

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011**

**HOUSE BILL 1055  
RATIFIED BILL**

AN ACT RELATING TO PROVIDER ENDORSEMENT FUNCTIONS OF LOCAL MANAGEMENT ENTITIES, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH AND HUMAN SERVICES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 122C-114 reads as rewritten:

**"§ 122C-114. Powers and duties of the Commission.**

(a) The Commission shall have authority as provided by this Chapter, Chapters 90 and 148 of the General Statutes, and by G.S. 143B-147.

(b) The Commission shall adopt rules regarding all of the following:

- (1) The development of a process for screening, triage, and referral, including a uniform portal process, for implementation by the Secretary as required under G.S. 122C-112.1(14).
- (2) LME monitoring ~~and endorsement~~ of providers of mental health, developmental disabilities, and substance abuse services.
- (3) LME provision of technical assistance to providers of mental health, developmental disabilities, and substance abuse services.
- (4) The requirements of a qualified public or private provider as that term is used in G.S. 122C-141. In adopting rules under this subsection, the Commission shall take into account the need to ensure fair competition among providers."

**SECTION 2.** 122C-115.4(b)(2) reads as rewritten:

"(2) Provider ~~endorsement~~, monitoring, technical assistance, capacity development, and quality control. ~~An LME may remove a provider's endorsement if a provider fails to do any of the following:~~

- ~~a. Meet defined quality criteria.~~
- ~~b. Adequately document the provision of services.~~
- ~~c. Provide required staff training.~~
- ~~d. Provide required data to the LME.~~
- ~~e. Allow the LME access in accordance with rules established under G.S. 143B-139.1.~~
- ~~f. Allow the LME access in the event of an emergency or in response to a complaint related to the health or safety of a client.~~

If at anytime the LME has reasonable cause to believe a violation of licensure rules has occurred, the LME shall make a referral to the Division of Health Service Regulation. If at anytime the LME has reasonable cause to believe the abuse, neglect, or exploitation of a client has occurred, the LME shall make a referral to the local Department of Social Services, Child Protective Services Program, or Adult Protective Services Program."

**SECTION 3.** G.S. 122C-151.4(a) reads as rewritten:

"(a) Definitions. – The following definitions apply in this section:

- (1) "Appeals Panel" means the State MH/DD/SA Appeals Panel established under this section.
- (1a) "Client" means an individual who is admitted to or receiving public services from an area facility. "Client" includes the client's personal representative or designee.



- (1b) "Contract" means a contract with an area authority or county program to provide services, other than personal services, to clients and other recipients of services.
- (2) "Contractor" means a person who has a contract or who had a contract during the current fiscal year, ~~or whose application for endorsement has been denied by an area authority or county program year.~~
- (3) "Former contractor" means a person who had a contract during the previous fiscal year."

**SECTION 4.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 20<sup>th</sup> day of June, 2012.

s/ Walter H. Dalton  
President of the Senate

s/ Thom Tillis  
Speaker of the House of Representatives

---

Beverly E. Perdue  
Governor

Approved \_\_\_\_\_ .m. this \_\_\_\_\_ day of \_\_\_\_\_, 2012