



2021-2022 General Assembly

# SENATE BILL 105: 2021 Appropriations Act, Sec. 9F.14: Group Home Stabilization and Transition Initiative

<b>Committee:</b>		<b>Date:</b>	February 22, 2022
<b>Introduced by:</b>		<b>Prepared by:</b>	Jennifer Hillman Staff Attorney
<b>Analysis of:</b>	Sec. 9F.14 of S.L. 2021-180		

**OVERVIEW:** *Section 9F.14 of S.L. 2021-180 provides \$10 million in recurring funds to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services (DHHS), and includes a directive to develop and implement a more sustainable model for the provision of services by group homes that serve individuals with intellectual or developmental disabilities (IDD) or with mental illness who are not on the Innovations waiver. The new model must be implemented by July 1, 2022, in accordance with the following:*

- DHHS must use the \$10 million to (i) incentivize local management entities/managed care organizations (LME/MCOs) to develop and implement new "in lieu of" services or other Medicaid services to meet the residential support needs of Medicaid recipients in group homes, (ii) establish new rate models and methodologies to replace current State-funded rates for residents of group homes that allow vacant beds to be filled by eligible individuals, (iii) increase capitation rates to LME/MCOs, to be allocated to group homes for individuals with IDD in per-person amounts, and (iv) continue the existing rate structure to offset the loss of bridge funds and maintain the current financial condition of group homes.*
- In cooperation with stakeholders and local management entities/managed care organizations (LME/MCOs), DHHS must develop rate models and methodologies for the new Medicaid services that are (i) needs-based, (ii) actuarially sound, (iii) comparable to the rates for similar services provided under the Innovations waiver, and (iv) include wage and hour increases for direct support personnel working in group homes.*
- DHHS must develop new model service definitions to meet the residential support needs of Medicaid recipients with mental health needs. The service definitions must require the delivery of new habilitation or rehabilitation support services.*
- Group home residents who do not qualify to receive the new Medicaid services must continue to be served using State funds at a needs-based rate comparable to the Innovations waiver rate and must not be displaced.*
- DHHS must plan to direct LME/MCOs to implement the new Medicaid services.*
- By March 1, 2022, DHHS must report to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice on this new model.*
- Any savings in the State funding that has been historically used to support group homes must be used to pay for the new funding model, including the new Medicaid services and increased rates to support and equalize wages of the direct support personnel.*

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*This section became effective July 1, 2021.*