



Date: March 9, 2010

To: PBH Consumers, Stakeholders and Providers

From: Dan Coughlin, Area Director

Re: Reductions in State Funded Services

I am writing to advise you of the current situation regarding the availability of state funding. State funds pay for services for people that do not have insurance and for services not covered by Medicaid or other insurance. PBH state funding has been reduced by \$7 million dollars over the past three years, with a reduction of \$2.9 million for the current fiscal year. State funding has not increased since the early 1990's nor has it been inflation adjusted. Flat state funding is further impacted by the rapid population growth in the PBH counties. In 1990, our five counties had a population of 472,193; as of July 2009, our population is 739,448, an increase of 62%!

The loss of funding over the last three years has had a major impact on community services. We find that demand for services is increasing at a time when funding has decreased. These two factors have resulted in accelerated depletion of our state funds for this fiscal year. As a result of increased use and decreased funding, PBH must now end or reduce coverage for even more services than those which have been frozen since last fiscal year.

Beginning on April 1, 2010, funding for the following services will end for the current fiscal year:

1. Respite Care (State funded, not Medicaid)
2. Children's residential services (State funded, not Medicaid)
3. Community Support (State funded, not Medicaid---this service will be ended by the state on June 30, 2010)
4. State Funded Home Supports

The service "Personal Assistance" will end permanently beginning May 1, 2010.

PBH will continue to pay for Outpatient Services; however, outpatient services will be limited to 8 visits (for adults) and 12 visits (for children). The count is for the year that began July 1, 2009 and which ends June 30, 2010. Psychiatry visits will not be limited, and will continue as required by the treating physician. Emergency, Facility Based Crisis/Detox and Inpatient Services will continue to be covered. State funding for adult group homes will continue according to the needs of the individuals and up to the current contract limits. Adult day programs will continue to be funded up to the current contract limits.

You may have seen in the newspaper that PBH is building a new headquarters. It is important for you to know that the building is not being paid for by service dollars, but from administrative savings obtained over the course of four years, sale of a building, eradication of lease costs, and bank financing. Again, services are not impacted by the new building, which is a sound business decision for PBH and, consequently, for the people that we exist to serve.

We are living through tough times when teachers have been furloughed, the Post Office plans to stop delivery of mail on Saturdays, and many stores are closing. North Carolina tax revenues continue to be down and the future may bring even more reductions in funding for mental health, developmental disabilities and substance abuse services.

The next series of PBH Community Forums will be held during the month of April on the following dates:

Cabarrus	April 19 th at 5:30	PBH Training Facility
Davidson	April 15 th at 5:30	Governmental Building
Rowan	April 7 th at 5:30	Rowan Public Library
Stanly	April 1 st at 5:30	Albemarle Public Library
Union	April 12 th at 5:30	Union County School PDS

We will be available to answer questions about these reductions and to receive feedback from consumers and our communities about future priorities for services for 2010-2011.

PBH regrets this blow to the community system of care for our five counties. We, like you, are subject to having to adjust to and live with funding decisions made by our county, state, and federal governments.