

FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

**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

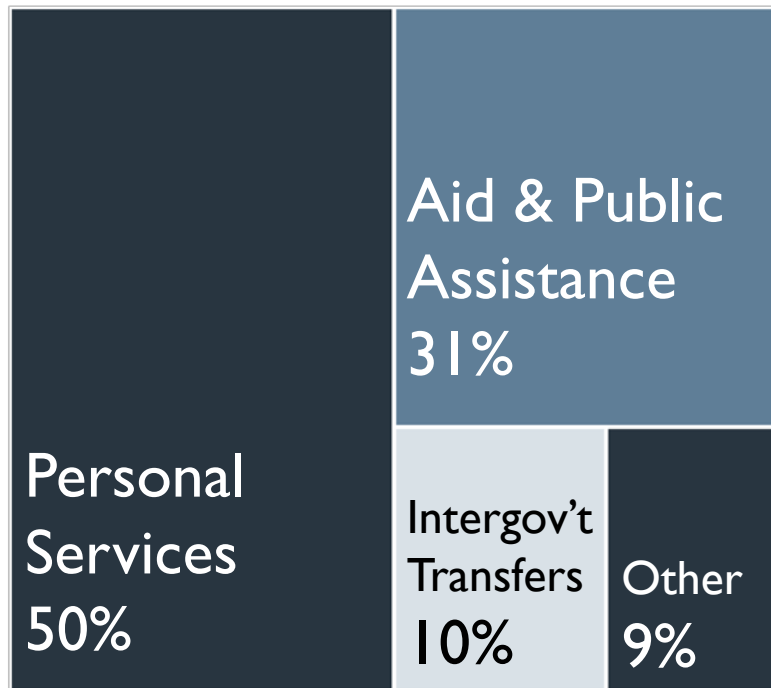
(\$ Millions)	Actual FY19-20	Authorized FY20-21	Change vs FY20-21	Base FY21-22	Change vs FY20-21	Base FY22-23
Total Requirements	\$1,681.3	\$1,698.9	(\$97.6)	\$1,601.2	(\$97.6)	\$1,601.2
Receipts	942.2	946.4	(132.9)	813.5	(132.9)	813.5
Net Appropriation	\$739.1	\$752.5	\$35.3	\$787.8	\$35.3	\$787.8
FTE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

- 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

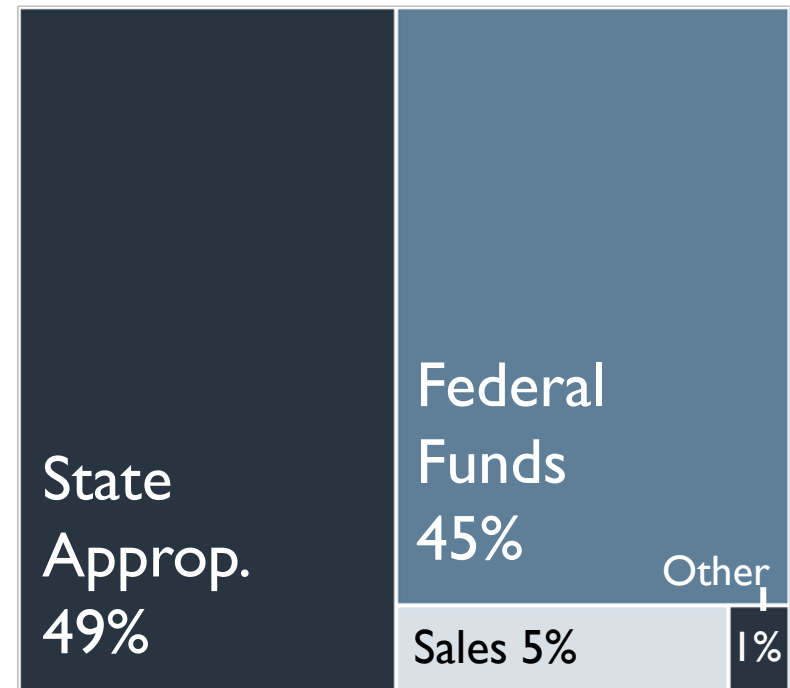


DMH/DD/SAS & DSOHF Base Budget Expenditures and Funding Sources

Expenditures



Funding Sources



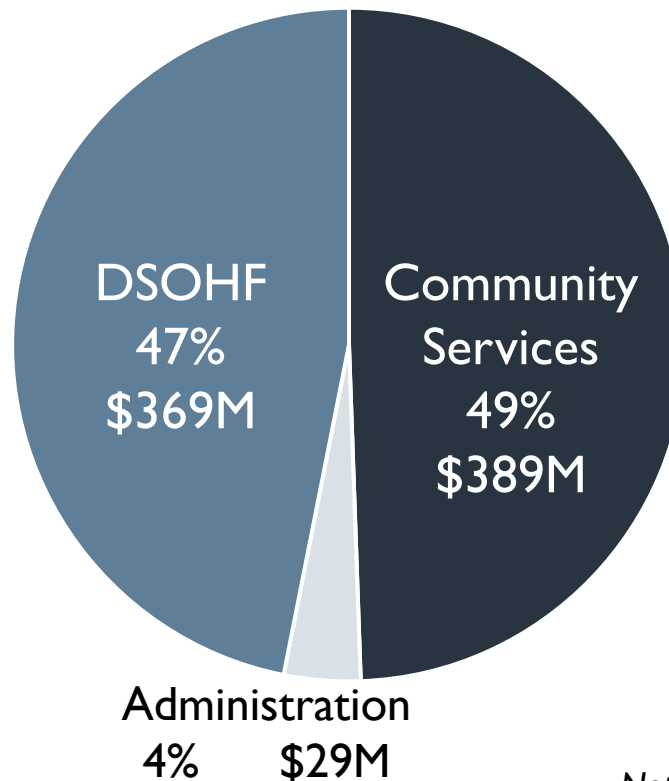
Both charts
represent
\$1.6 billion

Note: charts cover both years of the biennium



DMH/DD/SAS & DSOHF Base Budget State Appropriations

\$787.7 million in Net General Fund Appropriations
broken down:



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 (DSOHF)
 - 14 facilities Statewide



DMH/DD/SAS

Community Services

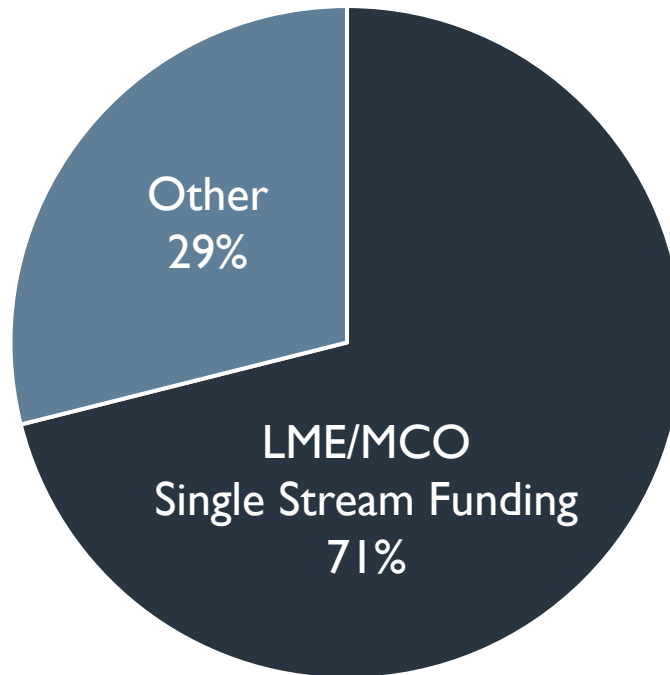
- Prevention
- Workforce Development
- Community and Crisis Services
- Traumatic Brain Injury (TBI) Services
- LME/MCOs (Single Stream Funding)



DMH/DD/SAS Base Budget

State Appropriations

\$389.5 million in General Fund Appropriations for total Community Services, most is for Single Stream



Note: charts cover both years of the biennium



DMH/DD/SAS LME/MCOs

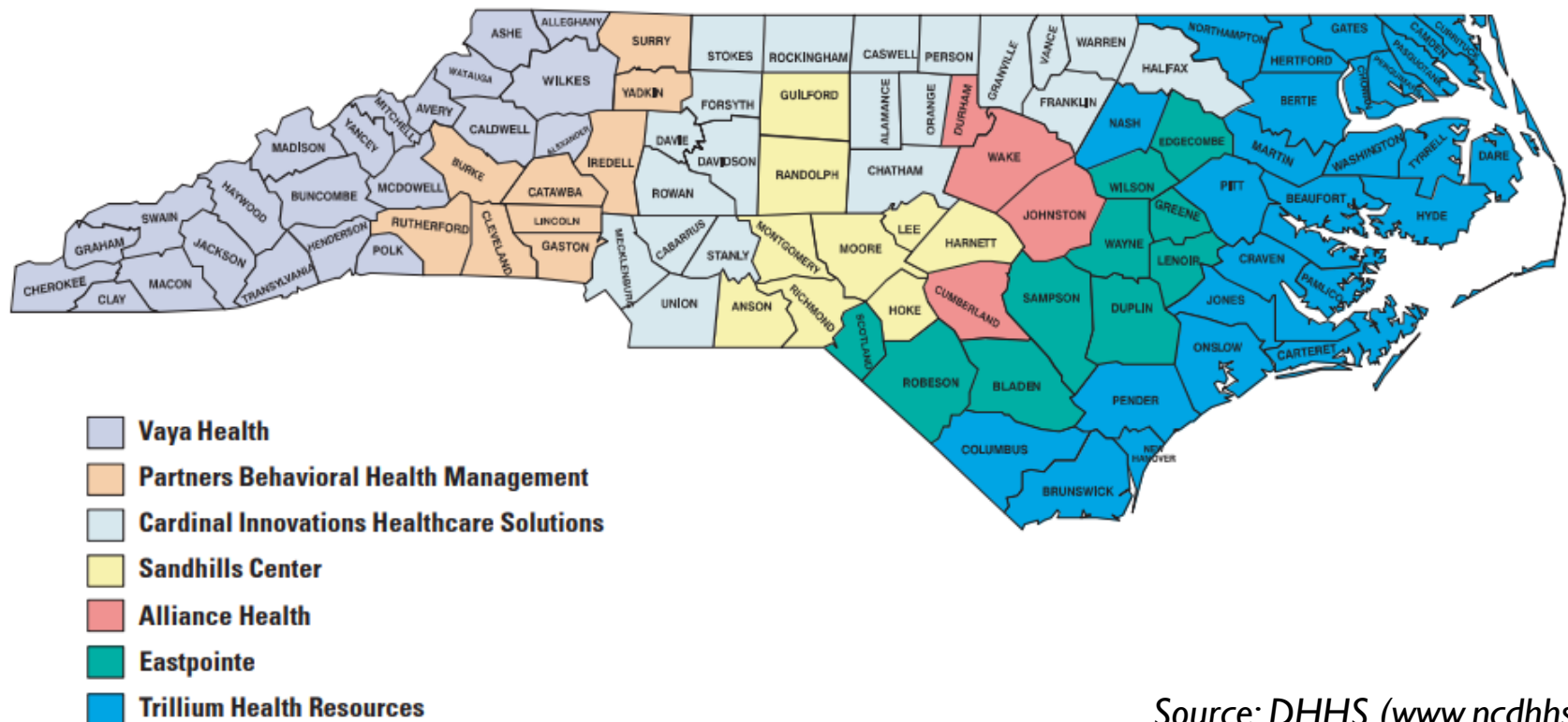
Local Management Entities/Managed Care Orgs.

- 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



DMH/DD/SAS LME/MCOs

Local Management Entities/Managed Care Organizations July 2019

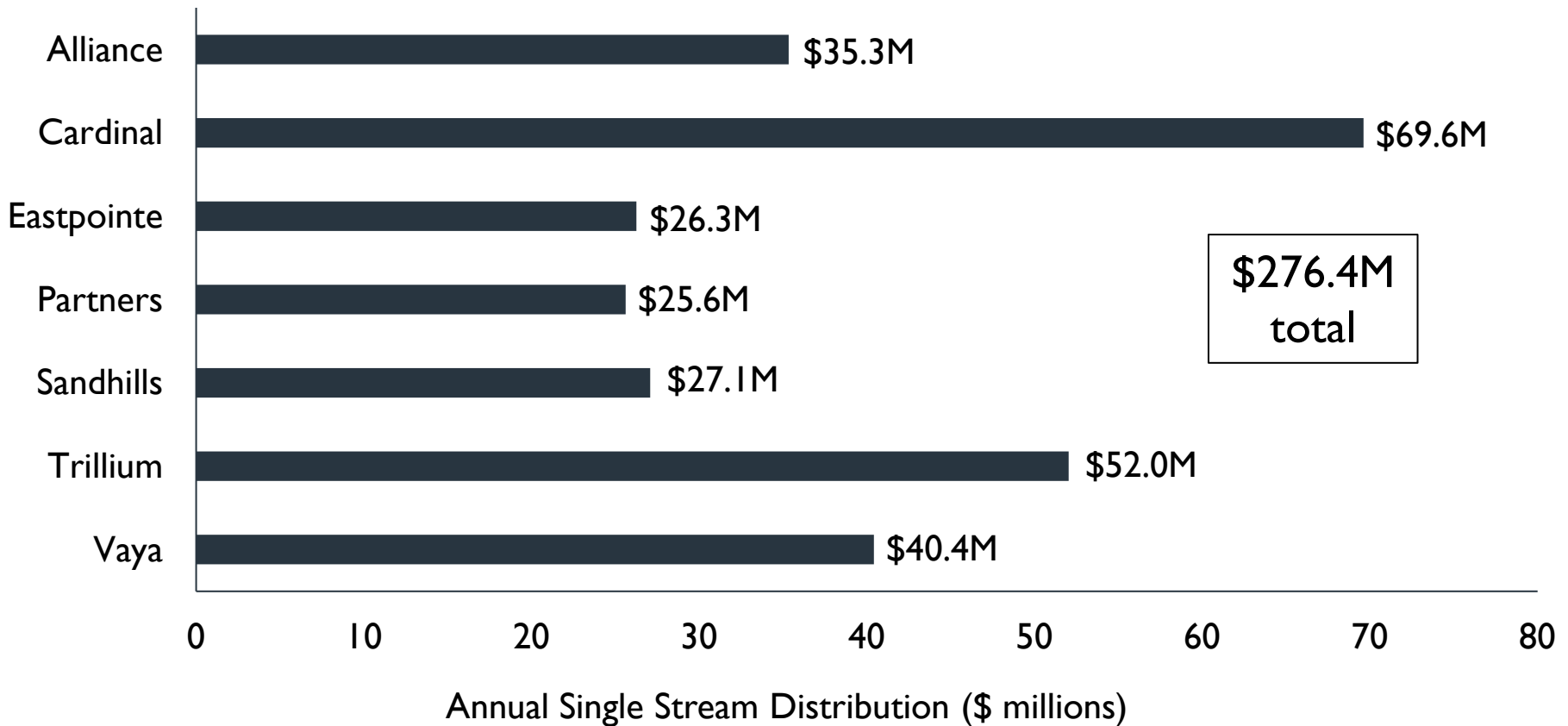


Source: DHHS (www.ncdhhs.gov)



DMH/DD/SAS LME/MCOs

LME/MCO Single Stream Distribution, FY 2020-2021



Source: DMH/DD/SAS, 2020



Division of State Operated Healthcare Facilities (DSOHF): 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)



DSOHF

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



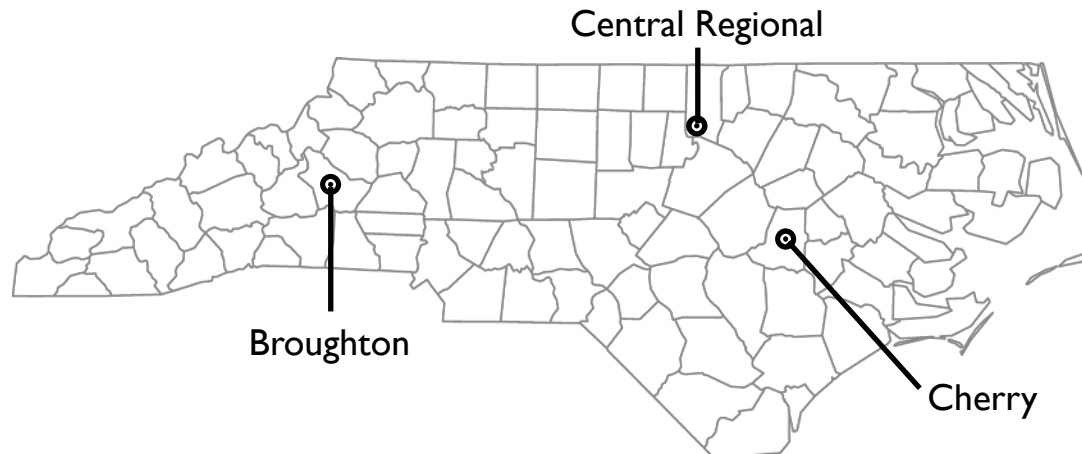
DSOHF

Facilities Overview

Psychiatric Hospitals FY 2019-2020 Key Statistics

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

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

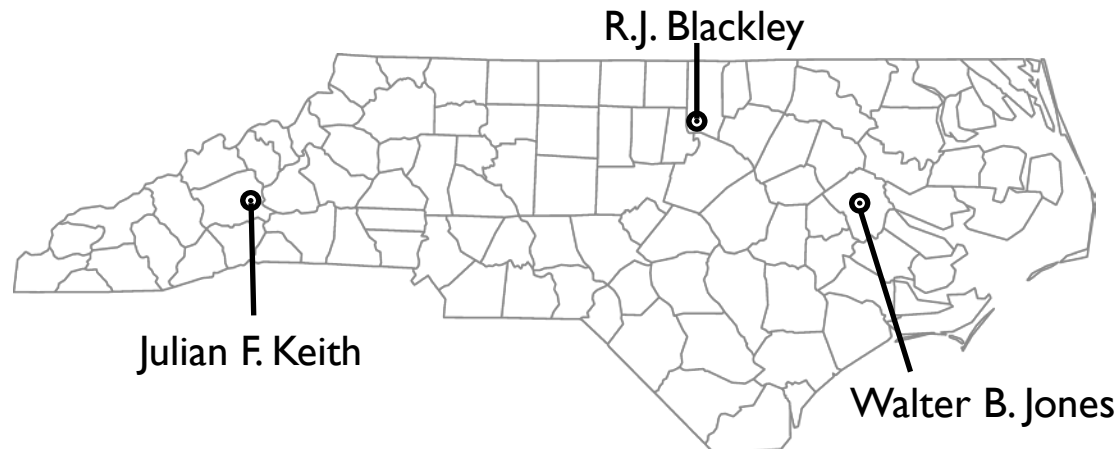
DSOHF

Facilities Overview

ADATCs FY 2019-2020 Key Statistics

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

Source: Division of State Operated Healthcare Facilities



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, habitation, 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

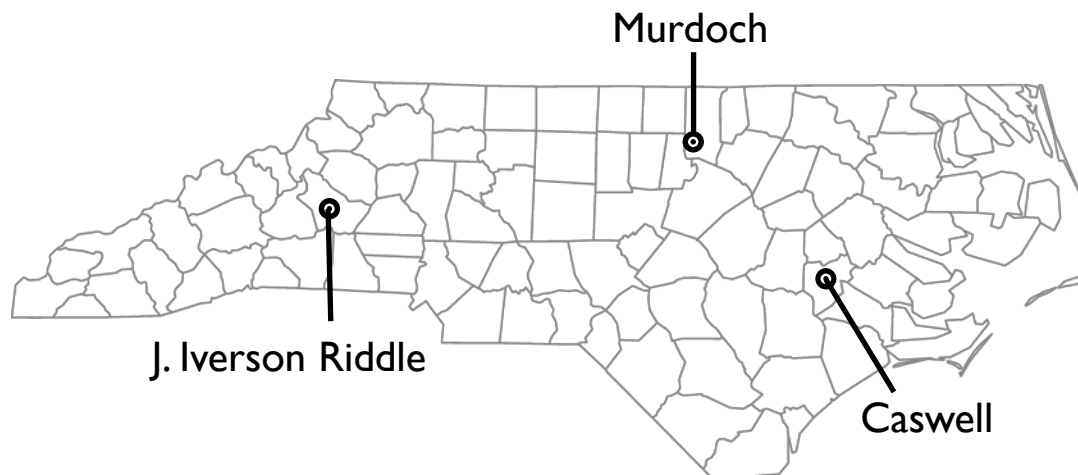
DSOHF

Facilities Overview

Developmental Centers FY 2019-2020 Key Statistics

Facility	Avg. Daily Census	Admissions	Number Served	Capacity
Caswell	291	87	311	358
J. Iverson Riddle	267	96	281	285
Murdoch	385	168	471	411

Source: Division of State Operated Healthcare Facilities



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

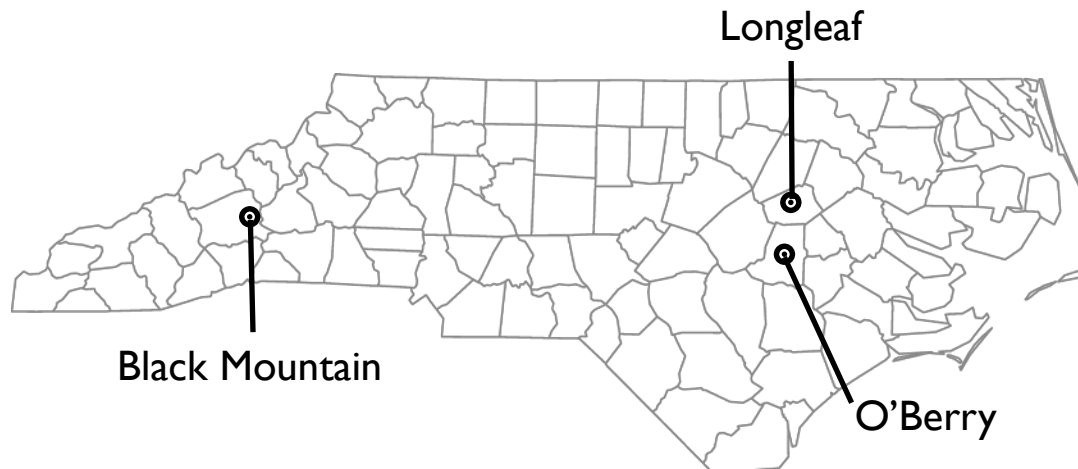
DSOHF

Facilities Overview

Neuro-Medical Treatment Centers FY 2019-2020 Key Statistics

Facility	Avg. Daily Census	Admissions	Number Served	Capacity
Black Mountain	151	131	211	156
Longleaf	136	102	161	153
O'Berry	170	93	176	183

Source: Division of State Operated Healthcare Facilities



DSOHF

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



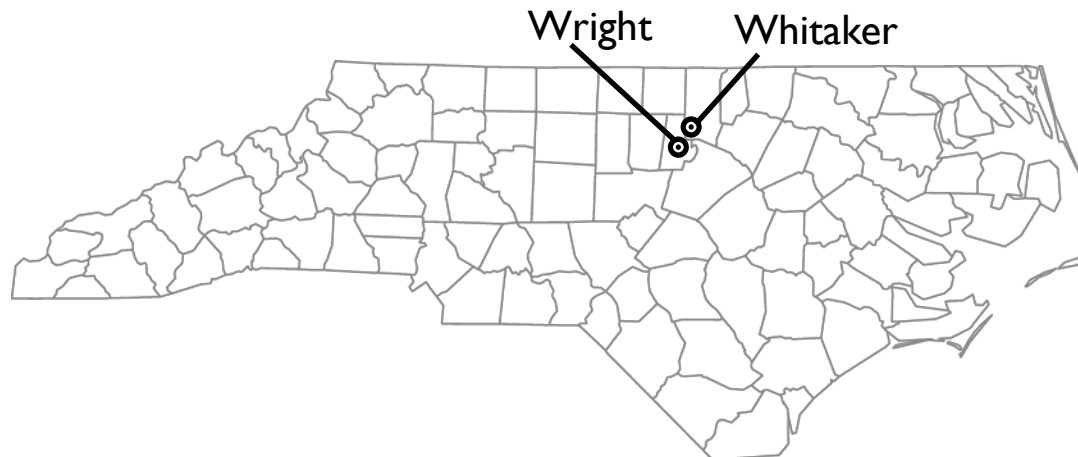
DSOHF

Facilities Overview

Residential Programs for Children FY 2019-2020 Key Statistics

Facility	Avg. Daily Census	Admissions	Number Served	Capacity
Whitaker	11	16	26	12
Wright	17	21	41	16

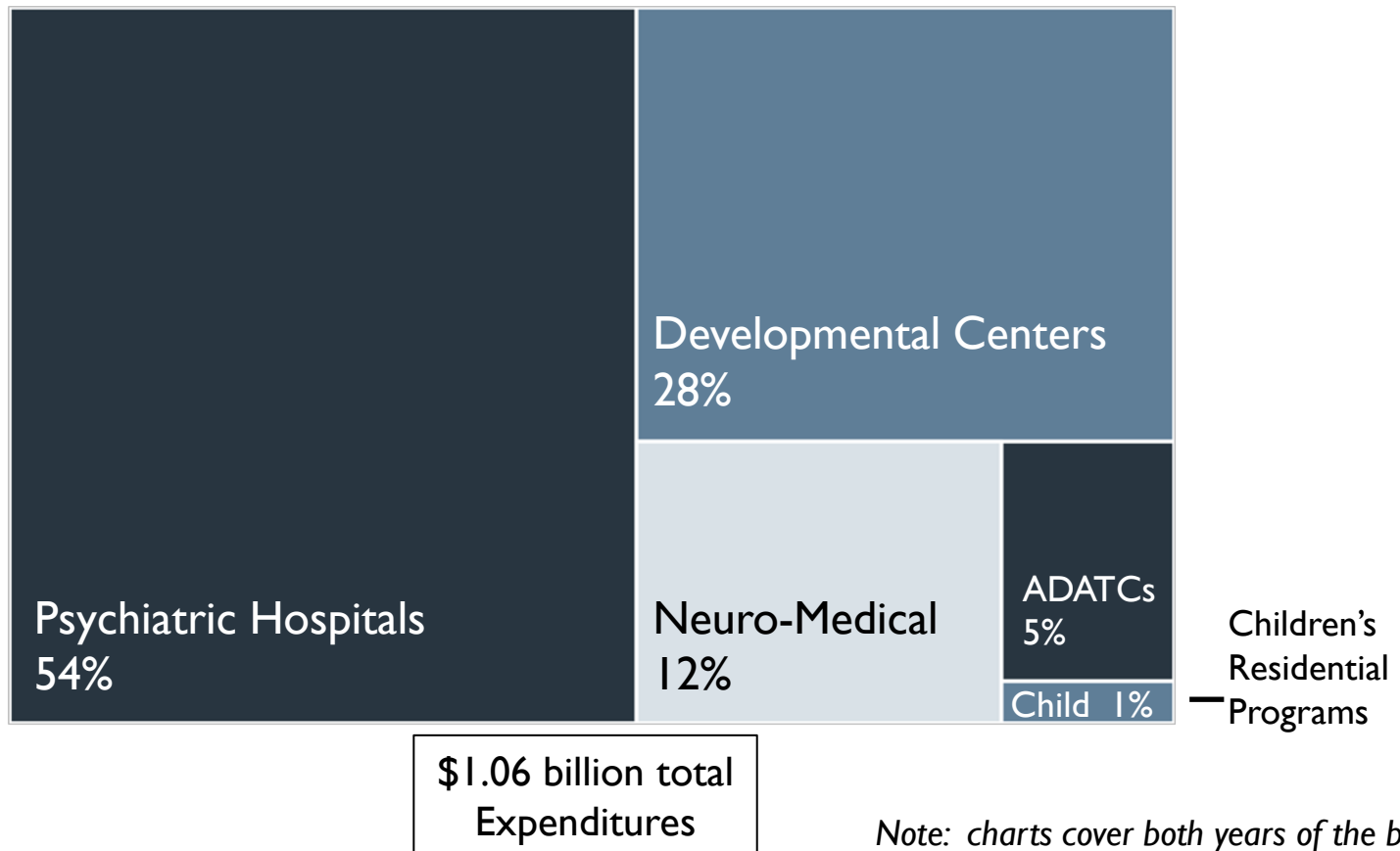
Source: Division of State Operated Healthcare Facilities



DMH/DD/SAS Base Budget

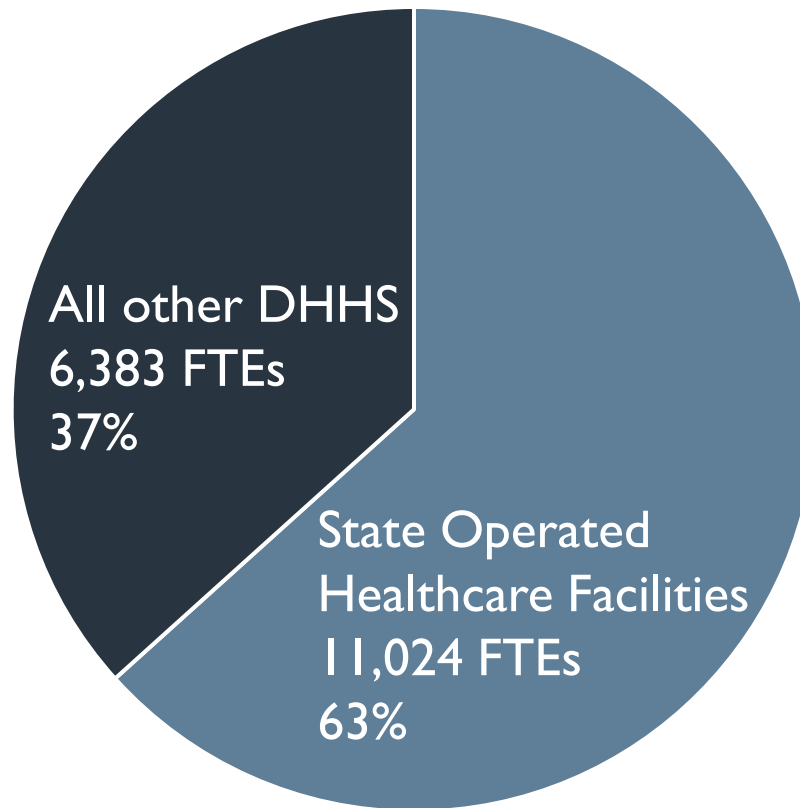
DSOHF Expenditures

DSOHF Projected Expenditures by Facility Type, FY 2021-2023



DMH/DD/SAS Base Budget DSOHF FTEs

DHHS: 17,407 Total FTEs
FY 2021-2023



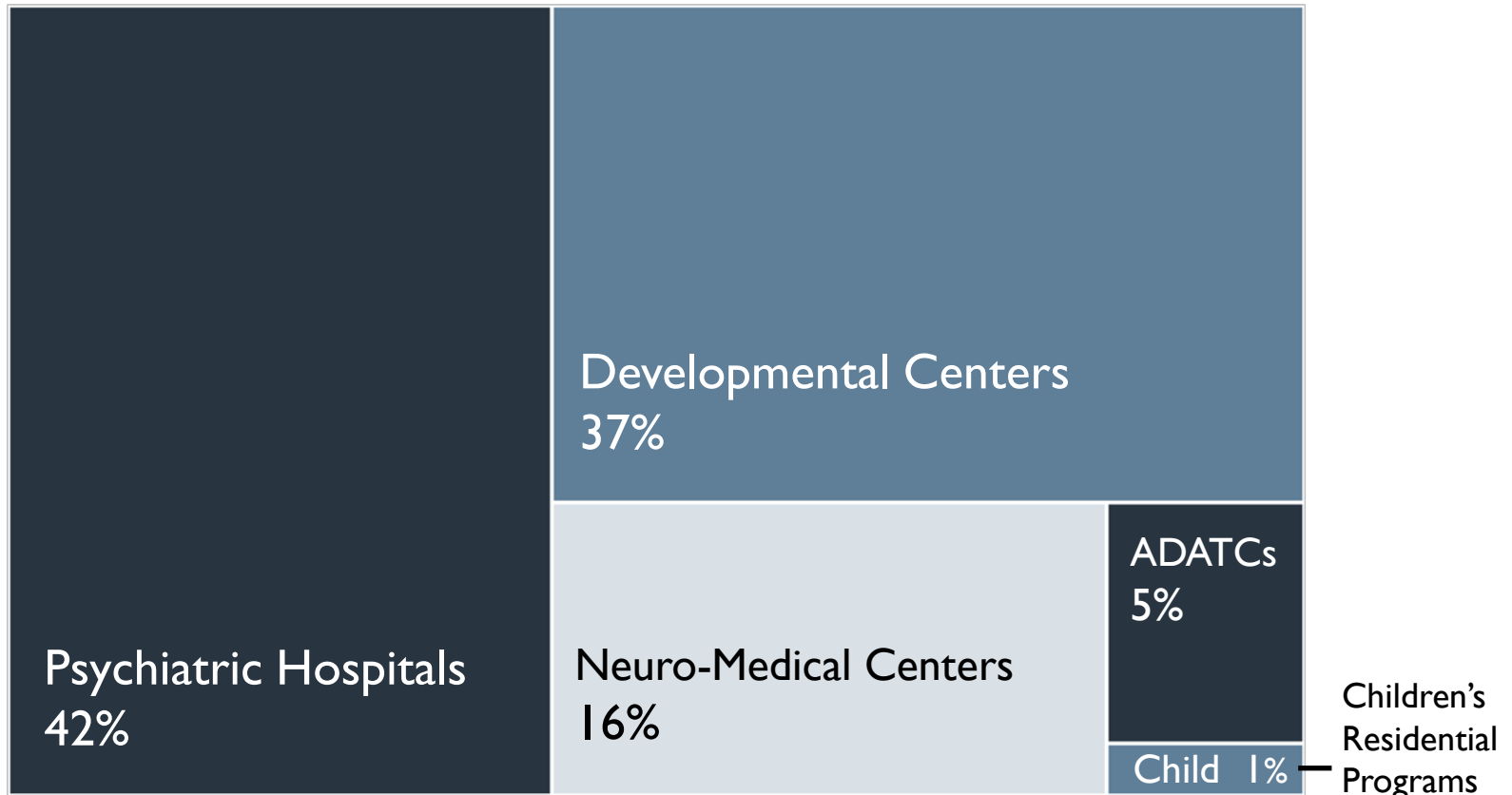
Note: charts cover both years of the biennium



DMH/DD/SAS Base Budget

DSOHF FTEs

DSOHF FTEs by Facility, FY 2021-2023



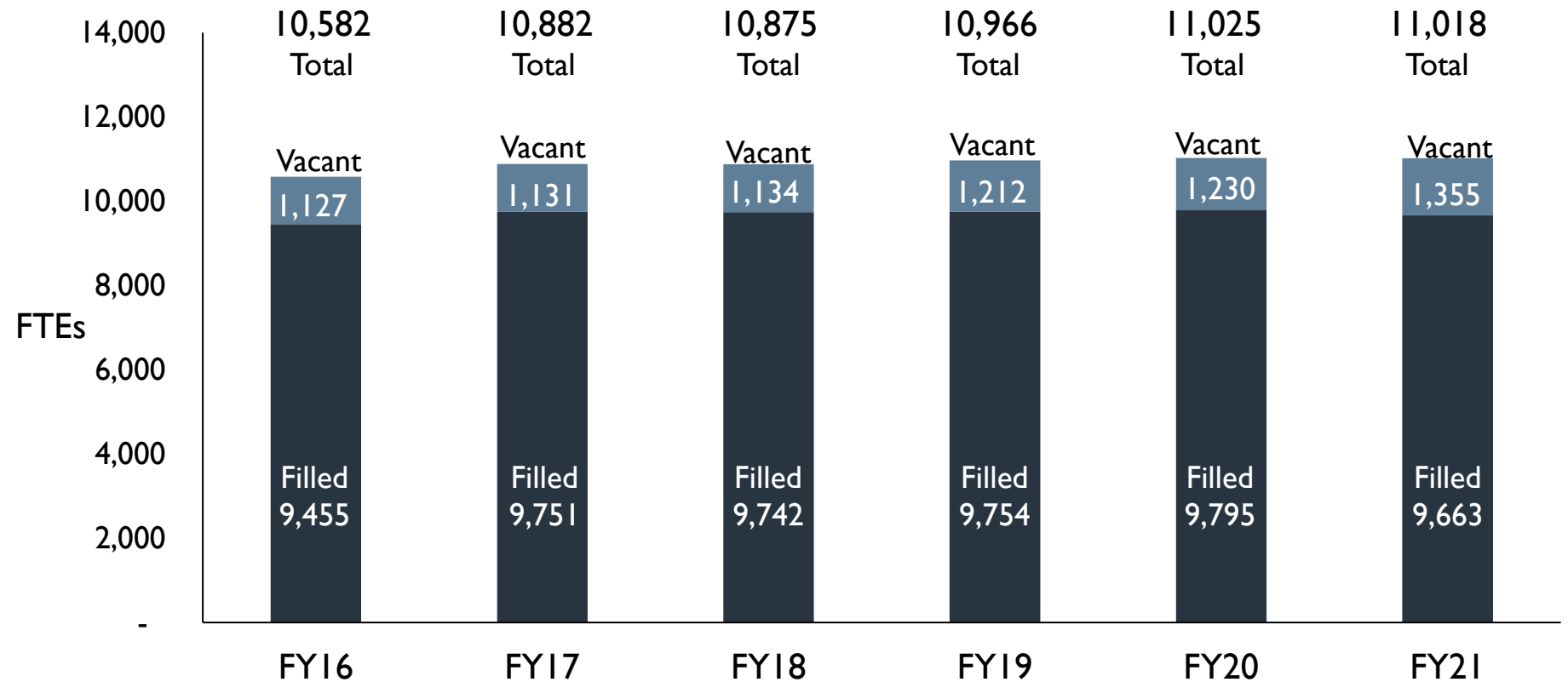
11,024 total FTEs

Note: charts cover both years of the biennium



DMH/DD/SAS DSOHF FTEs

DSOHF Filled vs Vacant Positions, FY 2016 to FY2021

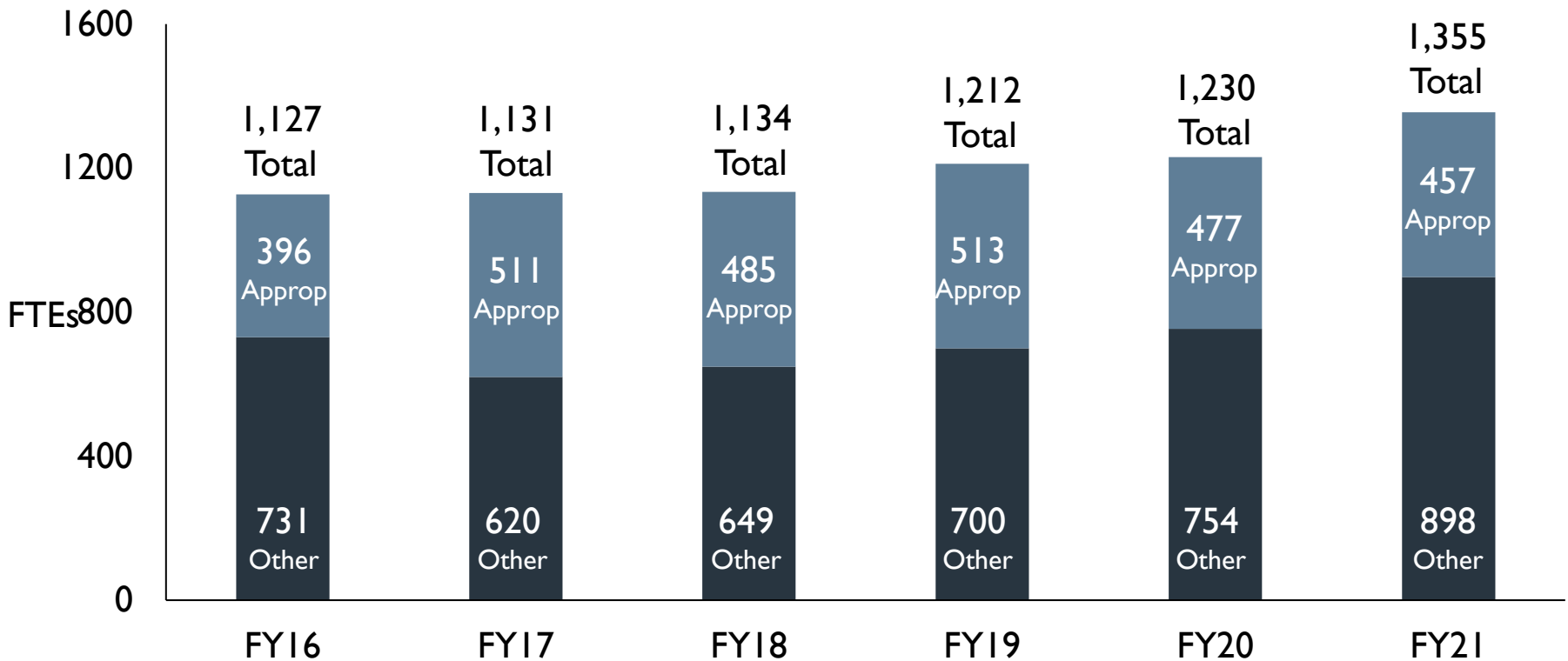


Source: B0104 Vacant Positions Report, 2016-2021 (March), BEACON



DMH/DD/SAS DSOHF FTEs

DSOHF Vacant Positions by Funding Source FY 2016 to FY 2021



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



DMH/DD/SAS

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



DMH/DD/SAS

DSOHF FTEs

DSOHF FTE Summary (2 of 2)

- 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



Federal and State COVID-19 Response

Coronavirus Relief Fund (CRF) I 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

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

Federal and State COVID-19 Response

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

Federal and State COVID-19 Response

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 and State COVID-19 Response

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

