62,511,692) in nonrecurring funds for the 2020-2021 fiscal year.

SECTION #.(b) The Director of the Budget shall include the sum of forty million one hundred sixty-seven thousand six hundred fifty-five dollars ($40,167,655) when developing the base budget, as defined in G.S. 143C-1, for the Department of Health and Human Services, Division of Health Benefits, for the 2021-2023 fiscal biennium.

SECTION #.(c) Subject to the fulfillment of conditions specified in subsection (d) of this section, the sum of fifty-five million eight hundred ninety-eight thousand six hundred two dollars ($55,898,602) in nonrecurring funds for the 2019-2020 fiscal year and the sum of fifty-one million one hundred fifty-one thousand two hundred three dollars ($51,151,203) in nonrecurring funds for the 2020-2021 fiscal year from the Medicaid Transformation Fund may be transferred to the Department of Health and Human Services, Division of Health Benefits (DHB), for the sole purpose of providing the State share for qualifying needs directly related to Medicaid Transformation, as required by S.L. 2015-241, as amended. Funds may be transferred to DHB as qualifying needs arise during the 2019-2021 biennium and need not be transferred in one lump sum.

For the purposes of this section, the term "qualifying need" shall be limited to information technology, time-limited staffing, and contracts related to the following Medicaid Transformation needs:

(1) Enrollment broker services.
(2) An Electronic Data Interchange and Information Exchange Portal.
(3) Ombudsman programs.
(4) Finance and program integrity capabilities.
(5) Provider credentialing verification.
(6) Provider data management.
(7) Other needs identified by DHB as determined in consultation with the Office of State Budget and Management.

SECTION #.(d) A request by the Department of Health and Human Services, Division of Health Benefits (DHB), for the transfer of funds pursuant to subsection (c) of this section shall be made to the Office of State Budget and Management (OSBM) and shall include the amount requested and the specific qualifying need for which the funds are to be used. None of the funds identified in subsection (c) of this section shall be transferred to DHB until OSBM verifies the following information:
(1) The amount requested is to be used for a qualifying need in the 2019-2021 biennium.

(2) The amount requested provides a State share that will not result in total requirements that exceed two hundred thirty-three million dollars ($233,000,000) in the 2019-2020 fiscal year and one hundred ninety-nine million dollars ($199,000,000) in the 2020-2021 fiscal year.

SECTION #.(e) Any federal funds received in any fiscal year by the Department of Health and Human Services, Division of Health Benefits (DHB), that represent a return of State share already expended on a qualifying need related to the funds received by the DHB under this section shall be deposited into the Medicaid Transformation Fund.
TRIBAL OPTION/MEDICAID TRANSFORMATION

SECTION #.(a) The Department of Health and Human Services may contract with an Indian managed care entity (IMCE) or an Indian health care provider (IHCP), as defined under 42 C.F.R. § 438.14(a), to assist in the provision of health care or health care-related services to Medicaid and NC Health Choice beneficiaries who are members of federally recognized tribes or who are eligible to enroll in an IMCE. Contracts may include health care or health care-related services as agreed upon with the IMCE or IHCP, as approved by the Secretary of the Department of Health and Human Services and as allowed by the Centers for Medicare and Medicaid Services (CMS), including, but not limited to, the following services:

1. Primary care case management as a primary care case managed system or entity, as described in 42 C.F.R. § 438.2.
2. Utilization management and referrals.
3. The management of or provision of home and community-based services under a 1915(c) waiver.
4. The management or provision of specialized services covered by a BH IDD Tailored Plan in accordance with Subdivision 10 of Section 4 of S.L. 2015-245, as amended by S.L. 2018-48.

Coverage provided by the IMCE or IHCP may be more permissive, but no more restrictive, than Medicaid or an NC Health Choice medical coverage policy adopted or amended by the Department of Health and Human Services in accordance with G.S. 108A-54.2.

SECTION #.(b) Subdivision 5 of Section 4 of S.L. 2015-245, as amended by Subsection 2(b) of S.L. 2016-121, S.L. 2018-248, and Section 5 of 2018-49, reads as rewritten:

"(5) Populations covered by PHPs. – Capitated PHP contracts shall cover all Medicaid and NC Health Choice program aid categories except for the following categories:
…
e. Members of federally recognized tribes. Members of federally recognized tribes shall have the option to enroll voluntarily in PHPs.
   e1. Eligible recipients who are enrolled in a DHHS-contracted Indian managed care entity, as defined in 42 C.F.R. § 438.14(a). Eligible recipients who are enrolled in a DHHS-contracted Indian managed care entity shall have the option to enroll voluntarily in PHPs.
…"

SECTION #.(c) The Department of Health and Human Services is authorized to seek approval from CMS and submit any necessary State Plan Amendments and waivers, or any amendments thereto, to implement the provisions of this section.
Requested by

1  **REPEAL OF PAST DIRECTIVE TO ELIMINATE GME TO ALIGN WITH MEDICAID TRANSFORMATION**

2  **SECTION #.** Section 12H.12(b) of S.L. 2014-100 and Section 12H.23 of S.L. 2015-241, as amended by Section 88 of S.L. 2015-264, are repealed.
REVISED AND NEW HOSPITAL ASSESSMENTS, SUPPLEMENTAL PAYMENTS, AND
DIRECTED PAYMENTS

SECTION #.(a) Effective October 1, 2019, Article 7 of Chapter 108A of the General
Statutes is repealed.

SECTION #.(b) Effective October 1, 2019, Chapter 108A of the General Statutes is
amended by adding a new Article to read:

"Article 7A.
"Hospital Assessment Act.

"§ 108A-130. Short title and purpose.
This Article shall be known as the "Hospital Assessment Act." This Article does not authorize
a political subdivision of the State to license a hospital for revenue or impose a tax or assessment
on a hospital.

The following definitions apply in this Article:

(1) Base assessment. – The assessment payable under G.S. 108A-142.
(2) CMS. – Centers for Medicare and Medicaid Services.
(4) Department. – The Department of Health and Human Services.
(5) Prepaid health plan. – As defined in Section 4 of S.L. 2015-245, as amended.
(6) Public hospital. – A hospital that certifies its public expenditures to the
Department pursuant to 42 C.F.R. § 433.51(b) during the fiscal year for which
the assessment applies.
(7) Secretary. – The Secretary of Health and Human Services.
(8) State annual Medicaid payment. – An amount equal to one hundred ten million
dollars ($110,000,000) for State fiscal year 2019-2020, increased each year
over the prior year's payment by the percentage specified as the Medicare
Market Basket Index less productivity most recently published in the Federal
Register.
(10) Total hospital costs. – The costs as calculated using the most recent available
Hospital Cost Report Information System's cost report data available through
CMS or other comparable data, including both inpatient and outpatient
components, for all hospitals that are not exempt from the applicable
assessment.

"§ 108A-132. Due dates and collections.
(a) Beginning October 1, 2019, assessments under this Article are due quarterly in the
time and manner prescribed by the Secretary and shall be considered delinquent if not paid within
seven calendar days of this due date.
(b) With respect to any hospital owing a past due assessment amount under this Article, the Department may withhold the unpaid amount from Medicaid or NC Health Choice payments otherwise due or impose a late payment penalty. The Secretary may waive a penalty for good cause shown.

(c) In the event the data necessary to calculate an assessment under this Article is not available to the Secretary in time to impose the quarterly assessments for a payment year, the Secretary may defer the due date for the assessment to a subsequent quarter.


A hospital may appeal a determination of the assessment amount owed through a reconsideration review. The pendency of an appeal does not relieve a hospital from its obligation to pay an assessment amount when due.

§ 108A-134. Allowable costs; patient billing.

(a) Assessments paid under this Article may be included as allowable costs of a hospital for purposes of any applicable Medicaid reimbursement formula, except that assessments paid under this Article shall be excluded from cost settlement.

(b) Assessments imposed under this Article may not be added as a surtax or assessment on a patient's bill.


The Secretary may adopt rules to implement this Article.


If CMS determines that an assessment under this Article is impermissible or revokes approval of an assessment under this Article, then that assessment shall not be imposed and the Department’s authority to collect the assessment is repealed.

Part 2. Supplemental and Base Assessments.

(a) The assessments imposed under this Part apply to all licensed North Carolina hospitals, except as provided in this section.

(b) The following hospitals are exempt from both the supplemental assessment and the base assessment:

(1) Critical access hospitals.
(2) Freestanding psychiatric hospitals.
(3) Freestanding rehabilitation hospitals.
(4) Long-term care hospitals.
(5) State-owned and State-operated hospitals.
(6) The primary affiliated teaching hospital for each University of North Carolina medical school.

(c) Public hospitals are exempt from the supplemental assessment.


(a) The supplemental assessment shall be a percentage, established by the General Assembly, of total hospital costs.

(b) The Department shall propose the rate of the supplemental assessment to be imposed under this section when the Department prepares its budget request for each upcoming fiscal year. The Governor shall submit the Department’s proposed supplemental assessment rate to the General Assembly each fiscal year.

(c) The Department shall base the proposed supplemental assessment rate on all of the following factors:

(1) The percentage change in aggregate payments to hospitals subject to the supplemental assessment for Medicaid and NC Health Choice enrollees, excluding hospital access payments made under 42 C.F.R § 438.6, as demonstrated in data from prepaid health plans and the State, as determined by the Department.
(2) Any changes in the federal medical assistance percentage rate applicable to the Medicaid or NC Health Choice programs for the applicable year.

(d) The rate for the supplemental assessment for each taxable year shall be the percentage rate set by law by the General Assembly.


(a) The base assessment shall be a percentage, established by the General Assembly, of total hospital costs.

(b) The Department shall propose the rate of the base assessment to be imposed under this section when the Department prepares its budget request for each upcoming fiscal year. The Governor shall submit the Department's proposed base assessment rate to the General Assembly each fiscal year.

(c) The Department shall base the proposed base assessment rate on all of the following factors:

(1) The change in the State's annual Medicaid payment for the applicable year.

(2) The percentage change in aggregate payments to hospitals subject to the base assessment for Medicaid and NC Health Choice enrollees, excluding hospital access payments made under 42 C.F.R § 438.6, as demonstrated in data from prepaid health plans and the State, as determined by the Department.

(3) Any changes in the federal medical assistance percentage rate applicable to the Medical or NC Health Choice programs for the applicable year.

(4) Any changes as determined by the Department in (i) reimbursement under the Medicaid State Plan, (ii) managed care payments authorized under 42 C.F.R § 438.6 for which the nonfederal share is not funded by General Fund appropriations, and (iii) reimbursement under the NC Health Choice program.

(d) The rate for the base assessment for each taxable year shall be the percentage rate set by law by the General Assembly.

§ 108A-143. Payment from other hospitals.

If a hospital that is exempt from both the base and supplemental assessments under this Part (i) makes an intergovernmental transfer to the Department to be used to draw down matching federal funds and (ii) has acquired, merged, leased, or managed another hospital on or after March 25, 2011, then the exempt hospital shall transfer to the State an additional amount. The additional amount shall be a percentage of the amount of funds that (i) would be transferred to the State through such an intergovernmental transfer and (ii) are to be used to match additional federal funds that the exempt hospital is able to receive because of the acquired, merged, leased, or managed hospital. That percentage shall be calculated by dividing the amount of the State's annual Medicaid payment by the total amount collected under the base assessment under G.S. 108A-142.

§ 108A-144. Use of funds.

The proceeds of the assessments imposed under this Part, and all corresponding matching federal funds, must be used to make the State's annual Medicaid payment to the State, to fund payments to hospitals made directly by the Department, to fund a portion of capitation payments to prepaid health plans attributable to hospital care, and to fund the nonfederal share of graduate medical education payments."

SECTION #.(c) The percentage rate to be used in calculating the supplemental assessment under G.S. 108A-141, as enacted in subsection (b) of this section, is three percent (3%) for the taxable year October 1, 2019, through September 30, 2020.

SECTION #.(d) The percentage rate to be used in calculating the base assessment under G.S. 108A-142, as enacted in subsection (b) of this section, is three percent (3%) for the taxable year October 1, 2019, through September 30, 2020.

SECTION #.(e) The Department of Health and Human Services shall revise the supplemental payment program for eligible medical professional providers described in the
Medicaid State Plan, Attachment 4.19-B, Section 5, Pages 2 and 3, as required by this section.

This payment program shall be called the Average Commercial Rate Supplemental and Directed Payment Program. Effective October 1, 2019, the following two changes to the program shall be implemented:

(1) The program shall no longer utilize a limit on the number of eligible medical professional providers that may be reimbursed through the program, and instead shall utilize a limit on the total payments made under the program.

(2) Payments under the program shall consist of two components: (i) supplemental payments that increase reimbursement to the average commercial rate under the State Plan and (ii) directed payments that increase reimbursement to the average commercial rate under the managed care system.

SECTION #.(f) The limitation on total payments made under the Average Commercial Rate Supplemental and Directed Payment Program for eligible medical professional providers shall apply to the combined amount of payments made as supplemental payments under the State Plan and payments made as directed payments under the managed care system and shall be based on the amount of supplemental payments made during the 2018-2019 fiscal year as follows:

(1) For services provided during the period October 1, 2019, through June 30, 2020, the total annual supplemental and directed payments made under the Average Commercial Rate Supplemental and Directed Payment Program shall not exceed seventy-five percent (75%) of the gross supplemental payments made to eligible medical providers during the 2018-2019 fiscal year.

(2) For services provided on or after July 1, 2020, the total annual supplemental and directed payments made under the Average Commercial Rate Supplemental and Directed Payment Program shall not exceed one hundred percent (100%) of the gross supplemental payments made to eligible medical providers during the 2018-2019 fiscal year, increased at the start of each State fiscal year by an inflation factor determined by the Department of Health and Human Services, Division of Health Benefits.

SECTION #.(g) Consistent with the existing supplemental payment program for eligible medical professional providers, the Department of Health and Human Services shall limit the total amount of supplemental and directed payments that may be received by the eligible providers affiliated with East Carolina University Brody School of Medicine and University of North Carolina at Chapel Hill Health Care System. Average commercial rate supplemental payments and directed payments shall not be made for services provided in Wake County.

SECTION #.(h) The Department of Health and Human Services is not authorized to make any modifications to the supplemental payment program for eligible medical professional providers, except as authorized in subsections (e) through (g) of this section.

SECTION #.(i) Effective October 1, 2019, Section 12H.13(b) of S.L. 2014-100 is repealed.

SECTION #.(j) The Department of Health and Human Services shall create the Medicare Rate Supplemental and Directed Payment Program. Payments under the program shall consist of two components: (i) supplemental payments made to eligible professionals that increase reimbursement to the Medicare rate under the State Plan and (ii) directed payments made to eligible professionals that increase reimbursement to the Medicare rate under the managed care system. No Medicare rate supplemental or directed payment shall be made for any service for which an average commercial rate supplemental or directed payment is made. Professionals eligible to receive payments under this program shall include Medicaid-enrolled North Carolina physicians, advance care practitioners, and other related professionals, who are employed or contracted by any of the following:
(1) State-operated schools of medicine.
(2) The University of North Carolina Health Care System.
(3) University Health Systems of Eastern Carolina, doing business as Vidant Health.
(4) Any entity controlled by or under common control with a hospital that qualifies to certify expenditures or a public hospital. For the purposes of this subdivision, common control includes common operational control.
(5) Any entity controlled by or under common control with a hospital that is not exempt from the supplemental assessment under G.S. 108A-140. For the purposes of this subdivision, common control includes common operational control.
(6) The faculty practice plan associated with Duke University.

The Department shall further condition eligibility for contracted eligible professionals upon a demonstration that the contracts account for at least eighty percent (80%) of net professional fees from commercial payers or that the contracts address the overall financial risk of the professional's practice or group.

SECTION #.(k) Article 7A of Chapter 108A of the General Statutes, as enacted by subsection (b) of this section, is amended by adding a new Part to read:


The professional assessment imposed under this Part applies to all licensed North Carolina hospitals, except for the following hospitals:

(1) Critical access hospitals.
(2) Freestanding psychiatric hospitals.
(3) Freestanding rehabilitation hospitals.
(4) Hospitals owned by the University Health Systems of Eastern Carolina, doing business as Vidant Health.
(5) Hospitals owned by the University of North Carolina Health Care System.
(6) Long-term care hospitals.
(7) Public hospitals.
(8) State-owned and State-operated hospitals.

(a) The professional assessment shall be a percentage, established by the General Assembly, of total hospital costs.
(b) The Department shall propose the rate of the professional assessment to be imposed under this section when the Department prepares its budget request for each upcoming fiscal year. The Governor shall submit the Department's proposed professional assessment rate to the General Assembly each fiscal year.
(c) The Department shall base the proposed professional assessment rate on all of the following factors:

(1) The percentage change in aggregate payments to hospitals subject to the professional assessment for Medicaid and NC Health Choice enrollees, excluding hospital access payments made under 42 C.F.R § 438.6, as demonstrated in data from prepaid health plans and the State, as determined by the Department.
(2) Any required increases or decreases in the Medicare rate supplemental or directed payments.
(3) Any changes in the federal medical assistance percentage rate applicable to the Medicaid or NC Health Choice programs for the applicable year.
(d) The rate for the professional assessment for each taxable year shall be the percentage rate set by law by the General Assembly.
"§ 108A-152. Use of funds."

The proceeds of the assessment imposed under this Part, and all corresponding matching federal funds, must be used to fund a portion of fee-for-service Medicare rate supplemental payments to professionals made directly by the Department and to fund a portion of capitation Medicare rate directed payments to prepaid health plans.”

SECTION #.(l) The percentage rate to be used in calculating the professional assessment under G.S. 108A-151, as enacted in subsection (k) of this section, is three percent (3%) for the taxable year October 1, 2019, through September 30, 2020.

SECTION #.(m) The Department of Health and Human Services shall submit a State Plan amendment, or other necessary documents, to the Centers for Medicare and Medicaid (CMS) to implement the Medicare Rate Supplemental and Directed Payment Program and the Professional Assessment, required under subsections (j) and (k) of this section. Upon approval by CMS, the Office of State Budget and Management (OSBM) shall certify whether the implementation of the Medicare Rate Supplemental and Directed Payment Program and the Professional Assessment is expected to result in total spending under the 1115 waiver that exceeds the budget neutrality limit during the demonstration period. The Department shall not make any Medicare rate supplemental or directed payments or collect any professional assessments unless and until OSBM certifies that the budget neutrality limit is not expected to be exceeded.

SECTION #.(n) Subsections (k) and (l) of this section are effective upon certification by the Office of State Budget and Management (OSBM) that the implementation of the Medicare Rate Supplemental and Directed Payment Program and the Professional Assessment is not expected to result in total spending under the 1115 waiver that exceeds the budget neutrality limit during the demonstration period. If OSBM certifies that the budget neutrality limit is not expected to be exceeded, then the Department of Health and Human Services shall notify the Revisor of Statutes of the certification and shall post the certification on its Web site.

SECTION #.(o) If at any point during the operation of the 1115 waiver, CMS determines that the budget neutrality limit in the waiver has been reached, then (i) the Department of Health and Human Services shall immediately discontinue the Medicare Rate Supplemental and Directed Payment Program, (ii) Part 3 of Article 7A of Chapter 108A of the General Statutes is repealed, and (iii) the Department shall notify the Revisor of Statutes of CMS’s determination.

SECTION #.(p) Except as otherwise provided, this act is effective July 1, 2019.
REQUESTED BY

FUNDS TO CONTINUE COMMUNITY PARAMEDICINE PILOT PROGRAM

SECTION #.(a) Of the funds appropriated to the Department of Health and Human Services, Division of Health Service Regulation, the sum of three hundred fifty thousand dollars ($350,000) in nonrecurring funds for the 2019-2020 fiscal year and the sum of three hundred fifty thousand dollars ($350,000) in nonrecurring funds for the 2020-2021 fiscal year shall be used to continue the community paramedicine pilot program authorized in Section 12A.12 of S.L. 2015-241, as amended by Section 12A.3 of S.L. 2016-94, as follows:

1. The sum of two hundred ten thousand dollars ($210,000) in nonrecurring funds for each year of the fiscal biennium shall be allocated to the New Hanover Regional Emergency Medical Services site.
2. The sum of seventy thousand dollars ($70,000) in nonrecurring funds for each year of the fiscal biennium shall be allocated to the McDowell County Emergency Medical Services site.
3. The sum of seventy thousand dollars ($70,000) in nonrecurring funds for each year of the fiscal biennium shall be allocated to the Wake County Emergency Medical Services site.

The focus of this community paramedicine pilot program shall continue to be expansion of the role of paramedics to allow for community-based initiatives that result in providing care that avoids nonemergency use of emergency rooms and 911 services and avoidance of unnecessary admissions into health care facilities.

SECTION #.(b) The participation requirements, objectives, standards, and required outcomes for the pilot program shall remain the same as established pursuant to Section 12A.12 of S.L. 2015-241, as amended by Section 12A.3 of S.L. 2016-94.

SECTION #.(c) By November 1, 2021, the Department of Health and Human Services shall submit an updated report on the community paramedicine pilot program to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. At a minimum, the updated report shall include all of the following:

1. Any updated version of the evaluation plan required by subsection (d) of Section 12A.12 of S.L. 2015-241.
2. An estimate of the cost to expand the program incrementally and statewide.
3. An estimate of any potential savings of State funds associated with expansion of the program.
4. If expansion of the program is recommended, a time line for expanding the program.
GENERAL ASSEMBLY OF NORTH CAROLINA
Session 2019

SP 01

SPECIAL PROVISION
2019-DHSR-H2-P

Division of Health Service Regulation - DHHS
House Appropriations, Health and Human Services

Requested by

MORATORIUM ON SPECIAL CARE UNIT LICENSES

SECTION #.(a) For the period beginning July 1, 2019, and ending June 30, 2021, the Department of Health and Human Services, Division of Health Service Regulation, shall not issue any licenses for special care units as defined in G.S. 131D-4.6 and G.S. 131E-114. This prohibition shall not restrict the Department of Health and Human Services from doing any of the following:

(1) Issuing a license to a facility that is acquiring an existing special care unit.
(2) Issuing a license for a special care unit in any area of the State upon a determination by the Secretary of the Department of Health and Human Services that increased access to this type of care is necessary in that area during the moratorium imposed by this section.
(3) Processing all completed applications for special care unit licenses received by the Division of Health Service Regulation along with the applicable license fee prior to June 1, 2013.
(4) Issuing a license to a facility that was in possession of a certificate of need as of July 31, 2013, that included authorization to operate special care unit beds.

SECTION #.(b) The Department of Health and Human Services shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by March 1, 2021, containing at least the following information:

(1) The number of licensed special care units in the State.
(2) The capacity of the currently licensed special care units to serve people in need of their services.
(3) The anticipated growth in the number of people who will need the services of a licensed special care unit.
(4) The number of applications received from special care units seeking licensure as permitted by this section and the number of those applications that were not approved.
GENERAL ASSEMBLY OF NORTH CAROLINA
Session 2019

Requested by

1 SINGLE-STREAM FUNDING FOR MH/DD/SAS COMMUNITY SERVICES

SECTION #.(a) For the purpose of mitigating cash flow problems that many local
management entities/managed care organizations (LME/MCOs) experience at the beginning of
each fiscal year relative to single-stream funding, the Department of Health and Human Services,
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services
(DMH/DD/SAS), shall distribute not less than one-twelfth of each LME/MCO's base budget
allocation at the beginning of the fiscal year and subtract the amount of that distribution from the
LME/MCO's total reimbursements for the fiscal year. For each month of the fiscal year after July,
the DMH/DD/SAS shall distribute, on the third working day of the month, one-eleventh of the
amount of each LME/MCO's single-stream allocation that remains after subtracting the amount
of the distribution that was made to the LME/MCO in July of the fiscal year.

SECTION #.(b) The DMH/DD/SAS shall allocate the recurring reduction for
single-stream funding that was required by Section 11F.2 of S.L. 2017-57, as amended by Section
4 of S.L. 2017-206 and Section 11F.1 of S.L. 2018-5, among the LME/MCOs as follows:

<table>
<thead>
<tr>
<th>LME/MCO</th>
<th>FY 2019-2020</th>
<th>FY 2020-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliance Behavioral Healthcare</td>
<td>($5,298,693)</td>
<td>($5,298,693)</td>
</tr>
<tr>
<td>Cardinal Innovations Healthcare</td>
<td>($9,640,838)</td>
<td>($9,640,838)</td>
</tr>
<tr>
<td>Eastpointe</td>
<td>($2,966,226)</td>
<td>($2,966,226)</td>
</tr>
<tr>
<td>Partners Behavioral Health Management</td>
<td>($3,904,081)</td>
<td>($3,904,081)</td>
</tr>
<tr>
<td>Sandhills Center</td>
<td>($3,509,283)</td>
<td>($3,509,283)</td>
</tr>
<tr>
<td>Trillium Health Resources</td>
<td>($5,759,070)</td>
<td>($5,759,070)</td>
</tr>
<tr>
<td>Vaya Health</td>
<td>($5,362,704)</td>
<td>($5,362,704)</td>
</tr>
<tr>
<td>Total</td>
<td>($36,440,895)</td>
<td>($36,440,895)</td>
</tr>
</tbody>
</table>

By March 1, 2020, the Secretary of Health and Human Services shall submit to the
Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research
Division a proposal for any adjustments to the specified recurring reductions among the
LME/MCOs for future fiscal years. The proposal must include a detailed explanation supporting
any proposed changes.

SECTION #.(c) If, on or after June 1, 2020, the Office of State Budget and
Management (OSBM) certifies a Medicaid and NC Health Choice budget surplus and sufficient
cash in Budget Code 14445 to meet total obligations for the 2019-2020 fiscal year, then the
Department of Health and Human Services, Division of Health Benefits (DHB), may transfer to
the DMH/DD/SAS funds not to exceed the amount of the certified surplus or thirty million dollars
($30,000,000), whichever is less, to offset the reduction in single-stream funding required by this
section.

If, on or after June 1, 2021, the OSBM certifies a Medicaid and NC Health Choice
budget surplus and sufficient cash in Budget Code 14445 to meet total obligations for fiscal year
2018-2019, then the DHB may transfer to the DMH/DD/SAS funds not to exceed the amount of
the certified surplus or thirty million dollars ($30,000,000), whichever is less, to offset the
reduction in single-stream funding required by this section.

The DMH/DD/SAS shall allocate funds transferred pursuant to this subsection among
the LME/MCOs based on the individual LME/MCO's percentage of recurring reductions in
single-stream funding for the fiscal year, as required by subsection (b) of this section. These
funds shall be allocated as prescribed by June 30 of each State fiscal year.

SECTION #(d) The Department of Health and Human Services shall develop a
maintenance of effort (MOE) spending requirement for all mental health and substance abuse
services which must be maintained using nonfederal, State appropriations on an annual basis in
order to meet MOE requirements for federal block grant awards. LME/MCOs shall ensure the
MOE spending requirement is met using State appropriations.
Funds for Local Inpatient Psychiatric Beds or Bed Days

SECTION #.(a) Use of Funds. – Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for crisis services, the sum of forty million six hundred twenty-one thousand six hundred forty-four dollars ($40,621,644) in recurring funds for the 2019-2020 fiscal year and the sum of forty million six hundred twenty-one thousand six hundred forty-four dollars ($40,621,644) in recurring funds for the 2020-2021 fiscal year shall be used to purchase additional new or existing local inpatient psychiatric beds or bed days not currently funded by or through local management entities/managed care organizations (LME/MCOs). The Department shall continue to implement a two-tiered system of payment for purchasing these local inpatient psychiatric beds or bed days based on acuity level with an enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels, as defined by the Department. The enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels shall not exceed the lowest average cost per patient bed day among the State psychiatric hospitals. In addition, at the discretion of the Secretary of Health and Human Services, existing funds allocated to LME/MCOs for community-based mental health, developmental disabilities, and substance abuse services may be used to purchase additional local inpatient psychiatric beds or bed days. Funds designated in this subsection for the purchase of local inpatient psychiatric beds or bed days shall not be used to supplant other funds appropriated or otherwise available to the Department for the purchase of inpatient psychiatric services through contracts with local hospitals.

SECTION #.(b) Distribution and Management of Beds or Bed Days. – Except as provided in this subsection, the Department shall work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, as defined in this subsection. In addition, the Department shall work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are distributed across the State in LME/MCO catchment areas and according to need as determined by the Department. The Department shall ensure that beds or bed days for individuals with higher acuity levels are distributed across the State in LME/MCO catchment areas and according to greatest need based on hospital bed utilization data. The Department shall enter into contracts with LME/MCOs and local hospitals for the management of these beds or bed days. The Department shall work to ensure that these contracts are awarded equitably around all regions of the State. LME/MCOs shall manage and control these local inpatient psychiatric beds or bed days, including the determination of the specific local hospital or State psychiatric hospital to which an individual should be admitted pursuant to an involuntary commitment order.

The Department may use up to ten percent (10%) of the funds allocated in this section for each year of the 2019-2021 fiscal biennium to pay for facility-based crisis services and nonhospital detoxification services for individuals in need of these services, regardless if the individuals are medically indigent, defined as uninsured persons who (i) are financially unable...
to obtain private insurance coverage as determined by the Department and (ii) are not eligible for
government-funded health coverage such as Medicare or Medicaid.

SECTION #.(c) Funds to Be Held in Statewide Reserve. – Funds appropriated to the
Department for the purchase of local inpatient psychiatric beds or bed days shall not be allocated
to LME/MCOs but shall be held in a statewide reserve at the Division of Mental Health,
Developmental Disabilities, and Substance Abuse Services to pay for services authorized by the
LME/MCOs and billed by the hospitals through the LME/MCOs. LME/MCOs shall remit claims
for payment to the Department within 15 working days after receipt of a clean claim from the
hospital and shall pay the hospital within 30 working days after receipt of payment from the
Department.

SECTION #.(d) Ineffective LME/MCO Management of Beds or Bed Days. – If the
Department determines that (i) an LME/MCO is not effectively managing the beds or bed days
for which it has responsibility, as evidenced by beds or bed days in the local hospital not being
utilized while demand for services at the State psychiatric hospitals has not decreased, or (ii) the
LME/MCO has failed to comply with the prompt payment provisions of subsection (c) of this
section, the Department may contract with another LME/MCO to manage the beds or bed days
or, notwithstanding any other provision of law to the contrary, may pay the hospital directly.

SECTION #.(e) Reporting by LME/MCOs. – The Department shall establish
reporting requirements for LME/MCOs regarding the utilization of these beds or bed days.

SECTION #.(f) Reporting by Department. – By no later than December 1, 2020, and
by no later than December 1, 2021, the Department shall report to the Joint Legislative Oversight
Committee on Health and Human Services and the Fiscal Research Division on all of the
following:

(1) A uniform system for beds or bed days purchased during the preceding fiscal
year from (i) funds appropriated in this act that are designated for this purpose
in subsection (a) of this section, (ii) existing State appropriations, and (iii)
local funds.

(2) An explanation of the process used by the Department to ensure that, except
as otherwise provided in subsection (a) of this section, local inpatient
psychiatric beds or bed days purchased in accordance with this section 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.

(3) 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.

(4) 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.

(5) Other Department initiatives funded by State appropriations to reduce State
psychiatric hospital use.
SECTION #. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for traumatic brain injury (TBI) services, the sum of two million three hundred seventy-three thousand eighty-six dollars ($2,373,086) in recurring funds for the 2019-2020 fiscal year and the sum of two million three hundred seventy-three thousand eighty-six dollars ($2,373,086) in recurring funds for the 2020-2021 fiscal year shall be used exclusively to support TBI services as follows:

1. The sum of three hundred fifty-nine thousand two hundred eighteen dollars ($359,218) shall be used to fund contracts with the Brain Injury Association of North Carolina, Carolinas Rehabilitation, or appropriate service providers to assist families in accessing the continuum of care and to provide educational programs on brain injury prevention, intervention, and care.

2. The sum of two million thirteen thousand eight hundred sixty-eight dollars ($2,013,868) shall be used to (i) support residential programs across the State that are specifically designed to serve individuals with TBI and (ii) support requests submitted by individual consumers for assistance with services such as, but not limited to, residential supports, home modifications, transportation, and other requests deemed necessary by the consumer's local management entity/managed care organization.
Divisions of MH-DD-SAS and State Operated Healthcare Facilities – DHHS
House Appropriations, Health and Human Services

Requested by

1 DOROTHEA DIX HOSPITAL PROPERTY FUNDS
2 SECTION #. Any funds allocated to the Department of Health and Human Services,
3 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, from the
4 Dorothea Dix Hospital Property Fund established under G.S. 143C-9-2(b1), pursuant to Section
5 12F.4 of S.L. 2016-94 and Section 11F.5 of S.L. 2017-57, as amended, that are not expended or
6 encumbered as of June 30, 2020, shall remain in the Dorothea Dix Hospital Property Fund.
Funds for New Broughton Hospital

Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the new Broughton Hospital for the 2020-2021 fiscal year, the sum of up to eight million seven hundred sixty-nine thousand six hundred fifty-five dollars ($8,769,655) in recurring funds shall be used only for the following purposes: (i) the creation of no more than 60 full-time equivalent positions assigned to the new Broughton Hospital, (ii) costs directly related to planning for and transitioning patients from the old Broughton Hospital to the new Broughton Hospital, and (iii) operational costs for new beds at the new Broughton Hospital.
SUPPLEMENTAL SHORT-TERM ASSISTANCE FOR GROUP HOMES

SECTION #.(a) As used in this section, "group home" means any facility that (i) is licensed under Chapter 122C of the General Statutes, (ii) meets the definition of a supervised living facility under 10A NCAC 27G .5601(c)(1) or 10A NCAC 27G .5601(c)(3), and (iii) serves adults whose primary diagnosis is mental illness or a developmental disability but may also have other diagnoses.

SECTION #.(b) Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of eight million dollars ($8,000,000) in nonrecurring funds for the 2019-2020 fiscal year shall be used to provide temporary, short-term financial assistance in the form of a monthly payment to group homes on behalf of each resident who meets all of the following criteria:

1. Was eligible for Medicaid-covered personal care services (PCS) prior to January 1, 2013, but was determined to be ineligible for PCS on or after January 1, 2013, due to Medicaid State Plan changes in PCS eligibility criteria specified in Section 10.9F of S.L. 2012-142, as amended by Section 3.7 of S.L. 2012-145 and Section 70 of S.L. 2012-194.
2. Has continuously resided in a group home since December 31, 2012.

SECTION #.(c) These monthly payments shall be subject to all of the following requirements and limitations:

1. The amount of the monthly payments authorized by this section shall not exceed four hundred sixty-four dollars and thirty cents ($464.30) per month for each resident who meets all criteria specified in subsection (b) of this section.
2. A group home that receives the monthly payments authorized by this section shall not, under any circumstances, use these payments for any purpose other than providing, as necessary, supervision and medication management for a resident who meets all criteria specified in subsection (b) of this section.
3. The Department shall make monthly payments authorized by this section to a group home on behalf of each resident who meets all criteria specified in subsection (b) of this section only for the period commencing July 1, 2019, and ending June 30, 2020, or upon depletion of the eight million dollars ($8,000,000) in nonrecurring funds appropriated in this act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for supplemental short-term assistance for group homes, for the 2019-2020 fiscal year for the purpose of this section, whichever is earlier.
4. The Department shall make monthly payments authorized by this section only to the extent sufficient funds are available from the eight million dollars ($8,000,000) in nonrecurring funds appropriated in this act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services,
(5) The Department shall not make monthly payments authorized by this section to a group home on behalf of a resident during the pendency of an appeal by or on behalf of the resident under G.S. 108A-70.9A.

(6) The Department shall terminate all monthly payments pursuant to this section on June 30, 2020, or upon depletion of the eight million dollars ($8,000,000) in nonrecurring funds appropriated in this act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for supplemental short-term assistance for group homes, for the 2019-2020 fiscal year for the purpose of this section, whichever is earlier.

(7) Each group home that receives the monthly payments authorized by this section shall submit to the Department a list of all funding sources for the operational costs of the group home for the preceding two years, in accordance with the schedule and format prescribed by the Department.

SECTION #.(d) The Department shall use an existing mechanism to administer these funds in the least restrictive manner that ensures compliance with this section and timely and accurate payments to group homes. The Department shall not, under any circumstances, use any portion of the eight million dollars ($8,000,000) in nonrecurring funds appropriated in this act to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for supplemental short-term assistance for group homes, for the 2019-2020 fiscal year for any other purpose than the purpose specified in this section.

SECTION #.(e) Nothing in this section shall be construed as an obligation by the General Assembly to appropriate funds for the purpose of this section, or as an entitlement by any group home, resident of a group home, or other person to receive temporary, short-term financial assistance under this section.

SECTION #.(f) The funds allocated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, in this section shall not revert at the end of the 2019-2020 fiscal year but shall be available to be used for the Group Home Stabilization and Transition Initiative established in Section # of this act.
GROUP HOME STABILIZATION AND TRANSITION INITIATIVE

SECTION #.(a) This section shall be known as the "Group Home Stabilization and Transition Initiative."

SECTION #.(b) Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substances Abuse Services, the sum of twenty-three million dollars ($23,000,000) in nonrecurring funds for the 2020-2021 fiscal year for the following purposes only:

1. Incentivizing local management entities/managed care organizations (LME/MCOs) to develop and implement new "in-lieu-of" services, or other Medicaid-funded services, to support the residential needs of Medicaid recipients living in licensed, community-based group homes.

2. Establishing new rate models and rate methodologies to replace the currently inadequate and insufficient State-funded rates supporting residents of licensed, community-based group homes. DHHS shall identify any vacant beds and eligible individuals to fill those beds under the new rate models and rate methodologies and assist with the orderly transition of the eligible individuals into the vacant beds.

3. Increasing the existing per member per month payments to LME/MCOs for the 2020-2021 fiscal year to quickly enable and facilitate the transition to a more appropriate and sustainable service-funding model for licensed, community-based group homes by January 1, 2021. Funds expended under this subdivision shall be allocated in per-person amounts, to be determined by DHHS, to individuals with intellectual or other developmental disabilities who received State funding prior to January 1, 2021, and who reside in licensed, community-based group homes for eligible individuals with intellectual and other developmental disabilities.

4. Continuing the existing rate structure at the per-person amounts for the 2019-2020 fiscal year to offset the loss of bridge funds and maintain the current financial conditions of licensed, community-based group homes that serve adults whose primary diagnosis is mental illness or an intellectual or developmental disability.

Residents of group homes who are supported by the North Carolina Innovations Waiver are not eligible to receive any funding under this subsection.

SECTION #.(c) DHHS shall develop a more appropriate and sustainable service model for residents of licensed, community-based group homes. In developing this service model, DHHS shall do all of the following:

1. In cooperation with stakeholders and LME/MCOs, develop actuarially sound, needs-based rate model and rate methodologies for new "in-lieu-of" services, or other Medicaid-funded services, that will be specific to the residential support services needed in group homes serving Medicaid recipients with
intellectual or other developmental disabilities and to residential support
services needed in group homes serving Medicaid recipients with a primary
diagnosis of mental illness. The rate methodologies shall be comparable to, or
a percentage of, existing rates for similar services currently provided through
the North Carolina Innovations Waiver. The new rate structures shall include
wage and hour increases for direct support personnel working in these group
homes.

(2) In cooperation with stakeholders and LME/MCOs, develop new model
service definitions specific to the residential support services needed by
Medicaid recipients with mental health needs living in licensed,
community-based group homes. The new service definitions shall require the
delivery of new habilitation or rehabilitation support services in the residential
setting.

(3) Develop a process whereby all, or a portion of, the State funds used to support
Medicaid recipients with mental illness or intellectual or other developmental
disabilities living in licensed, community-based group homes prior to the
implementation of the new rate structure are used for the new "in-lieu-of"
services or other Medicaid services developed pursuant to this subsection. The
policy shall ensure an orderly home-by-home transition process. The policy
shall ensure that residents who are found to be ineligible for Medicaid services
or who do not meet medical necessity criteria for the new "in-lieu-of" services,
or other Medicaid-funded services, shall continue to be served using State
funds at a needs-based rate comparable to the North Carolina Innovations
Waiver rate. No resident shall be displaced as a result of being found ineligible
for Medicaid services after the implementation of the new "in-lieu-of"
services or other Medicaid-funded services. DHHS may use a regional
phased-in approach to achieve the goals set forth in this subdivision.

(4) Include a plan to direct LME/MCOs to (i) implement "in-lieu-of" services or
other Medicaid-funded services for all eligible residents with mental illness or
intellectual or other developmental disabilities living in licensed,
community-based group homes receiving State funds and (ii) transition
eligible residents to these more sustainable and appropriate Medicaid services.

(5) No later than November 1, 2020, report to the Joint Legislative Oversight
Committee on Health and Human Services and the Joint Legislative Oversight
Committee on Medicaid and NC Health Choice on the service model for
residents of licensed, community-based group homes that has been developed.
The model shall be implemented by January 1, 2021. Once the model is
implemented, the State funds that were used to support residents of licensed,
community-based group homes prior to implementation shall be reinvested in
their entirety in both the new funding model and increased rates to support
and equalize wages of direct support personnel serving the residents. The
reinvested State funds match plus the federal funds portion of the new services
shall be annualized and become a part of the prepaid health plan per member
per month amount.

SECTION #.(d) The more appropriate and sustainable service model for residents
of licensed, community-based group homes developed in accordance with subsection (c) of this
section shall be implemented by January 1, 2021. Once the model is implemented, the State funds
that were used to support residents of licensed, community-based group homes prior to
implementation shall be reinvested in their entirety in both the new funding model and increased
rates to support and equalize wages of direct support personnel serving the residents. The
reinvested State funds match plus the federal funds portion of the new services shall be annualized and become a part of the prepaid health plan per member per month amount.
### Requested by

**REPORT ON USE OF FUNDS TO PURCHASE INPATIENT ALCOHOL AND SUBSTANCE USE DISORDER TREATMENT SERVICES**

**SECTION #.** The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall report annually, beginning September 1, 2019, and ending on September 1, 2026, on the implementation of the use of funds to purchase inpatient alcohol and substance use disorder treatment services required by Section 12F.12 of S.L. 2015-241, as amended by Section 11F.4 of S.L. 2017-57. The report shall be submitted to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division with the following information for the prior fiscal year and the two preceding fiscal years, for each Alcohol and Drug Abuse Treatment Center (ADATC):

- **(1)** The number of beds in operation.
- **(2)** The number of bed days.
- **(3)** The total amount of receipts, the amount of those receipts that were received from local management entities/managed care organizations, and the amount of those receipts that were received from all other sources.
- **(4)** Cost of operation of the ADATC, with personnel and staffing costs reported separately from all other costs.
- **(5)** The ADATC's profit or loss.
Requested by

Funds for Overdose Medications

SECTION #. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of one hundred thousand dollars ($100,000) in recurring funds for each fiscal year of the 2019-2021 fiscal biennium shall be used to purchase opioid antagonists, as defined in G.S. 90-12.7, to reverse opioid-related drug overdoses as follows:

1. Seventy-five thousand dollars ($75,000) in recurring funds for each year of the 2019-2021 fiscal biennium shall be used to purchase opioid antagonists to be distributed at no charge to the North Carolina Harm Reduction Coalition to serve individuals at risk of experiencing an opioid-related drug overdose or to the friends and family members of an at-risk individual.

2. Twenty-five thousand dollars ($25,000) in recurring funds for each year of the 2019-2021 fiscal biennium shall be used to purchase opioid antagonists to be distributed at no charge to North Carolina law enforcement agencies.
Divisions of MH-DD-SAS and State Operated Healthcare Facilities – DHHS
House Appropriations, Health and Human Services

Requested by

1 **FUNDS FOR VAYA HEALTH TO EXPAND FACILITY-BASED CRISIS SERVICES**
2 
3 **SECTION #.(a)** Funds appropriated in S.L. 2018-5 to the Department of Health and
4 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse
5 Services, to be allocated to Vaya Health (Vaya) as a grant-in-aid for the construction of a
6 facility-based crisis center in Wilkes County, shall not revert, but shall be expended or
7 encumbered by December 31, 2019. Vaya shall not use these funds for any purpose other than
8 the purpose stated in Section 11F.5 of S.L. 2018-5.
9 
10 **SECTION #.(b)** This section becomes effective June 30, 2019, and applies to funds
11 not obligated on that date.
Divisions of MH-DD-SAS and State Operated Healthcare Facilities – DHHS  
House Appropriations, Health and Human Services

Requested by

1 FUNDS FOR EVIDENCE-BASED SUPPORTED EMPLOYMENT SERVICES FOR
2 INDIVIDUALS WITH SERIOUS MENTAL ILLNESS, INTELLECTUAL
3 DISABILITIES, OR DEVELOPMENTAL DISABILITIES
4
5 SECTION #. Of the funds appropriated in this act to the Department of Health and
6 Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse
7 Services, the sum of one hundred twenty-five thousand dollars ($125,000) in recurring funds for
8 each year of the 2019-2021 fiscal biennium shall be allocated as a grant to the North Carolina
9 Association of People Supporting Employment First (NC APSE) to develop and implement
10 training programs for the Department, including online training modules, on the provision of
11 evidence-based supported employment services for individuals in targeted populations, in order
12 to assist these individuals with preparation for, identification of, and maintenance of integrated,
13 paid, competitive employment. The Department shall make these training programs available
14 throughout the State to (i) employers that have hired or are willing to hire individuals in targeted
15 populations, (ii) service providers of local management entities/managed care organizations, and
16 (iii) any other entity the Department determines will benefit from receiving this training in order
17 to achieve improved employment outcomes for individuals in targeted populations. As used in
18 this section, "individuals in targeted populations" means individuals with serious mental illness
19 who are in or at risk of entry to an adult care home and individuals with intellectual disabilities,
20 developmental disabilities, or both.
Requested by
1  YOUTH TOBACCO ENFORCEMENT FUNDING
2  SECTION #. Of the funds appropriated in this act to the Department of Health and
3  Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse
4  Services, the sum of three hundred thousand dollars ($300,000) in recurring funds for each year
5  of the 2019-2021 fiscal biennium shall be transferred to the Alcohol Law Enforcement Branch.
6  The Alcohol Law Enforcement Branch shall allocate these funds for the performance of statewide
7  compliance checks to enforce the State's youth tobacco access law (G.S. 14-313).
SPECIAL PROVISION
2019-DMH-H12-P

Divisions of MH-DD-SAS and State Operated Healthcare Facilities – DHHS
House Appropriations, Health and Human Services

Requested by

STUDY ESTABLISHMENT OF A REGIONAL BEHAVIORAL HEALTH CENTER

SECTION #.(a) Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of one hundred eighty thousand dollars ($180,000) in nonrecurring funds for the 2019-2020 fiscal year, shall be used to conduct, through Partners Behavioral Health Management, a feasibility study for the establishment of a behavioral health crisis center located in Burke County to serve a broader region, to be determined by the findings of the feasibility study. The study shall, at a minimum, include all of the following:

(1) A description of all programs and services to be provided at the facility.
(2) The facility's service area and the demand for service in that area.
(3) Current provider capacity to meet the demand for service in that area.
(4) A recommended location for the facility, including the cost to rent, purchase, or construct a facility at the recommended location, along with the cost of any land, buildings, land improvements, or building improvements.
(5) Start-up costs for the facility and programs offered at the facility, including any necessary training.
(6) Annual cost to operate the facility, including staff, training, supplies, food, housekeeping, security, maintenance, administration, medications, and information technology.
(7) Cost to rent or purchase equipment for the facility.
(8) Anticipated sources of public and private payment for services provided at the facility, including private insurance, Medicaid, State appropriations, patient payments, and other payment sources.
(9) The estimated amount of recurring and nonrecurring State appropriations necessary to start and sustain the facility.
(10) Any referral agreements necessary to ensure continuity of patient care.
(11) An implementation time line.

SECTION #.(b) By February 10, 2020, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, and Partners Behavioral Health Management shall jointly submit a written report of the findings of the feasibility study authorized by subsection (a) of this section to the Joint Legislative Oversight Committee on Health and Human Services.
GENERAL ASSEMBLY OF NORTH CAROLINA  
Session 2019  
Proofed SPECIAL PROVISION  
Division of Public Health - DHHS  
House Appropriations, Health and Human Services  

Requested by  

LOCAL HEALTH DEPARTMENTS/COMPETITIVE GRANT PROCESS TO IMPROVE MATERNAL AND CHILD HEALTH  

SECTION #.(a) Funds appropriated in this act to the Department of Health and Human Services, Division of Public Health, for each year of the 2019-2021 fiscal biennium to award competitive grants to local health departments for the improvement of maternal and child health shall be used to continue administering a competitive grant process for local health departments based on maternal and infant health indicators and the county's detailed proposal to invest in evidence-based programs to achieve the following goals:  

(1) Improve North Carolina's birth outcomes.  
(2) Improve the overall health status of children in this State from birth to age 5.  
(3) Lower the State's infant mortality rate.  

SECTION #.(b) The plan for administering the competitive grant process shall include at least all of the following components:  

(1) A request for application (RFA) process to allow local health departments to apply for and receive State funds on a competitive basis. The Department shall require local health departments to include in the application a plan to evaluate the effectiveness, including measurable impact or outcomes, of the activities, services, and programs for which the funds are being requested.  
(2) A requirement that the Secretary prioritize grant awards to those local health departments that are able to leverage non-State funds in addition to the grant award.  
(3) Ensures that funds received by the Department to implement the plan supplement and do not supplant existing funds for maternal and child health initiatives.  
(4) Allows grants to be awarded to local health departments for up to two years.  

SECTION #.(c) No later than July 1 of each year, as applicable, the Secretary shall announce the recipients of the competitive grant awards and allocate funds to the grant recipients for the respective grant period pursuant to the amounts designated under subsection (a) of this section. After awards have been granted, the Secretary shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the grant awards that includes at least all of the following:  

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

SECTION #.(d) No later than December 1 of each fiscal year, each local health department receiving funding pursuant to this section in the respective fiscal year shall submit to the Division of Central Management and Support a written report of all activities funded by State
appropriations. The report shall include the following information about the fiscal year preceding the year in which the report is due:

(1) A description of the types of programs, services, and activities funded by State appropriations.

(2) Statistical and demographical information on the number of persons served by these programs, services, and activities, including the counties in which services are provided.

(3) Outcome measures that demonstrate the impact and effectiveness of the programs, services, and activities based on the evaluation protocols developed by the Division, in collaboration with the University of North Carolina Gillings School of Global Public Health, pursuant to Section 12E.11(e) of S.L. 2015-241, and reported to the Joint Legislative Oversight Committee on Health and Human Services on April 1, 2016.

(4) A detailed program budget and list of expenditures, including all positions funded, matching expenditures, and funding sources.
REQUESTED BY

INCREASED FUNDS FOR LOCAL COMMUNICABLE DISEASE SURVEILLANCE, DETECTION, CONTROL, AND PREVENTION

SECTION #. Of the funds appropriated to the Department of Health and Human Services, Division of Public Health, the sum of four million dollars ($4,000,000) in recurring funds for the 2019-2020 fiscal year and the sum of four million dollars ($4,000,000) in recurring funds for the 2020-2021 fiscal year, shall be allocated to local health departments to expand local infrastructure for activities associated with the surveillance, detection, control, and prevention of communicable diseases. In distributing these funds to local health departments pursuant to this section, for each year of the 2019-2021 fiscal biennium, and for each fiscal year thereafter, the Division of Public Health shall (i) allocate to each local health department twenty thousand dollars ($20,000) for each county it serves and (ii) allocate the remaining two million dollars ($2,000,000) to local health departments based upon the percentage of the State population served by each of the local health departments. Local health departments shall use all funds allocated under this section to supplement and not supplant existing funds for the surveillance, detection, control, and prevention of communicable diseases.
LIMITATION ON USE OF STATE FUNDS

SECTION #. The limitation on the use of State funds as stated in Section 12E.13 of S.L. 2015-241 shall apply to funds appropriated in this act to the Department of Health and Human Services for each fiscal year of the 2019-2021 fiscal biennium.
REPORT ON PREMIUM ASSISTANCE PROGRAM WITHIN AIDS DRUG ASSISTANCE PROGRAM

SECTION #. Upon a determination by the Department of Health and Human Services, Division of Public Health, that, in six months or less, it will no longer be feasible to operate the health insurance premium assistance program implemented within the North Carolina AIDS Drug Assistance Program (ADAP) on a cost-neutral basis or in a manner that achieves savings to the State, the Department shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services notifying the Committee of this determination along with supporting documentation and a proposed course of action with respect to health insurance premium assistance program participants.
Requested by

1  **CAROLINA PREGNANCY CARE FELLOWSHIP FUNDS**
2  **SECTION #.** Of the funds appropriated in this act to the Department of Health and
3  Human Services, Division of Public Health, for Carolina Pregnancy Care Fellowship, a nonprofit
4  corporation, no more than fifteen percent (15%) of the funds allocated for each year of the
5  2019-2021 fiscal biennium shall be used for administrative purposes. The balance of these funds
6  shall be used for direct services.
GENERAL ASSEMBLY OF NORTH CAROLINA  
Session 2019

Proofed  
SPECIAL PROVISION  
Division of Public Health - DHHS  
House Appropriations, Health and Human Services

Requested by

CAROLINA PREGNANCY CARE FELLOWSHIP CARRY FORWARD FOR DURABLE MEDICAL EQUIPMENT AND TRAINING

SECTION #.(a) Funds appropriated to the Department of Health and Human Services, Division of Public Health, for the 2018-2019 fiscal year, for allocation to Carolina Pregnancy Care Fellowship, a nonprofit corporation, shall not revert on June 30, 2019, but shall remain available until the end of the 2019-2021 fiscal biennium. Carolina Pregnancy Care Fellowship shall use these funds to provide grants to clinics that apply to the Carolina Pregnancy Care Fellowship for durable medical equipment, training, or a combination of both, without any limitation on how much of the funds carried forward may be expended for durable medical equipment or training. Carolina Pregnancy Care Fellowship shall not use more than ten percent (10%) of the funds carried forward from the 2018-2019 fiscal year for administrative purposes.

SECTION #.(b) This section becomes effective June 30, 2019.
STATEWIDE EXPANSION OF THE CONTINUUM OF CARE PILOT PROGRAM

SECTION #(a) Of the funds appropriated to the Department of Health and Human Services, Division of Public Health, the sum of one million two hundred thousand dollars ($1,200,000) in nonrecurring funds for the 2019-2020 fiscal year and the sum of one million two hundred thousand dollars ($1,200,000) in nonrecurring funds for the 2020-2021 fiscal year shall be allocated to the Human Coalition, a nonprofit organization, to extend and expand the pilot program authorized by Section 11E.13(b) of S.L. 2017-57, as provided in subsection (b) of this section. These funds shall be used for nonreligious, nonsectarian purposes only.

SECTION #(b) The Human Coalition shall use funds allocated pursuant to subsection (a) of this section to expand the continuum of care pilot program authorized by Section 11E.13(b) of S.L. 2017-57 to a statewide program. The purpose of the statewide continuum of care program is to (i) encourage healthy childbirth, (ii) support childbirth as an alternative to abortion, (iii) promote family formation, (iv) assist in establishing successful parenting techniques, and (v) increase the economic self-sufficiency of families. The statewide continuum of care program shall consist of existing locations of the pilot program authorized by Section 11E.13(b) of S.L. 2017-57 and other locations around the State to be determined by the Human Coalition. All providers rendering services under the statewide program for which they are compensated with funds allocated pursuant to subsection (a) of this section shall be physically located in the State of North Carolina. The statewide continuum of care program shall provide direct services, supports, social services case management, and referrals to biological parents of unborn children and biological or adoptive parents of children under the age of two, and shall consist of at least all of the following components:

(1) Outreach to at-risk populations eligible for the program.
(2) The use of licensed nurses to perform the following functions:
   a. Assessment and evaluation of needs related to pregnancy or parenting.
   b. Provision of medically accurate, pregnancy-related medical information to program participants.
(3) The use of licensed social workers, or other individuals of equivalent experience, to perform the following functions:
   a. Development of a care plan, resources, and supports for program participants to address identified needs.
   b. Referrals to appropriate local resources, including State and federal benefits programs and local charitable organizations.
   c. Assistance in applying for State and federal benefits programs.
   d. Assistance in accomplishing elements of the care plan.

SECTION #(c) In order to be eligible to receive services under the statewide continuum of care program, an individual shall, at the time of initial contact with the program, be (i) a resident of North Carolina and (ii) a biological parent of an unborn child or a biological or adoptive parent of a child under the age of two. Participants of the pilot program authorized under Section 11E.13(b) of S.L. 2017-57, who terminated a pregnancy prior to birth, are eligible.
to continue to receive continuum of care program services for a period of six months from the
date of termination of pregnancy.

SECTION #.(d) The Human Coalition may use up to ten percent (10%) of the funds
allocated for each year of the 2019-2021 fiscal biennium for administrative purposes.

SECTION #.(e) By December 1, 2019, and every six months thereafter, the Human
Coalition shall report to the Department of Health and Human Services on the status and
operation of the continuum of care program authorized by subsection (b) of this section. The
report shall include at least all of the following:

(1) A detailed breakdown of expenditures for the program.
(2) The number of individuals served by the program, and for the individuals
served, the types of services provided to each.
(3) Any other information requested by the Department of Health and Human
Services as necessary for evaluating the success of the program.

SECTION #.(f) By April 1, 2020, the Department of Health and Human Services
shall report to the Joint Legislative Oversight Committee on Health and Human Services and the
Fiscal Research Division on the status and operation of the continuum of care program.

SECTION #.(g) Section 11E.13(f) of S.L. 2017-57 is repealed.
TEMPORARY FINANCIAL ASSISTANCE FOR FACILITIES LICENSED TO ACCEPT STATE-COUNTY SPECIAL ASSISTANCE

SECTION #.(a) The following definitions apply in this section:

(1) Facility licensed to accept State-County Special Assistance payments or facility. – Any residential care facility that is (i) licensed by the Department of Health and Human Services and (ii) authorized to accept State-County Special Assistance payments from its residents.

(2) State-County Special Assistance. – The program authorized by G.S. 108A-40.

SECTION #.(b) Nonrecurring funds appropriated in this act to the Department of Health and Human Services, Division of Social Services (DSS), for each year of the 2019-2021 fiscal biennium for facilities licensed to accept State-County Special Assistance payments shall be used to provide temporary financial assistance in the form of a monthly payment to these facilities on behalf of each resident who is a recipient of State-County Special Assistance. The counties shall pay to the State fifty percent (50%) of the cost of providing these monthly payments to these facilities. The monthly payments provided by DSS to these facilities shall be subject to all of the following requirements and limitations:

(1) The amount of the monthly payments authorized by this section is equal to thirty-four dollars ($34.00) per month for each resident of the facility as of the first day of the month who is a recipient of State-County Special Assistance.

(2) A facility that receives the monthly payments authorized by this section shall not, under any circumstances, use these payments for any purpose other than to offset the cost of serving residents who are recipients of State-County Special Assistance.

(3) The DSS shall make monthly payments authorized by this section to a facility on behalf of a resident only for the period commencing July 1, 2019, and ending June 30, 2021.

(4) The DSS shall make monthly payments authorized by this section only to the extent sufficient State and county funds allocated to the DSS for each year of the 2019-2021 fiscal biennium are available for this purpose.

(5) The DSS shall not make monthly payments authorized by this section to a facility on behalf of a resident whose eligibility determination for State-County Special Assistance is pending.

(6) The DSS shall terminate all monthly payments pursuant to this section on the earlier of the following:
   b. Upon depletion of the State and county funds allocated to the DSS for each year of the 2019-2021 fiscal year for this purpose.

SECTION #.(c) Notwithstanding any provision of this act or any other provision of law to the contrary, the DSS shall not be required to provide any temporary financial assistance
to facilities beyond June 30, 2021, or upon depletion of the State and county funds allocated to
the DSS for each year of the 2019-2021 fiscal biennium for this purpose, whichever is earlier.

SECTION #.(d) If possible, the DSS shall use an existing mechanism to administer
these funds in the least restrictive manner that ensures compliance with this section and timely
and accurate payments to facilities. The DSS shall not, under any circumstances, use any portion
of the State and county funds allocated to the DSS for each year of the 2019-2021 fiscal biennium
for the purpose of this section for any other purpose.

SECTION #.(e) Of the funds appropriated in this act to the DSS for each year of the
2019-2021 fiscal biennium for facilities licensed to accept State-County Special Assistance
payments, the DSS shall not use more than two hundred fifty thousand dollars ($250,000) in
nonrecurring funds for each year of the 2019-2021 fiscal biennium for administrative purposes.

SECTION #.(f) Nothing in this section shall be construed as an obligation by the
General Assembly to appropriate funds for the purpose of this section, or as an entitlement by
any facility, resident of a facility, or other person to receive temporary financial assistance under
this section.

SECTION #.(g) This section expires on June 30, 2021.
TANF BENEFIT IMPLEMENTATION

SECTION #.(a) Beginning October 1, 2019, the General Assembly approves the plan titled "North Carolina Temporary Assistance for Needy Families State Plan FY 2019-2022," prepared by the Department of Health and Human Services and presented to the General Assembly. The North Carolina Temporary Assistance for Needy Families State Plan covers the period October 1, 2019, through September 30, 2022. The Department shall submit the State Plan, as revised in accordance with subsection (b) of this section, to the United States Department of Health and Human Services.

SECTION #.(b) The counties approved as Electing Counties in the North Carolina Temporary Assistance for Needy Families State Plan FY 2019-2022, as approved by this section, are Beaufort, Caldwell, Catawba, Lenoir, Lincoln, Macon, and Wilson.

SECTION #.(c) Counties that submitted the letter of intent to remain as an Electing County or to be redesignated as an Electing County and the accompanying county plan for years 2019 through 2022, pursuant to G.S. 108A-27(e), shall operate under the Electing County budget requirements effective July 1, 2019. For programmatic purposes, all counties referred to in this subsection shall remain under their current county designation through September 30, 2022.

SECTION #.(d) For each year of the 2019-2021 fiscal biennium, Electing Counties shall be held harmless to their Work First Family Assistance allocations for the 2018-2019 fiscal year, provided that remaining funds allocated for Work First Family Assistance and Work First Diversion Assistance are sufficient for payments made by the Department on behalf of Standard Counties pursuant to G.S. 108A-27.11(b).

SECTION #.(e) In the event that departmental projections of Work First Family Assistance and Work First Diversion Assistance for the 2019-2020 fiscal year or the 2020-2021 fiscal year indicate that remaining funds are insufficient for Work First Family Assistance and Work First Diversion Assistance payments to be made on behalf of Standard Counties, the Department is authorized to deallocate funds, of those allocated to Electing Counties for Work First Family Assistance in excess of the sums set forth in G.S. 108A-27.11, up to the requisite amount for payments in Standard Counties. Prior to deallocation, the Department shall obtain approval by the Office of State Budget and Management. If the Department adjusts the allocation set forth in subsection (d) of this section, then a report shall be made to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.
Requested by

INTENSIVE FAMILY PRESERVATION SERVICES FUNDING AND PERFORMANCE ENHANCEMENTS

SECTION #.(a) Notwithstanding the provisions of G.S. 143B-150.6, the Intensive Family Preservation Services (IFPS) Program shall 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 Program shall be implemented statewide on a regional basis. The IFPS shall ensure the application of standardized assessment criteria for determining imminent risk and clear criteria for determining out-of-home placement.

SECTION #.(b) The Department of Health and Human Services shall require that any program or entity that receives State, federal, or other funding for the purpose of IFPS shall provide information and data that allows for the following:

1. An established follow-up system with a minimum of six months of follow-up services.
2. Detailed information on the specific interventions applied, including utilization indicators and performance measurement.
3. Cost-benefit data.
4. Data on long-term benefits associated with IFPS. This data shall be obtained by tracking families through the intervention process.
5. The number of families remaining intact and the associated interventions while in IFPS and 12 months thereafter.
6. 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.

SECTION #.(c) The Department shall continue implementing a performance-based funding protocol and shall only provide funding to those programs and entities providing the required information specified in subsection (b) of this section. The amount of funding shall be based on the individual performance of each program.
CHILD CARING INSTITUTIONS

SECTION #. Until the Social Services Commission adopts rules setting standardized rates for child caring institutions as authorized under G.S. 143B-153(8), the maximum reimbursement for child caring institutions shall not exceed the rate established for the specific child caring institution by the Department of Health and Human Services, Office of the Controller. In determining the maximum reimbursement, the State shall include county and IV-E reimbursements.
USE OF FOSTER CARE BUDGET FOR GUARDIANSHIP ASSISTANCE PROGRAM

SECTION #. Of the funds available for the provision of foster care services, the Department of Health and Human Services, Division of Social Services, may continue to provide for the financial support of children who are deemed to be (i) in a permanent family placement setting, (ii) eligible for legal guardianship, and (iii) otherwise unlikely to receive permanency. No additional expenses shall be incurred beyond the funds budgeted for foster care for the Guardianship Assistance Program (GAP). The Guardianship Assistance Program (GAP) shall include provisions for extending guardianship services for individuals who have attained the age of 18 years and opt to continue to receive guardianship services until reaching 21 years of age if the individual is (i) completing secondary education or a program leading to an equivalent credential, (ii) enrolled in an institution that provides postsecondary or vocational education, (iii) participating in a program or activity designed to promote, or remove barriers to, employment, (iv) employed for at least 80 hours per month, or (v) incapable of completing the educational or employment requirements of this section due to a medical condition or disability. The Guardianship Assistance Program rates shall reimburse the legal guardian for room and board and be set at the same rate as the foster care room and board rates in accordance with rates established under G.S. 108A-49.1.
Division of Social Services - DHHS
House Appropriations, Health and Human Services

Requested by

CHILD WELFARE POSTSECONDARY SUPPORT PROGRAM (NC REACH)

SECTION #.(a) Funds appropriated from the General Fund to the Department of Health and Human Services for the child welfare postsecondary support program shall be used to continue providing assistance with the “cost of attendance” as that term is defined in 20 U.S.C. § 108711 for the educational needs of foster youth aging out of the foster care system and special needs children adopted from foster care after age 12. These funds shall be allocated by the State Education Assistance Authority.

SECTION #.(b) Of the funds appropriated from the General Fund to the Department of Health and Human Services, the sum of fifty thousand dollars ($50,000) for each year of the 2019-2021 fiscal biennium shall be allocated to the North Carolina State Education Assistance Authority (SEAA). The SEAA shall use these funds only to perform administrative functions necessary to manage and distribute scholarship funds under the child welfare postsecondary support program.

SECTION #.(c) Of the funds appropriated from the General Fund to the Department of Health and Human Services, the sum of three hundred thirty-nine thousand four hundred ninety-three dollars ($339,493) for each year of the 2019-2021 fiscal biennium shall be used to contract with an entity to administer the child welfare postsecondary support program described under subsection (a) of this section, which administration shall include the performance of case management services.

SECTION #.(d) Funds appropriated to the Department of Health and Human Services for the child welfare postsecondary support program shall be used only for students attending public institutions of higher education in this State.
FEDERAL CHILD SUPPORT INCENTIVE PAYMENTS

SECTION #.(a) Centralized Services. – The North Carolina Child Support Services Section (NCCSS) of the Department of Health and Human Services, Division of Social Services, shall retain up to fifteen percent (15%) of the annual federal incentive payments it receives from the federal government to enhance centralized child support services. To accomplish this requirement, NCCSS shall do the following:

(1) In consultation with representatives from county child support services programs, identify how federal incentive funding could improve centralized services.

(2) Use federal incentive funds to improve the effectiveness of the State's centralized child support services by supplementing and not supplanting State expenditures for those services.

(3) Continue to develop and implement rules that explain the State process for calculating and distributing federal incentive funding to county child support services programs.

SECTION #.(b) County Child Support Services Programs. – NCCSS shall allocate no less than eighty-five percent (85%) of the annual federal incentive payments it receives from the federal government to county child support services programs to improve effectiveness and efficiency using the federal performance measures. To that end, NCCSS shall do the following:

(1) In consultation with representatives from county child support services programs, examine the current methodology for distributing federal incentive funding to the county programs and determine whether an alternative formula would be appropriate. NCCSS shall use its current formula for distributing federal incentive funding until an alternative formula is adopted.

(2) Upon adopting an alternative formula, develop a process to phase in the alternative formula for distributing federal incentive funding over a four-year period.

SECTION #.(c) Reporting by County Child Support Services Programs. – NCCSS shall continue implementing guidelines that identify appropriate uses for federal incentive funding. To ensure those guidelines are properly followed, NCCSS shall require county child support services programs to comply with each of the following:

(1) Submit an annual plan describing how federal incentive funding would improve program effectiveness and efficiency as a condition of receiving federal incentive funding.

(2) Report annually on the following: (i) how federal incentive funding has improved program effectiveness and efficiency and been reinvested into their programs, (ii) provide documentation that the funds were spent according to their annual plans, and (iii) explain any deviations from their plans.

SECTION #.(d) Reporting by NCCSS. – NCCSS shall 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. The report shall
describe how federal incentive funds enhanced centralized child support services to benefit
county child support services programs and improved the effectiveness and efficiency of county
child support services programs. The report shall further include any changes to the State process
the NCCSS used in calculating and distributing federal incentive funding to county child support
services programs and any recommendations for further changes.
FINAL REPORT/CHILD WELFARE SYSTEM CHANGES

SECTION #.(a) Federal Improvement Plan Implementation/Report. – The Department of Health and Human Services, Division of Social Services (Division), shall continue implementing the requirements of the federal Program Improvement Plan to bring our State into compliance with national standards for child welfare policy and practices. The Division shall notify the Joint Legislative Oversight Committee on Health and Human Services (Committee) and the Fiscal Research Division within 30 days of complete implementation of the Program Improvement Plan. The Division shall submit a final report to the Committee on the implementation and outcomes of the Program Improvement Plan no later than 90 days after implementation is complete.

SECTION #.(b) Child Welfare/NC FAST/Report. – The Division shall notify the Joint Legislative Oversight Committee on Health and Human Services (Committee) and the Fiscal Research Division within 30 days of complete implementation of the child welfare component of the North Carolina Families Accessing Services Through Technology (NC FAST) system. The Division shall then submit a final report to the Committee on the implementation and outcomes of the child welfare component of the NC FAST system no later than 90 days after implementation is complete.
INCREASE ACCESS TO PUBLIC BENEFITS FOR OLDER DUAL ELIGIBLE SENIORS

SECTION #.(a) The Department of Health and Human Services, Division of Social Services (Division), shall continue implementing an evidence-based pilot program to increase access to public benefits for seniors aged 65 and older who are dually enrolled in Medicare and Medicaid to (i) improve the health and independence of seniors and (ii) reduce health care costs. The Division shall continue to partner with a not-for-profit firm for the purposes of engaging in a data-driven campaign to help seniors aged 65 and older who are dually enrolled in Medicare and Medicaid meet their basic social needs. The not-for-profit firm shall have demonstrated experience in assisting with these types of services and the partnership shall accomplish each of the following:

1. Identify, through data sharing, dual eligible seniors aged 65 and older who qualify for the Supplemental Nutrition and Assistance Program (SNAP) but are not currently enrolled.
2. Conduct an outreach program toward those seniors for the purpose of enrolling them into SNAP.
3. Provide comprehensive application assistance through outreach specialists to complete public benefits application processes.
4. Evaluate project effectiveness and explore how data can be utilized to achieve optimal outcomes.
5. Make recommendations regarding policy options available to the State to streamline access to benefits.

SECTION #.(b) The Division shall report to the Office of the Governor and the Joint Legislative Oversight Committee on Health and Human Services on its progress in the pilot program by February 1 following each year the pilot program is in place. The report shall, at a minimum, include the following:

1. The number of seniors age 65 and older who are dual eligibles but are not enrolled in SNAP.
2. The number of those identified that would be included in the sample population.
3. Methods of outreach toward those seniors in the sample population.
4. Number of to date enrollments in SNAP as a direct result of outreach during the pilot program.
5. Participation rate to date in SNAP of those seniors in the sample population.
6. Any other findings the Division deems relevant.

SECTION #.(c) If funding and capacity exist, the Division of Social Services may expand the pilot program to include other public benefits programs.
SECTION #. The Foster Care Transitional Living Initiative Fund shall continue to fund and support transitional living services that demonstrate positive outcomes for youth, attract significant private sector funding, and lead to the development of evidence-based programs to serve the at-risk population described in this section. The Fund shall continue to support a demonstration project with services provided by Youth Villages to (i) improve outcomes for youth ages 17-21 years who transition from foster care through implementation of outcome-based Transitional Living Services, (ii) identify cost-savings in social services and juvenile and adult correction services associated with the provision of Transitional Living Services to youth aging out of foster care, and (iii) take necessary steps to establish an evidence-based transitional living program available to all youth aging out of foster care. In continuing to implement these goals, the Foster Care Transitional Living Initiative Fund shall support the following strategies:

1. **Transitional Living Services**, which is an outcome-based program that follows the Youth Villages Transitional Living Model. Outcomes on more than 7,000 participants have been tracked since the program's inception. The program has been evaluated through an independent Randomized Controlled Trial. Results indicate that the Youth Villages Transitional Living Model had positive impacts in a variety of areas, including housing stability, earnings, economic hardship, mental health, and intimate partner violence in comparison to the control population.

2. **Public-Private Partnership**, which is a commitment by private-sector funding partners to match at least fifty percent (50%) of the funds appropriated to the Foster Care Transitional Living Initiative Fund for the 2019-2021 fiscal biennium for the purposes of providing Transitional Living Services through the Youth Villages Transitional Living Model to youth aging out of foster care.

3. **Impact Measurement and Evaluation**, which are services funded through private partners to provide independent measurement and evaluation of the impact the Youth Villages Transitional Living Model has on the youth served, the foster care system, and on other programs and services provided by the State which are utilized by former foster care youth.

4. **Advancement of Evidence-Based Process**, which is the implementation and ongoing evaluation of the Youth Villages Transitional Living Model for the purposes of establishing the first evidence-based transitional living program in the nation. To establish the evidence-based program, additional randomized controlled trials may be conducted to advance the model.
REQUESTED BY

FINAL REPORT UPON COMPLETE IMPLEMENTATION/EASTERN BAND OF CHEROKEE INDIANS ASSUMPTION OF SERVICES

SECTION #. The Department of Health and Human Services, Division of Social Services, shall submit a final report to the Joint Legislative Oversight Committee on Health and Human Services on the assumption of certain services by the Eastern Band of Cherokee Indians as implemented pursuant to Section 12C.10 of S.L. 2015-241, as amended by Section 12C.2 of S.L. 2016-94, when implementation is complete.
Request by

CHILD ADVOCACY CENTER FUNDING

SECTION #. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Social Services, for each year of the 2019-2021 fiscal biennium for child advocacy centers, allocations shall be made as follows:

(1) Up to one hundred thousand dollars ($100,000) for each child advocacy center in good standing with Children's Advocacy Centers of North Carolina, Inc.

(2) One hundred thousand dollars ($100,000) to Children's Advocacy Centers of North Carolina, Inc., for its operations.
ENHANCE PERMANENCY INNOVATION INITIATIVE

SECTION #.(a) G.S. 131D-10.9B(a) reads as rewritten:
"(a) There is created the Permanency Innovation Initiative Fund that will support a demonstration project with services provided by Children's Home Society of North Carolina to (i) improve permanency outcomes for children living in foster care through reunification with parents, providing placement or guardianship with other relatives, or adoption, (ii) improve engagement with biological relatives of children in or at risk of entering foster care, and (iii) reduce costs associated with maintaining children in foster care. In implementing these goals, the Permanency Innovation Initiative Fund shall support the following strategies:

... (3) Permanency Training Services, which are services delivered by Children's Home Society of North Carolina to enhance the readiness of county departments of social services to implement the permanency strategies under subdivision (2) of this subsection, advance permanency-focused services for children in the legal custody of county departments of social services, and provide training services to support the delivery of the services, and support services to caregivers and family members who are supporting the permanency goal of children in the legal custody of county departments of social services."

SECTION #.(b) Funds appropriated to the Department of Health and Human Services, Division of Social Services, for each year of the 2019-2021 fiscal biennium for the Permanency Innovation Initiative Fund shall be supplemented, not supplanted, by all available federal matching funds.
Division of Social Services - DHHS
House Appropriations, Health and Human Services

Requested by

**Funds for Standardized Assessment/Foster Care Pilot**

**SECTION #.(a)** Of the funds appropriated to the Department of Health and Human Services, Division of Social Services, the sum of eighty thousand dollars ($80,000) for the 2019-2020 fiscal year and the sum of one hundred fifty thousand dollars ($150,000) for the 2020-2021 fiscal year shall be used for a pilot project to develop and implement a process for every child, four years of age and older, entering into foster care to receive a standardized trauma and evidence-informed screening and assessment to ensure an appropriate diagnosis, which will in turn lead to the proper provision of services for the child. Up to three local management entities/managed care organizations (LME/MCOs) shall participate in the pilot project. The LME/MCOs shall collaborate with their county departments of social services in up to four counties within the LME/MCOs' catchment areas on developing and implementing the standardized screening and assessments, with the intent that (i) by January 1, 2020, the LME/MCOs and their county departments of social services begin training for implementation of the assessments and (ii) by August 1, 2020, the LME/MCOs and county departments of social services begin conducting the assessments. The pilot project shall include support for the LME/MCOs and county departments of social services for training in trauma-focused care and the use of the screening and assessment tool. For providers, the pilot project shall provide ongoing oversight, training, certification, and coaching to ensure fidelity to the screening and assessment model. For purposes of this section, "trauma" is defined as the result of an event, series of events, or set of circumstances that is experienced by an individual as physically or emotionally harmful or threatening and that has lasting adverse effects on the individual's functioning and physical, social, emotional, or spiritual well-being.

**SECTION #.(b)** The Division of Social Services shall submit a report on the pilot project described under subsection (a) of this section to the Joint Legislative Oversight Committee on Health and Human Services by April 1, 2022, that shall include, for each participating county, tracking of case flow, completion and timing of the trauma checklist and screening tool, a comprehensive clinical assessment, and diagnostic finding and service recommendations from the assessment.
DHHS Block Grants
House Appropriations, Health and Human Services

Requested by

DHHS BLOCK GRANTS

SECTION #.(a) Except as otherwise provided, appropriations from federal block grant funds are made for each year of the fiscal biennium ending June 30, 2021, according to the following schedule:

### TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS

<table>
<thead>
<tr>
<th>Local Program Expenditures</th>
<th>FY 2019-2020</th>
<th>FY 2020-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division of Social Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01. Work First Family Assistance</td>
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<td>$35,549,914</td>
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<tr>
<td>02. Work First County Block Grants</td>
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<tr>
<td>03. Work First Electing Counties</td>
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<tr>
<td>04. Adoption Services – Special Children Adoption Fund</td>
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<td>2,026,877</td>
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<tr>
<td>05. Child Protective Services – Child Welfare Workers for Local DSS</td>
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<tr>
<td>06. Funding for Counties to Assist with County Implementation of NC FAST, Project 4</td>
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<td>0</td>
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<tr>
<td>07. Child Welfare Program Improvement Plan</td>
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<tr>
<td>08. Child Welfare Collaborative</td>
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<tr>
<td>09. Child Welfare Initiatives</td>
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### Division of Child Development and Early Education

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<th>FY 2019-2020</th>
<th>FY 2020-2021</th>
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<td>10. Subsidized Child Care Program</td>
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<td>11. Swap-Child Care Subsidy</td>
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<td>7,000,000</td>
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<td>12. NC Pre-K Services</td>
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2019-HHS-HSPR-6 [v2], Modified 4/24/19 7:56 PM
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<td>13. Teen Pregnancy Prevention Initiatives</td>
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<th>DHHS Administration</th>
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<td>14. Division of Social Services</td>
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<td>15. Office of the Secretary</td>
<td>34,042</td>
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<td>17. NC FAST Implementation</td>
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<td>18. Division of Social Services – Workforce Innovation &amp; Opportunity Act (WIOA)</td>
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<tr>
<th>Transfers to Other Block Grants</th>
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<tr>
<td>19. Transfer to the Child Care and Development Fund</td>
<td>21,773,001</td>
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<table>
<thead>
<tr>
<th>Division of Child Development and Early Education</th>
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<tbody>
<tr>
<td>19. Transfer to the Child Care and Development Fund</td>
<td>21,773,001</td>
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</table>

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<tr>
<th>Division of Social Services</th>
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<tbody>
<tr>
<td>20. Transfer to Social Services Block Grant for Child Protective Services – Training</td>
<td>1,300,000</td>
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<tr>
<td>21. Transfer to Social Services Block Grant for Child Protective Services</td>
<td>5,040,000</td>
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<tr>
<td>22. Transfer to Social Services Block Grant for County Departments of Social Services for Children’s Services</td>
<td>13,097,783</td>
</tr>
<tr>
<td>23. Transfer to Social Services Block Grant – Foster Care Services</td>
<td>1,385,152</td>
</tr>
<tr>
<td>24. Transfer to Social Services Block Grant – Child Advocacy Centers</td>
<td>1,582,000</td>
</tr>
<tr>
<td>25. Transfer to Social Services Block Grant – Child Protective Services, Child Welfare Training for Counties</td>
<td>737,067</td>
</tr>
</tbody>
</table>

| TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS | $312,392,996 | $310,435,701 |
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)
EMERGENCY CONTINGENCY FUNDS

Local Program Expenditures

Division of Child Development and Early Education

| 01. Subsidized Child Care | $33,439,988 | $33,439,988 |

TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS $33,439,988 $33,439,988

SOCIAL SERVICES BLOCK GRANT

Local Program Expenditures

Divisions of Social Services and Aging and Adult Services

<p>| 01. County Departments of Social Services | $19,905,849 | $19,905,849 |
| 02. County Departments of Social Services (Transfer From TANF) | $13,097,783 | $13,097,783 |
| 03. EBCI Tribal Public Health and Human Services | 244,740 | 244,740 |
| 04. Child Protective Services (Transfer From TANF) | 5,040,000 | 5,040,000 |
| 05. State In-Home Services Fund | 1,943,950 | 1,943,950 |
| 06. Adult Protective Services | 2,138,404 | 2,138,404 |
| 07. State Adult Day Care Fund | 1,994,084 | 1,994,084 |
| 08. Child Protective Services/CPS Investigative Services – Child Medical Evaluation Program | 901,868 | 901,868 |
| 09. Special Children Adoption Incentive Fund | 462,600 | 462,600 |
| 10. Child Protective Services – Child Welfare Training for Counties (Transfer From TANF) | 1,300,000 | 1,300,000 |
| 11. Child Protective Services – Child Welfare Training for Counties (Transfer From TANF) | 737,067 | 737,067 |
| 12. Home and Community Care Block | | |</p>
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<th>Description</th>
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<td>Grant (HCCBG)</td>
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<td>13. Child Advocacy Centers</td>
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<td>(Transfer from TANF)</td>
<td>1,582,000</td>
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<td>14. Guardianship – Division of Social Services</td>
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<td>4</td>
<td>15. Foster Care Services</td>
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<td>(Transfer From TANF)</td>
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<td><strong>Division of Central Management and Support</strong></td>
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<td>16. DHHS Competitive Block Grants for Nonprofits</td>
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<td><strong>Division of Mental Health, Developmental Disabilities, and Substance Abuse Services</strong></td>
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<td>17. Mental Health Services – Adult and Child/Developmental Disabilities Program/</td>
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<td>Substance Abuse Services – Adult</td>
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<td><strong>DHHS Program Expenditures</strong></td>
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<td><strong>Division of Services for the Blind</strong></td>
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<td>18. Independent Living Program</td>
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<td><strong>Division of Health Service Regulation</strong></td>
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<td>19. Adult Care Licensure Program</td>
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<td>20. Mental Health Licensure and Certification Program</td>
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<td><strong>Division of Aging and Adult Services</strong></td>
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<td><strong>DHHS Administration</strong></td>
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<td>22. Division of Aging and Adult Services</td>
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<td>23. Division of Social Services</td>
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<td>25. Legislative Increases/Fringe Benefits</td>
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<td>26. Division of Child Development and Early Education</td>
<td>13,878</td>
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<td>27. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services</td>
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<td>28. Division of Health Service Regulation</td>
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<td><strong>TOTAL SOCIAL SERVICES BLOCK GRANT</strong></td>
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</table>

**LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT**

### Local Program Expenditures

#### Division of Social Services

1. **Low-Income Energy Assistance Program (LIEAP)**
   - Expenditures: $40,298,638
2. **Crisis Intervention Program (CIP)**
   - Expenditures: 40,298,638

#### Local Administration

#### Division of Social Services

3. **County DSS Administration**
   - Expenditures: 6,618,366

#### DHHS Administration

#### Division of Central Management and Support

4. **Division of Social Services**
   - Expenditures: 10,000
5. **Office of the Secretary/DIRM**
   - Expenditures: 128,954
6. **Office of the Secretary/Controller's Office**
   - Expenditures: 18,378
7. **NC FAST Development**
   - Expenditures: 2,287,188
8. **NC FAST Operations and Maintenance**
   - Expenditures: 2,539,033

#### Transfers to Other State Agencies

#### Department of Environmental Quality

9. **Weatherization Program**
   - Expenditures: 8,692,641
10. **Heating Air Repair and Replacement Program (HARRP)**
    - Expenditures: 5,881,761
11. **Local Residential Energy Efficiency Service Providers – Weatherization**
    - Expenditures: 544,742
12. **Local Residential Energy Efficiency Service**
    - Expenditures: 514,742
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<th>Providers – HARRP</th>
<th>327,169</th>
<th>277,169</th>
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<td>3</td>
<td>14. DEQ – HARRP Administration</td>
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<td>4</td>
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<td>5</td>
<td>15. N.C. Commission on Indian Affairs</td>
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<td><strong>CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT</strong></td>
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<td>8</td>
<td><strong>Local Program Expenditures</strong></td>
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<td>9</td>
<td><strong>Division of Child Development and Early Education</strong></td>
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<td>01. Child Care Services</td>
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<td>03. Transfer from TANF Block Grant</td>
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<td>for Child Care Subsidies</td>
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<td>04. Quality and Availability Initiatives</td>
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<td>05. DCDEE Administrative Expenses</td>
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<td><strong>Division of Central Management and Support</strong></td>
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<td>23</td>
<td>08. NC FAST Development</td>
<td>464,290</td>
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<td>24</td>
<td>09. NC FAST Operations and Maintenance</td>
<td>1,104,504</td>
<td>1,201,697</td>
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<td>25</td>
<td>10. DHHS Central Administration – DIRM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Technical Services</td>
<td>645,162</td>
<td>645,162</td>
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<tr>
<td>27</td>
<td><strong>TOTAL LOCAL AND STATE FUNDS</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2019-HHS-HSPR-6 [v2], Modified 4/24/19 7:56 PM
11. DHHS Central Administration  400,000  400,000

**Division of Public Health**

12. Child Care Health Consultation Contracts  62,205  62,205

**TOTAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT**  $351,224,202  $350,849,220

**MENTAL HEALTH SERVICES BLOCK GRANT**

**Local Program Expenditures**

| Division of Mental Health, Developmental Disabilities, and Substance Abuse Services |
|---|---|
| 01. Mental Health Services – Child | $4,779,087  $4,779,087 |
| 02. Mental Health Services – Adult/Child | 21,872,198  15,765,206 |
| 03. Mental Health Services – First Psychotic Symptom Treatment | 1,976,970  1,976,970 |

**DHHS Administration**

**Division of Mental Health, Developmental Disabilities, and Substance Abuse Services**

| 04. Administration | 200,000  200,000 |

| **TOTAL MENTAL HEALTH SERVICES BLOCK GRANT** | $28,828,255  $22,721,263 |

| SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT |

**Local Program Expenditures**

| Division of Mental Health, Developmental Disabilities, and Substance Abuse Services |
|---|---|
| 01. Substance Abuse – HIV and IV Drug | $2,550,915  $2,550,915 |
| 02. Substance Abuse Prevention | 9,110,422  9,110,422 |
| 03. Substance Abuse Services – Treatment for Children/Adults | 30,453,564  29,500,823 |
| 05. Crisis Solutions Initiatives – Collegiate Wellness/Addiction Recovery | 1,085,000  1,085,000 |
| 06. Crisis Solutions Initiatives – Community Paramedic Mobile Crisis Management | 20,000  20,000 |

| **DHHS Program Expenditures** |

<p>| Division of Central Management and Support |</p>
<table>
<thead>
<tr>
<th>07. Competitive Grants</th>
<th>1,600,000</th>
<th>1,600,000</th>
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### DHHS Administration

### Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

<table>
<thead>
<tr>
<th>08. Administration</th>
<th>454,000</th>
<th>454,000</th>
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<tbody>
<tr>
<td>09. Controlled Substance Reporting System Enhancement</td>
<td>427,655</td>
<td>427,655</td>
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<tr>
<td>10. Veterans Initiatives</td>
<td>250,000</td>
<td>250,000</td>
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</tbody>
</table>

**TOTAL SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT**

| $45,951,556 | $44,998,815 |

### MATERNAL AND CHILD HEALTH BLOCK GRANT

### Local Program Expenditures

### Division of Public Health

#### 01. Women and Children's Health Services
(Safe Sleep Campaign $45,000; Sickle Cell Centers $100,000; Prevent Blindness $575,000;
March of Dimes $350,000; Teen Pregnancy Prevention Initiatives $650,000;
17P Project $52,000; Nurse-Family Partnership $950,000; Perinatal & Neonatal Outreach Coordinator Contracts $440,000;
Mountain Area Pregnancy Services $50,000) | $14,719,224 | $14,719,224 |

#### 02. Oral Health | 48,227 | 48,227 |

#### 03. Evidence-Based Programs in Counties With Highest Infant Mortality Rates | 1,575,000 | 1,575,000 |

### DHHS Program Expenditures

<table>
<thead>
<tr>
<th>04. Children's Health Services</th>
<th>1,427,323</th>
<th>1,427,323</th>
</tr>
</thead>
<tbody>
<tr>
<td>05. Women's Health – Maternal Health</td>
<td>169,864</td>
<td>169,864</td>
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<tr>
<td>06. Women and Children's Health – Perinatal Strategic Plan Support Position</td>
<td>68,245</td>
<td>68,245</td>
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<td>07. State Center for Health Statistics</td>
<td>158,583</td>
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</tr>
<tr>
<td>08. Health Promotion – Injury and Violence Prevention</td>
<td>87,271</td>
<td>87,271</td>
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</tbody>
</table>
### DHHS Administration

| Division of Public Health Administration | 552,571 | 552,571 |

### TOTAL MATERNAL AND CHILD HEALTH BLOCK GRANT

|  | $18,806,308 | $18,806,308 |

### PREVENTIVE HEALTH SERVICES BLOCK GRANT

#### Local Program Expenditures

<table>
<thead>
<tr>
<th>Program</th>
<th>Expenditure</th>
</tr>
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<tbody>
<tr>
<td>01. Physical Activity and Prevention</td>
<td>$3,474,191</td>
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<tr>
<td>02. Injury and Violence Prevention</td>
<td>160,000</td>
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#### DHHS Program Expenditures

<table>
<thead>
<tr>
<th>Division of Public Health</th>
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<tbody>
<tr>
<td>03. HIV/STD Prevention and Community Planning</td>
<td>137,648</td>
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<tr>
<td>04. Oral Health Preventive Services</td>
<td>150,000</td>
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<tr>
<td>05. Laboratory Services – Testing, Training, and Consultation</td>
<td>21,000</td>
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<tr>
<td>06. Injury and Violence Prevention (Services to Rape Victims – Set-Aside)</td>
<td>53,206</td>
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<tr>
<td>07. Performance Improvement and Accountability</td>
<td>592,123</td>
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<tr>
<td>08. State Center for Health Statistics</td>
<td>82,505</td>
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### DHHS Administration

<table>
<thead>
<tr>
<th>Division of Public Health</th>
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</tr>
</thead>
<tbody>
<tr>
<td>09. Division of Public Health</td>
<td>65,000</td>
</tr>
</tbody>
</table>

### TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT

|  | $4,735,673 | $4,735,673 |

### COMMUNITY SERVICES BLOCK GRANT

<table>
<thead>
<tr>
<th>Program</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Community Action Agencies</td>
<td>$24,170,204</td>
</tr>
<tr>
<td>02. Discretionary Funding</td>
<td>921,096</td>
</tr>
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</table>
3. Office of Economic Opportunity
   $981,096 $981,096

4. Office of Economic Opportunity – Workforce
   Investment Opportunities Act (WIOA) $60,000 $60,000

**TOTAL COMMUNITY SERVICES BLOCK GRANT**
   $26,132,396 $22,501,406

**GENERAL PROVISIONS**

**SECTION #. (b) Information to Be Included in Block Grant Plans.** – The Department of Health and Human Services shall submit a separate plan for each Block Grant received and administered by the Department, and each plan shall include the following:

(1) A delineation of the proposed allocations by program or activity, including State and federal match requirements.
(2) A delineation of the proposed State and local administrative expenditures.
(3) An identification of all new positions to be established through the Block Grant, including permanent, temporary, and time-limited positions.
(4) A comparison of the proposed allocations by program or activity with two prior years' program and activity budgets and two prior years' actual program or activity expenditures.
(5) A projection of current year expenditures by program or activity.
(6) A projection of federal Block Grant funds available, including unspent federal funds from the current and prior fiscal years.
(7) The amount of funds qualifying for maintenance of effort in the previous year delineated by program or activity.

**SECTION #. (c) Changes in Federal Fund Availability.** – If the Congress of the United States increases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall allocate the increase proportionally across the program and activity appropriations identified for that Block Grant in this section. In allocating an increase in federal fund availability, the Office of State Budget and Management shall not approve funding for new programs or activities not appropriated in this section.

If the Congress of the United States decreases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall develop a plan to adjust the Block Grants based on reduced federal funding.

Notwithstanding the provisions of this subsection, for fiscal years 2019-2020 and 2020-2021, increases in the federal fund availability for the Temporary Assistance to Needy Families (TANF) Block Grant shall be used only for the North Carolina Child Care Subsidy program to pay for child care in four- or five-star rated facilities for 4-year-old children and shall not be used to supplant State funds.

Prior to allocating the change in federal fund availability, the proposed allocation must be approved by the Office of State Budget and Management. If the Department adjusts the allocation of any Block Grant due to changes in federal fund availability, then a report shall be made to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

**SECTION #. (d) Except as otherwise provided, appropriations from federal Block Grant funds are made for each year of the fiscal biennium ending June 30, 2021,** according to the
SECTION #.(e) All changes to the budgeted allocations to the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services that are not specifically addressed in this section shall be approved by the Office of State Budget and Management. The Office of State Budget and Management shall not approve funding for new programs or activities not appropriated in this section. Additionally, if budgeted allocations are decreased, the Office of State Budget and Management shall not approve any reduction of funds designated for subrecipients in subsection (a) of this section under Item 01 of the Maternal and Child Health Block Grant. The Office of State Budget and Management shall consult with the Joint Legislative Oversight Committee on Health and Human Services for review prior to implementing any changes. In consulting, the report shall include an itemized listing of affected programs, including associated changes in budgeted allocations. All changes to the budgeted allocations to the Block Grants shall be reported immediately to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. This subsection does not apply to Block Grant changes caused by legislative salary increases and benefit adjustments.

SECTION #.(f) Except as otherwise provided, the Department of Health and Human Services shall have flexibility to transfer funding between the Temporary Assistance for Needy Families (TANF) Block Grant and the TANF Emergency Contingency Funds Block Grant so long as the total allocation for the line items within those block grants remains the same.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS

SECTION #.(g) The sum of eighty million ninety-three thousand five hundred sixty-six dollars ($80,093,566) for each year of the 2019-2021 fiscal biennium appropriated in this section in TANF funds to the Department of Health and Human Services, Division of Social Services, shall be used for Work First County Block Grants. The Division shall certify these funds in the appropriate State-level services based on prior year actual expenditures. The Division has the authority to realign the authorized budget for these funds among the State-level services based on current year actual expenditures. The Division shall also have the authority to realign appropriated funds from Work First Family Assistance for electing counties to the Work First County Block Grant for electing counties based on current year expenditures so long as the electing counties meet Maintenance of Effort requirements.

SECTION #.(h) The sum of nine million four hundred twelve thousand three hundred ninety-one dollars ($9,412,391) appropriated in this section to the Department of Health and Human Services, Division of Social Services, in TANF funds for each fiscal year of the 2019-2021 fiscal biennium for child welfare improvements shall be allocated to the county departments of social services for hiring or contracting staff to investigate and provide services in Child Protective Services cases; to provide foster care and support services; to recruit, train, license, and support prospective foster and adoptive families; and to provide interstate and post-adoption services for eligible families.

Counties shall maintain their level of expenditures in local funds for Child Protective Services workers. Of the Block Grant funds appropriated for Child Protective Services workers, the total expenditures from State and local funds for fiscal years 2019-2020 and 2020-2021 shall not be less than the total expended from State and local funds for the 2012-2013 fiscal year.

SECTION #.(i) The sum of two million twenty-six thousand eight hundred seventy-seven dollars ($2,026,877) appropriated in this section in TANF funds to the Department of Health and Human Services, Special Children Adoption Fund, for each fiscal year of the 2019-2021 fiscal biennium shall be used in accordance with G.S. 108A-50.2. The Division of Social Services, in consultation with the North Carolina Association of County Directors of Social Services and representatives of licensed private adoption agencies, shall develop...
guidelines for the awarding of funds to licensed public and private adoption agencies upon the adoption of children described in G.S. 108A-50 and in foster care. Payments received from the Special Children Adoption Fund by participating agencies shall be used exclusively to enhance the adoption services program. No local match shall be required as a condition for receipt of these funds.

**SECTION #.(j)** The sum of one million four hundred thousand dollars ($1,400,000) appropriated in this section in TANF funds to the Department of Health and Human Services, Division of Social Services, for each fiscal year of the 2019-2021 fiscal biennium shall be used for child welfare initiatives to (i) enhance the skills of social workers to improve the outcomes for families and children involved in child welfare and (ii) enhance the provision of services to families in their homes in the least restrictive setting.

**SECTION #.(k)** Of the three million four hundred fifty thousand dollars ($3,450,000) allocated in this section in TANF funds to the Department of Health and Human Services, Division of Public Health, for each year of the 2019-2021 fiscal biennium for teen pregnancy prevention initiatives, the sum of five hundred thousand dollars ($500,000) in each year of the 2019-2021 fiscal biennium shall be used to provide services for foster care youth and juvenile justice.

**SOCIAL SERVICES BLOCK GRANT**

**SECTION #.(l)** The sum of nineteen million nine hundred five thousand eight hundred forty-nine dollars ($19,905,849) for each year of the 2019-2021 fiscal biennium appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, and the sum of thirteen million ninety-seven thousand seven hundred eighty-three dollars ($13,097,783) for each year of the 2019-2021 fiscal biennium transferred from funds appropriated in the TANF Block Grant shall be used for county block grants. The Division shall certify these funds in the appropriate State-level services based on prior year actual expenditures. The Division has the authority to realign the authorized budget for these funds, as well as State Social Services Block Grant funds, among the State-level services based on current year actual expenditures.

Of the funds appropriated in this subsection for each year of the 2019-2021 fiscal biennium for county block grants, three million dollars ($3,000,000) shall be used to assist counties in the implementation of Project 4, Child Services, in North Carolina Families Accessing Services Through Technology (NC FAST). These funds shall be available in each fiscal year of the fiscal biennium for this purpose.

**SECTION #.(m)** The sum of one million three hundred thousand dollars ($1,300,000) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, for each fiscal year of the 2019-2021 fiscal biennium shall be used to support various child welfare training projects as follows:

1. Provide a regional training center in southeastern North Carolina.
2. Provide training for residential child caring facilities.
3. Provide for various other child welfare training initiatives.

**SECTION #.(n)** The Department of Health and Human Services is authorized, subject to the approval of the Office of State Budget and Management, to transfer Social Services Block Grant funding allocated for departmental administration between divisions that have received administrative allocations from the Social Services Block Grant.

**SECTION #.(o)** Social Services Block Grant funds appropriated for the Special Children Adoption Incentive Fund shall require a fifty percent (50%) local match.

**SECTION #.(p)** The sum of five million forty thousand dollars ($5,040,000) appropriated in this section in the Social Services Block Grant for each fiscal year of the 2019-2021 fiscal biennium shall be allocated to the Department of Health and Human Services, Division of Social Services. The Division shall allocate these funds to local departments of social services.
services to replace the loss of Child Protective Services State funds that are currently used by
county governments to pay for Child Protective Services staff at the local level. These funds shall
be used to maintain the number of Child Protective Services workers throughout the State. These
Social Services Block Grant funds shall be used to pay for salaries and related expenses only and
are exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent (25%).

SECTION #.(q) The sum of four million seven hundred seventy-four thousand five
hundred twenty-five dollars ($4,774,525) for each year of the 2019-2021 fiscal biennium
appropriated in this section in the Social Services Block Grant to the Department of Health and
Human Services (DHHS), Division of Central Management and Support, shall be used for DHHS
competitive block grants pursuant to Section # of this act. These funds are exempt from the
provisions of 10A NCAC 71R .0201(3).

SECTION #.(r) The sum of one million five hundred eighty-two thousand dollars
($1,582,000) appropriated in this section in the Social Services Block Grant for each fiscal year
of the 2019-2021 fiscal biennium to the Department of Health and Human Services, Division of
Social Services, shall be used to continue support for the Child Advocacy Centers, and the funds
are exempt from the provisions of 10A NCAC 71R .0201(3).

SECTION #.(s) The sum of three million eight hundred twenty-five thousand four
hundred forty-three dollars ($3,825,443) for each fiscal year of the 2019-2021 fiscal biennium
appropriated in this section in the Social Services Block Grant to the Department of Health and
Human Services, Divisions of Social Services and Aging and Adult Services, shall be used for
guardianship services pursuant to Chapter 35A of the General Statutes. The Department may
expend funds appropriated in this section to support existing corporate guardianship contracts
during the 2019-2020 and 2020-2021 fiscal years.

SECTION #.(t) Of the funds appropriated in the Social Services Block Grant to the
Division of Aging and Adult Services for Adult Protective Services, the sum of eight hundred
ninety-three thousand four-hundred dollars ($893,041) shall be used to increase the number of Adult
Protective Services workers where these funds can be the most effective. These funds shall be
used to pay for salaries and related expenses and shall not be used to supplant any other source
of funding for staff. These funds are also exempt from 10A NCAC 71R .0201(3) requiring a local
match of twenty-five percent (25%).

SECTION #.(u) The sum of seven hundred thirty-seven thousand sixty-seven dollars
($737,067) appropriated in this section in the Social Services Block Grant for each fiscal year of
the 2019-2021 fiscal biennium shall be allocated to the Department of Health and Human
Services, Division of Social Services. These funds shall be used to assist with training needs for
county child welfare training staff and shall not be used to supplant any other source of funding
for staff. County departments of social services are exempt from 10A NCAC 71R .0201(3)
requiring a local match of twenty-five percent (25%).

LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT

SECTION #.(v) Additional emergency contingency funds received may be allocated
for Energy Assistance Payments or Crisis Intervention Payments without prior consultation with
the Joint Legislative Oversight Committee on Health and Human Services. Additional funds
received shall be reported to the Joint Legislative Oversight Committee on Health and Human
Services and the Fiscal Research Division upon notification of the award. The Department of
Health and Human Services shall not allocate funds for any activities, including increasing
administration, other than assistance payments, without prior consultation with the Joint
Legislative Oversight Committee on Health and Human Services.

SECTION #.(w) The sum of forty million two hundred ninety-eight thousand six
hundred thirty-eight dollars ($40,298,638) for each year of the 2019-2021 fiscal biennium
appropriated in this section in the Low-Income Energy Assistance Block Grant to the Department
of Health and Human Services, Division of Social Services, shall be used for Energy Assistance
Payments for the households of (i) elderly persons age 60 and above with income up to one hundred thirty percent (130%) of the federal poverty level and (ii) disabled persons eligible for services funded through the Division of Aging and Adult Services.

County departments of social services shall submit to the Division of Social Services an outreach plan for targeting households with 60-year-old household members no later than August 1 of each year. The outreach plan shall comply with the following:

1. Ensure that eligible households are made aware of the available assistance, with particular attention paid to the elderly population age 60 and above and disabled persons receiving services through the Division of Aging and Adult Services.
2. Include efforts by the county department of social services to contact other State and local governmental entities and community-based organizations to (i) offer the opportunity to provide outreach and (ii) receive applications for energy assistance.
3. Be approved by the local board of social services or human services board prior to submission.

**CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT**

**SECTION #.(x)** Payment for subsidized child care services provided with federal TANF funds shall comply with all regulations and policies issued by the Division of Child Development and Early Education for the subsidized child care program.

**SECTION #.(y)** If funds appropriated through the Child Care and Development Fund Block Grant for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in order to use the federal funds fully.

**MENTAL HEALTH SERVICES BLOCK GRANT**

**SECTION #.(z)** The sum of one million nine hundred seventy-six thousand nine hundred seventy dollars ($1,976,970) appropriated in this section in the Mental Health Services Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each year of the 2019-2021 fiscal biennium is allocated for Mental Health Services – First Psychotic Symptom Treatment.

**SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT**

**SECTION #.(aa)** The sum of two hundred fifty thousand dollars ($250,000) appropriated in this section in the Substance Abuse Prevention and Treatment Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each fiscal year of the 2019-2021 fiscal biennium shall be used to support Veterans initiatives.

**MATERNAL AND CHILD HEALTH BLOCK GRANT**

**SECTION #.(bb)** If federal funds are received under the Maternal and Child Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193 (42 U.S.C. § 710), for the 2019-2020 fiscal year or the 2020-2021 fiscal year, then those funds shall be transferred to the State Board of Education to be administered by the Department of Public Instruction. The Department of Public Instruction shall use the funds to establish an abstinence until marriage education program and shall delegate to one or more persons the responsibility of implementing the program and G.S. 115C-81(e1)(4) and (4a). The Department of Public
Instruction shall carefully and strictly follow federal guidelines in implementing and administering the abstinence education grant funds.

SECTION #.(cc) The sum of one million five hundred seventy-five thousand dollars ($1,575,000) appropriated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, for each year of the 2019-2021 fiscal biennium shall be used for evidence-based programs in counties with the highest infant mortality rates. The Division shall report on (i) the counties selected to receive the allocation, (ii) the specific evidence-based services provided, (iii) the number of women served, and (iv) any impact on the counties' infant mortality rate. The Division shall report its findings to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than December 31 of each year.

SECTION #.(dd) The sum of sixty-eight thousand two hundred forty-five dollars ($68,245) allocated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, Women and Children's Health Section, for each fiscal year of the 2019-2021 fiscal biennium shall not be used to supplant existing State or federal funds. This allocation shall be used for a Public Health Program Consultant position assigned full-time to manage the North Carolina Perinatal Health Strategic Plan and provide staff support for the stakeholder work group.

SECTION #.(ee) The sum of one hundred thousand dollars ($100,000) allocated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, for each year of the 2019-2021 fiscal biennium for community-based sickle cell centers shall not be used to supplant existing State or federal funds.