

**Use of Dorothea Dix Hospital Property Funds for the Purchase of
Additional Psychiatric and Facility-Based Crisis Beds**

**Session Law 2017-57, Section 11F.5(e) as amended
by Session Law 2018-5, Section 11F.2.**



**Report to the
Joint Legislative Oversight Committee on Health and Human
Services**

and

The Fiscal Research Division

By

North Carolina Department of Health and Human Services

December 19, 2018

Reporting Requirements

SESSION LAW 2017-57, SECTION 11F.5.(e) as amended by SESSION LAW 2018-5, SECTION 11F.2. *Report on Use of Funds to Purchase Additional Beds. – Beginning November 1, 2018, the Department of Health and Human Services shall annually report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the number and location of additional licensed inpatient behavioral health beds brought into operation with funds allocated under subsection (a) of this section and, of this number, and pursuant to subsection (d) of this section, the number of beds or bed days reserved for and purchased by (i) the Department under the State-administered, three-way contract and (ii) the LME/MCOs for individuals who are indigent or Medicaid recipients.*

Introduction

The Legislature appropriated five entities to receive a total of up to seventeen million dollars (\$17,000,000) in nonrecurring funds for the renovation or building costs for the construction of new licensed inpatient behavioral health beds, the conversion of existing inpatient acute care beds into licensed inpatient behavioral health beds, or a combination of these options. Comparable to Session Law 2016-94, Section 12F.4, units or other locations with inpatient behavioral health beds constructed or converted with funds allocated through Session Law 2017-57, Section 11F.5. are to be named in honor of Dorothea Dix.

Purchase of Inpatient Behavioral Health Beds in Rural Areas

[Session Law 2017-57, Section 11F.5.\(a\)](#) aimed to increase inpatient behavioral health bed capacity in rural areas of the State with the highest need and to increase the number of facility-based crisis centers in North Carolina for children and adolescents. In SFY 2017-2018, the State provided seventeen million dollars in nonrecurring funds for inpatient bed construction or conversion and two million dollars in nonrecurring funds for facility-based crisis for children and adolescents. Funds were designated:

SECTION 11F.5.(a) Funds for the Purchase of Additional Beds. – *It is the intent of the General Assembly to increase inpatient behavioral health bed capacity in rural areas of the State with the highest need. To that end, of the funds appropriated from the Dorothea Dix Hospital Property Fund established under G.S. 143C-9-2(b1) to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2017-2018 fiscal year, the sum of up to seventeen million dollars (\$17,000,000) in nonrecurring funds shall be used to pay for any renovation or building costs associated with (i) the construction of new licensed inpatient behavioral health beds, (ii) the conversion of existing inpatient acute care beds into licensed inpatient behavioral health beds, or (iii) a combination of these options as follows:*

(1) *Up to four million dollars (\$4,000,000) in nonrecurring funds shall be used to pay for any renovation or building costs associated with the construction of new licensed*

inpatient behavioral health beds at Caldwell/ University of North Carolina Health Care in Caldwell County.

(2) *Up to four million dollars (\$4,000,000) in nonrecurring funds shall be used to pay for any renovation or building costs associated with the construction of new licensed inpatient behavioral health beds at Cape Fear Valley Medical Center in Cumberland County.*

(3) *Up to four million dollars (\$4,000,000) in nonrecurring funds shall be used to pay for any renovation or building costs associated with the construction of new licensed inpatient behavioral health beds at Mission Health System, Inc., in Buncombe County.*

(4) *Up to three million dollars (\$3,000,000) in nonrecurring funds shall be used for any renovation or building costs associated with the construction of new licensed inpatient behavioral health beds at Good Hope Hospital in Harnett County.*

(5) *Up to two million dollars (\$2,000,000) in nonrecurring funds shall be used to pay for any renovation or building costs associated with the construction of new licensed inpatient behavioral health beds at the Dix Crisis Intervention Center in Onslow County.*

Table 1: Use of Dorothea Dix Hospital Property Funds for the Purchase of Additional Psychiatric and Facility Based Crisis Beds lists the award amounts, numbers of proposed beds, and locations of future inpatient behavioral health care. Table 1 also includes the LME/MCO for each entity.

**Table 1: Use of Dorothea Dix Hospital Property Funds for the Purchase of Additional Psychiatric and Facility Based Crisis Beds
Session Law 2017-57, Section 11F.5.(a-d)**

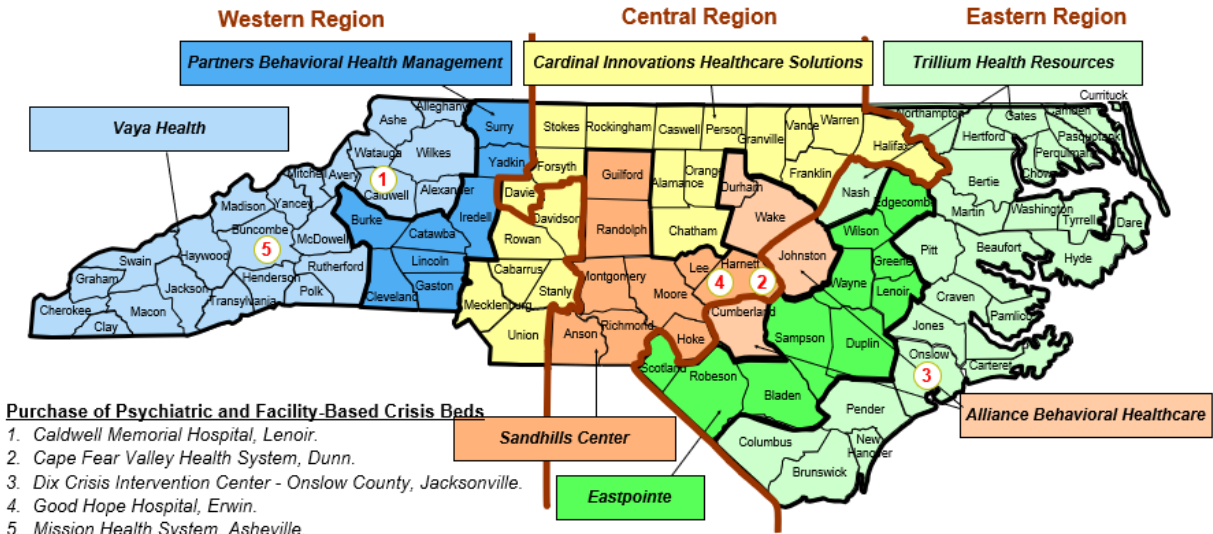
Contractor	LME/MCO	County	City	Number of Proposed Beds	Contract Amount
Caldwell Memorial Hospital*	Vaya Health	Caldwell County	Lenoir	27	\$4,000,000
Cape Fear Valley Health System	Sandhills Center	Harnett County	Dunn	10	\$4,000,000
Dix Crisis Intervention Center-Onslow County*	Trillium Health Resources	Onslow County	Jacksonville	16	\$2,000,000
Good Hope Hospital*	Sandhills Center	Harnett County	Erwin	16	\$3,000,000
Mission Health System*	Vaya Health	Buncombe County	Asheville	20	\$4,000,000
Totals	-	-	-	89 Beds	\$17,000,000

*Contract executed between contractor and NC Department of Health and Human Services.

Map 1 provides the location of the inpatient behavioral health beds supported by the Dorothea Dix Hospital Property Funds through Session Law 2017-57, Section 11F.5(a).

Map 1

Use of Dorothea Dix Hospital Property Funds for the Purchase of Psychiatric and Facility-Based Crisis Beds, the Seven Local Management Entity/Managed Care Organizations (LME/MCOs), and the Three State Regions for Institutional Services



10/15/18

Summary

Use of Dorothea Dix Hospital Property Funds for the Purchase of Additional Psychiatric and Facility-Based Crisis Beds increases the number and location of such beds throughout the State. As of October 15, 2018, four out of five contracts have been executed, and zero new beds are currently operational.