



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

November 1, 2019

SENT VIA ELECTRONIC MAIL

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

The Honorable Josh Dobson, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 307B, Legislative Office Building
Raleigh, NC 27603

The Honorable Donny Lambeth, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 303, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

Session Law 2016-94, Section 12F.4.(d), requires the Department of Health and Human Services ("Department") to report annually to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the number and location of additional licensed short-term, inpatient behavioral health beds brought into operation with funds allocated under subsection (a) of this section.

Additionally, Session Law 2018-5, Section 11F.2, requires the Department to report annually on the number of beds or bed days reserved for and purchased by (i) the Department under the State-administered, three-way contract and (ii) the LME/MCOs for individuals who are indigent or Medicaid recipients. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mandy Cohen". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Mandy Cohen, MD, MPH
Secretary

cc:	Kody Kinsley	Susan G. Perry	Dave Richard	Ben Money
	Rob Kindsvatter	Marjorie Donaldson	Zack Wortman	Matt Gross
	Joyce Jones	Hattie Gawande	Lisa Wilks	Steve Owen
	Katherine Restrepo	Denise Thomas	Deborah Landry	Jessica Meed
	Erin Matteson	Theresa Matula	Luke MacDonald	Mark Collins
	reports@ncleg.net			



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SECRETARY

November 1, 2019

SENT VIA ELECTRONIC MAIL

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

Dear Director Trogdon:

Session Law 2016-94, Section 12F.4.(d), requires the Department of Health and Human Services ("Department") to report annually to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the number and location of additional licensed short-term, inpatient behavioral health beds brought into operation with funds allocated under subsection (a) of this section.

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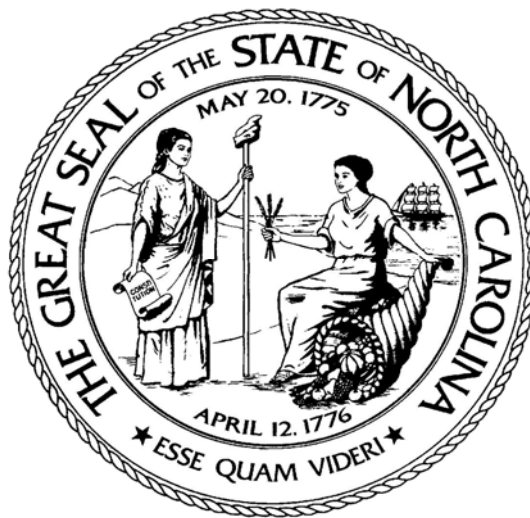
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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Use of Dorothea Dix Hospital Property Funds to Increase Short-Term, Inpatient Behavioral Health Bed Capacity in Rural Areas of the State with the Highest Need

Session Law 2016-94, Section 12F.4.(d)

Session Law 2017-57, Section 11F.5.(e) as amended by Session law 2018-5, Section 11F.2.



**Report to the
Joint Legislative Oversight Committee on Health and Human
Services**

and

The Fiscal Research Division

By

North Carolina Department of Health and Human Services

November 1, 2019

Reporting Requirements

SESSION LAW 2016-94, SECTION 12F.4.(d) Beginning November 1, 2017, the Department of Health and Human Services shall annually report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the number and location of additional licensed short-term, inpatient behavioral health beds brought into operation with funds allocated under subsection (a) of this section.

SESSION LAW 2017-57, SECTION 11F.5.(e) as amended by SESSION LAW 2018-5, SECTION 11F.2. Report on Use of Funds to Purchase Additional Beds. – Beginning November 1, 2018, the Department of Health and Human Services shall annually report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the number and location of additional licensed inpatient behavioral health beds brought into operation with funds allocated under subsection (a) of this section and, of this number, and pursuant to subsection (d) of this section, the number of beds or bed days reserved for and purchased by (i) the Department under the State-administered, three-way contract and (ii) the LME/MCOs for individuals who are indigent or Medicaid recipients.

This report addresses the reporting requirements identified in the two excerpted paragraphs above from Session Law 2016-94, Section 12 F.4 (d) and Session law 2017-57, Section 11F.5.(e) as amended by Session Law 2018-5, Section 11F.2.

Number and Location of Behavioral Health Bed Capacity Funded

Of the eight Dorothea Dix Hospital Property Funded (DDHPF) contractors, seven are hospitals or hospital systems, which are contracted to renovate or construct a total of 157 psychiatric inpatient beds: 16 licensed child/adolescent inpatient beds and 141 licensed adult psychiatric inpatient beds. There is also a DDHPF contract with Onslow County, which is funded for 16 licensed Facility-Based Crisis beds for adults. In total, the DDHPF is funding the development of 173 behavioral health beds throughout the state. Attachment 1, on page 6, presents the location of the DDHPF contractor locations by county and Local Management Entity/Managed Care Organization (LME/MCO) service area.

Table 1, on the next page, presents a snapshot of the status of the DDHPF projects. All contracts have been executed, and the design/construction projects are in varying stages of completion, with 49 beds having been brought into operation thus far. Estimated completion dates of each project is also indicated.

Table 1.: Contractors, Locations, Beds & State Funding

Contractor	County	City	# of Beds Being Developed	Type of Beds to be Licensed	Contract Amount	# of Operational Beds; estimated completion date
Caldwell Memorial Hospital	Caldwell	Lenoir	27	Adult Psychiatric Inpatient	\$4,000,000	4/15/2020
Cape Fear Valley Health System	Cumberland	Fayetteville	16	Child/Adolescent Psychiatric Inpatient	\$4,000,000	9/1/2020
Charles A. Cannon, Jr. Memorial Hospital	Avery	Linville	37	Adult Psychiatric Inpatient	\$6,503,478	8/31/2021
DLP Maria Parham	Franklin	Louisburg	33	Adult Psychiatric Inpatient	\$10,103,500	13 beds open; phase two: 3/31/2020
Good Hope Hospital	Harnett	Erwin	16	Adult Psychiatric Inpatient	\$3,000,000	9/1/2020
MH -Mission Hospital	Buncombe	Asheville	20	Adult Psychiatric Inpatient	\$3,438,179*	20 beds open
Onslow County	Onslow	Jacksonville	16	Facility Based Crisis – Adult	\$2,000,000	16 beds open
Southeastern Regional Medical Center	Robeson	Lumberton	8	Adult Psychiatric Inpatient	\$1,389,912	7/1/2020
Total			173		\$34,435,069	49

*Note: Session Law 2017-57 appropriated up to \$4 million for Mission Health System, Inc.

Number of Beds Reserved for and Purchased by the NC Department of Health and Human Services (DHHS)

Both Session Law 2016-94 and Session Law 2017-57 require that the contractors reserve at least 50% of the added beds or bed days for purchase by DHHS via Three-Way Contracts for psychiatric inpatient care and by Local Management Entities/Managed Care Organizations for persons who are indigent or have Medicaid health insurance. At a minimum, when all beds become operational, 86 beds are required to be reserved for purchase by DHHS and LME/MCOs to serve persons who are indigent or have Medicaid health insurance.

Thirteen psychiatric inpatient beds at DLP Maria Parham in Franklin County became operational in October 2018. Twenty psychiatric inpatient beds opened in MH Mission Hospital in March 2019. During the month of July 2019, Recovery Innovations, Inc. began serving persons who were experiencing behavioral health crises in the sixteen new Facility-Based Crisis beds in the Onslow County facility.

Of the 49 beds that have become operational, Table 2 below, identifies the number of bed days that have been reported to the Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMHDDSAS) by the two hospitals and the Facility Based Crisis provider. DLP Maria Parham reported a total of 591 Medicaid and Self-Pay/Medically Indigent combined bed days of psychiatric inpatient services provided in the thirteen renovated beds since October 2018, and MH Mission Hospital reported 852 combined bed days in the new twenty beds since the July 2019 psychiatric unit opened. Recovery Innovations reported a combined total of 502 occupied bed days in July and August 2019, though the report did not differentiate the payer sources that were billed.

Table 2.: Bed Days

Contractor	LME-MCO	Service Type	Bed Days: Medicaid	Bed Days: Self-Pay, Medically Indigent	Combined Bed Days
DLP Maria Parham	Cardinal Innovations	Psychiatric Inpatient	288	303	591
Mission Health System	Vaya Health	Psychiatric Inpatient	184	668	852
Onslow County (Provider: Recovery Innovations, Inc.)	Trillium Health	Facility Based Crisis			502
Total					1,945

It should be noted that Table 2, above, simply reflects the number of days that individuals, who were identified as either having Medicaid health coverage or having no health insurance, received psychiatric inpatient or FBC services. The two hospitals and the FBC program reported bed days that were identified separately or as a combined total by the assumed payer, Medicaid and self-pay/medically-indigent. The operational DDHPF projects have maintained their current levels of 3-way bed availability.

Summary

Eight contracts were funded by a total of \$34,435,069 from the DDHPF. Of the 173 beds, located in renovated or newly constructed facilities, 157 are psychiatric inpatient beds in community hospitals and 16 beds are in a Facility-Based Crisis program. Forty-nine of the beds are currently operating, and design and construction activities are ongoing for the remaining 154 beds.

A total of 1,945 bed days of behavioral health care to persons, who had Medicaid or were medically indigent, was reported by the facilities that had operational beds.

Attachment 1
North Carolina
Dorothea Dix Hospital Property Funded Contracts
New Behavioral Health Beds: Operational Beds & In Development
As of September 23, 2019

