

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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SENATE BILL 1426

Short Title: Amend Mental Health Reform.

(Public)

Sponsors: Senator Harris.

Referred to: Children & Human Resources.

June 13, 2002

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE CHANGES TO CERTAIN MENTAL HEALTH REFORM  
3 INITIATIVES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Section 3(a)(9) of S.L. 2001-437 reads as rewritten:

6 "(9) Develop a readiness plan to conduct readiness reviews and certify all  
7 county programs and area authorities based on readiness by July 1,  
8 ~~2004-2006.~~ Each area authority and county program shall submit its  
9 approved business plan to the Secretary pursuant to ~~G.S. 122C-115.2~~  
10 ~~by January 1, 2003.~~ G.S. 122C-115.2. Those county programs and area  
11 authorities applying to be certified by July 1, 2003, shall submit their  
12 approved business plan to the Secretary by January 1, 2003. County  
13 programs and area authorities applying to be certified after July 1,  
14 2003, shall submit their approved business plans to the Secretary not  
15 later than six months prior to the anticipated date of certification. The  
16 Secretary shall review the business plans as provided in G.S.  
17 122C-115.2(c), conduct readiness reviews, and provide necessary  
18 assistance to resolve outstanding issues. The Secretary shall complete  
19 certification of one-third of the area authorities and county programs  
20 by July 1, 2003. ~~2003; two-thirds of the area authorities and county~~  
21 ~~programs by January 1, 2004; and shall complete certification of all~~  
22 ~~area authorities and county programs by July 1, 2004.~~ The Secretary  
23 shall complete certification of all area authorities and county programs  
24 by July 1, 2006.

25 The State Auditor shall randomly select a representative sample of  
26 area authorities or county programs certified by the Secretary on or  
27 before July 1, 2003, and shall conduct a performance audit of those  
28 programs covering fiscal years 2001 through 2004. Not later than July  
29 1, 2005, the State Auditor shall report the results of the performance

1                   audit to the General Assembly, the Joint Legislative Oversight  
2                   Committee on Mental Health, Developmental Disabilities, and  
3                   Substance Abuse Services, the Secretary of Health and Human  
4                   Services, and the Governor."

5                   **SECTION 2.(a)** G.S. 122C-141(a), as amended by Section 1.15 of S.L.  
6 2001-437, reads as rewritten:

7                   "(a) The area authority or county program ~~shall~~may provide directly not more  
8 than fifty percent (50%) of the services provided by the area authority or county  
9 program, and may contract with other qualified public or private providers, agencies,  
10 institutions, or resources for the provision of services, and, subject to the approval of the  
11 Secretary, is authorized to provide services directly. services. The area authority or  
12 county program shall indicate in its local business plan how services will be provided  
13 and how the provision of services will address issues of access, availability of qualified  
14 public or private providers, consumer choice, and fair competition. The Secretary shall  
15 take into account these issues when reviewing the local business ~~plan and considering~~  
16 ~~approval of the direct provision of services.~~ ~~The Secretary shall develop criteria for the~~  
17 ~~approval of direct service provision by area authorities and county programs in~~  
18 ~~accordance with this section and as evidenced by compliance with the local business~~  
19 ~~plan.~~ plan. For the purposes of this section, a qualified public or private provider is a  
20 provider that meets the provider qualifications as defined by rules adopted by the  
21 Secretary."

22                   **SECTION 2.(b)** G.S. 122C-112.1(a)(26), as enacted by Section 1.7(b) of  
23 S.L. 2001-437, is repealed.

24                   **SECTION 3.** G.S. 122C-115.1(a)(3), as enacted by Section 1.9 of S.L.  
25 2001-437, reads as rewritten:

26                   ...

27                   "(3) A targeted minimum population of ~~200,000~~150,000 or a targeted  
28                   minimum number of five counties served by the program."

29                   **SECTION 4.** Notwithstanding any other provision of law to the contrary, for  
30 the 2002-2003 fiscal year, counties may limit appropriations of county funds for the cost  
31 of providing mental health, developmental disabilities, and substance abuse services to  
32 the amount budgeted by the county for these services for the 2001-2002 fiscal year. The  
33 amount of county expenditures for the 2002-2003 fiscal year for mental health,  
34 developmental disabilities, and substance abuse services required to be provided by the  
35 State or federal government that exceed county appropriations and available federal  
36 funds shall be paid by the State.

37                   **SECTION 5.** Notwithstanding any other provision of law to the contrary,  
38 counties shall not be required to appropriate funds for mental health, developmental  
39 disabilities, and substance abuse services that are required by the State but for which  
40 State funds have not been appropriated.

41                   **SECTION 6.** This act becomes effective July 1, 2002.