

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

Legislative Fiscal Note

BILL NUMBER: House Bill 618 (Fifth Edition)

SHORT TITLE: Streamline Oversight/DHHS Service Providers.

SPONSOR(S): Representatives Lewis and Hurley

FISCAL IMPACT					
	Yes ( x )	No ( )	No Estimate Available ( )		
	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>
<b>REVENUES</b>					
<b>EXPENDITURES</b>					
<b>POSITIONS (cumulative):</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>	Department of Health and Human Services (DHHS)				
<b>EFFECTIVE DATE:</b>	Becomes effective when bill becomes law				

**BILL SUMMARY:** Requires DHHS to prepare a rate-setting memorandum for every change in service definition, policy, rule, or provider requirements that has an impact on services.

Requires the Secretary to establish a task force to study the North Carolina Treatment Outcomes Program Performance System. Requires the Secretary to allow private sector development of an Internet-based data warehouse for provider records. Requires the Secretary to conduct annual reviews of policy updates from national accreditation bodies and to take action to ensure that Department policy and procedures are not duplicative.

**ASSUMPTIONS AND METHODOLOGY:**

**Section 1.(a):** Requires the Department to prepare a rate-setting memorandum for every change or adjustment to service definition, policy, rule, or provider requirements that has an impact on services. *DHHS staff indicated that Section 1.(a) will have no fiscal impact.*

**Section 1.(b):** Directs the Secretary to dissolve the North Carolina Treatment Outcomes Program Performance System (NC-TOPPS) Advisory Committee to be replaced by a newly established task force. The membership of the new task force shall be comprised of division staff, providers, consumers and representatives of behavioral health managed care organizations. The task force shall evaluate NC-TOPPS data access by August 1, 2011. *DHHS staff indicated that Section 1.(b) will have no fiscal impact.*

**Section 1.(c):** Directs the Department to “allow private sector development and implementation of an Internet-based, secure, and consolidated data warehouse and archive for maintaining corporate, fiscal, and administrative records of providers by September 1, 2011.” Providers will have the option to use the data warehouse. For those providers that do choose to use the data warehouse, State regulatory bodies that conduct administrative monitoring must use the data warehouse to acquire the provider’s documents.

The private sector entity shall bear the cost of developing and implementing the data warehouse. However, it is anticipated that DHHS information technology staff will have to devote considerable time and effort to provide direction to the private sector entity during the planning, design, and implementation processes. *DHHS is unable to estimate the number and cost of staff hours needed to implement Section 1.(c), but believes it could have a significant but indeterminate fiscal impact.*

**Section 1. (d):** Requires the Secretary to annually review policy updates from the national accrediting bodies listed below and to take necessary actions to ensure that Department policy and procedures do not duplicate accreditation body standards.

- Council on Accreditation (COA),
- CARF (Commission on Accreditation of Rehabilitation Facilities) International,
- Council on Quality and Leadership (CQL),
- The Joint Commission,
- National Committee on Quality Assurance (NCQA), and the
- URAC (formerly known as the Utilization Review Accreditation Commission)

*DHHS staff indicated that Section 1.(d) will have no fiscal impact.*

**SOURCES OF DATA:**

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION: (919) 733-4910**

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**DATE:** June 16, 2011



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