

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 457
Committee Substitute Favorable 5/12/09

Short Title: Recommended Approp. MH/DD/SA Oversight Comm. (Public)

Sponsors:

Referred to:

March 9, 2009

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO IMPROVE THE MENTAL HEALTH,
DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES
SYSTEM, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT
COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND
SUBSTANCE ABUSE SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. Leadership Academy Funds. – There is appropriated from the General Fund to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of five hundred thousand dollars (\$500,000) for the 2009-2010 fiscal year and the sum of five hundred thousand dollars (\$500,000) for the 2010-2011 fiscal year. These funds shall be allocated to local management entities (LMEs) for LME staff participation in the Mental Health Leadership Academy at the University of North Carolina Kenan-Flagler Business School.

SECTION 2. Child Treatment Program Funds. – There is appropriated from the General Fund to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of two million dollars (\$2,000,000) for the 2009-2010 fiscal year and the sum of two million dollars (\$2,000,000) in recurring funds for the 2010-2011 fiscal year for the North Carolina Child Treatment Program. The North Carolina Child Treatment Program shall use these funds to provide (i) training and ongoing support to clinicians who provide treatment under the program and (ii) evidence-based mental health treatment to children and adolescents residing in this State who have experienced serious psychological trauma and their families.

SECTION 3. Fully Fund Implementation of Tier 1 of CAP/MR-DD Program. – There is appropriated from the General Fund to the Department of Health and Human Services, Division of Medical Assistance, the sum of three million three hundred thirty-three thousand three hundred thirty-three dollars (\$3,333,333) for the 2009-2010 fiscal year and the sum of three million three hundred thirty-three thousand three hundred thirty-three dollars (\$3,333,333) in recurring funds for the 2010-2011 fiscal year. These funds shall be used to fully fund implementation of Tier 1 of the CAP/MR-DD Program.

SECTION 4. Housing Initiative Funds to Reduce Long-Term Need for State Psychiatric Hospitals. – There is appropriated from the General Fund to the Housing Trust Fund the sum of ten million dollars (\$10,000,000) for the 2009-2010 fiscal year for the Housing Initiative in order to reduce the need for State psychiatric hospitals in the long term.

SECTION 5. MH/DD/SA Funds for Housing Initiative Units. – There is appropriated from the General Fund to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of two



1 million five hundred thousand dollars (\$2,500,000) for the 2009-2010 fiscal year and the sum
2 of two million five hundred thousand dollars (\$2,500,000) for the 2010-2011 fiscal year to
3 continue operating support for an estimated 500 units of the Housing Initiative in order to
4 reduce the need for State psychiatric hospitals in the long term.

5 **SECTION 6. Funds for Regionally Hosted Substance Abuse Services.** – Of the
6 funds appropriated to the Department of Health and Human Services, Division of Mental
7 Health, Developmental Disabilities, and Substance Abuse Services for the 2009-2010 fiscal
8 year for substance abuse services, the Department shall allocate not less than eight million
9 dollars (\$8,000,000) and may allocate up to ten million dollars (\$10,000,000) for the
10 2009-2010 fiscal year to support regionally hosted substance abuse services. These funds shall
11 be allocated to continue or expand Cross Area Service Programs (CASP) and other substance
12 abuse treatment and prevention initiatives.

13 **SECTION 7. Money-Follows-the-Person Demonstration Grant.** – There is
14 appropriated from the General Fund to the Department of Health and Human Services the sum
15 of one hundred thousand two hundred forty-seven dollars (\$100,247) for the 2009-2010 fiscal
16 year. These funds shall be used to supplement a federally supported grant for the transition of
17 consumers out of nursing facilities, State psychiatric hospitals, and Intermediate Care Facilities
18 for the Mentally Retarded (ICF/MR) to more appropriate levels of care.

19 **SECTION 8. NCIOM Substance Abuse Task Force Recommendations.** – There
20 is appropriated from the General Fund to the Department of Health and Human Services,
21 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum
22 of ten million dollars (\$10,000,000) for the 2009-2010 fiscal year. These funds shall be used to
23 implement one or more of the North Carolina Institute of Management (NCIOM) Substance
24 Abuse Task Force's priority recommendations, which include:

- 25 (1) Development of a comprehensive substance abuse prevention plan for use at
26 the State and local levels.
- 27 (2) Providing funding for the establishment of six pilot projects to implement
28 county or multicounty comprehensive prevention plans.
- 29 (3) Supporting efforts to reduce high-risk drinking on college campuses.
- 30 (4) Development of a pilot program to provide chronic disease management
31 services to substance abuse clients and former clients. The purpose of the
32 pilot is to decrease the number of short-term hospital admissions and to
33 provide discharge planning and follow-up to reduce substance abuse client
34 recidivism.
- 35 (5) Educating and encouraging health care professionals to use the screening,
36 brief intervention, and referral to treatment (SBIRT) model promoted by the
37 federal government.

38 **SECTION 9. Workforce Development Funds.** – There is appropriated from the
39 General Fund to the Department of Health and Human Services, Division of Mental Health,
40 Developmental Disabilities, and Substance Abuse Services, the sum of fifty thousand dollars
41 (\$50,000) for the 2009-2010 fiscal year and the sum of fifty thousand dollars (\$50,000) for the
42 2010-2011 fiscal year. These funds shall be used to establish a workforce development
43 specialist position in the Division.

44 **SECTION 10. Local Crisis Capacity Funding.** – There is appropriated to the
45 Department of Health and Human Services, Division of Mental Health, Developmental
46 Disabilities, and Substance Abuse Services, the sum of twenty-four million three hundred
47 twenty-four thousand four hundred thirty-two dollars (\$24,324,432) for the 2009-2010 fiscal
48 year. These funds shall be allocated as follows:

- 49 (1) \$8,227,932 to fully fund local crisis initiatives that were partially funded in
50 the 2008-2009 fiscal year, and

1 (2) \$16,096,500 to purchase 150 additional local inpatient psychiatric beds or
2 bed days.

3 The 150 additional beds or bed days funded under subdivision (2) of this subsection shall
4 be distributed across the State according to need as determined by the Department. The
5 Department shall enter into contracts with the LMEs and community hospitals for the
6 management of beds or bed days funded under this subsection. Local inpatient psychiatric beds
7 or bed days shall be managed and controlled by the LME, including the determination of which
8 local or State hospital the individual should be admitted to pursuant to an involuntary
9 commitment order. Funds shall not be allocated to LMEs but shall be held in a statewide
10 reserve at the Division of Mental Health, Developmental Disabilities, and Substance Abuse
11 Services to pay for services authorized by the LMEs and billed by the hospitals through the
12 LMEs. LMEs shall remit claims for payment to the Division within 15 working days of receipt
13 of a clean claim from the hospital and shall pay the hospital within 10 working days of receipt
14 of payment from the Division. If the Department determines (i) that an LME is not effectively
15 managing the beds or bed days for which it has responsibility, as evidenced by beds or bed days
16 in the local hospital not being utilized while demand for services at the State psychiatric
17 hospitals has not reduced, or (ii) the LME has failed to comply with the prompt payment
18 provisions of this subsection, the Department may contract with another LME to manage the
19 beds or bed days, or, notwithstanding any other provision of law to the contrary, may pay the
20 hospital directly. The Department shall develop reporting requirements for LMEs regarding the
21 utilization of the beds or bed days. Funds appropriated in this section for the purchase of local
22 inpatient psychiatric beds or bed days shall be used to purchase additional beds or bed days not
23 currently funded by or through LMEs and shall not be used to supplant other funds available or
24 otherwise appropriated for the purchase of psychiatric inpatient services under contract with
25 community hospitals, including beds or bed days being purchased through Hospital Pilot funds
26 appropriated in S.L. 2007-323. Not later than March 1, 2010, the Department shall report to the
27 House of Representatives Appropriations Subcommittee on Health and Human Services, the
28 Senate, the Joint Legislative Oversight Committee on Mental Health, Developmental
29 Disabilities, and Substance Abuse Services, and the Fiscal Research Division on a uniform
30 system for beds or bed days purchased (i) with local funds, (ii) from existing State
31 appropriations, (iii) under the Hospital Utilization Pilot, and (iv) purchased using funds
32 appropriated under this subsection.

33 **SECTION 11. BART Step-Down Unit Funds.** – There is appropriated from the
34 General Fund to the Department of Health and Human Services, Division of Mental Health,
35 Developmental Disabilities, and Substance Abuse Services, the sum of one million eight
36 hundred thousand dollars (\$1,800,000) for the 2009-2010 fiscal year and the sum of three
37 hundred thousand dollars (\$300,000) for the 2010-2011 fiscal year. These funds shall be used
38 to develop a behaviorally advanced residential treatment (BART) step-down unit that would be
39 operated by the Murdoch Center. These funds include private provider training and technical
40 assistance to facilitate replication through the State.

41 **SECTION 12. Funds to Increase Staffing and Salary Ranges at DHHS and the**
42 **State Psychiatric Hospitals.** – There is appropriated from the General Fund to the Department
43 of Health and Human Services, Division of Mental Health, Developmental Disabilities, and
44 Substance Abuse Services, the sum of five hundred thousand dollars (\$500,000) for the
45 2009-2010 fiscal year and the sum of five hundred thousand dollars (\$500,000) for the
46 2010-2011 fiscal year. These funds shall be used to increase staff and raise salary ranges for
47 Division and State psychiatric hospital personnel.

48 **SECTION 13.** This act becomes effective July 1, 2009.