

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1747

Short Title: Community-Based Care Management Pilot.

(Public)

Sponsors: Representative Earle.

Referred to: Health, if favorable, Appropriations.

April 19, 2007

A BILL TO BE ENTITLED

1 AN ACT TO DIRECT THE DEPARTMENT OF HEALTH AND HUMAN
2 SERVICES, DIVISION OF MEDICAL ASSISTANCE, TO ESTABLISH A PILOT
3 PROGRAM TO EVALUATE THE USE OF INTEGRATED HOME AND
4 COMMUNITY-BASED CARE MANAGEMENT SYSTEMS FOR LONG-TERM
5 CARE.
6

7 The General Assembly of North Carolina enacts:

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

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

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

26 **SECTION 1.3.** The Department shall annually reevaluate and recertify the
27 capitation rates for the pilot projects. The projects must be developed using actuarially
28 and financially sound reimbursement rate criteria. Areas selected for the projects shall
29 include at least two urban counties, and one contiguous county considered rural. The

1 Department shall seek federal waivers necessary to place a cap on the number of pilot
2 project providers in each geographic area. The pilot projects must accomplish the
3 following:

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

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

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

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

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

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

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