

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 923

Short Title: Behavioral Health Partnership Pilot Program. (Public)

Sponsors: Representatives Malone, Avila, Pendleton, and Steinburg (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Appropriations.

April 20, 2015

A BILL TO BE ENTITLED

AN ACT ESTABLISHING A BEHAVIORAL HEALTH PILOT PROGRAM THAT
ALLOWS RURAL HOSPITALS TO CONVERT EXISTING, UNUSED ACUTE CARE
BEDS INTO LICENSED INPATIENT BEHAVIORAL HEALTH BEDS IN ORDER TO
INCREASE SHORT-TERM INPATIENT BEHAVIORAL HEALTH CAPACITY
WITHIN THE STATE; AND APPROPRIATING NET PROCEEDS FROM THE SALE
OF DIX HOSPITAL TO FUND THE CONVERSION OF BEDS UNDER THIS
BEHAVIORAL HEALTH PILOT PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. In order to increase inpatient bed capacity for short-term care of individuals experiencing an acute mental health, substance abuse, or developmental disability crisis, the Department of Health and Human Services (Department) shall conduct a three-year pilot program to assist rural hospitals in the conversion of existing, unused acute care beds into licensed, short-term inpatient behavioral health beds. The Secretary shall select rural hospitals located in two different regions of the State that are currently participating in the statewide telepsychiatry program established under G.S. 143B-139.4B to participate in the pilot program. The maximum number of beds that may be converted into short-term inpatient behavioral health beds in each region is 50. At least one of the regions selected to participate in the pilot program shall be located in a rural area surrounding Wake County. Notwithstanding the State Medical Facilities Plan, Article 9 of Chapter 131E of the General Statutes, or any other provision of law to the contrary, each selected rural hospital shall be allowed to convert unused acute care beds into licensed inpatient psychiatric or substance abuse beds for adults, adolescents, children, or all three, without undergoing certificate of need review by the Division of Health Service Regulation. All converted beds shall be subject to existing licensure laws and requirements. As a condition of participating in the pilot program, each selected rural hospital shall reserve at least fifty percent (50%) of the beds converted under the pilot program for (i) purchase by the Department under the State-administered three-way contract and (ii) referrals by local management entities/managed care organizations (LME/MCOs) of individuals who are Medicaid recipients or indigent.

SECTION 2. At least once every six months, the Department shall conduct monitoring visits of the rural hospitals participating in the pilot program and shall also be responsible for investigating all complaints related to the pilot program. Each rural hospital participating in the pilot program shall provide a monthly report to the Department on the number of individuals receiving short-term, inpatient psychiatric, substance abuse, or developmental disability services under the pilot program and the average length of stay of



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1 individuals receiving these behavioral health services under the pilot program. The Department
2 shall have the authority to suspend or terminate the pilot program at any time due to
3 noncompliance with applicable regulatory requirements that has resulted in serious harm to
4 individuals receiving behavioral health services under the pilot program or when there is a
5 substantial risk that serious harm will occur to individuals receiving behavioral health services
6 under the pilot program.

7 **SECTION 3.** The Department of Health and Human Services shall report on the
8 status of the pilot program at least once each year to the Program Evaluation Division and the
9 Fiscal Research Division. The report shall include at a minimum the number of beds converted
10 into licensed, inpatient psychiatric beds in each region, broken down by hospital; the number of
11 beds or bed days purchased at each participating hospital by the Department under the
12 State-administered three-way contract; the number of referrals to participating hospitals by the
13 LME/MCOs; the number and age of the individuals receiving short-term inpatient psychiatric,
14 substance abuse, or developmental disability services under the pilot program; and objective,
15 measurable outcomes of the individuals served through this pilot program.

16 **SECTION 4.** The Program Evaluation Division of the General Assembly shall
17 conduct a comprehensive evaluation of the pilot program authorized in Section 1 of this act.
18 The Program Evaluation Division shall report the results of its evaluation to the Joint
19 Legislative Program Evaluation Oversight Committee and the Joint Legislative Oversight
20 Committee on Health and Human Services no later than November 1, 2017.

21 **SECTION 5.** Notwithstanding G.S. 146-30 or any other provision of law to the
22 contrary, the net proceeds of any sale of the State-owned property encompassing the Dorothea
23 Dix Hospital campus shall be deposited into the Mental Health Trust Fund. Notwithstanding
24 G.S. 143C-9-2 or any other provision of law to the contrary, a sufficient amount of these
25 proceeds shall be appropriated to the Department of Health and Human Services, Division of
26 Mental Health, Developmental Disabilities, and Substances Abuse Services, for the 2015-2016
27 fiscal year to pay for any renovation or building costs associated with converting existing acute
28 care beds into licensed, short-term inpatient behavioral health beds designated for voluntarily
29 and involuntarily committed patients in the rural hospitals selected to participate in the pilot
30 program authorized under Section 1 of this act. The Department shall not use these funds for
31 any other purpose other than as outlined in this section and shall not use these funds to
32 supplement or supplant other State, local, or federal funds appropriated or allocated to the
33 Department.

34 **SECTION 6.** This act becomes effective July 1, 2015, and expires on June 30,
35 2018.