

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

H.B. 580  
Apr 5, 2023  
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10260-MRa-22

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

Sponsors: Representative Crawford.

Referred to:

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

4 The General Assembly of North Carolina enacts:

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

12 (1) The new service shall be modeled after the nonresidential components of the  
13 service entitled "Long-Term Community Supports" currently provided by  
14 Vaya Health and similar services provided by Alliance Behavioral Healthcare.

15 (2) The CAET service shall not include any residential component.

16 (3) Services must originate from facilities that meet the home- and  
17 community-based services standards established by DHB and under federal  
18 law.

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

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

34 **SECTION 2.** No later than December 1, 2023, DHB shall submit a report to the Joint  
35 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.