



North Carolina Department of Health and Human Services

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Adam Sholar  
Legislative Counsel  
Director of Government Affairs

February 28, 2014

**SENT VIA ELECTRONIC MAIL**

The Honorable Justin Burr, Co-Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 307A, Legislative Office Building  
Raleigh, North Carolina 27603-5925

The Honorable Mark Hollo, Co-Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 639, Legislative Office Building  
Raleigh, North Carolina 27603-5925

The Honorable Ralph Hise, Co-Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 1028, Legislative Building  
Raleigh, North Carolina 27603

Dear Senator Hise and Representatives Burr and Hollo:

Pursuant to the provisions of Session Law 2013-360, Section 12E.4, the Department of Health and Human Services is pleased to submit the report on Children's Developmental Services Agencies. This report describes the plan for meeting the requirements of Section 12E.4.

Questions concerning this report may be directed to Dr. Deborah Carroll within the Division of Public Health at (919)707-5535, or at [Deborah.carroll@dhhs.nc.gov](mailto:Deborah.carroll@dhhs.nc.gov).

Sincerely,

Adam Sholar

Cc: Dr. Robin Cummings  
Mark Payne  
Danny Staley  
Maribeth Wooten

Sarah Riser  
Pat Porter  
Kristi Huff  
Brandon Greife

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Dr. Kevin Ryan  
[Reports@ncleg.net](mailto:Reports@ncleg.net)  
Rod Davis  
Pam Kilpatrick

Susan Jacobs  
Theresa Matula  
Joyce Jones  
Steve Owen



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February 28, 2014

**SENT VIA ELECTRONIC MAIL**

Mark Trogdon, Director  
Fiscal Research Division  
North Carolina General Assembly  
Legislative Office Building  
300 North Salisbury Street, Suite 619  
Raleigh, NC 27603-5925

Dear Mr. Trogdon:

Pursuant to the provisions of Session Law 2013-360, Section 12E.4, the Department of Health and Human Services is pleased to submit the report on Children's Developmental Services Agencies. This report describes the plan for meeting the requirements of Section 12E.4.

Questions concerning this report may be directed to Dr. Deborah Carroll within the Division of Public Health at (919)707-5535, or at [Deborah.carroll@dhhs.nc.gov](mailto:Deborah.carroll@dhhs.nc.gov).

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**Report to the North Carolina General Assembly  
Joint Legislative Oversight Committee on Health and Human Services  
and  
Fiscal Research Division**

**Children's Developmental Services Agencies  
March 1, 2014**

Introduction

Session Law 2013-360, Section 12E.4 reduces state funds for Children's Developmental Services Agencies (CDSAs) and allows the Department of Health and Human Services to close up to four CDSAs to achieve this reduction. The specific language is:

**CHILDREN'S DEVELOPMENTAL SERVICE AGENCIES**

SECTION 12E.4. In order to achieve the reduced amount of State funds appropriated in this act for the Children's Developmental Service Agencies (CDSAs) program, the Department of Health and Human Services, Division of Public Health, may close up to four CDSAs, effective July 1, 2014. The Department shall retain the CDSA located in the City of Morganton and the CDSAs with the highest caseloads of children residing in rural and medically underserved areas. If the Department elects to close one or more CDSAs pursuant to this section, it shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than March 1, 2014, identifying the CDSAs selected for closure.

Department of Health and Human Services Plan

The Department of Health and Human Services (DHHS) has engaged in a strategic planning process in order to meet the requirements of Session Law 2013-360. The Early Intervention program provides services to infants and toddlers with significant degrees of developmental delay and their families through a statewide network of Children's Developmental Services Agencies (CDSAs). Some the CDSAs are state-run and others are administered via contract.

Internal analysis has revealed that contract CDSAs have a significantly lower vacancy rate than state-run CDSAs statewide, and for this reason it was determined that increasing the number of families served by contract CDSAs would be an efficient and effective way of utilizing limited state resources. As a result, DHHS is currently in the process of contracting with East Carolina University (ECU), which has for many years successfully administered an existing CDSA, to expand service provision to additional counties. Under a new, expanded contract, ECU will therefore be supporting many more children residing in eastern North Carolina in rural and medically underserved areas.

The new contract will charge ECU to expand the catchment area of its Greenville CDSA to include the catchment areas currently served by three state-run CDSAs (Cape Fear CDSA, New Bern CDSA and Rocky Mount CDSA). The counties currently served by the Greenville CDSA are Beaufort, Bertie, Greene, Hyde, Martin, Pitt, and Wayne counties. Under the new contract, ECU will also serve families in the current catchment areas of the Cape Fear CDSA (Bladen, Brunswick, Columbus, Cumberland, Duplin, New Hanover, Pender, Robeson, and Sampson counties), the New Bern CDSA (Carteret, Craven, Jones, Lenoir, Onslow, and Pamlico counties), and the Rocky Mount CDSA (Edgecombe, Halifax, Johnston, Nash, Northampton, and Wilson counties). These three CDSAs will be closed.

Since the needs of the families served in the Cape Fear, New Bern and Rocky Mount catchment areas will not decline, it will be critical to the success of the strategic plan that ECU receive resources sufficient to meet those families' needs. ECU will create the positions needed to effectively and efficiently serve the families in all these counties, and state staff currently employed at these three CDSAs will be able to apply for these new job opportunities with ECU.

In the Early Intervention program, services must be provided to families in the home or in other natural settings unless the family prefers a CDSA setting. Within ECU's expanded catchment area, staff will continue to have offices in main CDSA offices or satellite offices, as they currently do, that will allow them to minimize travel time as they provide home-based services, continuing an efficient service model. It is a goal of the program that these changes will be invisible or at least seamless to the families we serve, in order to ensure that the program will continue to receive the very high approval ratings it currently receives from parents.

In summary, DHHS has undertaken a thorough analysis to determine how best to achieve the budgetary reductions required in the biennial budget while still providing high quality services to families and children. DHHS has taken a prudent course of action intended to preserve state funds to operate this valuable program and ensure that families and children continue to receive the services they need to meet their needs.