

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEV DUTTA SANGVAI
SECRETARY

November 3, 2025

SENT VIA ELECTRONIC MAIL

The Honorable Carla Cunningham, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 402, 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

The Honorable Larry Potts, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 307B1, Legislative Office Building
Raleigh, NC 27603

The Honorable Jim Burgin, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 620, Legislative Office Building
Raleigh, NC 27603

Dear Chairmen:

North Carolina General Statute 122C-20.15 requires the Department of Health and Human Services to report annually to the Joint Legislative Oversight Committee on Health and Human Services on the number of individuals within each LME/MCO catchment area who transitioned into housing slots available through the North Carolina Supportive Housing Program during the preceding calendar year. 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 Karen Wade, Director of Policy, at Karen.Wade@dhhs.nc.gov.

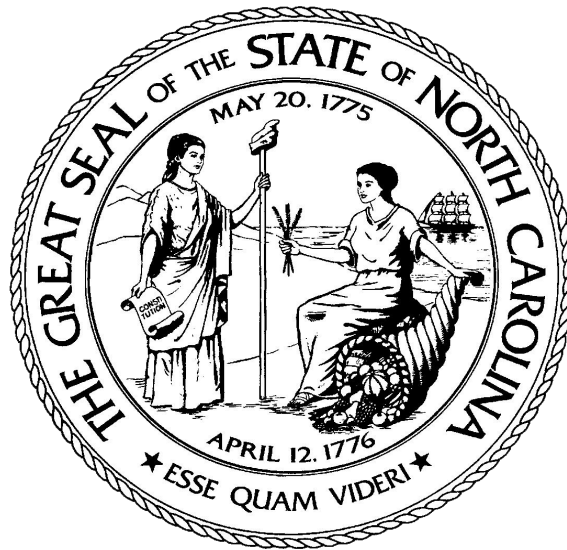
Sincerely,

Signed by:


45507E3ADB8489...
Devdutta Sangvai
Secretary

**North Carolina
Transition to Community Living
2025 Annual Report**

NC General Statute 122C-20.15



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

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

November 3, 2025

Background

The State of North Carolina entered into a settlement agreement with the United States Department of Justice (DOJ) in 2012. The settlement agreement, known as Transitions to Community Living (TCL), supports people with serious mental illness or severe and persistent mental illness who are residing in Adult Care Homes (ACHs) or at risk for placement in an ACH –the opportunity to return/remain in their communities.¹

The TCL Settlement Agreement derived from a US Supreme Court Case: *Olmstead v. L.C.*² Since the Settlement Agreement, North Carolina has worked to support people with disabilities to live, work, and play in the community.

¹ Transitions to Community Living | NCDHHS

² *Olmstead v. L.C.*, 527 U.S. 581 (1999), is a United States Supreme Court case regarding discrimination against people with mental disabilities. The Supreme Court held that under the Americans with Disabilities Act, individuals with disabilities have the right to live in the community rather than in institutions if, in the words of the opinion of the Court, "the State's treatment professionals have determined that community placement is appropriate, the transfer from institutional care to a less restrictive setting is not opposed by the affected individual, and the placement can be reasonably accommodated, taking into account the resources available to the State and the needs of others with mental disabilities.

Cost of Care

Between January 1 and December 31, 2024, 892 new TCL individuals transitioned into housing, bringing the total number of individuals actively supported in housing to 3,795 in December 2024. Table 1 shows the cost of these new transitions by LME/MCO. Cost of Care is determined by taking the average amount for housing (subsidies per North Carolina Housing Finance Agency report) and services (per TCL budget report) for the total population of TCL for Calendar Year (CY) 2024 and multiplying that by the number of new individuals. Services include Transition Year Stability Resource, Community Living Assistance, In-Reach, Emergency Housing, Transition Coordination, Bridge Housing, Mental Health Services-Transition Management Services Assertive Community Treatment, Community Support Teams, Supported Employment, Subsidy Administration, Diversion and Screening, Assertive Engagement, and Incentives for program improvements). Core TCL and Support Service Categories can be found in Appendix B.

Table 1: Breakdown of funds expended by LME/MCO (CY2024)

LME/MCO	Total of TCL Individuals New to Housing (Housed and Re-housed)	Average cost per person	Total Costs for # Housed (Avg Cost pp * Total Housed)
Alliance	201	\$13,283	\$2,669,834
Eastpointe ³	85	\$4,322	\$367,357
Partners	201	\$13,961	\$2,806,118
Sandhills ⁴	89	\$2,600	\$231,416
Trillium	140	\$11,966	\$1,675,213
Vaya	176	\$14,721	\$2,590,935

³ Please note lower costs per person for Eastpointe due to consolidation with Trillium effective 2/1/2024.

⁴ Please note lower costs per person for Sandhills due to consolidation with Eastpointe prior to consolidation with Trillium effective 2/1/2024.

Appendix A:

North Carolina General Statute §122C-20.15:

Annual reporting on NC Supportive Housing Program. Annually on October 1, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services of the General Assembly on the number of individuals within each LME/MCO catchment area who transitioned into housing slots available through the North Carolina Supportive Housing Program during the preceding calendar year. The report shall include a breakdown of all funds expended by each LME/MCO for transitioning these individuals into the housing slots. (2013-397, s. 6(a).)

Appendix B:

Core TCL and Support Service Categories

Service Category	Services Included
ACT	Assertive Community Treatment Team
CST	Community Support Team
Crisis Services	Behavioral Health Urgent Care (BHUC) Mobile Crisis Management (MCM) Facility-Based Crisis (FBC)
Evaluation & Management Office and Outpatient Visits	New and Established Patient Office/Outpatient Visits Office Consultations Behavioral Health Counseling Outpatient Psychiatric Services Mental Health Partial Hospitalization
IPS-SE	Individual Placement and Support - Supported Employment (IPS-SE) (b)(3) and 1915 (i) IPS-SE
Peer Support Services	Self-Help/Peer Support
Psychological Diagnostic, Evaluation, and Testing	Neuropsychological Testing and Evaluation Psychological Testing and Evaluation Psychiatric Diagnostic Evaluation
PSR	Psychosocial Rehabilitation Services
Psychotherapy	Individual Psychotherapy Group Psychotherapy Family Psychotherapy Outpatient Dialectical Behavior Therapy (Group and Individual) Psychosocial Rehabilitation Services
Substance Use Services and Treatment	Alcohol/Drug Group Counseling, Halfway House, and Residential Ambulatory, Inpatient, and Social Setting Detox Counseling for smoking and tobacco use Medication Assisted Treatment (MAT) Substance Abuse Comprehensive Outpatient Treatment (SACOT) Substance Abuse Intensive Outpatient Treatment (SAIOP)
Transition Management and Tenancy Support Services	Transition Management Services (TMS) Critical Time Intervention (CTI) (b)(3) and 1915(i) Individual Supports