

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

S

1

SENATE BILL 523

Short Title: Universal Basic Therapy Act. (Public)

Sponsors: Senators Theodros and Batch (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 26, 2025

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH A PILOT VOUCHER SYSTEM FOR MENTAL HEALTH SERVICES, TO EXPAND ACCESS TO CARE, AND TO EVALUATE THE EFFECTIVENESS OF TARGETED MENTAL HEALTH SUPPORT IN NORTH CAROLINA.

Whereas, mental health services remain financially inaccessible for many North Carolinians, particularly in underserved areas; and

Whereas, expanding access to counseling, therapy, and psychiatric care will improve public health outcomes and reduce long-term healthcare costs; and

Whereas, a structured pilot project will allow for data-driven assessment before broader implementation; and

Whereas, the North Carolina Constitution, Article XI, Section 4, mandates the State's responsibility to provide for the welfare of its citizens, including mental health support; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. This act shall be known and may be cited as the "Mind Care for All Act."

SECTION 2. For the purposes of this act, the following definitions apply:

- (1) Approved providers. – Includes licensed counselors, therapists, psychiatrists, and community mental health centers certified by the Department of Health and Human Services (DHHS).
- (2) Mental health voucher. – A State-funded certificate that eligible individuals can use to access mental health services from approved providers.
- (3) Pilot counties. – The select counties chosen for the initial implementation of this act.

SECTION 3. By October 1, 2026, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services (DMH/DD/SUS), shall establish a Mental Health Voucher System pilot project in five counties. DMH/DD/SUS shall select the five pilot counties based on mental health service shortages and rates of untreated mental illness.

SECTION 4.(a) The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services, shall reallocate the sum of ten million dollars (\$10,000,000) in nonrecurring funds for the 2025-2026 fiscal year from single-stream funding currently allocated to the five pilot counties to be used to support the pilot project created by this act. These funds shall not revert at the end of the fiscal year but shall remain available until expended.



* S 5 2 3 - V - 1 *

SECTION 4.(b) There is appropriated from the General Fund to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services, the sum of ten million dollars (\$10,000,000) in nonrecurring funds for the 2025-2026 fiscal year to be used to support the pilot project created by this act. These funds shall not revert at the end of the fiscal year but shall remain available until expended.

SECTION 4.(c) The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services, shall use the sum of five million dollars (\$5,000,000) in nonrecurring funds for the 2025-2026 fiscal year from federal mental health block grants to support the pilot project created by this act. These funds shall not revert at the end of the fiscal year but shall remain available until expended.

SECTION 4.(d) Additionally, it is the intent of the General Assembly to create a public-private partnership fund to encourage nonprofit and healthcare industry contributions.

SECTION 5. Individuals earning below two hundred fifty percent (250%) of the federal poverty level that demonstrate a mental health need, as determined by a primary care provider or mental health screening, may qualify for the pilot project mental health voucher. Veterans, uninsured individuals, young adults aged 18 to 26, law enforcement officers, and teachers shall be given priority consideration.

SECTION 6. The pilot project mental health vouchers shall cover therapy sessions, psychiatric evaluations, medication management, and crisis intervention. Each mental health voucher recipient shall be eligible to receive up to 10 free mental health visits with an approved provider annually, with options for renewal based on clinical need.

SECTION 7. DMH/DD/SUS shall recruit and certify mental health providers willing to accept mental health vouchers in pilot counties and shall provide incentives, including State reimbursement bonuses, to encourage provider participation. The pilot project shall allow mental health voucher recipients to use telehealth platforms to connect with approved providers, and DMH/DD/SUS shall provide grants to community health centers to enhance telehealth infrastructure.

SECTION 8. DHHS shall collect quarterly reports from participating providers and submit an annual report to the General Assembly and the Independent Review Commission on Mental Health Access, established under Section 9 of this act. This report shall include all of the following:

- (1) Mental health voucher utilization rates.
- (2) Patient satisfaction metrics.
- (3) Symptom improvement metrics.
- (4) Emergency psychiatric hospitalization rates.

SECTION 9.(a) An Independent Review Commission on Mental Health Access (Commission) shall be established to oversee the pilot project evaluation. The Commission shall consist of seven members, as follows:

- (1) Two mental health policy experts appointed by the Governor.
- (2) Two representatives from DHHS appointed by the Secretary of the Department of Health and Human Services.
- (3) One representative from the House of Representatives appointed by the Speaker of the House.
- (4) One representative from the Senate appointed by the President Pro Tempore of the Senate.
- (5) One mental health provider participating in the pilot project appointed by the Governor.

SECTION 9.(b) The Commission shall conduct a project evaluation based on the annual reports from DHHS required in Section 8 of this act. If the Commission determines that the pilot project demonstrates positive health outcomes and cost-effectiveness, DHHS shall

1 submit a plan to expand the voucher system statewide within five years. This plan shall prioritize
2 rural and high-need urban areas.

3 **SECTION 10.** DHHS shall establish a Statewide Mental Health Access Oversight
4 Panel to ensure transparency and accountability. The Panel shall conduct public hearings and
5 publish annual project updates. These reports shall be made publicly available on the DHHS
6 website. A feedback portal shall be created for public input on the pilot project effectiveness.

7 **SECTION 11.** DHHS shall adopt the necessary rules and regulations to implement
8 the provisions of this act.

9 **SECTION 12.** If any provision of this act is found to be invalid or unconstitutional,
10 the remaining provisions shall remain in effect.

11 **SECTION 13.** This act is effective July 1, 2025.