

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 1201

Short Title: Youth Placement Study. (Public)

Sponsors: Representative K. Brown.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 5, 2026

1 A BILL TO BE ENTITLED
2 AN ACT TO CONDUCT A TEMPORARY PLACEMENT PILOT PROGRAM THROUGH
3 THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND FOR THE
4 DEPARTMENT TO STUDY AND REPORT ON VARIOUS LICENSURE AND YOUTH
5 PLACEMENT REFORMS.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Temporary Placement Pilot Program. – There is established the
8 Temporary Placement Pilot Program, administered by the Department of Health and Human
9 Services. The purpose of the Program is to provide high-acuity youth, who would require
10 placement in a psychiatric residential treatment facility (PRTF), be eligible for temporary
11 placement in a lower-level setting that assures safety for the youth through sufficient
12 wrap-around services and supports. The Program would focus on providing those high-acuity
13 youth with therapeutic alternatives to other temporary placements used during high-volume
14 periods, such as social service offices and emergency rooms. The Department of Health and
15 Human Services, Division of Social Services and Division of Mental Health, Developmental
16 Disabilities, and Substance Use Services, shall apply for any required waivers to provide these
17 flexibilities. The Program would begin within six months of receiving any required waivers and
18 adoption of temporary rules, if necessary.

19 **SECTION 2.** Study. – The Department of Health and Human Services shall study
20 and submit a report to the Joint Legislative Health and Human Services Oversight Committee by
21 October 1, 2026, on the outcomes of the Temporary Placement Pilot Program under Section 1 of
22 this act and all of the following:

- 23 (1) Allow experienced providers with a history of excellence to operate under a
24 temporary and less rigorous approval with post-opening compliance
25 verification until full licensure approval can be processed, including allowing
26 for video walkthroughs for the Division of Health Service Regulation
27 licensure approval.
- 28 (2) Reduce admission hesitancy by creating clinical exception pathways, by
29 providing liability protection with defined parameters, State-supported
30 clinical consultation, and enhanced reimbursement for high-acuity cases.
- 31 (3) Policy adjustments regarding emergency admission flexibility by (i) allowing
32 same-day comprehensive clinical assessments (CCA), (ii) permit the
33 admitting provider to complete the CCA, and (iii) accept provisional
34 documentation for immediate placement.



1 (4) Reintegration success rates of youth transiting from out-of-state provider
2 placements to the same or step-down levels of care, including family
3 reintegration, time to re-placement, family reunification outcomes, cost
4 comparison compared to in-State care, and reintegration success.

5 **SECTION 3.** There is appropriated from the General Fund to the Department of
6 Health and Human Services the nonrecurring sum of one hundred thousand dollars (\$100,000)
7 for the 2026-2027 fiscal year to conduct the Temporary Placement Pilot Program, as enacted in
8 Section 1 of this act.

9 **SECTION 4.** Section 3 of this act becomes effective July 1, 2026. The remainder of
10 this act is effective when it becomes law.