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NC Collaborative for Children, Youth and Families

DATE: July 10, 2020

Upcoming Related Meeting:

Child Well-Being Transformational Council:

Monday, July 20, 2020, 10:00 a.m., 1228/1327 LB ([audio available](#))

Just a reminder that the Council developed [recommendations and draft legislation](#) at their June 22nd meeting that will move North Carolina toward a more coordinated system of services for children and their families. The Council, per statute, will wrap-up their business by August 1, 2020.

Medicaid Transformation Funding Signed Into Law:

The Medicaid Funding Act was signed into law by Governor Cooper. This accomplishes something that the Governor and the General Assembly were not able to do last year:

- 1) provide funding for the transition with the claims lag and other implementation costs;
- 2) establish provisions that are needed to support Medicaid Transformation.

Related to Medicaid Transformation--

- Sets start date for Standard Plans to no later than July 1, 2021 with the option for a staggered start up to that date;
- \$69.42 million appropriated for infrastructure needs such as NC FAST upgrades, data management tools, program integrity;
- Allows DHHS to make a request for a transfer of funds that will cover qualifying needs such as the State share and will not be more than \$270 million;
- Allows for the Tribal Medicaid managed care option;
- Revises the Supplemental Payment Program;
- Establishes the Medicaid Contingency Reserve;
- Establishes the Hospital Assessment Act;
- Amends the Gross Premium Tax to include PHP capitated contracts;
- Establishes the Hospital Uncompensated Care Fund to make payments to Institutions for Mental Diseases (IMDs) and hospitals to reimburse inpatient services uncompensated care costs or outpatient services uncompensated care costs or both.

Other Provisions with Appropriations:

- \$50 million from the Coronavirus Relief Fund appropriated to the LME/MCOs to address the COVID-19 behavioral health and crisis service response.

- Appropriates funds for the Medicaid program rebase that include \$213 m, \$136 m and \$84 m transferred from different State funds to fund the Medicaid program rebase (essentially adjusting the budget to the current financial picture) and \$30 m of current Medicaid funds will not revert to the General Fund of the State.
- Appropriates \$125 million to expand testing initiatives for COVID-19.
- Appropriates \$15 million to select land located in Wake County suitable for the Dorothea Dix campus relocation project.
- Appropriates \$26.4 million for NC FAST infrastructure updates.
- Appropriates \$6.15 million for updates and changes to the child welfare case management component of the North Carolina Families Accessing Services through Technology (NC FAST) system, including child welfare program changes in accordance with the federal Family First Prevention Services Act, updates for the Comprehensive Child Welfare Information System (CCWIS), funding for the Independent Verification and Validation (IV&V) contract, and risk assessment tool changes under Rylan's Law, S.L. 2017-41.

New Laws:

[S476/SL 2020-7](#): School-Based Mental Health (formerly Compt-Based Assess. & Mental Health/Teen Viol.), Requires the State Board of Education to develop a school-based mental health plan for the State.

[S562](#), SL 2020-35, Second Chance Act, expunges records of minors per Raise the Age.

[S808, SL 2020-88](#), Medicaid Funding Act, Sets a date for Medicaid Transformation implementation of the Standard Plan and other provisions.

[S818, SL 2020-45](#), Compensation of Certain School Employees: Addresses teacher salaries and bonuses.

[H471](#), SL 2020-85, 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.

[H593](#), SL 2020-83, JCPC/Detention/CAA and Other Fees, includes some changes to the JCPC membership language, including two 21 year old or younger members and encourages intensive intervention services.

[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.

[H1208](#), SL 2020-28, Funding for Workforce Housing Loan Program: Transfers funds to be used in the Program.

Several new laws are related to the State's response to COVID-19:

[S704](#), SL 2020-3, COVID-19 Recovery Act, multiple provisions related to education and health care provisions in the pandemic.

[H1040/Session Law 2020-4](#), 2020 COVID-19 Recovery Act:

- Establishes the Coronavirus Relief Fund and specifies that the funds are only available for expenditures that are made from March 1, 2020 – December 30, 2020. \$1.275 billion from the State reserve is transferred to this fund. All funds that are

not expended by December 30, 2020 will revert back to the reserve. The funds are allocated for administration by the Office of State Budget Management (OSBM).

- Establishes the Local Government Coronavirus Relief Reserve to maintain federal funds, as allowed, to mitigate the economic impact of COVID-19 on local governments. Authorizes up to \$300 million in the fund with \$150 million of that derived from the federal CARES Act.
- Establishes the COVID-19 Rural Hospitals Relief Fund with \$65 million.
- Establishes the COVID-19 Teaching Hospitals Relief Fund with \$15 million.
- Establishes the COVID-19 General Hospitals Relief Fund with \$15 million.

[S836](#), SL 2020-32, 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.

NC Bills introduced in 2020 Long Session:

[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 [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

[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

[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.

[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: require the Social Services Commission to review publications, policies and procedures that should be rules and report to OAH. Vetoed by Governor on 7/2/20.

[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

[H918](#): Expedite Permanency/DHHS Report SNAP/TANF, Vetoed by Governor

[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.

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

[S168](#): DHHS and Other Revisions, Vetoed by Governor

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

[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)

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

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

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

[S708/H1048](#), CPS Intake Screening/PED Recommendations, S708 Reported favorably by Senate Judiciary and Re-referred to Senate Health Care/H1048 Passed House, Referred to Senate Rules

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