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SENATE BILL 1310*

| Short Title: | Expand Inpatient Psych. Bed Capacity/Funds. | (Public) |
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| Sponsors: | Senators Nesbitt; and Atwater. | |
| Referred to: | Appropriations/Base Budget. | |

May 20, 2010

1    A BILL TO BE ENTITLED
2    AN ACT TO APPROPRIATE ADDITIONAL FUNDS FOR THE EXPANSION OF LOCAL
3        INPATIENT PSYCHIATRIC BEDS OR BED DAYS.
4    The General Assembly of North Carolina enacts:
5        **SECTION 1.**  Section 10.12(b) of S.L. 2009-451 reads as rewritten:
6        "**SECTION 10.12.(b)**  Of the funds appropriated in this act to the Department of Health
7    and Human Services, Division of Mental Health, Developmental Disabilities, and Substance
8    Abuse Services, the sum of twenty million one hundred twenty-one thousand six hundred
9    forty-four dollars ($20,121,644) for the 2009-2010 fiscal year and the sum of ~~twenty million~~
10   ~~one hundred twenty-one thousand six hundred forty-four dollars ($20,121,644)~~ thirty-two
11   million one hundred twenty-one thousand six hundred forty-four dollars ($32.121,644) for the
12   2010-2011 fiscal year shall be allocated for the purchase of local inpatient psychiatric beds or
13   bed days. ~~These beds or bed days shall be distributed across the State according to need as~~
14   ~~determined by the Department.~~ The Department shall work to ensure that these beds or bed
15   days are distributed equitably across the State. The Department shall enter into contracts with
16   the LMEs and community hospitals for the management of these beds or bed days. Local
17   inpatient psychiatric beds or bed days shall be managed and controlled by the LME, including
18   the determination of which local or State hospital the individual should be admitted to pursuant
19   to an involuntary commitment order. Funds shall not be allocated to LMEs but shall be held in
20   a statewide reserve at the Division of Mental Health, Developmental Disabilities, and
21   Substance Abuse Services to pay for services authorized by the LMEs and billed by the
22   hospitals through the LMEs. LMEs shall remit claims for payment to the Division within 15
23   working days of receipt of a clean claim from the hospital and shall pay the hospital within 30
24   working days of receipt of payment from the Division. If the Department determines (i) that an
25   LME is not effectively managing the beds or bed days for which it has responsibility, as
26   evidenced by beds or bed days in the local hospital not being utilized while demand for services
27   at the State psychiatric hospitals has not reduced, or (ii) the LME has failed to comply with the
28   prompt payment provisions of this subsection, the Department may contract with another LME
29   to manage the beds or bed days, or, notwithstanding any other provision of law to the contrary,
30   may pay the hospital directly. The Department shall develop reporting requirements for LMEs
31   regarding the utilization of the beds or bed days. Funds appropriated in this section for the
32   purchase of local inpatient psychiatric beds or bed days shall be used to purchase additional
33   beds or bed days not currently funded by or through LMEs and shall not be used to supplant
34   other funds available or otherwise appropriated for the purchase of psychiatric inpatient
35   services under contract with community hospitals, including beds or bed days being purchased
36   through Hospital Utilization Pilot funds appropriated in S.L. 2007-323. ~~Not later than March 1,~~
37   ~~2010, the~~ Beginning September 1, 2010, the Department shall report semiannually to the House

1  of Representatives Appropriations Subcommittee on Health and Human Services, the Senate,
2  the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and
3  Substance Abuse Services, and the Fiscal Research Division on a uniform system for beds or
4  bed days purchased (i) with local funds, (ii) from existing State appropriations, (iii) under the
5  Hospital Utilization Pilot, and (iv) purchased using funds appropriated under this subsection."
6                **SECTION 2.**  This act becomes effective July 1, 2010.