

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 663
Health Care Committee Substitute Adopted 5/29/13
Appropriations/Base Budget Committee Substitute Adopted 6/12/13

Short Title: Blue Ribbon Comm. Recs./Supportive MH Housing.

(Public)

Sponsors:

Referred to:

April 4, 2013

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO
3 ESTABLISH A SUPPORTIVE HOUSING PROGRAM FOR INDIVIDUALS
4 TRANSITIONING FROM INSTITUTIONAL SETTINGS TO INTEGRATED
5 COMMUNITY-BASED SETTINGS, TO CLARIFY HOW FUNDS APPROPRIATED TO
6 THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE
7 ESTABLISHMENT AND OPERATION OF THIS PROGRAM SHALL BE USED, AND
8 TO CREATE A COMMUNITY LIVING HOUSING FUND WITHIN THE HOUSING
9 FINANCE AGENCY TO INTEGRATE INDIVIDUALS WITH DISABILITIES INTO
10 COMMUNITY-BASED SUPPORTED HOUSING.

11 The General Assembly of North Carolina enacts:

12 **SECTION 1.** G.S. 122C-3 is amended by adding a new subdivision to read:

13 "(20c) "Local management entity/managed care organization" or "LME/MCO"
14 means a local management entity that is under contract with the Department
15 to operate the combined Medicaid Waiver program authorized under section
16 1915(b) and section 1915(c) of the Social Security Act."

17 **SECTION 2.(a)** Chapter 122C of the General Statutes is amended by adding a new
18 Article to read:

19 "Article 1B.

20 "Transitions to Community Living.

21 "Part 1. North Carolina Supportive Housing Program.

22 **"§ 122C-20.5. Definitions.**

23 The following definitions apply in this Article:

24 (1) In-reach activities. – Education and information provided by the Department
25 or an LME/MCO by individuals who are knowledgeable about community
26 services and supports to residents of adult care homes or State psychiatric
27 hospitals about the benefits and financial aspects of clinically appropriate,
28 community-based supportive housing in an integrated setting. The term
29 includes all of the following: (i) facilitating and accompanying residents'
30 visits to supportive housing apartments, (ii) assessing residents' interest in
31 supportive housing, (iii) exploring and addressing residents' concerns about
32 moving to supportive housing, (iv) reviewing residents' housing preferences,
33 and (v) providing opportunities for residents to meet with other individuals
34 with disabilities who are living, working, and receiving services in integrated



1 settings, their families, and community providers. This term does not include
2 education or information provided by adult care homes.

3 (2) Individual with serious mental illness or SMI. – An individual who is 18
4 years of age or older with a mental illness or disorder that is described in the
5 Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition, that
6 impairs or impedes functioning in one or more major areas of living and is
7 unlikely to improve without treatment, services, supports, or all three. The
8 term does not include a primary diagnosis of Alzheimer's disease or
9 dementia.

10 (3) Individual with serious and persistent mental illness or SPMI. – A person
11 who is 18 years of age or older who meets one of the following criteria:

12 a. Has a mental illness or disorder that is so severe and chronic that it
13 prevents or erodes development of functional capacities in primary
14 aspects of daily life such as personal hygiene and self-care, decision
15 making, interpersonal relationships, social transactions, learning, and
16 recreational activities.

17 b. Is receiving Supplemental Security Income or Social Security
18 Disability Income due to mental illness.

19 **"§ 122C-20.6. Department to establish statewide supportive housing program for**
20 **individuals transitioning into community living; purpose.**

21 The Department of Health and Human Services, in consultation with the North Carolina
22 Housing Finance Agency, shall establish and administer a tenant-based rental assistance
23 program known as the North Carolina Supportive Housing Program. The purpose of the
24 program is to transition individuals diagnosed with serious mental illness or serious and
25 persistent mental illness from institutional settings to more integrated community-based
26 settings appropriate to meet their needs. Under the program, the Department, in consultation
27 with the North Carolina Housing Finance Agency and LME/MCOs, shall arrange for program
28 participants to be placed in housing slots available through the program with all the rights and
29 obligations created by a landlord-tenant relationship.

30 **"§ 122C-20.7. Administration of housing subsidies for supportive housing.**

31 The Department may enter into a contract with a private vendor to serve as the housing
32 subsidy administrator for the North Carolina Supportive Housing Program with responsibility
33 for distributing rental vouchers and community living vouchers to program participants based
34 on a formula developed by the Department.

35 **"§ 122C-20.8. Eligibility requirements for NC Supportive Housing Program.**

36 The Division of Aging and Adult Services shall adopt rules to establish eligibility
37 requirements for the program. The eligibility requirements shall, at a minimum, include income
38 eligibility requirements and requirements to give priority for program participation and
39 transition services to individuals diagnosed with serious mental illness or serious and persistent
40 mental illness who are currently residing in institutional settings. The Division may adopt
41 temporary rules necessary to implement this Article.

42 **"§ 122C-20.9. In-reach activities for supportive housing.**

43 The Department shall have ongoing responsibility for developing and distributing a list of
44 potentially eligible program participants for each LME/MCO by catchment area. Upon receipt
45 of this information, each LME/MCO shall have ongoing responsibility for prioritizing the list
46 of individuals to whom it will provide in-reach activities in order to (i) arrange an in-person
47 meeting with potentially eligible participants to determine their eligibility and level of interest
48 and (ii) report back to the Department on the LME/MCO's recommended list of program
49 participants on a daily basis. Upon receipt of an LME/MCO's recommended list of program
50 participants, the Department shall make a final determination of eligibility.

51 **"§ 122C-20.10. Allocation of supportive housing slots to LME/MCOs.**

1 The Department shall annually determine the number of housing slots to be allocated to
2 each LME/MCO as follows:

- 3 (1) Each year, the Department shall distribute at least fifty percent (50%) of the
4 housing slots available through this program equally among all LME/MCOs.
- 5 (2) The Department shall award additional housing slots to LME/MCOs based
6 on local need, as determined by the information provided by LME/MCOs to
7 the Department in accordance with G.S. 122C-20.9.

8 **"§ 122C-20.11. Transition of program participants into housing slots.**

9 The LME/MCO shall develop a written transition plan for each individual determined to be
10 eligible and interested in participating in the North Carolina Supportive Housing Program. The
11 transition plan for the approved housing slot shall identify at least all of the following:

- 12 (1) Available housing units that meet the individual's needs.
- 13 (2) Any transition services that will be necessary for the individual, including,
14 but not limited to, a one-time transition stability payment, not to exceed two
15 thousand dollars (\$2,000) per individual, for up-front move-in costs
16 approved by the Department or the housing subsidy administrator.
- 17 (3) Solutions to potential barriers to the individual's successful transition to
18 community-based supported housing.
- 19 (4) Any other information the Department deems necessary for the individual
20 program participant's successful transition into community-based supported
21 housing.

22 **"§ 122C-20.12. Transition services.**

23 LME/MCOs shall provide individualized transition services to program participants within
24 their respective catchment areas for the 90-day period following the individual's transition into
25 a housing slot provided through the program.

26 **"§ 122C-20.13. Tenancy support services.**

27 The Department or the housing subsidy administrator shall provide ongoing tenancy
28 support services to program participants.

29 **"§ 122C-20.14. Approval of landlords and housing units.**

30 The Department shall develop an application process for owners of housing units seeking to
31 participate in the program as landlords. The application process shall, at a minimum, include an
32 inspection of the owners' selected housing units and a requirement that owners receive
33 educational information from the Department about the North Carolina Supportive Housing
34 Program prior to being approved as landlords.

35 **"§ 122C-20.15. Annual reporting on NC Supportive Housing Program.**

36 Annually on October 1, the Department shall report to the General Assembly on the number
37 of individuals within each catchment area who transitioned into housing slots available through
38 the North Carolina Supportive Housing Program during the preceding calendar year. The report
39 shall include a breakdown of all funds expended by each LME/MCO for transitioning these
40 individuals into the housing slots.

41 **"§ 122C-20.16. NC Supportive Housing Program not an entitlement.**

42 The Department shall not be required to provide housing slots to individuals beyond the
43 number that can be supported by funds appropriated by the General Assembly for this purpose.
44 The supportive housing program established under this Part, whether administered by the
45 Department or a private entity, is not an entitlement, and nothing in this Part shall create any
46 property right."

47 **SECTION 2.(b)** By no later than June 30, 2013, each LME/MCO shall transition at
48 least 15 eligible individuals to community-based supported housing slots available through the
49 North Carolina Supportive Housing Program established under G.S. 122C-20.5.

50 **SECTION 3.** Funds appropriated to the Department of Health and Human Services
51 for the 2013-2015 fiscal biennium to develop and implement housing, support, and other

1 services for people with mental illness pursuant to the Department of Justice settlement
2 agreement shall be used as follows:

- 3 (1) The sum of one million seven hundred forty-five thousand two hundred
4 eighty dollars (\$1,745,280) for fiscal year 2013-2014 and the sum of three
5 million one hundred twenty thousand thirty-seven dollars (\$3,120,037) for
6 fiscal year 2014-2015 shall be used to establish and operate the North
7 Carolina Supportive Housing Program authorized in Article 1B of Chapter
8 122C of the General Statutes.
- 9 (2) The sum of one million four hundred forty thousand dollars (\$1,440,000) for
10 fiscal year 2013-2014 and the sum of one million five hundred forty
11 thousand dollars (\$1,540,000) for fiscal year 2014-2015 shall be used for
12 program administration for the North Carolina Supportive Housing Program
13 authorized in Article 1B of Chapter 122C of the General Statutes.
- 14 (3) The sum of six hundred fifty thousand dollars (\$650,000) for fiscal year
15 2013-2014 and the sum of one million two hundred sixteen thousand dollars
16 (\$1,216,000) for fiscal year 2014-2015 shall be used to provide one-time
17 transition stability funds, not to exceed two thousand dollars (\$2,000) per
18 individual, to cover the cost of up-front move-in costs for individuals placed
19 in housing slots available through the North Carolina Supportive Housing
20 Program authorized in Article 1B of Chapter 122C of the General Statutes.
- 21 (4) Any funds appropriated for the 2014-2015 fiscal year that are not used for
22 the purposes set forth in subdivisions (1) through (3) of this section shall be
23 used to provide a comprehensive array of services that individuals need to
24 transition to and be maintained in the community.

25 **SECTION 4.** Chapter 122E of the General Statutes is amended by adding a new
26 section to read:

27 **"§ 122E-3A. Community Living Housing Fund.**

28 (a) Definitions. – The following definitions apply in this section:

29 (1) Catchment area. – As defined in G.S. 122C-3.

30 (2) Targeted units. – Units within Low Income Housing Tax Credit
31 developments that are specifically designed to facilitate the inclusion of
32 individuals with disabilities.

33 (b) Creation and Source of Funds. – The Community Living Housing Fund is
34 established within the Housing Finance Agency to pay for the transition of individuals
35 diagnosed with severe mental illness or severe and persistent mental illness as defined in
36 G.S. 122C-20.5 from institutional settings to integrated, community-based supported housing
37 and to increase the percentage of targeted housing units available to individuals with
38 disabilities for use in the North Carolina Supportive Housing Program under Article 1B of
39 Chapter 122C of the General Statutes. Beginning with fiscal year 2013-2014, any unexpended,
40 unencumbered balance of the amount appropriated to the Transitions to Community Living
41 Fund established pursuant to Section 10.23A(d) of S.L. 2012-142 at the end of each fiscal year
42 shall not revert but shall be transferred and made available to the Community Living Housing
43 Fund.

44 (c) Use of Funds. – The North Carolina Housing Finance Agency, in consultation with
45 the Department of Health and Human Services, shall be responsible for administering the
46 Community Living Housing Fund. The monies in the Fund shall be available for expenditure
47 only upon an act of appropriation by the General Assembly and only for the following
48 purposes:

- 49 (1) To provide permanent community-based housing in integrated settings
50 appropriate for individuals with severe mental illness and severe and
51 persistent mental illness.

1 (2) To support an increase in the number of targeted units for individuals with
2 disabilities located in housing projects funded by the Housing Finance
3 Agency from ten percent (10%) to fifteen percent (15%). The additional
4 targeted units funded shall be made available to the Department of Health
5 and Human Services for use in the North Carolina Supportive Housing
6 Program under Article 1B of Chapter 122C of the General Statutes. Priority
7 for funding of the additional targeted units shall be given to units to be
8 located in catchment areas identified by the Department of Health and
9 Human Services, in consultation with the North Carolina Housing Finance
10 Agency and LME/MCOs, as having the greatest need for targeted units.

11 **SECTION 5.** The Transitions to Community Living Fund established pursuant to
12 Section 10.23A(d) of S.L. 2012-142 terminates on June 30, 2020, and any balance remaining
13 on that date shall revert to the General Fund.

14 **SECTION 6.** Section 3 of this act becomes effective July 1, 2013. The remainder
15 of this act is effective when it becomes law.