

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE BILL 525*

Short Title: Streamline Oversight/DHHS Service Providers. (Public)

Sponsors: Senators Tucker, Hartsell; Allran, Daniel, Goolsby, Gunn, Newton, Pate, and Rabon.

Referred to: Mental Health & Youth Services.

April 7, 2011

A BILL TO BE ENTITLED
AN ACT TO STREAMLINE DUPLICATE OVERSIGHT OF DHHS SERVICE PROVIDERS.

The General Assembly of North Carolina enacts:

SECTION 1. Findings. – Over the years, State and legislative actions intended to improve safety and quality of care have resulted in multiple, redundant reviews of Department of Health and Human Services (DHHS) service providers by various State and local agencies. This duplicative bureaucracy has led to wasted resources on the part of the monitoring agencies and the service provider, along with interrupted services to the consumer.

SECTION 2. The Secretary of Health and Human Services (hereinafter "the Secretary") shall establish a task force made up of division staff and providers to objectively compare the tools and checklists, currently in place, to look for redundancies and review items as to service provider monitoring that are not value added by August 1, 2011. The Secretary shall instruct this team to remove and streamline any duplication that is identified by December 31, 2011.

SECTION 3.(a) The Secretary of Health and Human Services shall create one regulatory body within the DHHS responsible for oversight review for service providers across all DHHS divisions to reduce duplication May 1, 2012. The Secretary shall instruct the new regulatory body to combine the multitude of reviews into a single annual review process. The creation of this regulatory body ensures objectivity in oversight and removes the conflict and undue influences upon decisions that may be prevalent in a local area. It also increases the likelihood of consistency in feedback and findings based on narrowing the variability around rule interpretation. The regulatory body shall aid in the reduction of excessive and unnecessary control over private enterprise. The regulatory body will include and comply with requirements of the national accrediting bodies for oversight management entities (NCQA, URAC) that pertain to provider agencies to avoid duplicative parallel reviews or monitoring of provider agencies by the oversight management entities.

SECTION 3.(b) The Secretary shall instruct the regulatory body to select a multidisciplinary team from staff and resources already in place from the various departments to allow for one streamlined annual review of service provider agencies by the team of the facility, compliance to rules, record assurances, clinical integrity, and staff training. The Secretary shall eliminate endorsement and all tools and checklists (ex. Provider Monitoring Tool-PMT and Frequency and Extent of Monitoring Tool-FEM) associated with Local Management Entity monitoring and oversight and replace with service licensure at an agency level, as opposed to a site-specific service license, that the multidisciplinary team issues. The



1 multidisciplinary team may conduct additional reviews as indicated through Program Integrity
2 flagged data, or a complaint or grievance. The annual review shall be agency specific not
3 site-specific. The Secretary shall ensure that the multidisciplinary team includes specialized
4 reviewers, with knowledge and experience specific to the services provided by the agency
5 undergoing the annual review and rules applicable to those specific services and facilities. The
6 Secretary will direct the multidisciplinary team to cross-walk the new annual review with the
7 National Accreditation review to eliminate wasteful duplication. The Secretary shall direct the
8 new regulatory body to create "core" multidisciplinary teams in locations across the state. For
9 agencies with specialized services outside of the "core," the multidisciplinary team shall
10 include specialized reviewers, with knowledge and experience specific to the services provided
11 by the agency undergoing the annual review. When regular annual reviews are positive and
12 meet compliance expectations for two consecutive years, the multidisciplinary team review
13 shall be completed every two years pending any problems indicated through Program Integrity
14 data, or a complaint or grievance. Such periodic review shall not necessarily require a return to
15 annual monitoring for the service provider. The regulatory body shall have the power and
16 authority to issue a request for corrective action, approve and monitor the corrective action,
17 suspend and/or withdraw the billing process (contract, license, Medicaid enrollment for a
18 specific service, etc.) for the service provider agency based on results from the annual or
19 biennial review. The regulatory body shall have the discretion to determine whether infractions
20 are site-specific or applicable to the agency as a whole. The regulatory body will be the central
21 agency that responds to any complaints, abuse, neglect, and/or allegations.

22 **SECTION 4.** Chapter 143 of the General Statutes is amended by adding a new
23 section to read:

24 **"§ 143B-139.6C. Coordination plan for the investigation of abuse or neglect complaints**
25 **involving multiple agencies.**

26 For the purpose of avoiding duplication of effort and paperwork by service providers and
27 the Department, to ensure a clear understanding and interpretation of compliance with
28 applicable laws and rules, and to expedite the provision of effective services to clients, the
29 Secretary of Health and Human Services shall direct the appropriate departmental divisions, in
30 conjunction with providers and local oversight agencies, to establish a procedure for
31 coordinating the investigation of complaints against licensed, certified, or accredited providers
32 of services to recipients of social services or mental health, developmental disabilities, and
33 substance abuse services through the regulatory body. When an abuse or neglect complaint is
34 received by the Department and the complaint requires investigation by more than one division
35 of the Department, the Secretary shall establish a coordination plan through the regulatory body
36 to complete and share the results of the investigation with the appropriate bodies. The Secretary
37 shall coordinate with the involved departmental divisions to review laws and rules that impact
38 the investigation and to provide consistent and nonconflicting findings to the provider on what
39 rules or laws have been violated and the corrections needed to comply with those laws and
40 rules. The procedure shall provide for notice to service providers when a complaint is received.
41 If a conflict arises among the departmental divisions concerning the interpretation of the law or
42 rules, the conflict shall be resolved by the Secretary or, if necessary, by an amendment to rules
43 or statutory clarification by the General Assembly. The provider shall not be deemed in
44 violation of any rule, the interpretation of which is in conflict, until the conflict has been
45 resolved and the provider informed of the decision."

46 **SECTION 5.(a)** The Secretary shall streamline the Medicaid enrollment process by
47 directing the Division of Medical Assistance (DMA) to remove the requirement for annual
48 reenrollment by September 1, 2011. Once a service provider is enrolled, the provider shall
49 continue to maintain enrollment until the enrollment number has not been utilized for six
50 consecutive months. The six-month tracking process shall be instituted if it is not currently in
51 place, eliminating duplicative and unnecessary paperwork.

1 **SECTION 5.(b)** The Secretary shall mandate that each DHHS division, agency, or
2 department provide a fiscal note for every change or adjustment in service definition, policy,
3 rule, or statute upon enactment. This requirement shall minimize the creation of unfunded
4 mandates for provider agencies.

5 **SECTION 5.(c)** The Secretary shall direct the Division of Mental Health
6 Developmental Disabilities, and Substance Abuse Services to allow for data sharing from the
7 Incident Response Improvement System (IRIS) with service providers and the regulatory body
8 by June 30, 2012. The system currently prohibits providers' access to their data for analysis,
9 internal monitoring, quality improvement, and quality assurance reports for various entities.
10 Because access for providers is restrictive, it creates a duplicative process requiring providers
11 to repopulate the incident report data sets again into their own systems.

12 **SECTION 5.(d)** The Secretary shall establish a task force made up of division staff
13 and providers to objectively evaluate the North Carolina Treatment Outcomes Program
14 Performance System (NC-TOPPS) to improve the way data is accessible across services rather
15 than site-specific to reflect valid comparisons of program outcomes by August 1, 2011. The
16 system does not allow data to be captured which is population-specific thus limiting the depth
17 of data comparison and outcome identification.

18 **SECTION 5.(e)** The Secretary shall allow private sector development and
19 implementation of an Internet-based, secure, and consolidated data warehouse and archive for
20 maintaining corporate, fiscal, and administrative records of providers by September 1, 2011.
21 Use of the consolidated data warehouse is optional. Providers that choose to utilize the data
22 warehouse shall ensure that the data is up to date and accessible to the regulatory body. A
23 provider shall submit any revised, updated information to the data warehouse within 10
24 business days after receiving the request. The regulatory body that conducts administrative
25 monitoring must use the data warehouse for document requests. If the information provided to
26 the regulatory body is not current or is unavailable from the data warehouse and archive, the
27 regulatory body may contact the provider directly. A provider that fails to comply with the
28 regulatory body's requested documents may be subject to an on-site visit to ensure compliance.
29 Access to the data warehouse must be provided without charge to the regulatory body under
30 this section.

31 **SECTION 6.** The language in this act will be reviewed annually for compliance
32 with updates to policy made by the following national accrediting bodies: Council on
33 Accreditation (COA), CARF International, Council on Quality and Leadership (CQL), and the
34 Joint Commission.

35 **SECTION 7.** This act is effective when it becomes law.