

23

Social Services

Most of the social services legislation enacted during the 2001 legislative session was included in the Current Operations and Capital Improvements Appropriations Act of 2001. This chapter summarizes the social services provisions included in the state budget and other legislation regarding social services agencies and programs enacted by the 2001 General Assembly, as well as pending social services legislation that may be carried over to the legislature's 2002 session.

Social Services Agencies

Joint Legislative Public Assistance Commission

G.S. 120-225 (enacted in 1997) established the General Assembly's Joint Legislative Public Assistance Commission and required the commission to monitor implementation of the state's Work First program and welfare reform. Section 21.13 of the Current Operations and Capital Improvements Appropriations Act of 2001, S.L. 2001-424 (S 1005), repeals that section and abolishes the commission.

DHHS Budget

The Governor's budget request for the state Department of Health and Human Services (DHHS) was \$3.47 billion for fiscal year 2001–2002 and \$3.73 billion for fiscal year 2002–2003. The General Fund budget approved by the General Assembly, S.L. 2001-424, cuts the base budget for DHHS by \$74.5 million in 2001–2002 and by \$81.6 million in 2002–2003. The department's Division of Child Development absorbed the vast majority of these cuts. S.L. 2001-424 also requires DHHS to eliminate 273 positions within the department. State appropriations to DHHS for Medicaid, social services, health, mental health, and other human services programs constitute almost one-quarter of the state's General Fund budget.

DHHS Office of Policy and Planning

Section 21.14 of S.L. 2001-424 requires DHHS to establish, using existing resources, an office of policy and planning to coordinate the development, implementation, and review of departmental policies, plans, and rules, and to implement strategic planning that integrates budget, personnel, and resources with the department's mission and operational goals.

DHHS Intervention Services

Section 21.18A of S.L. 2001-424 creates the Intervention Services Unit in the Office of the DHHS Secretary. The unit is responsible for planning, research, monitoring, and data analysis to enhance the coordination of programs and activities related to intervention services such as mental health, developmental disabilities, and substance abuse services; social services; public health; preschool education services; and Smart Start services.

Advisory Committee on Family-Centered Services

Section 21.50 of S.L. 2001-424 rewrites G.S. 143B-150.5 and 143B-150.6 and repeals G.S. 143B-150.7, 143B-150.8, and 143B-150.9 to abolish the Advisory Committee on Family-Centered Services.

DHHS Regional Offices and Centralization

S.L. 2001-424 requires the state DHHS to

- consolidate its regional, district, field, and satellite offices across the state by June 30, 2002, and report to the General Assembly with respect to staffing, offices, cost savings, and service delivery (Section 21.1);
- centralize its activities related to coordinating and processing requests for checks of criminal records (Section 21.2);
- study and report to the General Assembly the feasibility of combining all of its toll-free phone lines (Section 21.5);
- implement a centralized contracts system (Section 21.18B); and
- coordinate all family support contracts and activities of DHHS divisions to prevent duplication, promote cost efficiency and effectiveness, and ensure compliance with federal requirements while maximizing federal and state resources (Section 21.18C).

DHHS Administrative Rules

Section 21.10 of S.L. 2001-424 authorizes the recodification of Titles 10 and 15 of the North Carolina Administrative Code to reflect the transfer of functions from the former Department of Health, Environment, and Natural Resources (now, Environment and Natural Resources) to the Department of Health and Human Services. The recodification of these administrative rules will be exempt from the requirements of the state's Administrative Procedure Act and from review by the state Rules Review Commission as long as no substantive changes are made.

Division of Social Services Reorganization

Section 21.49 of S.L. 2001-424 directs the DHHS Division of Social Services to eliminate its local support section and program development branch, to consolidate its resource and information management section and budget operations section, and to consolidate three offices within its economic independence section. In addition to positions eliminated as a result of these organizational changes, S.L. 2001-424 requires the division to eliminate the positions of its ten local program support managers and seven administrative support positions in its regional offices.

Transfer of Human Services Funds

Section 21.11 of S.L. 2001-424 enacts a new statute, G.S. 143-23.3, authorizing the state Director of the Budget (the Governor) to transfer excess funds appropriated for a specific human services program to other human services programs within the state budget.

County Human Services Budget Estimates

G.S. 108A-88 requires DHHS to provide to each county director of social services estimates of the amount of federal and state social services funds that will be available to the county and the amount of county funding that will be required for social services programs during the next fiscal year. Section 21.16 of S.L. 2001-424 amends G.S. 108A-88 to require DHHS to provide budget estimates for social services and public health programs to each county's social services director, public health director, county manager, and board of county commissioners.

Governance of County Human Services Agencies

G.S. 153A-77 authorizes the board of county commissioners in a county with a population in excess of 425,000 (currently Mecklenburg, Wake, and Guilford counties meet this criterion) to assume the powers and duties of a county social services board, local public health board, or area mental health authority, or to establish a consolidated county human services board that exercises most of the powers and duties of those local human services boards. Section 14.2 of the 2001 Studies Act, S.L. 2001-491, authorizes the Environmental Review Commission to examine the benefits of making G.S. 153A-77 applicable to all 100 counties without regard to a county's population.

Social Services Programs

Work First (Temporary Assistance for Needy Families)

State TANF plan and electing counties. Section 21.51 of S.L. 2001-424 approves North Carolina's Temporary Assistance for Needy Families (TANF) state plan for 2001–2003 and designates thirteen counties as “electing” Work First counties—that is, counties that are granted authority to develop and implement local Work First programs without conforming to all the requirements that apply to other (“standard”) counties. These counties are Caldwell, Caswell, Davie, Henderson, Iredell, Lenoir, Lincoln, Macon, McDowell, Randolph, Sampson, Surry, and Wilkes.

Recipient identification system. G.S. 108A-24(1a) and 108A-25.1 required DHHS to establish and maintain a uniform biometric recipient identification system for most Work First, Food Stamp, and Medicaid recipients. Section 21.52 of S.L. 2001-424 repeals this requirement.

Individual development accounts. Section 5.1(aa) of S.L. 2001-424 directs the state Social Services Commission to adopt rules governing individual development accounts for TANF-eligible individuals.

Federal TANF block grant. Section 5 of S.L. 2001-424 appropriates North Carolina's federal TANF block grant of \$373.1 million for cash assistance (\$114.2 million), county block grants (\$92 million), child care subsidies for Work First families (\$26.6 million), children's services, and other programs for needy families.

Work First cash assistance reserve. Section 5.1(v) of S.L. 2001-424 reserves \$11.7 million of North Carolina's federal TANF block grant for Work First cash assistance payments in the event that funds appropriated for cash assistance payments are insufficient. A portion of this reserve (\$2.5 million) may be used for specified programs and activities if DHHS and the Office of State Budget and Management certify that the reserved funds will not be needed for cash assistance payments. Section 33 of S.L. 2001-513 (H 231) provides that DHHS may reduce the

TANF Block Grant appropriations for noncash services made by S.L. 2001-424 if it determines that TANF appropriations for cash assistance payments (including the cash assistance reserve) will be insufficient to provide cash assistance payments to all eligible families in 2001–2002.

Work First study. Section 5.1(g) of S.L. 2001-424 directs the DHHS Division of Social Services to continue its current evaluation of the Work First program regarding “child only” cases and the employment, earnings, barriers to economic self-sufficiency, and utilization of community services by former Work First recipients. DHHS must report its findings to the General Assembly by September 30, 2002.

Cabarrus County Work Over Welfare Program. S.L. 2001-354 (S 113) rewrites S.L. 1998-106 to (1) extend Cabarrus County’s demonstration Work over Welfare Program until September 30, 2003, (2) rewrite some characteristics of the program, and (3) require DHHS to evaluate the program and report to the General Assembly by September 1, 2002.

Medicaid

Medicaid eligibility and services. Section 21.19 of S.L. 2001-424 reenacts the substantive provisions of S.L. 1999-237 relating to Medicaid eligibility, services, and administration. Section 21.19 also allows DHHS (1) to disregard for a period of twelve months the earned income of Medicaid recipients who would otherwise lose their Medicaid eligibility under section 1931 of the federal Social Security Act due to earnings, (2) to provide Medicaid coverage for family planning services to men and women of child-bearing age whose incomes do not exceed 185 percent of the federal poverty guidelines if the federal Centers for Medicare and Medicaid Services approves a waiver allowing these services to be provided under the state’s Medicaid program, and (3) to apply federal transfer of assets policies to excluded “income producing” real property owned by an institutionalized Medicaid applicant or recipient or his or her spouse (estimated cost savings of \$2 million in 2001–2002 and \$3.8 million in 2002–2003). S.L. 2001-424 provides an additional \$500,000 per year in funding for Medicaid’s Community Alternatives Program for Children and additional funding (\$1 million in 2001–2002 and \$2 million in 2002–2003) to increase access to dental services for adults and children covered by Medicaid.

Medicaid cost containment and growth reduction. S.L. 2001-424 reduces the Governor’s proposed budget for Medicaid by \$39.5 million for fiscal year 2001–2002 and \$91.9 million for fiscal year 2002–2003 by implementing a number of cost-containment measures such as managing drug utilization, reducing the dispensing fee for brand-name drugs, increasing the utilization of generic drugs, imposing a daily limit for personal care services, limiting Medicare crossover payments to 95 percent of the Medicare rate, reducing the payment rate for physicians to 95 percent of the Medicare rate, increasing from \$1 to \$3 the co-payment for brand-name drugs, and eliminating new inflationary increases. Section 21.24 of S.L. 2001-424 directs DHHS to reduce the rate of growth of expenditures for Medicaid services (apart from growth related to growth in the number of persons eligible for Medicaid) in fiscal year 2002–2003 to no more than 8 percent of the amount expended in fiscal year 2001–2002 for Medicaid services. In doing this, DHHS may consider changing methods of reimbursement, changing methods of determining inflation factors, recalibrating existing methods of reimbursement, contracting for services, and other recommendations in the May 1, 2001, North Carolina Medicaid Benefit Study. As part of its efforts to contain Medicaid costs, DHHS must establish reimbursement rates that allow efficient Medicaid providers to comply with certification requirements, licensure rules, and other mandated quality or safety standards. DHHS may not change policies regarding the amount, sufficiency, duration, and scope of health care services or regarding authorized Medicaid providers unless it prepares a five-year fiscal analysis documenting the increased costs of these policies and, if the cost of any proposed policy change exceeds \$3 million in any fiscal year, submits the analysis to the legislature’s Fiscal Research Division and to the Office of State Budget and Management.

Section 21.25 of S.L. 2001-424 authorizes DHHS, with the approval of the Office of State Budget and Management, to use up to \$3 million in funds appropriated for Medicaid services for administrative cost-containment activities. Section 21.26 directs DHHS to consider Medicaid program management recommendations contained in the 2001 Medicaid Benefit Study and to

implement a pharmacy management plan. Section 21.28 requires DHHS to analyze all of the optional services provided under North Carolina's Medicaid program, consider cost savings resulting from reduction in or elimination of these services, and consider the impact on client needs and other services resulting from reducing or eliminating these services. DHHS must report the results of this study to the General Assembly by April 1, 2002.

Medicaid medical coverage policy. Section 21.20 of S.L. 2001-424 requires DHHS to adopt medical coverage policies to promote consistency among Medicaid providers. Adoption of these policies is exempt from the rule-making requirements of the state Administrative Procedure Act.

TBI Medicaid waiver. Section 21.28A of S.L. 2001-424 directs DHHS to seek a waiver from the federal Centers for Medicare and Medicaid Services to implement a home and community-based Medicaid waiver for individuals with traumatic brain injury. If the waiver is approved, DHHS must seek the General Assembly's approval before implementing the waiver.

County share of Medicaid costs. Section 10.4 of the Studies Act of 2001, S.L. 2001-491 (S 166) authorizes the Joint Legislative Health Care Oversight Committee to study issues related to the counties' share of Medicaid costs.

State-County Special Assistance

State-County Special Assistance payments. Section 21.44 of S.L. 2001-424 increases the maximum State-County Special Assistance payment for elderly or disabled residents of adult care homes to \$1,091 per month effective October 1, 2001, and to \$1,120 per month effective October 1, 2002.

Special Assistance demonstration project. S.L. 1999-237 established a demonstration project under which Special Assistance payments could be made to up to 400 eligible individuals in in-home living arrangements. Section 21.29 of S.L. 2001-424 allows payments under this demonstration project to be continued through June 30, 2003, in the case of persons who are enrolled in the project as of June 30, 2002, and remain continuously eligible. Payments under the demonstration project may not exceed 50 percent of the payment an individual would receive if he or she resided in an adult care home. Section 21.29 also directs DHHS to apply for a federal waiver extending Medicaid eligibility to persons receiving Special Assistance under the demonstration project. If the waiver is granted, DHHS may not implement the waiver without the General Assembly's approval.

Adult care home reimbursement rates. Section 21.7 of S.L. 2001-424 directs DHHS to implement four recommendations contained in the State Auditor's performance audit report regarding adult care home reimbursement rates. This section further authorizes the legislature's Fiscal Research Division to contract with an independent consultant to develop a new rate methodology for payments to adult care homes and directs that the consultant's report be submitted to the General Assembly by June 1, 2002. DHHS may not implement an alternative payment procedure for adult care homes without the General Assembly's approval.

County share of Special Assistance payments. Section 1(f) of S.L. 2001-385 (H 1068) requires DHHS to study the cost of reducing, over a five-year period, the counties' share of Special Assistance payments for county residents from 50 percent to 25 percent.

Health Choice (State Child Health Insurance Program)

Section 21.22(b) of S.L. 2001-424 amends G.S. 108A-70.18(8) to redefine *uninsured* as "not covered under any private or employer-sponsored comprehensive health insurance plan on the date of enrollment" and to repeal the provisions of that section regarding a waiting period for enrollment. S.L. 2001-424 also provides an additional \$8 million in state funding for 2001-2002 and \$12.5 million for 2002-2003 to increase the Health Choice enrollment to 82,000 children.

Child Support Enforcement

Performance standards for child support agencies. Section 21.53 of S.L. 2001-424 directs DHHS to develop and implement performance standards for state and county child support enforcement offices, including standards related to cost to collection ratio, consumer satisfaction, paternity establishment, orders established, collection of arrearages, location of absent parents, and administrative costs. Once the standards are established, DHHS must monitor the performance of each child support enforcement office, publish an annual report on the performance of child support enforcement agencies, and implement a program to reward exemplary performance. DHHS must submit a report to the General Assembly by May 1, 2002, regarding its progress in developing these performance standards for child support enforcement offices.

State funding for child support enforcement. S.L. 2001-424 appropriates an additional \$1.5 million in recurring state funding for child support enforcement agencies to reduce caseload backlogs in urban counties and an additional \$2 million in recurring funding to offset continued shortfalls in receipts.

National medical support notice and other child support enforcement remedies. S.L. 2001-237 (H 377) makes several changes to the General Statutes pertaining to child support enforcement remedies and implements a federal requirement regarding use of a national medical support notice for enforcement of medical support obligations in child support orders. S.L. 2001-237 is discussed in more detail in Chapter 3, "Children and Families."

Program Integrity Funding

S.L. 2001-424 eliminates state funding (\$2.5 million per year) to county departments of social services for program integrity activities.

Child Protective Services

S.L. 2001-208 (H 375), as amended by S.L. 2001-487 (H 338), and S.L. 2001-291 (H 275) make several changes to North Carolina's Juvenile Code with respect to child protective services and termination of parental rights. These acts are summarized in Chapter 3, "Children and Families."

Foster Care and Adoption Assistance Payments

Section 21.41 of S.L. 2001-424 continues without change the maximum rates, as established by S.L. 1999-237, for state participation in the foster care assistance, adoption assistance, and HIV foster care and adoption assistance programs. Section 21.40 of S.L. 2001-424 allocates \$1.1 million in funding for the Special Children Adoption Fund and requires the Division of Social Services to develop guidelines for awarding funds to enhance adoption and post-adoption services provided by licensed adoption agencies for children who are in foster care or on whose behalf state adoption assistance payments are made. Section 21.42 of S.L. 2001-424 creates a Special Needs Adoption Incentive Fund to provide financial assistance to facilitate the adoption of certain children residing in licensed foster care homes, requires the state Social Services Commission to adopt rules governing the fund, and requires DHHS to report to the General Assembly on the use of the fund by April 1, 2002.

Families for Kids

S.L. 2001-424 reduces state funding for the Families for Kids initiative by \$500,000 for 2001-2002 and 2002-2003.

Child Welfare Pilots

Section 21.46 of S.L. 2001-424 directs the DHHS Division of Social Services to develop and implement an alternative response system of child protection in at least two, but no more than ten, demonstration areas in the state. The plan must provide for an alternative response system in which local departments of social services use family assessment tools and family support principles when responding to selected reports of suspected child neglect. DHHS is required to develop data collection processes to enable the General Assembly to assess the impact of the pilots on child safety, timeliness of response and service, coordination of local human services, cost-effectiveness, and other related issues.

Social Services and Indian Affairs Collaboration

S.L. 2001-309 (S 715) is summarized in Chapter 3, "Children and Families."

Family Resource Centers

Section 21.48 of S.L. 2001-424 requires DHHS to evaluate the use of federal and state funding allocated to family resource centers, establish performance standards to measure the effectiveness of centers, redirect funding to focus on core services that have a direct impact on strengthening family support, require centers to demonstrate that they have collaborative relationships with related public and private agencies, and report to the General Assembly by May 1, 2002, with respect to these activities.

Intensive Family Preservation Services

Section 21.50 of S.L. 2001-424 requires DHHS to review the Intensive Family Preservation Services Program; to increase the sustainability and effectiveness of the program; to provide services to children and families in cases of abuse, neglect, and dependence where a child is at imminent risk of removal from the home and to children and families in cases of abuse where a child is not at imminent risk of removal; to collect data from agencies that receive funding for these services; to establish performance standards for agencies that receive funding for these services; to make an interim report to the General Assembly by April 1, 2002; and to submit annual reports to the General Assembly.

Child Day Care

Federal block grant funds. S.L. 2001-424 appropriates \$148.3 million in federal Child Care and Development Block Grant funds, \$76.7 million in federal TANF funding, and \$3 million in federal Social Services Block Grant funds for child care subsidies.

Child care allocation formula. Section 21.69 of S.L. 2001-424 establishes a formula (based on county population, number of children under age six living in poverty, and number of working mothers with children under age six) for allocating noncategorical federal and state child care funds other than the 30 percent Smart Start allocation pursuant to G.S. 143B-168.15(g). Section 21.70 of S.L. 2001-424 precludes DHHS from requiring a local match for state child care funds unless federal law requires a local match. S.L. 2001-424 also requires DHHS to study the methodology for allocating child care funds and to report its recommendations to the General Assembly by April 1, 2002.

Child care subsidy eligibility, fees, and rates. Section 21.73 of S.L. 2001-424 sets the eligibility limit for subsidized child care at 75 percent of median income; sets fees of 8 to 10 percent of family income for families who are required to share in the cost of subsidized child care; repeals G.S. 110-109 (authorizing DHHS to establish market rates for child care providers); and revises the payment rates for child care providers. Section 21.73 also provides that noncitizen families who meet all other eligibility conditions but are residing in the state illegally are eligible

for child care subsidies only if the child for whom services is sought (1) is receiving child protective services or foster care services; (2) is, or is at risk of being, developmentally delayed; or (3) is a citizen of the United States.

Dare County Social Services Funding

A 1977 session law, amended in 1995, directs that in Dare County a portion of the gross receipts of the county Alcoholic Beverage Control Board be allocated to the county for use by the department of social services to supplement the operating cost of an out-of-home group care facility for abused, neglected, and dependent children. S.L. 2001-53 (H 727) provides that the department also may use the funds for other child and family services.

Other Legislation of Interest to Social Services Agencies

Infant Abandonment

S.L. 2001-291 is summarized in Chapter 3, “Children and Families.”

Adoption

S.L. 2001-150 (S 499) and S.L. 2001-303 (S 836) are summarized in Chapter 3, “Children and Families.”

Smart Start

Section 21.72 of S.L. 2001-424 limits the administrative costs of local Smart Start partnerships; imposes competitive bidding requirements on the state Partnership for Children and local Smart Start partnerships; imposes local match requirements for Smart Start funding; and requires DHHS to continue to implement a performance-based evaluation system for the Smart Start program. Section 21.75 of S.L. 2001-424 directs DHHS and the state Partnership for Children to implement policies to ensure that Smart Start funds are allocated to child care programs that serve low-income children; to ensure that federal and state funds are allocated to the neediest child care providers with the lowest licensure ratings; to ensure that federal and state funds are allocated to child care programs that serve an adequate number of children eligible to participate in the state child care subsidy voucher program; to eliminate local duplication and increase efficiency in the administration of child care subsidy voucher funds; to compile data on the unduplicated number of children served with federal and state child care subsidy voucher funds; and to ensure timely, accurate, and consistent reporting of information regarding local child care subsidy waiting lists.

Section 21.75 of S.L. 2001-424 also enacts a new section, G.S. 143B-168.12(d), that directs the state Partnership for Children to submit an annual report to the General Assembly; repeals the reporting requirement in G.S. 143B-168.12(a)(9); requires the Partnership to provide information about Smart Start to the General Assembly; requires the Partnership to evaluate the feasibility of developing a revised funding formula that takes into consideration all relevant funding to provide assistance and services to children under age five; repeals G.S. 143B-168.15(f) (authorizing local Smart Start partnerships to carry over funds); provides that unspent 2000–2001 funds revert to the General Fund; and limits the Partnership’s authority to approve local plans that allocate state funding to providers for one-time quality improvements. S.L. 2001-424 also reduced the Governor’s proposed increase in Smart Start continuation funding by \$48.5 million per year.

More at Four

Section 21.76B of S.L. 2001-424 directs the state DHHS, in consultation with the Department of Public Instruction, to develop More at Four—a voluntary prekindergarten pilot program for at-risk four-year-olds. The two departments are required to (1) establish the More at Four Pre-K Task Force to oversee development and implementation of the pilot program; (2) make interim reports by January 1, 2002, and May 1, 2002; and (3) make a final report and recommendations to the 2003 General Assembly.

Drug Offenses at or Near Child Day Care Centers

S.L. 2001-332 (S 751), which increases the criminal penalties for drug offenses committed at or near child day care centers, is discussed in Chapter 6, “Criminal Law and Procedure.”

Adult Day Care

Legislation regarding adult day care funding, transportation, and rates is summarized in Chapter 22, “Senior Citizens.”

Certificate of Need for Adult Care Homes

S.L. 2001-234 (S 937) is summarized in Chapter 22, “Senior Citizens.”

Mental Health Reform

S.L. 2001-437 (H 381) is discussed in Chapter 18, “Mental Health.”

Social Worker Privilege

Effective October 1, 2001, S.L. 2001-152 (S 739) amends G.S. 8-53.6 and 8-53.7 to provide that information obtained by a certified or licensed clinical social worker, licensed psychological associate, or licensed marriage and family therapist during the course of marital counseling is not admissible as evidence in actions for divorce or alimony.

Conflicts of Interest

S.L. 2001-409 (H 115) substantially rewrites the laws relating to conflicts of interest that arise when public officers or employees benefit from public contracts. These changes are discussed in Chapter 21, “Purchasing and Contracting.”

Government Tort Claims

S.L. 2001-491 authorizes the Legislative Research Commission to study issues related to local government tort liability, state tort liability, the adoption of a local government tort claims act, and the duty to defend government employees. The commission may report to the 2002 regular session of the 2001 General Assembly or to the 2003 General Assembly.

Bills That Did Not Pass

Bills Eligible for Further Consideration

The following bills that passed in the House but not the Senate, or vice versa, may be considered further during the 2002 session.

Law enforcement protection for social workers. If enacted, S 280 would amend the Juvenile Code to require local law enforcement—upon request of the county social services director—to accompany a social services worker to the premises where a child abuse or neglect investigation and evaluation are to take place or where a child is to be taken into custody, if there is an indication of potential risk. Senate Bill 280 passed the Senate on April 25, 2001, and was referred to the House Judiciary II Committee.

Expanded definition of child abuse. House Bill 93, if enacted, would amend the Juvenile Code to expand the definition of child abuse to include cases in which a caretaker or other person persistently fabricates or misrepresents a child's medical illness in order to obtain otherwise unnecessary medical care. An amended committee substitute for H 93 passed the House on April 23, 2001, and was referred to the Senate Judiciary II Committee.

Increased criminal penalty for misdemeanor child abuse. If enacted, H 904 would increase the criminal penalty for misdemeanor child abuse. House Bill 904 passed the House on April 23, 2001, was considered on the Senate floor, and was re-referred to the Senate Judiciary I Committee.

Increased criminal penalties for incest. House Bill 1276, if enacted, would amend North Carolina's criminal statutes regarding incest. A committee substitute for H 1276 passed the House on April 24, 2001. After adopting a second committee substitute, the Senate re-referred the bill to its Judiciary I Committee on July 9, 2001. In another bill that did pass, S.L. 2001-491, the General Assembly authorized the Sentencing and Policy Advisory Commission to study the current punishments for incest (G.S. 14-178 and G.S. 14-179) to determine whether they are consistent with punishments for other sex offenses and to study the incest statutes' application to acts between related minors. Section 7 of S.L. 2001-491 authorizes the commission to report its findings and recommendations to the General Assembly before the convening of the 2002 regular session.

Medicaid coverage of adult day health care services. House Bill 216, if enacted, would direct the state DHHS to submit a draft amendment to the state Medicaid plan to provide Medicaid coverage to adult day health care services. A committee substitute for H 216 passed the House on April 4, 2001, and was referred to the Senate Health Care Committee.

Gaston County Social Services Board. The size and composition of county social services boards and the appointment, qualifications, and terms of county social services board members are determined by Chapter 108A of the General Statutes. In most counties, the county social services board consists of five members—two appointed by the board of county commissioners, two appointed by the state Social Services Commission, and one appointed by the other four social services board members. House Bill 661, if enacted, would allow the Gaston County Board of Commissioners to abolish the county's existing five-member board of social services and replace it with a new social services board consisting of at least five members. Two members of the new county social services board would have to be appointed by the state Social Services Commission. All other matters relating to the size, composition, and membership of the new board, the appointment of social services board members, and the terms of social services board members would be determined by the board of county commissioners. House Bill 661 passed the House of Representatives on April 18, 2001, and was referred to the Senate Committee on State and Local Government.

Bills Not Eligible for Further Consideration

The following bills were introduced in 2001 but did not pass in either the House or the Senate. They are not eligible for consideration in the 2002 session.

Investigation of child abuse and neglect. House Bill 971 would have amended the Juvenile Code to specify the circumstances under which a social worker could enter a private residence for the purpose of investigating a report of child abuse or neglect.

Adoption. House Bill 1164 would have rewritten parts of the adoption law, G.S. Chapter 48, to provide for post-adoption privileges in certain circumstances, based on a written agreement between an adopted child's birth relative and the adoptive parent.

Termination of parental rights based on parent's incarceration. Senate Bill 996 would have amended the Juvenile Code to allow a court to terminate a parent's rights with respect to his or her child if the parent is incarcerated and his or her incarceration will seriously undermine the parent-child relationship.

Foster and adoptive parents' age. House Bill 1228 would have prohibited the use of age as the sole factor in determining whether an adoptive parent or foster parent should be allowed to adopt or provide foster care for a minor.

Work First waiting period. House Bill 933 and Senate Bill 1052 would have authorized the state Social Services Commission to adopt rules that would waive the waiting period for certain people to reapply for cash assistance under the standard Work First Program.

County share of Medicaid costs. Under current law, the state requires counties to pay 15 percent of the nonfederal share of the cost of Medicaid services provided to county residents (approximately 5.5 percent of the total cost). In fiscal year 2000, North Carolina's one hundred counties provided approximately \$213.5 million in county funding for Medicaid services. Several bills to eliminate or reduce the counties' fiscal responsibility for Medicaid were introduced during the 2001 legislative session, but none was reported out of committee. The General Assembly, however, did authorize the Joint Legislative Health Care Oversight Committee to study issues related to county funding of Medicaid. S.L. 2001-491 (S 166), sec. 10.4.

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