

North Carolina Department of Health and Human Services

Pat McCrory
Governor

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

October 1, 2013

The Honorable Ralph Hise, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
Room 1026, Legislative Building
Raleigh, NC 27601-2808

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

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

Dear Senator Hise and Representatives Hollo and Burr:

Section 20.15 of Chapter 122C of our General Statutes requires the Department of Health and Human Services to 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. Please find that report attached.

Should you have any questions, please contact Jessica Bradley, Special Advisor on ADA, at jessica.bradley@dhhs.nc.gov or (919) 855-4809.

Sincerely,

A handwritten signature in dark ink, appearing to read "Aldona Z. Wos".

Aldona Z. Wos, MD

cc: Carol Steckel
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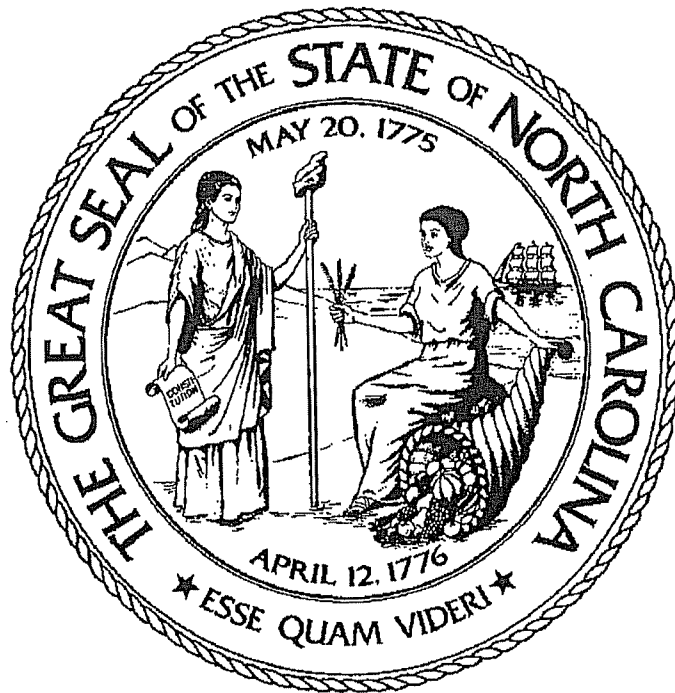
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**DHHS REPORT
TRANSITIONS
TO COMMUNITY LIVING
S.L. 2013-397**



**State of North Carolina
Department of Health and Human Services**

October 1, 2013

Summary

On an annual basis, the Department of Health and Human Services (DHHS) will report to the Joint Legislative Oversight Committee on Health and Human Services of the General Assembly information on the number of individuals within each LME/MCO catchment area who transitioned into housing slots available through the North Carolina Supportive Housing Program (NCSHP) 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.

Transitions to Community Living Initiative

This report provides an update on North Carolina's progress for the Transitions to Community Living Initiative. The Transitions to Community Living Initiative is the result of a voluntary agreement between the U. S. Department of Justice and the DHHS that is designed to allow people living with serious mental illnesses or severe and persistent mental illness to choose where they live. The agreement also ensures that those persons covered by the agreement who do choose to live in the community will have access to services and supports necessary for successful community integration. The progress report examines activities between August 23, 2012 and July 1, 2013 in Supportive Housing by LME/MCO as well as information from the first quarter of FY 2013/14.

In the fall of 2012, the DHHS began working with the North Carolina Housing Finance Agency as well as other community and DHHS stakeholders to design a statewide supportive housing program, the North Carolina Supportive Housing Program (NC SHP). In February 2013, the State contracted with Quadel, a subsidy administrator, for three tasks. First, Quadel was to contract with property owners and execute all NC SHP rental subsidy payments to landlords. Second, Quadel was tasked with processing payments for Transition Year Stability Resources (TYSR). TYSR provides tenant specific financial assistance of up to \$2,000 per housing slot to assist with initial expenses that facilitate tenant stability including, but not limited to, apartment applications, furnishings, household goods and the payment of security and utility deposits. The third task was the provision of Tenancy Support Services to all persons living in the community with a housing slot who are not also receiving Assertive Community Treatment (ACT) Team services. (Tenancy Supports is already a covered function by the ACT Team service definition) Tenancy Supports are non-clinical services specifically designed to assist an individual with disabilities to maintain his or her lease. These disability-neutral services range from budgeting support to cooking and shopping, and coaching to understanding the rights and responsibilities of landlords and tenants. Unlike mental health services, which are voluntary, the settlement agreement lays out the requirement that all participating tenants will receive Tenancy Support Services. A second contract with SocialServe.com, funds several activities connected to NCHousingSearch.com. NC Housing Search is an extensive housing locator service that includes a bi-lingual call center to assist landlords with available units and prospective tenants looking for rental housing.

In January, February and March, 2013, the DHHS, Division of Aging and Adult Services, Division of Medicaid Assistance and Division of Mental Health/Developmental Disabilities and Substance Abuse Services staff trained the LME/MCO transition coordinators on various phases of Transition to Community Living Initiative implementation, including the NC SHP, the statewide tenant based rental assistance program. Through this training transition coordinators were taught how to locate safe and affordable housing that will meet the needs of the individuals who are transitioning, the steps necessary to develop leasing agreements for the program as well as how to maximize the partnership with both housing related contractors – Quadel and Nonprofit Industries.

By late February 2013 CoastalCare became the first LME/MCO to transition a person into housing. As of July 1, 48 individuals had leased apartments through the successful work of the LME/MCOs. Each landlord received a rental subsidy payment for the leased unit, and each individual received tenancy supports either from Quadel or through their ACT Team. An additional 16 individuals had selected apartments which had passed a quality inspection and were awaiting final lease-up and move in dates.

LME/MCO	Total Leased*	Number of approved units awaiting final lease up**	Total number of housed plus those with lease in process	Total number of selected housing units for which Quadel is actively negotiating a contract with the landlord
Alliance Behavioral Healthcare	4	2	6	2
Cardinal Innovations Healthcare Solutions	1	2	3	0
CenterPoint Human Services	1	2	3	0
CoastalCare	12	1	13	3
East Carolina Behavioral Health	0	0	0	3
Eastpointe	6	1	7	4
MeckLink	3	2	5	5
Partners Behavioral Health Management	4	3	7	
Sandhills Center	9	1	10	0
Smoky Mountain Center	6	2	8	3
Western Highlands Network	2	0	4	2
Total	48	16	66	22

* These numbers are validated as individuals in housing for whom Quadel had a copy of the lease in hand and the lease is validated as legal and binding. **The source of these numbers is from LME/MCOs and Quadel, inspections, contracts, requests for participation.

The LME/MCOs have continued to successfully transition individuals within the Transitions to Community Living initiative. There has been significant progress since the beginning of July, and as of October 1, 2013 there were 133 individuals in supportive housing and an additional 12 who have selected an apartment and are in the final lease up and planning process.

LME/MCO	Total Leased*	Number of approved units awaiting final lease up**	Total number of housed plus those with lease in process	Total number of selected housing units for which Quadel is actively negotiating a contract with the landlord
Alliance Behavioral Healthcare	15	0	15	0
Cardinal Innovations Healthcare Solutions	8	0	8	1
CenterPoint Human Services	14	1	15	0
CoastalCare	17	4	19	2
East Carolina Behavioral Health	6	1	7	1
Eastpointe	14	1	15	1
MeckLink	8	0	8	1
Partners Behavioral Health Management	11	0	11	1
Sandhills Center	15	3	18	2
Smoky Mountain Center/ Western Highlands Network	25	2	27	1
Total	133	12	143	10

The LME/MCOs worked very diligently to meet the requirements of SB 553 that stated “by no later than October 1, 2013, each LME/MCO shall transition at least 15 eligible individuals to community-based supported housing slots available through the North Carolina Supportive Housing Program established under G.S. 122C-20.5”. In some cases significant barriers have caused a couple LME/MCOs to be unable to meet this requirement. The LME/MCOs are working very closely with DHHS to overcome these barriers. While we find it very important to successfully meet all requirements for Transitions to Community Living, DHHS must ensure safe, supportive transitions, and would not be supportive of unsafe planning. While every LME/MCO did not meet the 15 person requirement, each LME/MCO made a good faith effort to safely and supportively plan for individuals to move into supportive housing.

North Carolina Supportive Housing Program Expenditures by MCO

During the first fiscal year the total payouts on North Carolina Supportive Housing Program vouchers was only \$22,312.50, which excludes other state and federal rental assistance. In the first 3 months of this fiscal year, however, the LME/MCOs tripled the expenditures related to housing. The increase reflects the tremendous amount of movement the LME/MCOs have been able to accomplish in a short period of time, from 48 persons in housing on July 1 to 108 persons in housing on September 1.

The next chart describes in detail the housing related spending by LME/MCO in the 2012/2013 Fiscal Year. These comparatively modest amounts do not fully reflect the necessary preparations the LME/MCOs have made to be able to support individuals to transition successfully.

LME/MCO	Living Voucher	Rental Assistance	Transition Year Funds	Total
Alliance Behavioral Healthcare	\$203	\$368	\$2,246	\$2817
CenterPoint Human Services	X	\$267	X	\$267
CoastalCare	\$252	\$8220	\$2269	\$10741
Eastpointe	X	\$1507	X	\$1507
MeckLink	X	\$1152	\$1162.5	\$2314.5
Partners Behavioral Health Management	X	\$466	\$97	\$563
Sandhills Center	X	\$835	X	\$835
Smoky Mountain Center	X	\$478	\$2340	\$2818
Western Highlands Network	X	X	\$450	\$450
Total	\$455	\$14007	\$8,564.50	\$22,312.50

Funding Allocations for Transitions to Community Living

In February 2013 the Division of Medical Assistance (DMA) enhanced the Per Member/Per Month (PM/PM) rate for the LME/MCOs with funds for In-Reach, Transition and ongoing support. Specifically \$519,750 was distributed evenly among the LME/MCOs to employ Transition Coordinators and \$366,188 was distributed evenly among the LME/MCOs to employ Peer Specialists as in-reach workers. DMA also enhanced rates based on the expected number of additional individuals in housing with an allocation of

\$489,744 distributed evenly among the LME/MCOs for additional mental health services and \$799,155 for enhancing Assertive Community Treatment (ACT) Teams. All of these dollars have a 65 percent federal match and are allocated to the LME/MCOs through the Per Member/Per Month rates.

The Division of Mental Health allocated \$432,000 across LME/MCOs to cover costs for individuals who were not Medicaid eligible for services, supports, in-reach, transition and diversion activities. The Division also allocated \$300,000 for Supported Employment services.

<i>LME-MCO</i>	<i>Supported Employment Allocation</i>	<i>Mental Health Services (IPRS- In Reach, Diversion, Transition, Services)not Medicaid eligible?</i>
Smoky Mountain Center	\$20,000	\$39,272
Western Highlands Network	\$30,000	\$39,272
Partners Behavioral Health Management	\$35,000	\$39,272
MeckLink	\$25,000	\$39,272
Cardinal Innovations Healthcare Solutions	\$60,000	\$39,272
CenterPoint Human Services	\$20,000	\$39,272
Alliance Behavioral Healthcare	\$50,000	\$39,272
Sandhills Center	\$15,000	\$39,272
CoastalCare	\$15,000	\$39,272
East Carolina Behavioral Health	\$15,000	\$39,272
Eastpointe	\$15,000	\$39,272
<i>total</i>	\$300,000	\$432,000

Funding Expenditures for Transitions to Community Living

As expected the majority of the expenditures are aligned with the areas of most need to facilitate transitions. These include in-reach workers, transition coordinators and for some LME/MCOs who have chosen to utilize care coordination, care coordinators. These positions were the primary positions associated with talking with individuals about community options, planning with individuals for moving and assisting individuals once they had moved.

Other areas of expense include travel, training, and administrative support. While there was significant training on ACT fidelity and assessing teams to meet DACTs Fidelity, the service definition for ACT did not change in FY 12/13. The majority of the LME/MCOs did not start to enhance the rates for ACT services during FY 12/13. While there were specific dollars associated with Supported Employment and behavioral health services

current service capacity was utilized in FY 2012/13. It is expected that with in FY 13/14 ACT and Supportive Employment will see increased expenditures.

LME/MCO	In-Reach Specialists	Transition Specialists	ACT	Supported Employment	Additional Mental Health Services to Support TCL	Other
Alliance Behavioral Healthcare	\$35,520.75	X	X	X	X	\$8,275.92 (transition support and transportation)
Cardinal Innovations Healthcare Solutions	\$32,980	\$83,236	\$55,095	\$65,933	\$2,726	X
CenterPoint Human Services	\$17,586	\$12,373	X	X	X	\$50,525 Care, Coordination \$2,272 Housing Specialist, \$2662 Network Development, 4 \$17,971 Other
CoastalCare	\$82,855.36	\$22,647.74	X	X	\$104.58	X
East Carolina Behavioral Health	\$9,610.19	\$112,889.97	X	X	X	\$157,755.53- program director, admin staff, staff travel and additional staff hours prior to employing in reach and transition
Eastpointe	X	\$30,083.24	X	X	\$20,744.22	X
MeckLink	\$44,825.00	\$50,529.00	X	\$19,000	X	\$45,603.00
Partners Behavioral Health Management	\$45,070.49	\$150,375.22	\$15,060.32	0	\$12,229.44	\$120,278.04 (staff and travel)
Sandhills Center	\$24,684	\$30,706	X	\$404	X	\$17,436
Smoky Mountain Center	\$6,339.90	\$2,970.13	\$63,198.48	X	\$2,969.80	TYSR: \$10,185.89 Interpreter: \$76.78 Postage: \$186.00 Travel: \$4,079.20 IR/TC Trng: \$3,750 PC Equip: \$4,500 DOJ Meetings: \$3,600
Western Highlands Network	\$49,831.91	\$11,298.36	\$24,349.71	X	X	\$28,182.55