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NC Collaborative for Children, Youth and Families

DATE: June 19, 2020

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Medical Care Advisory Committee Hears DHHS Update on Medicaid Transformation and Budget and COVID-19

NC DHHS Deputy Secretary Dave Richard and other key DHHS leaders presented an update to the [Medical Care Advisory Committee \(MCAC\)](#) on June 19th. The MCAC is advisory to the Secretary. They had earlier formed subcommittees related to Medicaid Transformation, including one on BH/IDD and one on beneficiary engagement. This was a standard meeting and the agenda provided insight into the focus of NC DHHS at this point. All handouts can be accessed through the above link to the Committee. Some of the highlights provided include:

Deputy Secretary Richard referred to S808, Medicaid Funding Act, and its movement in the legislature. He stated that NC DHHS does not know if the Governor will veto the bill. Richard stated that NC DHHS has great interest in finding a solution that moves Medicaid Transformation forward. They are concerned that there is a \$4 million payment to each PHP per month if the State is unable to go live by July 2021 because it could impact services. At this point, NC DHHS is waiting to see what happens in the General Assembly. He particularly noted that the Medicaid rebase is very important to have the State dollars needed to move ahead with any initiatives in Medicaid. Richard provided a handout that enumerates some of the steps that NC DHHS would have to take to ramp back up on Medicaid Transformation. Beneficiary outreach and enrollment services are a highlight of some of those steps.

The Medicaid budget picture for this current fiscal year has flipped recently from running a shortfall to an underutilization of the budget. Adam Levinson, NC Medicaid Chief Financial Officer, reported that the hospital outpatient, dental and hospital ER services are down in utilization. Just this week, it began to trend back to the expected usage. In addition, the State received additional FMAP funding. Therefore, NC Medicaid is looking at how they can use any unused funds in ways to assist communities. He noted that a lot of funding has been focused in the long-term care environment due to the high risk of COVID-19 spread in those facilities. The new fiscal year will begin on July 1 and that will begin a new budget and projections. They are expecting a significant enrollment increase in Medicaid due to the recession.

Jay Ludlam provided an update on the contact tracing efforts by NC DHHS. He noted that NC DHHS is making strong outreach efforts to historically marginalized populations.

He noted that there is some distrust in communities about the intent of contact tracing and NC DHHS is working to counter this by using local resources.

Dr. Shannon Dowler stated that NC DHHS is currently evaluating the temporary provisions, many related to telehealth, that should remain in place. She stated that there are about one-third of the temporary provisions related to COVID-19 that will undergo the standard process to become permanent provisions in Medicaid. The majority of these provisions, she noted, are in telehealth. Providers will get more information no later than August about those temporary provisions that will sunset. Further, she stated that her staff is looking at the list of services that require prior approval and they are evaluating whether the prior authorization is needed with a particular eye for whether it contributes to health disparities.

New Law:

[H1187/SL 2020-15](#), Raise the Age Funding, Provides funding for capital improvements at Department of Public Safety facilities that are implementing Raise the Age. Signed into law.

Bills On the Move:

[S562/H874](#), Second Chance Act, expunges records of minors per Raise the Age, S562 Presented to the Governor to sign into law on 6/18/20 /H874 No action

[S708/H1048](#), CPS Intake Screening/PED Recommendations, prohibits county Departments of Social Services from implementing more stringent child protective services than the State requires. A committee substitute for S 708 added a provision allowing a legislator to request and access records related to adult and child protective services. S708 Reported favorably by Senate Rules/H1048 Passed House, Referred to Senate Rules

[S730](#), The No Patient Left Alone Act: The committee substitute that was passed in Senate Health Care specifies visitation rights in the hospital for minors and adults to designate someone who is allowed to visit the person while they are in the hospital (formerly allowed for unlimited visitation privileges for that designated person). In the case of a minor, that designated individual may visit to be present while the minor is receiving “hospital care”. Reported favorably by Senate Rules

[S808](#), Medicaid Funding Act (formerly Medicaid Transformation Necessities), Begins Standard Plan by July 2021 or monthly compensation paid to PHPs—among other things (see 6/12/20 for in-depth description), An amendment made on the Senate floor changes the \$19.42 million transferred from a fund to \$69.42 million for qualifying needs such as NC FAST updates, data technology, program integrity, beneficiary and provider experience. Passed Senate, Referred to House Appropriations

[S818](#), Compensation of Certain School Employees: Addresses teacher salaries and bonuses, Ratified, Presented to the Governor to sign into law on 6/17/20

[S836](#), State Operations/Increase Federal Funds Use: This bill authorizes the transfer of \$1.575 billion from the State’s Reserve and \$150 million from the Local Government Coronavirus Relief Fund to allow for continuity of operations in certain areas. \$370 m will be used for wages, overtime, personal protective equipment, in-home monitoring and other supplies for State entities such as mental health institutions, prisons,

community corrections, juvenile facilities, and veteran's homes. Passed the Senate and House, Ratified, Sent to Governor on 6/12

[H471](#), Exempt Medical Direct Primary Care from DOI Regs (formerly Reduce Admin. Duplication MH/DD/SAS Providers): Changed to exempt primary care practices from DOI license or certification when a medical direct primary care arrangement is in place with the consumer. Passed House and Senate, Sent to House for concurrence with Senate changes and referred to House Rules

[H593](#), JCPC/Detention/CAA and Other Fees: Rather than language that JCPC annually evaluates "community-based services", the new language focuses on "intensive intervention services" that are "evidence-based or research-supported community-based or residential services". Passed House, Referred to Senate Finance

[H612](#), DSS Review of Procedures/Rulemaking: Require the Social Services Commission to review publications, policies and procedures that should be rules and report to OAH. Passed the House and Senate, House failed to concur with the Senate changes—presumably the bill will go to a conference committee

[H1035](#), Education Omnibus/COVID-19: Provides \$75 million in Coronavirus Relief Funds to the Department of Public Instruction for school nutrition services provided by public school units in response to COVID-19. Those funds are provided for use from March 16, 2020 through the end of the 2019-2020 school year (June 30, 2020). Passed House, Referred to Senate Rules

[H1208](#), Funding for Workforce Housing Loan Program: Transfers funds to be used in the Program. Passed House and Senate, Ratified, Presented to Governor on 6/12

NC Bills introduced in 2020 Long Session:

[S708/H1048](#), CPS Intake Screening/PED Recommendations, prohibits county Departments of Social Services from implementing more stringent child protective services than the State requires.

[S730](#), The No Patient Left Alone Act: Specifies visitation rights in the hospital for minors and adults to designate someone who has unlimited visitation privileges.

[S765](#), Education Omnibus, includes \$2.9 m from the Coronavirus Relief Fund for Extended School Year Services for exceptional children, referred to Senate Rules

[S808](#), Medicaid Funding Act, Begins Standard Plan by July 2021 or monthly compensation paid to PHPs—among other things (see 6/12/20 for in-depth description)

[S826/H1135](#), Housing and Utilities Assistance/COVID-19, \$100 million non-recurring for housing and housing utilities assistance, referred to Senate Appropriations/House Finance

[S827/H1134](#), Housing and Foreclosure Prevention Assistance, establishes an Emergency Housing Office within DHHS, Senate Appropriations/House Finance

[S845](#), Successful Transition/Foster Care Youth, \$500,000 to implement the Foster Care Transitional Living Initiative Fund. Referred to Senate Appropriations

[S859](#), Student Internet Connectivity Act, \$176 million to expand the School Connectivity Initiative to 2 provide home mobile Internet access points for students, Referred to Senate Rules

[H1035](#), Education Omnibus, COVID-19, provisions related to class sizes, testing, etc., reported favorably by House Education Committee, re-referred to House Rules

[H1037](#), COVID-19 Health Care Working Group Policy Rec., considerable overlap with provisions in the new law (S704), Reported favorably by House Health Committee, re-referred to House Rules

[H1039](#), COVID-19 Response Act - Economic Support, provisions related to unemployment, Reported favorably by House Commerce Committee, re-referred to House Rules

[H1040](#), Healthcare for Working North Carolinians, provisions to address the gap in insurance coverage for working individuals aged 19-64, Referred to House Rules

[H1046](#), COVID-19 Paid Sick Leave, provisions allowing for paid sick leave related to COVID-19 in organizations of 500+ employees and includes provision addressing retaliation by employer and violations. Referred to House Finance

[H1071](#), State/Federal Funds for School Connectivity, \$4.6 m recurring/\$15 m non-recurring for SFY20-21. Referred to House Appropriations

[H1122](#), Provide Affordable Broadband Access to NC, grants for mobile hotspots, provides authority for health insurance to cover telehealth “including mental and behavioral healthcare”. Referred to House Rules

[H1132](#), Study on K-12 Student Retention, forms a study committee that includes school psychologist and counselor reps. Referred to House Education, K-12

[H1181](#), Certain Appropriations for Education/COVID, allocates \$405 million for internet access, grants, etc. Referred to House Appropriations

[H1182](#), Funds for Educational Entities/COVID, providing “sufficient funds” to address impact of COVID-19 on education. Referred to House Appropriations

[H1187](#), Raise the Age Funding, \$10.44 million transferred from the Statewide Misdemeanant Confinement Fund for renovations and improvements of certain Youth Detention Centers.

[H1188](#), TANF Benefit Increase/COVID-19, \$13.2 million to give supplemental support for TANF beneficiaries. Referred to House Rules

[H1192](#), Student Health Collaborative Pilot, \$5 million to DSS to work with DMH and DPI and allow for grants in five counties. Referred to House Appropriations

[H1196](#), Funds/COVID-19 Tests & PPE for Congregate Lvg, \$12 m to purchase diagnostic tests and personal protective equipment. Referred to House Appropriations

[H1204](#), Funds for Statewide Telepsychiatry Program, Program would be through East Carolina University Center for Telepsychiatry and e-Behavioral Health. Referred to House Appropriations

[H1206/S844](#), Student Mental Health Well-Being/COVID-19, \$480 m to increase the number of school mental health support staff. Referred to House Rules

[H1214](#), Department of Health and Human Svcs Revisions.-AB, gives Secretary authority to adjust the base budget allocations for Single Stream Funding among other things. Referred to House Health

[H1227](#), Ensure Awareness of Assistance Programs/COVID, \$2 million to ensure that children and families are connected to all federally funded public assistance programs for which they are eligible. Referred to House Rules

NC Bills still in action from 2019 Long Session:

[H5](#): Close the Medicaid Insurance Gap (see S3)

[H76](#): School Safety Omnibus

[H102](#): Enhance Permanency Innovation Institute (see S245)
[H121](#): Expunction Related to Raise the Age/No Conviction
[H234](#): Funds for Child Advocacy Centers
[H241](#): Education Bond Act of 2019
[H250](#): Dept. of Health and Human Services Revisions
[H291](#): Continue Social Services Regional Supervision and Collaboration Work Group (SSWG) and Extend Children's Council
[H297](#): Psychologist Interjurisdictional Compact
[H434](#): Suicide Risk Ref./Mental Health/Teen Violence
[H471](#): Reduce Administrative Duplication MH/DD/SAS Providers
[H488](#): \$11.3 million in recurring DHHS funds will be designated in the LME/MCO capitation to address the staffing for ICF-IID and group home facilities for individuals with IDD. Referred to House Health
[H555](#): Medicaid Transformation Implementation, the Senate has withdrawn this bill from the calendar and re-referred it to the Senate Committee on Rules and Operations.
[H580](#): Increase Foster Care Rates/Funds (see S636)
[H601](#): Funds for NAMI North Carolina, Inc.
[H612](#): DSS Review of Procedures/Rulemaking, Passed House and referred to Senate Judiciary
[H613](#): Essential Services for Homeless Youth
[H655](#): NC Health Care for Working Families, the bill was re-referred to the House Committee on Health, received a favorable committee substitute, and was re-referred to the House Committee on Rules, Calendar, and Operations.
[H678/S300](#): Amend Counselor/SA/Social Work Professional Acts, changes some wording to "clinical mental health professional", allows Boards to establish support programs in substance use and mental health, restructures the SA Professional Practice Board. Passed House, Re-referred to Senate Health Care and then Senate Judiciary
[H702](#): Modify Juvenile Crime Prevention Councils (see S555)
[H822](#): Comprehensive Behavioral Health Plan, the bill has been sent to the Senate, passed the 1st Senate reading, and has been sent to the Senate Committee on Rules and Operations.
[H825](#): Strengthen Child Fatality Prevention System: passed first reading and referred to the House Committee on Health.
[H826](#): Standardized Assessment/Foster Care Pilot
[H956](#): Funds/Youth Villages and Other Purposes
[H966](#): 2019 Appropriations Act, this bill was placed on the calendar for January 14, 2020, withdrawn from the calendar and re-referred to the Senate Committee on Rules and Operations.
[H1038](#): Omnibus COVID-19 Response Funds: passed the first reading and re-referred to the Committee on Rules, Calendar, and Operations of the House.

[S3](#): Close the Medicaid Insurance Gap (see H5)

[S175](#): Funds/Eliminate NC Pre-K Waitlist

[S212](#): NC Fast/Early Child/Transformation/ACH Assess., the conference committees have been appointed.

[S245](#): Enhance Permanency Innovation Institute (see H102)

[S251](#): Modernization of Drug Court Programs

[S361](#): Healthy NC., the Senate failed to concur on the health committee substitution, so the Senate and House have appointed committee conferees for the bill.

[S382](#): School Psychologist Compensation and Recruitment (see H482)

[S427](#): Smart Start Funds (see H124)

[S476](#): School-Based Mental Health, Ratified

[S549](#): Child Welfare/Behavioral Health Pilot/Funds

[S624](#): Guilford County Mental Health Facility /Funds (see H360)

[S636](#): Increase Foster Care Rates/Funds (see H580)

[S740](#): COVID-19 Recovery Act: passed the third Senate reading, passed the 1st House reading, and referred to the Committee on Rules, Calendar, and Operations of the House.

[S834](#), Close the Medicaid Coverage Gap/Funds, Expands Medicaid and provides \$100,000 for DHHS to prepare. Referred to Senate Rules