

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 618*
Committee Substitute Favorable 5/17/11
Committee Substitute #2 Favorable 6/7/11
Fourth Edition Engrossed 6/8/11

Short Title: Streamline Oversight/DHHS Service Providers.

(Public)

Sponsors:

Referred to:

April 6, 2011

A BILL TO BE ENTITLED

AN ACT TO STREAMLINE DUPLICATE OVERSIGHT OF CERTAIN DHHS SERVICE PROVIDERS.

The General Assembly of North Carolina enacts:

SECTION 1. Findings. – Over the years, State and legislative actions intended to improve safety and quality of care have resulted in multiple redundant reviews of Department of Health and Human Services (DHHS) service providers by various State and local agencies. This duplicative bureaucracy has led to wasted resources on the part of the monitoring agencies and the service provider, along with interrupted services to the consumer.

SECTION 2.(a) There is established within and under the control of the Joint Legislative Oversight Committee on Health and Human Services or upon authorization of the Legislative Research Commission a Task Force to review and recommend a resolution to the duplicative regulatory oversight of DHHS services provided, regulated, or licensed under Chapter 122C or 131D of the General Statutes, other than G.S. 131D-6 and Article 2 of Chapter 131D of the General Statutes.

SECTION 2.(b) The Task Force shall be comprised of 20 members appointed as follows:

- (1) Ten members appointed by the President Pro Tempore of the Senate, as follows:
 - a. Three members of the Senate.
 - b. One member representing and recommended by the Benchmarks Association.
 - c. One member representing and recommended by the Developmental Disabilities Consortium.
 - d. One member representing and recommended by the Friends of Residents in Long Term Care.
 - e. One member representing and recommended by the State Consumer and Family Advisory Committee.
 - f. One member recommended by the NC Council of Community Programs representing a Behavioral Health Managed Care Organization.
 - g. One member representing and recommended by the NC Providers Council.



- 1 h. One member who is a family member of a consumer currently
2 eligible for services subject to the oversight under review by the Task
3 Force, and who is recommended by any of the entities
4 recommending an appointment under this subsection.
- 5 (2) Ten members appointed by the Speaker of the House of Representatives, as
6 follows:
- 7 a. Three members of the House of Representatives.
8 b. One member representing and recommended by the NC Association
9 of Long Term Care Facilities.
10 c. One member representing and recommended by Disability Rights
11 NC.
12 d. One member representing and recommended by the local Consumer
13 and Family Advisory Committees.
14 e. One member representing and recommended by the Council for
15 Children's Rights.
16 f. One member representing and recommended by the NC Psychiatric
17 Association.
18 g. One member representing and recommended by the National
19 Alliance on Mental Illness (NAMI) North Carolina.
20 h. One member who is a consumer currently eligible for services
21 subject to the oversight under review by the Task Force, and who is
22 recommended by any of the entities recommending an appointment
23 under this subsection.

24 **SECTION 2.(c)** The Task Force shall meet monthly, beginning the first month
25 after the conclusion of the 2011 Regular Session of the General Assembly.

26 **SECTION 2.(d)** The Task Force shall have the following duties:

- 27 (1) Align national accreditation required for providers and Behavioral Health
28 Managed Care Organizations, licensing, State and federal regulatory
29 functions, and State policy to eliminate contradictory or duplicative
30 requirements.
31 (2) Establish a consolidated review of DHHS oversight and regulatory
32 functions, notwithstanding any complaint or grievance.
33 (3) Align complaint and grievance review process and policy.
34 (4) Establish coordination between DHHS divisions for abuse and neglect
35 investigations to avoid current duplication.
36 (5) Ensure compliance with CMS.

37 **SECTION 2.(e)** The Department shall provide monthly updates and reports to the
38 Task Force related to the following:

- 39 (1) Each division's regulatory functions.
40 (2) Purpose of each of the identified regulatory functions.
41 (3) Amount of fees charged for the identified regulatory functions, along with
42 the date and amount of the most recent fee increase.
43 (4) Number of full-time equivalent positions dedicated to the identified
44 regulatory functions, broken down by division.
45 (5) Federal requirements for, or a federal component to, any of the identified
46 regulatory functions.
47 (6) Areas of overlap among the divisions within the Department, and with other
48 State agencies, with respect to the regulation of providers. For each area of
49 overlap, the report shall specify all of the following:
50 a. The name of each division and State agency that performs the
51 regulatory function.

- 1 b. How often each division or State agency performs the regulatory
2 function.
3 c. The total amount of funds expended by each division or State agency
4 to perform the regulatory function.

5 **SECTION 2.(f)** The Task Force shall develop legislative recommendations to
6 accomplish the identified directives of the Task Force by April 2012.

7 **SECTION 3.** Effective January 1, 2012, the Department of Health and Human
8 Services shall modify and consolidate LME endorsement, the Frequency and Extent of
9 Monitoring Tool, and the Provider Monitoring Tool.

10 **SECTION 4.(a)** In order to minimize the creation of unfunded mandates, the
11 Secretary shall direct a rate-setting memorandum be prepared for every change or adjustment
12 made by DHHS in service definition, policy, rule, or provider requirements that impacts
13 services provided in accordance with this act.

14 **SECTION 4.(b)** The Secretary shall dissolve North Carolina Treatment Outcomes
15 Program Performance System (NC-TOPPS) Advisory Committee and establish a task force
16 made up of division staff, Behavioral Health Managed Care Organizations, consumers, and
17 providers to objectively evaluate the North Carolina Treatment Outcomes Program
18 Performance System (NC-TOPPS) to improve the way data is accessible across services rather
19 than site-specific to reflect valid comparisons of program outcomes by August 1, 2011.

20 **SECTION 4.(c)** The Secretary shall allow private sector development and
21 implementation of an Internet-based, secure, and consolidated data warehouse and archive for
22 maintaining corporate, fiscal, and administrative records of providers by September 1, 2011.
23 This data warehouse shall not be used to store consumer records. Use of the consolidated data
24 warehouse by the service provider agency is optional. Providers that choose to utilize the data
25 warehouse shall ensure that the data is up to date and accessible to the regulatory body. A
26 provider shall submit any revised, updated information to the data warehouse within 10
27 business days after receiving the request. The regulatory body that conducts administrative
28 monitoring must use the data warehouse for document requests. If the information provided to
29 the regulatory body is not current or is unavailable from the data warehouse and archive, the
30 regulatory body may contact the provider directly. A provider that fails to comply with the
31 regulatory body's requested documents may be subject to an on-site visit to ensure compliance.
32 Access to the data warehouse must be provided without charge to the regulatory body under
33 this section.

34 **SECTION 5.** The Secretary shall review on an annual basis updates to policy made
35 by the following national accrediting bodies: Council on Accreditation (COA), CARF
36 International, Council on Quality and Leadership (CQL), the Joint Commission, NCQA, and
37 URAC and shall take actions necessary to ensure that DHHS policy or procedural requirements
38 do not duplicate the updated accreditation standards.

39 **SECTION 6.** The Task Force shall report to the 2012 Regular Session of the 2011
40 General Assembly and to the 2013 General Assembly.

41 **SECTION 7.** The Task Force shall terminate July 1, 2013.

42 **SECTION 8.** This act is effective when it becomes law.