



SENATE BILL 537: Establish New Payment Methodology/ACHs.

2019-2020 General Assembly

Committee:	Senate Rules and Operations of the Senate	Date:	April 18, 2019
Introduced by:	Sens. Hise, Krawiec, Bishop	Prepared by:	Jessica Sammons* Staff Attorney
Analysis of:	First Edition		

OVERVIEW: Senate Bill 537 would direct the Department of Health and Human Services (DHHS) to convene a workgroup to evaluate reimbursement options under managed care for adult care homes and to develop a service definition that i) supports alternative payment models, ii) incorporates best practices for long-term services and supports, and iii) includes efficient payment methodologies.

By October 1, 2020, DHHS must submit a report containing the new service definition to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division. DHHS must then submit any amendments to the Medicaid State Plan necessary to implement the new service definition to the Centers for Medicare and Medicaid Services.

[As introduced, this bill was identical to H729, as introduced by Reps. Dobson, Lambeth, Murphy, Adcock, which is currently in House Health.]

BILL ANALYSIS: Senate Bill 537 would direct the Department of Health and Human Services (DHHS) to convene a workgroup that includes adult care home industry representatives and relevant stakeholders. This workgroup would evaluate reimbursement options under managed care for adult care homes. The workgroup would be required to include all funding streams in the evaluation and must develop a service definition. In developing the service definition, the workgroup would be required to include the following components:

- 1) Support for alternative payment models, including pay-for-performance initiatives, available under the State's 1115 Medicaid waiver and Medicaid transformation.
- 2) Best practices for long-term services and supports.
- 3) Efficient payment methodologies.

By October 1, 2020, DHHS is required to submit a report containing the new service definition to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division. Following submission of the report, DHHS is directed to submit any amendments to the Medicaid State Plan necessary to implement the new service definition to the Centers for Medicare and Medicaid Services.

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

**Theresa Matula, staff to Senate Health Care, substantially contributed to this summary.*

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578