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Social Services

During its 2004 session, the General Assembly increased state funding for child protective services, for foster care and adoption assistance, and for health insurance for uninsured children. The General Assembly also authorized studies regarding county funding for the state Medicaid program, service delivery to the state's Hispanic community, and state-local relations with respect to the provision of government services. Other legislation related to social services is discussed in Chapter 3, "Children, Families, and Juvenile Law," and Chapter 20, "Senior Citizens."

Child Welfare

Child Welfare Funding

S.L. 2004-124 (H 1414), the appropriations act, provides an additional \$4 million to the state Division of Social Services (DSS) for county departments of social services to hire additional child protective services staff to reduce caseloads. The act also provides \$750,000 in recurring funding for training needs and program support costs of county departments of social services that are participating in the multiple response system pilot program.

Section 5.1 of S.L. 2004-124 makes the following allocations of federal Temporary Assistance for Needy Families (TANF) Block Grant funds for child welfare services:

- \$12,452,391 to county social services departments for hiring or contracting for child protective services staff
- \$2,249,642 to expand after school programs and services for at-risk children and \$500,000 to expand after school programs for at-risk children attending middle school
- \$2,550,000 for various DSS child welfare training projects
- \$838,000 for the purchase of services at maternity homes throughout the state
- \$3 million for the Special Children Adoption Fund (partially offset by a \$1 million reduction in state funding)
- \$2,717,298 to implement the component of N.C. Fast that concerns the creation and administration of a statewide automated child welfare information system

Foster Care and Adoption Assistance

S.L. 2004-124 increases the maximum rates, per child per month, for state participation in Foster Care and Adoption Assistance payments as follows:

- Children from birth to age 5: from \$365 to \$390
- Children ages 6 through 12: from \$415 to \$440
- Children ages 13 through 18: from \$465 to \$490

The act also requires DSS to monitor expenditures in the Special Children's Adoption Fund and redistribute any unspent moneys to ensure that funds that historically have reverted are used for the intended purposes. DSS must report on these activities by December 1, 2004, and June 30, 2005.

Medicaid and N.C. Health Choice

Community Alternatives Program

Section 10.9 of S.L. 2004-124 requires the Department of Health and Human Services (DHHS) to ensure that budgeted expenditures for the Medicaid Community Alternatives Program (CAP) are not limited by the nonallocation of or delays in filling CAP slots, and stipulates that CAP services for disabled adults be provided, within existing county allocations and subject to availability, to any eligible person who entered a nursing facility on or before June 1, 2004.

Community Care Network Organizations

Some Community Care network organizations are designated by DHHS to be responsible for coordinating the health care of Medicaid recipients in particular counties. Section 41 of S.L. 2004-203 (H 281) enacts new G.S. 108A-25(d), providing that, for the sole purpose of grants-in-aid, public assistance grant programs, and other funding programs, these organizations are deemed to be public agencies that are local units of government.

Financial Eligibility of Pregnant Minors

Section 10.4 of S.L. 2004-124 deletes a statutory provision that required the income of a minor's parents to be a factor in determining the income eligibility of a pregnant minor living at home.

Medicaid Services

S.L. 2004-124 eliminates Medicaid funding for weight loss and weight gain drugs, provides funding to continue the statewide expansion of the Community Care of N.C. program (formerly Carolina ACCESS), expands the scope of mental health services provided to Medicaid recipients, and expands Medicaid coverage for medically necessary prosthetics and orthotics for adults over age twenty-one.

S.L. 2004-124 requires DHHS to develop a pilot program to implement the Program for All-Inclusive Care for the Elderly (PACE), with one site in the southeastern part of the state and one in the west. The pilots must be designed to access federal Medicaid and Medicare dollars for the provision of acute and long-term care services for older patients through interdisciplinary teams. The department must report on the PACE pilot program by March 1, 2005.

S.L. 2004-124 also requires DHHS to establish two or more pilot programs to test new approaches to managing access to and utilization of health care services by Medicaid recipients. At least two pilots must involve contracting with a physician-owned and -managed network that has improved the cost-effectiveness of Medicaid services in at least one other state. DHHS must report on the pilots by February 1, 2005.

State Funding for N.C. Health Choice

S.L. 2004-124 increases state funding for the state's Health Choice program for uninsured children by \$6.6 million.

Studies

County and state Medicaid funding. S.L. 2004-161 (S 1152) authorizes the Legislative Research Commission to study the feasibility of eliminating county financial participation in the Medicaid program. The commission may consider alternative funding methods to ensure that the impact on state funds is revenue neutral when calculated on a statewide basis and also may consider retaining the county contribution toward administrative costs. Any recommendations to the General Assembly must include a fiscal analysis of the estimated impact on state revenue and Medicaid expenses.

Institutional bias. S.L. 2004-124 requires DHHS to contract with an independent entity to study whether the state's Medicaid program has a bias favoring support for individuals in institutional settings over support for individuals living at home and, if a bias is found, to recommend ways to alleviate it. The department must report the results of the study to the North Carolina Study Commission on Aging by January 2005.

Medicaid reform. S.L. 2004-161 expands the membership of the state's Blue Ribbon Commission on Medicaid Reform.

Transfer of Property to Qualify for Medicaid

G.S. 108A-58 limits the Medicaid eligibility of individuals who transfer property to qualify for Medicaid. Section 10.6 of S.L. 2004-124 repeals G.S. 108A-58(i), which had limited applicability of the Medicaid transfer of assets sanction to transfers made before July 1, 1988.

Temporary Assistance for Needy Families (TANF)

Domestic Violence Services

Section 5.1 of S.L. 2004-124 allocates \$1.2 million in TANF Block Grant funds to DHHS for fiscal year 2004–2005 to provide domestic violence services to Work First recipients. The funds must be used for counseling and other direct services, not to establish new shelters or facilitate lobbying. The act directs each county department of social services and the appropriate local domestic violence shelter program to jointly develop a plan for using the funds. The plan, including the services to be provided and the methods of delivery, must be submitted to DSS by December 1, 2004. The act sets out the formula by which the division is to allocate the funds. DHHS must report to the General Assembly on the funds' use by March 1, 2005.

TANF Block Grant Allocations

Section 5.1 of S.L. 2004-124 also makes the following allocations of TANF Block Grant funds for fiscal year 2004–2005:

- \$2,749,642 to support and expand the Support Our Students Program in the Department of Juvenile Justice and Delinquency Prevention, focusing on low-income communities in unserved areas
- \$1 million to DHHS for grants to Boys and Girls Clubs
- \$180,000 to DHHS for Individual Development Accounts for TANF-eligible individuals

TANF State Plan

Section 10.19A of S.L. 2004-124 approves the TANF State Plan with one change, providing that the pay-after-performance benefit delivery method for two-parent families will be eliminated only if the federal two-parent work participation rate is eliminated as well.

Other Legislation

Child Support Liens on Bank Accounts

Section 42 of S.L. 2004-203 amends G.S. 110-139.2(b1) to provide that notice to a financial institution of imposition of a lien for child support arrears may be served on the institution pursuant to Rule 4 of the Rules of Civil Procedure or in any other manner to which the institution has agreed in writing before the notice is sent.

Criminal Record Checks

Section 10.1 of S.L. 2004-124 directs DHHS, beginning January 1, 2005, to centralize all department activities relating to the coordination and processing of legally required criminal record checks.

State–Local Relations Study

S.L. 2004-161 authorizes the Legislative Research Commission to study the relationship between the state and local governments with respect to the provision of services. The study must:

1. consider mandates the state has placed on local governments regarding the provision of services and whether each mandate is a result of state law, federal law, or a combination of state and federal law;
2. consider the funding sources for local governments;
3. compare the state–local relationship in North Carolina with those of other states, including a comparison of the percentage of costs of services borne by the state and that borne by other states;
4. compare local governments in the state as regards the burden of mandated programs on local budgets; and
5. compare the combined state–local tax burden on individuals and businesses with those of other states.

Study of Service Delivery to the Hispanic Community

S.L. 2004-161 authorizes the Legislative Research Commission to study state and local policies regarding the availability and delivery of government services to the state's Hispanic population, the issues governmental agencies confront in delivering those services effectively, and the issues members of the Hispanic community encounter in obtaining services. If the commission undertakes this study, it must focus particularly on services in the areas of education, health, and public safety. As part of its study, the commission may consider ways in which the delivery and receipt of government services within the state's Hispanic community are complicated by (1) cultural differences; (2) language barriers; (3) difficulties in acquiring personal identification documents that are often required to obtain government services; (4) difficulties in obtaining drivers' licenses, occupational licenses, professional licenses, and other types of licenses required to qualify for governmental services or to do business in the state; (5) federal immigration laws,

failure to comply with those laws, and fear of the discovery of noncompliance; (6) the increasing economic, personnel, and time demands placed on state and local agencies in responding to the growing needs for governmental services; and (7) any other relevant matters. The study should identify issues that are best addressed at the local, state, and federal levels, respectively.

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