



STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

KODY H. KINSLEY  
SECRETARY

July 20, 2022

**SENT VIA ELECTRONIC MAIL**

The Honorable Jim Burgin, Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 620, 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

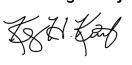
The Honorable Larry Potts, Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 307B1, Legislative Office Building  
Raleigh, NC 27603

Dear Chairmen:

Session Law 2020-78, Section 4E.1 requires the Department of Health and Human Services to submit a report on funds used for local inpatient psychiatric beds or bed days and any other Department initiatives funded by State appropriations to reduce State psychiatric hospital use. This report is due to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

Should you have any questions regarding this report, please contact John Furnari, Program/Policy Analyst, at [John.Furnari@dhhs.nc.gov](mailto:John.Furnari@dhhs.nc.gov).

Sincerely,

DocuSigned by:  
  
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Kody H. Kinsley  
Secretary

cc: Mark Collins Joyce Jones Katherine Restrepo Lisa Wilks Amy Jo Johnson  
Jessica Meed Theresa Matula Luke MacDonald Nathan Babcock [reports@ncleg.gov](mailto:reports@ncleg.gov)

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



STATE OF NORTH CAROLINA  
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SECRETARY

July 20, 2022

**SENT VIA ELECTRONIC MAIL**


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

Dear Director Trogdon:

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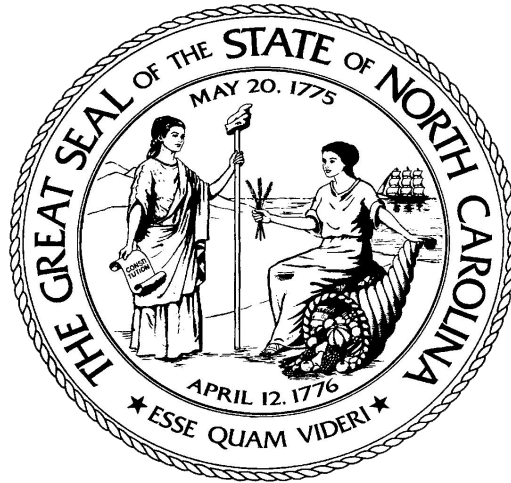
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**Funds for Local Inpatient Psychiatric Beds or Bed Days Purchased  
in State Fiscal Year 2019-2020 and Other Department Initiatives to  
Reduce State Psychiatric Hospital Use**

**Session Law 2020-78, Section 4E.1.**



**Report to the**

**Joint Legislative Oversight Committee on  
Health and Human Services**

**and**

**Fiscal Research Division**

**By**

**North Carolina Department of Health and Human Services**

**July 20, 2022**

## **REPORTING REQUIREMENTS**

*S.L. 2020-78, Section 4E.1. Reporting by Department. – By no later than December 1, 2020, and by no later than December 1, 2021, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on all of the following:*

- (1) A uniform system for beds or bed days purchased during the preceding fiscal year from (i) funds appropriated to the Department for the 2019-2021 fiscal biennium under S.L. 2019-242 and Section 11F.3 of S.L. 2017-57 that are designated for this purpose, (ii) existing State appropriations, and (iii) local funds.*
- (2) An explanation of the process used by the Department to ensure that, except as otherwise provided in Section 11F.3 of S.L. 2017-57, local inpatient psychiatric beds or bed days, purchased in accordance with this section are utilized solely for individuals who are medically indigent, along with the number of medically indigent individuals served by the purchase of these beds or bed days.*
- (3) The amount of funds used to pay for facility-based crisis services, along with the number of individuals who received these services and the outcomes for each individual.*
- (4) The amount of funds used to pay for nonhospital detoxification services, along with the number of individuals who received these services and the outcomes for each individual.*
- (5) Other Department initiatives funded by State appropriations to reduce State psychiatric hospital use.*

## **USE OF FUNDS AND DISTRIBUTION AND MANAGEMENT OF BEDS/BED DAYS**

*S.L. 2017-57, Section 11F.3.(a). Use of Funds. – Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for crisis services, the sum of forty-one million three hundred fifty-one thousand six hundred forty-four dollars (\$41,351,644) in recurring funds and the sum of forty-one million three hundred fifty-one thousand six hundred forty-four dollars (\$41,351,644) in recurring funds for the 2018-2019 fiscal year shall be used to purchase additional new or existing local inpatient psychiatric beds or bed days not currently funded by or through LME/MCOs. The Department shall continue to implement a two-tiered system of payment for purchasing these local inpatient psychiatric beds or bed days based on acuity level with an enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels, as defined by the Department. The enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels shall not exceed the lowest average cost per patient bed day among the State psychiatric hospitals. In addition, at the discretion of the Secretary of Health and Human Services, existing funds allocated to LME/MCOs for community-based mental health, developmental disabilities, and substance abuse services may be used to purchase additional local inpatient psychiatric beds or bed days. Funds designated in this subsection for the purchase of local inpatient psychiatric beds or bed days shall not be used to supplant other funds appropriated or otherwise available to the Department for the purchase of inpatient psychiatric services through contracts with local hospitals.*

*S.L. 2017-57, Section 11F.3.(b) Distribution and Management of Beds or Bed Days. – Except as provided in this subsection, the Department shall work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, as defined in this subsection. In addition, the Department shall work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are distributed across the State in LME/MCO catchment areas and according to need as determined by the Department. The Department shall ensure that beds or bed days for individuals with higher acuity levels are distributed across the State in LME catchment areas, including any catchment areas served by managed care organizations, and according to greatest need based on hospital bed utilization data. The Department shall enter into contracts with LME/MCOs and local hospitals for the management of these beds or bed days. The Department shall work to ensure that these contracts are awarded equitably around all regions of the State. LME/MCOs shall manage and control these local inpatient psychiatric beds or bed days, including the determination of the specific local hospital or State psychiatric hospital to which an individual should be admitted pursuant to an involuntary commitment order.*

*The Department may use up to ten percent (10%) of the funds allocated in this section for each year of the 2017-2019 fiscal biennium to pay for facility-based crisis services and nonhospital detoxification services for individuals in need of these services, regardless if the individuals are medically indigent, defined as uninsured persons who (i) are financially unable to obtain private insurance coverage as determined by the Department and (ii) are not eligible for government-funded health coverage such as Medicare or Medicaid.*

## **NORTH CAROLINA’S UNIFORM SYSTEM FOR BEDS/BED DAYS**

North Carolina’s uniform system for beds or bed days consists of (i) Three-Way Bed State appropriations, (ii) other State appropriations, and (iii) Local Funds.

### **I. Three-Way Beds**

#### **Overview**

A set of local psychiatric and substance use inpatient beds or bed days are funded by direct legislative appropriations and are administered by the Department of Health and Human Services (DHHS), Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS) via contracts with Local Management Entities/Managed Care Organizations (LME/MCOs) and Community Hospitals. These contracts are referred to as “Three-Way Contracts,” to reflect the fact that three organizations (DMH/DD/SAS, LME/MCOs, and Community Hospitals) are partners to the contracts.

Under this arrangement, the community hospitals make beds available to admit persons who are eligible for Three-Way Contract psychiatric inpatient services and whose care is authorized by the LME/MCOs. The community hospitals deliver the inpatient treatment and then submit claims to the LME/MCOs. The LME/MCOs adjudicate the claims, and then pay the hospitals for the episodes of care that were authorized and adjudicated for payment. The LME/MCOs then

submit claims to DMH/DD/SAS via NC TRACKS, the multi-payor Medicaid Management Information System for NC DHHS, for adjudication and reimbursement.

In an effort to more equitably distribute Three-Way Contract funding across the State in accordance with the need for psychiatric inpatient care, DMH/DD/SAS applied a re-balancing process, developed in collaboration with stakeholders, to the appropriated dollars. Through this re-balancing process, funding was reallocated via a formula to determine the regional (LME/MCO service area) need for psychiatric inpatient care; the regional dollar amounts were identified for each hospital within an LME/MCO service area, accounting for population data, operational bed capacity, and prior year utilization of funds.

At the start of State Fiscal Year (SFY) 2021, there were 28 Three-Way Contracts for psychiatric and substance use inpatient between DMH/DD/SAS, the seven LME/MCOs, and 28 community hospitals. The 28 Three-Way Contracts were funded at a total amount of \$40,621,644 to provide psychiatric and substance use inpatient care for persons who were medically indigent. The funds purchased 54,112 days of inpatient care, which was provided in approximately 166 available beds.

Of the 28 hospitals, Vidant Health Duplin General, elected to close its psychiatric inpatient unit and terminate its Three-Way Contract within the first quarter of SFY 2021. However, effective October 1, 2020, DMH/DD/SAS added three new hospitals to the remaining Three-Way contract hospitals; two of the three, Caldwell Memorial and DLP Maria Parham, had reserved beds for Three-Way contract psychiatric care, per their Dorothea Dix Hospital Property Fund (DDHPF) contract obligation (see Section IV below). The third hospital, DLP Wilson Medical Center, was added to Eastpointe's catchment area, which had only one remaining Three-Way participating hospital at the beginning of SFY 2021. Notably, to accommodate the new facilities without additional appropriations for Three-Way contracts, DMH/DD/SAS initiated a re-distribution of the budgeted Three-Way contract funding to support the reserved beds constructed under the DDHPF along with the existing Three-Way contract hospitals. This was in the context of increasing numbers of medically indigent North Carolinians due to North Carolina electing to be a non-Medicaid expansion state.

Two-tiered rates have been implemented as directed by the S.L. 2017-57, based on the level of behavioral, psychiatric, and/or co-morbid medical acuity of the persons served. DMH/DD/SAS established the lower rate (procedure code: YP 821) at \$750 per bed day; and the higher rate (procedure code: YP 822) at \$900 per bed day. Attachment 1 provides a map of the community hospitals in LME/MCO service areas along with the number of Three-Way contract beds.

The total amount paid to the LME/MCOs for Three-Way psychiatric and substance use inpatient care out of the SFY 2021 budget was \$39,424,397. In turn, the LME/MCOs paid the community hospitals for their Three-Way Contract services. During SFY 2021, a total of 53,120 bed days were purchased and 6,906 persons were served as a result of this Three-Way Contract funding. As discussed below, additional CARES Act funds were appropriated as the Single-Stream funds in SFY 2021. Between Single-Stream (including the CARES Act portion) and Three-Way, the state was able to pay for an additional \$6,445,230 of inpatient care for the uninsured in SFY 2021 that would have otherwise been uncompensated.

## **Ensuring Funds are Used Solely for Persons Who are Medically Indigent**

DMH/DD/SAS ensures that the local inpatient beds or bed days purchased in accordance with S.L. 2017-57, Section 11F.3(a) are used “solely for individuals who are medically indigent” via the requirements contained within Three-Way Contract, and by the claims’ adjudication process employed in NCTracks.

Each Three-Way Contract contains the following pertinent excerpts presented in part:

The primary purpose of this contract is for the establishment and usage of New Local Psychiatric Inpatient Bed Capacity at the local community level to cover the cost of indigent acute care. (p. 1; Initial paragraph, stating the purpose of contract)  
The patient shall be medically indigent (uninsured), 18 years of age or older... (pp. 6, 7; *Utilization Management Options for Admissions*)

NCTracks adjudicates claims for payment for Three-Way Contract psychiatric and substance use inpatient services that were provided only to persons who had no other health insurance payer for that inpatient care; that is, these claims are only for those who were medically indigent. NCTracks’ adjudication process includes the identification of other existing health insurance payers for the person whose inpatient service is reflected by the claim. If another existing health insurance payer is discovered that covers the inpatient service, NCTracks will deny the claim; ensuring that the Three-Way Contract funds are used solely for persons who are medically indigent.

In total, 6,906 (unduplicated count) North Carolinians who are medically indigent were served by the purchase of Three-Way Contracts in SFY 2021.

## **II. Carved out Funding for Facility-Based Crisis and Non-Hospital Medical Detoxification**

Due to increased utilization of the Three-Way Contracts for psychiatric and substance use inpatient care since SFY 2017, and continuing through SFY 2021, none of the appropriated funding for Three-Way Contracts was carved out to pay for Facility Based Crisis or Non-Hospital Medical Detoxification in SFY 2021.

## **III. Other State and Local Funded Inpatient Care in SFY 2021**

### **Other State Funded Inpatient Care in SFY 2021**

Other funding was used by the LME/MCOs to pay for psychiatric and substance use inpatient services that were delivered by community hospitals during SFY 2021. In addition to the Three-Way Contract psychiatric and substance use inpatient services provided by way of S.L. 2017-57, Section 11F.3.(a)-(f) appropriation summarized above, the North Carolina General Assembly (NCGA) appropriated funds, known as single-stream funding, to the LME/MCOs to pay for a continuum of services to people without health insurance coverage for mental health, substance use, and intellectual and developmental disabilities services and supports.

In addition to the state dollars appropriated by the NCGA, federal funding, via the Coronavirus Aid, Relief, and Economic Security Act and the Coronavirus Response and Consolidated Appropriations Act (CARES Act), became available in response to the impact of COVID-19. CARES Act funding was allocated to all seven LME/MCOs to help pay for services needed in their respective service areas to assist with the exacerbated behavioral health care needs associated with the pandemic. Each of the LME/MCOs used some of the CARES Act funding to purchase additional psychiatric and substance use inpatient care in SFY 2021.

In SFY 2021, the combined funding from Single-Stream and the CARES Act, used by the LME/MCOs to purchase psychiatric and substance use inpatient care for persons who were medically indigent, totaled \$23,584,171. Those funds paid for 32,377 bed days for psychiatric inpatient care to 4,106 individuals (unduplicated count) in community hospitals.

This represents an increase in covered beds days compared to SFY 2020. Specifically, in SFY 2020, Single-Stream funds paid for 22,548 bed days for psychiatric inpatient care to 2,885 individuals in community hospitals, at a cost of \$15,941,694.

#### **Locally-Funded Inpatient Care in SFY 2021**

One LME/MCO, Alliance Health, reported to DMH/DD/SAS that it was able to access local funding to purchase additional psychiatric inpatient services in community hospitals. A total of \$5,720,253 was paid to community hospitals for inpatient care. These local funds were reported to have purchased 11,036 bed days and served 850 people (unduplicated count).

#### **IV. Other Department Initiatives Funded by State Appropriations to Reduce State Psychiatric Hospital Use**

The initiatives described below are intended to divert individuals who experience behavioral health crises from seeking psychiatric or substance use crisis response from emergency departments (EDs). These initiatives offer alternative crisis response, and when people with behavioral health crises are successfully diverted from ED visits, the need for psychiatric and substance use inpatient hospital care is reduced.

#### **Behavioral Health Urgent Care and Facility Based Crisis**

In SFY 2013, the NC General Assembly appropriated funding for Facility Based Crisis (FBC) centers and Behavioral Health Urgent Care (BHUC) centers to serve as alternatives to EDs and inpatient hospitalization for persons who experience crises related to mental health, substance use, or intellectual/developmental disabilities diagnoses. Eight BHUCs (i.e., Tier IV BHUCs) and all of the FBCs operate on a 24-hour, seven days per week basis. The FBCs are licensed residential facilities, under Rule 10A NCAC 27G Section .5000, *Facility Based Crisis Service for Individuals of All Disability Groups*, and provide facility-based crisis service as described in Rule 10A NCAC 27G .5001, *Scope*. The State currently has 23 adult FBC Service sites, 11 of those are designated for the treatment of persons who are under involuntary commitment (IVC). The 23 FBC's have 323 beds to offer alternative treatment to inpatient hospitalization.

In addition, North Carolina has expanded the crisis response services to include Child FBCs. The State currently has three fully operational Child FBC Service sites, both of them being



designated for the treatment of persons who are under voluntary and involuntary commitment (IVC). Each Child FBC services site has a 16-bed facility which will provide care and treatment for children and adolescents ages 6 through 17, who need crisis stabilization services and 24-hour supervision due to a mental health crisis, substance use or withdrawal from drugs or alcohol, and will provide access to timely, age-appropriate mental health care during a time of crisis. Each site will also provide crisis care to young people with intellectual or developmental disabilities.

Three Child FBCs are currently operational in the State. SECU Youth Crisis Center, developed through a partnership between Cardinal Innovations LME/MCO and Monarch, opened in Charlotte on December 29, 2017. Caiyalynn Burrell Crisis Center for Children, developed through the partnership between Vaya Health LME/MCO and Family Preservation Services of North Carolina, opened in Asheville on June 21, 2018; the management of operations for this facility recently changed to Daymark Recovery Services. Sandhills Center LME/MCO has partnered with Cone Health healthcare system, the Guilford County Commissioners, and Alexander Youth Network to develop a Child FBC in Greensboro located and currently operating in Guilford County as of August 19, 2021.

There are two additional Child FBC Service sites currently in development and under construction. Sandhills Center LME/MCO has partnered with Daymark Recovery Services to develop a Child FBC in Rockingham located in Richmond County; this facility is expected to open in the Fall of 2021. Alliance Health LME/MCO has partnered with Kids Peace to develop a Child FBC in Fuquay-Varina located in Wake County; this facility has a projected opening date of Spring 2022. Both of these Child FBCs will also include 24 hours/7-days per week/365 days per year Tier IV Behavioral Health Urgent Care Centers (BHUC) on the premises.

S.L. 2014-100, Section 12F.5.(a) defines Behavioral Health Urgent Care (BHUC) was as follows:

*Behavioral Health Urgent Care Center. – An outpatient facility that provides walk-in crisis assessment, referral, and treatment by licensed behavioral health professionals with prescriptive authority to individuals with an urgent or emergent need for mental health, intellectual or developmental disabilities, or substance abuse services.*

Some of the Tier IV BHUC sites are equipped with additional resources to help stabilize individuals in crisis. These resources are 23-hour crisis stabilization/observation beds, which provide supervised care to de-escalate the behavioral health crises and reduce the need for emergent care. This service provides prompt assessments, stabilization and links consumers to the appropriate level of care. The intended outcome is to avoid unnecessary hospitalizations for people experiencing crises that may resolve with time and observation.

Together, Tier IV BHUCs and FBCs provide alternative routes for crisis stabilization that allow individuals in crisis to completely avoid an ED visit. The BHUCs function as effective alternatives to EDs for persons in behavioral health crisis who are not experiencing any significant medical distress. Like EDs, BHUCs are capable of providing first evaluations for IVC, and are able to refer persons needing crisis stabilization to either a hospital inpatient level of care, an FBC level of care, or an intensive outpatient level of care, depending on an individual's needs. In SFY 2021, there were 5,840 admissions for evaluations in TIER IV

BHUC. FBCs function as local alternatives to an inpatient level of care, and typically provide three to five days of behavioral health crisis stabilization in a unit of 16 beds or less, including treatment of persons who are under involuntary commitment.

S.L. 2018-5, Section 11F.5.(a) directed the DHHS, DMH/DD/SAS to allocate one million four hundred thousand dollars (\$1,400,000) in non-recurring funds to Vaya Health (Vaya) as a grant-in-aid for the construction of a facility-based crisis center in Wilkes County. DMH/DD/SAS allocated the funds to Vaya, which worked with Synergy Recovery Center to expand and renovate the existing facility-based crisis center located in North Wilkesboro. The renovations were completed Spring 2021 resulting in a 16-bed facility.

Attachment 2 provides a map of the BHUCs and FBCs throughout the State, indicating the LME/MCO service area and county.

### **Mobile Crisis Management**

Mobile Crisis Management is a fee-for-service, state-funded crisis response, stabilization, and prevention service; funded through appropriations that continue to be allocated through single stream funding to LME/MCOs. This enhanced service is available 24 hours a day, seven days a week, 365 days a year, and is part of the service array for uninsured persons.

### **Non-Hospital Medical Detoxification**

Non-Hospital Medical Detoxification is a state-funded service that provides 24-hour medically supervised evaluation and withdrawal management in a hospital or a free-standing facility. This enhanced service is funded through appropriations that continue to be allocated through single stream funding to LME/MCOs. This service is available 24 hours a day, seven days a week, 365 days a year, and is part of the service array for uninsured persons.

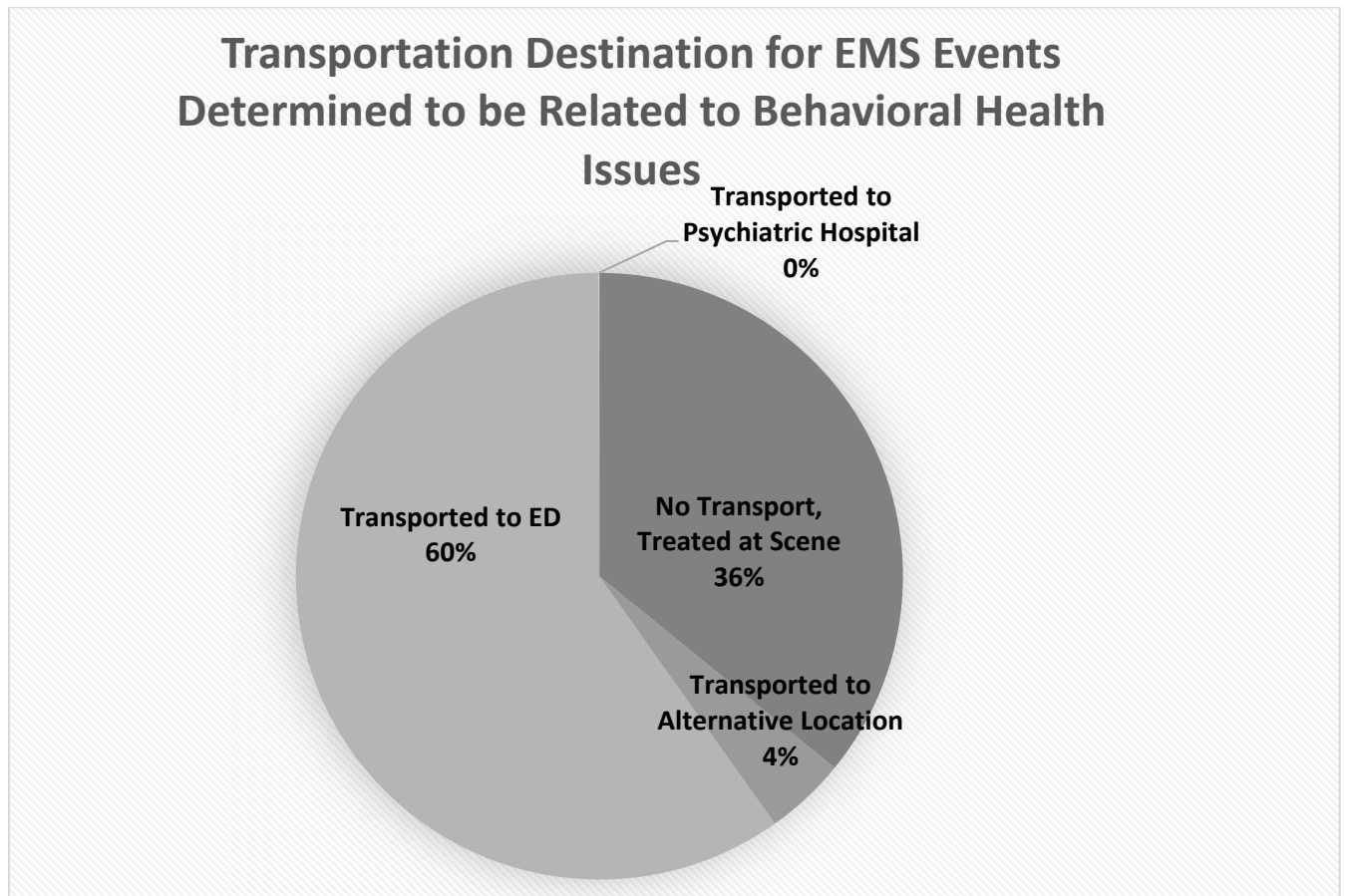
### **Community Behavioral Health Paramedicine Pilot**

The Community Behavioral Health Paramedicine Pilot Program was originally funded by the NCGA via S.L. 2015-241, Section 12F.8, and has more recently received additional funding through an appropriation in S.L. 2017-57, Section 11G.1.(a). The pilot program was designed to permit community-based initiatives to provide care thereby avoiding both nonemergency use of emergency rooms and 911 services as well as unnecessary admissions into health care facilities. As implemented, the program used “specially-training Emergency Medical Services (EMS) staff to intervene with patients experiencing behavioral health crises, and provide incentives for the participating EMS to either treat on-scene or route those patients not needing medical treatment to lower cost alternatives to hospital emergency departments (EDs).”

In SFY 2021, specially trained EMS workers in three North Carolina counties (Forsyth EMS, McDowell EMS, and Onslow EMS) responded to behavioral health emergencies under the aegis of the Community Behavioral Health Paramedicine initiative. A total of 1,291 community behavioral health paramedicine encounters were reported. Of those, 775 were treated on the scene, and required no transport to a higher level of emergency response; another 93 encounters resulted in the individuals being transported to alternative emergency response facilities (e.g., BHUCs, FBCs) instead of hospital EDs. Figure 6 below presents the transportation destination

by percent, with a combined total of 40% either being treated on the scene without transport (36%) or being transported to alternative emergency response facilities (4%).

**Figure 6**



Following approval by CMS, treatment of individuals experiencing behavioral health crisis at alternative emergency response facilities (e.g., BHUCs and FBCs) is now Medicaid reimbursable.

### **Case Management Pilot Programs**

#### **1. Vaya Health – Mission Hospital – RHA Health Services, Inc**

This current pilot was implemented and receives funds from the Mental Health and Substance Use Task Force Reserve Fund, as established by S.L. 2016-94, Section 12F.3(b). Resource Intensive Comprehensive Case Management (RICCM). The goal of this pilot was to reduce utilization of EDs and behavioral health inpatient through targeted and enhanced case management practices.

Following are some of the high points, from the pilot's inception in May 2017 through June 2021:

- RICCM has been provided to 1,149 individuals since 2017.
- Payor source through June 30, 2021 breakdown is as follows:
  - Medicaid- 37%
  - Uninsured- 23%
  - Medicare- 19%
  - Private- 20%
- The program hired a Social Security Insurance/Social Security Disability Insurance (SSI/SSDI) Outreach, Access, and Recovery (SOAR) attorney in May 2018 to help link individuals to insurance and also provide legal consultation. Since starting in May 2018, they have provided the following:
  - Legal consultations: 277 individuals
  - SOAR applications in progress: 21
  - 14 individuals were awarded SSI/SSDI
  - 16 individuals were deemed eligible for Medicaid
- Data showed a roughly 37% decrease in ED visits for people engaged in RICCM, with participants having an average 3.84 visits in the six months prior to receiving RICCM, and 2.24 visits in the six months post RICCM.
- Data showed a roughly 57% drop in behavioral health inpatient stays, with participants having an average 2.5 visits in the six months prior to receiving RICCM, and 1.19 visits in the six months post RICCM.
- The RICCM program uses the Daily Living Activities (DLA-20), a nationally recognized evidence based functional assessment, to assess current daily living needs and incorporate those needs into treatment plans. They then administer the DLA-20 every 30 days to track any functional gains. An increase in scores indicates an increase in daily living skills. Individuals receiving RICCM have an average score of 2.71 at service initiation and have a final score of 3.04 upon discharge/transfer.

## 2. Trillium Health Resources – Recovery Innovations, Inc. – New Hanover Regional Medical Center

The purpose of the Mental Health/Substance Use Central Assessment and Navigation pilot program (funded for two years by S.L. 2017-57, Section 11F.7. at \$250,000 per year, with unspent funds approved for carry forward to a fourth year, SFY 2021) was to assess the needs of and navigate individuals with primary mental health and/or substance use service needs to appropriate services and other supportive resources within New Hanover county, resulting in reduced utilization of the emergency department of New Hanover Regional Medical Center. The pilot program, which ended in September 2020, was staffed by three employees of Recovery Innovations, Inc., forming the Peer Navigation Team. The licensed clinician on the Team performed Comprehensive Clinical Assessments (CCA) of individuals who were referred from a variety of sources, but primarily from New Hanover Regional

Medical Center emergency department and inpatient services. The qualified professional and peer support specialist on the Team helped the individuals to access the appropriate services and resources.

Ten individuals were referred to Recovery International, Inc. during the first quarter of SFY 2021, and nine of those people were served by the Peer Navigation Team. Of the ten persons referred for the pilot service, four had readmissions to New Hanover Regional Medical Center's (NHRMC) emergency department within 30 days of discharge. The pilot program was able to link eight persons served to outpatient treatment providers, and nine to community resources, including food, housing, employment, and other supportive resources. Through successful linkages with treatments and resources, the individuals served were reported to have been able to maintain stability in their recovery, increase adherence to medications and treatment recommendations, reduce crisis and hospital utilization, and attain stable housing and/or employment.

### **Increasing Behavioral Health Inpatient and Facility Based Crisis Beds via Dorothea Dix Hospital Property Fund Contracts**

Seven construction contracts have been developed and executed to convert existing licensed acute medical inpatient beds into licensed psychiatric or substance use inpatient beds or to create new licensed psychiatric or substance use inpatient beds. Another construction contract has been developed and executed to develop new beds in a Facility Based Crisis program. Upon completion of construction, at least 50% of the newly licensed beds are required by S.L. 2016-94, Section 12F.4.(b) and S.L. 2017-57, Section 11F.5.(d) as amended by Session Law 2018-5, Section 11F.2. to be reserved 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."

Of the eight Dorothea Dix Hospital Property Funded (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 was also a DDHPF contract with Onslow County, which funded the development of 16 licensed Facility-Based Crisis beds for adults. In total, the DDHPF funded the development of 173 behavioral health beds throughout the State. All design/construction projects are in varying stages of completion, with 96 beds having been brought into operation thus far.

The beds being constructed from the DDHPF are adding to the total psychiatric inpatient beds in community hospitals throughout the state. The 2022 State Medical Facilities Plan indicates that there were 2,411 licensed psychiatric inpatient beds in the state for Federal FY20 – 397 for children/adolescents and 2,014 for adults.<sup>1</sup> However, only 71.2% and 60.0% of those beds,

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<sup>1</sup> Does not include psychiatric beds in the State Psychiatric Hospitals

respectively, were utilized. This amounted to a total bed utilization rate throughout the state of 61.9%.

<b>Psychiatric Care in Acute Care Hospitals</b>	<b>Child / Adolescent (0-17)</b>	<b>Adult (18+)</b>	<b>Total</b>
Licensed Beds	162	1,570	1,732
% Utilization of Licensed Psychiatric Beds	59.2%	54.2%	54.6%
<b>Psychiatric Care in Psychiatric Hospitals</b>	<b>Child / Adolescent (0-17)</b>	<b>Adult (18+)</b>	<b>Total</b>
Licensed Beds	235	444	679
% Utilization of Licensed Psychiatric Beds	79.5%	80.7%	80.3%
<b>Psychiatric Care in Acute Care Hospitals and Psychiatric Hospitals</b>	<b>Child / Adolescent (0-17)</b>	<b>Adult (18+)</b>	<b>Total</b>
Licensed Beds	397	2,014	2,411
% Utilization of Licensed Psychiatric Beds	71.2%	60.0%	61.9%

Source: 2022 State Medical Facilities Plan

\* Does not include psychiatric beds in State Psychiatric Hospitals

## **ATTACHMENTS**





Attachment 2  
**North Carolina Behavioral Health Facility-based Crisis &  
 Behavioral Health Urgent Care Locations**  
**(with and without Involuntary Commitment designation)**  
 As of Sept. 1, 2021

