STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

KODY H. KINSLEY
SECRETARY

January 9, 2024

SENT VIA ELECTRONIC MAIL

The Honorable Donny Lambeth, Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina General Assembly
Room 620, Legislative Office Building
Raleigh, NC 27603

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 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 2021-180, Section 9I.12(c) requires the Department of Health and Human Services, Division of Social Services, in collaboration with the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, to establish a two-year child welfare and behavioral health pilot project that will provide easier access to comprehensive health services for children in foster care and to submit a report on the pilot project to the Joint Legislative Oversight Committee on Health and Human Services. 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 Karen Wade, Director of Policy, at Karen.Wade@dhhs.nc.gov.

Sincerely,

DocuSigned by:
Susan G Osborne
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on behalf of Kody H. Kinsley

Kody H. Kinsley
Secretary

cc:

Mark Collins	Joyce Jones	Lisa Wilks	Susie Camilleri
Theresa Matula	Katherine Restrepo	Amy Jo Johnson	Luke MacDonald
Nathan Babcock	Francisco Celis Villagrana	Fred Aikens	Todd Barlow
Darryl Childers	Melissa Roark	Marissa Doctrove	Tai Rochelle

Child Welfare/Behavioral Health Pilot Project

Session Law 2021-180, Section 9I.12.(c)

Report to

The Joint Legislative Oversight Committee on Health and Human Services

by

NC Department of Health and Human Services

January 9, 2024

BACKGROUND

Session Law 2021-180, Section 9I.12, directed the Department of Health and Human Services (DHHS), Division of Social Services, in collaboration with the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to establish a two-year child welfare and behavioral health pilot project that would provide easier access to comprehensive health services for children in foster care by (i) creating better continuity of care, (ii) providing an alternative to therapeutic foster care, and (iii) ensuring care and services are available without disruption to a child's foster care placement while accessing services needed to treat the child's trauma. The purpose of the pilot project was to establish a trauma-informed integrated health foster care model to facilitate partnerships between county departments of social services and local management entities/managed care organizations (LME/MCOs).

Section 9I.12.(c) further directed the Division of Social Services (DSS) and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH) to submit a progress report on the pilot project established under this section to the Joint Legislative Oversight Committee on Health and Human Services (Committee) by April 1, 2022, and submit a final report to the Committee by October 1, 2023.

Four counties were identified to participate in the pilot project: Davie, Forsyth, Rockingham, and Stokes. A non-recurring amount of $300,000 was included to support the pilots. Originally all four counties were in the Cardinal LME/MCO catchment area and work began with Cardinal and DMH to plan and implement a single approach to the pilot. In late July of 2021, Cardinal Innovations dissolved and consolidated with Vaya, resulting in these pilot counties being spread between three LME/MCO agencies. Realignment of counties with their new LME/MCO was completed January 1, 2022.

DHHS reached out in early May 2022 to DSS Directors in Stokes, Rockingham, Forsyth, and Davie County as well as Sandhills, Vaya, and Partners LME/MCOs to coordinate implementation of the pilot, recognizing that one year of the proposed pilot had already expired. After two meetings and several email discussions with the county DSS Directors in the four counties, four options for implementation of the pilot were identified. These included:

1) Use $300,000 to contract for case managers on site responsible for linking children and families to identified services as needed, including trauma-informed assessments for both kinship placements and family foster homes and following to ensure services were authorized and started. These case managers could either be from the LME/MCO or an LME/MCO contracted provider.

2) Ask for extension of funding to allow time for counties to contract with North Carolina Academy for Stress, Trauma, and Resilience at UNC-Greensboro for trauma-informed, culturally responsive, evidence-based training and support for foster families and kinship families.

3) Fund a focused case manager in each DSS to develop an individual plan when children/youth placed with relatives for crisis situations and ongoing treatment needs, provide coaching and assist with access to many of the services outlined in the Coordinated Action Plan released by NCDHHS in May 2022.

4) Use the funds as "flexible funds", similar to the Cardinal "Foster Care Reinvestment" funding and similar to the IV-E Waiver programs across the nation that allowed for flexibility in the use of funds to implement alternative services and supports that promote safety, permanency, and well-being for children in the child protection and foster care systems. Results of the IV-E Waivers showed "shifts in expenditures across service categories also emerged, particularly in the form of increased spending on up-front maltreatment prevention and family preservation services and decreased spending on out-of-home placement."

    Proposed elements:

    - $75,000 per county
    - Criteria for use of funds – alternative short-term services and supports that prevented entry into foster care
    - Tracking of expenditures would be necessary
    - Tracking of family to determine if foster care entry was prevented for the full fiscal year
    - Analysis of data for cost savings and ability to replicate.

An agreement was reached among the four DSS Directors to use the funds to implement Option #4. The LME/MCOs were encouraged to work with their DSS to develop a plan to implement the pilot. However, in these discussions with LME/MCOs and counties, challenges arose including contracting timeline concerns and the need for consensus per legislation requirement to evaluate for replication purposes. Given the inability to achieve consensus around potential implementation options among all parties, DHHS was unable to move forward with the pilot as outlined in legislation. The non-recurring funds were not expended in SFY 2021-22, or SFY 2022-23 and reverted to the General Fund.