



SENATE BILL 425: Health and Human Services Omnibus.

2023-2024 General Assembly

Committee:		Date:	August 26, 2024
Introduced by:		Prepared by:	Jessica Boney Staff Attorney
Analysis of:	S.L. 2024-34		

OVERVIEW: *S.L. 2024-34 makes various changes to the laws on health and human services.*

Aging and Adult Services. - *The act does the following:*

- *Clarifies the manner of service of the petition and notice of hearing to a disabled adult regarding the provision of adult protective services. (Section 1)*

Children and Families. – *The act does the following:*

- *Amends the definition of family child care home to include a child care arrangement where more than two children and less than 11 children, previously 10 children, receive child care in a residence. (Section 2)*
- *Extends unlicensed kinship care to half-siblings of relative children. (Section 4)*
- *Clarifies that a first responder to whom an infant can be temporarily surrendered must be on duty. (Section 5)*
- *Allows application by a director of a county department of social services to the court for limited custody of a surrendered infant upon initiation of notice by publication, instead of waiting for the completion of the notice by publication. (Section 6)*
- *Updates guidelines for trauma-informed standardized assessments. (Section 7)*
- *Directs the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services (DHHS), to revise the Quality Rating Improvement System (QRIS) by creating alternative pathways for child care facilities to earn a license of two to five stars and to adopt or amend rules to implement the alternative pathways. The alternative pathways can be focused on (i) program assessment, (ii) classroom and instructional quality, (iii) accreditation, or (iv) any other pathway designated by the North Carolina Child Care Commission. A child care facility is not required to undergo a QRIS assessment by DCDEE until rules implementing the new QRIS pathways become effective. (Section 8)*
- *Amends the 2023 Appropriations Act by providing that the State portion of the funding for the Tri-Share Child Care pilot program does not revert at the end of the 2023-2025 fiscal biennium and remains available for costs associated with the Tri-Share Child Care pilot program. The North Carolina Partnership for Children must design the Tri-Share Child Care pilot program, establish the program infrastructure, and recruit participating child care providers and employers. (Section 15)*

Medicaid. - *The act does the following:*

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- *Extends the temporary authority of the federally facilitated marketplace to make North Carolina Medicaid eligibility determinations until June 30, 2025. (Section 9)*
- *Extends the managed care exemption for justice-involved individuals so that prison inmates, who are currently exempt from enrolling in prepaid health plans, will remain exempt for up to a year after release from prison. The same exemption will apply to inmates in jails and other carceral settings who have had their Medicaid eligibility suspended. (Section 12)*

Mental Health, Developmental Disabilities, and Substance Use Services. - *The act does the following:*

- *Encourages DHHS and local management entity/managed care organizations (LME/MCOs) to enter into intergovernmental agreements with the Eastern Band of Cherokee Indians to facilitate the use of tribal health facilities for the voluntary admission or involuntary commitment of North Carolina residents to those facilities and requires reporting by February 1, 2025, on any proposed legislative changes to further facilitate this use of tribal health facilities. (Section 14)*
- *Requires the area director of Trillium Health Resources (Trillium) to submit to the Secretary of DHHS a new alternative board structure for Trillium. The Secretary can approve the new alternative board structure and appoint the initial board members without each county in Trillium's catchment area adopting a resolution approving the board structure or appointing the board members, notwithstanding statutory requirements. (Section 16)*

Hospitals and Healthcare Facilities. - *The act does the following:*

- *Amends references to the East Carolina University Regional Behavioral Health Facility to be consistent in the 2023 Appropriations Act. (Section 10)*
- *Amends the Hospital Violence Act to create an exemption until June 1, 2025, from the requirement to have a law enforcement officer present in the emergency department for hospitals that submit a security risk assessment, along with other specified criteria, to DHHS by October 1, 2024. (Section 11)*
- *Grants the authority to establish a campus law enforcement agency within the Board of Directors of the University of North Carolina Health Care System (Board) and updates the powers of the Board to include the authority to engage legal counsel, including private counsel, for any matter the Board deems necessary; and creates G.S. 131E-14.3 within Article 2 of Chapter 131E of the General Statutes to allow the lease or sale of hospital facilities to certain political subdivisions. (Section 13)*

Public Health. – *The act does the following:*

- *Amends the minimum education and experience qualifications required for a local health director to include a bachelor's degree in a field related to public health and at least seven years of experience in health programs that include three years of supervisory experience. (Section 3)*

General Health Provisions. - *The act does the following:*

- *Makes various changes to the Review Panel of the North Carolina Medical Board, including setting term limits. (Section 17)*

This act has various effective dates. Please see the full summary for more detail.

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Part I: Clarify the Manner of Service of Petition and Notice of Hearing on Disabled Adults

CURRENT LAW: G.S. 108A-105 does not specify how a disabled adult should receive notice of a hearing that the disabled adult needs protective services and lacks capacity to consent.

BILL ANALYSIS: Section 1 of S.L. 2024-34 clarifies the petition and notice of the hearing must be served upon the disabled adult in accordance with Civil Procedure Rule 4 Process.

EFFECTIVE DATE: This section became effective August 1, 2024, and applies to petitions filed on or after that date.

Part II: Amend Definition of Family Child Care Home

BILL ANALYSIS: Section 2 of S.L. 2024-34 amends the definition of family care home to include a child care arrangement where more than two children and less than 11 children, previously 10 children, receive child care in a residence.

EFFECTIVE DATE: This section became effective July 8, 2024.

Part III: Modernize Local Health Director Qualifications

BILL ANALYSIS: Section 3 of S.L. 2024-34 amends the minimum education and experience qualifications for a local health director to include a bachelor's degree in a field related to public health and at least seven years of experience in health programs that include three years of supervisory experience.

EFFECTIVE DATE: This section became effective August 1, 2024, and applies to local health directors appointed on or after that date.

Part IV: Extend Unlicensed Kinship Care Reimbursement to Half-Siblings of Relative Children

Current Law: An individual who is related by blood, marriage, or adoption to a child and providing foster care to the child can be reimbursed for the provision of care without meeting licensure requirements.

BILL ANALYSIS: Section 4 of S.L. 2024-34 allows an individual who is related by blood, marriage, or adoption to a child and providing foster care to the child and the child's half-siblings, to also be reimbursed for the provision of care of the child's half-siblings without meeting the licensure requirements.

EFFECTIVE DATE: This section became effective July 8, 2024.

Part V: Clarify First Responder to Whom Infant Can be Surrendered is on Duty

BILL ANALYSIS: Section 5 of S.L. 2024-34 clarifies a first responder must be on duty to take temporary custody of a safely surrendered infant.

EFFECTIVE DATE: This section became effective August 1, 2024, and applies to infants surrendered on or after that date.

Part VI: Allow Application to Court for Limited Custody of Surrendered Infant upon Initiation of Notice by Publication

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Current Law: G.S. 7B-525 requires the director of a county department of social services (DSS) to wait until after the notice by publication is completed to apply to the court for legal custody of a safely surrendered infant for the sole purposes of obtaining a certified copy of the child's birth certificate, a social security number, and federal or State benefits.

BILL ANALYSIS: Section 6 of S.L. 2024-34 permits the director of a DSS to apply for the order upon the initiation of the notice by publication, instead of waiting for the completion of the notice by publication.

EFFECTIVE DATE: This section becomes effective October 1, 2024, and applies to infants surrendered on or after that date.

Part VII: Update Guidelines for Trauma-Informed Standardized Assessment

BILL ANALYSIS: Section 7 of S.L. 2024-34 updates the requirements for trauma-informed, standardized assessments to clarify that: (i) parental consent must be obtained, when required, for the assessment of juveniles who are included in the Medicaid children and families specialty plan, and (ii) the county DSS must make the referral for trauma-informed assessment within five working days of obtaining parental consent for children at risk of entering foster care.

EFFECTIVE DATE: This section became effective July 8, 2024.

Part VIII: Quality Rating Improvement System (QRIS) Modifications

CURRENT LAW: There is only one pathway for child care facilities to receive a two to five star license through the QRIS. The QRIS is based on point accumulation consisting of up to seven points for staff education standards, up to seven points for program standards, and the opportunity to receive one additional point by demonstrating compliance with a single option in educational or program standards.

BILL ANALYSIS: Section 8 of S.L. 2024-34 directs the Division of Child Development and Early Education (DCDEE), Department of Health and Human Services (DHHS), to revise the QRIS and create alternative pathways for child care facilities to earn a license of two to five stars. The alternative pathways can be focused on (i) program assessment, (ii) classroom and instructional quality, (iii) accreditation, or (iv) any other pathway designated by the North Carolina Child Care Commission (Commission).

A child care facility can receive either a three star-rated license or a five star-rated license for maintaining accreditation and good standing within a designated national childhood education accreditation organization. The Commission can create additional opportunities for a child care facility to increase its star rating, and star ratings can be reassessed if the accreditation standards are revised.

A child care facility is not required to undergo a QRIS assessment by DCDEE until rules implementing the new QRIS pathways become effective. If a child care facility elects to undergo a QRIS assessment before the rules are in effect, then (i) the facility must be evaluated using specified rating scales and (ii) DCDEE must lower the 75% threshold to 50% of lead teachers in the facility required to meet the "rated license education requirements" criteria.

The powers of the Secretary of DHHS are amended to specify considerations for evaluating program standards and education levels of staff and to remove the compliance history requirement for child care facilities. DCDEE is directed to adopt, repeal, and amend rules to effectuate the new star rating pathways.

EFFECTIVE DATE: The subsections of this act regarding licensure based on accreditation, additional opportunities for a child care facility to increase its star rating, a QRIS assessment not being required until

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rules implementing the QRIS pathways are effective, and the use of specific rating scales became effective July 8, 2024, and expire on the date rules implementing QRIS reform become effective. The remainder of this Part became effective July 8, 2024.

Part IX: Temporarily Extend Option to Decrease Medicaid Enrollment Burden on County Departments of Social Services

CURRENT LAW: The temporary authority of the federally facilitated marketplace to make North Carolina Medicaid eligibility determinations ends 12 months after the NC Health Works program began, which is November 30, 2024.

BILL ANALYSIS: Section 9 of S.L. 2024-34 extends the temporary authority of the federally facilitated marketplace to make North Carolina Medicaid eligibility determinations until June 30, 2025. This temporary authority was originally enacted to decrease the Medicaid enrollment burden on county departments of social services during the implementation of new NC Health Works Medicaid coverage.

EFFECTIVE DATE: This section became effective July 8, 2024.

Part X: Create Uniform Reference to East Carolina University Regional Behavioral Health Facility

BILL ANALYSIS: Section 10 of S.L. 2024-34 amends all references to the East Carolina University Regional Behavioral Health Facility to be consistent in the 2023 Appropriations Act.

EFFECTIVE DATE: This section became effective July 8, 2024.

Part XI: Update the Hospital Violence Protection Act

CURRENT LAW: Effective October 1, 2024, G.S. 131E-88 requires all hospitals that have an emergency department to conduct a security risk assessment and implement a security plan to ensure at least one law enforcement officer (LEO) is always present, unless a good faith exemption applies.

BILL ANALYSIS: Section 11 of S.L. 2024-34 creates an exemption until June 1, 2025, from the requirement to have a LEO present in the emergency department for hospitals that submit a security risk assessment, along with other specified criteria, to DHHS by October 1, 2024. DHHS is required to keep a list of those hospitals who have met this exemption.

EFFECTIVE DATE: This section becomes effective October 1, 2024.

Part XII: Clarify Medicaid Benefits for Inmates

CURRENT LAW: G.S. 108D-40(a) exempts Medicaid-eligible inmates in prison from enrolling with a prepaid health plan (PHP).

BILL ANALYSIS: Section 12.1 of S.L. 2024-34 extends the current exemption for justice-involved individuals from participation in Medicaid managed care as follows:

- Inmates in prison continue to be excluded from enrolling with prepaid health plans (PHPs) after their release from prison during their initial Medicaid eligibility period, or for 365 days, whichever is less.

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- Inmates in other carceral settings, such as jails and juvenile justice facilities, who have had their Medicaid eligibility suspended are excluded from enrolling with PHPs while incarcerated. The exclusion continues after their release from incarceration during their initial Medicaid eligibility period, or for 365 days, whichever is less.

Section 12.2 of S.L. 2024-34 clarifies that a contract is required between an LME/MCO and DHHS in order for the LME/MCO to manage the behavioral health, intellectual and developmental disability, and traumatic brain injury services for Medicaid recipients who are exempt from enrollment with certain PHPs that manage those services.

EFFECTIVE DATE: The extension of the managed care exemptions for justice-involved individuals becomes effective January 1, 2025. The remainder of the Part became effective July 8, 2024.

Part XIII: UNC Health Technical Corrections

BILL ANALYSIS: Section 13 of S.L. 2024-34 places the authority to establish a campus law enforcement agency within the Board of Directors of the University of North Carolina Health Care System (Board), instead of teaching hospitals affiliated with, but not part of, any constituent institution of The University of North Carolina. The powers and duties of the Board are updated to include the authority to engage legal counsel, including private counsel, for any matter the Board deems necessary.

G.S. 131E-14.3 is created within Article 2 of Chapter 131E of the General Statutes to allow the lease or sale of hospital facilities to certain political subdivisions.

EFFECTIVE DATE: This section became effective July 1, 2024.

Part XIV: Facilitate Use of Tribal Health Facilities

BILL ANALYSIS: Section 14 of S.L. 2024-34 encourages the Secretary of DHHS and the LME/MCOs to enter into any intergovernmental agreements allowable under federal and State law with the Eastern Band of Cherokee Indians to facilitate the use of tribal health facilities by any residents of the State who are seeking voluntary admission to those facilities or who are subject to involuntary commitment under State law. These agreements can address matters such as transportation of individuals under involuntary commitment and assurances of compliance with State and tribal court orders, and other matters, as necessary. By February 1, 2025, DHHS, in consultation with the LME/MCOs, must report to the Joint Legislative Oversight Committee on Medicaid on whether any of these intergovernmental agreements have occurred. The report must also identify any proposed legislative changes that are necessary to further facilitate this use of tribal health facilities.

EFFECTIVE DATE: This section became effective July 8, 2024.

Part XV: Tri-Share Child Care Pilot Program Expansion

BILL ANALYSIS: Section 15 of S.L. 2024-34 amends the 2023 Appropriations Act by providing the State portion of the funding for the Tri-Share Child Care pilot program does not revert at the end of the 2023-2025 fiscal biennium and remains available for costs associated with the Tri-Share Child Care pilot program. The North Carolina Partnership for Children (NCPC) must design the Tri-Share Child Care pilot program, establish the program infrastructure, and recruit participating child care providers and employers. NCPC can contract with third-party administrator to assist with financial transactions.

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EFFECTIVE DATE: This section became effective July 8, 2024.

Part XVI: Area Authority Alternative Board Structure

BILL ANALYSIS: Section 16 of S.L. 2024-34 requires the area director, also commonly referred to as the Chief Executive Officer or CEO, of Trillium Health Resources to submit to the Secretary of the Department of Health and Human Services a new alternative board structure for Trillium Health Resources. The Secretary can approve the new alternative board structure and appoint the initial board members without each county in the catchment area adopting a resolution approving the board structure or appointing the board members, notwithstanding the requirement in G.S. 122C-118.1(a).

EFFECTIVE DATE: This section became effective July 8, 2024.

Part XVII: Medical Board Review Panel Changes

BILL ANALYSIS: Section 17 of S.L. 2024-34 amends the terms of the Review Panel of the North Carolina Medical Board by limiting a member's term to three years, with no member serving more than two terms. When recommending Board applicants to the Governor, the Review Panel must attempt to ensure that its recommendations reflect the composition of the State regarding medical specialty.

EFFECTIVE DATE: This section became effective July 8, 2024.

EFFECTIVE DATE: Except as otherwise provided, this act became effective July 8, 2024.