



STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

December 23, 2019

**SENT VIA ELECTRONIC MAIL**

The Honorable Joyce Krawiec, Chair  
Senate Appropriations Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 308, Legislative Office Building  
Raleigh, NC 27603

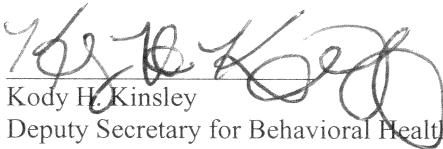
Dear Chairwoman:

Session Law 2018-5, Section 11L.1.(x) directs the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, to report on the Mental Health Services Block Grant awarded during each year of the 2017-2019 fiscal biennium. The Division shall report on the specific evidence-based treatment and services provided, the number of persons treated, and the measured outcomes or impact on the participants served. This report is due to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

Should you have any questions regarding this report, please contact Kody Kinsley, Deputy Secretary for Behavioral Health and Intellectual and Developmental Disabilities at 919-733-7011.

Sincerely,

Mandy Cohen, MD, MPH  
Secretary



Kody H. Kinsley

Deputy Secretary for Behavioral Health & IDD  
North Carolina Department of Health and Human Services

cc:	Kody Kinsley	Susan G. Perry	Dave Richard	Ben Money
	Tara Myers	Rob Kindsvatter	Marjorie Donaldson	Zack Wortman
	Matt Gross	Hattie Gawande	Joyce Jones	Lisa Wilks
	Katherine Restrepo	Jared Simmons	Deborah Landry	Luke MacDonald
	Erin Matteson	Theresa Matula	Mark Collins	Jessica Meed
	<a href="mailto:reports@ncleg.net">reports@ncleg.net</a>			

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



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SECRETARY

December 23, 2019

SENT VIA ELECTRONIC MAIL

The Honorable Larry Potts, Chair  
House Appropriations Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 307C, Legislative Office Building  
Raleigh, NC 27603

The Honorable Donna White, Chair  
House Appropriations Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 306A2, Legislative Office Building  
Raleigh, NC 27603

Dear Chairmen:

Session Law 2018-5, Section 11L.1.(x) directs the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, to report on the Mental Health Services Block Grant awarded during each year of the 2017-2019 fiscal biennium. The Division shall report on the specific evidence-based treatment and services provided, the number of persons treated, and the measured outcomes or impact on the participants served. This report is due to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

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SECRETARY

December 23, 2019

**SENT VIA ELECTRONIC MAIL**

Mr. Mark Trogon, Director  
Fiscal Research Division  
Suite 619, Legislative Office Building  
Raleigh, NC 27603-5925

Dear Director Trogon:

Session Law 2018-5, Section 11L.1.(x) directs the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, to report on the Mental Health Services Block Grant awarded during each year of the 2017-2019 fiscal biennium. The Division shall report on the specific evidence-based treatment and services provided, the number of persons treated, and the measured outcomes or impact on the participants served. This report is due to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

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**Mental Health Services - First Psychotic Symptom Treatment**

**Session Law, 2018-5, Section 11L.1(x)**



**Report to the**

**House Appropriations Committee on Health and Human Services**

**And**

**Senate Appropriations Committee on Health and Human Services**

**And**

**Fiscal Research Division**

**By**

**North Carolina Department of Health and Human Services**

**December 23, 2019**

## **Introduction:**

In Session Law, 2018-5 Section 11L.1(x)

*"SECTION 11L.1.(x) The sum of one million four hundred thirty thousand eight hundred fifty-one dollars (\$1,430,851) appropriated in this section in the Mental Health Services Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2017-2018 fiscal year and the sum of two million three hundred twenty-one thousand eight hundred seventy-three dollars (\$2,321,873) for the 2018-2019 fiscal year is allocated for Mental Health Services – First Psychotic Symptom Treatment. The Division shall report on (i) the specific evidence-based treatment and services provided, (ii) the number of persons treated, and (iii) the measured outcomes or impact on the participants served. The Division shall report to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than December 31 of each year.*

In its Federal fiscal year (FFY) 2014 appropriation, the Substance Abuse and Mental Health Services Administration (SAMHSA) was directed to require states to set aside 5% of their Mental Health Block Grant (MHBG) allocation to support “evidence-based programs that address the needs of individuals with early serious mental illness, including psychotic disorders.” This funding is dedicated to treatment of persons with early serious mental illness and not for primary prevention or preventive intervention for people at high risk of serious mental illness. In its FFY 2016, the First Episode Psychosis (FEP) set aside was increased to 10%. The accompanying Guidance Document from SAMHSA stated “...the funds from the set-aside are only used for programs showing strong evidence of effectiveness and targets the first episode psychosis. SAMHSA shall not expand the use of the set-aside to programs outside of those that address first episode psychosis.” The SAMHSA 10% set aside allocation for FFY 2020 is \$1,976,970.00.

## **Evidence-Based Treatment and Services Provided:**

In developing guidance in the use of funds, SAMHSA worked collaboratively with the National Institute of Mental Health (NIMH) to review possible evidence-based treatments. NIMH had recently released the publication *Evidence Based Treatments for First Episode Psychosis: Components of Coordinated Specialty Care (CSC)*. CSC is a team-based collaborative, recovery-oriented approach involving individuals experiencing first episode psychosis, treatment team members, and, when appropriate, family members as active participants. CSC components emphasize outreach, low dosage medications, cognitive and behavioral therapy, supported employment, supported education, case management and family psychoeducation. Services are initially very intensive with frequent contact with providers. Over time, service frequency decreases but the program remains flexible and can increase frequency during periods of crisis. CSC also emphasizes shared decision making as a means to address individuals with First Episode Psychosis (FEP) unique needs, preferences and recovery goals. Untreated psychosis increases a person’s risk for suicide, involuntary emergency care and poor clinical outcomes. Research indicates that early intervention through a CSC program can alter the illness trajectory and enable individuals experiencing FEP to live in community settings and participate fully in family and community life.

North Carolina has chosen to implement Coordinated Specialty Care teams as an evidenced based treatment for First Episode Psychosis. Programs in North Carolina serve clients ages 15-30.

North Carolina currently allocates funds for three CSC sites. Two sites have been in operation since 2015. A third site was funded in January 2017 and began to accept clients in July 2017.

- Funds are allocated to Alliance Behavioral Healthcare Local Management Entity/Managed Care Organization (LME/MCO) for a contract with the University of North Carolina at Chapel Hill, Department of Psychiatry, Center of Excellence for the Encompass Program in Raleigh, North Carolina
- Funds are allocated to Trillium Health Resources LME/MCO for a contract with RHA, Inc. for the SHORE Program in Wilmington, North Carolina
- Funds are allocated to Cardinal Innovations Healthcare Solutions LME/MCO for a contract with Carolinas Healthcare System for the Eagle Program in Charlotte, North Carolina

In addition to providing funding for three CSC sites, funding is provided to North Carolina-Early Psychosis Intervention Technical Assistance (NC EPI-TA) Program through the University of North Carolina at Chapel Hill, Department of Psychiatry, to provide technical assistance, consultation, training, database management and fidelity monitoring. The NC EPI-TA Program facilitates four monthly clinical consultation phone calls with providers at the three funded CSC sites focusing on medication management, family therapy, peer support, individual therapy and supportive employment. Data reports are provided bi-annually and annually for each site and a comprehensive data report is completed annually.

The NC-EPI-TA Program provides on-going webinars aimed to enhance clinician early recognition of early psychosis in their clinical practice. These webinars are available as an on-demand series for the entire year. The webinars are not limited to the three funded sites but are available to all clinicians across the state. The four modules include:

- Psychosis – Can You Spot It?
- “Mind-tricks”, Attenuated-Psychosis and Full Psychosis: What’s the Difference and Why Should You Care?”
- Why Clinicians Miss Diagnoses and What You Can Do About It
- Unmasking Psychosis Objectives: Recognize the Range of Disorders that have Psychosis as a Clinical Feature

Individuals are tested at the end of the webinar to ensure they have mastered the objectives and continuing education units (CEUs) are earned.

## **Outcomes:**

Client data has been maintained and analyzed for the period of July 1, 2018 to June 30, 2019 for the three Coordinated Specialty Care Programs.

During this time period, one hundred sixty-eight (168) clients were served. Referrals were primarily from community mental health providers and community inpatient psychiatric facilities. The average age of admitted clients was 20 years. Recovery program components include: Peer Support Services, Supported Employment and Education Services, Medical Management, and Individual and Family Therapy Services.

- In the six months prior to admission, 39 (66%) of the individuals served had psychiatric hospital admissions. In the first six months of participation in the program, only 5 individuals (10%) had psychiatric hospital admissions.

- At admission, 28 (42%) of patients were not in school. At 12 months, only 4 (13%) reported not being in school.
- In the six months prior to admission, 38 (64%) individuals had a crisis center or emergency department (ED) visit. At six months in the program, that number fell to 5 (10%), and then fell to 2 (5%) at 12 months in the program.
- In the six months prior to admission 8 (14%) patients had arrests, and only 1 (5%) had an arrest from 18 months to 24 months in the program.
- In the reduction in use of illegal drugs, 16 (27%) patients used cannabis in the week prior to their appointment. However, after a year in the program, that number fell to 1 (5%).

In the next fiscal year, the focus of service delivery will be on the following priorities:

- Continuing to meet fidelity standards established for Coordinated Specialty Care Programs.
- Expanding opportunities for functional recovery through peer support, supported education and supportive employment.
- Expanding services to clients in rural areas through telehealth pilot of FEP and partnering with Healthy Transitions SMAHSA grant.
- Coordinating and administering a training program for CSC professionals.
- Developing and integrating a therapeutic online program specifically for individuals with FEP into routine CSC services.
- Exploring opportunities to coordinate with paramedicine and CIT.