A BILL TO BE ENTITLED
AN ACT MODIFYING CERTAIN MEDICAID-RELATED PROVISIONS OF THE 2020
COVID-19 RECOVERY ACT, UPDATING THE MEDICAID PROGRAM
BENEFICIARY APPEALS PROCESSES, INCREASING THE AMOUNT OF
ALLOWABLE THERAPEUTIC LEAVE UNDER THE MEDICAID PROGRAM,
REQUIRING MEDICAID STANDARD BENEFIT PLANS TO COVER ADDITIONAL
BEHAVIORAL HEALTH SERVICES, ALLOWING RETROACTIVE COVERAGE OF
MEDICAID SERVICES BY PREPAID HEALTH PLANS, REVISING THE TRANSFER
OF AREA AUTHORITY FUND BALANCES, REMOVING THE RATE FLOOR FOR
DURABLE MEDICAL EQUIPMENT, AND MAKING VARIOUS TECHNICAL
CORRECTIONS TO THE STATUTES GOVERNING THE NORTH CAROLINA
MEDICAID PROGRAM, AS REQUESTED BY THE DEPARTMENT OF HEALTH AND
HUMAN SERVICES.

The General Assembly of North Carolina enacts:

PART I. MODIFICATIONS TO MEDICAID-RELATED PROVISIONS OF THE 2020
COVID-19 RECOVERY ACT

EXCLUDE THE COVID-19 TESTING COVERAGE GROUP FROM MEDICAID
MANAGED CARE

SECTION 1.1. Section 4.5 of S.L. 2020-4 reads as rewritten:
"PROVIDE MEDICAID COVERAGE FOR COVID-19 TESTING TO UNINSURED
INDIVIDUALS IN NORTH CAROLINA DURING THE NATIONWIDE PUBLIC
HEALTH EMERGENCY"

"SECTION 4.5. The Department of Health and Human Services, Division of Health
Benefits (DHB), is authorized to provide the Medicaid coverage described in 42 U.S.C.A. §
1396a(a)(10)(A)(ii)(XXIII), which covers COVID-19 testing for certain uninsured individuals
during the period in which there is a declared nationwide public health emergency as a result of
the 2019 novel coronavirus, and for which the federal medical assistance percentage is one
hundred percent (100%). DHB is authorized to provide this medical assistance retroactively to
the earliest date allowable. Notwithstanding G.S. 108D-40, individuals receiving this Medicaid
coverage shall not be covered by capitated prepaid health plan contracts under Article 4 of
Chapter 108D of the General Statutes."

END TEMPORARY MEDICAID PROVIDER CHANGES IMPLEMENTED DUE TO
THE PUBLIC HEALTH EMERGENCY
SECTION 1.2. Effective 30 days after this act becomes law, Section 4.7 of S.L. 2020-4 is repealed.

PART II. MEDICAID BENEFICIARY APPEALS MODIFICATIONS

ALLOW MEDICAID BENEFICIARIES TO FILE APPEALS BY TELEPHONE

SECTION 2.1.(a) G.S. 108A-70.9A is amended by adding a new subsection to read:

"(c1) Notice Availability. – The Department shall make available to OAH a copy of the notice of adverse determination required under subsection (c) of this section. The information contained in the notice is confidential unless the recipient appeals the adverse determination under subsection (d) of this section. OAH may dispose of these records after one year."

SECTION 2.1.(b) G.S. 108A-70.9A(d) reads as rewritten:

"(d) Appeals. – Except as provided by this section and G.S. 108A-70.9B, a request for a hearing to appeal an adverse determination of the Department under this section is a contested case subject to the provisions of Article 3 of Chapter 150B of the General Statutes. The recipient shall request a hearing within 30 days of the mailing of the notice required by subsection (c) of this section by sending-filing an appeal request form to OAH and the Department. Where a request for hearing concerns the reduction, modification, or termination of Medicaid services, including the failure to act upon a timely request for reauthorization with reasonable promptness, upon the receipt of a timely appeal, the Department shall reinstate the services to the level or manner prior to action by the Department as permitted by federal law or regulation. The Department shall immediately forward a copy of the notice to OAH electronically. The information contained in the notice is confidential unless the recipient appeals. OAH may dispose of the records after one year. The Department may not influence, limit, or interfere with the recipient's decision to request a hearing."

SECTION 2.1.(c) G.S. 108A-70.9A(e)(1) reads as rewritten:

"(1) A statement that, in order to request an appeal, the recipient must send the form by mail or fax to the address or fax number listed on the form with OAH within 30 days of mailing of the notice, and the form may be filed by either (i) sending the form by mail or fax to the address or fax number listed on the form or (ii) calling the telephone number on the form and providing the information requested on the form."

SECTION 2.1.(d) G.S. 108D-5.7(a)(1) reads as rewritten:

"(1) A statement that, in order to request an appeal, the enrollee must file the form in accordance with OAH rules, by mail or fax to the address or fax number listed on the form, no later than 30 days after the mailing date of the notice of resolution, and the form may be filed by either (i) sending the form by mail or fax to the address or fax number listed on the form or (ii) calling the telephone number on the form and providing the information requested on the form."

SECTION 2.1.(e) G.S. 108D-5.9(a) reads as rewritten:

"(a) Appeals. – An enrollee, or the enrollee's authorized representative, who is dissatisfied with an adverse disenrollment determination may file an appeal for a hearing request a hearing to appeal the determination by filing the appeal request form provided under G.S. 108D-5.7(a) with the Office of Administrative Hearings within 30 calendar days of the date on the notice of resolution. The form may be filed by either (i) sending the form by mail or fax to the address or fax number listed on the form or (ii) calling the telephone number on the form and providing the information requested on the form. A request for a hearing to appeal an adverse disenrollment determination of the Department under this section is a contested case subject to the provisions of Article 3 of Chapter 150B of the General Statutes. The appeal shall be conducted in accordance with the procedures in Part 6A of Article 2 of Chapter 108A of the General Statutes."
SECTION 2.1.(f) G.S. 108D-11(b) reads as rewritten:

"(b) An enrollee, or the enrollee's authorized representative, may file grievances and managed care entity level appeals orally or in writing. However, unless the enrollee, or the enrollee's authorized representative, requests an expedited appeal, the oral appeal must be followed by a written, signed appeal."

SECTION 2.1.(g) G.S. 108D-15(d) reads as rewritten:

"(d) Filing Procedure. – An enrollee, or the enrollee's authorized representative, may file a request for an appeal by sending filing an appeal request form that meets the requirements of subsection (e)–(f) of this section to OAH and the affected managed care entity by no later than 120 days after the mailing date of the notice of resolution. A request for appeal is deemed filed when a completed and signed appeal request form has been both submitted into the care and custody of the chief hearings clerk of OAH and accepted by the chief hearings clerk. The form may be filed by either (i) sending the form by mail or fax to the address or fax number listed on the form or (ii) calling the telephone number on the form and providing the information requested on the form. Upon receipt of a timely filed appeal request form, information contained in the notice of resolution is no longer confidential, and the managed care entity shall immediately forward a copy of the notice of resolution to OAH electronically. OAH may dispose of these records after one year."

SECTION 2.1.(h) G.S. 108D-15(f)(1) reads as rewritten:

"(1) A statement that that, in order to request an appeal, the enrollee must file the form in accordance with OAH rules, by mail or fax to the address or fax number listed on the form, no later than 120 days after the mailing date of the notice of resolution, resolution, and the form may be filed by either (i) sending the form by mail or fax to the address or fax number listed on the form or (ii) calling the telephone number on the form and providing the information requested on the form."

SECTION 2.1.(i) This section is effective when it becomes law and applies to (i) appeal request forms under G.S. 108A-70.9A(e), 108D-5.7(a), and 108D-15(f) issued on or after that date and (ii) appeals requested on or after that date.

EXPEDITED PROCESS FOR MEDICAID BENEFICIARY APPEALS

SECTION 2.2.(a) G.S. 108A-70.9A(e) is amended by adding a new subdivision to read:

"(3a) The option for the recipient to request an expedited appeal."

SECTION 2.2.(b) G.S. 108A-70.9A is amended by adding a new subsection to read:

"(e1) Expedited Appeal Request. – In accordance with 42 C.F.R. § 431.224, a recipient may request that an appeal under subsection (d) of this section be expedited if the time otherwise permitted for a hearing could jeopardize the recipient's life, health, or ability to attain, maintain, or regain maximum function. With regard to a request for an expedited appeal, all of the following apply:

(1) The recipient shall submit any additional documentation from a licensed health care professional with relevant excerpts from the recipient's medical record that was not already provided with regard to the adverse determination to demonstrate the need for an expedited appeal.

(2) The Department shall determine if the recipient's request meets the criteria for an expedited appeal.

(3) If the Department determines that the recipient's request does not meet the criteria for an expedited appeal, then (i) the Department shall make reasonable efforts to give the recipient, or the recipient's parent, guardian, or legal representative, oral notice of the denial as expeditiously as possible and shall follow up with a written notice of denial and (ii) the recipient's appeal shall
not be subject to the expedited time frame in subdivision (4) of this subsection.

The denial is not appealable.

(4) If the Department determines that the recipient's request meets the criteria for an expedited appeal, then (i) the mediation procedure under G.S. 108A-70.9B(c) shall not apply to the appeal request and (ii) the decision required under G.S. 108A-70.9B(g) shall be made as expeditiously as possible."

SECTION 2.2.(c) G.S. 108A-79(c) is amended by adding a new subdivision to read:

"(4a) With regard to the Medicaid and NC Health Choice programs only, the option to request an expedited appeal in accordance with subsection (j1) of this section."

SECTION 2.2.(d) G.S. 108A-79 is amended by adding a new subsection to read:

"(j1) In accordance with 42 C.F.R. § 431.224, a Medicaid or NC Health Choice applicant or recipient may request that an appeal from the local appeal hearing decision under subsection (g) of this section or an appeal of a case involving disability be expedited if the time otherwise permitted for a hearing could jeopardize the recipient's life, health, or ability to attain, maintain, or regain maximum function. With regard to a request for an expedited appeal, all of the following apply:

(1) The appellant shall submit any documentation that was not previously submitted to demonstrate the need for an expedited appeal. For cases not involving disability, this documentation shall include documentation from a licensed health care professional. For cases involving disability, this documentation shall include relevant excerpts from the appellant's medical record, including physical examinations, signs, symptoms, and laboratory findings.

(2) The Department shall determine if the appellant's request meets the criteria for an expedited appeal.

(3) If the Department determines that the appellant's request does not meet the criteria for an expedited appeal, then (i) the Department shall make reasonable efforts to give the appellant, or the appellant's authorized representative, oral notice of the denial as expeditiously as possible and shall follow up with a written notice of denial and (ii) the appeal shall not be subject to the expedited time frame in subdivision (4) of this subsection. The denial is not appealable.

(4) If the Department determines that the appellant's request meets the criteria for an expedited appeal, the proposal for decision and the final decision required under subsection (j) of this section shall be made as expeditiously as possible.

(5) This subsection does not grant an appellant any greater assistance than the appellant is otherwise entitled to under this section while the appellant's appeal is pending."

SECTION 2.2.(e) G.S. 108D-5.7(b)(1) reads as rewritten:

"(1) No later than three calendar days after receiving the enrollee's request for disenrollment, make reasonable efforts to give the enrollee and all other affected parties oral notice of the denial and follow up with a written notice of the determination by mail. The denial is not appealable."

SECTION 2.2.(f) G.S. 108D-14(a) reads as rewritten:

"(a) Request for Expedited Appeal. – When the time limits for completing a standard managed care entity level appeal under G.S. 108D-13 could seriously jeopardize the enrollee's life or health or ability to attain, maintain, or regain maximum function, an enrollee, or the enrollee's authorized representative, has the right to file a request for an expedited appeal of an adverse benefit determination no later than 60 days after the mailing date of the notice of adverse
benefit determination. In determining whether the enrollee qualifies for an expedited appeal, the 
managed care entity shall presume an expedited appeal is necessary when the expedited appeal 
is made by a network provider as an enrollee's authorized representative or when a network 
provider has otherwise indicated to the managed care entity that an expedited appeal is 
necessary."

SECTION 2.2.(g) G.S. 108D-14(b) reads as rewritten:

"(b) Notice of Denial for Expedited Appeal. – If the managed care entity denies a request 
for an expedited managed care entity level appeal, then (i) the managed care entity shall make 
reasonable efforts to give the enrollee and all other affected parties oral notice of the denial and 
follow up with a written notice of denial by mail no later than 72 hours after receiving the request 
for an expedited appeal. In addition, appeal and (ii) the managed care entity shall resolve the 
appeal within the time limits established for standard managed care entity level appeals in 
G.S. 108D-13. The denial is not appealable."

SECTION 2.2.(h) G.S. 108D-15(f) is amended by adding a new subdivision to read:

"(3a) The option for the enrollee to request an expedited appeal."

SECTION 2.2.(i) Article 2 of Chapter 108D of the General Statutes is amended by 
adding a new section to read:

"§ 108D-15.1. Expedited contested case hearings on disputed adverse benefit 
determinations. Expedited Contested Case Hearing Requests. – In accordance with 42 C.F.R. § 431.224, an 
enrollee, or an enrollee's authorized representative, may request that an appeal under 
G.S. 108D-15(d) be expedited if the time otherwise permitted for a hearing could jeopardize the 
enrollee's life, health, or ability to attain, maintain, or regain maximum function. With regard to 
a request for an expedited appeal, all of the following apply:

(1) The enrollee shall submit any additional documentation from a licensed health 
care professional with relevant excerpts from the enrollee's medical record 
that was not already provided with regard to the adverse benefit determination 
to demonstrate the need for an expedited appeal.

(2) The Department shall determine if the enrollee's request meets the criteria for 
an expedited appeal.

(3) If the Department determines that the enrollee's request does not meet the 
criteria for an expedited appeal, then (i) the Department shall make reasonable 
efforts to give the enrollee, or the enrollee's authorized representative, oral 
otice of the denial as expeditiously as possible and shall follow up with a 
written notice of denial and (ii) the enrollee's appeal shall not be subject to the 
expedited time frame in subdivision (4) of this subsection. The denial is not 
appealable.

(4) If the Department determines that the enrollee's request meets the criteria for 
an expedited appeal, then (i) the mediation procedure under G.S. 108D-15(i) 
shall not apply to the appeal request and (ii) the decision required under 
G.S. 108D-16 shall be made as expeditiously as possible."

SECTION 2.2.(j) This section is effective when it becomes law and applies to (i) 
notices of action under G.S. 108A-79(c) and appeal request forms under G.S. 108A-70.9A(e) and 
G.S. 108D-15(f) issued on or after that date and (ii) requests to expedite an appeal made on or 
after that date.

PART III. MISCELLANEOUS CHANGES RELATED TO THE MEDICAID PROGRAM

INCREASE ALLOWABLE AMOUNT OF MEDICAID-COVERED THERAPEUTIC 
LEAVE

SECTION 3.1.(a) G.S. 108A-62 reads as rewritten:

(a) Patients. A medical assistance beneficiary at an intermediate care facility or skilled nursing facility may take up to 60 days of therapeutic leave in any one calendar year in accordance with this section without the facility losing reimbursement under the medical assistance program, provided, however, no more than 15 consecutive days may be taken without approval of the Department of Health and Human Services, Division of Health Benefits. Under no circumstances shall the number of Medicaid-covered therapeutic leave days exceed 60 days per patient per calendar year.

(b) The maximum amount of therapeutic leave days that may be taken in a calendar year by a medical assistance beneficiary are as follows:

(1) Ninety days for a beneficiary in an intermediate care facility.

(2) Sixty days for a beneficiary in a skilled nursing facility.

(c) No more than 15 consecutive days of therapeutic leave may be taken by a medical assistance beneficiary without the approval of one of the following:

(1) The Division of Health Benefits of the Department.

(2) The local management entity/managed care organization with which the beneficiary is enrolled under Chapter 122C of the General Statutes.

(3) The prepaid health plan with which the beneficiary is enrolled under Chapter 108D of the General Statutes."

SECTION 3.1(b) This section is effective when it becomes law, and individuals who had exhausted the amount of therapeutic leave prior to that date shall be entitled to any additional leave for the calendar year allowed under G.S. 108A-62, as amended by this section.

REQUIRE STANDARD BENEFIT PLANS TO COVER ADDITIONAL BEHAVIORAL HEALTH SERVICES

SECTION 3.2. G.S. 108D-35(1) reads as rewritten:

"(1) Medicaid services covered by the local management entities/managed care organizations (LME/MCOs) under the combined 1915(b) and (c) waivers shall not be covered under a standard benefit plan, except that all capitated PHP contracts shall cover the following services: inpatient

a. Inpatient behavioral health services, outpatient services.

b. Outpatient behavioral health emergency room services, outpatient services.

c. Outpatient behavioral health services provided by direct-enrolled providers, mobile providers.

d. Mobile crisis management services, facility-based services.

e. Facility-based crisis services for children and adolescents, professional-adolescents.

f. Professional treatment services in a facility-based crisis program, outpatient program.

g. Outpatient opioid treatment services, ambulatory services.

h. Ambulatory detoxification services, nonhospital services.

i. Nonhospital medical detoxification services, partial hospitalization, medically services.

j. Partial hospitalization.

k. Medically supervised or alcohol and drug abuse treatment center detoxification crisis stabilization, research-based stabilization.


m. Diagnostic assessment services, and services.

n. Early and Periodic Screening, Diagnosis, and Treatment services."
o. Peer support services.

p. Substance abuse comprehensive outpatient treatment program services.

q. Substance abuse intensive outpatient program services.

In accordance with this subdivision, 1915(b)(3) services shall not be covered under a standard benefit plan."

SECTION 3.3.(a) G.S. 108D-35(1), as amended by Section 3.2 of this act, is amended by adding a new sub-subdivision to read:

"r. Social setting detoxification services or clinically managed residential withdrawal services."

SECTION 3.3.(b) This section is effective upon the approval by the Centers for Medicare and Medicaid Services (CMS) of NC Medicaid coverage for social setting detoxification services or clinically managed residential withdrawal services and on the effective date of the coverage allowed by CMS. The Secretary of the Department of Health and Human Services shall notify the Revisor of Statutes of the effective date allowed by CMS upon receipt of this approval. If the approval is not granted by CMS prior to June 30, 2023, then this section shall expire on that date.

ALLOW RETROACTIVE COVERAGE BY PREPAID HEALTH PLANS

SECTION 3.4. G.S. 108D-35 reads as rewritten:

"§ 108D-35. Services covered by PHPs.

(a) Capitated PHP contracts shall cover all Medicaid and NC Health Choice services, including physical health services, prescription drugs, long-term services and supports, and behavioral health services for NC Health Choice recipients, except as otherwise provided in this section.

(b) The capitated contracts required by this section shall not cover:

…

(6) Services for Medicaid program applicants during the period of time prior to eligibility determination.

…

(c) The Department may determine whether services for Medicaid program applicants may be covered by a capitated contract during any period of time prior to eligibility determination."

TRANSFER OF AREA AUTHORITY FUND BALANCES

SECTION 3.5.(a) G.S. 122C-115.3 is amended by adding a new subsection to read:

"(b1) The Secretary shall, prior to the date that BH IDD tailored plans begin operating, direct the dissolution of any area authority that does not receive an initial contract to operate a BH IDD tailored plan. The Secretary shall deliver a notice of dissolution to the board of county commissioners of each of the counties in the dissolved LME/MCO."

SECTION 3.5.(b) G.S. 122C-115.3(e) reads as rewritten:

"(e) Any fund balance or risk reserve available to an area authority at the time of its dissolution that is not utilized to pay liabilities shall be transferred to the area authority one or more area authorities contracted to operate the 1915(b)/(c) Medicaid Waiver or a BH IDD tailored plan in all or a portion of the catchment area of the dissolved area authority. If the fund balance transferred from the dissolved area authority is insufficient to constitute fifteen percent (15%) of the anticipated operational expenses arising from assumption of responsibilities from the dissolved area authority, the Secretary shall guarantee the operational reserves for the area authority assuming the responsibilities under the 1915(b)/(c) Medicaid Waiver until the assuming area authority has reestablished fifteen percent (15%) operational reserves, as directed by the Department."
SECTION 3.5.(c) G.S. 122C-115.3 is amended by adding a new subsection to read:

"(e1) Effective until the date that BH IDD tailored plans begin operating, if the fund balance transferred from the dissolved area authority under subsection (e) of this section is insufficient to constitute fifteen percent (15%) of the anticipated operational expenses arising from assumption of responsibilities from the dissolved area authority, the Secretary shall guarantee the operational reserves for the area authority assuming the responsibilities under the 1915(b)/(c) Medicaid Waiver until the assuming area authority has reestablished fifteen percent (15%) operational reserves."

REMOVE RATE FLOOR FOR DME

SECTION 3.6. Section 11 of S.L. 2020-88 reads as rewritten:

"DURABLE MEDICAL EQUIPMENT RATE FLOOR

SECTION 11. For the first three years of the initial standard benefit plan prepaid health plan capitated contracts required under Article 4 of Chapter 108D of the General Statutes, the rate floor reimbursement for durable medical equipment and supplies and orthotics and prosthetics under managed care shall be set at one hundred percent (100%) of the lesser of the supplier's usual and customary rate or the maximum allowable Medicaid fee-for-service rates for durable medical equipment and supplies and orthotics and prosthetics."

PART IV. TECHNICAL CORRECTIONS

SECTION 4.1. The Revisor of Statutes shall replace the phrase "the mentally retarded" with the phrase "individuals with intellectual disabilities" in the following statutes: G.S. 108A-58.2, 108A-61.1, and 108A-70.5.

SECTION 4.2.(a) G.S. 90-21.50(1) reads as rewritten:

"(1) "Health benefit plan" means an accident and health insurance policy or certificate; a nonprofit hospital or medical service corporation contract; a health maintenance organization subscriber contract; a self-insured indemnity program or prepaid hospital and medical benefits plan offered under the State Health Plan for Teachers and State Employees and subject to the requirements of Article 3 of Chapter 135 of the General Statutes, a plan provided by a multiple employer welfare arrangement; or a plan provided by another benefit arrangement, to the extent permitted by the Employee Retirement Income Security Act of 1974, as amended, or by any waiver of or other exception to that act provided under federal law or regulation. Except for the Health Insurance Program for Children established under Part 8 of Article 2 of Chapter 108A of the General Statutes, "health benefit plan" does not mean any plan implemented or administered by the North Carolina or United States Department of Health and Human Services, or any successor agency, or its representatives. "Health benefit plan" does not mean any of the following kinds of insurance:

" ...."

SECTION 4.2.(b) G.S. 90-21.50(7) reads as rewritten:

"(7) "Managed care entity" means an insurer that:

... Except for the State Health Plan for Teachers and State Employees and the Health Insurance Program for Children, "managed care entity" does not include: (i) an employer purchasing coverage or acting on behalf of its employees or the employees of one or more subsidiaries or affiliated corporations of the employer, or (ii) a health care provider."

SECTION 4.3. G.S. 108A-54.3A(5) reads as rewritten:
"(5) Children under the age of 19 who are receiving foster care or adoption assistance under Title IV-E of the Social Security Act, without regard to income."

**SECTION 4.4.** G.S. 108A-68.2 reads as rewritten:

"§ 108A-68.2. Beneficiary lock-in program for certain controlled substances.

(a) As used in this section, "covered substances" means any of the following defined in this section:

(1) Covered substances. – Any controlled substance identified as an opioid or benzodiazepine, excluding benzodiazepine sedative-hypnotics, contained in Article 5 of Chapter 90 of the General Statutes, unless one of the following conditions are met:

(1a) If the Department of Health and Human Services specifically identifies the opioid or benzodiazepine as a substance excluded from coverage by the Medicaid Beneficiary Management Lock-In Program described in its Outpatient Pharmacy Clinical Coverage Policy adopted in accordance with G.S. 108A-54.2, then the opioid or benzodiazepine is not a covered substance under this section.

(2b) If the Department of Health and Human Services specifically identifies a controlled substance contained in Article 5 of Chapter 90 of the General Statutes other than an opioid or benzodiazepine as a controlled substance covered by the Medicaid Beneficiary Management Lock-In Program described in its Outpatient Pharmacy Clinical Coverage Policy adopted in accordance with G.S. 108A-54.2, then the controlled substance is a covered substance under this section.

(2) Lock-in program. – A requirement that a Medicaid or NC Health Choice beneficiary select a single prescriber and a single pharmacy for obtaining covered substances.

(3) Prepaid health plan or PHP. – As defined in G.S. 108D-1.

(b) As used in this section, "lock-in program" means a requirement that a Medicaid or NC Health Choice beneficiary select a single prescriber and a single pharmacy for obtaining covered substances.

(c) As used in this section, "Prepaid Health Plan" or "PHP" means an entity holding a PHP license under Article 93 of Chapter 58 of the General Statutes.

...."

**SECTION 4.5.** G.S. 108C-2.1 reads as rewritten:

"§ 108C-2.1. Provider application and recredentialing revalidation fee.

(a) Each provider that submits an application to enroll in the Medicaid program shall submit an application fee. The application fee shall be the sum of the amount federally required and one hundred dollars ($100.00).

(b) The fee required under subsection (a) of this section shall be charged to all providers at recredentialing-revalidation every five years."

**SECTION 4.6.** G.S. 108D-1 is amended by adding a new subdivision to read:

"(6a) CMS. – The Centers for Medicare and Medicaid Services."

**SECTION 4.7.(a) G.S. 108D-1(6) reads as rewritten:"

"(6) Closed network. – The network of providers that have contracted with (i) a local management entity/managed care organization operating the combined 1915(b) and (c) waivers or (ii) an entity operating a BH IDD tailored plan to furnish mental health, intellectual or developmental disabilities, and substance abuse services to enrollees."

**SECTION 4.7.(b) G.S. 108D-23 reads as rewritten:

"§ 108D-23. BH IDD tailored plan networks."
Entities operating BH IDD tailored plans shall develop and maintain a closed network—network of providers only for the provision of behavioral health, intellectual and developmental disability, and traumatic brain injury services."

SECTION 4.8.(a) G.S. 108D-5.3(b)(1) reads as rewritten:

"(1) Members of federally recognized tribes. Beneficiaries who meet the definition of Indian under 42 C.F.R. § 438.14(a)."

SECTION 4.8.(b) G.S. 108D-40(a)(5) reads as rewritten:

"(5) Members of federally recognized tribes. Members of federally recognized tribes. Recipients who meet the definition of Indian under 42 C.F.R. § 438.14(a) shall have the option to enroll voluntarily in PHPs."

SECTION 4.8.(c) G.S. 108D-40(a)(5a) is repealed.

SECTION 4.8.(d) G.S. 122C-115(e) reads as rewritten:

"(e) Beginning on the date that capitated contracts under Article 4 of Chapter 108D of the General Statutes begin, LME/MCOs shall cease managing Medicaid services for all Medicaid recipients other than recipients described in G.S. 108D-40(a)(1), (4), (5), (5a), (6), (7), (10), (11), (12), and (13). Until BH IDD tailored plans become operational, all of the following shall occur:

(1) LME/MCOs shall continue to manage the Medicaid services that are covered by the LME/MCOs under the combined 1915(b) and (c) waivers for Medicaid recipients described in G.S. 108D-40(a)(1), (4), (5), (5a), (6), (7), (10), (11), (12), and (13).

..."

SECTION 4.9. G.S. 108D-35(5) reads as rewritten:

"(5) Services documented in an individualized family service plan under the Individuals with Disabilities Education Act, 20 U.S.C. § 1436, that are provided and billed by a Children's Developmental Services Agency (CDSA) that are included on the child's Individualized Family Service Plan or by a provider contracted with a Children's Developmental Services Agency to provide those services."

SECTION 4.10. Article 17 of Chapter 131E of the General Statutes is repealed.

PART V. EFFECTIVE DATE

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.