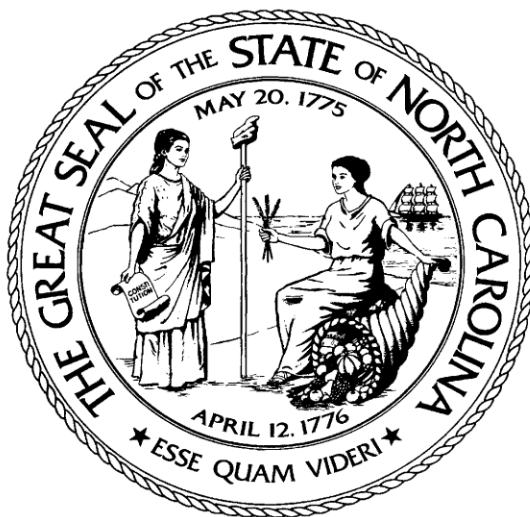


Use of Dorothea Dix Hospital Property Funds to Increase Short-Term, Inpatient Behavioral Health Bed Capacity in Rural Areas of the State with the Highest Need

Session Law 2016-94, Section 12F.4.(d)



**Report to the
Joint Legislative Oversight Committee on Health and Human
and
The Fiscal Research Division**

By

North Carolina Department of Health and Human Services

November 1, 2017

Background

SECTION 12F.4.(d) Beginning November 1, 2017, the Department of Health and Human Services shall annually report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the number and location of additional licensed short-term, inpatient behavioral health beds brought into operation with funds allocated under subsection (a) of this section.

Session Law 2016-94, Section 12F.4.(d), requires the North Carolina Department of Health and Human Services (DHHS) to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the use of Dorothea Dix Hospital Property Funds to increase short-term, inpatient behavioral health bed capacity in rural areas of the state with the highest need.

Introduction

Session Law 2016-94, Section 12F.4.(a) stated that “it is the intent of the General Assembly to increase short-term, inpatient behavioral health bed capacity in rural areas of the State with the highest need.” <http://www.ncga.state.nc.us/Sessions/2015/Bills/House/PDF/H1030v8.pdf>

The legislation required in Section 12.F.4.(b) that:

As a condition of receiving these funds, each selected rural hospital shall reserve at least fifty percent (50%) of the constructed or converted beds for (i). purchase by the Department under the State-administered, three-way contract and (ii) referrals by local management entities/managed care organizations (LME-MCOs) of individuals who are indigent or Medicaid recipients.

DHHS posted a Request for Applications (RFA) in December 2016, and re-posted it in February 2017 and June 2017, pursuant to the legislative requirements above.

Four eligible applications were submitted in response to the first posting, and one eligible application was submitted after each of the second and third postings of the RFA. The applications all proposed to convert or construct new psychiatric/Substance Use beds in the following rural counties:

- Avery
- Franklin
- Harnett
- Robeson
- Swain

Of the six eligible applications, three were selected for awards. The following table list the hospitals that were selected, the award amounts, the number of proposed beds, and the location of future inpatient care in the proposed beds. The table also includes the corresponding Local Management Entity – Managed Care Organization (LME-MCO) for each hospital that will be

responsible for referrals of persons who are indigent or have Medicaid, and for care coordination of persons who will be discharged from the hospital beds.

Table 1.: Award Amounts and Beds

LME-MCO	Hospital Applicant	Award Amount	Number/Type of Proposed Beds	Location of Proposed Beds
Cardinal Innovations Solutions	DLP Maria Parham, Inc.	\$10,103,500.00	33 beds (adult)	Franklin County, Louisburg, NC (old Franklin Regional Medical Center facility)
Eastpointe Human Services	Southeastern Regional Medical Center	\$1,393,014.00	10 beds (adult)	Robeson County, Lumberton, NC
Vaya Health	Charles A. Cannon, Jr. Memorial Hospital	\$6,503,478.00	27 beds (adults and child/adolescent)	Avery County, Linville, NC
Total		\$17,999,992.00	70 beds	

Contracts

DHHS is currently developing contracts with the three hospitals that were selected for awards. The contracts are anticipated to be ready for implementation during the first half of State Fiscal Year 2018.