



North Carolina Department of Health and Human Services

Pat McCrory
Governor

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

October 1, 2014

SENT VIA ELECTRONIC MAIL

The Honorable Ralph Hise, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 1026, Legislative Building
Raleigh, NC 27603

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, NC 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, NC 27603-5925

Dear Senator Hise and Representatives Burr and Hollo:

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 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 Department is pleased to share that for FY 2014 the LME/MCOs exceeded the requirements of the voluntary settlement agreement in the area of supportive housing and ACT services. Enclosed you will find our annual report with LME/MCO housing expenditures, the number of individuals in housing by LME/MCO, information about services dollars expended, and the future direction of the Transition to Community Living Initiative.

If you have any additional questions or would like additional information. Please contact Jessica Keith, Special Advisor on ADA at Jessica.L.Keith@dhhs.nc.gov or 919-855-4800.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Richard", written over a horizontal line.

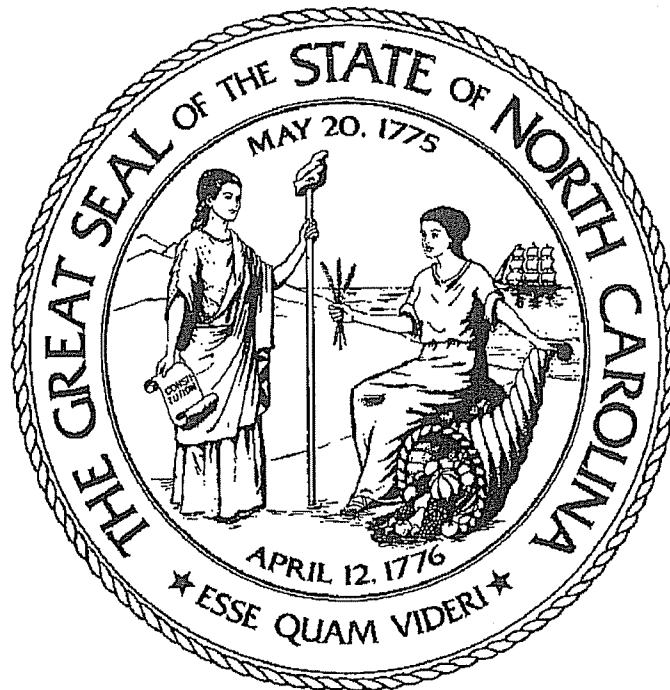
Dave Richard
Deputy Secretary of Behavior Health and Developmental Disabilities Services

Cc:

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**DHHS REPORT
TRANSITIONS
TO COMMUNITY LIVING
N.C.G.S. § 122 C-20.15**



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

October 1, 2014

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 Local Management Entity/Managed Care Organization (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

The State of North Carolina entered into a settlement agreement with the United States Department of Justice in 2012. The Transitions to Community Living Initiative (TCLI) is the result of that agreement which is designed to allow people living with serious mental illnesses or severe and persistent mental illness to exercise a choice to live and work in the community. 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 living.

The Department is implementing the Transitions to Community Living Initiative through cross-divisional collaboration lead by the Secretary's Office and involving the divisions of Mental Health, Developmental Disabilities and Substance Abuse Services, Medical Assistance, State Operated Health Facilities, Aging and Adult Services, Vocational Rehabilitation, and Health Service Regulation.

This annual report provides an update on North Carolina's progress for the Transitions to Community Living Initiative for activities between July 1, 2013, and June 30, 2014. The report provides information on progress by each LME/MCO.

LME/MCO	In-Reach Planning	Transition Planning	In Housing with Confirmed Lease	PASRR Screenings Processed	Supported Employment / teams*	ACT / teams
Alliance Behavioral Healthcare	203	16	24	23	35 / 1	761 / 8
Cardinal Innovations	339	29	39	35	52 / 2	728 / 12
CenterPoint Human Services	106	12	26	4	0	274 / 4
Coastal Care	69	10	31	4	0	331 / 4
East Carolina Behavioral Health	439	26	14	9	0	59 / 2
Eastpointe Partners Behavioral Health Mgmt	78 239	11 12	31 14	34 20	11 / 1 0	392 / 6 575 / 8
Sandhills Center	203	19	36	17	0	381 / 5
Smoky Mountain Center	379	17	39	34	0	1108 / 18
Total	2055	152	254	180	98 / 4	4609 / 67

The LME/MCOs and the state successfully completed the requirements of the settlement for the fiscal year 2014 for TCLI for Supportive Housing (254 individuals) and ACT (4609 individuals/67 teams).

North Carolina Supportive Housing Program Expenditures by MCO

For fiscal year 2014 the total expenditures on North Carolina Supportive Housing Program were \$893,804.01. \$483,785.62 was provided in rental assistance; \$299,677.46 was provided in the form of Transition Year Stability Funds; and \$110,340.93 was provided in Community Living Assistance.

Community Living Assistance is a limited financial benefit provided to individuals who are not yet qualified or won't qualify for State and County Special Assistance. The funds are used for community living expenses on a one-time or ongoing basis, depending on the need, and are capped at the same amount as State and County Special Assistance, \$1228 per month.

The next chart describes in detail the actual housing related expenditures by LME/MCO for the last fiscal year.

LME/MCO-FY 2014	Community Living Assistance	HAP/Rental Assistance	Transition Year Funds	Total
Alliance Behavioral Healthcare	29,984.86	33,034.87	20,542.64	83,562.37
Cardinal Innovations	24,096.50	76,735.10	29,026.86	129,858.46
Center Point Human Services	3,250.90	52,931.70	36,893.09	93,075.69
Coastal Care	15,422.51	76,534.67	20,487.60	112,444.78
Eastpointe	1,325.00	55,906.87	54,265.25	111,497.12
ECBH	12,701.20	18,996.66	29,159.59	60,857.45
Partners Behavioral Health Mgmt		24,876.89	29,433.36	54,310.25
Sandhills Center	3,807.61	76,770.90	52,620.75	133,199.26
Smoky Mountain Center	19,752.35	67,997.96	27,248.32	114,998.63
Total	110,340.93	483,785.62	299,677.46	893,804.01

Under the settlement agreement, the state is required to prioritize housing slots by five categories of persons who all have a diagnosis of a Serious Mental Illness or Serious and Persistent Mental Illness. Below is a chart showing housing slots filled by category.

LME/MCO	Cat 1	Cat 2	Cat 3	Cat 4	Cat 5	Total
Alliance Behavioral Healthcare	0	11	0	2	11	24
Cardinal Innovations	4	14	0	1	20	39
CenterPoint Human Services	11	5	0	0	10	26
Coastal Care	17	0	0	2	12	31
East Carolina Behavioral Health	2	0	3	1	8	14
Eastpointe	0	13	2	4	12	31
Partners Behavioral Health Mgmt	3	0	2	2	7	14
Sandhills Center	1	17	4	2	12	36
Smoky Mountain Center	9	4	6	2	18	39
Total	47	64	17	16	110	254

Categories 1-3 include individuals transitioning from ACHs, based upon number of beds.

Category 4 individuals from state hospitals, with unstable housing

Category 5 individuals diverted from ACH

Funding Allocations for Transitions to Community Living

LME/MCOs received enhancements in FY 2014 to their PM/PM for Staffing to support employing in reach and transition workers during.

- LME/MCO Care Coordinators/Transition Coordinators –each LME/MCO was assumed to have 4 new FTEs at a cost of \$90,000 per FTE (including salary, benefits, and overhead).
- LME/MCO Peer Specialist Workers –each LME/MCO was assumed to have 5.64 new FTEs at a cost of \$45,000 per FTE (including salary, benefits, and overhead).
- Both Cardinal Innovations and Smoky Mountain Center allocations to support 8 transition coordinators and 11 Peer Specialists Workers.
- LME/MCOs also received enhancements to their PM/PM for Services such as ACT for individuals being supported in TCLI

The staffing costs are not projected in the budget to increase while the number of transitions are projected to increase- this will have to be reevaluated as the program requirements grow, it will be important to have the flexibility to consider contracting some of these functions to providers and as well as increasing staff capacity to meet the requirements of the settlement. Currently staffing capacity has been described by the LME/MCO staff as a barrier to transitioning individuals into supportive housing.

The Division of Mental Health, Developmental Disabilities and Substance Abuse Services allocated \$1,152,000 across the LME/MCOs to cover costs for individuals who were not Medicaid eligible for services, supports, in-reach, transition, and diversion activities. Of those funds, \$321,974 were expended during the end of the year as the majority of individuals served were Medicaid eligible. The Division also allocated \$750,000 for Supported Employment services and \$405,564 were expended during the end of the year.

Greater flexibility and more clarity on how these funds can be expended and expanding and creating new service definitions during the upcoming year will ensure that the LME/MCOs are able to use these funds for the benefit of individuals who need services and supports to be successful in community living.

FY 2015 Priorities

The LME/MCOs and the Department continue to strongly support developing a system in which the settlement requirements of Transitions to Community Living are fully integrated into the service system. Developing the system in an integrated way allows the LME/MCOs to ensure individuals are not served in silos with one behavioral health system for Transitions to Community Living and another system for other individuals. An example of this is when the Department began looking at piloting a new service

through the crisis services initiative, part of the target population included individuals in Transitions to Community Living knowing that there were current needs identified by LME/MCOs for some individuals that are not provided for in current services.

Another example of systems progress is Supported Employment. Supported Employment is relatively new to the mental health services system, but there are experts in the field who have provided the services through the Division of Vocational Rehabilitation Services or by supported employment providers for individuals with intellectual and/or developmental disabilities (ID/DD). As the foundation of the system has been developed, the service definition was not only written for individuals who meet the requirements of Transitions to Community Living. The service is being designed to meet the greater need of all individuals with mental health and substance use issues being served by LME/MCOs.

The Supported Employment requirements for Transitions to Community Living are significant this year. The state submitted a strategic plan to the Department of Justice on September 9, 2014, which set out specific activities and timelines to meet the requirement for 708 individuals in supported employment by July 1, 2015. The plan includes expanding partnerships with vocational rehabilitation; clarifying eligibility, documentation, and monitoring for persons served as part of the settlement; enhancing provider support through training and technical assistance; reviewing the implementation of fidelity tools, enhancing outreach, and in-reach efforts to increase referrals; and reviewing the rate structure of supported employment.

Supportive Housing also has significant requirements this year in Transitions to Community Living. The Department and North Carolina Housing Finance Agency, as a partner in charge of the Targeted Housing program, has developed a priority for individuals who have a housing slot with Transitions to Community Living to assist the LME/MCOs with access to housing. The LME/MCOs have held landlord forums and are working to expand their partnerships with landlords.

The LME/MCOs submitted specific goals for placing individuals in supportive housing in order to meet the settlement requirements. The Department will be working with the LME/MCOs to monitor their progress. If the proposed goals are not met after six months, the Department and the LME/MCOs will determine if those numbers need to be modified. This year the requirement for housing increases to 708 individuals.

The LME/MCOs and the Department have already met the requirement of providing Assertive Community Treatment to 37 teams that meet fidelity serving 3,727 individuals by July 1, 2015.