

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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HOUSE BILL 580

Short Title: Expand Day/Employment Options/IDD. (Public)

Sponsors: Representatives Crawford, White, K. Baker, and Hawkins (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations, if favorable, Rules, Calendar, and Operations of the House

April 10, 2023

A BILL TO BE ENTITLED
AN ACT TO EXPAND MEANINGFUL DAY AND EMPLOYMENT SERVICES OPTIONS
FOR MEDICAID BENEFICIARIES WITH INTELLECTUAL DISABILITIES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The Department of Health and Human Services, Division of Health Benefits (DHB), shall develop a new community-based Medicaid "in-lieu-of" service entitled "Community Activities and Employment Transitions" (CAET) that provides individualized services and supports for adults age 18 or older with intellectual disabilities. This CAET service shall be covered only under both (i) the BH IDD tailored plans and (ii) the combined 1915(b) and (c) waivers or an approved 1915(i) waiver. This new "in-lieu-of" service shall meet all of the following criteria:

- (1) The new service shall be modeled after the nonresidential components of the service entitled "Long-Term Community Supports" currently provided by Vaya Health and similar services provided by Alliance Behavioral Healthcare.
- (2) The CAET service shall not include any residential component.
- (3) Services must originate from facilities that meet the home- and community-based services standards established by DHB and under federal law.

SECTION 1.(b) In the development of the new CAET service in accordance with subsection (a) of this section, DHB shall collaborate with the Marketing Association for Rehabilitation Centers (MARC), the North Carolina Association for Rehabilitation Facilities (NCARF), the North Carolina Association of Professional Supported Employment (NCAPSE), all LME/MCOs, and other appropriate stakeholders. Concurrent with the development of the new CAET service, DHB also shall collaborate with those stakeholders to review any relevant rules, including 10A NCAC 27G .2301 through .2306. DHB shall amend any relevant rules and, if necessary, may adopt additional rules to account for the numerous community-based activities and employment services that may be provided to Medicaid beneficiaries as part of this new "in-lieu-of" service.

SECTION 1.(c) Consistent with the authority granted under G.S. 108A-54(e), DHB may submit any State Plan amendments or waivers, or request other approval from the Centers for Medicare and Medicaid Services, necessary for the implementation of the new CAET service developed under subsection (a) of this section. Coverage of the new service may not begin earlier than January 1, 2024.

SECTION 2. No later than December 1, 2023, DHB shall submit a report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice detailing the following



1 information related to the development of the new CAET service in accordance with Section 1
2 of this act:

- 3 (1) The definition developed for the CAET service and any new Medicaid clinical
4 coverage policy or changes to an existing Medicaid clinical coverage policy.
- 5 (2) The anticipated annual cost to the State of adding the proposed new service.
- 6 (3) Any legislative changes necessary for the implementation of the CAET
7 service.
- 8 (4) Any recommendations regarding the future establishment of a new facility
9 license for facilities providing the CAET service.
- 10 (5) Whether DHB is able to add this coverage pursuant to its authority under
11 G.S. 108A-54(e) or whether appropriations in addition to those in Section 3
12 of this act are required prior to implementation. If DHB intends to add this
13 coverage pursuant to its authority under G.S. 108A-54(e), the expected
14 implementation date.

15 **SECTION 3.** There is appropriated from the General Fund to the Department of
16 Health and Human Services, Division of Health Benefits (DHB), the sum of four million five
17 hundred thousand dollars (\$4,500,000) in recurring funds for the 2023-2024 fiscal year and the
18 sum of nine million dollars (\$9,000,000) in recurring funds for the 2024-2025 fiscal year to be
19 used for the implementation of the CAET service developed in accordance with Section 1 of this
20 act. These funds shall provide a State match for eight million seven hundred thousand dollars
21 (\$8,700,000) in recurring federal funds for the 2023-2024 fiscal year and the sum of seventeen
22 million four hundred thousand dollars (\$17,400,000) in recurring federal funds for the 2024-2025
23 fiscal year, and those federal funds are appropriated to DHB to pay for costs associated with the
24 implementation of the CAET service developed in accordance with Section 1 of this act.

25 **SECTION 4.** Section 3 of this act is effective July 1, 2023. The remainder of this act
26 is effective when it becomes law.