

Memorandum

To: Joint Legislative Commission on Governmental Operations
North Carolina General Assembly

From: UNC Health Care System

Re: Quarterly Report on Wake County Behavioral Health and Transparency

Date: April 1, 2014

Pursuant to an agreement between UNC Health Care System and WakeMed, in collaboration with the North Carolina General Assembly, UNC Health Care System respectfully submits this quarterly report to advise the Joint Legislative Commission on Governmental Operations of its actions to address mental health services in Wake County and to enhance the transparency of the System.

Background

On May 22, 2012, UNC Health Care System (UNCHCS), Rex Healthcare, and WakeMed entered into an Agreement, facilitated by key members of the North Carolina General Assembly. As part of its obligations, UNCHCS committed to submit quarterly reports under Article I and Article II of the Agreement:

Article I: Under Article I addressing behavioral health in Wake County, UNCHCS committed to continue its efforts to partner with Wake County, the Durham-Wake MCO, the Department of Health and Human Services, and community organizations to plan for appropriate services for the residents of Wake County. Specifically, “UNCHCS shall invest such sums as necessary, but in no event more than Thirty Million Dollars (\$30,000,000.00) to develop and operate a minimum of twenty-eight (28) inpatient psychiatric beds within Wake County.” In addition, UNCHCS committed an additional \$10 million to be invested over the next five years “to develop and operate an Assertive Community Treatment Team (‘ACTT’) service and other behavioral health services.”

Article II: Under Article II of the Agreement, UNCHCS agreed that its affiliated organizations described as Section 501(c)(3) entities by the Internal Revenue Service (IRS) would file Form 990s on an annual basis, as generally required of other Section 501(c)(3) organizations. This obligation does not extend to state entities, such as UNC Hospitals, that are subject to public audit.

Status Reports

Article I: UNCHCS agreed to provide, enhance and expand all services offered in the past at the County’s WakeBrook facility (located in southeast Raleigh near other Wake County social services). Pursuant to agreements with Wake County and Alliance

Behavioral Health (Wake County's LME), UNCHCS began with the operation of the WakeBrook Crisis and Assessment services on February 1, 2013.

WakeBrook is now fully operational, providing the following behavioral health and medical services provided by UNCHCS at or near the WakeBrook campus:

- Crisis and assessment services (operated by UNCHCS as of February 1, 2013);
- 16 residential recovery beds for substance abuse rehabilitation (operated by UNCHCS as of May 8, 2013);
- 16 residential facility based crisis beds (operated by UNCHCS as of July 1, 2013)
- 16 inpatient psychiatric beds (operated by UNC Hospitals as of September 10, 2013);
- Onsite medical care provided by emergency medicine physicians (a new service, effective May 8, 2013) and family medicine physicians (as of July 1, 2013);
- Assertive Community Treatment Team (ACTT) providing comprehensive outpatient treatment and support;
- Outpatient clinic serving approximately 500 of the County's patients with serious and persistent mental illness (provided at a separate, nearby location);
- Plans to construct 12 additional inpatient psychiatric beds at WakeBrook (Certificate of Need application conditionally approved on September 25, 2013, and design phase underway); and
- Plans to provide a primary care clinic for patients in need of primary care services who have been served at the WakeBrook and related facilities (planning underway).

WakeBrook was included in UNC Hospitals' accreditation survey by The Joint Commission in December, 2013. No provision of care deficiencies were found, and the surveyors were very complimentary of the patient care and services being provided.

Expenses for the planning and operation of services at the WakeBrook campus through February 28, 2014, were \$7,459,849 (net of all funds or payments received), out of the \$40,000,000 committed by UNCHCS.

UNCHCS continues to meet monthly with Wake County representatives and other community stakeholders, including WakeMed and other area hospitals, to plan for the behavioral health services in Wake County.

Article II: Form 990s have been filed by UNCHCS's private affiliates with Section 501(c)(3) status. The application for Section 501(c)(3) designation for UNC Physicians Network (formerly Triangle Physicians Network) is still pending with the IRS. If and when that designation is granted, UNCHCS is committed to filing a Form 990 for that organization in compliance with applicable IRS regulations.

Future Reports

The next quarterly report will be submitted on July 1, 2014.