



HOUSE BILL 500: NCCWBTC Recs./Medicaid.

2023-2024 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	April 25, 2023
Introduced by:	Rep. Stevens	Prepared by:	Jennifer Hillman
Analysis of:	PCS to First Edition H500-CSTR-1		Staff Attorney

OVERVIEW: *The PCS to HB 500 would enact two provisions recommended by the North Carolina Child Well-Being Transformation Council related to the Medicaid program. The provisions would require (i) the development and implementation of a plan to increase awareness of the school-based health services that may be reimbursed by Medicaid and (ii) an evaluation of the Integrated Care for Kids (InCK) Medicaid pilot program. The PCS adds two additional provisions to the bill, one requiring the implementation of Medicaid coverage of school-based transportation services, and one requiring annual parental consent for student access to school health clinic services.*

BILL ANALYSIS: Section 1.1 would require the Department of Health and Human Services, Division of Health Benefits (DHB), to develop and implement a plan to work with the following entities to increase awareness of Medicaid-reimbursable school-based health services:

- The Department of Public Instruction.
- Local administrative units.
- Local management entity/managed care organizations (LME/MCOs).

DHB would also assess the feasibility of mechanisms to encourage private agencies to provide these school-based services. DHB would submit a legislative report on the plan by August 1, 2024.

Section 1.2 would require DHB to implement Medicaid coverage of school-based transportation in adaptive vehicles for students with disabilities provided by local education agencies on the days they receive certain Medicaid covered health-related services. The coverage would be effective on the later of July 1, 2023, or the effective date approved by the Centers for Medicare and Medicaid Services.

Section 1.3 would require a parent to annually sign a consent form in order for the parent's child to access the services provided at a school health clinic. The consent form would list the services provided by the school health clinic, any services that may be provided off-campus, and any other clinics where services may be provided upon referral. This requirement would apply beginning with the 2023-2024 school year.

Section 2 would require DHB to evaluate (i) the benefits of the InCK Medicaid pilot program, (ii) the feasibility of expanding the program, and (iii) the anticipated costs and savings associated with expanding the program. DHB would submit an initial report by March 1, 2025, and an updated report by March 1, 2027, to the Joint Legislative Oversight Committee on Medicaid with the evaluation of the program and any legislative recommendations.

Jeffrey Hudson
Director



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BACKGROUND:

North Carolina Child Well-Being Transformation Council

In 2018, the General Assembly created the time-limited Child Well-Being Transformation Council (the Council) for the purpose of coordinating, collaborating, and communicating among agencies and organizations involved in providing public services to children. The Council approved a Final Report¹ dated July 20, 2020, containing recommendations of changes in law, policy, or practice necessary to remedy identified gaps and problems. In its Final Report, the Council also recommended three bill drafts, one of which addressed recommendations related to the Medicaid program. HB 500 is an updated version of that bill draft, and it addresses the following topics:

- (1) **School-Based Health Services.** In 2019, DHB received federal approval to expand Medicaid coverage for certain health services provided in schools. The 2019 approval expanded coverage to specified services when the services are documented on the student's Section 504 Accommodation Plan pursuant to 34 C.F.R. § 104.36 (504 Plan), Individual Health Plan (IHP), or Behavioral Intervention Plan (BIP). Before the approval, the specified services could only be covered when documented on an Individual Education Program (IEP) or an Individual Family Service Plan (IFSP). The specified services that may be covered when included on one of these plans include nursing, counseling, occupational therapy, speech/language therapy, physical therapy, and audiology services. The 2019 approval expanded the specified services to add coverage for vision screening and hearing screening services when included on any of the five types of plans previously described (IEP, IFSP, 504 Plan, IHP, or BIP). The Council found that there was a lack of awareness that these services were available to Medicaid-eligible students in school settings.
- (2) **Integrated Care for Kids (InCK) Pilot Program.** In June 2019, Duke University, in partnership with UNC and NC Medicaid, applied for federal approval to operate an InCK model pilot program. North Carolina was selected as one of seven states to receive federal funding of up to \$16 million from January 2020 to December 2026 to plan for and implement the InCK model. The InCK model supports alternative payment approaches that aim to reduce expenditures and improve the quality of care for children under 21 years of age covered by Medicaid through prevention, early identification, and treatment of behavioral and physical health needs. The Council found there was a lack of independent review of North Carolina's InCK pilot program.

Student Transportation Support Legislative Report

On May 1, 2022, the North Carolina Department of Health and Human Services, Division of Health Benefits and the Department of Public Instruction jointly submitted a Student Transportation Support Legislative Report² to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Joint Legislative Education Oversight Committee with a proposal for adding Medicaid coverage for school-based transportation services and proposed legislative language for implementing the coverage.

EFFECTIVE DATE: The PCS would be effective when it becomes law.

¹ The Child Well-Being Transformation Council Report is available online at: <https://webservices.ncleg.gov/ViewDocSiteFile/34716>.

² The Student Transportation Support Legislative Report is available online at: <https://webservices.ncleg.gov/ViewDocSiteFile/15665>.