

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH70347-SH-16 (03/06)

Short Title: Community-Based Care Management Pilot.

(Public)

Sponsors: Representative Earle.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO DIRECT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF MEDICAL ASSISTANCE, TO ESTABLISH A PILOT PROGRAM TO EVALUATE THE USE OF INTEGRATED HOME AND COMMUNITY-BASED CARE MANAGEMENT SYSTEMS FOR LONG-TERM CARE.

The General Assembly of North Carolina enacts:

SECTION 1.1. The Department of Health and Human Services, Division of Medical Assistance, shall establish a pilot program to evaluate the use of fully capitated, integrated home and community-based care management systems for individuals who qualify for skilled nursing care but prefer community-based care in an appropriate and less restrictive setting.

SECTION 1.2. The Department shall develop and select projects whose design and providers demonstrate the capacity to maximize the placement of participants in the community in the least restrictive appropriate care setting with the following goals:

- (1) Rebalancing the utilization from in-patient and/or institutional settings to community-based settings.
- (2) Improving consumer self-direction.
- (3) Reducing Medicaid program costs.
- (4) Achieving comprehensive care coordination across the spectrum of services utilized by aged and disabled individuals. This shall include medical, community, and social services, as well as other services or goods necessary for maximizing the independence and integration of individuals in a community.

SECTION 1.3. The Department shall annually reevaluate and recertify the capitation rates for the pilot projects. The projects must be developed using actuarially

1 and financially sound reimbursement rate criteria. Areas selected for the projects shall
2 include at least two urban counties, and one contiguous county considered rural. The
3 Department shall seek federal waivers necessary to place a cap on the number of pilot
4 project providers in each geographic area. The pilot projects must accomplish the
5 following:

- 6 (1) Provide services for participants that are of sufficient quality, quantity,
7 type, and duration to prevent or delay nursing facility placement.
- 8 (2) Integrate acute and long-term care services, and the funding sources
9 for such services, as feasible.
- 10 (3) Encourage individuals, families, and communities to plan for their
11 long-term care needs.
- 12 (4) Provide skilled and intermediate nursing facility care for participants
13 who cannot be cared for in noninstitutional settings.

14 **SECTION 1.4.** The Department shall select care management organizations
15 to implement the projects that demonstrate the following:

- 16 (1) Experience and expertise in managing a system of care designed
17 specifically for aged and disabled populations.
- 18 (2) The ability to provide program enrollees with a choice of care provider
19 by contracting with multiple providers that provide the same type of
20 service.
- 21 (3) Through performance, or other documented means, the capacity for
22 executing fully capitated contracts.

23 **SECTION 1.5.** The Department shall provide to prospective participants a
24 choice of participating in a pilot project, or selecting any other available appropriate
25 placement. To the extent possible, individuals shall be allowed to choose their care
26 providers, including long-term care service providers affiliated with an individual's
27 religious faith or denomination. Prospective participants who apply for a pilot project
28 shall be evaluated financially and clinically to insure Medicaid eligibility, and to
29 identify unmet needs and participant goals. The Department may require participants to
30 contribute to their cost of care in an amount not to exceed the cost-sharing required of
31 Medicaid-eligible nursing home residents.

32 **SECTION 2.** The Department of Health and Human Services, Division of
33 Medical Assistance, shall provide an interim report on the pilot program authorized in
34 Section 1 of this act on or before April 1, 2008, and a final report on or before April 1,
35 2009, to the Senate Appropriations Committee on Health and Human Services, the
36 House of Representatives Appropriations Subcommittee on Health and Human
37 Services, and the Fiscal Research Division.

38 **SECTION 3.** The Department shall adopt any rules necessary to implement
39 Section 1 of this act.

40 **SECTION 4.** This act is effective when it becomes law.