**MINUTES**

**JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES**

**Wednesday, February 11, 2004**
**10:00 A.M.**
**Room 643, Legislative Office Building**

The Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services met on Wednesday, February 11, 2004 at 10:00 A.M. in Room 643 of the Legislative Office Building. Members present were Representative Verla Insko, Co-Chair; Senators Austin Allran, Charlie Dannelly, Virginia Foxx, Cecil Hargett, and William Purcell and Representatives Martha Alexander, Jeffrey Barnhart, Beverly Earle, Edd Nye, John Sauls and Paul Stam.

Dr. Alice Lin, Project Manager, Jim Klingler, Sandra Alley, Kory Goldsmith and Rennie Hobby provided staff support to the meeting. Attached is the Visitor Registration Sheet that is made a part of the minutes. (See Attachment No. 1)

Representative Insko welcomed members and guests and announced that Senator Steve Metcalf, who recently resigned, wished the committee well and that Senator William Purcell would assist as Co-Chair during this meeting. She stated the goal of the meeting was to provide information from three area programs about moving forward as a Local Management Entity (LME).

Committee members approved the minutes from the November 12, 2003 meeting.

Dr. Alice Lin, Project Manager, referred members to the Project Manager's Report located in their notebooks. (See Attachment No. 2) She specifically addressed *Red Flag Issue* in her report. The first issue being monitored is the state's proposed Medicaid Plan amendment. She said the state plan amendment is to be submitted to the Federal government so that we can bill certain community based services and social rehabilitation that could not be billed before. This would help develop community capacity and help build a new financing system based on evidenced-based best practices. The second red flag issue is the transition to a new system. She explained that this is the year that local area/county programs will begin to move into local management entities. Dr. Lin said that she had reviewed reports on transitional planning activities from the Division and had also been in the field to talk to consumers, families and area programs staff for a first hand accounting of the transition. Today's presentations from the local programs will reflect on how the reform is working, obstacles encountered and programs that have proven to be successful. She reminded members that even though the direction of the reform bill is clear, that we also need to keep a balance between ~~the~~ statewide consistency and local flexibility, thus creating a transformation in the system that will not cause major disruption for consumers, families or staff.

Representative Alexander gave an update on the DWI Advisory Committee. She reported that data had been collected from surveys sent by the Division to assessment

providers. Information gathered from this data and site visits would provide information to the DWI Advisory Committee that would convene again for findings and recommendations to the LOC. The preliminary findings include a likely increase of assessment fees and a concurrent increase of qualifications for the assessors.

Senator Foxx asked that given the priority focus on outcomes, whether there was an evaluation of the programs effectiveness. Flo Stein from MH/DD/SAS answered that the programs were being monitored and recidivism data were being collected. She stated that the DWI committee would address how the system can improve as part of their recommendation. Senator Foxx requested a summary of what the programs do and the overall recidivism rate. Ms. Stein said that an annual report was on the way and should address both issues.

Senator Dannelly suggested that the DWI Committee might want to consider the impact of raising qualifications on certain programs (Note: Representative Alexander had asked the DWI Advisory Committee to consider a "grandfathering" provision for existing programs.)

Representative Insko asked for clarification on the purpose of an assessment. Ms. Stein replied that North Carolina law requires that people arrested for DWI be assessed to determine the level of their disability related to addiction in order to determine the intervention needed.

Dr. Richard Visingardi, Director, the Division of MH/DD/SAS provided an update on Division activities. He announced the appointment of Leza Wainwright as the new Deputy Director at the Division. He said the cost model for Local Management Entities functions had been completed and sent to local directors. Beginning July 1 the Division will begin reimbursing LMEs separately for systems management functions.

Referring to the draft contract between the Department and the LME, Dr. Visingardi said a negotiation process was in place, which includes the County Commissioners Association as well as the Council of Area Programs, to reach final agreement on the template. He stressed the importance of consumer feedback to complete the process. The contract is a performance-based contract. Through the contract negotiations they can focus on the issue of transition and be certain particular functions are in place.

Concerning the rate methodology, the Department, working with Medicaid, plans to develop prospective rates for services, send them out for review, get feedback and publish the findings. He said the Department has completed the review of the Service Definitions and that Medicaid is completing their review. The Office of Policy and Planning is helping to integrate the two plans. They will publish a timeline including a date of January 1, 2005 to implement the new service definitions and the new rate structure.

Transition issues addressed included: 1) work force competency; 2) substance abuse – distribute definitions quickly to open new doors to people with addiction disorders; 3) mental health – transition to new models of practice and new venues to deliver services;

4) developmental disabilities – need to move forward to serve people in the community and 5) children services – need for residential treatment service, safety concerns.

Senator Foxx asked for further explanation of the draft contract. Dr. Visingardi explained that the main contract would provide a formal agreement between the Department to the LME. Within the context of the Division/LME contract are the specifications for the LME/provider contracts, describing the provider network management. Once the contracts are in place, each LME will have contracts with providers that operate within the parameters of the state contract.

Senator Foxx was also concerned that the state is not adequately addressing children's services. Dr. Visingardi said that an inordinate number of children are being placed in residential treatment facilities rather than in community based treatments. We need to move forward establishing new best practice services so more children can get treatment that will allow them to remain at home or in the community close to their home. The new service definitions will allow us to do more for the children.

Representative Insko asked for an explanation of Levels I, II and III group homes for children. Dr. Visingardi said there is confusion with the different definitions of residential settings. With the new service definitions, the distinction between treatment settings will become clear. Right now, the difference is some places are more structured and more secure as opposed to others that are more flexible. Level III homes are also being used extensively, reflecting an ease of access and higher reimbursement rates. Changing the definitions of residential programs in fairness to all providers so everyone understands, adopting the service definitions, and adjusting reimbursement will help create more alternatives and change the demand.

Representative Barnhart asked if group homes for children were monitored to ensure that they are used for appropriate placements and are not overused. He also asked Dr. Visingardi to address outcome-based performance measurement. Regarding the appropriate use of group homes, Dr. Visingardi said that adequate monitoring is difficult under the current fragmented system. Under reorganization, we will establish uniform LME/provider contracts that address issues such a monitoring, and then we will have more assurance that group home placements are appropriate. Planning in a new unified system will change the demand for group homes over time, the quality will improve and provider qualifications will improve with the new definitions. The outcomes-based performance measures that are currently being written will support serving children in their own homes.

Representative Earle asked for a summary of the kinds of residential settings, reimbursement rates, qualifications, services provided, number of children in the facilities and the total number of facilities. Dr. Visingardi said he would get the information for her. Representative Insko asked Dr. Visingardi to also include the number of children served and the total dollars spent last year on Level I, Level II, Level III and Level IV placements.

Senator Dannelly asked how many child residential treatment definitions there were and who was responsible for redefining. He was told there are 5 definitions under study and

the Division and DMA are responsible for the new service definitions. Dr. Lin clarified that the new service definitions actually spell out the outcomes for each service whereas the current definitions are weak in that area. She added that we are moving toward a more outcome-based system.

Senator Foxx told of a child who was in a twelve-month treatment program but the treatment was terminated by Social Services -acting as the child's guardian - at the end of nine months. The treatment facility had no recourse but to comply. Senator Foxx asked if the new system provided a mechanism to guarantee that a child would be able to complete an approved treatment program. Dr. Visingardi responded that a treatment program might be interrupted if circumstance or conditions changed but if the provider is not satisfied with a termination decision, the provider can work with the LME through the provider-management relationship function to resolve the issue. Also the consumer has a customer service system at the LME so the consumer could object to the termination of services.

Representative Alexander asked if there was a definitional change concerning addiction services and, if so, what is the basis for the change. Dr. Visingardi said the definitions have been derived from best practice, where there have been demonstrated positive outcomes for people. Ms. Stein added that there were two new parts to the services definitions. First, they follow the American Society for Addiction Medicine (ASAM) and every level of ASAM is in the continuum so the network the LME establishes will have all the levels. Second, the rehab option is much more appropriate for substance abuse than the medical model the old definitions were based on. There are different kinds of services available now that can be part of the Medicaid Plan which would cover women and children allowing money to go to the uninsured.

Representative Earle asked Dr. Visingardi to explain the policy for releasing adults from state facilities into the community. He said that as the beds are being reduced, plans are put into place to see that the consumers are appropriately served in the community. So far, the only bed reduction has been for long term care residents. As the reform moves forward, there will be a tighter relationship between the LMEs and the state facilities. The facilities will be part of the LME network, and the LMEs will be responsible for admissions and discharges.

Dr. Visingardi stated that release of acute care patients is another matter. Acute care patients are there for a short length of time. The individual’s civil liberties are an issue, and these patients cannot be held in a state facility once their symptoms are under control This is the ultimate goal of building community capacity for the mentally ill population. We have to find a way to make sure they don’t wind up in homeless shelters. Working with the LMEs on admissions and discharges and supporting the development of community based services will help.

Representative Insko asked if there was an increase in the number of people that are in and out of institutions who are placed in homeless shelters. Stan Slawinski, MHDDSAS, said that the figures have not changed but the awareness of the problem has risen. It is difficult to track the acute population when they are only in an institution for 72 hours.

She requested further information on community capacity for adults with mental illness and where people were going upon discharge from the state facilities.

Senator Dannelly asked if the laws surrounding the issue of 72 hours needed to be addressed. Dr. Visingardi responded that keeping a person in a locked-up facility for longer than 72 hours when they are no longer an imminent threat to self or others is a violation of their civil liberties. This is federal law, and we must comply with it. So the question is how to intervene without denying a person their civil liberties?

Senator Purcell asked if it was safe to say that there were no more people on the streets after the reform than there were before. Dr. Visingardi responded that people were not being released from long-term beds without a plan so there had not been an increase of people on the street from those beds and the numbers indicate we do not have any increase in the number of people being discharged to homeless shelters. If anything, the number of discharges to homeless shelters has declined.

Mr. Ron Morton, Executive Director, CenterPoint serving Forsyth, Stokes and Davie counties spoke on the progress of implementation and Laurie Coker, Chair of the Consumer and Family Advisory Committee (CFAC) provided comments on consumer and family involvement. (See Attachment No. 3) Mr. Morton gave an overview of the Area Authority including the population served, the operating budget and the strategic phases of the Local Business Plan. He explained the divestiture plan that was built around expanding current service contracts, using a request for proposal process and creating a community not-for-profit by spinning off certain parts of the current operation. He stressed that as of July 2004 CenterPoint would be fully divested. Continuing, Ms. Coker said that over the last year there had been a cultural change in the relationship between the CFAC and CenterPoint and they are now in a constructive partnership. Through this partnership CenterPoint has benefited by the energy, creativity and advocacy characterized by CFAC. She reviewed initial factors that helped to develop a successful partnership in hopes they could be used in establishing other CFACs across the state. The issues of concern CFAC has identified regarding reform include: 1) too little money for housing; 2) too few case managers; and 3) make sure that divestiture is smooth while providing choice.

Senator Allran asked if the budget for CenterPoint reflected in the overview would be the same budget when they were fully divested in July. Mr. Morton said the budget is current and would not change dramatically. The same dollars would still flow through the LME but go out by way of contract payments instead of salaries and benefit payments. Funding allocated to the LME may create a slight gain due to the level of county funding.

Senator Foxx asked what the level of involvement was of the county commissioners regarding accountability. Dr. Visingardi responded that much of this was handled through the contracts and at the state level , contract negotiations participants included the Department, the Council of the Area Programs as well as the County Commissioners Association recognizing that the contract is a public-to-public contract. Dr. Lin added that the local business plan has to be approved by the county commissioners and managers and will be part of the addendum to the contract management template.

Senator Allran asked where an LME would turn if they were in need of help. Dr. Visingardi said that there was an LME liaison in the Division for each LME. That person can provide technical assistance or consultation.

Next, Maria Spaulding, Executive Director of Wake County Human Services, spoke on how Wake County is implementing mental health reform. She said the Wake CFAC was very active and that a newly developed Community Provider Advisory Committee (CPAC) was formed to maintain close contact with providers in the community. Representatives from each group attend weekly meetings that guide the implementation plan. She explained the successful integration of clients from Dix hospital into the community with nearly one million dollars in funds following them to provide community services. She described several community settings in more detail.

Ms. Spalding said areas of concerns about reform include the quality and quantity of housing and residential placement in the community, drop-in centers located in the community where consumers live, review rates for inpatient care so community hospitals may provide additional staffing and programming for patients currently served in state hospitals. She expressed some concerns about potential delay in implementation as a result of multiple changes in direction or instruction from the state, and that providers cannot sign contracts without service definitions and rates of payment determined.

Mr. Roy Wilson, Executive Director, Neuse Center serving Craven, Jones, Pamlico and Carteret counties, introduced Mr. Steve Pocklington, Deputy Director of Quality Management. Mr. Pocklington spoke on the Neuse Center recovery project with a recovery-focused action plan and what it has meant to the community and consumers. He explained that they had worked very hard in the recovery project to embrace the concept of recovery that was articulated in the State Plan. Recovery is having an identity that is separate from your diagnosis. It enables one to have a rich and productive life in the community and empowers people to take control of their own lives. Mary Ellen Copeland, a psychiatric survivor, researched and surveyed 150 survivors to discover what people did to take care of themselves aside from the traditional treatments and medications. The Wellness Recovery Action Plan facilitators are trained to spread their knowledge throughout the community and he added that they were happy to share their knowledge with other programs. He then introduced Norman Carter, Virginia Monroe, Nancy Manning, Bev Stone, Dale Preisach who are all part of the Neuse Center's Partners in Recovery Project. They each shared their experience in their journey of recovery and what a profound affect the program had on their lives. Documents of their success were shared with the LOC members during their individual presentation. Collectively and individually, they described a personal journey of empowerment and hope, and attainment of progress in academic, work and life. The LOC members thanked them for sharing their stories.

Mr. Pocklington continued by explaining the Wellness and Recovery Action Plan (WRAP) which is a self-administered tool for consumers and families during recovery. He said a maintenance plan is written daily listing the things that are going to be done to stay well. It is based on hope, personal responsibility, education, advocacy and support. He emphasized that this was complimentary to traditional treatment services. An action plan is included as part of the WRAP that identifies trigger points which could potentially

send a person into crisis. The action plan takes the power away from those trigger points. A crisis plan is also written to give support instructions on how to care for a person if someone needs to take control when help is needed. He said that all those who spoke today had been trained to facilitate classes on wellness recovery action planning so that the classes can be spread throughout the community.

Senator Allran asked the status of replicating this program in the LMEs throughout the state. Don Willis, Division MHDDSAS, responded that the program was started 2 years ago at Neuse and Piedmont. The idea was to train staff in the concepts of recovery. The one implemented at Piedmont is different but has been equally successful. Ms. Stein added that part of the new service definitions includes people trained as peer supporters in the delivery of services. The definitions reinforce the importance of what we have seen today. Dr. Lin added that in addition to the state decimation, the NC Council publicized them as part of the member services; the Neuse program was recently given one of the best practice awards.

The meeting adjourned at 1:00 P.M.

_____
Representative Verla Insko, Co-Chair

_____
Rennie Hobby, Committee Assistant