

## **Conference Committee Report House Bill 1030, 2016 Appropriations Act Selected Highlights for Health and Human Services**

The FY 2016-17 budget for the Department of Health and Human Services (DHHS) includes net appropriations of \$5 billion, which is \$109.7 million (2.1%) below the amount enacted for FY 2015-16.

The following selected DHHS highlights may be found in **Section G** of the 2016 Conference Committee Report (page and item numbers noted); selected special provisions may be found in **Part XII** of H.B. 1030 (section references are noted):

### **Central Management and Support**

#### Conference Committee Report

- Continues a reduction in miscellaneous contractual services of \$3.2 million on a department-wide basis. **(Page G-4, Item #3)**
- Supports the establishment of a residency program at Cape Fear Valley Hospital focused on rural health care by providing \$7.7 million. This funding replaces federal funds lost by the hospital from establishing a residency program. **(G-5, #7)**
- Provides \$1.25 million in nonrecurring funding to establish an analytics pilot at Medicaid to integrate new data sources, automate reporting and analytic capabilities, and integrate a tool to analyze claims. (.) **(G-6, #8)**

### **Division of Aging and Adult Services**

#### Conference Committee Report

- Funds 2 recommendations from the State Plan on Alzheimer's Disease and Related Dementias:
  - Provides \$550,000 for Project CARE to provide vouchers for respite services to support families acting as caregivers for individuals with Alzheimer's disease. This doubles the amount of funding for Project CARE. **(G-12, #13)**
  - Provides \$200,000 to support the continued development and implementation of the No Wrong Door to Accessing Benefits initiative, which includes enhancements to the NC 2-1-1 database. **(G-13, #14)**

### **Division of Child Development and Early Education**

#### Conference Committee Report

- Provides \$1.3 million to increase the number of NC Pre-K slots by 260. **(G-18, #19)**
- Provides \$1.3 million to increase the number of Child Care Subsidy slots by 260. **(G-18, #20)**
- Provides \$3.5 million to increase the Child Care Subsidy market rate effective October 1, 2016 for children age 3 through 5 in 3-, 4- and 5-star centers and homes in Tier 1 and Tier 2 counties. **(G-18, #21)**

## **Division of Social Services**

### Conference Committee Report

- Enhances County Child Welfare Services Oversight and Accountability by providing \$703,579 for 15 positions at the Division to train staff, provide technical assistance to local departments of social services, and improve the foster care licensing and recruitment process. **(G-24, #28)**
- Funds implementation of the Child Welfare federal Program Improvement Plan required under the federal Child and Family Services Review. Provides \$8.6 million for enhancements to the Child Welfare system including training for local child welfare supervisors and In-Home services to improve the safety and outcomes of children involved in the Child Welfare system. **(G-24, #29)**
- Provides \$3.75 million in temporary assistance for facilities that serve State-County Special Assistance recipients; counties will match these funds for total funding of \$7.5 million. Beginning October 1, 2016, a facility will receive \$34 per month for each resident who receives State-County Special Assistance. The Division of Social Services is required to submit a detailed plan by April 1, 2017 for a long-term solution on how to ensure adequate reimbursement to facilities for serving these recipients without increasing the Medicaid eligibility income limit for State-County Special Assistance recipients and thereby expanding Medicaid. **(G-25, #33; Sec. 12C.7)**

### Provisions from H.B. 1030

- Makes several Child Welfare System changes. First, the provision requires the Division of Social Services to report on the implementation of the federal Program Improvement Plan to bring the State into compliance with national standards for child welfare policy and practices. Also, the Division is required to develop a statewide strategic plan for Child Welfare Services that complements the federal Program Improvement Plan and addresses the findings of the North Carolina Statewide Child Protective Services Evaluation. **(Sec. 12C.1)**

## **Division of Public Health**

### Conference Committee Report

- Provides \$1 million recurring to State Public Health Laboratory and increases the newborn screening fee (generating an additional \$2.4 million) to partially offset losses in Medicaid receipts. **(G-31, #50 and G-32, #51)**
- Provides \$14.8 million nonrecurring for local health departments to minimize the impact of reduced Medicaid reimbursements rates in FY 2016-17. **(G-32, #53)**

### Provisions from H.B. 1030

- Redirects the Office of Minority Health’s grant funding to establish an evidence-based, statewide diabetes prevention program targeting minority populations. **(Sec. 12E.3)**

### **Division of Mental Health**

#### Conference Committee Report

- Provides \$1.6 million to operate and upgrade the Controlled Substances Reporting System (CSRS). The upgrades will allow the CSRS to connect with similar systems in surrounding states and with the statewide health information exchange network. **(G-39, #69)**
- Provides \$10 million recurring and \$10 million nonrecurring to a reserve fund to be used to implement the recommendations of the Governor’s Task Force on Mental Health and Substance Use. The funds shall only be spent with the prior approval of OSBM and a prior report to the Joint Legislative Oversight Committee on Health and Human Services. **(G-39, #70)**

#### Provisions from H.B. 1030

- Appropriates \$20 million from the Dorothea Dix Property Fund to construct or convert existing rural hospital acute care beds to licensed, short-term, inpatient behavioral health beds and to construct new child facility based crisis centers. **(Sec. 12F.4)**
- Directs DHHS to develop a statewide strategic plan to improve State-funded behavioral health services and to submit the plan to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid and Health Choice by January 1, 2018. **(Sec. 12F.10)**

### **Division of Medical Assistance**

#### Conference Committee Report

- Reduces the Medicaid base budget by \$318.5 million in FY 2016-17 to reflect the impact of enrollment and utilization trends from FY 2015-16. **(G-55, #80)**
- Funds expansion of 320 slots in the CAP-DA waiver to help Alzheimer’s patients effective January 1, 2017 at a cost in FY 2016-17 of \$1.5 million. **(G-55, #81)**
- Funds 250 additional Innovations Waiver slots effective January 1, 2017 by providing \$2.6 million in FY 2016-17. **(G-56, #82)**
- Funds 25 new positions at Medicaid at a cost of \$1.2 million for the business information office, clinical policy, and division operations. **(G-56, #85)**

#### Provisions from H.B. 1030

- Directs DHHS to issue a Request For Proposals by October 1, 2016 to engage a contractor to recover overpayments less than \$150 on a contingent fee basis. **(Sec 12H.3)**

- Clarifies DHHS’s authority to administer the Medicaid and Health Choice Programs and to make changes in the programs, other than eligibility, to stay within budget.  
**(Sec 12H.4)**