

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 2081*

Short Title: Strengthen State MH/DD/SA Reform. (Public)

Sponsors: Representatives Insko, England, Justice, Nye (Primary Sponsors); Alexander, Barnhart, Earle, Steen, B. Allen, Bordsen, Brown, Coleman, Culp, Farmer-Butterfield, Fisher, Glazier, Goodwin, Harrison, Lucas, Luebke, McLawhorn, Rapp, Spear, Underhill, Wainwright, Weiss, Womble, and Wray.

Referred to: Health, if favorable, Appropriations.

May 18, 2006

A BILL TO BE ENTITLED

1 AN ACT TO STRENGTHEN STATE LEADERSHIP FOR SYSTEM REFORM OF
2 MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE
3 ABUSE SERVICES AND TO APPROPRIATE FUNDS AS RECOMMENDED BY
4 THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL
5 HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE
6 SERVICES.
7

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.(a)** G.S. 122C-102 reads as rewritten:

10 "**§ 122C-102. State Plan for Mental Health, Developmental Disabilities, and**
11 **Substance Abuse ~~Services~~ Services; system performance measures.**

12 (a) Purpose of State Plan. – The Department shall develop and implement a State
13 Plan for Mental Health, Developmental Disabilities, and Substance Abuse Services. The
14 purpose of the State Plan is to provide a strategic template regarding how State and
15 local resources shall be organized and used to provide services. The State Plan shall be
16 issued every three years beginning July 1, 2007. It shall identify specific goals to be
17 achieved by the Department, area authorities, and county programs over a three-year
18 period of time and benchmarks for determining whether progress is being made towards
19 those goals. It shall also identify data that will be used to measure progress towards the
20 specified goals. In order to increase the ability of the State, area authorities, county
21 programs, private providers, and consumers to successfully implement the goals of the
22 State Plan, the Department shall not adopt or implement policies that are inconsistent
23 with the State Plan without first consulting with the Joint Legislative Committee on
24 Mental Health, Developmental Disabilities, and Substance Abuse Services.

25 (b) Content of State Plan. – The State Plan shall include the following:

- 1 (1) Vision and mission of the State Mental Health, Developmental
2 Disabilities, and Substance Abuse Services system.
- 3 ~~(2) Organizational structure of the Department and the divisions of the~~
4 ~~Department responsible for managing and monitoring mental health,~~
5 ~~developmental disabilities, and substance abuse services.~~
- 6 (3) Protection of client rights and consumer involvement in planning and
7 management of system services.
- 8 (4) Provision of services to targeted populations, including criteria for
9 identifying targeted populations.
- 10 (5) Compliance with federal mandates in establishing service priorities in
11 mental health, developmental disabilities, and substance abuse.
- 12 (6) Description of the core services that are available to all individuals in
13 order to improve consumer access to mental health, developmental
14 disabilities, and substance abuse services at the local level.
- 15 (7) Service standards for the mental health, developmental disabilities, and
16 substance abuse services system.
- 17 (8) Implementation of the uniform portal process.
- 18 (9) Strategies and schedules for implementing the service plan, including
19 consultation on Medicaid policy with area and county programs,
20 qualified providers, and others as designated by the Secretary,
21 intersystem collaboration, promotion of best practices, technical
22 assistance, outcome-based monitoring, and evaluation.
- 23 (10) A plan for coordination of the State Plan for Mental Health,
24 Developmental Disabilities, and Substance Abuse Services with the
25 Medicaid State Plan, and NC Health Choice.
- 26 (11) A business plan to demonstrate efficient and effective resource
27 management of the mental health, developmental disabilities, and
28 substance abuse services system, including strategies for
29 accountability for non-Medicaid and Medicaid services.
- 30 (12) Strategies and schedules for implementing a phased in plan to
31 eliminate disparities in the allocation of State funding across county
32 programs and area authorities by January 1, 2007, including methods
33 to identify service gaps and to ensure equitable use of State funds to
34 fill those gaps among all counties.

35 (c) State Performance Measures. – The State Plan shall also include a mechanism
36 for measuring the State's progress towards increased performance on the following
37 matters: access to services, consumer-focused outcomes, individualized planning and
38 supports, promotion of best practices, quality management systems, system efficiency
39 and effectiveness, and prevention and early intervention. Beginning October 1, 2006,
40 and every six months thereafter, the Secretary shall report to the General Assembly and
41 the Joint Legislative Oversight Committee on Mental Health, Developmental
42 Disabilities, and Substance Abuse Services, on the State's progress in these performance
43 areas."

1 **SECTION 1.(b)** The North Carolina Department of Health and Human
2 Services (DHHS) shall review all State Plans for Mental Health, Developmental
3 Disabilities, and Substance Abuse Services, implemented after July 1, 2001, and before
4 the effective date of this act and produce a single document that contains a cumulative
5 statement of all still applicable provisions of those Plans. This cumulative document
6 shall constitute the State Plan until July 1, 2007.

7 DHHS and the Secretary shall also identify those provisions in
8 G.S. 122C-112.1, prior State Plans, and directives or communications by the Division of
9 Mental Health, Developmental Disabilities, and Substance Abuse Services that must be
10 adopted as administrative rules in order to be enforceable and undertake to adopt those
11 rules.

12 **SECTION 2.** G.S. 122C-112.1(a)(9) reads as rewritten:

13 "**§ 122C-112.1. Powers and duties of the Secretary.**

14 (a) The Secretary shall do all of the following:

15 ...

16 (9) Assist—Provide ongoing and focused technical assistance to area
17 authorities and county programs in the implementation of their
18 administrative and management functions and the establishment and
19 operation of community-based programs. The Secretary shall include
20 in the State Plan a mechanism for monitoring the Department's success
21 in implementing this duty and the progress of area authorities and
22 county programs in achieving these functions."

23 **SECTION 3.** There is appropriated from the General Fund to the
24 Department of Health and Human Services (DHHS) the sum of one million seven
25 hundred thousand dollars (\$1,700,000) for the 2006-2007 fiscal year to be used to hire
26 one or more independent consultants to undertake the following tasks:

27 (1) Assist DHHS with the strategic planning necessary to develop the
28 revised State Plan as required under G.S. 122C-102. The State Plan
29 shall be coordinated with local and regional crisis service plans by area
30 authorities and county programs.

31 (2) Study and make recommendations to increase the capacity of DHHS to
32 implement system reform successfully and in a manner that maintains
33 strong management functions by area authorities and county programs
34 at the local level.

35 (3) Assist the Division of Mental Health, Developmental Disabilities, and
36 Substance Abuse Services to work with area authorities and county
37 programs to:

38 a. Develop and implement five to ten critical performance
39 indicators to be used to hold area authorities and county
40 programs accountable for managing the mental health,
41 developmental disabilities, and substance abuse services
42 system. The performance system indicators shall be
43 implemented no later than six months after the consultant's
44 contract is awarded and in no event later than July 1, 2007.

- 1 b. Standardize the utilization management functions for Medicaid
2 and non-Medicaid services and for the review and approval of
3 person-centered plans.
4 c. Develop area authorities' and county programs' expertise to
5 assume utilization management for Medicaid services. The goal
6 shall be to have a portion of the area authorities and county
7 programs assume that function beginning July 1, 2007 and the
8 remainder to assume the function no later than July 1, 2009.
9 d. Develop a standardized operating procedure for area authorities
10 and county programs.
11 e. Implement other uniform procedures for the management
12 functions of area authorities and county programs.
13 (4) Provide technical assistance and oversight to private service providers,
14 area authorities, and county programs to ensure that best practices and
15 new services are being delivered with fidelity to the service definition
16 model.

17 **SECTION 4.** There is appropriated from the General Fund to the
18 Department of Health and Human Services, Division of Mental Health, Developmental
19 Disabilities, and Substance Abuse Services, the sum of three hundred thousand dollars
20 (\$300,000) for the 2006-2007 fiscal year to be used for three full-time positions to
21 create a Local Management Entity Strategic Assistance Team (Team). The Team shall
22 assist local management entities develop, implement, and maintain their statutory
23 responsibilities.

24 **SECTION 5.** This act becomes effective July 1, 2006.