

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 457

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

Sponsors: Representatives Insko, M. Alexander, Earle, Brisson (Primary Sponsors);
Barnhart, Braxton, England, Farmer-Butterfield, Glazier, Harrison, Hughes,
Jones, Justus, Lucas, Luebke, Parmon, Pierce, Tarleton, Weiss, and Wray.

Referred to: Mental Health Reform, if favorable, Appropriations.

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.



1 **SECTION 5. MH/DD/SA Funds for Housing Initiative Units.** – There is
2 appropriated from the General Fund to the Department of Health and Human Services, Division
3 of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of two
4 million five hundred thousand dollars (\$2,500,000) for the 2009-2010 fiscal year and the sum
5 of two million five hundred thousand dollars (\$2,500,000) for the 2010-2011 fiscal year to
6 continue operating support for an estimated 500 units of the Housing Initiative in order to
7 reduce the need for State psychiatric hospitals in the long term.

8 **SECTION 6. Funds for Regionally Hosted Substance Abuse Services.** – Of the
9 funds appropriated to the Department of Health and Human Services, Division of Mental
10 Health, Developmental Disabilities, and Substance Abuse Services for the 2009-2010 fiscal
11 year for substance abuse services, the Department shall allocate not less than eight million
12 dollars (\$8,000,000) and may allocate up to ten million dollars (\$10,000,000) for the
13 2009-2010 fiscal year to support regionally hosted substance abuse services. These funds shall
14 be allocated to continue or expand Cross Area Service Programs (CASP) and other substance
15 abuse treatment and prevention initiatives.

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

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

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

41 **SECTION 9. Outpatient Commitment Pilot.** – There is appropriated from the
42 General Fund to the Department of Health and Human Services the sum of two million two
43 hundred eighty-six thousand four hundred dollars (\$2,286,400) for the 2009-2010 fiscal year.
44 The Department, consulting with the Administrative Office of the Courts, shall develop a pilot
45 program to test a new process for tracking and providing services to persons in State
46 psychiatric hospitals for whom an outpatient commitment order has been issued. The pilot
47 should initially focus on individuals in State hospitals where the individual's treatment history
48 is known and should provide for extended outpatient commitment for not less than 180 days.
49 The pilot shall include arrangements with LMEs as the point of accountability-tracking and
50 overseeing the individual's services and treatment at all times. The pilot shall identify a
51 provider willing to accept outpatient commitments that have a history of difficulty in

1 maintaining tracking and treatment of the client. The pilot shall also arrange for the
2 designation of hospital liaison personnel to assist with discharge planning. Except for the 180
3 extended outpatient commitment time, if a conflict arises between this subsection and Part 7 of
4 Article 5 of Chapter 122C of the General Statutes pertaining to outpatient commitments, Part 7
5 of Article 5 prevails.

6 **SECTION 10. Workforce Development Funds.** – There is appropriated from the
7 General Fund to the Department of Health and Human Services, Division of Mental Health,
8 Developmental Disabilities, and Substance Abuse Services, the sum of fifty thousand dollars
9 (\$50,000) for the 2009-2010 fiscal year and the sum of fifty thousand dollars (\$50,000) for the
10 2010-2011 fiscal year. These funds shall be used to establish a workforce development
11 specialist position in the Division.

12 **SECTION 11. Local Crisis Capacity Funding.** – There is appropriated to the
13 Department of Health and Human Services, Division of Mental Health, Developmental
14 Disabilities, and Substance Abuse Services, the sum of twenty-four million three hundred
15 twenty-four thousand four hundred thirty-two dollars (\$24,324,432) for the 2009-2010 fiscal
16 year. These funds shall be allocated as follows:

- 17 (1) \$8,227,932 to fully fund local crisis initiatives that were partially funded in
18 the 2008-2009 fiscal year, and
- 19 (2) \$16,096,500 to purchase 150 additional local inpatient psychiatric beds or
20 bed days.

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

1 **SECTION 12. BART Step-Down Unit Funds.** – There is appropriated from the
2 General Fund to the Department of Health and Human Services, Division of Mental Health,
3 Developmental Disabilities, and Substance Abuse Services, the sum of one million eight
4 hundred thousand dollars (\$1,800,000) for the 2009-2010 fiscal year and the sum of three
5 hundred thousand dollars (\$300,000) for the 2010-2011 fiscal year. These funds shall be used
6 to develop a behaviorally advanced residential treatment (BART) step-down unit that would be
7 operated by the Murdoch Center. These funds include private provider training and technical
8 assistance to facilitate replication through the State.

9 **SECTION 13. Funds to Increase Staffing and Salary Ranges at DHHS and the**
10 **State Psychiatric Hospitals.** – There is appropriated from the General Fund to the Department
11 of Health and Human Services, Division of Mental Health, Developmental Disabilities, and
12 Substance Abuse Services, the sum of five hundred thousand dollars (\$500,000) for the
13 2009-2010 fiscal year and the sum of five hundred thousand dollars (\$500,000) for the
14 2010-2011 fiscal year. These funds shall be used to increase staff and raise salary ranges for
15 Division and State psychiatric hospital personnel.

16 **SECTION 14.** This act becomes effective July 1, 2009.