Division of Mental Health, Developmental Disabilities and Substance Abuse Services
Division of State Operated Healthcare Facilities

Overview & Budget

Joint House and Senate Appropriations Committees on Health and Human Services
March 23, 2021
DMH/DD/SAS & DSOHF
Overview and Base Budget

- Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) & Division of State Operated Healthcare Facilities (DSOHF) Base Budget for the 21-23 Fiscal Biennium

- DMH/DD/SAS overview
  - Community Services (LME/MCOs)

- DSOHF overview
  - 14 facilities
  - FTEs (staff)

- COVID-19 response
### DMH/DD/SAS & DSOHF Base Budget 2021-2023 Fiscal Biennium

<table>
<thead>
<tr>
<th>($ Millions)</th>
<th>Actual FY19-20</th>
<th>Authorized FY20-21</th>
<th>Change vs FY20-21</th>
<th>Base FY21-22</th>
<th>Change vs FY20-21</th>
<th>Base FY22-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Requirements</td>
<td>$1,681.3</td>
<td>$1,698.9</td>
<td>($97.6)</td>
<td>$1,601.2</td>
<td>($97.6)</td>
<td>$1,601.2</td>
</tr>
<tr>
<td>Receipts</td>
<td>942.2</td>
<td>946.4</td>
<td>(132.9)</td>
<td>813.5</td>
<td>(132.9)</td>
<td>813.5</td>
</tr>
<tr>
<td>Net Appropriation</td>
<td>$739.1</td>
<td>$752.5</td>
<td>$35.3</td>
<td>$787.8</td>
<td>$35.3</td>
<td>$787.8</td>
</tr>
<tr>
<td>FTE Employees</td>
<td>11,271.1</td>
<td>11,271.1</td>
<td>0.0</td>
<td>11,271.1</td>
<td>0.0</td>
<td>11,271.1</td>
</tr>
</tbody>
</table>

- The FY 2021-22 and FY 2022-23 base budget requirements for DMH & DSOHF are **$98 million less** than in the FY 2020-21 Authorized Budget, primarily due to nonrecurring COVID-19 relief funding in FY 2020-21
  - This decrease is offset by a corresponding decrease in receipts

- A **$35 million increase** in net appropriations is due to receipt adjustments across the State Operated Healthcare Facilities
DMH/DD/SAS & DSOHF Base Budget Expenditures and Funding Sources

**Expenditures**

- Personal Services: 50%
  - Aid & Public Assistance: 31%
    - Intergov’t Transfers: 10%
    - Other: 9%

**Funding Sources**

- State Appropriation: 49%
  - Federal Funds: 45%
  - Sales: 5%
  - Other: 1%

Both charts represent $1.6 billion

Note: charts cover both years of the biennium
$787.7 million in Net General Fund Appropriations broken down:

- **Community Services**: 49% ($389M)
- **DSOHF**: 47% ($369M)
- **Administration**: 4% ($29M)

*Note: charts cover both years of the biennium*
DMH/DD/SAS
Overview

Provides support and services for individuals with:
- Mental illness
- Intellectual and developmental disabilities (I/DD)
- Alcohol and substance use disorders

Two primary vehicles within the DMH/DD/SAS budget:
- Community Services
  - Local Management Entities/Managed Care Organizations (LME/MCOs)
- Division of State Operated Healthcare Facilities (DSO HF)
  - 14 facilities Statewide
DMH/DD/SAS
Community Services

- Prevention
- Workforce Development
- Community and Crisis Services
- Traumatic Brain Injury (TBI) Services
- LME/MCOs (Single Stream Funding)
$389.5 million in General Fund Appropriations for total Community Services, most is for Single Stream

Note: charts cover both years of the biennium
Local Management Entities/Managed Care Orgs.

- 7 LME/MCOs manage behavioral health services for the State’s Medicaid and uninsured populations
  - Alliance Health
  - Cardinal Innovations Healthcare Solutions
  - Eastpointe
  - Partners Behavioral Health Management
  - Sandhills Center
  - Trillium Health Resources
  - Vaya Health
Local Management Entities/Managed Care Organizations

July 2019

Source: DHHS (www.ncdhhs.gov)
LME/MCO Single Stream Distribution, FY 2020-2021

- Alliance: $35.3M
- Cardinal: $69.6M
- Eastpointe: $26.3M
- Partners: $25.6M
- Sandhills: $27.1M
- Trillium: $52.0M
- Vaya: $40.4M

Total: $276.4M

Source: DMH/DD/SAS, 2020
Division of State Operated Healthcare Facilities (DSO HF): Overview

- System of facilities that treat adults and children with mental illness, developmental disabilities, and substance use disorder
- 14 facilities across the State
- 11,024 FTEs (full-time equivalents)
Facilities Overview

- Psychiatric Hospitals
  - Broughton Hospital (Morganton, Burke County)
    - Statewide specialty unit: Deaf individuals
  - Cherry Hospital (Goldsboro, Wayne County)
  - Central Regional Hospital (Butner, Granville County)
    - Statewide specialty units: Children, Forensic patients

- Provide inpatient mental health services:
  - Medication
  - Psychosocial rehabilitation
  - Counseling
  - Educational sessions
  - Group therapy
  - Recreation therapy
  - Work therapy
  - Diet and occupational therapy
## DSOHF Facilities Overview

### Psychiatric Hospitals FY 2019-2020 Key Statistics

<table>
<thead>
<tr>
<th>Facility</th>
<th>Avg. Daily Census</th>
<th>Admissions</th>
<th>Number Served</th>
<th>Capacity</th>
<th>Median Length of Stay (days)</th>
<th>% Readmitted Within 30 days</th>
<th>Incapable to Proceed days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broughton</td>
<td>243</td>
<td>271</td>
<td>463</td>
<td>265</td>
<td>161</td>
<td>11%</td>
<td>28,032</td>
</tr>
<tr>
<td>Cherry</td>
<td>224</td>
<td>662</td>
<td>773</td>
<td>259</td>
<td>43</td>
<td>8%</td>
<td>30,119</td>
</tr>
<tr>
<td>Central Regional</td>
<td>354</td>
<td>742</td>
<td>967</td>
<td>392</td>
<td>76</td>
<td>7%</td>
<td>31,289</td>
</tr>
</tbody>
</table>

*Source: Division of State Operated Healthcare Facilities*
Facilities Overview

- Alcohol & Drug Abuse Treatment Centers (ADATCs)
  - Julian F. Keith ADATC (Black Mountain, Buncombe County)
  - Walter B. Jones ADATC (Greenville, Pitt County)
  - R.J. Blackley ADATC (Butner, Granville County)

- Provide substance use disorder treatment to individuals who:
  - Have substance use disorder
  - Experience toxic effects or dangerous withdrawal symptoms
  - Need supervised medication management
  - Have difficulty making clinical gains at a given level of care
  - Have chronic medical problems that pose risk during detox/treatment or need consultation/monitoring
  - Require daily monitoring and support, can’t be served at lower levels of care
  - Are on an Involuntary Substance Abuse and/or Involuntary Mental Health Commitment
## ADATCs FY 2019-2020 Key Statistics

<table>
<thead>
<tr>
<th>Facility</th>
<th>Avg. Daily Census</th>
<th>Admissions</th>
<th>Number Served</th>
<th>Capacity</th>
<th>Median Length of Stay (days)</th>
<th>% Readmitted Within 30 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walter B. Jones</td>
<td>32</td>
<td>1075</td>
<td>1098</td>
<td>40</td>
<td>8</td>
<td>4%</td>
</tr>
<tr>
<td>Julian F. Keith</td>
<td>55</td>
<td>1691</td>
<td>1742</td>
<td>54</td>
<td>13</td>
<td>6%</td>
</tr>
<tr>
<td>R.J. Blackley</td>
<td>36</td>
<td>1185</td>
<td>1216</td>
<td>40</td>
<td>13</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Division of State Operated Healthcare Facilities
DSOHF
Facilities Overview

- Developmental Centers
  - Caswell Developmental Center (Kinston, Lenoir County)
  - J. Iverson Riddle Dev. Center (Morganton, Burke County)
  - Murdoch Developmental Center (Butner, Granville County)
    - Offers some specialized programs for children

- With goal for successful re-integration into the community, Dev. centers provide residential, medical, habitational, and other support services to individuals:
  - With intellectual developmental disabilities, at least 18 years old (with exception of some programs at Murdoch) AND
  - Meet ICF-IID level of care AND
  - Have complex behavioral challenges and/or medical conditions with clinical treatment needs AND
  - For whom appropriate community-based services are not available
### Developmental Centers FY 2019-2020 Key Statistics

<table>
<thead>
<tr>
<th>Facility</th>
<th>Avg. Daily Census</th>
<th>Admissions</th>
<th>Number Served</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caswell</td>
<td>291</td>
<td>87</td>
<td>311</td>
<td>358</td>
</tr>
<tr>
<td>J. Iverson Riddle</td>
<td>267</td>
<td>96</td>
<td>281</td>
<td>285</td>
</tr>
<tr>
<td>Murdoch</td>
<td>385</td>
<td>168</td>
<td>471</td>
<td>411</td>
</tr>
</tbody>
</table>

Source: Division of State Operated Healthcare Facilities

[Map showing locations of Caswell, J. Iverson Riddle, and Murdoch facilities]
DSO HF
Facilities Overview

- **Neuro-Medical Treatment Centers**
  - Black Mountain Neuro-Medical Treatment Center (Black Mountain, Buncombe County)
  - O’Berry Neuro-Medical Treatment Center (Goldsboro, Wayne County)
  - Longleaf Neuro-Medical Treatment Center (Wilson, Wilson County)

- Specialized skilled nursing facilities
- Serve adults with chronic and complex medical conditions that co-exist with neuro-cognitive disorders
- Residents require 24-hour supervision, daily nursing care, and assistance with activities of daily living

March 23, 2021
# DSOHF

## Facilities Overview

### Neuro-Medical Treatment Centers FY 2019-2020 Key Statistics

<table>
<thead>
<tr>
<th>Facility</th>
<th>Avg. Daily Census</th>
<th>Admissions</th>
<th>Number Served</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Mountain</td>
<td>151</td>
<td>131</td>
<td>211</td>
<td>156</td>
</tr>
<tr>
<td>Longleaf</td>
<td>136</td>
<td>102</td>
<td>161</td>
<td>153</td>
</tr>
<tr>
<td>O’Berry</td>
<td>170</td>
<td>93</td>
<td>176</td>
<td>183</td>
</tr>
</tbody>
</table>

*Source: Division of State Operated Healthcare Facilities*

![Map showing locations of Black Mountain, Longleaf, and O’Berry facilities](-map.png)
Facilities Overview

- Residential Programs for Children
  - Whitaker Psychiatric Residential Treatment Facility (Butner, Granville County)
    - Adolescents 13-17 years old
  - Wright School (Durham, Durham County)
    - Children 6-12 years old

- Residential schools for children and adolescents who have severe emotional and behavioral needs
- Both schools serve the entire State
- Both schools employ a re-education model, preparing the child or adolescent to return to his/her community
## Residential Programs for Children FY 2019-2020 Key Statistics

<table>
<thead>
<tr>
<th>Facility</th>
<th>Avg. Daily Census</th>
<th>Admissions</th>
<th>Number Served</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whitaker</td>
<td>11</td>
<td>16</td>
<td>26</td>
<td>12</td>
</tr>
<tr>
<td>Wright</td>
<td>17</td>
<td>21</td>
<td>41</td>
<td>16</td>
</tr>
</tbody>
</table>

*Source: Division of State Operated Healthcare Facilities*
DMH/DD/SAS Base Budget

DSOHF Projected Expenditures by Facility Type, FY 2021-2023

- Psychiatric Hospitals: 54%
- Neuro-Medical: 12%
- Developmental Centers: 28%
- ADATCs: 5%
- Child: 1%

$1.06 billion total Expenditures

Note: charts cover both years of the biennium
DMH/DD/SAS Base Budget
DSOHF FTEs

DHHS: 17,407 Total FTEs
FY 2021-2023

- State Operated Healthcare Facilities
  - 11,024 FTEs
  - 63%
- All other DHHS
  - 6,383 FTEs
  - 37%

Note: charts cover both years of the biennium
DMH/DD/SAS Base Budget
DSOHF FTEs

DSOHF FTEs by Facility, FY 2021-2023

- Psychiatric Hospitals: 42%
- Developmental Centers: 37%
- Neuro-Medical Centers: 16%
- ADATCs: 5%
- Children’s Residential Programs: 1%

11,024 total FTEs

Note: charts cover both years of the biennium
DMH/DD/SAS
DSOHF FTEs

DSOHF Filled vs Vacant Positions, FY 2016 to FY2021

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>10,582</td>
<td>10,882</td>
<td>10,875</td>
<td>10,966</td>
<td>11,025</td>
<td>11,018</td>
</tr>
<tr>
<td>Filled</td>
<td>9,455</td>
<td>9,751</td>
<td>9,742</td>
<td>9,754</td>
<td>9,795</td>
<td>9,663</td>
</tr>
<tr>
<td>Vacant</td>
<td>1,127</td>
<td>1,131</td>
<td>1,134</td>
<td>1,212</td>
<td>1,230</td>
<td>1,355</td>
</tr>
</tbody>
</table>

Source: B0104 Vacant Positions Report, 2016-2021 (March), BEACON
DSOHF Vacant Positions by Funding Source
FY 2016 to FY 2021

Source: B0104 Vacant Positions Report, 2016-2021 (March), BEACON
DSOHF FTEs

DSOHF FTE Summary (1 of 2)

- DSOHF has 98% of the FTEs in DMH/DD/SAS
  - Non-DSOHF: 254 total FTEs, 31 are vacant (21 Appropriations funded)
  - Nearly 80% of these 11,000+ FTEs are concentrated in the three State Psychiatric Hospitals and the three Developmental Centers

- Typically 10-12% of DSOHF FTEs are vacant in recent years
  - Between approximately 1,100-1,400 FTEs
  - In FY22, vacancies would use ~$90 million in total budget (estimated)

- These numbers do not account for how long a position has been vacant (normal to have some level of vacancies)
  - 788 (over half) DSOHF vacant FTEs: vacant less than 6 months
What are the funds from vacant positions used for?
- Primarily used for OT/temp staff to avoid gaps in direct care in facilities

Challenges of filling vacant positions at DSOHF:
- Competitive salaries
- Lack flexibility in hiring incentives (sign-on bonus, continuing education)
- Hiring timeline vs competitors
- High acuity, behaviorally challenging patients
- Recruiting (no Electronic Health Record)

Unclear at this point what effects COVID-19 has had or will have on DSOHF staffing
Coronavirus Relief Fund (CRF) 1 of 2

- $88M directly to LME/MCOs
  - $50M in SL 2020-88
    - Mostly used for provider stabilization and rate increases, as well as other supports for NC’s behavioral health and crisis services system
  - $38M in SL 2020-97
    - Single stream funding for direct services
- $5M for group homes for individuals with intellectual and developmental disabilities (SL 2020-80)
  - Implement COVID-19 preventative measures based on CDC guidance
DMH/DD/SAS

Federal and State COVID-19 Response

Coronavirus Relief Fund (CRF) 2 of 2

- $20M for behavioral health response to COVID-19 (SL 2020-4)
  - $12.6M Intermediate Care Facilities (ICF/IID) rate increases
  - $7M General behavioral health COVID-19 response
    - Cover the gap in unmet needs and racial and health disparity of historically marginalized communities with high healthcare needs
- $0.4M for Naloxone purchases
  - Help emergency departments and intensive care units

- All CRF funds appropriated to DMH/DD/SAS have been expended or obligated
FEMA (Crisis Counseling Services Assistance and Training Program, or CCP)

- $5.2M through two grants to provide virtual direct education and outreach crisis counseling services to those impacted by the pandemic
  - More than 35 crisis counselors working through the LME/MCOs and their provider networks
  - Statewide helpline under the name Hope4NC to provide behavioral health crisis counseling outreach, education, and crisis counseling statewide
  - Most funds are unexpended but have planned uses
SAMHSA (Federal behavioral health agency)

- $2M in FY20 for substance misuse due to COVID
  - $1.8M going towards the 7-10 counties hit hardest, will cover people with opioid use disorder impacted by COVID
- $2.8M in FY21 for substance misuse due to COVID
  - Budget documents submitted on March 1st require approval by SAMHSA before any funds can be spent
  - Submitted budget includes crisis intervention services, mental and substance use disorder treatment, and other related recovery supports, plus a supported housing component for Substance Use Disorder and Mental Health populations
Federal Block Grants (SL 2021-3)

- $42.2M for the Substance Abuse Prevention & Treatment Block Grant
  - Federal restrictions:
    - At least 20% for prevention, at least 35% for efforts focused on alcohol, and at least 35% for efforts focused on non-alcohol drugs

- $24M for the Community Mental Health Services Block Grant
  - $2.1M for State telepsychiatry program (NC-STeP)
  - Federal restrictions:
    - At least 50% to Community Mental Health Centers
    - At least 10% to First Psychotic Symptom treatment
American Rescue Plan Act: latest federal COVID-19 relief bill

- Additional funds for the Substance Abuse Prevention and Treatment Block Grant (amount currently unknown)
- Additional funds for the Community Mental Health Services Block Grant (amount currently unknown)
QUESTIONS

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919-733-4910