Benchmarks Update
Senate Budget
June 2021

The Senate released their budget on Monday evening, June 21st. This is the second part of a series of events that lead us to a final budget. First, the Governor released his budget a few months ago. The Senate released their budget this week and we expect to see the House budget released sometime in mid-August. The House and Senate will then need to work together to develop a compromise budget between the House and Senate versions. Concurrently, they will be working with the Governor's office (we hope and expect) to make sure that the compromise budget that the House and Senate develop will not be vetoed by the Governor (which happened to the previous NC budget).

Below we have outlined some highlights of what was included in the budget that impacts our members. This has been separated into two categories to make it easier for you to review. The first is child welfare and the second is Medicaid, MH/DD/SAS.

We were very happy to see a number of the requests we had made were included in the budget such as the:

- foster care rate increase,
- bridge money to keep the Children's Homes whole once the Family First Act begins,
- the implementation of the 7 regional oversight divisions of DSS as directed by Rylan's Law (although they didn't fund the positions needed),
- funding to extend Medicaid for the Medicaid eligible parents of children who enter foster care,
- extension of Medicaid coverage for post-partum mothers for one year, and
- funds to support Direct Support Workers. I would note that these funds have been a big focus of our work in which we requested $160 million in recurring dollars (with over $333 million in Medicaid match) to increase the hourly wage of direct service workers by approximately $4.00 per hour. However, the Senate budgeted $100 million in one-time funds for $1,500 dollar bonuses for Direct Support Workers in FY 21-22 and FY 22-23.

  The sponsor for this bill is a House member and we have a LOT of support from the House for this bill. We will be working hard on the House budget to make sure that the money is allocated recurring as an hourly rate increase rather than a $1500 bonus in 2021 and 2022!

CHILD WELFARE

Foster Care Rate Increase

(a)The maximum rates for State participation in the foster care assistance program are established on a graduated scale as follows:
(1) ~~$475.00~~ $514.00 per child per month for children from birth through five years of age.
(2) ~~$581.00~~ $654.00 per child per month for children six through 12 years of age.
(3) ~~$634.00~~ $698.00 per child per month for children at least 13 but less than 21 years of age.

(b) The maximum rates for the State adoption assistance program are established consistent with the foster care rates as follows:
(1) ~~$475.00~~ $514.00 per child per month for children from birth through five years of age.
(2) ~~$581.00~~ $654.00 per child per month for children six through 12 years of age.
(3) ~~$634.00~~ $698.00 per child per month for children at least 13 but less than 21 years of age.
The new rates are effective October 1, 2021.

Children's Homes Bridge funding for Family First Prevention Services Act

Provides funding to cover a loss in federal receipts from the Family First Prevention Services Act, which limits Title IV-E funding for congregate care to 14 days starting October 1, 2021.
FY 21-22 - $6,000,000, FY 22-23 - $12,000,000 non-recurring

Parents of Children in Foster Care

Provides funds to allow the parents of children temporarily placed into the child welfare system to retain Medicaid eligibility if the parent is making reasonable efforts to comply with the court-ordered reunification plan. DHHS must apply for a waiver to authorize the change in eligibility.
FY 21-22 $26,950,000 & FY 22-23 $55,600,000

Regional Supervision and Support of Child Welfare Services

In accordance with the plan submitted by the Social Services Regional Supervision and Collaboration Working Group (SSWG) in its report on March 31, 13 2019, to the Joint Legislative Oversight Committee on Health and Human Services as required Rylan's Law, DHHS shall establish seven regions for regional supervision of child welfare and social services and begin providing oversight and support within those regions through State regional staff and the central office team by March 1, 2022.
To that end, the Department shall continue, pursuant to existing authority, with

(i) redeploying positions identified in the report to support regionalization and all managerial staff needed to support regionalization in the central office and
(ii) (ii) repurposing corresponding operating expenses.

The Department shall pursue procurement of physical offices within each of the seven regions beginning in March 2023 and shall prioritize staffing to improve the child welfare system. The Department shall move towards full implementation of a regional model, with offices, by March 1, 2024. The Department shall use existing funds to provide staff to improve regional supervision and support of child welfare services pursuant to the plan as described in this subsection.

Child Welfare/Behavioral Health Pilot Project

DHHS shall establish a two-year child welfare and behavioral health pilot project that will provide easier access to comprehensive health services for children in foster care by

(i) creating better continuity of care,
(ii) (ii) providing an alternative to therapeutic foster care, and
(iii) (iii) ensuring care and services are available without disruption to a child's foster care placement while accessing services needed to treat the child's trauma.

Four counties shall participate in the pilot project, which shall include Davie, Forsyth, Rockingham, and Stokes. The purpose of the pilot project is to establish a trauma-informed integrated health foster care model to facilitate partnerships between county departments of social services and local management entities/managed care organizations (LME/MCOs) regarding children placed in foster care that will do each of the following:

(1) Address safety and health needs of children with the application of trauma-informed tools.
(2) Address appropriate preventive and medical care for children placed in foster care.
(3) Address other social determinants of health, specifically those related to education and social development.
(4) Meet the goals of Medicaid Transformation, Child Welfare Reform, and the federal Families First Prevention Services Act (Family First Act).
(5) Provide for collaboration across agencies, including private behavioral health providers, health systems, and agencies of social determinants of health.
(6) Allow for the development of alternative funding models and service definitions.
(7) Allow for behavioral health services in family foster homes augmented with mental health services.
(8) Allow for wraparound services for the child to support a singular, unified goal of children in foster care having a single placement.
(9) Assign dedicated care coordination to each county social services agency

NC FAST Child Welfare Case Management

Provides funding to augment and enhance the child welfare case management component of NC FAST and to deploy the child welfare case management component Statewide.
FY 21-22 **$23,265,000** & FY 22-23 **$23,778,025**

MEDICAID, MH/DD/SAS

Direct Care Worker Bonuses

Provides a $1,500 bonus for eligible direct care workers employed by eligible providers enrolled in the Medicaid or NC Health Choice program for FY 21-22 and FY 22-23.
FY 21-22 **$100,000,000** & FY 22-23 **$100,000,000**

Additional Innovations Waiver Slots

Provides funding to allow an additional 1,000 individuals with intellectual and developmental disabilities to access services through the State's Medicaid Innovations Waiver, 420 new slots effective October 1, 2021 and 580 slots effective July 1, 2022.

Additional Slots for Community Alternatives Program for Disabled Adults

Provides funding for additional slots in the Community Alternatives Program for Disabled Adults (CAP/DA) Medicaid waiver, effective October 1, 2021. The program provides individualized home- and community-based services for medically fragile adults at risk of institutionalization. A minimum of 114 slots shall be made available October 1, 2021
FY 21-22 $2,317,000 & FY 22-23 $3,085,467

Wage Increase for Direct Support Personnel in Intermediate/Care Facilities (ICF/IID)

Provides funding for a wage increase for direct support personnel employed by ICF/IID facility Medicaid providers to raise their hourly wage to $15 per hour, effective July 1, 2022.
FY 22-23 $17,500,000 recurring

Temporary Additional Funding Assistance for Intermediate/Care Facilities (ICF/IID)

Provides ($12,600,000) in nonrecurring funds for the 2021-2022 fiscal year to be used to distribute a one-time payment to each (LME/MCO) for the purposes of providing temporary additional funding assistance for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) services on a per diem basis.

Transitions to Community Living Initiative

Increases funding for the Transitions to Community Living Initiative (TCLI), which supports eligible Medicaid beneficiaries with mental illness in transitioning from institutions to community settings in accordance with the US Department of Justice Olmstead Settlement. The revised net appropriation for TCLI across all Health and Human Services divisions is $68.2 million in each year of the biennium.

Extension of Postpartum Benefits

Provides funds to extend Medicaid benefits for the pregnant women eligibility category from 60 days postpartum to 12 months postpartum, effective April 1, 2022 through March 31, 2027. The State share of funding, $12.5 million in FY 2021-22 and $50.8 million in FY 2022-23, will be paid from additional hospital assessment receipts.

Single Stream Funding Restoration

Provides an additional $30 million in recurring single stream funding for LME/MCOs to replace the transfer of funds from Medicaid to LME/MCOs that has occurred in most years recently. These funds partially restore past recurring reductions in single stream funding.

Supplemental Short-Term Assistance for Group Homes

"Group Home" means any facility that

(i) is licensed under Chapter 122C of the General Statutes,
(ii) meets the definition of a supervised living facility under 10A NCAC 27G .5601(c)(1) or 10A NCAC 27G .5601(c)(3), and
(iii) serves minors or adults whose primary diagnosis is mental illness or a developmental disability but may also have other diagnoses.

Provides funding to group homes for temporary, short-term financial assistance in the form of a monthly payment to group homes on behalf of each resident who meets all of the following criteria:

(1) Was eligible for Medicaid-covered personal care services (PCS) prior to January 1, 2013, but was determined to be ineligible for PCS on or after January 1, 2013, due to Medicaid State Plan changes in PCS eligibility criteria,
(2) Has continuously resided in a group home since December 31, 2012.

These monthly payments shall be subject to all of the following requirements and limitations:

(1) The amount of the monthly payments authorized by this section shall not exceed four hundred sixty-four dollars and thirty cents ($464.30) per month for each resident who meets all criteria specified in subsection (b) of this section.
(2) A group home that receives the monthly payments authorized by this section shall not, under any circumstances, use these payments for any purpose other than providing, as necessary,

supervision and medication management for a resident who meets all criteria specified in subsection (b) of this section.

The Department shall terminate all monthly payments pursuant to this section on June 30, 2023, or upon depletion of the $1,800,000 in nonrecurring funds appropriated in this act.
Each group home that receives the monthly payments authorized by this section shall submit to the Department a list of all funding sources for the operational costs of the group home for the preceding two years, in accordance with the schedule and format prescribed by the Department.
The Department shall use an existing mechanism to administer these funds in the least restrictive manner that ensures compliance with this section and timely and accurate payments to group homes.

Choice in Accreditation for LME/MCOs Operating BH IDD Tailored Plans

During the initial four-year contract term for Medicaid BH IDD tailored plans, the DHHS, Division of Health Benefits (DHB), shall not require, by contract or otherwise, any local management entity/managed care organization (LME/MCO) to be accredited by any one specific accreditation organization. DHB shall require each LME/MCO awarded a BH IDD tailored plan contract to be accredited by a nationally recognized accreditation organization that has been selected by the LME/MCO and approved by DHB. DHB shall create a process by which DHB approves the accreditation organization selected by the LME/MCO.

Certificate of Need Exemption for Certain Facilities

Notwithstanding the State Medical Facilities Plan or Article 9 of Chapter 131E of the General 5 Statutes, each facility that receives funds allocated under subsection (a) of this section is exempt from certificate of need review for the establishment or expansion of behavioral health services at the facility at which the constructed or converted beds will be brought into operation, including any combination of the following:

(1) The establishment or expansion of outpatient therapy services or substance use disorder treatment services, or both.
(2) The replacement or relocation of a behavioral health facility, defined as a psychiatric facility, a facility-based crisis center, or any facility that is primarily engaged in providing services for the diagnosis and treatment of behavioral health issues.
(3) Changes in inpatient behavioral health bed capacity.