JOINT LEGISLATIVE OVERSIGHT COMMITTEE
ON HEALTH AND HUMAN SERVICES
September 27, 2016 8:30 a.m.
Legislative Office Building - Room 643

LME/MCO Handouts

Alliance
BEHAVIORAL HEALTHCARE

Reinvestment Plan

Executive Summary

Alliance Behavioral Healthcare manages public behavioral health services available to the residents of Cumberland, Durham, Johnston and Wake counties. Alliance was created in July 2012 by the merger of The Durham Center and the Wake County Local Management Entity, and began operating under the 1915(b)(c) waiver on February 1, 2013, providing system management and oversight across the four-county region. Management and oversight of the waiver for Johnston and Cumberland occurred under inter-local agreements, and Cumberland County Mental Health merged with Alliance in July 2013. Alliance is responsible for the care delivery system and oversight for some of the most vulnerable and complex individuals within our community and is entrusted to use our reserves to improve services and the system for our members.

Alliance is responsible for meeting the behavioral health needs of roughly 226,000 Medicaid enrollees within a total population in excess of 1.8 million and a 2,565 square mile coverage area comprised of a mix of rural and urban areas including Wake, the most rapidly growing county in North Carolina. Based on State prevalence calculations, Alliance is also responsible for addressing the behavioral health needs of 237,000 uninsured individuals living at or below 300% of poverty. The MCO maintains offices in each of its four counties, further enhancing its ability to understand the populations and address the unique needs of our communities.

Total FY17 Budget

- $489,368,403

Medicaid Risk Reserves

- $26,169,550 (7%) as of August 31
- $57,500,000 required to reach a 15% reserve
- Reserves needed for 30 days operating costs – $56,000,000
- Alliance does not “encumber” reserves; we have planned for nearly $30M of our savings to be reinvested back into the community

Reinvestment Strategy

Alliance conducts an annual assessment of community needs and service gaps, which includes:

- Extensive review of service utilization and claims data, including an evaluation of the availability of services offered by the provider network
- Use of crisis/ED services
- Distance members must travel to receive services
- Average wait times for first appointments

- Assessment of effectiveness and satisfaction of services provided throughout the region
- Stakeholder, consumer, provider and staff feedback secured through surveys and various community forums
- Review of needs of special populations served by Alliance.

Network Development Plan

The Gaps and Needs assessment is central to our strategic planning process for improving consumer health outcomes and ensuring access to high quality treatment services and other community supports. It lays the foundation for the development of Alliance's annual Network Development Plan, which is presented to the Board of Directors, and ultimately directs all reinvestment activities.

The overarching goals of the 2016-17 Network Development Plan are to:

- Expand and improve community-based crisis services in order to reduce ED and inpatient utilization
- Continue expansion of evidenced based services for a variety of special populations
- Ensure provider sustainability
- Improving whole person care for our members.

Alliance
BEHAVIORAL HEALTHCARE

Fiscal Year 16-17 Reinvestment Plan

Background

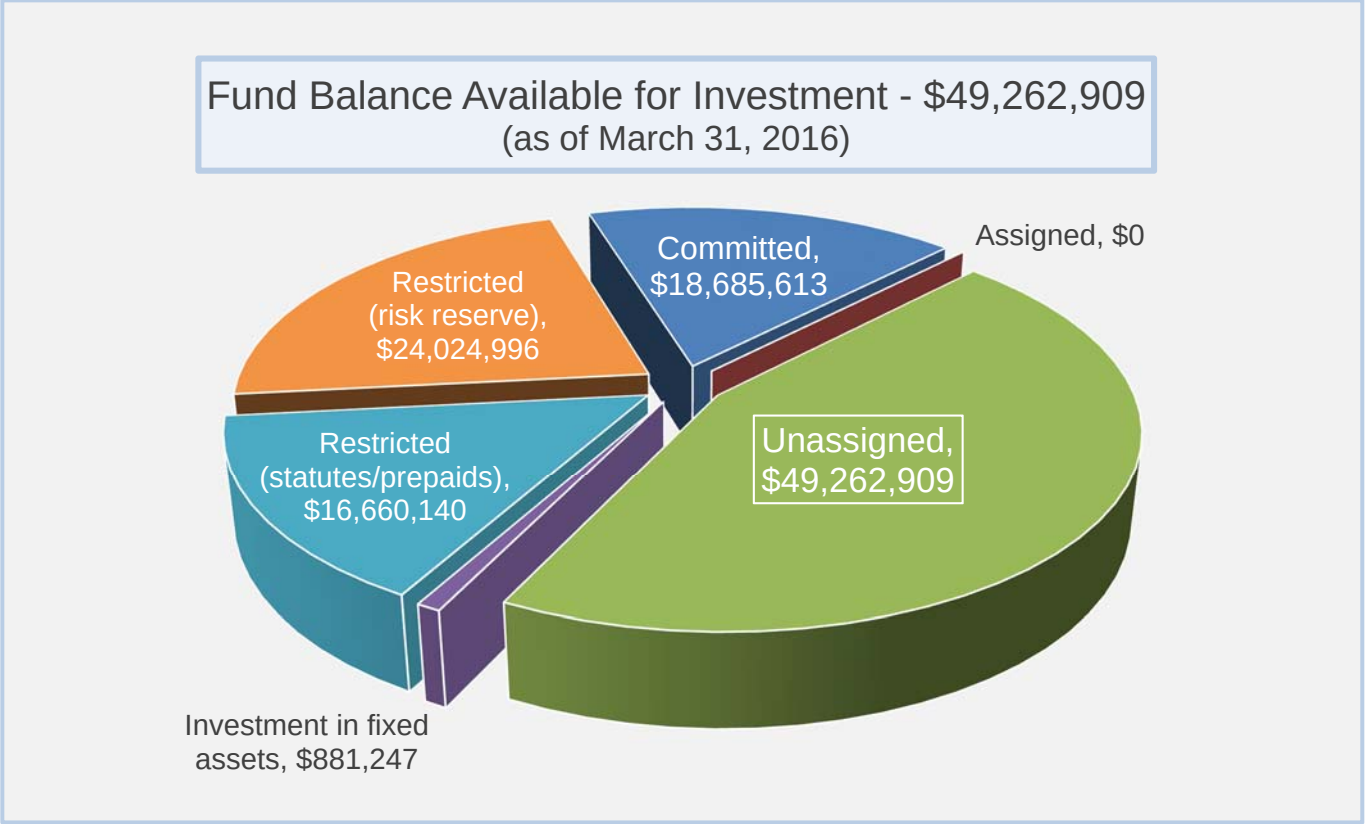
During the three years since initiating managed care operations under the Medicaid 1915 (b)/(c) Waiver, Alliance and the LME/MCOs across North Carolina have consistently met the mandates of the General Assembly to ensure budget predictability and cost-containment, while increasing the number of individuals served through expanded networks of providers utilizing proven-effective services and supports.

The stated intent of public sector managed care – and one of its greatest benefits – is that savings attained through effective management are to be reinvested in our communities to build and enhance the critical service array available to the people we serve. Accordingly the Alliance Board of Directors approved this comprehensive reinvestment plan, part of a larger Network Development Plan acting as the roadmap for Alliance's work to provide a stronger, more effective service system.

Planned Reinvestment

Program	FY17 Funding	Project Start	Proposed "Go Live"
Wake Crisis Facility	$6,000,000	4/1/2015	7/1/2017
NC START	$ 650,000	2/1/2016	7/1/2016
Integrated Care Expansion	$ 750,000	3/1/2016	7/1/2016
Enhanced Therapeutic Foster Care	$ 905,000	5/1/2016	8/1/2016
Trauma-Informed Therapeutic Foster Care	$ 100,000	7/1/2016	6/1/2017
ICF Transitions with B3 Funds	$1,000,000	3/1/2016	7/1/2016
Technology-Enabled Homes	$ 25,000	7/1/2016	12/1/2016
Short-Term PRTF Beds	$ 900,000	5/7/2016	7/1/2016
First Responders Reimbursement	$ 310,000	5/9/2016	9/1/2016
Mobile Crisis	$ 700,000	5/1/2016	8/1/2016
BH Urgent Care	$2,000,000	5/1/2016	10/1/2016
Child Facility Based Crisis	$5,000,000	9/1/2016	10/1/2017
Peer Respite	$ 300,000	5/1/2016	1/1/2017
Rapid Response	$ 240,000	5/9/2016	9/1/2016
Peer Transition Teams	$ 200,000	7/1/2016	3/1/2017
IDD Crisis Respite Facility	$ 985,500	5/10/2016	12/1/2016
Intensive Wrap Around	$ 302,400	6/1/2016	9/1/2016
Group Living Step Down	$ 191,625	2/1/2016	7/1/2016
Additional Service Rate Increases	$6,300,000	5/1/2016	7/1/2016
Durham Crisis Facility Renovation	$2,000,000	6/1/2016	1/1/2017
Supportive Housing	$ 500,000	9/1/2016	7/1/2016
Total	$29,359,525		

Note: "Project Start" refers to the date that implementation and financial investment began. "Proposed 'Go Live'" refers to the date that program begins operation. Investment is subject to change based on availability of resources.



Notes about chart above:

Only $49M of Alliance's fund balance is categorized as unrestricted (unassigned) Medicaid funds available to be utilized for reinvestment. The balance of the $109M total fund balance reflected above is categorized as follows:

- $8M already spent by Alliance to offset State funding lost in the FY16 $110M legislative reduction.
- $18M in committed funds comprised mainly of local county funds received by Alliance for services.
- $16M in funds that Alliance is restricted by NCGS 159.8(a) from appropriating.
- $24M representing the Medicaid risk reserve required by the NC Division of Medical Assistance.

Alliance
BEHAVIORAL HEALTHCARE

Reinvestment Plan

Investment Activity	Description	Population	Outcome	Reason for Selection of Project	Projections of Numbers Served	Financial Info	Financial Notes	Project Launch	*Go Live
Crisis Facilities	24/7 crisis and evaluation center able to address needs of walk-in consumers and individuals brought by law enforcement and EMS on involuntary commitment. Funds will be used to open a second walk-in crisis center with 16 Facility Based Crisis Beds and facility improvements in the Durham Crisis Recovery Center.	Adults, primary individuals with mental health and substance abuse crises	Reduce the use of Emergency Departments	Project chosen based on capacity related closures at the current Wake Crisis and Assessment Center, some months the center was closed more than 40% for new consumers, and more comprehensive service array being offered in Durham. In **FY15 Wake and Durham EDs conbined had over 10000 behavioral health related admits	3000 annually	$8,000,000	Funds for facility build and improvements; operational costs and services will be covered through yearly Medicaid and state funds.	6/1/2016	1/1/2018
Child NC START	Specialized assessment and support team to address needs of children with intellectual and developmental disabilities. Provides assessments, develops extensive behavior plans and trains and supports families and community caregivers to implement plans.	Children and adolescents, IDD	Reduce crisis, ED utilization, and the need for higher levels of care.	Limited community based crisis and tertiary prevention programs for children and adolescents with IDD and behavioral issues. Average wait times in EDs for this population exceeds 7 days.	45-60 annually	$650,000	Ongoing funded through savings	2/1/2016	7/1/2016
Enhanced Therapeutic Foster Care	Model therapeutic foster care program. Provide extra support and staffing to children with high needs living in therapeutic foster homes. Includes ability to rapidly deploy one on one staff when needed. Alternative to locked residential treatment.	Children and adolescents, MH	Further reduce locked residential treatment utilization and decrease child inpatient LOS. Of initial group of children receiving this service, none had inpatient or ED admissions.	Difficulty in stepping children down from more secure levels of care to the community when the children have behavior issues. Length of stay in locked facilities was a concern. Average length of stay in PRTFs for this populaiton exceeds 5.5 months.	32-50 children annually with an average daily census of 16	$905,000	Ongoing funded through yearly Medicaid service dollars	5/1/2016	8/1/2016
Trauma Informed Therapeutic Foster Care	Offer trauma specific training to Therapeutic Foster Care parents and provider agency staff. Training will focus on skills needed to treat children who exhibit aggressive behavior and have histories of abuse and neglect.	Children and adolescents, MH	Reduce LOS in foster care, improve unification, decrease placement disruptions.	The impact and effects of trauma are not often well understood by treatment parents and impacts care disruptions and length of treatment. In FY16, 229 children experienced unplanned placement disruption	650 children will be impacted by the training offered	$100,000	Funded through savings	7/1/2016	6/1/2017
ICF Transitions with B3 Funds	Transition 10-20 consumers out of Intermediate Care Facilities (ICF), which are institutions, to community setting using an array of support services that are available as a result of Medicaid savings. The transition will open capacity within the ICF system to accept consumers in need of this level of care.	Adults, IDD	Reduce ICF spending and create capacity within existing CON beds	Annually, Alliance exhausted all Money the Person Slots which are used for deinstitutionalization. This has impacted the ability to assist consumers to live more independently and has created capacity issues related to ICF Beds. Alliance currently has over 500 consumers in ICFs	10-20 adults with IDD	$1,000,000	Ongoing funded through yearly Medicaid service dollars	3/1/2016	7/1/2016

Investment Activity	Description	Population	Outcome	Reason for Selection of Project	Projections of Numbers Served	Financial Info	Financial Notes	Project Launch	*Go Live
Technology Enabled Homes	Outfit a group home for adults with IDD with an array of independence enabling technology and safety monitoring devices and cover related monthly expenses. Consumers and families learn to use technology in the supported home and then technology devices are installed in community residences.	Adults, IDD	Reduce spending related to direct care staffing and expand opportunities for community living.	Improve consumer independence and decrease annual costs of care for members who can live more independently.	6 during the pilot year	$25,000	Funded through savings	7/1/2016	12/1/2016
Short Term PRTF Beds	Specialized assessment and evaluation program in secure residential facilities for children. Programs provide a 30 day intensive stabilization, transition and evaluation service that develops a treatment plan to be implemented in the community.	Children and Adolescents, MH, SA, Mild IDD	Decrease locked residential utilization and decrease length of stay	Fills a gap in the continuum for children who need secure, emergency treatment and response, but do not meet inpatient care criteria. Frequent need of children in DSS custody.	72 youth annually	$900,000	Ongoing funded through yearly Medicaid service dollars	5/7/2016	8/1/2016
Expanded Integrated Care	Expand programs that provide whole person care in either primary care offices specialty psychiatric provider offices. Primary Care Integration with behavioral health consultants, improving and imbedding physical care and management within behavioral health centers and services. Expansion will also include development of a model to address the total care needs of individuals with IDD and poorly treated chronic health conditions.	Adults, MH, SA, IDD	Expand access to behavioral health services, create further capacity within existing specialty care network. Aligns with state health reform objectives.	Individuals with serious mental illness with chronic conditions need more coordinated care and have high utilization of EDs for non-emergency care. Review of data revealed this and healthcare gaps for IDD population.	2200 directly annually. Pilots are also geared at overall practice transfromation	$750,000	Funded through savings	3/1/2016	7/1/2016
First Responders Reimbursement	Provide payments to EMS for evaluating consumers with behavioral health crises in the community and pay for ED diversion to local crisis facilities. Currently EMS only receives reimbursement for services if they bring a patient to an ED.	Adults and Children in crisis	Decrease ED utilization, expand state pilot	Need to reduce non-emergency utilization of EDs. ***In FY15, EDs in the Alliance catchment area received over 18,000 behavioral health related admits.	800 annually	$310,000	Funded through savings	5/9/2016	9/1/2016
Mobile Crisis	24/7 crisis response team with psychiatric access available on the mobile crisis team. Capacity to serve all age/ disability groups including dually diagnosed MH/IDD. Provide 24/7 response to crisis situations to divert individuals from emergency departments and support individuals to remain in the community.	Adult, Children and Adolescents, MH, SA, IDD	Improve community crisis services, decrease ED utilization and cost	Need to reduce non-emergency utilization of EDs. DecreaseCrisis and Assessment Center closures . ***In FY15, EDs in the Alliance catchment area received over 18,000 behavioral health related admits.	1600 annually	$700,000	Ongoing funded through yearly Medicaid and state service dollars	5/1/2016	10/1/2016
BH Urgent Care	Outpatient behavioral health services that allow for consumers to walk-in and receive same day access to Comprehensive clinical assessment (CCA) and psychiatric evaluation, triage, counseling and medications for urgent and routine needs. Follow-up services are also provided in these settings. available on the same day, walk-in basis. Extended hours available.	Adult, Children and Adolescents, MH, SA,	Improve non-emergency level access to same day services and decrease use of emergency departments	Need to reduce both ED usage and reduce the number of individuals who walk-in at the Durham crisis facility who do not need crisis care, but want same day care.	3600 annually	$2,000,000	Ongoing funded through yearly Medicaid and state service dollars	5/1/2016	10/1/2106

Investment Activity	Description	Population	Outcome	Reason for Selection of Project	Projections of Numbers Served	Financial Info	Financial Notes	Project Launch	*Go Live
Child Facility Based Crisis	24/7 crisis and evaluation center specifically targeted to the needs of youth. Walk-in access as well as accepting youth on involuntary commitment status. Includes 10-16 bed stabilization unit.	Children and adolescents, MH, SA, IDD	Decrease child inpatient utilization and extended ED stays	Need to reduce the number of children presenting to EDs and waiting in EDs for stabilization services. Children often wait over 24 hours in a crisis facility for placement and over 3 days for secure care.	600 served in crisis beds. 1000 for emergency assessment.	$5,000,000	Funds for facility build and improvements; operational costs and services will be covered through yearly Medicaid and state funds.	9/1/2016	10/1/2017
Peer Respite/ Rapid Response	Peer respite offer a supportive alternative or step-down from more intensive levels of care such as emergency departments and crisis centers. Rapid Response offers a therapeutic foster care setting as an alternative to crisis or inpatient level of care. Rapid Response uses specially trained and supervised therapeutic foster parents to provide crisis service for children who require an out of home placement and can be managed in a no secure setting.	Adults, Children and Adolescents, MH	Expand alternatives to higher levels of care, reduce spending	Needed to expand crisis continuum to include more community based options for both adults and children who do not need inpatient care but require some level of temporary out of home support.	405 Childre n in Rapid Response beds and 200 though Peer Respite	$540,000	Funded through savings	9/1/2016	3/1/2017
Peer Transition Teams	Support transition between levels of care, including transportation, to connect individuals to service. Increases post crisis service treatment engagement	Adult, MH, SA	Decrease long ED stays and reduce ED readmission	Initial show rate for post ED and Inpatient follow-up care within 30 days of discharge is less than 70%.	300 adults annually	$200,000	Funded through savings	9/1/2016	3/1/2017
IDD Crisis Respite Facility	Provide access to facility based crisis services for individuals with IDD and significant behavior problems. Average length of treatment between 45 and 90 days.	Children and Adolescent IDD	Decrease both ED and Inpatient lengths of stay	Waitlist for similar state operated services range from weeks to months. Impacts ED lengths of stay.	25 to 50 children annually	$985,500	Ongoing funded through yearly Medicaid service dollars	5/10/2016	2/1/2017
Intensive Wrap Around	Coordination to high risk, multiple system involved youth. The service would be used to divert children from psychiatric facilities by providing the children and families highly coordinated community based care. The intensive coordination helps maintain school and oftentimes foster care or therapeutic foster care services. Targeting transition age youth.	Transition aged youth, MH, SA	Decrease overall residential spending	There is a significant service and support gap for youth transitioning to adulthood. Additionally, this is a time period where more serious mental illness can emerge.	30 youth annually	$302,400	Funded through savings	6/1/2016	10/1/2016
Group Living Step Down	Package of individual and peer supports to help transition consumers currently residing in group homes to supervised independent living. Under the program individuals are ultimately able to move into their own apartment with supports.	Adult MH	Expand community living options and offer existing adult group home capacity to assist with inpatient step-down	Selected based on extensive review of housing continuum by an outside consultant. Current array did not offer many opportunities to leave group home care.	15 consumer annually	$191,625	Ongoing funded through yearly Medicaid service dollars	2/1/2016	7/1/2016

Investment Activity	Description	Population	Outcome	Reason for Selection of Project	Projections of Numbers Served	Financial Info	Financial Notes	Project Launch	*Go Live
Additional Service Rate Increases	Targeted rate increases to incent under-utilized psychiatric and family therapy services. Increases to Evidenced Based models of Psychosocial Rehabilitation. Increases to for Innovations residential services, ICFs, ACTT, therapeutic foster care and specialized PRTF programming.	All populations	Stabilize provider network and improve quality	Analysis of rates revealed that many did not adequately match the cost of care delivery, especially when services required fidelity to a model or involved MD provision of service and oversight.	20,000	$6,300,000	Ongoing funded through yearly Medicaid service dollars	5/1/2016	7/1/2016
Supportive Housing	Supportive housing funds will be used to increase access and inventory for safe, quality and affordable housing. Several strategies will be used such as master leasing, vacancy payments to hold units while a person transitions and rehab investing to assist owners in bringing a unit up to inspection codes	Adults MH, including consumers who are part of the DOJ settlement	Increase numbers tranisitioned to housing under the DOJ settlement	Currently, Alliance is not meeting housing targets set forth under the DOJ settlement.	50	$500,000	Funded through savings	9/1/2016	12/1/2016

*Go Live is the target date to begin delivering the services under the plan
** Wake and Durham ED admit numbers are inclusive of all payers and includes non-Alliance populations
*** Alliance-wide ED numbers are inclusive of all payers and includes non-Alliance populations

TOTAL $29,359,525

Cardinal Innovations HEALTHCARE

Presentation to the Joint Legislative Oversight Committee on Health and Human Services

September 27, 2016

Investment Initiatives

- $13.6 million in additional b(3) services
- $11.5 million in services for the uninsured
- $1 million for Care Coordination enhancement
- $2 million for a 4% ICF/MR rate increase
- See handout

- LME/MCO Fund Balance

  $832 million plan savings

  $187 million restricted risk reserve

  $1.019 billion total

Medicaid Savings

- Federal Regulations
- CMS
- State Auditor
- CMS Audit and Payback Risk

LME/MCOs

- LME/MCOs operate as businesses
  - Federal regulations, contracts, and operational requirements are identical to commercial insurers
- However, LME/MCOs are public entities
- State/counties are the shareholder

Medicaid Reform

- Transition to integrated, capitated, competitive Medicaid
- Choice, Choice and Choice
  - Choice of vendor plans for the State
  - Choice of plans for providers
  - Choice of both providers and plans for members
- Different plans will provide different services

Medicaid Reform and Special Populations

- ???
- IDD, mental health and substance use
- Integration maximizes the benefit to enrollees
- “Hard” Medicaid
  - 25% of enrollees
  - 63% of the costs
- “Easy” Medicaid
  - 75% of enrollees
  - 37% of the costs

Reformed Medicaid and IDD

- Only 2 states offer plans for IDD
  - Kansas, since 2014
  - North Carolina, since 2005
- Long term services and supports for IDD are the most difficult to manage and finance
- 1% of Cardinal's members drive 52% of service costs
- Reformed states struggling to include IDD:
  - Louisiana, Iowa, New York, Illinois, New Hampshire, Texas, Oklahoma, Nebraska, Arkansas

Special Populations and Medicaid Reform

- Ensure Medicaid reform works for those who need it the most
- Include services for IDD, mental health and substance use
- LME/MCO fund balance of $1.019 billion could provide an additional **$3.077 billion** in new Medicaid services
- Opportunities
  - Eliminate IDD wait list
  - Enhanced jail diversion and ED diversion initiatives
  - Expanded preventative programs to combat opioid addiction

BACKGROUND

Eastpointe is a Local Managed Care Organization (MCO) that manages, coordinates, and monitors the mental health, intellectual/developmental disabilities, and substance use services in 12 eastern counties of North Carolina Bladen, Columbus, Duplin, Edgecombe, Greene, Lenoir, Nash, Robeson, Sampson, Scotland, Wayne and Wilson. Eastpointe's total population is 824,972 with approximately 199,699 Medicaid eligible individuals and 129,588 uninsured individuals..

FUNDING UNAVAILABLE FOR REINVESTMENT – RESTRICTED FOR SPECIAL PURPOSES

As a governmental agency and a MCO contracted with DHHS, we are required to maintain a number of reserves to comply for specific accounting, statutory and contractual purposes. These funds total $70,615,390 as of June 30, 2016 and are not available for community reinvestment activities.

AMOUNT – 6/30/2016	PURPOSE
$18,989.076	Risk Reserve
$21,369,094	Other Postemployment Benefits
$2,224,474	Local Government Employee Retirement System Contribution
$1,122,541	Accrued Annual Leave
$26,910,206	DMA contract requirement 30 days of available cash
$70,615,390	TOTAL

Our strategic planning process to identify potential resources for re-investment was to review identified gaps and needs from our most recent analysis. This analysis in combination with input received from our members, their families, providers, community stakeholders, etc. drove the planning process. Upon completion of the analysis of needs Eastpointe's Executive Team reviewed and approved the reinvestment plan for presentation to the Board. Our current focus areas are the enhancement of crisis service options in our catchment area through expansion of existing and creation of new options. Additional priorities are to ensure that the payment rate of service provision to providers for our members is reflective of the providers cost to deliver the service and to ensure that at risk populations in our communities have prevention and intervention resources needed to ensure positive life outcomes.

Our Executive Team and Board of Directors have been involved in our community capital reinvestment plan which totals more than **$18,287,660** in fund balance reserves. This reinvestment plan details a number of the priorities and funding opportunities that will exist within the Eastpointe catchment area.

EASTPOINTE PRIORITY INITIATIVES FOR COMMUNITY REINVESTMENT

The initiatives in the FY2016 reinvestment plan were realigned, re-prioritized and decreased/eliminated in their size/scope due to continued reductions in FY2017.

INITIATIVE	DESCRIPTION	POPULATION SERVED	COST	NUMBER IMPACTED	OUTCOME
Rate Increase ICF/MR	5% rate increase effective 11/1/15 for ICF/MR facilities for Eastpointe Members	IDD	$3,333,017	493	To provide an increase for services so that adequate staffing and recruitment of qualified staff can be

					maintained in these facilities.
Rate Increase Psychiatric Hospitalization	2% rate increase projected for inpatient psychiatric hospitalization.	MH/SU	$112,176	1,783	To cover increasing costs for inpatient psychiatric care and assist with maintaining current access to beds for Eastpointe members.
Rate Increase Innovations	A rate increase for providers of a number of Innovations Services to insure availability and to cover cost gaps for services to individuals with a higher acuity level.	IDD	$5,116,055	1,250	To increase the availability of needed habilitative services for individuals with intellectual and developmental disabilities.
Medicaid Rate Increase Outpatient Services.	A rate increase for basic benefit Outpatient Therapy services.	MH/SU	$1,226,617	9,562	This is particularly helpful with the increasing costs to maintain licensed clinicians as well as physicians and other licensed individuals that have prescribing capabilities.
Technology Increase Access to Care	Kiosks will be established in each county to conduct anonymous screenings and to link individuals with necessary treatment options.	MH/SU/IDD	$208,895	890	To provide locally accessible electronic means for individuals to have screenings and to be linked to needed applicable providers in the community.
Service Development Expansion Facility Based Crisis for Adults	To increase Facility Based Crisis in Robeson County from 11 beds to 16 beds with the ability to accept involuntary committed members. This will also result in the operation of a 24/7 urgent walk in clinic at this site.	MH/SU	$2,700,000	320	This service expansion will allow for individuals to be seen in a less restrictive setting than inpatient hospitalization. With the creation of a walk in clinic, it will allow for 24/7 ability for walk in assessments in crisis situations.
Service Development	To develop a Facility Based Crisis	MH/SU	$5,000,000	547	To create a facility based crisis center and 24/7 Walk

Facility Based Crisis for Adults	Center/Tier IV Walk In Clinic in the northern section of our catchment area				In Clinic in the northern region of our catchment area once future catchment area is clarified.
Service Development Recovery Based Initiative	This initiative incorporates peer to peer services in a recovery based format in our community. This recovery based initiative is inclusive of peer to peer trainings and certifications as well as operation of peer run services within our community.	MH/SU	$500,000	275	To promote peer to peer services for members therefore decreasing the need for higher and more costly level of services. It will also result in employment opportunities for members through the peer to peer process.
Community Awareness Anti-Bullying Campaign	This is several community based activities to promote the awareness of bullying, the impact that children who bully may suffer from mental health needs, and those who are bullied may have resulting psychiatric issues.	MH/SU/IDD	$60,900	50,000	To decrease the incidences of bullying, and to promote anti- stigma activities in the community.
Community Awareness Anti-Gang Campaign	This campaign is to partner with stakeholders, law enforcement and the community to assist individuals with mental health and substance abuse needs who are recruited and primed to become members within the gangs and they often need support to leave the gang.	MH/SU/IDD	$30,000	3,000	To increase gang awareness within the communities and to promote the development of strategies to deter youth from entering the gang and provides a pathway to successful transition of those members who wish to integrate from the gangs into the community at large.
	TOTAL		**$18,287,660**	68,120	

Medicaid Savings Reinvestment Plan Overview

About Partners

Partners Behavioral Health Management serves the eight counties of Burke, Catawba, Cleveland, Gaston, Iredell, Lincoln, Surry and Yadkin, totaling 3,465 square miles and ranging from the South Carolina border to the Virginia border. The total population in the service area is 909,487 and the number of Medicaid-eligible is 187,727. Partners' total operating budget for FY 2017 is $328 million. As of June 30, 2016, Partners had available fund balance in the amount of $102,373,201, of which $18.2 million is restricted for the Medicaid Risk Reserve, $39.1 million is reserved for working capital, and $21.6 million is reserved to fund the cut to the state allocation for behavioral health services. The remainder, $23.4 million, is available for reinvestment to improve and expand behavioral health services in the area, strengthen the communities, and advance the health care system in the region.

Development of Initiatives

Throughout the year, Partners engages formally and informally with consumers, providers and community stakeholders to assess the system's operations and establish operating priorities of the organization. In other words, we do not see the development of the reinvestment strategies as a one-time event, but rather an ongoing process. One key step in the ongoing feedback system is the annual Service Gaps and Needs Assessment conducted by an independent vendor. Additionally, Partners engages in a strategic planning process each year, in concert with the board of directors, to establish priorities for the coming year. This ongoing feedback throughout the year informs the decision-making process for the strategic plan development and the uses of past Medicaid savings. Through feedback provided by the DHHS liaisons to the organization, routine communication with leadership at DHHS, DMA, and the Division of MH/IDD/SA, state priorities are included in the local planning efforts to ensure alignment of activities.

Strategy & Priorities

Partners' reinvestment strategy and related plan is designed to be fluid because of the ongoing collaboration with key customer groups. As a result, additional initiatives and readjustment of priorities based on the local needs, demands, and preferences occur as needed. Much of the current plan is focused on initiatives related to population health and community wellness efforts that include commitments for multi-year projects. These differ from a lot of bricks-and-mortar type initiatives that show significant amounts of cash being spent in the early years. Thus, the spend down of savings occurs at a more deliberate pace, spread over multiple years, with interim benchmarks serving as measurement points along the way to allow for changes or adjustments that may be required.

The table that follows summarizes the current reinvestment plan for Partners.

Partners Medicaid Reinvestment Plan Overview FY2017

Initiative	Population Served	Investment	Benefit
Confronting the Opioid Epidemic	Adolescent and adult abusers of opioids	$1,169,117	In recent years, counties have seen rising misuse/abuse of prescription medications. Partners has implemented multifaceted interventions including community education, distribution of naloxone kits, provider specific training programs, and drug diversion and treatment expansion. Investment represents a five year commitment. Expected outcomes include a reduction in preventable deaths, reduction in prescription abuse, and reduction in incarcerations from opioid abuse related crimes.
Creating New & Supporting Existing Integrated Care Centers	Adult and child mental health, substance use disorder, and IDD consumers	$5,795,000	Continued support for award winning integrated care centers and expansion to additional counties. Each location is a unique operation developed with a collaborative partnership with key community stakeholders. Investment represents a five year commitment. Outcomes based on decreased presentation to emergency departments and reduction in need for higher levels of care through early intervention.
Expanding Access to Crisis Services	Adult mental health and substance use disorder consumers	$100,000	Expansion of the current Facility-Based Crisis Center in Iredell County to a 16-bed facility. Outcomes based on reduction of emergency department wait times and decreased inpatient utilization.
Improving Population Health: The Cleveland Strong Project	Adult and child mental health and substance use disorder consumers	$912,500	Partnership with local and statewide organizations to improve social determinants of health for high need/high risk population. Investment represents a five year commitment to the project. Outcomes based on county health rankings improvement, decrease in generational poverty numbers, and achievement of community assigned market health targets.
Collaboration for Trauma-Informed Care	Child and adolescent mental health consumers and their families	$1,179,994	Collaboration with local Departments of Social Services to implement a model of integrated behavioral and social care to reduce system dependency and promote lifelong wellbeing. Programs are multiyear commitments. Outcomes based on greater stability for children in natural family settings, and decreased use of out of home, costly levels of care.
Developing Whole Person Integrated Care	Adult and child mental health consumers	$1,951,250	Implementation of evidenced based, best practice models of integrated behavioral, physical and social care to members. Program shifts the focus to overall personal health and population health of the community at large. Investment represents a multiyear commitment to the project. Outcomes based on reduction of most costly levels of care and greater countywide reported health statistics.
Providing Clinical Support for DSS & County Health Departments	Adult and child substance use disorder consumers	$1,356,000	Partnership with local Departments of Social Services to imbed licensed behavioral health expertise into social services offices to better evaluate and address needs of children and families. Outcomes based on improved reports of support by DSS, earlier intervention for children at risk, and decreased long-term, out of home placements.
Rate & Service Expansion to Providers	Primarily IDD consumers	$4,094,777	Rate enhancement for ICF-IID providers as well as Innovation service providers. Outcomes based on network stability and viability for targeted service area and properly matched "cost found" rates.
Investing in Partners' Infrastructure & Sustainability	Mental health, substance use disorder, and IDD consumers	$6,006,185	Augmentation of MH/SU care coordination, IDD care coordination, and information technology investments. Outcomes based on continued successful achievement of organization goals, objectives and strategic initiatives and continued high performance on accreditation evaluations and state reporting data.

PARTNERS
Improving Lives. Strengthening Communities.

Medicaid Savings Reinvestment Plan FY17-FY21

Partners Behavioral Health Management manages mental health, substance use disorder, and intellectual and developmental disability treatment options for those eligible for Medicaid services in Burke, Catawba, Cleveland, Gaston, Iredell, Lincoln, Surry, and Yadkin counties.

The total population of Partners service area is approximately 909,487. Of that total, 187,727 are enrolled in Medicaid. The region's population is primarily Caucasian (84%), split equally by gender (51% female and 49% male), and is slightly older compared to the rest of North Carolina. In addition, the region has a slightly higher unemployment rate compared to the national average (11.4% vs. 9.2%), and has up to a 20% poverty rate in some counties.

Partners' total operating budget for fiscal year 2017 is $328 million. As of June 30, 2016, Partners' Medicaid fund balance totaled $102,373,201, of which, $18.2 million is restricted for the Medicaid Risk Reserve, $39.1 million is reserved for working capital, and $21.6 million is reserved to fund the cut to the state allocation of behavioral health services. The remainder, $23.4 million, is available for reinvestment to improve lives, strengthen communities, and advance the health care system in the region.

Partners is reinvesting its Medicaid savings in the projects and programs outlined in this plan, which may change as priorities and available funding changes.

As of September 23, 2016, the nine projects and their estimated costs are:

A. Confronting the Opioid Epidemic

- **Drug Diversion and Treatment Program (DDAT)**: The mission of this new program is to emphasize rehabilitation and treatment over incarceration. Individuals addicted to opioids will have the opportunity to receive comprehensive, community-based treatment as a primary response to help them become successful and productive citizens.
    - Partners is investing **$266,000** in fiscal year 2017 to launch the pilot program in Gaston County.
    - Partners plans to expand the program to other counties in its service area by investing **$172,500** each fiscal year from 2018 to 2021.
- **Overdoes Kits**: In fiscal year 2017, Partners is investing **$150,300** in Naloxone kits for facility-based crisis workers, mobile crisis workers, and jail liaisons in the highest need counties in its service area.
- **Drug Abuse Prevention Education**: Partners is earmarking **$42,817** to develop an educational prevention program for youth, ages 12 to 24-years-old, in the highest need counties of its service area.
- **Partners Health Summit: Struggles of Opioid Addiction**: Due to the prevalence of opioid use and abuse across its service area, Partners is devoting an additional **$20,000** to a family- and community-oriented educational summit on October 14, 2016.
- The total investment for this project is **$1,169,117**.

B. Creating New and Supporting Existing Integrated Care Centers

The Ollie Harris Behavioral Health Center opened in Cleveland County in spring 2016.

- Since 2014, Partners developed innovative, award-winning Integrated Care Centers in its service area. Lincoln Wellness Center opened in 2014, Burke Integrated Health opened in 2015, and the new Ollie Harris Behavioral Health Center opened in Cleveland County in 2016. Partners is committed to operating these centers for the next five years.
- Partners is also committed to the start-up expenses and operational maintenance for two new centers, Gaston Complete Health and Impact Health of Iredell which will both open in 2017.
- Partners is investing **$5,795,000** for start-up and five years of operational maintenance for all five Integrated Care Centers.

C. Expanding Access to Crisis Services

- **Iredell County Crisis Center**: Partners is devoting **$100,000** in fiscal year 2017 to expand the existing crisis center in Statesville and enlarge its service offerings to meet Iredell County's facility-based crisis needs.

D. Improving Population Health: The Cleveland Strong Project

- Partners, Cleveland County Schools, Benchmarks, and other Cleveland County agencies are working together to build a long-term approach for improving the health of the high number of impoverished families in Cleveland County.
- Partners is funding a local community coordinator position to perform community needs assessments, identify priorities, and address social determinants of health countywide.
- Partners is also collaborating with Benchmarks and other local community organizations to establish community health priorities and measureable outcomes for this project.
- Partners is contributing **$912,500** over five years towards this endeavor.

E. Collaborating for Trauma-Informed Care

- **Catawba County Children**: Partners and Catawba County have developed a model partnership to test true integration of behavioral health and public social services practices for child welfare.
    - Preventing and treating early exposure to trauma and its impact on lifelong well-being will require a team of social workers, outpatient therapists, and a targeted case manager.
    - Partners is investing **$365,004** toward this project in fiscal year 2017.
- **Cleveland County Children**: Child mental health and trauma services must be integrated to adequately improve child welfare.
    - Based on this proven model, Partners is collaborating with local organizations to help transform the child welfare and behavioral health care system in Cleveland County.
    - This project is designed to improve child outcomes and reduce high end services by implementing the use of a trauma-informed screening and assessment.
    - Partners is committing **$814,990** to this project over the next three years.

F. Developing Whole Person Integrated Care

- Whole Person Integrated Care (WPIC) is the integration of medical, behavioral, and public health approaches to care for the whole person. The WPIC model expands integrated care beyond the health care sector to include the social determinants of health, or the conditions in the places where people live, learn, work, and play.
- By tackling all the conditions that impact an individual's overall health, we can improve population health, reduce health disparities, advance health equity, and optimize public and private resources. Ultimately, WPIC helps achieve the best care for the whole population at the lowest cost.
- Partners plans to implement this innovative model in its Integrated Care Centers in Burke, Gaston, and Iredell counties, as well as other communities in its service area.
- The total investment for the five-year implementation of this project is **$1,951,250**.

G. Providing Clinical Support for County Health Departments

- To address immediate behavioral health needs with high-risk foster children and families, Partners is aligning with providers to co-locate licensed therapists at County Health Departments and Departments of Social Services (DSS) offices to accompany social workers on home visits.
- Partners began this effort with Lincoln County DSS in February 2016. In June 2016, it expanded the initiative in Gaston County. And in 2017, it will further expand this clinical support project in Surry and Yadkin counties.
- The total investment for the five-year implementation of this project is **$1,356,000**.

H. Improving the Quality of Partners' Provider Network

- Medicaid members deserve easy access to a high quality choice of providers. That's why Partners is committed to improving the strength of its Provider Network.
- To this end, Partners is using Medicaid savings reinvestment dollars to increase payment rates for ICF-IID services (also known as Intermediate Care Facility for Individuals with Intellectual Disabilities) and expand (b)(3) services for people with intellectual and developmental disabilities.
- Partners is committing **$4,094,777** in fiscal year 2017 to ensure the stability and viability of the providers who deliver these complex, intensive services.

I. Investing in Partners' Sustainability

- Partners continues to reinvest in enhancing and expanding the organization's infrastructure to sustain its strong foundation.
- These infrastructure investments include technology improvements and additional care coordination positions to better serve consumers and providers.
- In fiscal year 2017, Partners is dedicating **$2,006,185** to infrastructure sustainability, and has planned for a total reinvestment of **$6,006,185** between 2017 and 2021.

Partners Medicaid Fund Balance Analysis

	Total in Millions
Medicaid Risk Reserve	**$18.2**
Working Capital	**$39.1**
Backfill State Cut to Behavioral Health Services Allocation	**$21.6**
Available for Reinvestment Plan	**$23.4**
Medicaid Fund Balance Total	**$102.3**

Funding for Partners Reinvestment Plans

			Year of Expenditure				
	Reinvestment Projects	Total Commitment	FY2017	FY2018	FY2019	FY2020	FY2021
A. 1.	**Drug Diversion and Treatment Program**	$956,000	$266,000	$172,500	$172,500	$172,500	$172,500
A. 2.	**Overdoes Kits**	$150,300	$150,300				
A. 3.	**Drug Abuse Prevention Education**	$42,817	$42,817				
A. 4.	**Partners Health Summit**	$20,000	$20,000				
B.	**Integrated Care Centers**	$5,795,000	$1,795,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
C.	**Iredell County Crisis Center**	$100,000	$100,000				
D.	**The Cleveland Strong Project**	$912,500	$162,500	$187,500	$187,500	$187,500	$187,500
E. 1.	**Catawba County Children - Trauma-Informed Care**	$365,004	$365,004				
E. 2.	**Cleveland County Children - Trauma-Informed Care**	$814,990	$236,727	$248,494	$329,769		
F.	**Whole Person Integrated Care**	$1,951,250	$390,250	$390,250	$390,250	$390,250	$390,250
G.	**Clinical Support for DSS & County Health Departments**	$1,356,000	$271,200	$271,200	$271,200	$271,200	$271,200
H.	**Partners' Provider Network**	$4,094,777	$4,094,777				
I.	**Partners' Sustainability**	$6,006,185	$2,006,185	$1,000,000	$1,000,000	$1,000,000	$1,000,000
	Total	$22,564,823	$9,900,760	$3,269,944	$3,351,219	$3,021,450	$3,021,450

SANDHILLS CENTER
Managing Mental Health, Intellectual/Developmental Disabilities and Substance Abuse Services
910-673-9111 (FAX) 910-673-6202 www.sandhillscenter.org Victoria Whitt, CEO

Sandhills Center
FY 16 – 17 Community Reinvestment Plan
Update

Background: Sandhills Center is pleased to present this FY 16-17 Community Reinvestment Plan update outlining the expansion of access to existing services and introduction of new services to meet the behavioral health, substance use, and intellectual/developmental disability needs of our members and communities.

Sandhills Center is one of seven (7) Local Management Entities/Managed Care Organizations (LME/MCO). Sandhills Center's region is in central North Carolina and is composed of the following constituent counties: Anson, Guilford, Harnett, Hoke, Lee, Montgomery, Moore, Randolph, Richmond Counties. Sandhills Center employs 288 staff and operates out of five locations within its region: Seven Lakes (corporate office), Greensboro, Asheboro, Sanford, and Buies Creek.

Since December 2012, in addition to its role in the management of local and state funded mental health, intellectual/developmental disabilities, and substance abuse services, Sandhills Center has operated under the North Carolina 1915 (b)/(c) Medicaid Waiver, managing care for the region's Medicaid individuals. The Center's region covers approximately 4876 square miles and includes approximately 1.1 million citizens of which there are approximately 180,000 Medicaid recipients. During its 3 and ½ year tenure as a Managed Care Organization, Sandhills Center continues to achieve the goals of the State's Medicaid reform efforts.

Financial Status (June 30, 2016):
- Total Budget: $344,310,758
- Reserves Needed for Medicaid Risk Reserve: $38,911,615
- Reserves Needed for 30 Days Operating Costs: $24.9 million
- Reserves Designations for Community Services Expansion: $52.5 million

Strategic Planning Process and Prioritization for Reinvestment: Sandhills Center works with our state and local partners to identify and prioritize reinvestment activities. This process occurs throughout the year through meetings and activities involving our Board of Directors, CFAC, families and members, providers, advocacy groups, County officials/agencies, County Commissioners, and other local and state elected officials. NC DHHS participates in the process through the quarterly Intra-Departmental Management Team (IMT) meetings, monthly Executive Leadership Team and Board of Directors Meetings and the final review and approval of the annual Gaps/Needs Analysis.

Sandhills Center's overarching community reinvestment strategy is to increase and strengthen community crisis services, evidenced based practices, integrated care approaches and to remove barriers to treatment through the following prioritization of activities:
- **Targeted increases in provider reimbursement rates designed to expand recipient access and support the delivery of evidence best practice care:** We are committed to working collaboratively with community partners to continually improve access to, and the availability of, high quality behavioral health services. We routinely explore opportunities to make adjustments to services, reimbursement rates and service delivery models to more effectively meet the needs of our members. To date, we have released 5 rate increase announcements.
- **Expansion of integrated care initiatives focused on addressing the comprehensive needs of our recipients:** We believe an integrated care model of behavioral and medical health is in the best interest of those we serve. To promote this integrated model, we have implemented a number of strategies: including a pilot Integrated Transitional Care Team; Integrated Medical Homes funding; identification of Integrated Care Pilot sites to integrated care data analytics by Care Management Technologies (CMT), designed to guide service delivery improvements; Academic/Quality Collaborative with local hospital systems, and provider Quality of Care/Pharmacy Reviews.
- **Expansion of community intensive/crisis services with the goals of reducing ED wait times and unnecessary hospital utilization while improving community integration efforts for recipients in transition (i.e. hospital discharges & children moving between different levels of care):** Recently a provider was selected to open a 24/7 facility-based crisis (FBC) center in our service area to serve individuals in crisis from the immediate and neighboring areas and to provide needed diversion from unnecessary hospital visits. Additionally, the specialized service of Family Centered Treatment (FCT) was added as a pilot project within the service area and funding was awarded to expand the successful Hospital Transition Team (HTT) to connect individuals with local community services following hospitalization. We are also expanding Assertive Community Treatment

Teams and Mobile Crisis Services within the region.

- **Funding for county/community partners' initiatives designed to remove barriers to receiving services, supports, and treatment:** Sandhills Center is working with the 9 constituent counties and with local service providers to identify local needs and programs and provide critical financial support. Local projects have been identified by all 9 Sandhills Center counties, including coordination of services with local jails/detention centers/specialty courts, DSS and Public Health connection to behavioral health services, regional health initiatives and reduction of barriers to treatment.

Sandhills Center Community Reinvestment Initiatives FY 16-17	**FY 16-17 Projected Cost**	**Outcome / Number of Individuals Impacted**
Provider Reimbursement Rate Increases* Outpatient Services, Assertive Community Treatment Team, Multi-Systemic Therapy, Intermediate Care Facilities, Evaluation & Management Codes, Innovations Services, Inpatient Services, Behavioral Health Long Term Residential, Psychiatric Residential Treatment Facilities, Community Support Team, Psychosocial Rehabilitation, Opioid Treatment/Methadone Administration, Psychological Testing, B-3 Respite, Innovations Residential Supports (to be effective November, 2016).	$12,414,918	Expansion of evidenced based practices Strengthening of provider network to better serve members 12,600 members served monthly
Integrated Care Initiatives • Integrated/Transitional Care Team • (3) Medical Homes – Startup funding and Rate Enhancements*, • Piedmont Integrated Health/Randolph Hospital Initiative, • Campbell University/Cape Fear/Harnett Health Academic Quality Management Collaborative, • (10)Integrated Care Data Analytics Pilots with CMT ProAct Services, • Quality of Care and Pharmacy Reviews (Prest and Associates). All initiatives are operational and funded through savings, with the expectation that these investments provide better integrated care for members, reducing the likelihood of future, more intensive service needs.	$1,965,680	Recognizing the connection between physical health and behavioral health Using data to strengthen service delivery 2,400 members served annually
Intensive/Crisis Services • Facility Based Crisis Center Services – Capital, Renovation, and Startup, Projected November, 2016 • Facility Based Crisis Center and Ancillary Services – Projected opening Summer, 2017 • NC START Team Expansion – Began operation September, 2016 • Family Centered Treatment Pilot – Began operation January, 2016* • Mobile Crisis Services Expansion – Expanded operation July, 2016 • Hospital Transition Team Expansion – Expanded operation July, 2016 Initiatives and expansions are funded through savings, and will require ongoing support.	$8,634,943	Reduce ED wait times and unnecessary repeat hospital admissions Ensure connection to community services following a crisis visit 3,275 members served annually
County/Community Partner Initiatives Initiatives identified by all Sandhills Center Counties including: Specialty Courts, Detention Center Assessments, Psychiatric Services and Treatment Planning, DSS Prevention Services, Guardianship, Public Health Connections to Behavioral Health Services, Prescription Drug Program/Staff, Opioid Treatment, Bridge/Personal care services for identified group home residents. All initiatives are operational and funded through savings to increase coordination of care between community agencies and departments.	$1,491,175	Coordination of services with county partners Reducing barriers to treatment 1,439 members served annually
Total Investment	**$24,506,716**	

*Rate enhancements are initially funded through Sandhills Center's savings with the expectation that future funding will be reflected in subsequent per member, per month capitation payments. All increases are currently in effect with the exception of Innovations Residential Supports.

SANDHILLS CENTER
Managing Mental Health, Intellectual/Developmental Disabilities and Substance Abuse Services
910-673-9111 (FAX) 910-673-6202 www.sandhillscenter.org Victoria Whitt, CEO

SANDHILLS CENTER
Community Reinvestment Plan
July, 2016

Background:
Since 2012 Sandhills Center has operated under the State of North Carolina's 1915 (b)/(c) Medicaid Waiver program designed to manage care for Medicaid-funded behavioral health and intellectual and other developmental disability services. Sandhills Center has served as the mental health, substance abuse and developmental disabilities Local Management Entity/Managed Care Organization (LME/MCO) for the 1.1 million citizens in the Center's nine (9) county area. Sandhills Center has an annual operating budget of over $300 million—the vast major of these funds are Medicaid dollars flowing to the Center in support of its Medicaid managed care role. The Center is paid a negotiated monthly rate for each of its approximately 180,000 Medicaid recipients and is then responsible for authorizing and funding all medically necessary services. During its 3+ year tenure as a community Managed Care Organization, Sandhills Center has performed with distinction, achieving all the goals of the State's Medicaid reform efforts. Sandhills Center also oversees and manages services for approximately 170,000 uninsured individuals within its region.

A critical factor in the Medicaid managed care environment is the overarching element of risk. This funding model provides the State with a fixed and predictable Medicaid budget while transferring financial risk to the community level. The element of risk (and financial solvency) dominates discussions between the LME-MCOs.

By operating the Medicaid managed care program in the public sector, the State also seeks to achieve another benefit – any savings realized through more efficient use of resources are available to reinvest in the system. Since the public LME/MCOs are governmental entities that cannot, by definition, earn a profit and do not have stockholders expecting a return on their investment, any savings that the LME/MCOs earn are available to reinvest in additional services and initiatives that improve the lives of the individuals they serve and the communities in which they live.

FY 16-17 Sandhills Center Community Investment Plan:

Sandhills Center is proud to present this plan to reinvest $24.5 million to serve our members, stakeholders and the community.

Sandhills Center has designed and prioritized its Community Reinvestment Plan in the following areas:

- Targeted increases in provider reimbursement rates designed to support recipient access and support the delivery of best practice care,
- The expansion of integrated care initiatives focused on addressing the comprehensive needs of our recipients,
- The expansion of community intensive/crisis services, with the goals of reducing ED wait times and unnecessary hospital utilization while improving community integration efforts for recipients in transition (i.e. hospital discharges & children moving between different levels of care),
- The continuation of "bridge funding" for adults in community residential services, and

- The funding for county/community partners' initiatives.

Reinvestment Strategies	FY 15-16 Actual Cost	FY 16-17 Projected Cost
Provider Reimbursement Rate Increases		
Outpatient Services (10% - October 2014) (7% - July 2016)	$2,712,169	$2,769,359
Assertive Community Treatment Team (15% - October 2014)	$674,195	$790,034
Multi-Systemic Therapy (20% - October 2014)	$579,740	$587,550
Intermediate Care Facilities (5% - July 2015) (5% - July 2016)	$1,431,469	$1,450,086
Evaluation & Management Codes (13% - July 2015) (7% - July 2016)	$631,790	$655,225
Innovations Services (5% - November 2015)	$2,160,432	$2,535,602
Inpatient Services (5% - November 2015)	$189,632	$219,327
Behavioral Health Long Term Residential (5% - February 2016)	$314,350	$328,072
Psychiatric Residential Treatment Facilities (5% - February 2016)	$143,120	$144,612
Community Support Team (15% - February 2016)	$10,915	$15,052
Psychosocial Rehabilitation (8% - February 2016)	$83,482	$94,195
Opioid Treatment/Methadone Administration (13% - February 2016)	$31,439	$33,892
Psychological Testing (25% - July 2016)	$0	$98,462
B-3 Respite (29% - July 2016)	$0	$182,303
Innovations Residential Supports	$0	$2,511,147
Integrated Care Initiatives		
Integrated/Transitional Care Team (Monarch)	$551,132	$551,132
Services Rate Increases for Medical Homes	$5,379	$64,548
Start up and Subsidy/Staffing for Medical Homes	$0	$570,000
Randolph Hospital Piedmont Integrated Health Initiative (CMT)	$0	$25,000
Campbell University/Cape Fear Hospital Residency Program/Harnett Health	$0	$25,000
Integrated Care Projects	$80,000	$230,000
Integrated Care Data Analytics (CMT - 8 pilot providers)	$100,000	$200,000
Quality of Care and Pharmacy Reviews (Prest and Associates)	$300,000	$300,000
Intensive/Crisis Services		
Facility Based Crisis Center (Start Up, Enhanced Rates, Operations)	$0	$3,500,000
NC START Team Expansion	$0	$148,000
Family Centered Treatment (Pinnacle Family Services)	$1,957,500	$3,915,000
Mobile Crisis Services Expansion (Therapeutic Alternatives)	$30,000	$156,943
Hospital Transition Team Expansion (Therapeutic Alternatives)	$0	$515,000
Assertive Community Treatment Team Expansion	$166,000	$400,000
Bridge Funding - Personal care services for identified group home residents	$294,326	$294,326
County/Community Partner Initiatives		
Initiatives identified by all Sandhills Center Counties including: Specialty Courts, Detention Center Assessments, Psychiatric Services and Treatment Planning, DSS Prevention Services, Guardianship, Public Health connection to Behavioral Health Services, Prescription Drug Program/Staff, Opioid Treatment	$208,000	$1,196,849
Total Investment	**$12,655,070**	**$24,506,716**

Reinvestment Strategies

1. **Provider Rate Increases**

   Sandhills Center is committed to working collaboratively with community partners to continually improve access to, and the availability of, high quality behavioral health services. We routinely explore opportunities to make adjustments to services, reimbursement rates and service delivery models to more effectively meet the needs of our members. As we are able to identify opportunities for service rate increases, we make our provider network aware of those opportunities. To date, Sandhills Center has announced 5 rounds of rate increases.

2. **Integrated Care Initiatives**

   Sandhills Center believes an integrated care model of behavioral and medical health is in the best interest of those we serve. To promote this integrated model, Sandhills Center has implemented a number of strategies including an Integrated Transitional Care Team pilot, enhancement of rates and startup funding for Integrated Medical Homes within 3 provider sites, identification of 8 Integrated Care Pilot sites with enhanced reimbursement and training funding and access integrated care data analytics by Care Management Technologies guide service delivery improvements.

3. **Quality of Care Concerns and Pharmacy Reviews**

   To offer technical assistance and peer review opinions to our providers, Sandhills Center has contracted with an independent review organization to obtain expert second opinion reviews of physician and other licensed prescribers for diagnostic, treatment, and prescribing practices that do not appear to meet community standards of care. These are identified through our robust Quality of Care process, Critical Incident Reviews, Independent Peer Review (IRO) process, as well as clinical data reviews based upon member data in CCNC/CMT.

4. **Intensive/Crisis Services**

   To address an identified gap in services, Sandhills Center has conducted a Request For Proposals (RFP) process to add a 24/7 facility-based crisis (FBC) center in our area. This 16 bed facility will serve individuals in crisis from the immediate and neighboring areas and will provide a needed diversion from unnecessary hospital visits. The specialized service of Family Centered Treatment (FCT) has also been added as a pilot project within the service area. FCT was approved as an Alternative Service Definition by the Division of Medical Assistance and CMS as an evidenced based treatment model for Intensive In-Home services. Additionally, Sandhills Center has invested in expanding the successful Hospital Transition Team (HTT). HTT connects individuals with local community services following hospitalization. By linking individuals with community services quickly following hospitalization, a critical link occurs that increases the likelihood of continuing with community services and reducing hospital readmissions.

5. **Bridge Funding**

   Group home residents have been impacted by the changing criteria of Personal Care Services (PCS) eligibility. The State has yet to determine a long term replacement for this critical funding to support individuals in their residential setting. Sandhills Center has made the decision to reinvest service savings to fill the gap for the individuals impacted.

6. Community Partner Initiatives

Sandhills Center is working with the 9 constituent counties and with local service providers to identify local needs and programs and provide critical financial support. Local projects have been identified by all 9 Sandhills Center counties, including:

- Specialty Court Involvement
- Detention Center Assessments and Treatment Planning following discharge
- Psychiatric Services to individuals incarcerated
- Department of Social Services Prevention Services
- Department of Public Health connection to behavioral health services
- Prescription Drug Program/Staff
- Opioid Treatment
- Access Kiosks

Transforming Lives

Trillium HEALTH RESOURCES

Reinvestment Plan Executive Summary

Trillium Health Resources is the largest LME/MCO in North Carolina in terms of geography and the number of counties served. Trillium serves twenty-four eastern counties, covering the width of the State from the Virginia line to the South Carolina boarder. It is the third largest LME/MCO in terms of total population served, serving a total population of just over 1.2 million and a Medicaid eligible population age 3 and over of 185,000.

The Trillium Health Resources territory is predominantly rural and economically challenged. Fourteen of the 24 counties are classified by the NC Department of Commerce as Tier 1 counties. Only three communities in the territory are served by regularly scheduled, public transportation; conversely the area includes communities that can only be reached by one of seven regularly scheduled ferries.

Trillium Health Resources manages services for approximately 50,000 people each year with a budget of $444,714,196. The budget is funded predominately by Medicaid (73%) followed by Trillium's fund balance (13.5%), State appropriations and State-allocated federal block grants (11%), and just over one percent in county funds.

The Trillium Health Resources Governing Board has dedicated **$63,403,249** in savings generated through efficient, effective operation of the State's 1915(b)/(c) Waiver for behavioral health and intellectual and other developmental disabilities for reinvestment in projects that address the most pressing needs of the people and the communities that Trillium serves in eastern North Carolina. These projects were selected based upon their furtherance of State initiatives, input from enrollees and community stakeholders, and the annual Gaps and Needs analysis. Taken together, the overarching goal of all of the selected projects is to enhance and support the ability of the people Trillium serves to live as independently as possible in communities of their choice. They are designed to promote inclusion, reduce reliance on paid supports and services, and offer enrollees an array of options to assist them in achieving recovery and/or self-determination. The Trillium Reinvestment Plan has been broadly shared with DHHS leadership, the Trillium Consumer and Family Advisory Committees, and Trillium community stakeholders.

Financial Position at June 30, 2016
(Per DMA Fiscal Reporting Template, less net investment in Fixed Assets)

Total Assets		$157,304,492
Total Liabilities (mainly Incurred but not Reported Claims)		26,883,499
Fund Balance		$130,420,993
Less: Medicaid Risk Reserve	24,957,602	
2017 Single Stream Funding Reduction	23,094,348	
Reserved for Retiree Health Insurance	9,589,022	
Reserved by State Statute	10,581,440	68,222,412
Net Available		$ 62,198,581
Obligated Balance of Reinvestment Projects		$ 51,940,576

Trillium Health Resources Reinvestment Projects

Project/Description	Why Selected	Populations Served	Projected Impact	Beginning & Completion Dates	Total Project Cost	Expended at 6/30/16	Estimated Expended SFY 2017	Estimate Expended SFY 2018	Projected Recurring Cost	Funding Source(s)
Child First: Evidence-based program that pairs a licensed clinician with a non-licensed facilitator to assist families experiencing trauma interfering with child development	State initiative to increase access to evidence-based services - selected by broad-based coalition of child-serving	Families with children under age 6	Strenthen child/caregiver bond , build skills to reduce impact of trauma, less need for more expensive services as	January 2015, July 2017	7,060,169	4,363,560	2,696,609		3,000,000	Medicaid/ State
Illness Self Management and IDDT: Expand evidence-based recovery programs into 6 southern counties.	State initiative to increase access to evidence-based services and peer	Adults w/MH & SU	Adults in southern region will have access to Wellness Cities and recovery services.	September 2016, June 2017	2,000,000	0	2,000,000		300,000	County funding
Direct Course: Build skills and compentencies for direct care staff through on-line learning and workplace coaching and mentoring	Staff turnover is a big problem for many people we serve, leading to crisis events and more expensive services	All ages & disabilities	Consumers will receive higher quality care by more competent staff with reduced service disruption due to	July 2016, ongoing	2,700,000	189,920	1,560,080	950,000	Rate adjustments to reward staff and providers	Medicaid/ State
Compassion Reaction: School-based anti-bulling, anti-stigma, anti-suicide campaign.	Response to high youth suicide rate, stakeholder input.	School-aged children	Reducton in bullying and suicides in school-aged children.	July 2016, June 2017	1,537,157	1,518,951	18,206		Minimal	Schools
Inclusive I/DD Programs: Site-based programs offering summer camps and after-school programming for children and respite services for children and	State initiative to reduce I/DD Wait List, stakeholder & family input, G&N	Children & Adults with 1/DD	More people on the Innovations Waiting list will receive services, increased availability of respite	July 2016, ongoing	11,310,581	1,215,928	5,594,653	4,500,000	4,000,000	Medicaid/ State
Partnership with towns and counties to build playgrounds accessible to people with disabilities, including sensory	Stakeholder & family input, G&N	Everyone	with or without disabilities will play together, thereby increasing physical	January 2015, October 2016	10,542,987	3,156,618	7,386,369		Maintenanc	County or Town
Bridge Funding for Group Homes: Payments to group homes to offset loss of Medicaid Personal	DHHS reqeuest	Adults living in MH/DD group homes	Living arrangement will be preserved	SFY 2017	167,000		167,000		Unknown	
Healing Transitions: Building 200 bed facilities for men needing long-term support for recovery from substance us. Facilities to be located in Greenville and Wilmington	State initiative on crisis services, response to hospital emergency department and law enforcement issues,	Adult males using substances	Adult males will have access to long-term recovery services, resulting in greater recovery, and reduced use of Emergency	July 2015, July 2018	26,370,355	689,792	19,588,426	6,092,137	3,500,000	Donations
Oxford House 2020: Creating 20 additional Oxford House sober living residences by 2020.	State initiative to increase housing, more options for individuals completing recovery programs,	Adults in recovery and their children	People completing recovery programs will have safe, affordable housing that supports their recovery.	July 2016, June 2020	342,000	62,525	129,475	150,000	None	
Smart Home Demonstration Home: Partnering with Pitt Community College to build a fully outfitted Smart Home. Will allow individuals and families to see how technology works in a home seting and will be a training venue	State initiative to increase use of technology.	Everyone	Increased use of technology, resulting in reduced staff costs and people achieving greater independence in community living.	June 2015, August 2017	750,000	8,244	691,756	50,000	Maintenanc	PTCC
Access Point Kiosks: Increase access to services by placing kiosks in strategic locations in each county where public can take evidence-based screenings to	Continue to hear from community stakeholders that people do not know where to go for help	Everyone	Increased access to services.	November 2015, June 2017	288,000	82,135	205,865		None	
Choose Independence Grants: Small grants for individuals and families to purchase supplies and equipment to remain living in the community.	State initiative to address needs of individuals on Innovations Waiting List, family input,	Primarily I/DD	Relatively small purchases can increase the quality of life, allow people to continue to live at	Ongoing	160,000	160,000			None	
Population Health: Expand use of predictive analytics to better meet goals of integrated care and	State initiative for integrated, whole person care	All ages & disabilities	Better health outcomes for persons served, more targeted	August 2016, ongoing	150,000	0	150,000		None	
Naloxone Kits: Partner with NC Harm Reduction Coaltion to expand access to Naloxone kits to	Opiod epidemic in our area, response to law enforcement	Opiod Abusers	Lives will be saved	January 2016, June 2019	25,000	15,000	10,000		None	
Grand Total					**63,403,249**	**11,462,673**	**40,198,439**	**11,742,137**	**10,800,000**	

Reinvestment Plan

Realizing the Promise of Medicaid Managed Care
In the Public Sector

February 2016

Transforming Lives

Trillium
HEALTH RESOURCES

When the State of North Carolina made the decision to implement managed care for Medicaid-funded behavioral health and intellectual and other developmental disability services, it did so to achieve the goals of all Medicaid reform efforts: improve the quality of care and consumer satisfaction through more efficient use of resources; provide budget predictability; and create a sustainable system. Those goals have been achieved in the three (3) years since the 1915 (b)/(c) Medicaid Waiver has been implemented statewide. However, by operating Medicaid managed care in the public sector, the State also understood that it might achieve another benefit – any savings realized through more efficient use of resources would be available to reinvest in the system. Since the public Local Management Entities/Managed Care Organizations (LME/MCOs) are governmental entities that cannot, by definition, earn a profit and do not have stockholders expecting a return on their investment, any savings that the LME/MCOs earn are available to reinvest in additional services and initiatives that improve the lives of the people they serve and the communities in which they live.

Trillium Health Resources has operated the Waiver since April 2012. [Note that Trillium Health Resources was created through the consolidation of CoastalCare and East Carolina Behavioral Health. ECBH has operated the Waiver since April 2012, CoastalCare since March 2013.] The Board and management of Trillium Health Resources have developed and are implementing a robust plan to reinvest the savings that the organization has achieved in projects that address the most pressing needs of the people and communities we serve. We are proud to present this plan to reinvest $63,403,249.00 to our stakeholders and the public.

Trillium Health Resources has prioritized it reinvestments in the following areas:

- Evidence-Based Services and Support
- Supports and Community Inclusion for people with intellectual and other developmental disabilities (I/DD)
- Recovery-Oriented Systems of Care
- Using Technology to improve the lives of people we serve
- Population Health/Integrated Care

In addition to these specific projects, Trillium Health Resources has also used savings to stabilize the system through increased rates for critical services such as:

- Psychiatry and psychology
- Trauma Informed Therapy
- Institutional care for persons with I/DD
- Innovations Waiver Services
- Crisis Services: Mobile Crisis Teams and Facility Based Crisis Units
- Evidenced-Based Practices: Assertive Community Treatment Teams (ACTT) and Multi-Systemic Therapy (MST) for children and adolescents

What is outlined below is not an exhaustive list of all projects which Trillium Health Resources will undertake and we fully anticipate adding to this list as funding becomes available.

Trillium Health Resources Fund Balance

Total at January 31, 2016		**$149,809,285.34**
Less:		
Investment in Fixed Assets[1]	10,731,565.60	
Medicaid Risk Reserve[2]	18,265,741.14	
Pugh Memorial Funds[3]	18,602.00	
Year to Date Earned Income[4]	7,916,350.89	36,932,259.63
Subtotal, Available for Expenditure		$112,877,025.71
Board Reservations:		
Reserve for Reinvestment	63,403,249.00	
Reserve for Building Needs	2,884,124.00	
Retiree Health Insurance[5]	9,589,022.00	
Reserve for IT Needs	1,000,000.00	
Single Stream Reduction Replacement	16,742,256.00	93,618,651.00
Total Unreserved/Undesignated Fund Balance		**$ 19,258,374.71**

[1] Investment in Fixed Assets is a non-cash asset which cannot be expended for other purposes or redirected for other expenditures.

[2] The Medicaid Risk Reserve is required by the Waiver and may only be used if the LME/MCO experiences catastrophic expenditures and only then with the approval of the Department of Health and Human Services.

[3] The Pugh Memorial is a dedicated donation from the estate of the donor. The funds may only be used for specific consumer services.

[4] Year to date earned income can only be used to fund Medicaid services for individuals entitled to those services during the year in which it is earned. It is not available for reinvestment purposes until subsequent fiscal years. In addition, since the Restricted Medicaid Risk Reserve Fund Balance amount is updated via an annual entry, $3,916,863.07 of the Year to Date Earned Income is actually the deposits thus far in SFY 2016 to the Medicaid Risk Reserve.

[5] The Retiree Health Insurance benefit is only available to Trillium employees who were employed on July 1, 2015, who retire through the Local Government Retirement System, and whose last twenty (20) years of employment in the Local Government Retirement System were with Trillium Health Resources or its predecessor agencies. The benefit closed on July 1, 2015 and is not available to employees hired after that date. The benefit pays for health insurance until the retired employee reaches age 65 and is eligible for Medicare.

Evidence-Based Services and Supports Initiatives: $ 13,297,326.00

Child First/Child-Parent Psychotherapy $ 7,060,169.00

Child First is an evidence-based program developed in Connecticut. It works with a caregiver (usually parent or grandparent) and child aged six and younger who has experienced early childhood trauma, which has caused behavioral, attachment or other mental health problems for the child. The goal is to strengthen the caregiver-child bond to reduce the possibility of further trauma and decrease the child and caregiver's likelihood of needing more intensive services later in life. Child First is a home visiting model that works with the caregiver and child in their home. It is delivered by a two person team that includes a licensed clinician and a case manager who works with the family on other needs, such as housing, employment, food, and coordinating other social and behavioral health services.

Child-Parent Psychotherapy (CPP) is the clinical underpinning of Child First. It is delivered by a licensed clinician. Trillium has already served over 500 young children and families in eastern NC using this model of treatment. The model also integrates care with local Pediatric practices and Child Welfare agencies. Approximately 78% of referrals for this innovative service come from screenings done by Pediatricians and Social Workers in local Departments of Social Services.

Trillium Health Resources will be the first replication site for Child First in NC. Our investment includes training the clinicians and case managers, providing start-up costs for the teams, keeping the teams financially viable while they build their caseloads, and covering the cost for people with no resources and people whose resources will not cover the service. In addition, our cost includes supporting the State Program Office required by Child First until the program expands beyond Trillium Health Resources.

Why Selected? Trillium chose to invest in Child First/CPP based on a gap in child mental health services identified in our Gaps and Needs Reports for 2012-2015 and discussions with our stakeholders, including county Departments of Social Services, Departments of Public Health, and primary care physicians.

Progress To Date: Trillium has already trained 32 clinicians working for Easter Seals/UCP, Kids First, and the Power of U that are serving families and children using CPP in 21of Trillium's 24 counties. Trillium plans to train 28 additional clinicians working for Coastal Horizons in July to serve the other three (3) counties. The State Program Office has been implemented under the direction of the NC Council of Community Programs (The Council). Trillium has contracts in place with The Council, Child First, and the North Carolina Child Treatment Program, who provides the evidence-based clinician training.

Illness Self-Management and Integrated Dual Disorder Treatment $ 2,000,000.00

Trillium Health Resources has well-developed recovery programs in our northern and central regions, but those efforts are still in their early development in the counties of the southern region. Trillium is negotiating a contract with Recovery Innovations International (RI) to offer Wellness Recovery Action Planning (WRAP), Wellness City, and Integrated Dual Disorder Treatment (IDDT) in the six (6) counties of the southern region. These are all evidence-based practices that assist adults with mental illness learn to manage the symptoms of their illness, achieve recovery and live independently in the community.

RI offers WRAP classes throughout the nineteen (19) counties of the former ECBH area and, through this contract, will begin to offer them in the five (5) remaining counties. WRAP is a self-designed prevention and wellness process that anyone can use to get well, stay well and make their life the way they want it to be. It was developed in 1997 by a group of people who were searching for ways to overcome their own mental health and is now used extensively by people in all kinds of circumstances and by health care and mental health systems all over the word.

Wellness City is founded on the recovery principles of hope, personal choice, empowerment, development of an environment of wellness and independence, and the encouragement of spirituality and community enriched by contribution. It is a community made up of individuals embarking on or expanding their recovery journey. A staff of well-trained peers who have experienced their own recovery challenges and successes share what they have learned and work alongside practitioners and educators who are committed to the founding principles of the recovery community.

Integrated Dual Disorder Treatment (IDDT) model is an evidence-based practice that improves the quality of life for people with co-occurring severe mental illness and substance use disorders by combining substance abuse services with mental health services. It helps people address both disorders at the same time—in the same service organization by the same team of treatment providers. IDDT emphasizes that individuals achieve big changes like sobriety, symptom management, and an increase in independent living via a series of small, overlapping, incremental changes that occur over time. Therefore, IDDT takes a stages-of-change approach to treatment, which is individualized to address the unique circumstances of each person's life.

Why Selected? Trillium is committed to assisting consumers in achieving recovery from mental health and substance use challenges. These three (3) evidence-based practices will afford consumers in the southern region the same access to recovery services as is currently available in the rest of the Trillium area.

Progress To Date: The southern region has two home-grown recovery centers that are in different stages of maturity. The contract with RI will help those facilities to grow and expand into Wellness Cities.

Direct Course Workforce Development $ 2,700,000.00

The direct support workforce faces high turnover rates and inadequate training throughout the industry. The quality of supports that individuals receive is directly related to the quality and consistency of the workforce providing that support. Trillium Health Resources is partnering two other LME/MCOs and with Elsevier, a leader in healthcare workforce training, to offer Direct Course (which includes the College of Direct Supports curriculum) to non-licensed provider staff.

Direct Course training builds a standard of skills and competencies in the provider network – much like the certifications and competencies for healthcare professionals. These courses provide training on contemporary best practices for Direct Support Professionals that is designed to promote a profession of direct support. The CDS is being used in more than 30 states and also in Canada. The curriculum was developed and is maintained and updated by the Research and Training Center on Community Living at the University of Minnesota, who are recognized as leading experts in the field of intellectual and developmental disabilities.

Why Selected? This project was chosen to improve the quality of the supports that individuals receive by improving the knowledge and competencies of the provider staff delivering those supports. By treating these staff as professionals, we also hope to reduce turnover of direct care staff in provider agencies. Many consumers have a hard time adjusting to changes in their support staff; consistency of staffing will improve their satisfaction with the support services they receive.

Progress To Date: Trillium has purchased the Direct Course curriculum from Elsevier and has contracted with the Lewin Group to work with providers to implement this program throughout our provider network.

Compassion Reaction/Rachel's Challenge $ 1,537,157.00

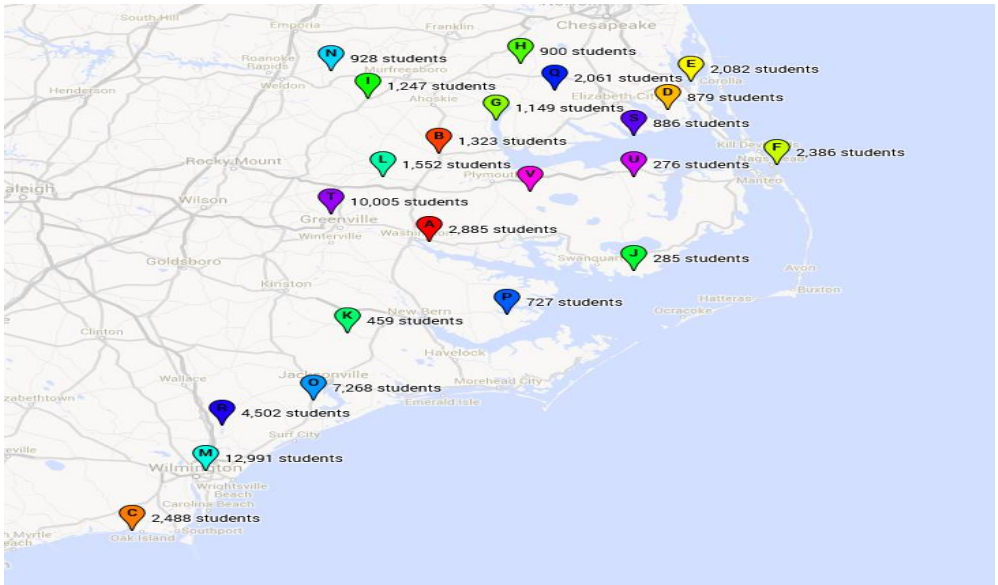
In 2010, suicide ranked among the leading cause of death in NC for ages 15 -54. There were more than 398 individuals, ages 10-24 years old in our northern and central regions who were hospitalized for self-inflicted wounds, and more than 987 individuals in this same age category who presented to Emergency Rooms with self-inflicted wounds. Rachel's Challenge, named after Rachel Scott who was tragically killed at Columbine High School in 1999, is an evidenced-based program that will be utilized at all public schools throughout our area to help defuse bullying, disrespect and prejudice and to build character and hope in students in an effort to prevent suicide. NC Department of Public Instruction endorsed this program for the NC Public School System. The program begins with a kickoff event for each school, a day spent at the school with students completing identified programs, and information to guide the development of a sustainable service club to continue to inform students, parents, and other stakeholders.

Phase 1 of this project was initiated in 2015-2016 to include all Middle, Junior and High Schools in our area. Phase 2, to start with the beginning of the school year in 2016, will include all Elementary schools.

In addition to Rachel's Challenge, the Compassion Reaction program includes the use of myStrength, an evidence-based web-based program that people can use to manage their own mental health.

Why Selected? Trillium chose Compassion Reaction due to the incident of child/adolescent suicides and input from stakeholders. The expansion into elementary schools is a direct result of the initial implementation and requests from school systems and stakeholders.

Progress To Date: Trillium has implemented Compassion Reaction in the middle, junior and high schools in our 24 counties in the 2015-2016 fiscal year. Implementation of the program in elementary schools will occur in the 2016-2017 fiscal year.



Supports and Inclusion for People with I/DD Initiatives: $22,020,568.00

Inclusive Child I/DD Programs $ 11,310,581.000

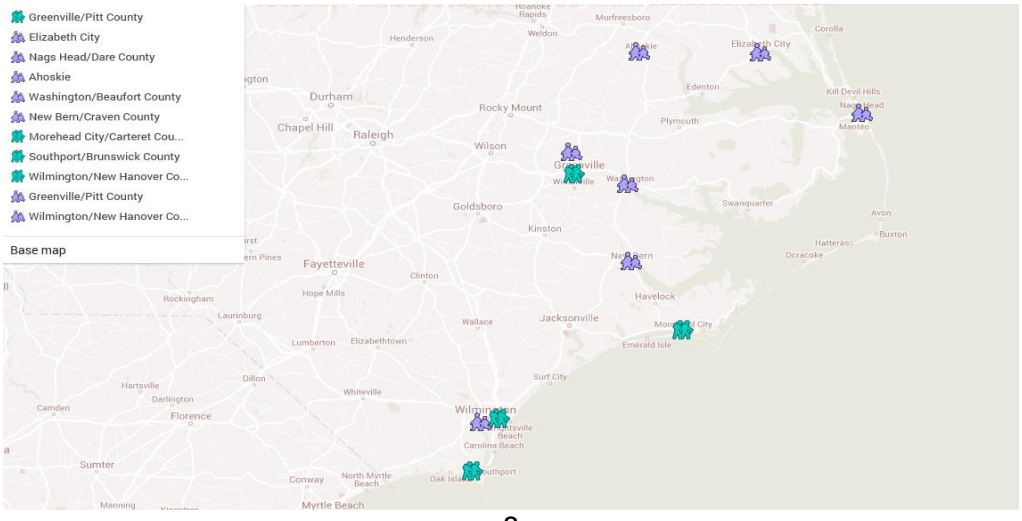
Trillium is investing in facility-based programs offering after school activities, summer day camps, overnight respite and other services and supports for children with intellectual and other developmental disabilities and their families. Contracts have been awarded to Easter Seals/United Cerebral Palsy of North Carolina and Virginia and the Autism Society of NC to create and operate eleven (11) inclusive program sites. These programs will also provide social interaction support groups and psychoeducational classes for parents of children participating in the program as well as an early intervention family support center.

A 2013 analysis indicated that up to 50% of children with I/DD in the Trillium area were not receiving appropriate services due to funding limitations. Creation of these facilities will address that unmet need in a financially viable manner since group services are much less expensive that individual services and supports but have been proven to be equally effective. Overnight respite, in particular, was cited as an unmet need that these programs will address. In addition, the facilities will also offer children with I/DD the same type of social interaction that typically developing children get through summer camps and clubs such as Boy Scouts and Girl Scouts, 4H and athletic leagues.

All locations will be operational by early summer 2016.

Why Selected? Trillium chose to address documented unmet needs for children with I/DD in our 24 county area. Surveys of parents with children with I/DD indicated a critical need for respite and a place where they could interact with other families to share information.

Progress To Date: Providers have been selected to develop and implement these programs and initial contracts have been signed. Providers are finalizing contracts for locations and contracting for any up fitting and renovations necessary on those facilities.



Inclusive, Accessible Playgrounds $ 10,542,987.00

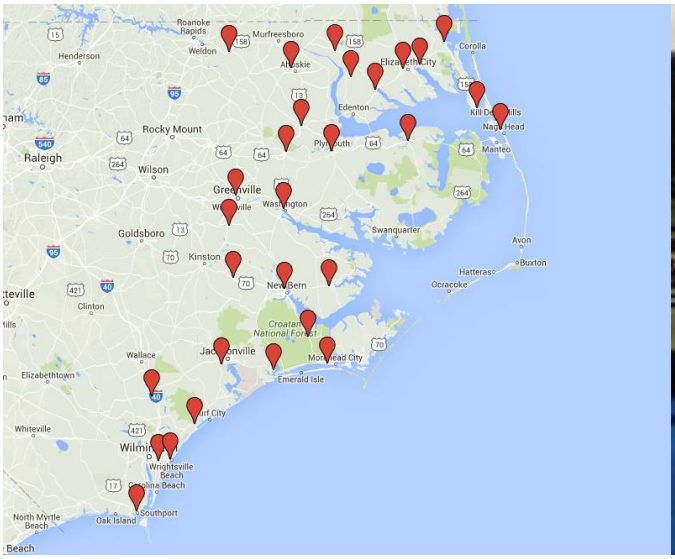
Currently there are only two (2) semi-inclusive and accessible playgrounds in eastern NC and neither of those have wheelchair capable swings. Play Together grants represent a partnership between Trillium Health Resources and our communities to build accessible playgrounds throughout our area. The county or municipality owns the land and agrees to maintain the playground in perpetuity and Trillium provides funding for the equipment and participates in the design of the playground.

The playgrounds will include structures to accommodate wheelchairs, increase social awareness, sensory integration, and increase independence. Investing in natural supports such as these playgrounds will decrease the need for paid supports in the future and promote new relationships, increase self-esteem, and assist with progress on individual goals. The playgrounds will promote increased health outcomes through physical activity and offer another venue to address the crisis of obesity in our communities by providing an attractive setting in which to play and play structures that are inviting and challenging to children with special needs and children with no disabilities. Providing a place where children of all ages, regardless of disability, play together will also reduce the stigma that often follows children special needs.

Playgrounds funded through this initiative will be opening in the spring and summer of 2016.

Why Selected? This project was chosen to address the lack of recreational opportunities for children with special needs in our catchment area.

Progress To Date: Applications for this program have closed; a total of 29 awards have been made to counties (17) and municipalities (12). Contracts have been finalized for all successful applicants and design is underway.



Bridge Funding for Group Homes $ 167,000.00

When CMS clarified that the criteria to receive Medicaid-funded personal care in individual homes and groups homes had to be the same, there was a subset of residents in group homes who no longer met the requirements for Medicaid personal care services. When the State came into compliance with those CMS requirements, those group homes were left with a hole in their financial model. The General Assembly provided non-recurring funding for two years and required the DHHS to develop a long-term solution. That solution has not yet been implemented, so those homes are left in SFY 2015-2016 with a financial problem. DHHS asked LME/MCOs to fill that gap, and Trillium Health Resources is pleased to respond affirmatively.

Why Selected? This project was chosen in response to a request by DHHS.

Progress To Date: Trillium has a listing of the group homes that need the funding and is entering into the necessary agreements to make these payments.

Recovery-Oriented Systems of Care Initiatives: $ 26,712,355.00

Healing Transitions Replication $ 26,370,355.00

Access to substance use disorder services has been the number one unmet need identified in the Gaps and Needs Analysis for Trillium Health Resources and its predecessor agencies for the past five years. There are currently no long-term recovery programs available in eastern NC. Untreated substance use results in increased crime and increased inappropriate use of hospital emergency departments.

Trillium Health Resources has partnered with Healing Transitions International (formerly The Healing Place of Wake County) to replicate their successful model in two locations in eastern NC – Greenville and Wilmington. In each of these communities, Trillium will build 200 bed facilities that will be operated by Healing Transition to provide long-term, peer-directed recovery services to men with substance use disorders.

Healing Transitions has operated in Wake County for fifteen (15) years. Their experience indicates that the average time a person will spend in this type of treatment is approximately 462 days and 65-75% of those treated remain sober one year after completion of the program. The average cost per individual treated is $35 per day, a significant savings over the average of $80.20 per day in jail or $1,500 for emergency room treatment. According to the National Institute on Drug Abuse, studies show that for every $1 invested in addiction treatment and recovery, there is an estimated cost savings of between $4-$7 in reduced drug-related crime, criminal justice costs, and theft. Our communities should expect a decrease in individuals reporting to local EDs in need of addiction treatment, and decreased expenses for local Sheriff's department in having to transport these individuals' long distances multiple times throughout their treatment.

The Healing Transitions program in Greenville is expected to be operational by December 2017; the Wilmington facility will open approximately four (4) to six (6) months later.

Why Selected? This project was chosen to address the number one unmet need in the Trillium area. Initially we planned to only open one facility in Greenville, but working with New Hanover Regional Medical Center and leadership of New Hanover County, we have determined that the need in the southern part of the catchment area requires a separate facility in that area.

Progress To Date: Trillium has entered into a long-term lease with Pitt County for land in the county government complex to build the Greenville facility. We already own suitable land in New Hanover County. We have issued Requests for Qualifications (RFQ) and have selected an architect for the project and currently have an RFQ open to select a construction-manager-at-risk. We have contracted with Health Transitions International to oversee all programmatic aspects of the construction. The New Hanover County Commissioners have approved funding for the purchase of 25 beds as soon as the Wilmington facility is operational. In the meantime, Trillium has contracted with Healing Transitions in Raleigh to provide access to a limited number of beds in their male and female programs. The first male for our area to complete the program in Raleigh graduated this week after fifteen (15) months at the facility. He says his goal is to come home to Greenville to work in that program to help others in eastern NC achieve the success that he has, when it is opened.

Oxford House 20 by 2020 $ 342,000.00

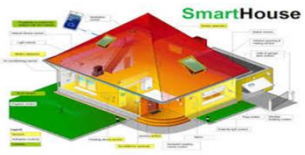
Oxford Houses are democratically run, self-supporting drug free homes. The number of residents in a home ranges from six (6) to fifteen (15). There are Oxford Houses for men, women, and houses which accept women and children.

Trillium Health Resources is partnering with Oxford House to create 20 additional Oxford House homes in our communities over the next four years. This involves identifying appropriate properties, including assuring that all zoning restrictions are addressed, furnishing the home, recruiting the initial residents of the home, and ensuring that the home operates in accordance with the successful Oxford House self-run structure.

Why Selected? This project was chosen to increase the availability of sober-living homes in our area. With the implementation of the Healing Transitions facilities, we anticipate the demand for Oxford Houses will increase as sober graduates seek to continue their journey of recovery and will need access to safe, affordable housing. Oxford House residents share expenses, which average $90-$130 per person per week.

Progress To Date: Trillium has entered into a contract with Oxford House to develop these homes. Four (4) new homes have already been brought on-line.

Using Technology to Improve the Lives of People We Serve: $ 1,198,000.00



SmartHome Demonstration Home $ 750,000.00

Trillium Health Resources is partnering with Pitt Community College to build a fully equipped SmartHome. The home will feature universal design, which will be accessible for people with disabilities, and will be outfitted with a wide array of technology designed to increase independence and safety for people with disabilities. Examples include cooking ranges that automatically turn off when someone is not within certain proximity of the appliance, medication dispensing machines, virtual/remote monitoring video equipment, automatic faucets and window coverings that can be adjusted electronically.

The home will be located on the Pitt Community College campus. Students in the College's design curriculum are already working on designs and the actual building of the home will be done by students in all of the construction trades curricula.

When completed, the home will serve as a learning laboratory for students in various allied health professions to learn about the availability and utility of all types of technology. It will also be a place where people with disabilities and their families can see certain technology installed and operational in a home-like setting to be better able to envision how the technology might improve their lives in their own home. Finally, it will be used by physical therapists, occupational therapists, speech therapists and others to evaluate the applicability of certain technologies for their consumers.

Why Selected? Disability services have long relied on a paraprofessional workforce to address the needs of people living with disabilities. However, with the aging of the Baby Boom generation and with longer life expectancies for people with and without disabilities, the demand for staff is outpacing the available workforce. In addition, new technologies are dramatically increasing the ability of people to live more independently. This home will help to train the workforce of the future on equipment that can reduce individuals' needs for paid staff. It will also allow current consumers to explore technologies that may improve their quality of life.

The home is anticipated to be completed in late 2017.

Progress To Date: Trillium is finalizing the contract with Pitt Community College. The design is already being worked on by students in the design curriculum and the building trades staff are developing their curriculum for the 2016-2017 college year.

AccessPoint Kiosks $ 288,000.00

Trillium Health Resources constantly seeks ways to increase people's access to mental health and substance use disorder services. The AccessPoint kiosks are one more way to use technology to achieve that goal.

The kiosks, which will be located in all counties in a location decided mutually between the county and Trillium, will provide residents with access to ten (10) evidence-based screenings for a variety of behavioral health issues, such as depression, bipolar disorder, eating disorders, etc. A person can take the screening for themselves, a friend, or a family member. If the screening indicates a positive result, the kiosk has a dedicated telephone that can be used to immediate connect to the Trillium Call Center to speak to a clinician for further information and to schedule an appointment.

The kiosks, which display information in English and Spanish, also contain learning and resources sections that can educate the person about the various illnesses and resources to address those issues. Persons taking a screening can also email the results to themselves. Though all of the screenings are confidential, Trillium does receive unidentified information to allow us to track the number of people taking a screening, the screening(s) they are taking, and whether or not they follow up to seek services. This information will help to alert us to potential gaps and needs in our communities.

Why Selected? This project was chosen to increase access to behavioral health services. The kiosks are the behavioral health equivalent of the blood pressure machines that can be found in almost every pharmacy. Our goal is to make access to behavioral health services as barrier-free as possible.

Progress To Date: Kiosks have been installed in Dare and Hyde Counties and are next being located in Brunswick, Carteret, Onslow and Washington Counties.

AccessPoint Kiosk installed in Hyde County

Choose Independence Grants $ 160,000.00

Trillium believes everyone has the right to choose where they want to live, including, people with intellectual or developmental disabilities. To assist adults and children who have such disabilities, the Choose Independence program offers opportunities for eligible individuals and families to: purchase equipment, supplies and services that strengthen independence; decrease the need for 24-hour/day supervision; increase long term success in living as independently as possible; or provide training for proper use of items and technology. To be eligible, the person of family must have a demonstrated need for the item proposed to be purchased that is directly related to the consumer's disability and the consumer or family must have no other resources available to them to address the need. Many of the individuals awarded funding are on the Innovations Waiver waiting list and the items that are purchased are eligible for purchase by Innovations Waiver participants. Examples of items that may be available through the grant include: Durable Medical Equipment; Communication Device; Home Modifications; Vehicle Modifications; Safety and Security Systems; Smart Home Technology; and Other Adaptive Equipment.

Why Selected? Trillium Health Resources has 829 individuals on the Registry of Unmet Needs waiting for Innovations Waiver Services. Unfortunately, Trillium has no ability to add Innovations Waiver slots, since those must be managed on a statewide basis and are subject to appropriation of funds by the NC General Assembly and approval by the federal Centers for Medicare and Medicaid Services (CMS). However, we can assist those consumers and families by purchasing equipment and other items that can assist them to continue to live as independently as possible in the community while they wait for an Innovations slot.

Progress To Date: Trillium has been offering these grants for many years with great success for consumers and families.

Population Health/Integrated Care Initiatives: $175,000.00

Population Health Management $ 150,000.00

Trillium is committed to serving our consumers through the use of best practices, evidenced based care and the use of data analytics to provide consumers with the highest quality care that addresses their specific and individual needs. This is an agency wide commitment that involves multiple departments within Trillium, collaboration with providers and other external stakeholders, and ever evolving analytics to continually improve our efforts.

Many studies in integrated care reveal that persons with severe and persistent mental illness experience greater morbidity and mortality than their peers without the mental health conditions. Often this is secondary to lack or access to care, lack of medical resources in the area willing to provide care, non-adherence to prescribed treatments and regimens, and a lack of natural and community supports to encourage the importance of physical health care. These same difficulties across the entire diagnostic spectrum of individuals in our catchment including substance use, intellectual/developmental disabilities, our geriatric populations, and our Transitions to Community Living population.

Trillium implemented a program that we call ***EPIC*** – Embracing and Practicing Integrated Care – two years ago. Through EPIC all of our clinical departments focus on assuring whole person care for each consumer with whom they interact. In the Call Center when a consumer is triaged and connected to services our clinicians inquire about the individual's need for physical health care, as well as about other needs to address the "whole person" such as housing, nutrition and employment. Our care coordinators developing treatment plans include physical health goals and also goals that address the social determinants of health such as tobacco use, housing, employment, diet, etc. We have historically worked closely with the our network providers, the Community Care Plan of Eastern NC, and Community Care of the Lower Cape Fear to coordinate care for individuals with behavioral health or I/DD issues and physical healthcare needs. Our integrated care initiatives help us identify individuals with behavioral health needs and co-occurring physical health needs.

Trillium's Population Health Management Initiatives will take this approach to the next level. It encompasses multiple trainings and conferences to prepare our organization in the development, adoption and implementation of advanced healthcare analytics to better manage care within our network. We also contract with Care Management Technologies to use their proprietary software as a tool in the healthcare analytic process.

Why Selected? Trillium Health Resources is committed maximizing the health of the populations we serve.

Progress To Date: Trillium has developed a Medical Affairs Department charged with providing medical and psychiatric oversight to the departments within Trillium. We contract with Care Management Technologies for their proprietary analytics software. Trillium's Medical Affairs Department and Information Technology Departments are working in collaboration to enhance use of data analytics to improve our services.

Naloxone Kits $25,000

Naloxone has been demonstrated across the country as an effective antidote to opioid overdose. Trillium Health Resources is pleased to join the NC General Assembly in recognizing the NC Harm Reduction Coalition's efforts to save lives through the use of naloxone. Trillium recognizes that keeping people alive is a first step in helping them recover from substance use disorder when they are using opioids. Through this initiative, we will be able to make more Naloxone kits available to law enforcement and other first responders, especially in our beach communities where opioid overdose is at epidemic levels.

Why Selected? Naloxone is keeping people alive who would have otherwise died from opioid abuse. Trillium wishes to expand the General Assembly's effort s in our 24 counties by making naloxone kits available to hospitals and law enforcement through our catchment area.

Progress To Date: Trillium has entered into a contract with the NC Harm Reduction Coalition to distribute naloxone kits to hospitals and law enforcement in our area.

Trillium Health Resources Project Expenditures Estimated by Fiscal Year

Trillium Health Resources Reinvestment Plan

Project	Total Projected Cost	Committed via Contracts	SFY 2016 Expended To Date	SFY 2016 Estimated Expended @ June 30, 2016	Estimated Expended SFY 2017	Estimate Expended SFY 2018
Evidence Based Services						
Child First/Child Parent Psychotherapy	7,060,169.00	7,060,169.00	1,655,266.00	2,837,600.00	4,222,569.00	
Ilness Self-Management and Integrated Dual Diagnosis Treatment	2,000,000.00			500,000.00	1,500,000.00	
Direct Course Workforce Development	2,700,000.00	235,163.00	0.00	800,000.00	950,000.00	950,000.00
Compassion Reaction	1,537,157.00	1,537,157.00	545,457.00	1,000,000.00	537,157.00	
Evidence-Based Services	*13,297,326.00*	*8,832,489.00*	*2,200,723.00*	*5,137,600.00*	*7,209,726.00*	*950,000.00*
Supports & Inclusion for People with I/DD						
Inclusive Child I/DD Programs	11,310,581.00	2,310,581.00	210.00	2,310,581.00	4,500,000.00	4,500,000.00
Inclusive/Accessible Playgrounds	10,542,987.00	10,542,987.00	58,386.00	8,767,987.00	1,775,000.00	
Bridge Funding for Group Homes	167,000.00			167,000.00		
Supports and Inclusion	*22,020,568.00*	*12,853,568.00*	*58,596.00*	*11,245,568.00*	*6,275,000.00*	*4,500,000.00*
Recovery Oriented Systems of Care						
Healing Transitions Replicaton x 2	26,370,355.00	2,370,355.00	143,218.00	278,218.00	20,000,000.00	6,092,137.00
Oxford House 20 by 2020	342,000.00	342,000.00	0.00	42,000.00	150,000.00	150,000.00
Recovery Oriented Systems of Care	*26,712,355.00*	*2,712,355.00*	*143,218.00*	*320,218.00*	*20,150,000.00*	*6,242,137.00*
Technology						
Smart Home Demonstration	750,000.00	(in process)		75,000.00	675,000.00	
AccessPoint Kiosks	288,000.00	49,900.00	25,307.00	49,900.00	238,100.00	
Choose Independence	160,000.00		114,057.00	160,000.00		
Technology	*1,198,000.00*	*49,900.00*	*139,364.00*	*284,900.00*	*913,100.00*	*0.00*
PopulationHealth/Integrated Care						
Population Health Management	150,000.00			50,000.00	100,000.00	
Naloxone	25,000.00	25,000.00		25,000.00		
Population Health/Integrated Care	*175,000.00*	*25,000.00*	*0.00*	*75,000.00*	*100,000.00*	*0.00*
Grand Total	**63,403,249.00**	**24,473,312.00**	**2,541,901.00**	**17,063,286.00**	**34,647,826.00**	**11,692,137.00**

REINVEST 2016

Update to Joint Legislative Oversight Committee

INTRODUCING VAYA HEALTH

Smoky Mountain LME/MCO has just completed the initial phases of rebranding, including the selection and announcement of a new name: Vaya Health. This exciting change embodies our dedication to innovation and affirms our energy and optimism as we evolve in the health care system.The name Vaya, which means “to go,” was inspired by our commitment to help members and their families move forward to a place of healing, recovery and hope. Our new brand is anopportunity for us to refresh our image and better represent the growing number of members, providers and community partners we serve in 23 counties across our beautiful region, and our ability to serve even more if called upon to do so.

The Smoky Board of Directors has been involved in this decision at all phases of the planning process and approved this change. The next step will be approval of a formal resolution at the October Board meeting. Our staff were recently informed at an event honoring the legacies of the seven different Area Programs/ LMEs/ LME-MCOs that are the pillars of the healthcare organization we have become. As you know, throughout each of those consolidations, Smoky’s name did not change.

However, as some of you may recall, establishing a new name was a contractual requirement of Smoky’s consolidation with Western Highlands Network in October 2013. With agreement of the WHN Board members who became part of the Smoky Board, we delayed the name change in light of Western Regional Partnership discussions with CenterPoint Human Services and Partners Behavioral Healthcare Management (Partners). More recently, the launch date was postponed again in deference to the Secretary’s March 17 announcement regarding a potential merger with Partners. It is now time for us to move forward and honor our commitment to WHN.

We know that a new name is not something that should be taken lightly. We worked hard to identify a name that communicates our mission, vision and values and prepares us for the direction the Department is heading. Although our mission has not changed, the requirements associated with our functions have changed dramatically and will continue to do so. Our brand is an asset that should work for us and help us stay relevant and noticed throughout these changes. As we move into the future of Medicaid Reform, our Board recognized the need to establish a brand that keeps the best part of the past but establishes a more distinct presence (including a digital presence) in the competitive healthcare marketplace of tomorrow.

BACKGROUND

In 2011, Smoky Mountain LME/MCO responded to the second Request for Applications (RFA) issued by the N.C. Division of Medical Assistance (DMA) for statewide expansion of the 1915(b)/(c) Waiver. The goals of waiver expansion were to improve access to services and the quality of services and to achieve greater benefits with lower costs. Although not expressly stated in Session Law 2011-264, the RFA or the waiver itself, it was understood that any savings in the Medicaid capitation would be reinvested in the public mental health, intellectual/developmental disabilities and substance use (MH/IDD/SU) system at the discretion of the managed care organization (MCO). The state believed reinvesting savings into community services and supports, as opposed to corporate profits or other non-MH/IDD/SU reinvestment purposes, was a significant advantage of the public approach. Therefore, given the original intent surrounding the use of savings, some have questioned the decision to use Medicaid savings to offset reductions in state single stream funding.

The N.C. Department of Health and Human Services (DHHS) selected Smoky to begin operation of the combined 1915(b)/(c) Medicaid Waiver in 15 counties on July 1, 2012, and we looked forward to the opportunity to reinvest our potential savings back into our communities. However, less than a year later, DHHS terminated its contract with Western Highlands Network (WHN), and we assumed responsibility for the eight WHN counties effective October 1, 2013. WHN financial operations and claims processing were in grave condition, requiring immediate stabilization and forensic evaluation. The work associated with closing out WHN operations and finances consumed a large amount of resources through the end of 2014 and beyond, necessarily delaying our initial community reinvestment plans.

After closing out WHN operations, our first significant reinvestment project was the development of a Tier IV 24/7 behavioral health urgent care (BHUC) service that is now known in the community as C3356. Full project implementation will take roughly 18 months: planning began in fall 2014, some services started in July 2015, the pharmacy opened in September 2015 and full service availability began in early summer 2016. This rapid development was the result of a phenomenal collaboration with Buncombe County, RHA Health Services, Mission Health and others. To be successful, reinvestment initiatives require significant research, planning, leadership, staff time and collaboration with community partners, in addition to funding. Simply writing a check does not solve many of the long-term systemic issues and barriers within the MH/IDD/SU system. For example, in 2011 we began working with county commissioners, a local provider and the N.C. Housing Finance Agency to develop a facility-based crisis (FBC) center in Caldwell County. Groundbreaking occurred in April 2016, a full five years since we began working on the project.

COUNTY DEMOGRAPHICS

Our catchment area has a population of 1,071,756 individuals across 9,392 square miles. The average population density is 114.1 persons per square mile. This region is home to 10.8 percent of state residents and represents 19.3 percent of the state's total area.

The geography of our catchment area includes sections of the Great Smoky Mountains National Park and Pisgah National Forest. The area is primarily composed of rural communities, farmland and sparsely

populated areas, with only one urban center. The region also includes the Cherokee Indian Reservation and Qualla Boundary lands, home to the Eastern Band of the Cherokee Indians, a sovereign nation.

The steep mountain geography creates natural barriers to intermountain transportation and access to resources and services. Winding, two-lane roads are used to navigate terrain, significantly extending travel times and distances. A 146-mile trip from Asheville (Buncombe County) to Sparta (Alleghany County) requires four hours. Many of our members live in remote rural areas, extending travel times and limiting access to basic resources such as groceries, general services and healthcare.

Catchment Area Population and Geographic Area - *2014 U.S. Census Bureau Estimate*

COUNTY	POPULATION	SQUARE MILES	PERSONS/SQUARE MILE
Alexander	37,392	259.99	143.8
Alleghany	10,879	235.06	46.3
Ashe	27,126	426.14	63.7
Avery	17,773	247.09	71.9
Buncombe	250,539	656.67	381.5
Caldwell	81,484	471.57	172.8
Cherokee	27,141	455.43	59.6
Clay	10,581	214.75	49.3
Graham	8,644	292.08	29.6
Haywood	59,471	553.69	107.4
Henderson	111,149	373.07	297.9
Jackson	40,981	490.76	83.5
Macon	44,965	515.56	87.2
Madison	33,875	449.57	75.3
McDowell	21,157	440.61	48.0
Mitchell	15,311	221.43	69.1
Polk	20,357	237.79	85.6
Rutherford	66,600	564.15	118.1
Swain	14,274	528.00	27.0
Transylvania	33,045	378.53	87.3
Watauga	52,560	312.56	168.2
Wilkes	68,838	754.28	91.3
Yancey	17,614	312.60	56.3
Total Catchment Area	**1,071,756**	**9,391.38**	**114.1**
North Carolina	**9,943,964**	**48,617.91**	**202.6**

The projects identified in this report were chosen based on the annual Gaps and Needs Assessment completed by Smoky. This information was gathered through extensive community assessment and feedback from community stakeholders. The Gap and Needs Asseessment document is currently posted on the Smoky website and available upon request. The Smoky Board of Directors approved our community and capital reinvestment plan for SFY 16 and SFY17 totaling more than **$10.2 million in fund balance reserves.** The reinvestment plan includes the following projects designed to leverage

community and grant funding opportunities and enhance the existing crisis services delivery system in western North Carolina:

Goal: Creating a robust crisis continuum will help divert individuals from long waits at and costly visits to hospital emergency departments (EDs).			
Initiative	**Description**	**Cost**	**Outcome**
C3356 and child facility-based crisis center (FBC) **Population to be served: Child MH**	Using state Crisis Solutions Initiative grant funding awarded to Smoky, we developed the C3356 BHUC in partnership with Mission Health, RHA Health Services, Buncombe County Health and Human Services, Asheville Buncombe Community Christian Ministries and NAMI Western North Carolina. The second phase of this project will be the development of one of the first child FBC centers in North Carolina at the previous adult FBC (the Neil Dobbins Center).	We expended nearly **$1.7 million** of our fund balance in relocation expenses in 2015 to kick off the project and committed another **$500,000** for ongoing operational expenses in FY16. Other funds include **$800,000** (plus **$383,000** in in-kind investments) from Buncombe County Health and Human Services, a **$2 million** grant from DHHS/Crisis Solutions Initiative and **$1 million** from Mission Health. The project will also require a **$1.5 million** in single stream operational expense from state funding once in-kind donations are expended in FY17.	C3356 is already diverting individuals from the ED and providing crisis intervention, response and stabilization services and supports within a recovery-oriented system of care. The facility also includes a peer living room model and community pharmacy under one roof.

Goal: Creating a robust crisis continuum will help divert individuals from long waits at and costly visits to hospital emergency departments (EDs).			
Initiative	**Description**	**Cost**	**Outcome**
McDowell Comprehensive Care Center expansion **Population to be served: Adult MH &SU**	As part of Caldwell FBC activities, we will extend hours and provide BHUC and advanced clearance for admission to the Caldwell facility at the existing comprehensive care center.	Projected **$300,000** (but not budgeted for FY17)	This project aims to provide increased access to enhanced MH/SU services in McDowell County and more easily facilitates admission to the Caldwell FBC.
Caldwell FBC **Populaton to be served: Adult MH & SU**	Smoky has spearheaded construction of a new adult FBC center in Caldwell County to better serve individuals from Smoky's easternmost counties. This is a collaborative project between Smoky, Foothills Foundation and the North Carolina Housing Finance Agency. Other partners include Caldwell County, RHA, Caldwell Memorial and McDowell hospitals and local law enforcement agencies. The broke ground in April 2016.	We contributed **$320,000** toward construction and obtained **$780,000** in grant funding from the Foothills Foundation. The N.C. Housing Finance Agency contributed **$620,000**. This project will require a **$1 million** operational expense from State funding in FY17 and **$2 million** in FY18.	The FBC will help divert individuals from the ED in Alexander, Caldwell, McDowell and surrounding counties.
Balsam Center FBC **Populaton to be served: Adult MH &SU**	Smoky is working to expand and upgrade the existing FBC center in Haywood County from 12 to 16 beds and develop an enhanced involuntary commitment (IVC) drop-off process at the facility.	We will contribute **$400,000** in funds to support building renovations being conducted by the Evergreen Foundation to match their capital investment of **$400,000**. This project will require an additional **$1 million** in state funding to maintain operations.	The expansion of beds will provide additional capacity for the westernmost Smoky counties and will assist local law enforcement agencies by providing a secure IVC drop-off site. This will enhance law enforcement efficiency and improve outcomes for individuals.

Goal: Creating a robust crisis continuum will help divert individuals from long waits at and costly visits to hospital emergency departments (EDs).			
Initiative	**Description**	**Cost**	**Outcome**
Northern region FBC **Population to be served: Adult MH &SU**	Smoky is working to develop a FBC center in our Northern Region starting in 2018.	We have reserved **$1.3 million** of fund balance for contruction and start-up expenses. This project will require a minimum of **$2 million** dollars in state funding for daily operations once facility is operational.	The FBC will improve access to crisis care and divert individuals from the ED.

In addition to the improvements to our crisis continuum, the SFY 15-16 reinvestment plan includes the following initiatives:

Goal: Improve care for the people we serve, support our contracted providers and reinvest in our local communities.			
Initiative	**Description**	**Cost**	**Outcome**
ICF rate increase **Population to be served: I/DD**	In response to documentation showing that rates had not kept pace with costs and/or were not comparable with similar facilities, we increased rates for our contracted intermediate care facilities (ICFs).	**$1.3 million** in ongoing operational cost.	We stabilized a critical component of care for individuals with I/DD, ensuring an ongoing level of quality care in the community.
Integrated care initiatives **Population to be served: All**	In collaboration with the Mountain Area Health Education Center (MAHEC) and Mission Medical Practices, we are developing and expanding whole-person care across our network through broad-based integrated care training and other initiatives.	**$1.3 million reserved**	Benefits include increased education for medical practices, practitioners and behavioral health providers; improved integration of behavioral health and I/DD services into medical practices; and improved integration of medical services into Smoky's contracted behavioral health and I/DD providers.

Goal: Improve care for the people we serve, support our contracted providers and reinvest in our local communities.			
Initiative	**Description**	**Cost**	**Outcome**
Group home bridge funding **Population to be served: Adult MH &I/DD**	These funds offset the loss of group home bridge funding from DHHS.	**$250,000** in FY16.	This funding allows individuals with mental illness and/or I/DD to remain in safe, long-term residential placements.
Substance use recovery housing **Population to be served: Adult SU**	This entails developing and/or expanding housing for individuals in recovery from substance use who need stable housing to maintain long-term recovery.	**$250,000** in ongoing state funding to maintain operations.	This activity fills a gap in the service system that contributes to the cycle of addiction and, in particular, will assist individuals discharging from state Alcohol Drug Abuse Treatment Centers (ADATC) to continue their recovery post-discharge.
Carolina HealthTEC Live technology expo **Population to be served: All**	We created a Health Technology Expo in May 2016 to educate providers, as well as consumers and families, about new technologies that can help individuals to live more independent lives.	**$250,000** in FY16 and **$2000,000** in FY17.	The expo aims to increase levels of wellbeing and community independence for a range of individuals able to benefit from these technologies, thus potentially reducing service costs, crisis interventions and institutional placement.
Naloxone initiative **Population to be served: Adult SU**	In response to the opioid epidemic gripping the country, we invested in supplies of Narcan®, the first FDA-approved nasal spray version of naloxone hydrochloride, and distributed to targeted agencies throughout our 23 counties. We have partnered with the Governor's Office, DHHS and the N.C. Harm Reduction Coalition on this initiative.	**$100,000**	The initiative will have an immediate impact by saving lives, providing an opportunity for treatment and recovery and avoiding family trauma associated with deaths that would otherwise result from opioid overdose.
Heroin summit	Smoky sponsored the Spring 2016 Heroin Summit, hosted by the U.S. Attorney for the Western District of N.C.	**$10,000**	This activity builds relationships, educates and promotes anti-stigma awareness for law enforcement and community partners.

Goal: Expand services, reduce stigma and continue to develop integrated and collaborative care efforts across our catchment area.			
Initiative	**Description**	**Cost**	**Outcome**
I/DD crisis service expansion **Population to be served: Adult/Child I/DD**	This entails expansion of crisis services options for individuals with I/DD, including crisis respite services.	**$1,000,000** in start-up and operational expenses.	We plan to reduce the numbers and length of stays for I/DD individuals waiting on disposition in hospital EDs. This will improve treatment outcomes for the individuals and reduce hospital ED expenses.
Youth Villages Lifeset™ program **Population to be served: Child MH & SU**	We plan to expand the Lifeset™ program to cover all 23 Smoky counties and all individuals aged 16-21 transitioning out of the foster care system.	Up to **$1.8 million** annually	This program will better assist young adults in their transition from the child treatment system. This program has been shown to reduce costs in the adult treatment and legal systems, while simultaneously demonstrating exceptional outcomes for the individual.
Child/family reunification project **Population to be served: Child MH & SU**	Smoky will reassess all children currently in Psychiatric Residential Treatment Facilities (PRTF) and develop a plan for returning them to their local communities with enhanced wrap-around supports.	**$100,000**	This program will help reduce the number of children currently served in PRTF levels of care and enhance outcomes for successful reunification with the child's family or other natural supports.
Community engagement and awareness project **Population to be served: All**	This project includes placing member education and screening kiosks at local Departments of Social Services or other community gathering spots.	**$1,000,000**	These kiosks will help educate individuals and increase awareness about behavioral health issues, connecting users with available resources and providing information on where to seek support prior to going to an ED.
Expansion of Medication Assisted Treatment for opioid users **Population to be served: Adult SU**	This project will recruit, train and fund providers across Smoky's catchment area to provide medication-assisted SU treatment to the Medicaid and the un- and under-insured populations.	Committed **$1,000,000** in FY16 and **$250,000** in FY!7.	Improved access to treatment will assist individuals in their recovery and allow them to return to active employment and community involvement, thus reducing costs in the legal system and other community programs.

Goal: Improve care for the people we serve, support our contracted providers and reinvest in our local communities.			
Initiative	**Description**	**Cost**	**Outcome**
Jail diversion program **Population to be served: Adult MH & SU**	This program will expand funding to help divert individuals with mental illness and substance use disorders from local jails into treatment services.	Committed **$400,000** in FY16 and **$65,000** in FY17.	This will assist us in engaging individuals with MH/SU problems in treatment services and to divert unnecessary detention in local jails. This will also serve to reduce the local jail population and the burden on those jails for treating individuals with MH/SU while incarcerated.

Goal: Expand services, reduce stigma and continue to develop integrated and collaborative care efforts across our catchment area.			
Initiative	**Description**	**Cost**	**Outcome**
Peer-run recovery centers **Population to be served: Adult MH &SU**	These centers will help develop peer-run recovery/ day programs for individuals recovering from substance use disorders.	Committed **$500,000** in FY16 and **$50,000** in FY17.	This will improve the recovery system for individuals recovering from addiction by providing a supportive day program for them to access after they have completed treatment services, thus increasing recovery supports and reducing potential relapse and re-entry into the treatment system.
Pregnant SU service continuum/ADATC Project **Population to be served: Adult SU**	This program will work to development additional services and improve current services to better support Substance use services for pregnant woman.	**$200,000**	To improve treatment outcomes for the mother and child recovering from substance use.
Project SEARCH **Population to be served: I/DD**	This project will work to provide internships and job training opportunities for individuals with I/DD.	Committed **$70,000** in FY17	Improved job skills and work experience for long-term exployment and increased independence.

Goal: Expand services, reduce stigma and continue to develop integrated and collaborative care efforts across our catchment area.			
Initiative	**Description**	**Cost**	**Outcome**
Veterans Initiative **Population to be served: Adult MH & SU**	To improve the support service deliverly system for individuals that have served in the military.	**$225,000**	This program will work with the existing service system and the Veterans Administration service system to facilitate improved services and treatment outcomes.
CLASP (Community Living and SOAR Program) **Populations to be served: Adult MH, SU, & I/DD**	This program will expand the Social Security Income (SSI)/Social Security Disability Insurance (SSDI) Outreach, Access, and Recovery (SOAR) initiative to targeted areas. It will utilize funds to provide legal aid services to individuals eligible for the Transitions to Community Living Initiative (TCLI) with eviction prevention and housing barriers, including ADA accommodation needs, criminal records and credit histories.	**$560,000** in FY17	This initiative will help homeless individuals obtain Social Security disability benefits. It plays an important role in jail diversion and successful reentry for inmates back into the community, reducing reliance on state-funded services. It will also increase our successes in moving individuals into permanent housing as they transition from long-term care facilities under the TCLI initiative.

FUNDING UNVAILABLE FOR REINVESTMENT - RESTRICTED FOR SPECIAL PURPOSES

It should also be noted that as a government agency and contracted MCO, we are required to maintain the following reserves for specific contractual, accounting or statutory purposes. These funds, totaling approximately **$67.75 million as of June 30, 2016**, are not available to us for community reinvestment initiatives or development of new services:

$32.2 million	30 Days Operating Cash required by Waiver Contract
$24.9 million	1915 (b)/(c) Waiver Risk Reserve required by Contract
$5,952,855	Non-cash assets reserved pursuant to N.C.G.S. § 159-8(a), which requires us to operate under an annual balanced budget ordinance
$1.2 million	Accrued Annual Leave payout
$1 million	Insurance Premium Liability
$1 million	Retention Risk Pool (reserves to cover insurance deductibles in event of claims)
$994, 000	Post-Employment Benefits under Local Government Employees Retirement System (LGERS)

$500,000	Unemployment Compensation reserve

Assuming our fund balance projections remain stable, we plan to remain deeply engaged with our communities about additional reinvestment opportunities. We are currently meeting with representatives from each of our 23 counties to identify which projects and other activities fulfil the greatest needs and have the most impact on our communities. However, a number of factors outside our control will affect the viability of these projects – factors such as development time, annual negotiation around capitation rates, potential funding cuts, increased business operation costs, legislative and public policy changes and future mergers. It should be emphasized that the very nature of our MCO business is that it operates at risk. We must proceed with a degree of financial caution to protect the organization from dynamic changes that cannot be fully planned or predicted. Experience has shown that financial and operational success cannot be guaranteed. As a steward of taxpayer dollars, we must be prudent in our financial planning.

Please also note that as a result of the recent single stream funding reduction in Session Law 2015-241 (House Bill 97), less year end credit of 4.0 million we expended over $10.0 million of our fund balance in SFY 15-16 to maintain state-funded services for uninsured and under-insured individuals in our catchment area. Assuming no changes to the Session Law or the methodology for determining LME/MCO contribution, we will expend approximately **$20.6 million** of our fund balance in SFY 16-17 to maintain state-funded services, detracting from our ability to move forward on many important, needed reinvestment projects.

LME/MCO FINANCIAL EXECUTIVE SUMMARY

FY 2016 BUDGET

Revenue	
Medicaid—All Sources	$314,151,064
All Other	$72,170,190
Total Revenue—All Sources	**$386,321,254**
Risk Reserve—Status Report	
Current Balance—June 30, 2016	$24,877,639
15% of Capitation	$47,122,660