

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE BILL 628\*  
Committee Substitute Favorable 3/26/07  
Committee Substitute #2 Favorable 4/17/07  
Senate Health Care Committee Substitute Adopted 7/25/07  
Senate Finance Committee Substitute Adopted 7/27/07  
Sixth Edition Engrossed 7/30/07

Short Title: Uniform Graduated Co-paymt - MH/DD/SA Svces. (Public)

Sponsors:

Referred to:

March 14, 2007

1 A BILL TO BE ENTITLED  
2 AN ACT TO CREATE A UNIFORM CO-PAYMENT SCHEDULE FOR MH/DD/SA  
3 SERVICES AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT  
4 COMMITTEE FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES,  
5 AND SUBSTANCE ABUSE SERVICES.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 122C-146 reads as rewritten:

8 "§ 122C-146. ~~Fee for service.~~Uniform co-payment schedule.

9 (a) ~~The area authority~~LME and its contractual provider agencies shall ~~prepare fee~~  
10 ~~schedules~~implement the co-payment schedule based on family income adopted by the  
11 Secretary for services and under G.S. 122C-112.1(a)(34). The LME is responsible for  
12 determining the applicability of the co-payment to individuals authorized by the LME to  
13 receive services. An LME that provides services and its contractual provider agencies  
14 shall also make every reasonable effort to collect appropriate reimbursement for costs in  
15 providing these services from individuals or entities able to pay, including insurance  
16 and third-party payment, except that individuals payments. However, no individual may  
17 be refused services because of an inability to pay.

18 (b) Individuals may not be charged for free services, as required in "The  
19 Amendments to the Education of the Handicapped Act", P.L. 99-457, provided to  
20 eligible infants and toddlers and their families. This exemption from charges does not  
21 exempt insurers or other third-party payors from being charged for payment for these  
22 services, if the person who is legally responsible for any eligible infant or toddler is first  
23 advised that the person may or may not grant permission for the insurer or other payor  
24 to be billed for the free services. ~~However, no individual may be refused services~~  
25 ~~because of an inability to pay.~~

1 (c) All funds collected from ~~fees from area authority~~ co-payments for LME  
2 operated services shall be used for the fiscal operation or capital improvements of the  
3 area authority's programs to provide services to individuals in targeted populations.

4 The collection of ~~fees co-payments by an area authority~~ an LME that provides  
5 services may not be used as justification for reduction or replacement of the budgeted  
6 commitment of local tax revenue. All funds collected from co-payments by contractual  
7 provider agencies shall be used to provide services to individuals in targeted  
8 populations."

9 **SECTION 2.** G.S. 122C-112.1(a) is amended by adding a new subdivision  
10 to read:

11 "**§ 122C-112.1. Powers and duties of the Secretary.**

12 (a) The Secretary shall do all of the following:

13 ...

14 (34) Adopt rules for the implementation of a co-payment graduated  
15 schedule to be used by LMEs and by contractual provider agencies  
16 under G.S. 122C-146. The co-payment graduated schedule shall be  
17 developed to require a co-payment for services identified by the  
18 Secretary. Families whose family income is three hundred percent  
19 (300%) or greater of the federal poverty level are eligible for services  
20 with the applicable co-payment."

21 **SECTION 3.** The Secretary of the Department of Health and Human  
22 Services shall identify all services that are funded by or through the Department's  
23 budget and that do not require income-based criteria in order for an individual to be  
24 eligible to receive the service. The Secretary shall develop a proposal for implementing  
25 income-based criteria for eligibility for those programs and shall submit the proposal to  
26 the General Assembly and the Fiscal Research Division by November 1, 2007.

27 **SECTION 4.** Section 1 of this act becomes effective July 1, 2008, and  
28 applies to services provided on or after that date. The remainder of this act is effective  
29 when it becomes law.