

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 1530*

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

Sponsors: Senators Nesbitt, Allran, Cowell, Dannelly, Forrester, Lucas, Malone, Purcell; Albertson, Atwater, Bland, Boseman, Hartsell, Jenkins, Shaw, and Snow.

Referred to: Health Care.

May 18, 2006

A BILL TO BE ENTITLED

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

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:

26 (1) Vision and mission of the State Mental Health, Developmental
27 Disabilities, and Substance Abuse Services system.

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

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

42 **SECTION 1.(b)** The North Carolina Department of Health and Human
43 Services (DHHS) shall review all State Plans for Mental Health, Developmental
44 Disabilities, and Substance Abuse Services, implemented after July 1, 2001, and before

1 the effective date of this act and produce a single document that contains a cumulative
2 statement of all still applicable provisions of those Plans. This cumulative document
3 shall constitute the State Plan until July 1, 2007.

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

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

10 **"§ 122C-112.1. Powers and duties of the Secretary.**

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

12 ...

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

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

- 24 (1) Assist DHHS with the strategic planning necessary to develop the
25 revised State Plan as required under G.S. 122C-102. The State Plan
26 shall be coordinated with local and regional crisis service plans by area
27 authorities and county programs.
- 28 (2) Study and make recommendations to increase the capacity of DHHS to
29 implement system reform successfully and in a manner that maintains
30 strong management functions by area authorities and county programs
31 at the local level.
- 32 (3) Assist the Division of Mental Health, Developmental Disabilities, and
33 Substance Abuse Services to work with area authorities and county
34 programs to:
- 35 a. Develop and implement five to ten critical performance
36 indicators to be used to hold area authorities and county
37 programs accountable for managing the mental health,
38 developmental disabilities, and substance abuse services
39 system. The performance system indicators shall be
40 implemented no later than six months after the consultant's
41 contract is awarded and in no event later than July 1, 2007.
- 42 b. Standardize the utilization management functions for Medicaid
43 and non-Medicaid services and for the review and approval of
44 person-centered plans.

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

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

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