



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

October 30, 2020

SENT VIA ELECTRONIC MAIL

The Honorable Joyce Krawiec, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 308, Legislative Office Building
Raleigh, NC 27603

The Honorable Josh Dobson, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 307B, Legislative Office Building
Raleigh, NC 27603

The Honorable Donny Lambeth, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 303, Legislative Office Building
Raleigh, NC 27603

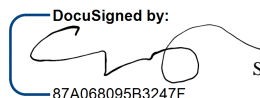
Dear Chairmen:

Session Law 2016-94, Section 12F.4.(d), requires the Department of Health and Human Services ("Department") to report annually 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.

Additionally, Session Law 2018-5, Section 11F.2, requires the Department to report annually on the number of beds or bed days reserved for and purchased by (i) the Department under the State-administered, three-way contract and (ii) the LME/MCOs for individuals who are indigent or Medicaid recipients. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

Should you have any questions, please contact Kody Kinsley, Deputy Secretary for Behavioral Health and Intellectual and Development Disabilities, at 984-236-5000.

Sincerely,

DocuSigned by:
Susan Gale Perry on behalf of
Mandy Cohen, MD, MPH
Secretary

cc:	Matt Gross	Hattie Gawande	Dave Richard	Susan G. Perry	Kody Kinsley
	Joyce Jones	Rob Kindsvatter	Lisa Wilks	Theresa Matula	Jared Simmons
	Erin Matteson	Marjorie Donaldson	Mark Collins	Jessica Meed	Luke MacDonald
	Jane Chiulli	Katherine Restrepo	Tara Myers	reports@ncleg.net	



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SECRETARY

October 30, 2020

SENT VIA ELECTRONIC MAIL

Mr. Mark Trogon, Director
Fiscal Research Division
Suite 619, Legislative Office Building
Raleigh, NC 27603-5925

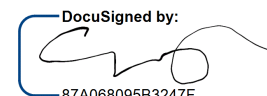
Dear Director Trogon:

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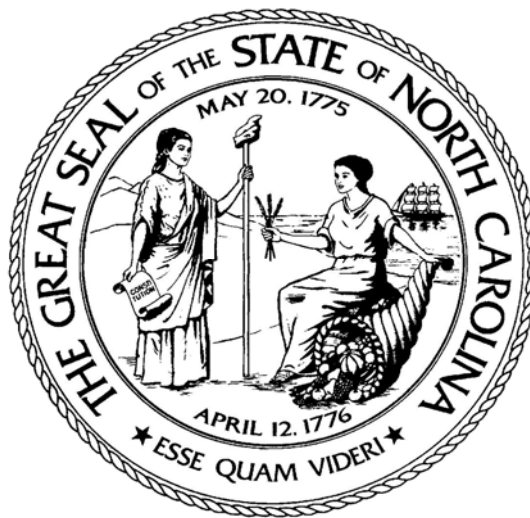
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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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)

Session Law 2017-57, Section 11F.5.(e) as amended by Session law 2018-5, Section 11F.2.



**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**

October 30, 2020

Reporting Requirements

SESSION LAW 2016-94, 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 2017-57, SECTION 11F.5.(e) as amended by SESSION LAW 2018-5, SECTION 11F.2. Report on Use of Funds to Purchase Additional Beds. – Beginning November 1, 2018, 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 inpatient behavioral health beds brought into operation with funds allocated under subsection (a) of this section and, of this number, and pursuant to subsection (d) of this section, the number of beds or bed days reserved for and purchased by (i) the Department under the State-administered, three-way contract and (ii) the LME/MCOs for individuals who are indigent or Medicaid recipients.

This report addresses the reporting requirements identified in the two excerpted paragraphs above from Session Law 2016-94, Section 12 F.4 (d) and Session law 2017-57, Section 11F.5.(e) as amended by Session Law 2018-5, Section 11F.2.

Number and Location of Behavioral Health Bed Capacity Funded

Of the eight Dorothea Dix Hospital Property Fund (DDHPF) contractors, seven are hospitals or hospital systems, which are contracted to renovate or construct a total of 157 psychiatric inpatient beds: 16 licensed child/adolescent inpatient beds and 141 licensed adult psychiatric inpatient beds. There is also a DDHPF contract with Onslow County, which is funded for 16 licensed Facility-Based Crisis (FBC) beds for adults. In total, the DDHPF is funding the development of approximately 173 behavioral health beds throughout the state. Attachment 1 identifies the DDHPF contract facilities, including the locations by county and Local Management Entity/Managed Care Organization (LME/MCO) service area, as well as the number of beds that are licensed, operational, and in development.

Table 1, below, presents a snapshot of the status of the DDHPF projects. All contracts have been executed, and the design/construction projects are in varying stages of completion, with 96 beds having been brought into operation thus far. Estimated completion dates, where available, of each project are also indicated. Due to changes to the estimated cost and scope of work for one of the hospitals, an estimated completion date remains to be confirmed.

Table 1: Contractors, Locations, Beds & State Funding

Contractor	County	City	# of Beds Being Developed	Type of Beds to be Licensed	Contract Amount	# of Operational Beds; or Completion Estimation
Caldwell Memorial Hospital	Caldwell	Lenoir	27	Adult Psychiatric Inpatient	\$4,000,000	27
Cape Fear Valley Health System	Cumberland	Fayetteville	16	Child/Adolescent Psychiatric Inpatient	\$4,000,000	6/30/2021 (16 projected)
Charles A. Cannon, Jr. Memorial Hospital	Avery	Linville	37	Adult Psychiatric Inpatient	\$6,503,478	8/31/2021 (27 projected)
DLP Maria Parham	Franklin	Louisburg	33	Adult Psychiatric Inpatient	\$10,103,500	33
Good Hope Hospital	Harnett	Erwin	16	Adult Psychiatric Inpatient	\$3,000,000	9/30/2021 (16 projected)
MH -Mission Hospital	Buncombe	Asheville	20	Adult Psychiatric Inpatient	\$3,438,179*	20
Onslow County	Onslow	Jacksonville	16	Facility Based Crisis – Adult	\$2,000,000	16
Southeastern Regional Medical Center	Robeson	Lumberton	8	Adult Psychiatric Inpatient	\$1,389,912	To Be Determined
Total			173		\$34,435,069	96 Operational

*Note: Session Law 2017-57 appropriated up to \$4 million for MH-Mission Hospital.

Number of Beds Reserved for and Purchased by DHHS

Both Session Law 2016-94 and Session Law 2017-57 require that the contractors reserve at least 50% of the added beds or bed days for possible purchase by DHHS via Three-Way Contracts for psychiatric inpatient care and by Local Management Entities/Managed Care Organizations for persons who are indigent or are Medicaid recipients. At a minimum, when all beds become operational, at least 78 beds will be required to be reserved for purchase by DHHS and LME/MCOs to serve persons who are indigent or have Medicaid health insurance.

Thirteen geriatric psychiatric inpatient beds at DLP Maria Parham in Franklin County became operational in October 2018, and construction for another 20 licensed adult psychiatric inpatient beds was subsequently completed in February 2020; all 33 beds are now licensed and are operational as of March 2020. Twenty psychiatric inpatient beds opened in MH Mission Hospital in March 2019. During the month of July 2019, Recovery Innovations, Inc. began serving persons who were experiencing behavioral health crises in the 16 newly licensed and operational FBC beds in the Onslow County facility. Caldwell UNC Health's 27 new adult psychiatric inpatient beds were licensed and all 27 recently became operational after receiving designation as an Involuntary Commitment (IVC) facility.

Of the 96 beds that have become operational, Table 2 below identifies the number of bed days between July 1, 2019 and June 30, 2020 (SFY 2020) that have been reported to the Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMHDDSAS) by the three hospitals and the FBC provider during which behavioral health services were delivered to persons needing such care. DLP Maria Parham reported a total of 833 Medicaid and Self-Pay/Medically Indigent combined bed days of psychiatric inpatient services provided in the 33 beds during SFY 2020, and MH Mission Hospital reported 7,755 combined bed days in the new 20 beds during the same time period. Onslow county reported that Recovery Innovations, Inc. likewise provided FBC services for a combined total of 1,277 bed days in SFY 2020.

Table 2: Bed Days: July 1, 2019 to June 30, 2020

Contractor	LME-MCO	Service Type	Bed Days: Medicaid	Bed Days: Self-Pay, Medically Indigent	Bed Days: Unknown	Combined Bed Days
DLP Maria Parham	Cardinal Innovations	Psychiatric Inpatient	319	514	-	833
Mission Health System	Vaya Health	Psychiatric Inpatient	4,668	3,087	-	7,755
Onslow County (Provider: Recovery Innovations, Inc.)	Trillium Health	Facility Based Crisis	223	973	81	1,277
Total			5,210	4,574	81	9,865

Table 2 reflects the number of days that individuals received psychiatric inpatient or FBC services, with the payer sources for the individuals identified as being Medicaid, no health insurance, or unknown.

Summary

Eight contracts were funded by a total of \$34,435,069 from the DDHPF. Of the 173 beds, located in renovated or newly constructed facilities, 157 are psychiatric inpatient beds in community hospitals and 16 beds are in a Facility-Based Crisis program. Ninety-six of the beds are currently operational, and design and construction activities are ongoing for the remaining 77 beds.

A total of 9,865 bed days of behavioral health care to persons, who had Medicaid, no health insurance (medically indigent), or whose health coverage was unknown, was reported by the facilities that had provided care in the new DDHPF beds.

**Attachment 1
North Carolina
Dorothea Dix Hospital Property Funded Contracts
New Behavioral Health Beds: Operational Beds & In Development
As of September 4, 2020**

