



Joint Health and Human Services Appropriations Subcommittee

Department of Health and Human Services

Implementation of Major Budget Actions SFY 15-17 Biennium

Feb. 22, 2017

Child Welfare – Program Improvement Plan

Provides additional resources to implement the Program Improvement Plan in response to the 2015 Child and Family Services Review (CFSR). Training for supervisors and leaders who support field social workers will be provided. Three (3) positions will analyze program performance data. In-Home services are expanded to support children's safety while keeping families together and reducing the likelihood of children entering foster care.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
		\$167,083	\$8,372,917	3

- **Two-year Plan approved effective January 1, 2017**
- **Intensive Family Preservation Services**
- **Triple P (Positive Parenting Program)**
- **Training for County Child Welfare Staff**

County Child Welfare Services Oversight and Accountability

Provides funding to enhance the state's capacity to ensure a competent and well-trained county-based child welfare workforce by increasing the availability of local training, tailored to specific needs, provide technical assistance, quantify county outcomes and insure consistency across the counties, and develop a statewide recruitment plan for foster parents and work to improve the foster care licensing process.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
		\$691,965	\$11,614	15

- **Response time for all foster home licensure activities has been reduced from 60 days to 30 days.**
- **LEAN events at county and state levels have produced recommendations to shorten timeline for foster parent licensure.**
- **State/County Partnerships have been initiated with 8 County Departments of Social Services to create more frequent and accessible training opportunities.**
- **Regular and ongoing monitoring of all 100 county DSS child welfare programs informs need for additional training opportunities for county staff.**

Child Fatality Reviews

Fund three (3) additional positions to ensure timely review of child fatalities in accordance with G.S. 143B0150.20. Positions will also develop system capacity to utilize the results and implement the recommendations as a result of the reviews.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
		\$59,150	\$750	3

- **Staff to support local teams in reviewing child fatalities are in place.**
- **Implementing plans for:**
 - **(1) Timely response in conducting reviews with County Community Child Protective Team;**
 - **(2) Assure county compliance with recommended Plan of Action; and**
 - **(3) Use findings from reviews to inform any needed changes to law, rule, policy, practice and training.**

Child Welfare Native American Services

Provides funding for the establishment of a grant program for which North Carolina State-recognized tribes may apply. Grant will assist in recruiting foster parents and increasing the number of foster homes for children who are members of a North Carolina State-recognized tribe and provide training to County DSS staff to ensure culturally appropriate services for children who are members of a N.C. State-recognized tribe.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
			\$60,000	

- **Funds transferred to the Department of Administration, Commission on Indian Affairs (NCCIA).**
- **Three (3) approved trainers – recruitment efforts began in January, 2017.**
- **NCCIA will participate in an American Indian Recruitment and Retention Program with the Annie Casey Foundation.**

Fostering Success / Extend Foster Care to 21 Years of Age

Provides funding to increase the age to 21 for youth in foster care.

...a) A child placed in foster care who has attained the age of 18 years may continue receiving foster care services until reaching 21 years of age as provided by law. A child who initially chooses to opt out of foster care upon attaining the age of 18 years may opt to receive foster care services at a later date until reaching 21 years of age.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
\$50,000		\$1,000,000		1

- **Implemented January 1, 2017**
- **Developed Administrative Rules governing program**
- **Developed and implemented policies and procedures**
- **Modified automation system for financial reimbursement**
- **Provided information sharing and educational events**

Successful Transition of Youth in Foster Care

Provides funds to support a demonstration project with services provided by Youth Villages to improve outcomes for youth ages 17-21 years who transition from foster care through implementation of outcome-based Transitional Living Services.

SFY 2015-16		SFY 2016-17		
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	FTE
\$1,300,000		\$1,750,000		

- Expands evidence-based program from 41 counties to 63 counties.
- Between July 1, 2016 and June 30, 2017 the program will serve approximately 250 youth and young adults by providing transitional services lasting 6-12 months that include:
 - Connecting youth to supportive adults with a goal of establishing lifelong connections.
 - Assisting in high school or GED completion.
 - Connecting youth with employment opportunities.
 - Connecting young adults to housing that can be maintained by the young adult upon discharge.

Temporary Assistance for Facilities that Serve Special Assistance Recipients

Provides funding effective October 1, 2016 on a temporary basis for facilities that serve recipients of special assistance. Total funding is \$7.5 million with 50% of the funding provided by the appropriate county.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
			\$3,750,000	

- **Facilities were required to submit W-9 tax forms for manual registration into the North Carolina Accounting System (NCAS).**
- **Approximately 2,900 adult care and group name facilities are potentially eligible to receive temporary payments.**
- **Payments began in October, 2016 and through February, 2017, have been made for 83% of the 19,500 recipients living in facilities. DHHS is providing technical assistance to remaining facilities.**
- **Expenditures through February, 2017 total \$2,508,258.**

Pilot Program/Increase Access to Public Benefits for Older Dual Eligible Seniors

Provides funds for the Department to establish a pilot program to increase access to Food and Nutrition Services benefits for individual who are dually eligible for Medicare and Medicaid through outreach and assistance with completion of the Food and Nutrition Services applications.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
			\$600,000	

- **RFA process for the pilot program is completed review process in progress.**
- **Leveraging additional private grant funding to support this work.**

County Departments of Social Services Improve Medicaid Timeliness

Provides funding for four (4) Human Services Evaluator/Planner positions to assist county departments of social services offices in using the Client Services Data Warehouse (CSDW) to analyze NC FAST eligibility data for Medicaid and other economic services programs.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
		\$156,785		4

- **Through the hiring of these positions, the Department's multi-Divisional Operational Support Team is focused on creating Medicaid training webinars and providing technical assistance to counties.**
- **Division of Medical Assistance is working to with Counties and DSS to further improve the process.**

Child Care Subsidy Market Rate Increase

Increases the Child Care Subsidy market rate, effective October 1, 2016 for children age 3 - 5 in Tier 1 and 2 counties to the recommended rate in the 2015 Market Rate Study.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
		\$3,450,000		

- **Subsidized child care market rates for pre-school age children in Tier 1 and Tier 2 counties were fully adjusted to the rates as recommended in the 2015 Child Care Market Rate Survey on October 1, 2016.**
- **With this change, this represents the first time that the pre-school age child care market rates have been set to fully meet the privately surveyed market rates charged for these counties since the implementation of the tiered rate reimbursement under the North Carolina rated license.**

Vector Surveillance Program

Provides funds to develop an infrastructure to detect, prevent, control and respond to the Zika virus and other vector-borne illnesses. The Division of Public Health (DPH) will use the funds to establish 3 positions and to provide \$177,500 in aid to counties statewide.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
		477,500		3

- **2 entomologist hired; lab scientist starts March 2017**
- **\$277,500 (\$177,550 appropriations; \$100,000 federal grant) distributed to 9 Local Health Departments**
- **2016 – First mosquito survey in > 20 years; 16 counties; no *Aedes aegypti* identified; informs us about *Aedes triseriatus* (LaCrosse Encephalitis; high incidence in Western NC)**
- **Post hurricanes - federal government will agree to bear some of the cost of mosquito control if there is multi-year surveillance data**

Use of AIDS Drugs Assistance Program (ADAP) Funds to Purchase Health Insurance

The Department of Health and Human Services, Division of Public Health, shall create within the North Carolina AIDS Drug Assistance Program (ADAP) a health insurance premium assistance program that utilizes federal funds from Part B of the Ryan White HIV/AIDS Program and ADAP funds to provide eligible beneficiaries with premium and cost-sharing assistance for the purchase or maintenance of private health insurance coverage, including premiums, co-payments, and deductibles.

- **Conducted review for cost neutrality for prior year; currently reviewing cost neutrality for 2017.**
- **Pursuant to statute, decision to be made by July 31, 2017 about implementation.**

Local Health Departments - Improve Birth Outcomes

Provides funds for a competitive block grant process for county health departments to increase access to prenatal care and improve birth outcomes.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
\$2,500,000		\$2,500,000		

Improving Community Outcomes for Maternal and Child Health - services for women, men and children (0-5) in 13 counties using evidence-based strategies.

Evidence-based strategies include:

- Long-acting reversible contraception (LARC)
- Tobacco Cessation and Counseling
- Ten Steps for Successful Breastfeeding
- Triple P (Positive Parenting Program)
- Family Connects Newborn Home Visiting Program
- Clinical Efforts to Address Secondhand Smoke Exposure (CEASE).

Initial outputs include LARC and 5As tobacco cessation provider training completed.

Evidence-Based Programs in Counties With Highest Infant Mortality Rates

Maternal and Child Block Grant funding (\$1.575M) for evidence-based programs in counties with the highest infant mortality rates:

- **January 2016 - 26 Local Health Departments (LHDs) funded in counties with highest infant mortality rates during the most recent five-year period (2010-2014)**
- **Sustained multi-sector effort needed**
- **Initial January - May 2016 outputs are:**

Evidence-Based Strategy (EBS)	# LHDs that Implemented EBS	# Patients Received Services	# Patients Received Education	# LHD Staff Received Training	# Home Visits Conducted
Infant Safe Sleep Practices	12	755	213 educational sessions conducted	40	N/A
Long Acting Reversible Contraceptives	21	348	3,256	92	N/A
Nurse Family Partnership	3	197	N/A	N/A	973
Centering Pregnancy	3	25	N/A	12	N/A
17P	3	1	11	8	N/A

Use of Dorothea Dix Hospital Property Funds

Provides funds to the Department of Health and Human Services, Budget Code 24460, for start-up costs (renovation or construction) to establish up to 2 new child facility-based crisis centers. Funds will be awarded on a competitive basis. The Department shall establish a process for applying for these grants, criteria for evaluating applications, and a process for allocating grants.

Transfers funds to the Human Services, Budget Code 24460, for the purpose of expanding inpatient capacity in rural areas near counties with limited inpatient capacity relative to their needs through constructing new beds or renovating existing beds to form new inpatient psychiatric units. Beds constructed or converted with these funds shall be named in honor of Dorothea Dix.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
			\$18,000,000	
			\$2,000,000	

Rural Bed Conversion/Construction and Facility Based Crisis Centers for Children RFAs posted. Awards expected in near future.

Funds for Community Paramedicine Program

Provides funds to implement 3 pilot projects focused on expanding the role of paramedics to allow for community-based initiatives designed to avoid nonemergency use of hospital emergency rooms.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
	\$350,000			

- The three pilot sites, the North Carolina Office of Emergency Medical Services (NCOEMS) and partnering agencies (such as NC Association of EMS Administrators, NC Association of EMS Educators, CCNC, NC Division of Mental Health/Developmental Disabilities/Substance Abuse Services, et al.) support expansion of Community Paramedic programs.
- Next steps include pursuing the structure necessary to effectively regulate and monitor Community Paramedic programs.
- Other items to be addressed include: educational requirements, data collection, procedures and processes, and transportation requirements. Stakeholders are actively involved in working the NCOEMS to make these changes.

Alcohol and Drug Abuse Treatment Centers

Eliminates the General Fund appropriations and converts the state-operated ADATCs to 100% receipt-supported

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
(\$37,381,817)		(\$37,381,817)		

- **During the budget certification process for SFY 15/16, state funds in this amount were eliminated from the ADATCs.**
- **Division of State Operated Health Care Facilities is providing specific patient and county-level data on a monthly basis to each MCO as to who they are serving.**

Substance & Alcohol Abuse Treatment Services

Provides funding to LME-MCOs to purchase inpatient alcohol and substance abuse treatment services from the State-Operated ADATCs.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
\$37,381,817		\$37,381,817		

- **For SFY 16-17, DMH/DD/SAS allocated to each LME-MCO 90% of the \$37,381,817 for the purpose of purchasing inpatient alcohol and substance abuse treatment services from the state-operated Alcohol and Drug Abuse Treatment Centers (ADATCs).**
- **For SFY 16-17, DMH/DD/SAS also separately allocated to each LME-MCO 10% of the \$37,381,817 for the purpose of purchasing inpatient and/or residential substance-related disorder treatment services in the ADATCs or community.**

Strategic Plan for Improvement of Behavioral Health Services

By January 1, 2018, DHHS shall develop and submit to the JLOC on Health and Human Services, the JLOC on Medicaid and NC Health Choice, and the Fiscal Research Division a strategic statewide plan to improve the efficiency and effectiveness of State-funded behavioral health services

- **Work-to-date has focused on cataloguing the numerous existing documents and requirements of the current MH/IDD/SUD/TBI services system, including other existing strategic and implementation plans.**
- **Strategic planning work is ongoing and is serving as a catalyst for multi-stakeholder conversations about the future of behavioral health services.**

Reserve Fund for Governor's Mental Health and Substance Use Task Force Recommendations

Reserves funding to implement the recommendations of the Governor's Task Force on Mental Health and Substance Use. The funds shall be held in the Mental Health and Substance Use Task Force Reserve Fund, shall not revert, and shall remain available until expended. Monies may only be expended with the prior approval of the Office of State Budget and Management and a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
		\$10,000,000	\$10,000,000	

Implementation Plans approved: January 24, 2017. Two case management pilots:

- Adult Case Management: \$9,750,081: Alliance Behavioral Health & Youth Villages
- Child Case Management: \$9,750,000: Vaya Health, RHA Health Services & Mission Hospital

Law Enforcement Assisted Diversion: \$499,919: Statesville; Waynesville; Haywood County; Iredell County

Transitions to Community Living Initiative (TCLI)

Provides funds pursuant to the U.S. Department of Justice settlement agreement to continue to develop and implement housing, supports, and other services for people with serious mental illness

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
\$8,978,978		\$13,561,038		2

- **Budget has been realigned based on recommendations from the Independent Reviewer, after evaluation of every area of the settlement.**
- **Three areas of primary expectation:**
 - **Supportive Housing – 3,000 units/slots by 2020**
 - **Supportive Employment – 2,500 individuals served by fidelity provider by 2019**
 - **Assertive Community Treatment – 50 teams serving 5,000 persons by 2020**

Medication-Assisted Opioid Use Disorder Treatment Pilot

Pilot Program. – The Department shall oversee the administration of a three-year pilot program to be conducted by designated FQHCs to address North Carolina's growing opioid addiction and overdose crisis. The goal of the pilot program is to study the effectiveness of combining behavioral therapy with the utilization of a nonnarcotic, nonaddictive, extended-release, injectable formulation of opioid antagonist approved by the United States Food and Drug Administration for the prevention of relapse to opioid dependence.

3-year pilot program to study the effectiveness of combining behavioral therapy with injectable opioid antagonist

Funds allocated for SFY 16-17 from the Substance Abuse Prevention & Treatment Block Grant

4 FQHCs selected to participate:

- Blue Ridge Community Health Services – site to be determined**
- High Country Community Health - Boone**
- Lincoln Community Health Center – Durham**
- Metropolitan Community Health – Beaufort County**

Proposal received from Treatment Research Institute to conduct randomized controlled trial

Expanded Use Of Funds For Inpatient Psychiatric Beds or Bed Days

Of the funds appropriated in Section 2.1 of this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for crisis services...for the 2016-2017 fiscal year shall be used to purchase additional new or existing local inpatient psychiatric beds or bed days not currently funded by or through LME/MCOs. The Department may use up to ten percent (10%) of the funds allocated in this subsection for the 2016-2017 fiscal year for the State's three-way contracts to pay for facility-based crisis services and non-hospital detoxification services for individuals in need of these services, regardless if the individuals are medically indigent, as defined in subsection (b) of this section."

- **Three-Way Psychiatric Inpatient Contracts Executed (29 in total)**
 - **Utilization Management clarified**
 - **Clear description of service and billing**
- **179 beds available**
- **\$3.42 million (8%) allocated to LME-MCOs for Facility Based Crisis/Non-Hospital Medical Detox**
- **49% of remaining amount (\$37.16 million) paid as of 2/20/17**

Medicaid Transformation

An act to transform and reorganize North Carolina's Medicaid and Health Choice programs.

Updates:

- **CMS engagement**
- **Operations work**
- **Positions**
- **Single State Agency SPA**

Local Health Department Cost Settlements

Provides funds to support local health departments and minimize the impact of reduced Medicaid reimbursement rates on the delivery of direct patient services.

...In allocating funds appropriated in this act to the Department of Health and Human Services, Division of Public Health (DPH), for the 2016-2017 fiscal year to support local health departments as they adjust to new Medicaid reimbursement rates, the DPH shall give priority to minimizing any negative impact on the delivery of direct services.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
			\$14,800,000	

- **Current state**

Innovations Waiver

Provides funding to increase NC Innovations 1915(c) waiver slots by 250 individuals effective 1/1/17 who qualify for institutional level care due to intellectual or developmental disabilities, but can be served under a community alternatives plan in their homes.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
		\$2,595,840		

- **New slots - All 250 slots have been allocated to LME/MCOs and are being filled.**

Traumatic Brain Injury Medicaid Waiver

SECTION 12H.6.(a) *The Department of Health and Human Services, Division of Medical Assistance and Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (Department), shall submit to the Centers for Medicare and Medicaid Services a request for approval of the 1915(c) waiver for individuals with traumatic brain injury (TBI) that the Department designed pursuant to Section 12H.6 of S.L. 2014-100, which the Joint Legislative Oversight Committee on Health and Human Services recommended as part of its December 2014 report to the General Assembly, and which is further described in the Department's February 1, 2015, report to the General Assembly.*

SECTION 12H.6.(c) *Of the funds appropriated to the Department of Health and Human Services, Division of Medical Assistance, one million dollars (\$1,000,000) for fiscal year 2015-2016 and two million dollars (\$2,000,000) for fiscal year 2016-2017 shall be used to fund the Medicaid TBI waiver.*

SECTION 12H.6.(d) *The waiver and any State Plan amendments required to implement this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e).*

- **CMS timeline**
- **Home and Community Based Standards (HCBS)**

Study Medicaid Coverage for School-Based Health Services

The Department of Health and Human Services, Division of Medical Assistance (Department), shall conduct a study to identify all school-based health services that are eligible for Medicaid federal matching funds pursuant to federal Medicaid law and regulations but which currently are not reimbursable under North Carolina's Medicaid State Plan. No later than November 1, 2016, the Department shall submit to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division a report containing the following information related to each school-based health service identified:

- (1) An analysis of the fiscal impact both to the Department and to all local education agencies of adding Medicaid coverage for the school-based health service.*
- (2) A description of any plans for adding coverage for the school-based health service, including the anticipated time line for submission of any State Plan Amendments to the Centers for Medicare and Medicaid Services.*

- **Report submitted November 1, 2016**
- **Continue to work with DPI**

Implementation of Drug Reimbursement based on Average Acquisition Cost

(a) The Department of Health and Human Services, Division of Medical Assistance, (Department) shall adopt an average acquisition cost methodology for brand and generic drug ingredient pricing to be effective beginning on January 1, 2016. The drug ingredient pricing methodology shall be consistent with new federal requirements or, if the new federal requirements have not yet been finalized by July 1, 2015, consistent with the most recent draft federal requirements. In adopting a new drug ingredient pricing methodology, the Department shall also do all of the following:

- (1) Raise the average dispensing fee to a weighted average amount that does not exceed twelve dollars and forty cents (\$12.40).*
- (2) Set actual dispensing fees that maintain a higher dispensing fee for preferred and generic drugs and a lower dispensing fee for brand and nonpreferred drugs.*
- (3) Ensure that ingredient prices are updated at least monthly.*

(b) In order to implement this section, the Department shall either amend the State plan amendment request submitted to the Centers for Medicare and Medicaid Services (CMS) pursuant to Section 12H.8 of S.L. 2014-100 so that it conforms with the requirements of this section or shall withdraw that State plan amendment and submit a new State plan amendment request to CMS that conforms with the requirements of this section. Any State plan amendments required to implement this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e) but shall be submitted by January 1, 2016.

- **The Average Acquisition Cost (AAC) reimbursement methodology was implemented in NCTracks August 1, 2016, after CMS approved the State Plan Change.**

Rates Paid to Federally Qualified Health Centers and Rural Health Clinics

Effective July 1, 2016, and within existing funds, the Department of Health and Human Services, Division of Medical Assistance, shall adjust the rates for core services paid to Federally Qualified Health Centers and Rural Health Clinics to more appropriately reflect the costs of these services in accordance with federal statutes and guidance.

- **FQHCs and RHCs have their individual PPS rate updated annually in accordance with the State Plan.**
- **The effective date of the rate adjustment coincides with the FQHC/RHC fiscal year.**

Contract To Recover Certain Overpayments and Reporting on Prepayment Fraud

No later than October 1, 2016, the Department of Health and Human Services, Division of Medical Assistance, shall issue a request for proposals (RFP) to recover Medicaid and NC Health Choice overpayments to providers when the total amount owed to the State by the provider is less than one hundred fifty dollars (\$150.00). The RFP shall specify that payment under the contract shall be made only in the form of a contingent fee. The contingent fee shall be set at a percentage of the State share of the final overpayment, as defined in G.S. 108C-2(5), that is recovered.

- **The RFP has been issued; proposals will be evaluated and award made in near future.**

NC FAST- Operations and Maintenance

Provides \$9,871,059 in FY 2015-16 and \$13,220,665 in FY 2016-17 in additional receipts for ongoing maintenance and operations for the NC FAST system. Three technology support analyst positions will be created and funded with the additional receipts.

- **NC FAST system availability over the period of June 2015 to Jan 2017 has been 99.54%**
- **NC FAST Help Desk Tickets Resolved**

<u>SFY 2015-2016</u>	<u>SFY 2016-2017 (YTD)</u>
47,822	26,734
- **Introduced the Provider Portal for Child Care in June 2016.**
- **Introduced the Cash Assistance Substance Abuse functionality for all 100 counties in July 2015.**
- **Ran first Disaster SNAP program in the NC FAST system, supporting 47 counties and issuing \$87.7M in DSNAP, replacement, and supplemental payments due to Hurricane Matthew.**
- **Introduced the Able-Bodied Adults without Dependencies (ABAWD) functionality. From January – June 2016, 23 counties participated in ABAWD and the remaining 77 counties began participation in July 2016.**

NC FAST - Development

Provides funding for continued system development including using prior-year earned revenue in the nonrecurring amount of \$9.4 million in SFY 2015-16 and \$10,989,017 in SFY 2016-17.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
0	\$5,803,000	0	\$13,052,000	40.0

Project 7 (MAGI / Affordable Care Act):

- Feb 2013 – Jun 2016 delivery of ACA MAGI functionality for Project 7 and completed project closeout.

Project 3 Child Care and Energy:

- Child Care Provider Portal functionality went live ahead of schedule in June 2016. The pilot will continue through March 2017 with rollout through the first half of 2017.
- Energy user acceptance testing and end user training is currently in progress for 4 LIEAP and CIP pilot counties

Project 9 Medicaid Self-Service and Program Integrity:

- Project is on schedule and continues to provide more client-facing capabilities for those individuals applying for and/or receiving Medicaid as well as ACA MAGI updates. Deployment of secure inbox functionality in Feb 2017.

Project 4 Child Services:

- Project remains on schedule to meet the legislatively recommended go-live date of December 2017

NCTRACKS

Provides recurring funding for the operation and maintenance of NC TRACKS. Additional nonrecurring funding is provided for the development and implementation of 2 projects; ICD-10 which is used to code medical procedures and the Business Process Automated System for the Division of Health Service Regulation.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
\$400,000	\$2,300,000	\$400,000	\$940,000	

Recipient and provider impact - *July 1, 2013 – June 30, 2016*

- 99.9% system and uptime availability
- 646 million claims processed
- \$32.9B paid to providers
- 85,476 healthcare providers currently enrolled
- 1.8 million North Carolina citizens served

Health Information Exchange (HIE)

Funding is provided to continue efforts towards the implementation of a statewide HIE.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
\$8,000,000	\$4,000,000	\$8,000,000	\$4,000,000	0.0

- **Transition Date of the HIE Environment (Go Live): March 1, 2016**
- **Unique Patient Records: 3.4 million**
- **Signed Participation Agreements: 380**
- **Data Connections: 127 (includes 20 of 126 hospitals operating in the state, including UNC Health Care System, and 23 county health departments)**
- **Facilities Connected: 837 (e.g. UNC Health Care System, 23 Local Health Departments, 8 Federally Qualified Health Centers and other providers)**

Government Data Analytics Center

Funds for Continued Development of Health Analytics Pilot Program

Funds a contract for the development for new and enhanced health data analytics capability and functionality for the Department. Provides funds for a pilot to integrate new data sources, such as patient-level Healthcare Effectiveness Data and Information Set (HEDIS) quality measures; automate reporting and analytic capabilities; integrate a tool to construct and analyze claims as clinical episodes of care to fit into reform; and help the State move to value-based purchasing arrangements.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
\$250,000	\$750,000	\$250,000	\$1,250,000	0.0

- Building enrollment analytics and visual dashboards with a target completion date in March 2017.
- Building Episodes of Care Analytics and anticipate user training and testing to begin in March 2017 and a target completion date in May 2017.

Graduate Medical Education Funding/Cape Fear Valley Medical Center

Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for the 2016-2017 fiscal year for Graduate Medical Education, the sum of up to seven million seven hundred thousand dollars (\$7,700,000) in recurring funds shall be allocated to Cape Fear Valley Medical Center to support the establishment of residency programs affiliated with Campbell University School of Medicine.

Conditions for Payment of funding:

The Office of State Budget and Management (OSBM) has certified, in writing, that the Center has met the required criteria as follows on January 25, 2017:

- **Received private donations for the residency programs in the amount of at least three million dollars (\$3,000,000).**
- **Obtained approval from CMS for reclassification as a rural hospital.**
- **Obtained approval from the Accreditation Council for Graduate Medical Education or the American Osteopathic Association for residency programs with a minimum of 130 additional residency slots.**

Improve Controlled Substances Reporting System

Provides funding to develop software and upgrade the Controlled Substance Reporting System (CSRS) as follows \$600,000 nonrecurring shall be used to upgrade the CSRS database to meet the most current architecture standards of the American Society for Automation in Pharmacy and Prescription Monitoring Information Exchange, \$375,000 recurring and \$653,400 nonrecurring shall be used to develop and implement software for the performance of advanced analytics within the CSRS Provides funding to strengthen controlled substance monitoring.

SFY 2015-16		SFY 2016-17		FTE
RECURRING	NON-RECURRING	RECURRING	NON-RECURRING	
\$15,000	\$95,070	\$15,000		
		\$375,000	\$1,253,400	

- **DMH/DD/SAS is working to modernize the CSRS database in order to improve the security, functionality and interface capabilities of the system.**
- **DMH/DD/SAS is leveraging other GDAC data sources in order to improve analytical reports used by prescribers and dispensers at the point of care.**
- **The Division is in the process of obtaining the California CURES 2.0 architecture and code to replicate the system in North Carolina and maximize efficiencies and resources in the development of the new database.**

Cherry Hospital Opening Update

- Patients moved into the new Cherry Hospital from September 27-30, 2016.
- The new facility opened with an operating capacity of 198 beds.
- Currently Cherry's operating capacity is 212 beds.
- An additional 24 beds are scheduled to open in the Summer of 2017.
(Assumes additional staff hired and trained)
- Full capacity of 314 beds is planned for late Spring of 2018
(Staffing of RN positions is currently the limiting factor for opening new beds)