

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

**SESSION LAW 2007-410  
HOUSE BILL 628**

AN ACT TO CREATE A UNIFORM CO-PAYMENT SCHEDULE FOR MH/DD/SA SERVICES AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 122C-146 reads as rewritten:

**"§ 122C-146. ~~Fee for service.~~Uniform co-payment schedule.**

(a) ~~The area authority LME and its contractual provider agencies shall prepare fee schedules implement the co-payment schedule based on family income adopted by the Secretary for services and under G.S. 122C-112.1(a)(34). The LME is responsible for determining the applicability of the co-payment to individuals authorized by the LME to receive services. An LME that provides services and its contractual provider agencies shall also make every reasonable effort to collect appropriate reimbursement for costs in providing these services from individuals or entities able to pay, including insurance and third-party payment, except that individuals payments. However, no individual may be refused services because of an inability to pay.~~

(b) ~~Individuals may not be charged for free services, as required in "The Amendments to the Education of the Handicapped Act", P.L. 99-457, provided to eligible infants and toddlers and their families. This exemption from charges does not exempt insurers or other third-party payors from being charged for payment for these services, if the person who is legally responsible for any eligible infant or toddler is first advised that the person may or may not grant permission for the insurer or other payor to be billed for the free services. However, no individual may be refused services because of an inability to pay.~~

(c) ~~All funds collected from fees from area authority co-payments for LME operated services shall be used for the fiscal operation or capital improvements of the area authority's programs to provide services to individuals in targeted populations.~~

~~The collection of fees co-payments by an area authority an LME that provides services may not be used as justification for reduction or replacement of the budgeted commitment of local tax revenue. All funds collected from co-payments by contractual provider agencies shall be used to provide services to individuals in targeted populations."~~

**SECTION 2.** G.S. 122C-112.1(a) is amended by adding a new subdivision to read:

**"§ 122C-112.1. Powers and duties of the Secretary.**

(a) The Secretary shall do all of the following:

(34) Adopt rules for the implementation of a co-payment graduated schedule to be used by LMEs and by contractual provider agencies under G.S. 122C-146. The co-payment graduated schedule shall be developed to require a co-payment for services identified by the Secretary. Families whose family income is three hundred percent (300%) or greater of the federal poverty level are eligible for services with the applicable co-payment."

**SECTION 3.** The Secretary of the Department of Health and Human Services shall identify all services that are funded by or through the Department's budget and that do not require income-based criteria in order for an individual to be eligible to receive the service. The Secretary shall develop a proposal for implementing income-based criteria for eligibility for those programs and shall submit the proposal to the General Assembly and the Fiscal Research Division by November 1, 2007.

**SECTION 4.** Section 1 of this act becomes effective July 1, 2008, and applies to services provided on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2<sup>nd</sup> day of August, 2007.

s/ Beverly E. Perdue  
President of the Senate

s/ Joe Hackney  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 2:40 p.m. this 21<sup>st</sup> day of August, 2007