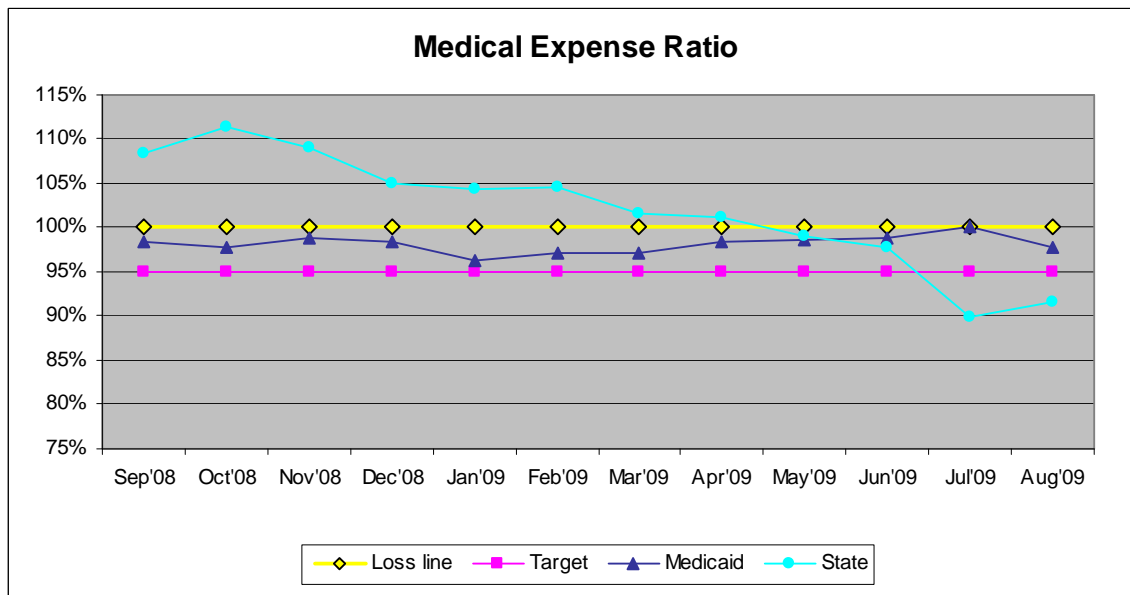


PBH Plan to address Budget Reductions in State Funded Services October 1, 2009 Revised

All consumers must meet medical necessity criteria to receive services including than emergency, assessment and basic outpatient treatment.

Medical Necessity: Consumers must have conditions that require treatment services that are both necessary and appropriate for the prevention, diagnosis, palliative, creative, or restorative treatment of Mental Health, Substance Abuse or Developmental Disabilities conditions. The treatment received must be consistent with evidence based standards, North Carolina DHHS standards, or verified by clinical experts. Treatment must be provided in the most cost effective, least restrictive environment that is consistent with clinical standards of care.

During the 1st and 2nd quarters of Fiscal Year 08-09, PBH experienced a very high demand for state funded services. This resulted in expenditure trends that would have resulted in significant cost over-runs in state funded services. As a result, we initiated a series of freezes in November 2008, and in March 2008. (Data points below are year to date measures). Services frozen are delineated in the center column of the table, Plan to Reduce State Funded Services 2009-2010. Because we expected state funding reductions for 2009-2010, we maintained the freezes in services that we implemented last year. This means that we are not implementing any *new* measures to achieve the target reductions in state funding, and there are *no new impacts* on services.



Consumer Impact:

As a result of the freezes in state funded services, we began a waiting list for people with mental health and substance abuse treatment needs that are waiting for state services. (The DD waiting list was already in place). The chart below depicts the current status of the PBH Registry of Unmet Needs.

Registry of Unmet Needs: (Report as of September 21, 2009)

DD Population:	Apr'09	May'09	Jun'09	Jul'09	Aug'09
Innovations Services (Medicaid C)	390	398	391	342	345
ADVP Services (State)	47	41	44	47	49
Residential Services (Any Funding)	75	84	85	96	99

MH Population:	Apr'09	May'09	Jun'09	Jul'09	Aug'09
Community Support - Individual - Child	14	16	18	18	18
Community Support - Individual - Adult	40	43	43	43	44
Day Treatment Child	3	3	3	3	3
Multi-Systemic Therapy (MST)	1	1	1	1	1
Group Living - Low	1	1	1	1	1

SA Population:	Apr'09	May'09	Jun'09	Jul'09	Aug'09
Community Support - Individual - Adult	14	17	17	17	17

On a case by case basis, attempts are routinely made to refer consumers that are waiting to alternative services, if appropriate services are available. The most significant impacts on specific services are as follows:

Service	Number Served 08-09	Number Served 09-10
Community Support	884	39
Community Support Team	43	1
Day Treatment	4	0
Intensive In Home	14	0
Multisystemic Therapy	31	1
Developmental Day	22	22 for 2 months only

Provider Impact:

Providers that offer services that offered state funded services that were frozen are also Medicaid providers. The loss of funding for state funded consumers had some impact on their capacity and staffing, but this loss of funding did not impact the financial stability of any provider agencies.

PBH did not reduce rates or the amounts of capitated state funding for any programs (ADVP, residential, Psycho-social Rehabilitation, etc) as delineated in Column 1 of the table: Plan to Reduce State Funded Services 2009-2010.

Plan to Reduce State Funded Services 2009-2010		
No reductions to services but the contract amount is capped at last year's maximum payment	No new admissions. These services are frozen. Consumers currently receiving services <i>may</i> continue based on determination of medical necessity.	Safety Net Services, not frozen, capped or reduced.
Adults with developmental Disabilities	Children and Adults with mental health and substance abuse conditions	Any individual needing crisis intervention
<p><u>Adult Day Vocational Program (ADVP):</u> sheltered work program for people with developmental disabilities.</p>	<p><u>Community Support:</u> This is a service that provides both case management and direct treatment for individuals with mental health or substance abuse conditions. Service supports recovery and sobriety goals of the individual; children's services are psycho-educational and supportive to reduce or ameliorate mental health and substance abuse conditions.</p> <p>The legislation prohibits the use of Community Support paid for with state funds during 09-10 unless pre-approved by the Department. The service is scheduled to terminate on 6-30-10.</p>	<p><u>Mobile Crisis:</u> a mobile response team that responds to urgent crisis situations.</p> <p><u>Advanced Access:</u> outpatient assessment and treatment for consumers needing immediate or urgent care. Care is provided by a licensed clinician.</p>

<p>Adults with developmental disability, substance abuse and mental health conditions</p> <p><u>Long term residential services:</u> DD and MH group homes and supported apartment programs.</p> <p><u>Supported Employment:</u> assistance for adults with mental health and substance abuse conditions in attaining and maintaining community employment.</p>	<p>Adults with mental health and substance abuse conditions</p> <p><u>Community Support Team:</u> This is a team that works collaboratively to provide adults with mental health or substance abuse conditions treatment or restorative interventions to support recovery and sobriety.</p>	<p>Any individual needing care for mental health or substance abuse</p> <p><u>Psychiatric Care:</u> treatment by a Psychiatrist, a medical doctor with a specialization in psychiatry.</p> <p><u>Outpatient Treatment:</u> assessment, individual, group, family therapy by a licensed clinician.</p> <p><u>Peer Support:</u> a support service for adults provided by mental health and substance abuse peers that supports the goal of individual recovery.</p>
<p>Adults with mental health conditions</p> <p><u>Psychiatric Rehabilitation Services (Clubhouse Services):</u> licensed day program that provides rehabilitative services to adults with mental illness.</p> <p><u>Assertive Community Treatment Team (ACTT):</u> a multi-disciplinary team that provides services 24 hours per day, 7 days per week for adults with severe and persistent mental illness.</p> <p><u>Update:</u> Based on the return of the governor's five percent, we will accept new state funded referrals and authorize services within available funding.</p>	<p>Children with serious mental health conditions that have been involved with law enforcement</p> <p><u>Multi-systemic Therapy:</u> A team service for children that have serious mental health conditions and have been involved with the law enforcement system. This is a family based service that provides treatment services, case management, and crisis intervention.</p> <p><u>Update:</u> Based on the return of the governor's five percent, we will accept new state funded referrals and authorize services within available funding.</p>	<p>An adult needing care for a mental health condition</p> <p><u>Facility Based Crisis:</u> residential treatment for people experiencing a mental health crisis.</p>

Adults with substance abuse conditions	Children with mental health or substance abuse conditions	Adults with substance abuse conditions
<p><u>Short term residential services</u> for adults with substance abuse treatment needs such as halfway house services.</p> <p>Substance Abuse <u>Intensive Outpatient Treatment</u>: a group program that offers intensive individual and group addiction treatment with the goal of supporting recovery.</p>	<p><u>Intensive In-Home Services</u>: A team based approach to services for children that provides family preservation activities intended to stabilize a family unit and prevent out of home placement of children with mental health or substance abuse conditions. Update: Based on the return of the governor's five percent, we will accept new state funded referrals and authorize services within available funding.</p> <p><u>Day Treatment</u>: Treatment for children provided in a licensed setting. Treatment is designed to reduce symptoms and improve functional skills including behavioral, social, adaptive, communication, anger management and reduce maladaptive behaviors.</p> <p><u>Child residential services</u>: <i>state</i> funding for services such as Level II, III and IV will not be available.</p>	<p><u>Detox Services</u>: residential treatment for consumers in need of substance detoxification.</p> <p><u>Alcohol and Drug Treatment –intensive residential</u>: Residential treatment for serious addiction.</p>

<p>Adults and children with developmental disabilities and children with mental health and substance abuse conditions</p> <p><u>Respite Care</u>: Temporary relief for caregivers</p>	<p>An adult or child with developmental disabilities</p> <p><u>DD-- Home supports</u>: a home based service that provides habilitative training designed to promote attainment of the maximum independence possible; also offers supports for activities of daily living.</p> <p><u>DD--Day Supports</u>: Service that provides habilitative services in a licensed day program as well as activities in community settings.</p> <p><u>Personal Assistance</u>: hands on assistance with activities of daily living.</p>	<p>An adult needing care for a mental health condition that cannot be treated in a less restrictive setting</p> <p><u>Inpatient Psychiatric Care</u>: Hospital care for psychiatric conditions.</p>
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Other strategies for meeting the state funding reduction target:

Action	Impact
<p><u>Elimination of state funding for services for consumers that are enrolled in the Innovations Waiver</u>. Support Coordinators will be working with consumer teams to make changes in service plans to adjust for elimination of state funded services. A 90 day transition will be available for changes in residential placements that involve moving consumers to other residential settings.</p>	<p>Our state allocation eliminated \$1,543,017 from PBH state funds for consumers enrolled in the Innovations Waiver who also receive state funded services. This is a change mandated by the NC General Assembly.</p> <p>We are working with consumer teams and providers to implement this change.</p>
<p><u>Residential Services for Consumers with Developmental Disabilities</u>: Adjust rates for residential services so that there is one rate for one, two, and three-bed homes. There will be no adjustment to rates based on only one or two residents. The residential rates will be based on the size of the home and the needs of the consumers served in the home. The target for having new residential rates in place is 1-1-2010. "Stacking" of funding (using two sources to fund the same service) will not be allowed.</p>	<p>The funding of 24 hour staffing for residential settings serving one or two people is not cost effective, and not needed to meet medical necessity requirements for most, if not all consumers. Most of these very small placements are possible because of state funding that is "stacked" on top of the person's Medicaid or Innovations funding.</p> <p>We will work with providers to develop alternative placement that meet these requirements; changes will not be made precipitously. We want to ensure continuity of care for consumers. This is a long term</p>

Action	Impact
	management priority.
End funding for a developmental daycare program serving Cabarrus County only, and which paid for before and after school care and a summer program.	<p>Similar programs are not funded in other counties. The school system is responsible for the education of three and four year olds.</p> <p>Approximately 22 children will be impacted by this change after September 2009.</p>

PBH Consumer Family Advisory Committee Review and Feedback:

The upcoming budget reductions were discussed with the PBH CFAC at their meeting on August 18, 2009. The specific provisions of the PBH plan were reviewed with the PBH Consumer Family Advisory Committee on September 15, 2009. CFAC members were reluctant to recommend reductions to any specific services because of the impact on consumers. However, several suggestions on rate reductions were made (however these were for Medicaid services). The PBH CFAC focused on strategies that PBH could use to communicate this information to consumers and families. The CFAC was very concerned about the impact on individual consumers, particularly the changes in funding for consumers enrolled in the Innovations waiver. As a result PBH will be holding Town Hall meetings in all the counties during the month of November 2009. Talking points were prepared for PBH staff to ensure consistency of communication with consumers and stakeholders. A Q&A document will be prepared based on questions received during the Town Hall meetings. The PBH CFAC would like to continue to be updated on the impact of the funding reductions. They receive the Registry of Unmet Needs report on a routine basis and other information will be provided as it becomes available.

PBH Board of Directors:

The PBH Plan was reviewed with the PBH Board of Directors on September 17, 2009 and the Board was updated on changes at the October 15, 2009 meeting.