

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

**SESSION LAW 2004-112
HOUSE BILL 1469**

AN ACT TO DIRECT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO INITIATE OR CONTINUE CERTAIN DISEASE MANAGEMENT ACTIVITIES, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON THE RISING COST OF HEALTH CARE.

The General Assembly of North Carolina enacts:

SECTION 1. The Department of Health and Human Services shall take action to address the rising cost of health care provided under the State Medical Assistance Plan as follows:

- (1) Adopt contractual agreements with providers of services that require and reward use of evidence-based practice standards and guidelines for Medicaid and NC Health Choice.
- (2) The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall:
 - a. Ensure collaboration between local management entities providing mental health services and Community Care of North Carolina providers that serve Medicaid enrollees diagnosed with depression, and
 - b. Require evidence-based practices for the treatment of psychotic illnesses.
- (3) The Division of Medical Assistance shall consider the following as it develops plans to improve the quality, utilization, and cost-effectiveness of the State's Medicaid program:
 - a. New disease management initiatives that target such costly diseases or conditions as congestive heart failure, chronic lung disease, chronic kidney disease, sickle cell disease, and low birth weight.
 - b. Collaborate with the Division of Public Health and other community organizations to improve the coordination and implementation of key initiatives to address obesity, premature birth, and smoking cessation.
 - c. Collaborate with local management entities that provide mental health services to develop local systems and processes that enhance the ability of primary care physicians to care for nontargeted mental illness and substance abuse clients.
 - d. Use case management processes to improve the utilization and access to such community-based services as ancillary and in-home support services.
 - e. Investigate the use of incentives or technology to promote the effective use of evidence-based guidelines by Program participants.

The Department shall report on the progress of these activities to the House of Representatives Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Health and Human Services not later than March 1, 2005.

SECTION 2. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 7th day of July,
2004.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 12:32 p.m. this 17th day of July, 2004