



**Joint Legislative Oversight Committee
on Health and Human Services
March 8, 2016**

Department of Health and Human Services



Current areas of focus

- Medicaid reform
- Governor's Task Force on Mental Health and Substance Use
- Child welfare
- LME/MCO alignment
- Zika preparedness
- Well water updates
- Food & Nutrition timeliness
- Single State Audit



Dale Armstrong – Deputy Secretary, Behavioral Health and Developmental Disability Services



2015 state medical facilities plan

Need determinations for inpatient psychiatric and substance abuse beds

	Psychiatric Beds			
	Adult		Child/Adolescent	
	Need Determination	Applied for & Approved	Need Determination	Applied for & Approved
Totals	69	63	46	0

	Substance Abuse Beds			
	Adult		Child/Adolescent	
	Need Determination	Applied for & Approved	Need Determination	Applied for & Approved
Totals	37	12	28	0



N.C. state hospital beds (as of March, 2016)

Service	Broughton Hospital Current Beds	Central Regional Hospital Current Beds	Cherry Hospital Current Beds	Total Current Beds	New Broughton Hospital Beds	New Cherry Hospital Beds	Grand Total Beds Current and New
Adult Admissions	114	148	67	329	121 (7)	137 (70)	406
Adolescent/Child	28 (adolescent)	36 (10 child 26 adolescent)	16 (adolescent)	80	48 (20)	28 (12)	112
Geropsychiatry	38	40	20	98	24 (-14)	35 (15)	99
Adult Long Term	88	76	84	248	97 (9)	104 (20)	277
Medical Psych	15	14	10	39	20 (5)	10	44
Forensic Services	0	84	0	84	50 (50)	0	134
Deaf Services	14	0	0	14	22 (8)	0	22
Total	297	398	197	892	382 (85)	314 (117)	1094

Additional beds:

Cherry - 117

Broughton - 85

Total: 202



Child-Adolescent Psychiatric and Substance Abuse Beds

Are there exceptions to the CON laws for a provider who may be interested in applying for psychiatric and substance abuse beds?

There are exceptions to the Certificate of Need (CON) laws for:

- 1. converting acute beds to adult and/or child/adolescent psychiatric beds; and**
- 2. transferring state hospital beds to private providers.**



Child-Adolescent Psychiatric and Substance Abuse Beds

Exceptions to the CON laws (continued)

- Both processes are very streamlined and do not require a State fee.
- The conversion process for acute beds is statutorily restricted to psychiatric beds, but could be made applicable to substance abuse beds should the General Assembly desire to do so.
 - Under this process the hospital executes a contract with the Department's Division of Mental Health and/or one or more LMEs/MCOs to provide psychiatric beds to patients referred by the LMEs/MCOs.
 - The hospital submits notification and a copy of the contract to the Division of Health Service Regulation (DHSR), Healthcare Planning and CON Section to confirm that the project is exempt from CON review.
 - Once a CON Exemption from Review letter is received from CON, the hospital contacts the DHSR Acute and Home Care Licensure and Certification Section for assistance in developing policies for compliance with inpatient psychiatric licensure and certification regulations (state and federal).
 - The project is also submitted to the DHSR Construction Section for review and approval of the plans.
 - Following the review of the hospital's policies and the approval of the Construction Section, the Acute and Home Care Licensure and Certification will issue the license.



Child-Adolescent Psychiatric and Substance Abuse Beds

Exceptions to the CON laws (continued)

- **Transferring inventoried state hospital beds to private providers.**
 - Provider submits a letter to Division of State Operated Facilities (DSOHF) requesting the number of beds
 - DSOHF/DMH review the request to assure that it contains a commitment to serve patients where there is an express need and will accept IVC's
 - If these conditions are met, the transfer is approved is submitted



Child-Adolescent Psychiatric and Substance Abuse Beds

Why are providers generally not interested in opening new Child-Adolescent psychiatric and substance abuse beds?

NCHA Work Group on Behavioral Health:

- In light of current reimbursement, up-fit and/or operating cost does not make it financially viable.
- Concern that if they admit a child or adolescent, there will be no options for transferring an extremely difficult patient to a state hospital or stepping the patient down to a lower level of care when appropriate.
- Reluctance to admit patients from a long distance due to inability to incorporate family into the treatment.



Child-Adolescent Psychiatric and Substance Abuse Beds

What are the Department's recommendations for addressing Child & Adolescent bed need?

- The Department, in concert with the NCHA Work Group on Behavioral Health and other providers, will identify what can be done to appropriately incentivize community hospitals, hospital systems and other providers to either increase their existing capacity or develop new capacity for child/adolescent psych and adolescent substance abuse services.
 - NCHA's work group is actively exploring solutions to the growing emergency room boarding issue for children, adolescents and adults.
- DHHS, DRNC and LME-MCO's are meeting regularly to identify solutions for addressing the out of state placement issues for adolescents.
- The ADATC transition plan includes the option of developing inpatient adolescent substance abuse services at one or more locations
- The Department will present its recommendations to the General Assembly for consideration

