

Joint Appropriations Committee on Health and Human Services - Status Update on Legislative Budget Items - 2014 Session											
Item #	Snappy Title	Description	FY 13-14 Recurring	FY 13-14 Non- recurring	FY 13-14 Position Change	FY 14-15 Recurring	FY 14-15 Non- Recurring	FY 14-15 Position Change	DHHS Response		
2014 Joint Conference Committee Report on the Continuation, Expansion, and Capital Budgets									Completed (Yes/No)	Date Report Submitted (If Applicable)	Additional Information (For all Medicaid items please include SPA related date information (submitted and approved/rejected) and the dates the required changes were implemented into NC Tracks.)
3	Contracts and Administrative Reductions	Reduces funds for contracts and administrative expenses across the Department of Health and Human Services. The Department is given flexibility to achieve the reduction through the elimination or reduction of contract expenses, vacant or filled positions and other state-level administrative expenses. The Department may also budget recurring overrealized receipts. In achieving the reduction, the Department shall not reduce or eliminate programs or services that provide direct services.				(16,000,000)			Yes	N/A	
9	Actuary Positions (1120)	Creates two actuary positions in the Office of the Secretary for the Medicaid Program. The total cost of the positions is \$340,000. Federal Medicaid receipts will be used to cover 50% of the cost of each position, therefore the State will fund effectively 1 net FTE.				170,000		1.00	Yes	N/A	Considerable recruiting efforts have been employed for these positions. However, the current, competitive private sector market has presented a challenge.
10	Health Information Exchange (1910)	Provides State matching funds to support the Health Information Exchange.(S.L. 2014-100, Sec. 12A.2)				2,000,000			No	N/A	Medicaid administrative expenses are eligible for federal matching dollars (50/50). However, NC HIE is not yet able to deliver administrative services to the Medicaid program. The current need of the NC HIE is for development and operations costs to expand the HIE network to include sufficient clinical data to create services to Medicaid. These development and operations costs are not eligible for federal administrative matching. The federal Health Information Technology funds initially provided for HIE development have been exhausted.
11	Supplemental Short-Term Assistance for Group Homes	Provides funding for one year for group home residents who were determined to be ineligible for Medicaid personal care services on or after January 1, 2013. The maximum monthly payment is set at \$464.30 and is based on providing 33 hours of service per eligible recipient. Group homes may only use these funds to provide supervision and medication management to residents who meet the required eligibility criteria. Funds for this purpose are capped at maximum amount of \$2,000,000 and will end upon depletion of the funds or June 30, 2015, whichever is earlier. (S.L. 2014-100, Sec. 12A.7)					2,000,000		Yes	N/A	As of February 9, 2015, approximately \$996,076.78 has been expended for this purpose.
12	Home and Community Care Block Grant Reduction (1370,1451)	Reduces General Fund appropriation for the Home and Community Care Block Grant (HCCBG) by 3%, leaving a balance of \$31,808,889.				(969,549)			Yes	N/A	
13	Senior Center	Provides nonrecurring General Fund appropriation for Senior Center capital projects.					100,000		Yes	N/A	Contract issued; scheduled to be fully paid in February 2015.

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14	TANF Funds for PreK (1330)	Replaces General Fund appropriation for the PreK program with Temporary Assistance for Needy Families block grant funds and Temporary Assistance for Needy Families Emergency Contingency Funds on a nonrecurring basis. (S.L. 2014-100, Sec. 12J.1)					(19,842,334)		Yes	N/A	
15	Administrative Savings due to Efficiencies and Cost Allocation	Reduces General Fund appropriation budgeting overrealized receipts, and replacing General Fund appropriation with Child Care and Development Fund for Child Care Regulation. Additionally the Division's administrative costs have been reduced due to the move to the Dorothea Dix campus, including the elimination of one position. #60038615 - Administrative Asst. II - \$37,659 (S.L. 2014-100, Sec. 12J.1)				(1,893,496)		(1.00)	Yes	N/A	All regulatory positions have been moved to federal CCDF funding. Position identified for reduction has been abolished.
16	Child Care Subsidy Block Grant Swap Out	Replaces General Fund appropriation for the Child Care Subsidy program with Child Care Development Fund and Temporary Assistance For Needy Families Emergency Contingency block grant funds on a nonrecurring basis. Both block grants have increased availability for FY 2014-15. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of State funds with federal funding. Total funding for Child Care Subsidy is unchanged. (S.L. 2014-100, Sec. 12J.1)					(13,982,425)		Yes	N/A	
17	Child Care Subsidy Eligibility Changes (1380)	Changes eligibility for Child Care Subsidy from 75% of State Median Income to 200% of Federal Poverty Level (FPL) for children age 0-5 and children with special needs. Children who are age 6-12 are eligible at 133% of FPL. This change is effective October 1, 2014. Children currently receiving assistance will have their income eligibility determined according to the new income standards at their next redetermination after October 1, 2014. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of state funds with federal funding. Savings from this item are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged. (S.L. 2014-100, Sec. 12B.1)				(7,670,393)			Yes	N/A	Policy changes were implemented on October 1, 2014 as required by legislation. We have revised program policy, IT systems and worked directly with our local partners (DSSs) to communicate and plan for the implementation of this policy.

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18	Child Care Subsidy Co-Payments Set at 10% of Income (1380)	Sets co-payments at 10% of income for all households that are required to pay a co-payment effective October 1, 2014. This does not change who pays a co-payment; children receiving child care subsidy through Child Welfare, Child Protective Services and Foster Care will continue to be exempt from the co-payment requirement. This reduction does not change the slot availability for child care subsidy as the amount paid by the Child Care Subsidy Program will be reduced due to the increased co-payment. The co-payment is paid to the child care provider. There were 40,000 children whose families paid a co-payment based on 8% or 9% of their family income out of 110,000 children whose families paid a co-payment in FY 2012-13. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of state funds with federal funding. Savings from this item are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged. (S.L. 2014-100, Sec.12B.1)				(1,631,418)			Yes	N/A	Policy changes were implemented on October 1, 2014 as required by legislation. We have revised program policy, IT systems and worked directly with our local partners (DSSs) to communicate and plan for the implementation of this policy.
19	Child Care Subsidy Co-Payment No Longer Prorated for Part-time Care (1380)	Eliminates the proration of co-payments for part-time care effective October 1, 2014. This reduction does not result in any loss of child care slots. The increased co-payment will reduce the amount paid to child care providers by the Child Care Subsidy program. Providers collect the co-payment from the parents. There were 26,000 children whose families paid a reduced co-payment due to part-time care out of 110,000 children whose families paid a co-payment in FY 2012-13. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of state funds with federal funding. Savings from this item are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged. (S.L. 2014-100, Sec. 12B.1)				(2,123,968)			Yes	N/A	Policy changes were implemented on October 1, 2014 as required by legislation. We have revised program policy, IT systems and worked directly with our local partners (DSSs) to communicate and plan for the implementation of this policy.
20	Child Care Waiting List	Provides funding to reduce the Child Care Subsidy waiting list by an estimated 1,000 children. When fully implemented, the waiting list will be reduced by an estimated 4,000. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of state funds with federal funding. Savings from Child Care Subsidy eligibility and co-payment change items are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged.				4,611,750			Yes	N/A	All funds designated for subsidy services have been fully allocated. Overall impact to the child care waiting list due to changes in income eligibility and parent fees changes are undetermined at this time due to the variability of the population served.

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21	Child Care Market Rates (1380)	Provides funding to increase the child care market rates for the Child Care Subsidy Program effective January 1, 2015, based on the 2013 North Carolina Child Care Market Rate Study. The child care market rates are increased by 25% of the difference between the current child care market rates and the 2013 child care market rates. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of state funds with federal funding. Savings from Child Care Subsidy eligibility and co-payment change items are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged. (S.L. 2014-100, Sec. 12B.5)				6,814,029			Yes	N/A	Policy changes were implemented on January1, 2015 as required by legislation. We have revised program policy, IT systems and worked directly with our local partners (DSSs) to communicate and plan for the implementation of this policy.
22	PreK (1330)	Provides funding to address the additional average per slot cost increase due to teacher raises and provides funding for additional slots.					5,040,000		Yes	N/A	Funds were allocated to cover costs associated with teacher pay increases. In addition a total of 234 new slots were added to bring the total number of Pre-K slots to 26,851.
24	State-County Special Assistance Income Eligibility (1570)	Changes the income eligibility for the State-County Special Assistance (SA) Program from a method that bases income eligibility on the payment rate for the facility type where the recipient resides, to a method based on the federal poverty level for all recipients regardless of where they reside. The SA eligibility level is set at 100% of the Federal Poverty Level. Current recipients of SA are grandfathered in and will continue to receive SA. This change is contingent on the Center for Medicare & Medicaid Services (CMS) approving the state plan amendment allowing the grandfathered recipients to continue to receive Medicaid. If CMS does not approve the continuation of Medicaid for these individuals, then this eligibility change will not be implemented. (S.L. 2014-100, Sec. 12D.1)				(377,997)			Pending	N/A	This change requires the Division of Medicaid Assistance to submit a Medicaid State Plan Amendment (SPA.) SPA 14-048 was submitted by DMA and CMS sent a request for additional information(RAI) on 1-22-2015.
25	State Funding for County Medicaid Administration Eliminated (1376)	Eliminates funding provided to local departments of social services to offset counties' cost for Medicaid enrollment. The federal match rate is increasing from 50% to 75% for eligibility determination for Medicaid, therefore counties will receive additional federal funds for this activity.				(1,682,806)			Yes	N/A	

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27	Child Protective Services Caseloads (1430)	Provides funding to replace \$4.5 million in federal block grant funds that counties lost in FY 2013-14 that was utilized to pay for Child Protective Services (CPS) workers. An additional \$2.8 million in funding is provided effective October 1, 2014 to reduce county departments of social services caseloads to an average of 10 families per worker performing Child Protective Services assessments. Combined with other Child Protective Services expansion, the General Fund appropriation for Child Protective Services is increased by 100% to \$26 million. (S.L. 2014-100, Sec. 12C.1.(b))				7,369,970			Yes	N/A	The \$4.5M was allocated to counties on September 26, 2014 using the existing formula as used to allocate the lost federal dollars. The \$2.9M was allocated on November 7, 2014 to 30 counties to fund 73 positions at an annualized salary of \$52,419. A number of counties plan to add additional staff above those funded with this allocation.
28	Child Protective Services Caseloads (1430)	Provides funding to replace \$4.5 million in federal block grant funds that counties lost in FY 2013-14 that was utilized to pay for Child Protective Services (CPS) workers. An additional \$2.8 million in funding is provided effective October 1, 2014 to reduce county departments of social services caseloads to an average of 10 families per worker performing Child Protective Services assessments. Combined with other Child Protective Services expansion, the General Fund appropriation for Child Protective Services is increased by 100% to \$26 million. (S.L. 2014-100, Sec. 12C.1.(b))				7,369,971			Yes	N/A	The Division of Social Services (DSS) conducted an extensive recruitment and selection process to fill 9 positions. 500 applications were received of which 180 were qualified and 45 were highly qualified. 34 applicants were interviewed. DSS is currently in the process of bringing staff on board. DSS has developed a process for conducting county reviews. DSS has identified counties in which to begin reviews following a training period, after which these workers will be deployed. We are in the process of reallocating an existing position to provide supervision. The county review process will be enhanced through our conducting Child and Family Services Reviews (CFSR) with 10 counties. Emphasis will be placed on ensuring children and families are provided services that address safety, permanency, and well-being of children served by child welfare services.
28	Enhance Oversight of County Child Welfare Services (1430)	Provides funding for 9 positions to enhance oversight of child welfare services in local county departments of social services. These positions will monitor, train, and provide technical assistance to the local county departments of social services to ensure children and families are provided services to address safety, permanency and the well-being of children who are served by child welfare services. The funds will increase Division of Social Services staffing for Child Protective Services to 28 positions, an increase of 47%. Combined with other Child Protective Services items, this General Fund appropriation for Child Protective Services is increased by 100% to \$26 million. (S.L. 2014-100, Sec. 12C.1.(d))				750,000		9.00	Pending	N/A	The Division of Social Services (DSS) conducted an extensive recruitment and selection process to fill 9 positions. 500 applications were received of which 180 were qualified and 45 were highly qualified. 34 applicants were interviewed. DSS is currently in the process of bringing staff on board. DSS has developed a process for conducting county reviews. DSS has identified counties in which to begin reviews following a training period, after which these workers will be deployed. We are in the process of reallocating an existing position to provide supervision. The county review process will be enhanced through our conducting Child and Family Services Reviews (CFSR) with 10 counties. Emphasis will be placed on ensuring children and families are provided services that address safety, permanency, and well-being of children served by child welfare services.

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29	Child Welfare In-Home Expansion	Increases General Fund appropriation for Child Welfare In-Home Services. In-Home Services are provided to maintain the safety of the child while helping the parent/caretaker learn more effective parenting practices. In-Home Services provide, arrange for, and coordinate interventions and services, as needed that focus on child safety and protection, family preservation, and the prevention of further abuse or neglect. Combined with other Child Protective Services items, the General Fund appropriation for Child Protective Services is increased by 100% to \$26 million. (S.L. 2014-100, Sec. 12C.1.(c))				4,500,000			Yes	N/A	These funds were allocated to Counties on September 26, 2014, based on the following four criteria: 1. Population of children 18 and under in each county, Source: U.S. Census Bureau 2008-2012 American Community Survey 5-year Estimate 2. In-Home services cases that were closed within 180 days or less in calendar year 2013 3. CPS assessments and investigations completed in calendar year 2013 4. CPS reports received in calendar year 2013
30	Child Protective Services Statewide Evaluation (1430)	Provides funding for an independent, statewide evaluation of Child Protective Services at local departments of social service and the Department of Health and Human Services. The evaluation will assess performance, caseload sizes, administrative structure, funding and worker turnover and include recommendations on improving Child Protective Services. (S.L.2014-100, Sec. 12C.1.(f))					700,000		Pending	N/A	A group has met to develop a comprehensive RFP for the statewide evaluation of the child protective services system. Input was received from North Carolina Association of County Departments of Social Services Directors (NCACDSS). The RFP is going through a final approval process.
31	Child Protective Services Pilot Program (1430)	Provides funding to develop and implement a pilot program designed to enhance coordination of services and information among agencies to improve the protection and outcomes for vulnerable children served through Child Welfare Services. The Division shall coordinate with the Government Data Analytics Center (GDAC) in developing the pilot program. The agencies in the pilot include local county departments of social services, local law enforcement, the court system, Guardian Ad Litem programs and other agencies as determined appropriate by the Department of Health and Human Services. (S.L. 2014-100, Sec. 12C.1.(e))					300,000		Pending	N/A	The Department is partnering with the Government Data Analytics Center (GDAC) to leverage State demographic data to build an integrated view of a child and associated adults to link, where possible, services to child and family. A progress report is due March 1, 2015.
32	Foster Care Assistance Payments (1532)	Provides funding for Foster Care Assistance Payments due to increasing caseloads. Caseloads increased by 9% from March 2013 to March 2014 and are projected to continue to grow. General Fund appropriation is increased by 18% to a total of \$32.2 million.				5,000,000			Yes	N/A	
33	State Maternity Home Fund (1110)	Transfers General Fund Appropriation from the Competitive Block grant in the Division of Central Management to the State Maternity Home Fund in the Division of Social Services. Maternity Homes are removed from the competitive block grant. Individuals experiencing an unplanned pregnancy apply to receive funding from the State Maternity Home Fund. Once the individual is determined eligible, the payment goes to the appropriate Maternity Home. There is no change in funding for the State Maternity Home Fund. (S.L. 2014-100, Sec. 12A.1)				375,000			Yes	N/A	

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34	Work First Drug Testing	Provides funds for the implementation of Part II. Drug Screening and Testing For Work First Program Assistance of S.L. 2013-417.				218,538	125,750		Pending	4/1/14; 9/23/14; 12/31/14	Quarterly reports have been provided. In the period between June and October 31, 2014 temporary rules were adopted. Permanent rules were approved by the Social Services Commission on January 15, 2015. The public comment period is to be scheduled and a public hearing will be held on April 15, 2015 by the Social Services Commission with a scheduled meeting for adopting of the rules on April 20, 2015. The request for Purchase (RFP) to secure a vendor to perform the drug testing is aggressively moving forward. DSS staff is finalizing division policy and along with county partners and writing technical requirements for NCFast for a June 1, 2015 implementation date.
35	ADAP - AIDS Drug Assistance Program (1460)	Budgets increased pharmaceutical rebates and federal receipts. \$68.8 million remains in the ADAP budget to provide services in FY 2014-15 to all eligible persons, with no waiting lists anticipated.					(5,782,163)		Yes	N/A	ADAP clients continued to be enrolled and served.
41	Vital Records (1173)	Provides funds for temporary staffing to keep up with the demand for certificate issuance, the relocation of records from the primary vault to a secondary vault due to safety issues, microfilming/daily records management, the adoptions database and certificate issuance, and long term vital events document preservation.				350,000			Yes	N/A	Funding is being used in accordance with the legislative intent and plans are being finalized for the relocation of records to the secondary vault by the end of March, 2015.
42	Office of Chief Medical Examiner (1172)	Provides funding to address operational issues in the statewide medical examiner system. The expansion will increase the FY 2014-15 budget by 23% from \$4.4 million to \$5.4 million. (S.L. 2014-100, Sec. 12E.5 and 12E.6)				1,000,000			Yes	N/A	
44	Food Protection Program	Realigns the Food Protection Program budget by reallocating \$400,000 from aid to counties for local food and lodging programs to be used for the costs to operate the State elements of this program. Due to an increase in the amount of the counties' share of food and lodging fee receipts enacted in Section 12E.1 of S.L. 2013-360, the counties no longer need to receive this General Fund Appropriation. The Food Protection Program will use these funds to cover State costs related to food and lodging regulation. (S.L. 2014-100, Sec. 12E.8)				0			Yes	N/A	

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46	Claims Processing (1110)	Reduces funding by 47% to budget anticipated savings in contracted claims processing costs. In FY 2013-14, the Division began using the NC Tracks system to process community service claims and no longer uses private contractors for this purpose. \$2.7 million remains in the FY 2014-15 budget for contractual information technology services.				(2,400,000)			YES	N/A	
47	Local Management Entity/Managed Care Organizations (1111)	Reduces the General Fund appropriation for Local Management Entity/Managed Care Organization (LME/MCO) administrative cost allocations by 5.6%. Administrative cost savings will be achieved by merging the nine LME/MCOs operating in FY 2013-14 to seven or fewer by June 30, 2015. Approximately \$30 million remains in the FY 2014-15 budget for LME/MCO administration.				(1,800,000)			YES	N/A	
48	Central Office Administration (1110)	Reduces the General Fund appropriation for the Division's central offices by 4.5%. Seven vacant positions are eliminated, effective July 1, 2014. Approximately \$9.5 million remains in the Division's FY 2014-15 central administration budget. #65006250, Quality Assurance Officer - \$70,840 #60043442, Mental Health Prgm Mgr I – \$59,962, #60043463, W/A Primary Care Systems Asso - \$49,171 #60043400, Processing Assistant V - \$48,979 #60043406, W/A Administrative Asst - \$29,856 #60043320, Administrative Off III - \$54,498 #60043328, Budget Manager - \$90,000				(448,876)		(7.00)	Yes	N/A	
49	LME/MCO General Administration (1111)	Eliminates funds held in reserve for LME/MCO risk management. As required by S.L. 2013-85, the Division has increased responsibilities related to monitoring LME/MCO administrative, operational, actuarial, and financial performance, eliminating the need to maintain a reserve fund.				(6,100,000)			YES	N/A	
50	Brain Injury Association of North Carolina (1451)	Continues General Fund appropriation for the Brain Injury Association of North Carolina contract. The association provides information, referral, and training services for persons with traumatic brain injury, their families, and health care professionals. (S.L. 2014-100, Sec. 12F.1)				225,223			YES	N/A	

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51	Community-Based Crisis Services	Provides funds to be used to increase community-based crisis stabilization services. These services provide alternatives to the use of local hospital emergency departments or inpatient services in State-operated facilities. Crisis services include psychiatric outpatient clinics, 24-hour crisis walk-in clinics, psychiatric urgent care units, facility-based crisis treatment, 23-hour observation, and non-hospital detoxification. (S.L. 2014-100, Sec. 12F.5)				2,200,000			Pending	N/A	RFAs have been completed and Division is in the process of making final selections for distribution of funds to LME/MCOs
55	Mental Health Drug Management (1310,1331)	Directs the Department of Health and Human Services, Division of Medical Assistance, to manage mental health drugs to produce \$12 million savings, net of rebates, to General Fund appropriations to the Medicaid program. In order to achieve the annual savings the Department will first make adjustments to the preferred drug list, to maximize supplemental rebates. Next the Department is authorized to impose controls including prior authorization, utilization review criteria, and any other restrictions. Notwithstanding the foregoing, because of the effective date of this section, savings in fiscal year 2014-2015 shall be \$6 million. (S.L. 2014-100, Sec 12H.9)				(6,000,000)			Yes	N/A	
56	Provider Rate and Hospital DRG Weight Mix Reduction (1310)	Reduces provider rates by 1.0% effective January 1, 2015. This reduction applies to all fee-for-service providers with the exception of hospital inpatient services, drugs and dispensing fees, nursing homes, non-PCS home care services, private duty nursing, all cost based providers, services where rates or rate methodologies are set by the federal government, negotiated through a contract, hospice, CAP services, FQHC and Rural Health Centers or as specified in special provision. (S.L. 2014-100, Sec 12H.14A) Reduces Hospital DRG weights by 2.1% effective January 1, 2015. The 2.1% reduction will be uniformly applied to each DRG weight. (S.L. 2014-100, Sec 12H.14B)				(7,190,441)			Pending	N/A	NC SPA 14-046 was submitted 09/30/2014; received an Informal Request for Additional Information (IRAI) 10/14/2014; submitted IRAI responses 10/21/2014; received a Request for Additional Information (RAI) 12/11/2014; pending response.
57	Medsolutions Contract Renegotiation and Imaging Request for Proposal (1310)	Reduces spending for the imaging contract with Medsolutions to reflect the recently renegotiated contract terms. The Department is also directed to issue a Request for Proposal (RFP) for high tech imaging services. This represents a 14.9% reduction in spending on the high tech imaging contract, leaving an estimated \$90 million in the budget for FY 2014-15. (S.L. 2014-100, Sec 12H.30)				(5,000,000)			Yes	Pending report, due 03/01/2015	

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58	Hospital Outpatient Cost (1310)	Reduces the settlement for the UNC Hospitals (UNC-CH) and Vidant, formally known as Pitt Memorial Hospital (ECU) for outpatient services to 70% of Medicaid costs effective July 1, 2014. Historically, the State has funded the State share of payment to UNC-CH and ECU at 100% of costs, unlike other hospitals which are paid 70% of cost through the claims and settlement processes. The reduction in the settlement percentage will be factored into supplemental payments under the Disproportionate Share Hospital (DSH) and hospital GAP payment plans, as appropriate. This represents a 2.1% reduction in overall hospital outpatient Medicaid spending, leaving an estimated \$821 million in the budget for outpatient services for all hospitals in FY 2014-15. (S.L. 2014-100, Sec 12H.13A)				(9,959,511)			Yes	N/A	Implemented September 2014.
59	Nursing Home Case Mix Index Adjustment (1310)	Freezes the case-mix index adjustments for direct cost of nursing home rates effective January 1, 2015. Historically, nursing home direct care rates are adjusted quarterly for the change in the average case mix or intensity of care for each facility's residents from the previous quarter. The case mix index adjustments do not apply to the indirect care or fair rental value components of the nursing home per diem rates. Total Medicaid payments for nursing homes is projected to be \$1.16 billion in FY 2013-14. This represents a 0.5% reduction in overall budgeted spending for nursing homes leaving an estimated \$1.2 billion in the Medicaid budget for FY 2014-15. (S.L. 2014-100, Sec 12H.7)				(2,200,000)			Pending	N/A	NC SPA 14-040 was submitted 9/30/2014; received IRAI on 10/27/2014; received RAI 12/15/2014; pending response.
60	Average Acquisition Cost for Drug Pricing (1310)	Converts the pricing for drug products from a multiple of Wholesale Acquisition Cost (WAC) for brand medications and State Maximum Allowable Cost (SMAC) for generic medications to an average acquisition cost for all Medicaid drugs. This item also adjusts dispensing fees to more closely align with the cost of dispensing. Adjustments to drug pricing and dispensing fees will result in a net savings of \$975,000 in FY 2014-15.Total spending for drug product and dispensing fees are projected to be \$1.4 billion in FY 2013-14. Drug ingredient prices will be updated at least monthly. The amount is offset by drug rebates that are estimated at \$678 million in FY 2013-14. This represents a 0.3% reduction in spending for drug costs, net of rebates, leaving an estimated net budget of \$737 million in FY 2014-15. (S.L. 2014-100, Sec 12H.8)				(975,000)			Pending	N/A	NC SPA 14-047 submitted 09/30/2014; received IRAI 10/14/2014; submitted IRAI responses 10/21/2014; received RAI 12/11/2014; pending response.

Item #	Snappy Title	Description	FY 13-14 Recurring	FY 13-14 Non- recurring	FY 13-14 Position Change	FY 14-15 Recurring	FY 14-15 Non- Recurring	FY 14-15 Position Change	DHHS Response		
2014 Joint Conference Committee Report on the Continuation, Expansion, and Capital Budgets									Completed (Yes/No)	Date Report Submitted (If Applicable)	Additional Information (For all Medicaid items please include SPA related date information (submitted and approved/rejected) and the dates the required changes were implemented into NC Tracks.)
61	State Retention of the Hospital GAP Plan Assessment (1310)	Increases the State retention on assessments through the hospital GAP plan from 25.9% to 28.85% effective July 1, 2014. The increased retention percentage will apply to the total amount assessed under the GAP plan. The residual amount of assessment will be used to make supplemental equity and upper payment limit payments as defined under the plan. The GAP plan for the year ending September 30, 2014 provides for payments from hospitals totaling \$366 million and supplemental payments for outpatient equity and inpatient upper payment limit of \$787 million. This change will increase the amount of payments from the hospitals, but will not change the supplement payments the hospitals receive. (S.L. 2014-100, Sec 12H.17)				(15,102,794)			Yes	N/A	Implemented September 2014.
62	Single Base Rate for All Hospitals (1310)	Establishes a single base diagnosis related group (DRG) rate for inpatient hospital services based on the statewide median base rate at June 30, 2014 for all hospitals effective January 1, 2015. This reduces payments for hospital services by \$35.5 million and increases the GAP plan retention by \$9.2 million on an annual basis. In FY 2013-14 total spending for inpatient hospital services is projected to be \$938 million. This represents a 1.8% reduction in spending for inpatient hospital services, leaving an estimated \$992 million in the FY 2014-15 budget. (S.L. 2014-100, Sec 12H.12)				(10,800,000)			No	N/A	NC SPA 14-046 was submitted 09/30/2014; received IRAI 10/14/2014; submitted IRAI responses 10/21/2014; received RAI 12/11/2014; pending response. DHHS has worked collaborately with FRD to address thoughts regarding what constitutes a single statewide base rate as defined in our Medicaid State Plan in legislation, and understanding the implications of both including the Graduate Medical Education (GME) adjustment and excluding the GME adjustment from the base rate. Based on all of the information available to us and the relevant language contained in the State Plan, DHHS is confident in our interpretation that the base rate is not inclusive of the GME adjustment and we are not persuaded that the session law effectively eliminates the GME adjustment as interpreted by FRD. DHHS believes that the GME adjustment is an important and significant component of the rates paid to teaching hospitals and DHHS does not consider the GME adjustment to be part of the term “base rate.” Having given full consideration to the alternative interpretation and the financial information in support of such an interpretation, we do not plan to update or amend the proposed SPA 14-046 which was submitted to CMS on 09/30/2014.
63	Botox Rates (1310)	Changes the rate methodology for Botox under the physician drug program effective 7/1/14 for Medicaid and Health Choice to be the same as the pharmacy drug pricing methodologies using wholesale acquisition costs (WAC) or the state Medicaid average costs (SMAC) for point of sale pharmacies, as appropriate. (S.L. 2014-100, Sec 12H.33A)				21,000			Yes	N/A	NC SPA 14-021 submitted 9/30/2014; received IRAI 10/20/2014; submitted responses 11/06/2014; received IRAI 11/20/2014; submitted responses 12/09/2014; approved 12/12/2014. FO15.221 requesting rate update for BOTOX(J0585) has been completed and ready for processing. Implementation date pending completion of process.

Item #	Snappy Title	Description	FY 13-14 Recurring	FY 13-14 Non- recurring	FY 13-14 Position Change	FY 14-15 Recurring	FY 14-15 Non- Recurring	FY 14-15 Position Change	DHHS Response		
2014 Joint Conference Committee Report on the Continuation, Expansion, and Capital Budgets									Completed (Yes/No)	Date Report Submitted (If Applicable)	Additional Information (For all Medicaid items please include SPA related date information (submitted and approved/rejected) and the dates the required changes were implemented into NC Tracks.)
64	Paragard Rate (1310)	Changes pricing methodology for Paragard IUD's to be consistent with pricing formula for other IUD's. (S.L. 2014-100, Sec 12H.33)					62,000		Yes	N/A	NC SPA 14-021 submitted 9/30/2014; received IRAI 10/20/2014; submitted responses 11/06/2014; received IRAI 11/20/2014; submitted responses 12/09/2014; approved 12/12/2014. FO15.201 requesting rate update for PARAGARD (J7300) has been completed and ready for processing. Implementation date pending completion of process.
65	Dispensing Fee Study (1102)	Directs the Department to conduct a study of pharmacy dispensing fees. (S.L. 2014-100, Sec 12H.8.(b))					100,000		Pending	Pending study.	Per SL 2014-100, Section 12H.8, Subsection (b) directs the Division of Medical Assistance to begin a survey of the pharmacies on dispensing costs on March 1, 2015.
67	Nursing Home Rates (1310)	Restores the 3% reduction implemented as part of the shared savings plan item in FY 2013-14 effective June 1, 2015. The ongoing annual state cost will be \$8,000,000. (S.L. 2014-100, Sec 12H.14.(c))				670,000			Pending	N/A	NC SPA 14-040 was submitted 9/30/2014; received IRAI 10/27/2014; received RAI 12/15/2014; pending response.
68	Personal Care Services (PCS) Study Optional Program (1102)	Provides funding for the Department to transfer \$300,000 to the Legislative Services Commission to contract for a study to define a new limited PCS optional service program. This amount represents the State share of the total funding of \$600,000. The remaining source of funding will come from the Medicaid administrative funding from the Centers for Medicare and Medicaid Services (CMS). The report from this study is due December 1, 2015. Additionally, the Department will study and report on Adult Care Home inspections, procedures and processes. (S.L. 2014-100, Sec 12H.10.(c))					300,000		Funding was appropriated for the General Assembly and not DHHS		

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2014 Joint Conference Committee Report on the Continuation, Expansion, and Capital Budgets									Completed (Yes/No)	Date Report Submitted (If Applicable)	Additional Information (For all Medicaid items please include SPA related date information (submitted and approved/rejected) and the dates the required changes were implemented into NC Tracks.)
70	Single Base Rate for all Hospitals (1310)	Establishes a single base diagnosis related group (DRG) rate for inpatient hospital services based on the statewide median base rate for all hospitals effective January 1, 2015. This represents a 1.8% reduction in claims spending for inpatient hospital services. (S.L. 2014-100, Sec 12H.12)				(63,961)			No	N/A	<p>NC SPA 14-046 was submitted 09/30/2014; received IRAI 10/14/2014; submitted IRAI responses 10/21/2014; received RAI 12/11/2014; pending response. DHHS has worked collaborately with FRD to address thoughts regarding what constitutes a single statewide base rate as defined in our Medicaid State Plan in legislation, and understanding the implications of both including the Graduate Medical Education (GME) adjustment and excluding the GME adjustment from the base rate. Based on all of the information available to us and the relevant language contained in the State Plan, DHHS is confident in our interpretation that the base rate is not inclusive of the GME adjustment and we are not persuaded that the session law effectively eliminates the GME adjustment as interpreted by FRD.</p> <p>DHHS believes that the GME adjustment is an important and significant component of the rates paid to teaching hospitals and DHHS does not consider the GME adjustment to be part of the term “base rate.” Having given full consideration to the alternative interpretation and the financial information in support of such an interpretation, we do not plan to update or amend the proposed SPA 14-046 which was submitted to CMS on 09/30/2014.</p>