



# HOUSE BILL 512: Monitor Implementation of TBI Waiver.

2017-2018 General Assembly

<b>Committee:</b>	Senate Rules and Operations of the Senate	<b>Date:</b>	June 14, 2018
<b>Introduced by:</b>	Rep. Torbett	<b>Prepared by:</b>	Jason Moran-Bates Staff Attorney
<b>Analysis of:</b>	Third Edition		

**OVERVIEW:** *House Bill 512 would require the Department of Health and Human Services (Department) to make quarterly reports on the status and implementation of the 1915(c) waiver for individuals with traumatic brain injury (TBI). The Department would also be required to adopt rules or medical coverage policies relating to service programs for individuals with TBI, develop a best practice model and strive to maintain adequate reimbursement rates. In addition, the bill would allow township hospitals that continue to operate under Article 2 of Chapter 131 of the General Statutes, pursuant to Section 3 of Chapter 775 of the 1983 Session Laws to exercise many of the powers currently permitted to public hospitals under Article 2 of Chapter 131E of the General Statutes. It would also amend G.S. 131E-184(h) to extend the period in which the acquisition or reopening of a Legacy Medical Facility is exempt from Certificate of Need review by 36 months. Finally, it would change the definition of "Legacy Medical Facility" to include facilities that provided outpatient care.*

**CURRENT LAW:** Currently township hospitals operate under Article 2 of Chapter 131 of the General Statutes as it existed in 1983. They lack the statutory authority to exercise many of the powers granted to public hospitals under Article 2 of Chapter 131E of the General Statutes. In order to be exempt from Certificate of Need review, a Legacy Medical Facility must be operational within 36 months of the date it gives notice it is to reopen or be acquired, and the original facility on which the Legacy Medical Facility is based must have provided only inpatient care.

## BILL ANALYSIS:

**Section 1** of House Bill 512 would require the Department of Health and Human Services (Department) to report quarterly on the status and implementation of the 1915(c) waiver for individuals with traumatic brain injury (TBI) to the:

- Joint Legislative Oversight Committee on Medicaid and NC Health Choice;
- Joint Legislative Oversight Committee on Health and Human Services;
- Chairs of the Senate Appropriations Committee on Health and Human Services;
- Chairs of the House of Representatives Committee on Appropriations, Health and Human Services; and the
- Fiscal Research Division.

The Department would also be required to do the following:

1. Adopt rules or medical coverage policies relating to service programs for individuals with TBI, including setting standards that ensure that individuals with brain injuries who require residential

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# House Bill 512

Page 2

treatment receive appropriate, effective and high-quality treatment in community-based residential settings

2. Develop a best practice model system that includes a comprehensive continuum of care, short-term and long-term treatments, rehabilitation options, and home and community support services.
3. Strive to maintain adequate reimbursement rates for residential and community-based care programs that serve individuals with traumatic brain injury.

**Section 2** of House Bill 512 would grant township hospitals the power to:

- Construct hospital facilities and issue bonds and acquire real property for the purpose of constructing hospital facilities.
- Enter into contracts and agreements with other hospitals or municipalities.
- Acquire an ownership stake in a managed care company.
- Sell rights in the hospital facility to a non-profit corporation.
- Accept federal and State money.
- Lease or sell hospital facilities to any corporation, subject to certain regulations.
- Build branches outside their home counties, subject to certain regulations.
- Exercise power through an agent.
- Not be subject to regulations on the disposal of property by public bodies unless the General Assembly enacts specific legislation making those regulations apply.
- Take out a mortgage to acquire property.
- Exercise all the corporate powers necessary to operate a hospital.

**Section 3** of House Bill 512 would amend G.S. 131E-184(h) to grant Legacy Medical Facilities an additional 36 months to become operational and still be exempt from Certificate of Need review. It would also require the person responsible for giving notice to notify the Department of Health and Human Services if the Legacy Medical Facility were going to open in a new location in the same county as the facility that ceased operations. Finally, it would modify the definition of "Legacy Medical Facility" to include facilities that mainly provided outpatient care.

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

**BACKGROUND:** A "Legacy Medical Facility" is a healthcare facility that (1) is not currently operating, (2) has not operated in the last six months, and (3) within the last two years held a hospital license while providing inpatient care.