



North Carolina Department of Health and Human Services

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Michael F. Easley, Governor

Dempsey Benton, Secretary

April 17, 2008

MEMORANDUM

TO: Joint Legislative Oversight Committee on Mental Health
Developmental Disabilities and Substance Abuse Services

FROM: Dempsey Benton 

SUBJECT: 2008-2009 Program for MH/DD/SAS

Previous memos have focused on the programs which are considered necessary to be addressed at this time. This memo provides a more specific delineation of action which is proposed to be implemented through legislation, budgetary approval, and department execution in 2008-2009.

I. State Psychiatric Hospitals

- A. Budget funding for State's share of a 60 bed adult admission unit at Dorothea Dix, following merger of Dix and Umstead hospitals into Central Regional Hospital. The goal would be to be operational in July, 2008.
- B. Funding for additional staff at the State psychiatric hospitals. In January, 2008, I appointed a workgroup to review the management and operations of the State hospitals. In late March, 2008, the groups provided an interim report to me. Their most significant recommendation involves the need to improve staff to patient ratios. The group's staff proposal involves significant funding and may necessitate a multiyear strategy.

It is proposed that the department retain a consultant to follow up on the staff to patient ratio issue and provide a report to the department and committee. This would be used to establish a policy for addressing the staffing levels at the State psychiatric hospitals and ADATCs.

- C. Funding for strengthening the department level oversight of State hospitals to facilitate internal inspections and corrections to assure compliance with regulatory agencies.



- D. Funding for recruitment incentives for hard to fill positions in the State operated facilities.

II. Crisis Services

- A. It is proposed that the statewide crisis services system be enhanced by the following improvements:
 - a) Establishment of a statewide network of mobile crisis teams (total of 30).
 - b) Establishment of a statewide network of DD START Crisis Teams (total of 9).
 - c) Procurement of 187 community inpatient beds to assure availability on a 24/7 basis, and 24 DD crisis respite beds.
 - d) Establishment of walk-in crisis and immediate after care capacity across the State by funding of new psychiatric, nurse, and social worker positions. These positions would support mobile crisis teams, oversee efforts by LMEs to transition consumers from hospitals back to communities.

This plan has been developed by a Crisis Service Workgroup created in January, 2008. See *Attachment 1*.

- B. The execution of these proposals, if approved, would be under direct supervision by the department with contracting with LMEs where applicable.

III. Provider System

- A. It is proposed that legislation be passed to modify the recipient and provider appeal system. A proposal was submitted to the committee on March 26, 2008.
- B. It is proposed that the provider qualifications be addressed by legislation requiring national accreditation for all current providers within 3 years from the date they started delivering service, that the legislation include accreditation progress requirements, and that all future providers be required to achieve national accreditation within 2 years. See *Attachment 2*.

IV. System Management

- A. The Mercer report provides, for the first time, a statewide review of LMEs. While there is debate about the comparative analysis, it is essential to acknowledge the analytical perspective from a highly qualified team with a national experience. This report addresses actual conditions at a given time. It did not take into account long range plans or visions of changes that are being considered. It also speaks to activities which continue and that are at variance with the divestiture directives in the Mental Health Reform effort.

At this time, the State – LME arrangement does not meet the general definition of a “system”. It is more realistically described as 25 separate systems of management. In the aggregate, the State pays \$132,135,771 to the LMEs for administration. The total management staff in the 25 LMEs is 1,666 plus another 560 staff involved in service delivery. The Utilization review function is separate between the LMEs and the State. Management of key services varies by LME. The continuation of care for consumers discharged from State hospitals is an example. Under the operating agreement between the State and LMEs, there are specific tasks for LMEs to address. The degree to which they are executed day by day varies among LMEs.

Attachment 3 is a proposal to pursue a regional consolidation to achieve a target of up to 9 regional entities over a 3 year period.

It would be offered as a voluntary approach.

It would be incrementally and not a statewide effort at one time.

It would provide a basis for delegation of all utilization review functions to a regional group.

It would encourage cost savings and sharing so that the administrative savings can be reinvested into services to consumers.

It provides the basis for LMEs to collaborate on a plan that would utilize their respective strengths.

- B. It is proposed that the General Statutes be changed to:
- Allow the Governor to appoint one third of the area authority board of directors;
 - Allow the Secretary of DHHS to concur in the appointment of Area Director;
 - Modify the time process to allow the Secretary to remove functions from an LME upon determination of insufficiency. See *Attachment 1*.

These adjustments will assist the State-LME network in operating more as a “system” of management for MH/DD/SAS.

Attachment 4 is a planning document which reflects how these proposals could be addressed over a 3 year period if adopted.