

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

S

1

SENATE BILL 537\*

Short Title: Establish New Payment Methodology/ACHs. (Public)

Sponsors: Senators Hise, Krawiec, and Bishop (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 3, 2019

A BILL TO BE ENTITLED

AN ACT TO EXAMINE AND ESTABLISH A NEW PAYMENT METHODOLOGY FOR  
ADULT CARE HOMES PROVIDING CARE TO NORTH CAROLINA MEDICAID  
BENEFICIARIES THAT PROMOTES HEALTH AS WELL AS FAIR AND  
REASONABLE COMPENSATION FOR THE SERVICES PROVIDED.

Whereas, approximately 30,000 adults reside in North Carolina's adult care homes;  
and

Whereas, the average age of an adult care home resident is over 75 years old; and

Whereas, adult care homes provide care to some of North Carolina's most vulnerable  
senior citizens; and

Whereas, adult care homes have not had a rate increase for State and county special  
assistance since 2009; and

Whereas, the General Assembly recognizes that with Medicaid managed care there  
are opportunities to explore new programs and payment methodologies that can provide a stable  
and reliable funding stream to ensure access, choice, and quality of care within adult care homes;

Now, therefore,

The General Assembly of North Carolina enacts:

**SECTION 1.** It is the intent of the General Assembly to provide funding to adult  
care homes in the State in a manner that recognizes the importance of a stable and reliable funding  
stream to ensure access, choice, and quality of care within the adult care home segment of the  
care continuum. In furtherance of this intent, and as the North Carolina Medicaid program  
transitions to a managed care delivery system, the Department of Health and Human Services is  
directed to establish and convene a workgroup to evaluate reimbursement options under managed  
care for adult care homes that considers all funding streams and to develop a service definition  
or definitions under managed care that may accomplish this intent. The workgroup shall consist  
of adult care home industry representatives and other relevant stakeholders. In development of  
the service definition, the workgroup shall include all of the following components:

- 1) Support for alternative payment models, including pay-for-performance  
initiatives, available under the State's 1115 Medicaid waiver and Medicaid  
transformation.
- 2) Best practices for long-term services and supports.
- 3) Efficient payment methodologies.

**SECTION 2.** No later than October 1, 2020, the Department of Health and Human  
Services shall submit a report on the new service definition to the Joint Legislative Oversight  
Committee on Health and Human Services, the Joint Legislative Oversight Committee on  
Medicaid and NC Health Choice, and the Fiscal Research Division. After submission of this



\* S 5 3 7 - V - 1 \*

- 1 report, DHHS shall submit to the Centers for Medicare and Medicaid Services any amendments  
2 to the NC Medicaid State Plan necessary to implement the new service definition.  
3 **SECTION 3.** This act is effective when it becomes law.