

**STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION  
COST ALLOCATION PLAN**

**NARRATIVE**

The Division of Health Service Regulation oversees medical, mental health and adult care facilities, emergency medical services and local jails. Their goal is to provide for the health, safety and well-being of individuals through effective regulatory and remedial activities. This is accomplished through appropriate consultation and training opportunities and by improving access to health care delivery systems through the rational allocation of needed facilities and services.

The Health Service Regulation program in North Carolina is state supervised and encompasses the following programs:

**Federal Programs**

1. State Indoor Radon Grants, CFDA # 66.032
2. Emergency System for Advance Registration of Volunteer Professionals,  
CFDA # 93.089
3. Emergency Medical Services for Children, CFDA # 93.127
4. ACA Nationwide Program for National and State Background Checks for  
Direct Patient Access Employees of Long Term Care Facilities and  
Providers, CFDA # 93.506
5. Social Services Block Grant, CFDA # 93.667
6. Medicare\_Hospital Insurance, CFDA #. 93.773
7. State Survey and Certification of Health Care Providers and Suppliers  
(Title XVIII) Medicare – Clinical Laboratory Improvement Amendments  
(CLIA), CFDA # 93.777

8. State Survey and Certification of Health Care Providers and Suppliers  
(Title XVIII) Medicare – Health Standard Quality Bureau, CFDA #  
93.777
9. Medical Assistance Program, CFDA # 93.778
10. National Bioterrorism Hospital Preparedness Program – Bioterrorism  
Hospital Preparedness, CFDA # 93.889

The budget and accounting system of the Division of Health Service Regulation is based on a series of budget units or responsibility cost centers which have been used as a basis for this plan. The major divisions of responsibility are:

#### **Fund 1110 – Management and Support**

**Division Director's Office** – Division Director, Deputy Director, Assistant Director, Budget Officer and Clerical Support.

**North Carolina Medical Care Commission** – The purpose of the Commission is to adopt, recommend or rescind rules for regulation of most health care facilities. The Commission also administers the Health Care Facilities Finance Act which enables the Commission to issue tax-exempt revenue bonds to finance construction and equipment projects for nonprofit and public hospitals, nursing homes, continuing care facilities for the elderly and facilities related to the foregoing.

**Data Management Services** – Support staff for Local Area Network (LAN) and Wide Area Network (WAN) as well as independent personal computers.

**Purchasing** – Purchasing and Mail Room operations.

**Personnel** – Personnel Officer and supporting staff.

#### **Fund 1151 – Health Care Licensure and Certification**

**Acute and Home Care Licensure and Certification Section** – conducts surveys and complaint investigations in order to assure state licensed and federally certified providers remain compliant with state and federal laws governing the quality of health care provided. Program areas include: clinical laboratories, acute care hospitals and licensing of nursing facility beds in these hospitals, rural primary care hospitals, psychiatric hospitals, ambulatory surgery centers, cardiac rehabilitation programs, abortion clinics, home care and home health agencies,

hospice agencies, nursing pools, end stage renal disease facilities, rural health clinics, outpatient rehabilitation providers, comprehensive outpatient rehabilitation facilities and portable x-ray suppliers.

### **Fund 1152 – Adult Care Home Licensure and Certification**

**Adult Care Licensure Section** – licenses and regulates adult care homes and provides supervision, and consultation. The section also provides training and technical assistance to county departments of social services staff who regularly monitor the compliance status of the facilities in terms of rules and quality services. Training and other support services are provided to facility staff to enhance their ability to meet the needs of residents.

**Complaint Intake Unit** – receives complaints for provider types regulated by the Division of Health Service Regulation (DHSR). These provider types include: nursing homes, adult care homes, hospitals, home care, home health, hospice agencies, dialysis centers, suppliers of portable x-ray services, providers of outpatient physical therapy or speech pathology services, rural health clinics, comprehensive outpatient rehabilitation facilities, ambulatory surgery facilities, abortion clinics, cardiac rehabilitation programs, nursing pool agencies, clinical laboratories, mental health group homes, other 24-hour facilities, outpatient and day treatment facilities.

**Nursing Home Licensure and Certification Section** – regulates nursing homes by conducting routine surveys and complaint investigations. It provides licensing services such as changes in beds and ownership. It provides regulatory education to promote compliance with Federal regulations for Medicare/Medicaid certification.

### **Fund 1153 – Construction**

**Construction Section** – performs plan reviews and inspections of healthcare and jail construction projects. The section also conducts state mandated inspections of existing 24-hour mental health and adult care facilities, life safety inspections of Medicare/Medicaid certified facilities and operational inspections of city, county and regional jails. Technical and administrative assistance is provided to the North Carolina Medical Care Commission for the Health Care Facility Finance Program. Training and technical assistance is provided to facility staff, and state, county and local government entities.

### **Fund 1154 – Health Care Personnel Registry**

**Health Care Personnel Registry Section** – reviews and determines federal and state compliance of all nurse aide education programs offered in the state. The

section also administers the standardized Nurse Aide I and Medication Aide Competency Evaluation programs, the approval of Nurse Aide I and geriatric aide education programs, the administration of the Nurse Aide I, Medication Aide, Geriatric Aide and Health Care Personnel Registries and the investigation of allegations of abuse, neglect, fraud, diversion of drugs, and misappropriation of property against unlicensed health care workers and the listing of substantiated findings on the Nurse Aide I Registry and Health Care Personnel Registry for use by health care providers in their hiring process.

### **Fund 1155 – Jails and Detention**

**Jail and Detention Section** – ensures compliance with North Carolina statutes and administrative rules through semiannual inspections of all county, municipal and regional jails.

### **Fund 1156 – Mental Health Licensure and Certification**

**Mental Health Licensure and Certification Section** – inspects and licenses intermediate care facilities for persons with mental retardation and all other mental health group homes and treatment facilities.

### **Fund 1157 – Radiation Protection**

**Radiation Protection Section (RPS)** – administers several programs in order to provide protection from the harmful effects of radiation for occupational workers, the public and the environment. The regulatory programs include x-ray, mammography, radioactive materials and tanning. The non-regulatory programs include radon, fixed nuclear facility emergency response and environmental monitoring efforts. Under the auspices of the Radiation Protection Commission, RPS strives to maintain a healthy balance between regulatory responsibility, environmental stewardship and customer service.

### **Fund 1161 Statewide Health Plan**

**Certificate of Need Section** – prohibits health care providers from acquiring, replacing, or adding to their facilities and equipment, except in specified circumstances, without the prior approval of the Department of Health and Human Services. Prior approval is also required for the initiation of certain medical services. The law restricts unnecessary increases in health care costs and limits unnecessary health services and facilities based on geographic, demographic and economic considerations.

**Medical Facilities Planning Branch** – provides staff support to the North Carolina State Health Coordinating Council which makes recommendations to the

department and the governor regarding the degree of unmet need for health facilities and services throughout the state. This branch publishes the annual State Medical Facilities Plan which provides background information and data on unmet need, including annual “need determinations” which are available for Certificate of Need review within the specified calendar year.

**Funds 1162/1163 – Office of Emergency Medical Services**

**Office of Emergency Medical Services** – ensures that all citizens have access to quality emergency medical care by providing technical assistance, services and regulatory oversight to all local Emergency Medical Service systems in North Carolina.