



This Bill Analysis reflects the contents of the bill as it was presented in committee.

# SENATE BILL 371: LME/MCO Claims Reporting/Mental Health Amends

2015-2016 General Assembly

<b>Committee:</b>	Rules, Calendar, and Operations of the House	<b>Date:</b>	September 24, 2015
<b>Introduced by:</b>	Sen. Hartsell	<b>Prepared by:</b>	Theresa Matula
<b>Analysis of:</b>	PCS to Third Edition S371-CSSH-59		Legislative Analyst

**SUMMARY:** *The PCS for SB 371 establishes data submission requirements for LME/MCOs; prohibits approval of a request to withdraw from a multicounty area authority until rules have been established and the Secretary has reviewed and approved the request; specifies requirements for an alternative process to appoint members of the area board, allows the Secretary to approve an appointment process that includes the constituent counties delegating appointment authority to intermediary bodies created by counties to represent regions of a multicounty area authority, and clarifies that an area board member is nonvoting if he or she is the administrator of a hospital receiving reimbursement from the LME/MCO; strengthens the approval process for salary adjustments that are above the normal allowable salary range; requires the appointment of the area director be based on the candidates recommended by a search committee, prohibits an area director from being terminated by the area authority board without 30 days prior written notice to the Secretary; removes the sunset for the pilot program to study the use of electronic supervision devices in certain facilities; requires DHHS to distribute one-twelfth of each LME/MCO's single stream allocation on or before the last working day of each month beginning with the first month of the fiscal year; and requires DHHS to develop a plan for extending Community Guide services to all individuals on the Medicaid Innovations Waiver waiting list.*

**BILL ANALYSIS:** Section 1 reflects the original content of SB 371 as it was received from the Senate, Sections 2-8 have been added by the PCS.

**Section 1** outlines requirements for data submission from local management entities/managed care organizations (LME/MCOs) to the Department of Health and Human Services (DHHS) and the use of that information by DHHS. The bill outlines five specific requirements:

- Requires LME/MCOs to submit encounter data to DHHS. The data must be in a single nationally recognized standardized electronic format specified to the LME/MCOs in advance.
- Specifies the purposes for which DHHS may use encounter data.
- Requires DHHS to share encounter data with the Government Data Analytics Center which is in the Office of the State Chief Information Officer.
- Requires DHHS to work with LME/MCOs to ensure that the process for submitting encounter claims through NCTracks is successful.
- Requires DHHS to report to the Joint Legislative Oversight Committee on Health and Human Services regarding the status of this section on or before February 1, 2016.

**Section 2** amends G.S. 122C-115.3 to prohibit the Secretary of DHHS from approving a county's request to withdraw from a multicounty area authority unless rules establishing a procedure for single-county disengagement are adopted. Once rules and a process have been adopted, the Secretary must

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# Senate Bill 371

Page 2

review and approve each request for a single county to withdraw from an area authority operating under the 1915(b)(c) Waiver. The Secretary is specifically authorized to develop temporary rules.

**Section 3** amends G.S. 122C-118.1 pertaining to the structure of an area board. Current law provides the number of members on the board and requirements pertaining to the appointments [G.S. 122C-1811(b)]. The PCS adds two new subsections (a1) and (a2) to rearrange and relocate current law. The PCS amends current law to require at least two-thirds of the constituent counties in a multicounty area with a catchment population of at least 1,250,000 to adopt a resolution to appoint members of the area board through a process other than as required by the section. The PCS provides that Secretary may approve an appointment process that includes the constituent counties delegating appointment authority to intermediary bodies created by counties to represent regions of a multicounty area authority. The other change in this section is to subdivision (13) pertaining to representation on the area board from an administrator of a hospital providing mental health, developmental disabilities, and substance abuse emergency services on the area board. The PCS provides that if the hospital receives reimbursement from the LME/MCO, the individual shall serve as a nonvoting member.

**Section 4** amends G.S. 122C-121 pertaining to area directors. The PCS adds the Secretary of DHHS to the entities that must approve any salary adjustment above the normal allowable salary range prior to authorization by an area board. The PCS also adds language to require the appointment of the area director to be based on the recommendation of at least two candidates by a search committee of the area board. The search committee must include a consumer board member, a county commissioner, and an appointee of the Secretary. Further, the PCS prohibits an area director from being terminated by the area authority board without 30 days prior written notice to the Secretary.

**Section 5** amends G.S. 122C-154 pertaining to personnel. The PCS prohibits the area board from authorizing any salary adjustment for any employee above the normal allowable salary without submitting the documentation of comparable salaries in comparable operations within the region that was used as justification for the request to the Director of the Office of State Human Resources and obtaining prior written approval for the salary adjustment from the Director of the Office of State Human Resources and the Secretary.

**Section 6** removes the sunset for the pilot program to study the use of electronic supervision devices in certain facilities and extends it to all facilities owned or operated by the facility currently authorized to waive the requirements for minimum staffing. [Session Law 2009-490 required the Department of Health and Human Services, Division of Health Service Regulation to establish a pilot program to study the use of electronic supervision devices as an alternative means of supervision during sleep hours in certain facilities authorized to waive the requirements in 10A NCAC 27G.1704.]

**Section 7** requires DHHS to distribute one-twelfth of each LME/MCO's single stream allocation on or before the last working day of each month beginning with the first month of the fiscal year.

**Section 8** requires DHHS to develop a plan for extending Community Guide services to all individuals on the Medicaid Innovations Waiver waiting list. The plan must include four elements outlined in the PCS. DHHS is required to report on the plan to the Joint Legislative Oversight Committee on Health and Human Services on or before March 15, 2016.

**EFFECTIVE DATE:** This act would become effective when it becomes law.