

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS15208-LN-349 (5/13)

Short Title: LMEs Adopt Managed Care Policies.

(Public)

Sponsors: Senator Hartsell.

Referred to:

A BILL TO BE ENTITLED

1
2 AN ACT TO REQUIRE THAT ALL LOCAL MANAGEMENT ENTITIES FOR
3 MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE
4 ABUSE SERVICES IMPLEMENT MANAGED CARE PRACTICES TO
5 REDUCE COST AND IMPROVE SERVICES AND EFFICIENCIES TO
6 CLIENTS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Not later than January 1, 2009, each local management entity
9 for Mental Health, Developmental Disabilities, and Substance Abuse Services shall
10 submit to the Department of Health and Human Services a completed application for a
11 Section 1915(b) Medicaid waiver, necessary for the LME to operate as a managed-care
12 model to reduce costs and improve services. Not later than March 1, 2009, the
13 Department of Health and Human Services shall submit to Centers for Medicare and
14 Medicaid (CMS) all waiver applications it has received from local management entities
15 as required by this section. In cases where a Medicaid waiver would not be an effective
16 approach to providing services on a managed care model, the Department of Health and
17 Human Services shall provide immediate and substantive technical assistance to the
18 LME in order for it to achieve maximum efficiencies in administration, services,
19 provider contracts, utilization review, and other management and service-related
20 functions. LMEs shall begin operations on a managed care model not later than 60 days
21 from the date the LME receives waiver approval from CMS, or approval of the
22 Department in cases where waivers determined by the Department to not be the most
23 effective approach to achieving costs savings and improving service delivery.

24 **SECTION 2.** This act becomes effective July 1, 2008.