

**SFY 06 Mental Health Trust Fund (MHTF) Utilization Plan**

Line	SFY 06 Totals	SFY 06 Sub-Amounts	Category of Utilization	Background/Utilization Detail
1	3,153,797		<b>Increase Community Capacity for Crisis Services:</b> Funding needed in SFY06 in order to build additional community based crisis services. Adequate crisis services are critical to stabilize adults and children in the community and reduce/eliminate unnecessary commitments to State facilities.	Funds will be allocated on a Request for Proposal (RFP) basis for two years. Eligible responders to RFP will be LMEs in partnership with providers. RFPs will focus on and be evaluated based upon (a) the potential for the proposal to reduce State hospital utilization, (b) LMEs with high per capita utilization of State hospitals, (c) ability of crisis services to decrease the utilization of local emergency rooms and involuntary commitments, (d) evidence that LME has been successful in bringing up additional community service capacity if they have previously received MHTF and downsizing funds from previous State hospital bed closures, and (e) evaluation component which addresses effective consumer outcomes and actual decreases in State hospital utilization. Effective 7/1/07, recurring needs will be defrayed via downsizing savings.
2	1,627,627		<b>Increase Community Capacity (Child MH/DD/SA):</b> Funds needed to meet one-time costs associated with child intensive in-home needs previously committed via a competitive Request for Proposal (RFP) process in SFY05. LMEs have contracted with service providers to begin providing intensive in-home services in advance of approval of the new Enhanced Benefit service definitions by CMS. Intensive In-home services are specifically designed to reduce the need for children to be placed in more expensive out-of-home residential settings.	Funds included in the SFY 05 MHTF Plan and were awarded over a 2-year period via a competitive RFP process. Awards were limited to services provided under contract with an LME and were not awarded for LME operated services. Services are community-based and include intensive in-home services, with components for respite and crisis services. Funding was for new in-home services or the enhancement of existing in-home services. Awards made to: Southeastern @ \$180,000; CenterPoint @ \$200,000; Five County @ \$162,500; Smoky Mountain @ \$158,895; Pathways @ \$197,500; Mecklenburg @ \$173,985; Tideland @ \$172,095; Guilford @ \$159,413; and OPC @ \$190,000. A small balance of \$33,239 is still under consideration for applications which could not be funded in their entirety. Services will be funded on a recurring basis by Medicaid earnings and realignment of existing LME funds at the local level to contract for these services.
3	6,053,368		<b>Increase Community Capacity (Hospital Downsizing):</b> See 3a and 3b below.	See 3a and 3b below:
3a		5,808,160	Funding to address community capacity service expansion in order to continue downsizing of the four State psychiatric hospitals. In SFY 07 and thereafter, recurring needs will be met by a transfer of downsizing savings to the community. Projects receiving funding are designed to reduce utilization of adult long-term beds or adult admission unit beds; the next two areas to be addressed through the Division's hospital downsizing plan.	Funds are designated to fund community capacity projects initiated in SFY 05 via joint planning with LMEs for additional community capacity. Funds were allocated in SFY 05 and the amount in the SFY 06 MHTF plan will continue the programs in SFY 06. During SFY 06, recurring savings/resources will be identified to fund the programs on a continuing basis. Funds to be allocated include: Mecklenburg @ \$556,494; Alamance-Caswell-Rockingham @ \$140,910; Durham @ \$632,335; Guilford @ \$768,876; OPC @ \$347,046; Crossroads @ \$546,450; Five County @ \$138,000; Johnston @ \$62,000; Sandhills @ \$157,950; Wake @ \$396,800; Eastpointe @ \$305,672; Neuse @ \$106,262; Pitt @ \$98,000; Southeastern @ \$180,935; Smoky Mountain @ \$205,786; CenterPoint @ \$260,000; Pathways @ \$373,159; Southeastern Regional @ \$157,485; and Catawba @ \$374,000.

**SFY 06 Mental Health Trust Fund (MHTF) Utilization Plan**

Line	SFY 06 Totals	SFY 06 Sub-Amounts	Category of Utilization	Background/Utilization Detail
3b		245,208	Contract for enhanced community based nursing care for individuals with mental illness.	Second year of a three-year demonstration project undertaken between DMHDDSAS and DMA. Demonstration contract is with Korengay Healthcare, Inc. (facility name is GlenCare) and the specialized unit has 20 beds located in Warsaw (Duplin County). Facility is licensed for 106 beds (80 nursing and 26 rest home) and this contract covers 20 of the 80 nursing beds. Purpose of the project is to serve individuals with mental illness in a specialized nursing facility and identify diagnostic profiles of those needing such special services and the associated adjustments to the normal nursing home staffing mix. DMA will use the data gathered through the project to explore the potential for a specialized differential Medicaid rate that could be paid to "mainstream" nursing facilities which provide specialized services to residents meeting the identified diagnostic profile. Admissions to the special Glen Care Unit must come from referrals from the State psychiatric hospitals.
4	1,408,123		<b>Increase Community Capacity (Developmental Disabilities Centers Downsizing):</b> SFY06 start-up cost for community capacity building in advance of DD Center downsizing. Allocated for start-up bridge funding needs for individuals leaving the State developmental disabilities centers. Recurring obligation will be defrayed via services under the CAP-MR/DD program. Per SB 622, Section 10.29(b)(3), Medicaid ICF/MR savings accruing to DMA's budget via downsizing will remain with DMA and be realigned into DMA's CAP-MR/DD budget.	Funds will be allocated to LMEs on an as needed basis for individuals leaving the State DD centers based on Olmstead criteria (clinical staff agree consumer can be effectively served in the community and the consumer/guardian are in agreement with community placement) and discharge planning. Plans will identify specific service providers in the community which will provide services to the individual upon their discharge. Primary service cost will be defrayed via the CAP-MR/DD program. MH Trust Funds will be utilized for one-time transitional cost such as rental deposits, utility deposits, linens, furniture, adaptive equipment, training of staff around individual consumer needs, and provider cost associated with discharge planning prior to the consumer actually leaving the DD center. 210 individuals have been identified for community placement; transition planning and discharge will occur as placements and community based services are arranged. For 210 individuals, MHTF bridge funding will average approximately \$6,700 per person.

**SFY 06 Mental Health Trust Fund (MHTF) Utilization Plan**

Line	SFY 06 Totals	SFY 06 Sub-Amounts	Category of Utilization	Background/Utilization Detail
5	1,094,423		<b>Housing Initiative:</b> See 5a and 5b below	See 5a and 5b below:
5a		1,000,000	Funds needed for SFY06 to support housing initiative to increase local housing availability for individuals with mental illness, developmental disabilities and substance abuse problems. Will leverage an additional \$1.8m in other housing funds through a joint effort with the N.C. Housing Finance Agency. Funds will be managed by DHHS and allocated to the N.C. Housing Finance Agency (NCHFA) to increase the availability for housing for individuals with disabilities via rental assistance payments.	Funds will be leveraged with \$1.8m in other NCHFA funds to provide rental assistance in approximately 248 housing units for individuals with disabilities over a 10 year period. Rental assistance amounts will vary from unit to unit based upon the income of the residents. Housing units to be supplemented via rental assistance are located in the following LMEs: Onslow-Carteret; Neuse; Wilson-Greene; Eastpointe; Tideland; Albemarle; Roanoke-Chowan; Southeastern Regional; Cumberland; Sandhills; Wake; Johnston; Alamance-Caswell-Rockingham; Five County; Counterpoint; Mecklenburg; Gaston-Lincoln; Piedmont; Catawba: Western Highlands; Smoky Mountain and Foothills.
5b		94,423	Funding needed by DHHS for Real Choice Housing Grant project to continue commitment from SFY05. These funds are used in association with federal funds received by DHHS for the purpose of building additional housing capacity at the local level.	DHHS received Real Choice Federal grant funding in the amount of \$775,123 for the period September 2004 to October 2007. <u>The MHTF supports non-personnel cost such as travel, supplies, communications, printing, postage, training, equipment, etc., within this project.</u> In addition to providing staff assistance in developing local knowledge and support for housing options, staff assist in referring individuals with disabilities, who are in need of housing assistance, into this program. Three staff are located as follows: one in the Western Region covering 40; one in the Central Region covering 27 counties; and one in the Eastern Region covering 33 counties.
6	1,033,961		<b>Alcohol and Drug Abuse Treatment Centers (ADATC) Acute Detoxification Operations:</b> Operational cost at RJ Blackley ADATC for additional substance abuse detoxification; will also assist in diverting acute detoxification admissions from State hospitals to the ADATCs.	Funds were in MHTF Plan for SFY 05. SFY 06 Plan continues positions at RJ Blackley ADATC in Butner, NC through SFY 06. Provides direct care staff for new 30 bed detox unit. Permanent funding will be requested in SFY 2007.
7	3,708,458		<b>Reserve for New Regional Psychiatric Hospital</b>	Additional funding required in order to meet construction cost contract. In order to accept the low bid for construction of the new psychiatric regional hospital, additional funds were required. Total funds required were \$118,569,398 and, of that amount, \$110,000,000 was available from the sale of Certificates of Participation (COPS) and \$4,860,940 previously committed from the MH Trust Fund. The additional \$3,708,458 was critical in order to commit and sign the contract last year. Without this commitment, the bid would have expired and the project would have had to be rebid. Of the total \$3.7m reserved, anticipate \$1,348,536 being expended in SFY 06; \$2,022,804 in SFY 07; and the remaining \$337,118 in SFY 08.

**SFY 06 Mental Health Trust Fund (MHTF) Utilization Plan**

Line	SFY 06 Totals	SFY 06 Sub-Amounts	Category of Utilization	Background/Utilization Detail
8	3,500,000		<b>Reserve for ADATC Capital (HB 1414, Section 10.24):</b> See 8a and 8b below	Included in SFY 05 MHTF Plan as authorized via HB 1414, Section 10.24 to increase ADATC detoxification beds. NOTE: RJ Blackley ADATC in Butner is not utilizing these capital funds; other capital funding was identified to create the 30 acute detoxification beds at Blackley.
8a		1,830,000	<b>WBJ ADATC (Greenville):</b> Anticipate capital project completion in October 2006, with staffing to start in 1st quarter of SFY 07.	WBJ in Greenville has no acute detoxification beds; 24 acute detoxification beds will be brought online when construction has been completed. Anticipate \$300,000 being expended in SFY 06 and the remaining \$1,530,000 in SFY 07.
8b		1,670,000	<b>JFK ADATC (Black Mountain):</b> Anticipate capital project completion in January 2007, with staffing to start in 2nd quarter of SFY 07.	JFK in Black Mountain currently has 10 acute detoxification beds and this will increase to a total of 30 (increase of 20) acute detoxification beds when construction has been completed. Anticipate \$100,000 being expended in SFY 06 and the remaining \$1,570,000 in SFY 07.
9	497,525		<b>Partners in Autism Treatment and Habilitation (PATH) House at Murdoch (HB 1414, Section 10.23):</b> Original amt. of \$500,000 set aside for PATH in SFY05 with balance of \$497,525 anticipated to be used in SFY06 for construction.	Funds were included in SFY 05 MHTF Plan but, due to delays in securing the home site, only limited funds expended in SFY 05. Anticipate home construction being completed in July 06 with residents entering in August 06. Home will be located just outside of Franklinton in Franklin County and will serve, at any one time, 4 children ages 6 to 16 with autism. Program will serve both male and female. Home will be located 18 miles from Murdoch Center. Length of stay will range from about 2 to 3 years, depending individual consumer needs. Operational funds for the home are already in a reserve account for Murdoch Center for utilization once the program becomes operational.
10	1,500,000		<b>LME System Transition for Provider Organization:</b> Funds to assist service providers with one-time funding needs to support their efforts to build additional community capacity as service provision is divested from the LMEs to the private sector. Funds will help develop and stabilize a wider array of community based service providers.	Funds will be allocated to provider agencies through LMEs based on need. The Division will solicit LME input for provider transitional funding needs. Funding criteria will consider (a) need for the services locally, (b) impact of the services on State facilities admissions, and (c) operational viability of the provider. Types of transitional cost which may be defrayed include: information systems for service documentation and billing; one-time equipment needs; facility modifications; staff training; technical assistance for business planning; and partial buy-out of fringe benefits. All allocations will require an evaluation of the level of services provided; number of consumers served; and ongoing viability of the provider. Since this is a new category in the MHTF Plan, the solicitation and award process will not be initiated until the MHTF Plan has been approved.

**SFY 06 Mental Health Trust Fund (MHTF) Utilization Plan**

Line	SFY 06 Totals	SFY 06 Sub-Amounts	Category of Utilization	Background/Utilization Detail
11	1,133,528		<b>Training/Planning/Evaluation:</b> Support training related to system reform, new services definitions and evaluations; defray estimated cost for competitively bid proposals which address legislative requirements for (a) Long Term Plan for Meeting Mental Health, Developmental Disabilities and Substance Abuse Service Needs (SB 622, Section 10.24) and (b) Senate Bill 1152, Part VIII, "Study Financing of Mental Health, Developmental Disabilities, and Substance Abuse Services", Section 18.1.	Proposed allocations: (a) \$183,528 contract with the NC Council of Community MHDDSA Programs for training related to general LME governance, fiscal management, information systems, provider relations, consumer information and choice, customer service and advocacy, systems management, program evaluations, etc. Target audience includes LME management and board members, county managers and commissioners, consumers and family members, and providers; (b) \$100,000 for training sponsored by the Division related to implementation of new service definitions, reform updates, provider qualifications and endorsement process, evaluation and quality improvement; (c) \$850,000 for the referenced Long Term Plan and Financing studies required by the General Assembly. Division will not know the exact cost until bids have been received. If the full amount is not needed for these studies, funds will be redirected into service categories associated with increasing service capacity in the community. Both RFPs will be posted during November 2005 for competitive bid.
12	24,710,810		<b>GRAND TOTAL REQUESTED</b>	

**14,310,810** SFY 05 Year End Balance - Including June 2005 Interest

**10,000,000** New SFY 06 Appropriation

**400,000** Anticipated Interest to be Earned During SFY 06 (July 06 thru May 06) Avg.

**24,710,810** Total Available

**(24,710,810)** Less: GRAND TOTAL REQUESTED from above (Line 12)

**0** Undesignated Balance

**12,355,405 = MHTF needed for 50% community capacity compliance per SB 622, Section 10.24(b) [\$24,710,810 (x) 50%]**

3,153,797 Line 1: Community Capacity for Crisis Services

1,627,627 Line 2: Increase Community Capacity (Child MH/DD/SAS)

6,053,368 Line 3: Increase Community Capacity (Hospital Downsizing)

1,408,123 Line 4: Increase Community Capacity (DD Center Downsizing)

1,094,423 Line 5: Housing Initiative

**13,337,338 Total Qualifying for Community Capacity Compliance**