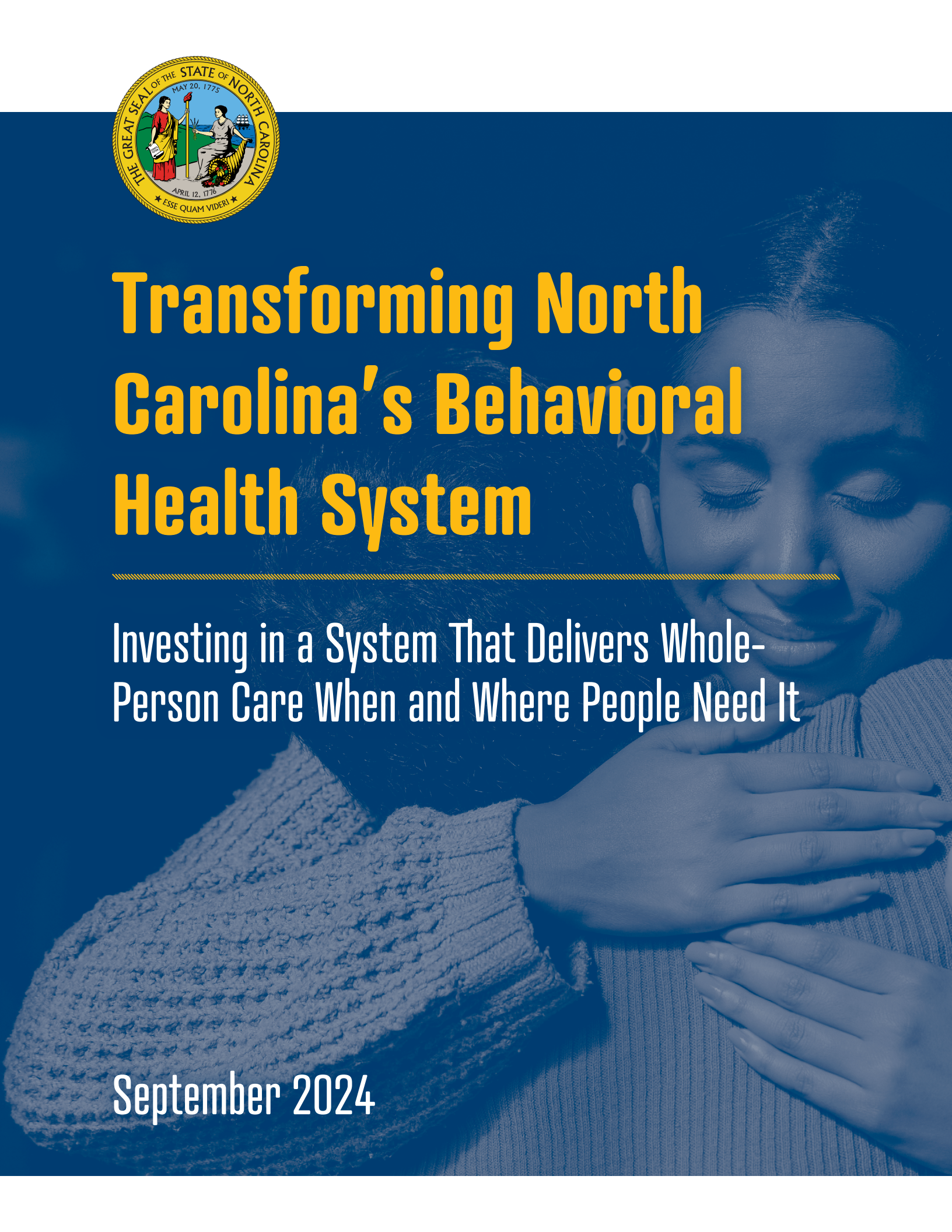


Transforming North Carolina's Behavioral Health System

Investing in a System That Delivers Whole-Person Care When and Where People Need It

September 2024

Letter from Secretary Kinsley

Each and every North Carolinian stands to benefit from a strong and resilient behavioral health system. Whether it's our family members, friends, neighbors, or ourselves, we all know someone who needs help with mental health and substance use challenges or who needs support accessing behavioral health services. I've spoken with thousands of North Carolinians who have told me that an easy-to-access, coordinated, and person-centered behavioral health system—where people can receive care when and where they need it—would change their lives and the lives of their loved ones. When I joined the North Carolina Department of Health and Human Services (DHHS) in 2018, we had a long way to go to reach that vision. Now, I feel proud to say we have made historic progress in transforming our system to work better for all North Carolinians, enabled by Governor Cooper's Behavioral Health Roadmap, Medicaid Expansion, the launch of specialty Medicaid managed care plans (Tailored Plans) for people with behavioral health needs, intellectual and developmental disabilities (I/DD) and traumatic brain injury (TBI) and, critically, $835 million in investments allocated by the General Assembly in the 2023 budget.

Behavioral health services have a long history of underfunding, and for too long people seeking treatment have faced stigma and a confusing system that can make them feel like they are jumping through hoops to find help. An under-resourced system leads too many people to call 911 or go to an emergency department. The COVID-19 pandemic only exacerbated these challenges; during the pandemic, one in three North Carolinians reported symptoms of depression and/or anxiety, and opioid overdose emergency department visits increased 40% from 2019 to 2020; all while our essential health care workers faced significant burnout.

While many challenges persist, new investments and landmark policy changes make me hopeful for the future. The 2023 budget included two game-changers: 1) authority to expand Medicaid to approximately 600,000 low-income North Carolinians and 2) $835 million to invest in behavioral health, I/DD and TBI services and innovative initiatives that will bring people more and better care. Medicaid expansion is already allowing North Carolinians, many of whom have been uninsured for years, to receive integrated, coordinated physical and behavioral health care through Standard Plans or the newly-launched Tailored Plans.

Leveraging the $835 million allocated by the Legislature, DHHS, our community partners and other Executive Branch departments have been making critical investments across the behavioral health system and in I/DD and TBI services. This report will share progress made in the first year of implementing the Governor's Roadmap and how we plan to continue to use these new investments to build a system that works for ***all*** North Carolinians.

I am grateful to our partners who have supported these efforts on behalf of the people of North Carolina, including Governor Cooper for his leadership and vision, the General Assembly for enabling these investments, our community partners across the state for their invaluable input on our initiatives, and our behavioral health workforce for making our policies a reality on the ground and caring for your neighbors, often in their hour of greatest need. I look forward to continuing this work to transform our behavioral health system into one that delivers high-quality, equitable care when and where people need it.

My best,

Kody H. Kinsley
Secretary, Department of Health and Human Services

Letter from Director Crosbie

Everyone deserves to live a healthy, happy, and productive life of their choosing, and a good system can make all the difference. That is especially true for the public system of supports for mental health (MH), substance use (SU), intellectual/developmental disability (I/DD), and traumatic brain injury (TBI).

Thanks to the leadership of Governor Cooper, the General Assembly, Secretary Kinsley, and our partnership with the people of North Carolina, we are transforming our public system from a state of crisis to a state of care. For the people of NC, that means more access, more recovery, more inclusion, more self-direction, higher quality services, and less stigma. We have many reasons to be hopeful about this future. Not only do we have Medicaid Expansion and a historic $835 million investment, but we also have a clear vision, strong collaborative partnerships, and a detailed plan to carry this work forward.

The Division of Mental Health, Developmental Disabilities, and Substance Use Services (DMHDDSUS) will soon release its Strategic Plan for 2024-2029. It describes our mission to build systems, services, and supports that improve the well-being of all North Carolinians, with a focus on MH, SU, I/DD, and TBI. It reflects our vision for communities without stigma where all are supported to live healthier and happier lives. The plan includes all new behavioral health, I/DD and TBI investments, plus additional priority interventions critical for improving access, quality, and outcomes. It is the plan for our continued transformation.

Community partnership has been central to developing our plan and our behavioral health investments. These collaborative partnerships are an extension of our guiding principles: we value lived experience by listening to and advocating for individuals and families, championing the expertise of peers, promoting natural and community supports, and creating opportunities for meaningful partnership; we promote evidence-based, high-quality services by leveraging the expertise of our clinical partners; we recognize the reality of trauma and champion a culture of kindness, understanding, and respect for every person; and we ensure that our policies meet people where they are, and commit to enhancing services to support the well-being of all North Carolinians, especially those who have been marginalized.

Our plan ensures that we will continue delivering on Secretary Kinsley's vision for whole-person care when and where people need it. With an approach that is both data-driven and community-informed, we are already making substantial progress: we have invested in 12 facilities that expand the state's capacity to provide behavioral health urgent care by more than 69%, and we've added 114 new beds at community crisis facilities, a 32% increase in community crisis facility capacity across the state. We have many transformative investments like this underway, and we will continue balancing the need to act quickly and wisely so that we steward our funds to the greatest possible effect—not only now but in the years to come.

I am incredibly grateful to Governor Cooper, the General Assembly, and Secretary Kinsley for their historic leadership. In a time of great need, we are emerging stronger, more capable, and more focused. I am honored to serve the people of North Carolina at this critical time, and I am committed to working with all our partners to fully realize our shared vision for the future.

Sincerely,

Kelly Crosbie

Kelly Crosbie, MSW, LCSW
Director, Division of Mental Health, Developmental Disabilities, and Substance Use Service

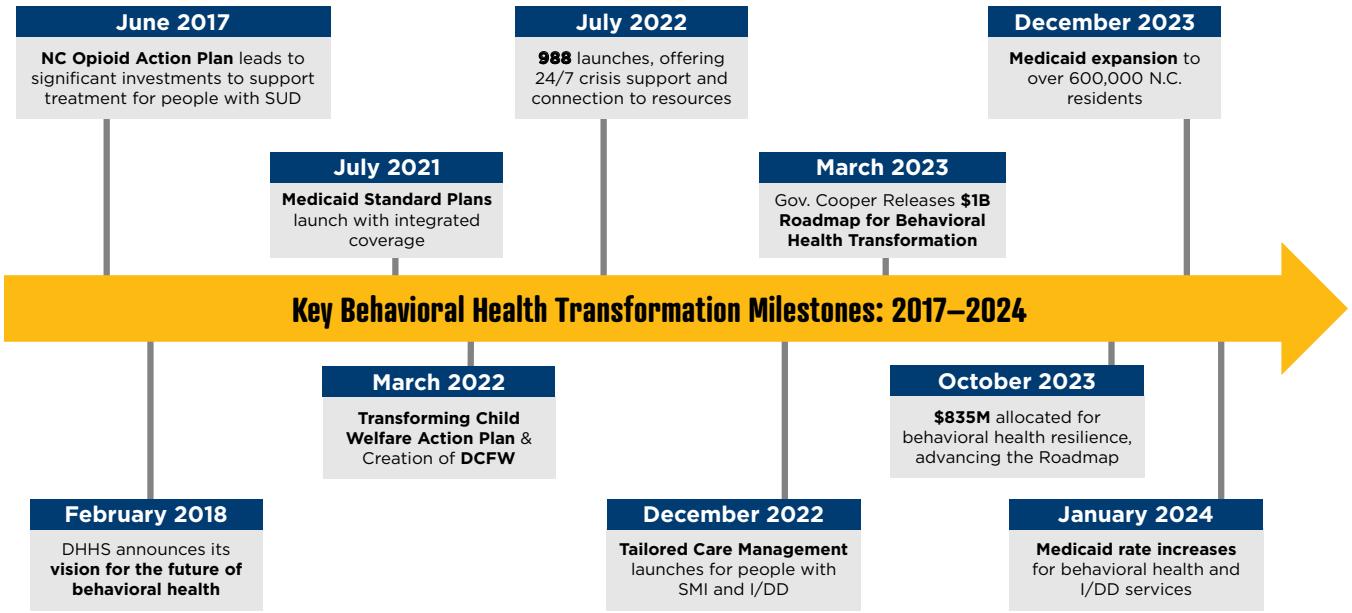
Delivering on the Vision for a New Behavioral Health System in North Carolina

OVERVIEW

North Carolina is in the midst of transforming its behavioral health system to better support the overall health and well-being of all North Carolinians, a commitment made by the Cooper Administration since coming into office in 2017. Actions have been taken throughout the Administration to improve the state's behavioral health system for people with mental health and substance use conditions, and the administration released a roadmap in early 2023 for investing $1 billion across the behavioral health care continuum and workforce to achieve this goal (see ***Figure 1*** for an overview of key milestones achieved between 2017–2023).[1] More detail on the roadmap is provided below.

Under Governor Cooper's and Secretary Kinsley's leadership, DHHS has made significant progress in transforming the behavioral health system and investing in services and supports for individuals with intellectual and developmental disabilities (I/DD) and traumatic brain injury (TBI). All of these efforts have been enhanced by recent historic investments from the General Assembly.

Figure 1. Key Behavioral Health Transformation Milestones: 2017–2024



With key community partners, DHHS has developed action plans to address areas of highest need across the behavioral health continuum. DHHS has also implemented changes to Medicaid—such as increasing payment rates, expanding available services, and making it easier for individuals to be connected to the right services—that will improve whole-person health for all individuals enrolled in the program. All Medicaid members also now receive integrated physical and behavioral health coverage, including individuals with serious mental illness (SMI), substance use disorder (SUD), I/DD or TBI who can access a comprehensive set of services designed to meet their needs through four recently-launched Behavioral Health and Intellectual/Developmental Disabilities Tailored Plans.

These incremental investments and changes to Medicaid are already dramatically changing the way North Carolinians seek and access behavioral health services across the state. Now, with a comprehensive plan through the Governor's behavioral health roadmap, an infusion of new funding from the General Assembly, and support and input from community partners, DHHS is creating the necessary infrastructure, service capacity and workforce for a transformed behavioral health system where people can get the services they need, when they need them, as close to home as possible.

DEVELOPING THE $1 BILLION ROADMAP

Throughout 2022 and 2023, DHHS hosted 12 Town Hall meetings across the state to hear about the challenges North Carolinians experience with the behavioral health system in their communities. While participants noted that North Carolina has made great progress in strengthening the system, they identified several critical gaps that remain, including:

- **Many people are not accessing the services they need.** The COVID-19 pandemic stretched thin an already challenged behavioral health system; while the need for behavioral health services is greater than ever, over half of adults and children in NC with mental illness receive no treatment.
- **The state lacks a comprehensive, community-based crisis system.** Many people in crisis or their families resort to calling 911 or going to an emergency department because they either don't know where to go for services, or there are no services available where they live.
- **Prisons and jails are filled with people who need support for behavioral health, I/DD and TBI.** An estimated 50% of individuals in North Carolina prisons and jails identify as having a mental health need, 75% identify as having a SUD, and national studies indicate that individuals with I/DD and TBI are overrepresented in the criminal

FOUNDATIONAL SUCCESSES

More than **500,000 people—or more than 80% of those eligible**—enrolled in NC Medicaid expansion in the first seven months.

Approximately **3 million people** covered under Standard Plans and Tailored Plans that provide integrated physical and behavioral health coverage.

130 public schools access expert behavioral health support through NC-Psychiatry Access Line (NC-PAL).

Over **111,000 people** called or texted 988 to connect with trained crisis counselors in the past year.

15 mobile units offer screening, assessment, treatment, primary care, and recovery services to people with substance use disorder across the state, with plans to implement mobile Medication Assisted Treatment.

54 beds at RJ Blackley Hospital converted to provide high-quality psychiatric care for children and youth through a UNC-DHHS partnership.

Over 4,800 people have been diverted from institutional care since 2018 through Transitions to Community Living.

19.4% reduction in the number of individuals held in emergency departments between 2023 and 2024.

Launched **first detention based capacity restoration program** in 2022, **restoring capacity four times faster** compared to a state psychiatric hospital, allowing individuals to proceed through the legal system faster and maximizing use of limited state psychiatric hospital beds.

Selected a vendor to implement **electronic health records across 13 state-operated facilities**—transforming these facilities into a unified health system.

$4 million investment to support choice and inclusion for people with I/DD in the workforce.

justice system.[2,3] Many of these individuals could have avoided entering or remaining in the justice system had they received the services and supports they need in their communities.

- **There are high-rates of youth suicides.** As of 2019, youth suicide is the second leading cause of death for 10–18-year olds in North Carolina, with more than half of suicides involving firearms.[4,5]
- **Few community-based treatment options exist for children with complex needs or children in crisis.** Children with complex behavioral health needs are often boarding in emergency departments or Department of Social Services (DSS) offices instead of receiving care in their communities or accessing services in a safe, high-quality family-type or trauma-informed residential setting.
- **Providers and the workforce are under-resourced.** Behavioral health providers have seen stagnant payment rates and lack of parity in reimbursement with physical health providers, making it difficult to adequately staff services. The behavioral health workforce continues to experience high levels of burnout and is not adding enough people to account for the growing need.

These challenges, all worsened by the pandemic, disproportionately impact historically marginalized communities. Communities of color, rural communities, and low-income communities often have a harder time accessing services to address their mental health and substance use challenges, highlighting the need for focused interventions to support children and adults in these communities.

Integrating community partner input with evidence-based interventions, DHHS developed the $1 billion behavioral health roadmap to address these key challenges facing North Carolina's behavioral health system.[6] The roadmap lays out a comprehensive plan to strengthen the state's mental health and SUD treatment system, transforming it into one that not only supports people experiencing a behavioral health crisis, but connects all individuals with behavioral health needs to a continuum of care that addresses their comprehensive physical health, behavioral health, and social support needs, when and where they need them. It is intended to work in tandem with North Carolina's Olmstead Plan, which focuses on improving community inclusion for people with disabilities.[7]

The roadmap outlines three key investment areas, each with a focused set of initiatives:

1. Make behavioral health services more available when and where people need them, through:
   - Raising Medicaid rates for behavioral health services across the care continuum;
   - Improving access to routine, integrated care in communities and schools; and
   - Addressing the intersection of the behavioral health and justice systems.
2. Build strong systems to support people in crisis and people with complex needs through:
   - Strengthening the statewide behavioral health crisis system;
   - Transforming child welfare and family well-being; and
   - Creating sustainable state psychiatric hospitalization and step-down options.
3. Enable better health access and outcomes with data and technology through data-driven decision-making and expanded use of technology throughout the state.

The roadmap aims to significantly close the system gaps identified above and create a comprehensive behavioral health system where there are:

- More affordable mental health and substance use disorder services across the state;
- More behavioral health providers providing services when and where they are needed;
- More options for crisis services than emergency departments and jails;
- More services that address complex needs, including behavioral health needs with co-occurring I/DD or TBI;
- More prevention and early intervention services in communities and schools; and
- More children staying in their homes, instead of "living" in emergency departments, DSS offices and residential facilities.

As noted above, DHHS has made significant progress in implementing the roadmap and moving toward this vision for its behavioral health system. In October 2023, the General Assembly allocated an unprecedented $835 million to DHHS in support of these goals for state fiscal years (SFY) 2023–2025. With this historic funding, DHHS can accelerate its efforts to implement the roadmap, significantly expanding existing programs and developing new initiatives to achieve the roadmap's goals.

Investing in Behavioral Health and Resilience

OVERVIEW OF SYSTEM INVESTMENTS

This section describes how DHHS is deploying the $835 million in funding to support initiatives that align with priorities set in the $1 billion roadmap, highlighting early outcomes and indicators of success, and identifying where more attention is needed. It also identifies planned or potential opportunities to further leverage the $835 million over the next year, and how key partners will play a role in improving North Carolina's behavioral health system.

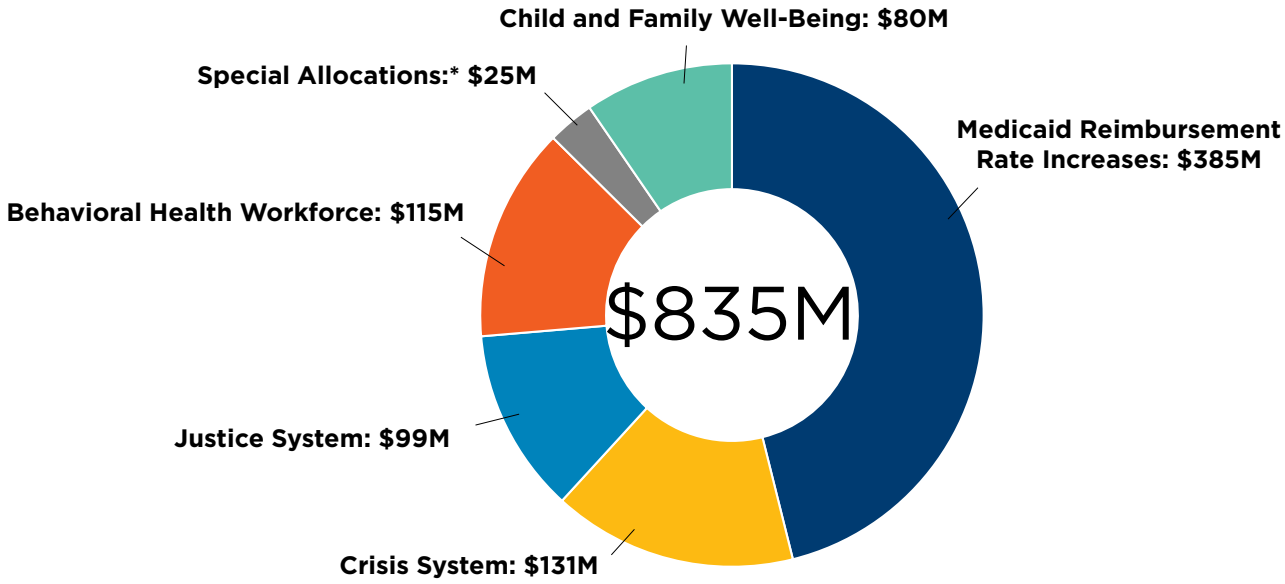
Nearly half of the $835 million allocated for behavioral health system transformation has been used to significantly increase Medicaid payment rates for providers across the behavioral health, I/DD and TBI continuum. This foundational investment—the first in over a decade—coupled with North Carolina's recent Medicaid expansion, has fundamentally improved the system's ability to meet the integrated physical and behavioral health needs of close to three million state residents. This recurring funding will enable more people to access services that may have been out of reach due to cost and enable more providers to deliver those services in a variety of care settings throughout the state.

In addition to comprehensive Medicaid behavioral health provider rate increases, DHHS has leveraged the $835 million to address targeted needs across four priority areas, which align with the investment areas outlined in the roadmap (see ***Figure 2***):

1. Strengthening the system of care for people experiencing a mental health or substance use crisis

2. Expanding services to help individuals with behavioral health conditions, I/DD and TBI avoid incarceration, and receive the care they need while incarcerated and as they re-enter their communities
3. Expanding and improving services for children and youth with complex needs and supports for families
4. Strengthening the behavioral health, I/DD and TBI workforce

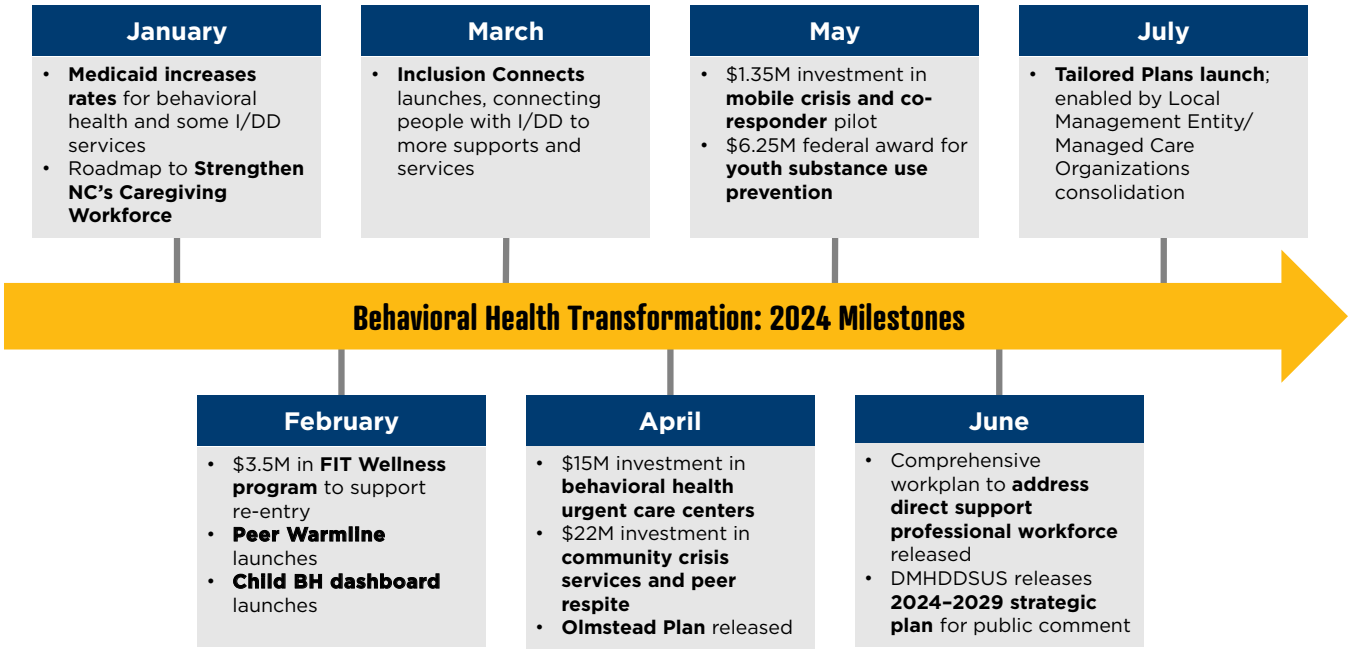
Figure 2. $835 Million Allocated to the Behavioral Health System (SFY 2023–2025)



*Special allocations include investments in Competitive integrated Employment (CIE) and Transitions to Community Living (TCL) for people with I/DD.

With the roadmap as a guide, DHHS moved quickly to finalize opportunities to invest the $835 million in these four areas (see ***Figure 3***). Investment decisions have been made in collaboration with key community partners via DHHS's community engagement model, which includes individuals served by DHHS and their families, health professionals, community leaders, advocacy groups, and other state, local, and federal partners, to guide the prioritization of investments in the system.[8] For example, the Division of Mental Health, Developmental Disability, and Substance Use Services (DMHDDSUS) established Advisory Committees across the key investment areas to foster community engagement and establish regular touchpoints for community members and partners to offer feedback on specific investment areas.

Figure 3. 2024 Behavioral Health Transformation Milestones



These new investments, in conjunction with the earlier efforts described above, will ensure that more North Carolinians are able to access affordable and high-quality behavioral health, I/DD and TBI services closer to home through expanded service offerings, know how to access help in a crisis, and have services tailored to their needs.

BEHAVIORAL HEALTH AND INTELLECTUAL/DEVELOPMENTAL DISABILITIES TAILORED PLANS

The Tailored Plans (TPs) are administered by LME-MCOs, which have a long history of providing regional behavioral health and I/DD coverage in North Carolina. With North Carolina's Medicaid transformation and transition to managed care, DHHS received federal authority to establish TPs, a unique model of integrated physical, behavioral health, and long-term services and supports coverage for members with SMI, serious emotional disturbance (SED), SUD, I/DD, and/or TBI. This whole-person approach is critical, as people with SMI and SUD face significant health disparities, including lower life expectancy.[9]

With the July 2024 launch of the four TPs, approximately 210,000 Medicaid members with complex needs now have access to enhanced coverage. All members enrolled in TPs receive specialized care management to navigate their care across physical and behavioral health and have access to certain behavioral health and long-term services and supports benefits that Medicaid members enrolled in Standard Plans do not.

INCREASING MEDICAID RATES FOR THE FIRST TIME IN A DECADE

Medicaid is the largest payer of behavioral health and I/DD services in North Carolina, and—through Medicaid expansion—now assumes an even larger role in financing behavioral health care for approximately 3 million North Carolinians.[10] For the past decade, Medicaid reimbursement for behavioral health and I/DD services across the continuum of care—from community-based services to inpatient treatment—has remained stagnant. DHHS has committed $385 million to raise Medicaid rates for most behavioral health and I/DD services during SFY 2023–2025, with recurring funding in the budget to sustain these rate increases over time.

Medicaid rate increases represent an approximately 20% increase in overall funding across impacted services. DHHS nearly doubled inpatient rates, raised behavioral health rates to 100–120% of Medicare reimbursement for similar services, increased I/DD and TBI rates across various waiver and State Plan services, and set a minimum rate for some services for which there previously was none. These increases support uniformity and payment parity among plans across the state; DHHS requires managed care programs to pay providers these new rates or higher wherever possible. Rate increases are helping providers hire and retain talented employees across the behavioral health care continuum and support key roadmap goals, including:

- Ensuring people have access to services to support whole-person health and prevent crises;
- Supporting care for individuals with SMI, I/DD and TBI in their homes and communities;
- Supporting a living wage for frontline workers, including direct support professionals (DSPs) and Peer Support Specialists;
- Ensuring adequate alternatives to emergency departments for behavioral health crises; and
- Supporting access to inpatient psychiatric care in community hospitals.

Figure 4. Notable Medicaid Behavioral Health Rate Increases

INVESTING IN NORTH CAROLINA'S BEHAVIORAL HEALTH CRISIS SYSTEM

Vision and Goals

A comprehensive behavioral health crisis system is an essential piece of our public health infrastructure, supporting people with a mental health or SUD crisis in the same way the emergency medical services (EMS) system supports people with physical health crises. Too many North Carolina residents continue to experience behavioral health crises without receiving timely or adequate support, either because they do not know where to access crisis

The Need for a Crisis Continuum

- 1,313 Medicaid-insured children used the emergency department for behavioral health needs in 2022.
- In 2023, more than 300 individuals were held in emergency departments each day in North Carolina because there was nowhere else to go for care.

care, or crisis services are not readily available in their communities. This can result in unnecessary interactions with law enforcement or extended stays in emergency departments because there is nowhere else for individuals to receive the specialized behavioral health care they need.

DHHS is developing a robust crisis to care system that can serve people close to home and in the least restrictive setting possible. When widely available, crisis services can act as an entry point to the behavioral health system, connecting individuals to services to address their immediate and longer-term needs. With new funding available from the General Assembly, DHHS will be able to build a comprehensive crisis continuum that includes ***someone to contact***, ***someone to respond***, and ***a safe place for help*** (see ***Figure 5***).

Once a complete crisis continuum is achieved, we will see:

- A decrease in individuals repeatedly using crisis services;
- A reduction in the number of emergency department behavioral health holds; and
- A reduction in the number of involuntary commitments (IVCs).

Figure 5. North Carolina's Crisis Continuum

Someone to Contact

- **988 Suicide and Crisis Lifeline:** A lifeline that connects North Carolinians via call, chat or text to a trained crisis counselor who will listen, offer support and provide community resources 24 hours a day, 7 days a week.
- **Behavioral Health Crisis Lines:** Phone lines operated by or contracted with Tailored and Standard Plans to offer assistance in crisis.
- **Peer Warm Line:** A phone line staffed by Peer Support Specialists who offer non-clinical support and resources to those in crisis. Works in tandem with 988.
- **911:** A phone line that acts as the universal emergency number for people to request emergency assistance.

Someone to Respond

- **Mobile Crisis Teams and Co-Responders:** Deploy teams who are trained and experienced to respond to people experiencing a behavioral health emergency, including mental health professionals and peer support specialists who can de-escalate crisis situations and provide appropriate support. Co-responders are deployed alongside law enforcement, while some mobile crisis teams respond instead of law enforcement.
- **Mobile Outreach Response Engagement and Stabilization (MORES):** Provides team-based crisis intervention pilot for children and adolescents ages 3–21 years experiencing escalating emotional and/or behavioral needs. MORES provides up to four weeks of follow-up services for individuals who have experienced a behavioral health crisis.

A Safe Place for Help

- **Behavioral Health Urgent Care (BHUC):** Offer 24-hour access to mental health specialists who can assist with diagnosis and assessment, medication management and treatment options.
- **Community Crisis Facility, sometimes known as Facility Based Crisis (FBC):** Provide short-term inpatient mental health stabilization and substance use detox for people in the community who otherwise would need to go to a hospital.
- **NC START:** Provide crisis prevention and intervention program for individuals age six and above with I/DD and co-occurring complex behavioral and/or mental health needs.
- **Peer and Community Respite:** Offer 24-hour access to Peer Support Specialists who provide support from the perspective of lived experience.

Before the $835 Million: Foundational Investments

Investments in the crisis continuum have been ongoing, with early funding building the infrastructure so that all North Carolinians have someone to contact when in crisis. These investments include:

- The 988 Suicide and Crisis Lifeline (988)—a joint federal and state partnership—launched nationwide and in North Carolina in July 2022, providing North Carolinians experiencing a behavioral health crisis a three-digit phone number to call or text to receive help.[11] In December 2023, DHHS developed a 988 performance dashboard to monitor how 988 is being used in North Carolina.[12] Since 2022, 988 crisis counselors in North Carolina have responded to nearly 190,000 calls.[13] The number of North Carolinians contacting 988 each month has also nearly doubled, averaging more than 8,000 calls each month.
- In February 2024, DHHS launched a statewide Peer Warmline, which provides 24/7 support for individuals experiencing a crisis from Peer Support Specialists who are individuals living in recovery with mental illness and/or SUD.[14] The Peer Warmline continues North Carolina's history and national leadership of recognizing the important role Peer Support Specialists play in a recovery-oriented system, and ensures that when individuals need someone to call, they can talk with someone who has had similar experiences. It has also received an increasing number of calls as more North Carolinians learn about the resource.

Real Life Experiences with the Peer Warmline

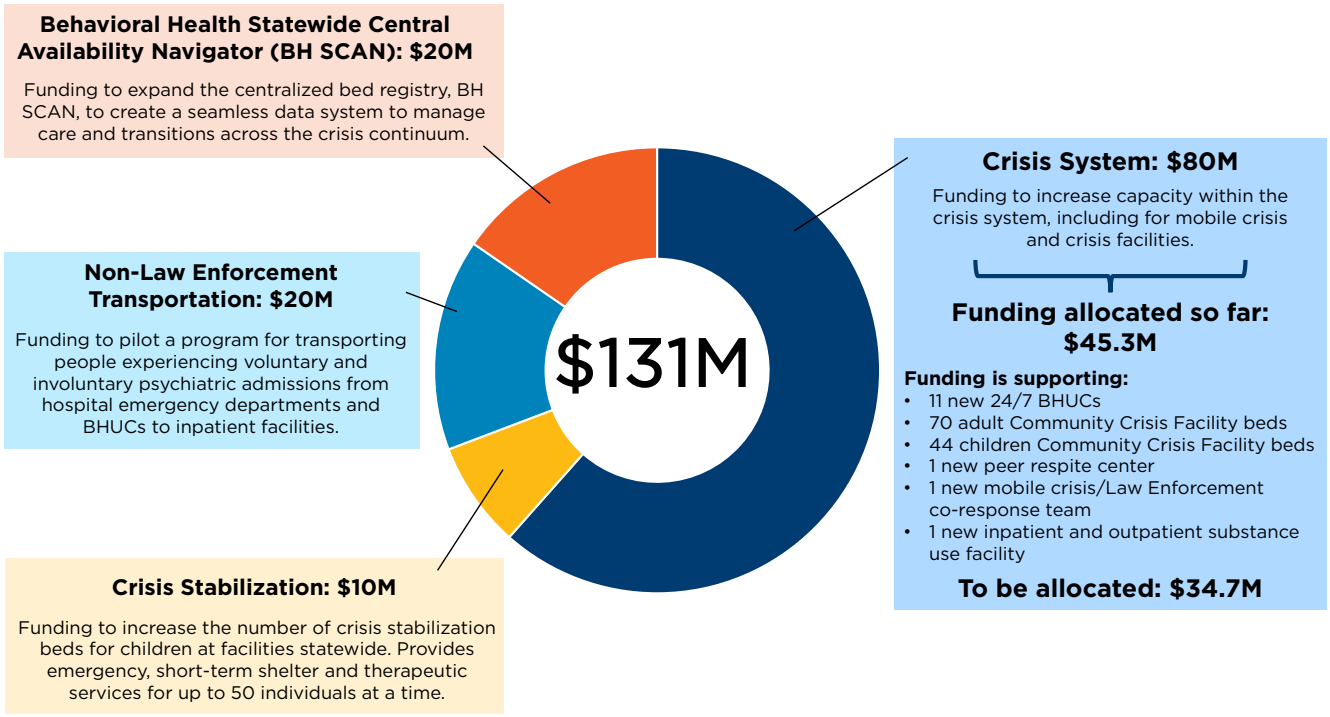
> Since its launch, the Peer Warmline has served North Carolinians when they need it, including one individual who said the Peer Warmline saved her life at four in the morning when she had no one. Others have shared that the Peer Warmline provided a place for them to learn coping skills that they now use in their life and allowed them to talk to someone who understands them.

Continued Improvements: Investing $131 Million in the Crisis System

As it has become easier for North Carolinians to have someone to contact in a crisis, there has also been a need to ensure there is someone to respond and a safe place to go. The General Assembly allocated $131 million for SFY 2023–2025 to support behavioral health crisis system capacity (see ***Figure 6***). Key investments for crisis include:

- Expanding the number of facilities and beds across the state that can provide behavioral health crisis services for North Carolinians of all ages;
- Increasing access to same and next day appointments through behavioral health urgent care (BHUC);
- Improving mobile crisis response times and increasing MORES which offers wrap-around supports for children, adolescents and families following a crisis;
- Developing a non-law enforcement transportation pilot program to reduce clinically inappropriate IVCs used to obtain secure transport; and
- Enhancing the state's data infrastructure, to allow for connections to care across the crisis continuum.

Figure 6. $131 Million in Crisis-Related Investments for SFY 2023–2025



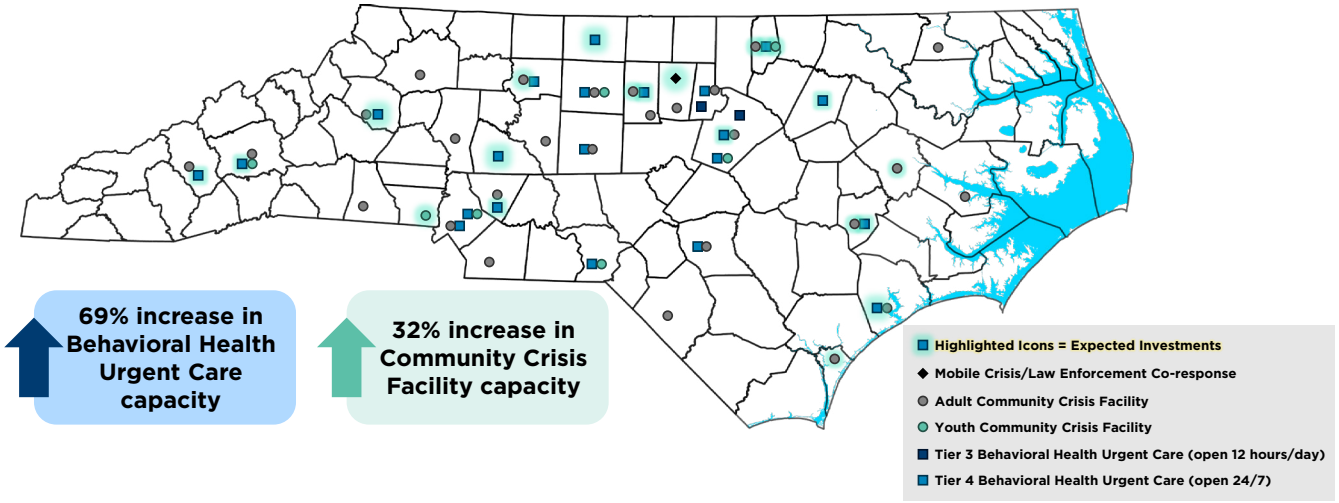
Note: Funding amounts are preliminary and subject to change.

Of the $131 million earmarked for the crisis system, DHHS has chosen where to distribute initial funds through extensive stakeholder discussions—including the 185-member Crisis System Advisory Committee—and data analysis to determine where in the state the need is highest. This included assessing current service capacity, such as the location of existing Community Crisis Facilities, and assessing resident needs, including identifying parts of the state where emergency departments are having to hold people experiencing a behavioral health crisis because there is not an inpatient psychiatric bed available to take them.

This is the first time DHHS has had the infrastructure to use almost real-time data to inform policy. Not only is DHHS able to monitor total inpatient and Community Crisis Facilities beds across the state on a daily basis, but DHHS can also determine the rate of holds and median length of stay for behavioral health holds by county, and a variety of demographics including race and age. This data supports DHHS in connecting people to care more efficiently, with a goal of reducing long stays in emergency departments.

See ***Figure 7*** for an overview of where in the state crisis investments have occurred so far, including a ribbon cutting for the Alamance Behavioral Health Center, a new center which will house crisis services for adults and children, inpatient and outpatient behavioral health services, peer support services and an on-site pharmacy, in addition to services that will help address an individual's health-related social needs, such as housing.[15]

Figure 7. Locating the New Crisis Investments



INVESTMENT SPOTLIGHT: INCREASING BEHAVIORAL HEALTH URGENT CARE ACROSS NORTH CAROLINA

In April 2024, DHHS announced it would be investing $15 million in nine new BHUCs over two years.[16] Like urgent care centers for physical health, BHUCs serve as an alternative to emergency departments and serve children, adolescents, adults, and families experiencing a behavioral health crisis. They offer access to mental health specialists who can assist with diagnosis and assessment, medication management and treatment options and are often attached to existing facilities (e.g., outpatient facilities or community crisis facilities).

This investment includes facilities in Alamance, Buncombe, Caldwell, Haywood, Onslow, Pitt, Rockingham, Rowan, and Vance counties. North Carolina already had a network of BHUCs available in Cumberland, Durham, Forsyth, Guilford, Mecklenburg, Randolph, Richmond, and Wake counties.

DHHS chose the new locations based on several criteria, including regional data on the number of individuals waiting for behavioral health care in emergency departments, availability of existing crisis services, and partnerships with preexisting community services. This investment is one of many to ensure that when people are in crisis, they have a safe place for help.

INVESTMENT SPOTLIGHT: MOBILE CRISIS AND CO-RESPONDER SERVICES

In May 2024, DHHS announced it would invest $1.35 million to pilot trauma-informed mobile crisis and crisis co-responder services. Mobile crisis and co-responder services provide an alternative response to behavioral health emergencies, where professionals trained in trauma-informed care and de-escalation techniques can respond alongside or instead of law enforcement. The goal is to ensure that people experiencing a mental health or substance use crisis receive a timely response from someone who is trained to meet their behavioral health needs when they call 988 or if they come to the attention of law enforcement.

Part of the funding will go toward piloting a Crisis Co-Responder for Law Enforcement model, under which mental health professionals work together with law enforcement to determine the best response when someone is experiencing a behavioral health crisis. The funding will also support an unarmed Crisis Assistance, Response and Engagement team, which will include a crisis counselor, a Peer Support Specialist, and an emergency medical technician that will respond in lieu of law enforcement to behavioral health and low-level, non-violent offense calls.

INVESTMENT SPOTLIGHT: PILOTING A NON-LAW ENFORCEMENT TRANSPORTATION (NLET) PROGRAM

In the fall of 2024, DHHS will issue a request for proposals to create an NLET pilot program. This program will serve children, adolescents, and adults requiring transportation on a voluntary basis or via IVC order between facilities (e.g., from an inpatient psychiatric facility to a community crisis facility). The General Assembly allocated $20 million for this pilot program through SFY 2025, which will be available initially in select regions across the state.

Currently, law enforcement provides transportation when someone is under an IVC order in most counties. Many individuals experiencing a mental health crisis are placed under IVC—even if they are willing to receive treatment voluntarily—so they can secure transportation, which by default is provided by law enforcement. Law enforcement involvement in transportation, especially the use of handcuffs, can be traumatic and stigmatizing. DHHS wants to use this pilot to implement a recovery-oriented model for transportation and free up law enforcement resources.

Looking Ahead

DHHS will focus upcoming efforts on rolling out the NLET pilot, expanding mobile crisis capacity across the state, and leveraging technology to create seamless connections to care across the crisis system. DHHS will also work to make improvements to the BH SCAN, a data technology system that identifies resources to support someone with behavioral health needs. Improvements to BH SCAN will help providers identify where someone can receive care and support seamless transitions as people move from higher levels of service to community-based treatment options.

CRISIS TO CARE CAMPAIGN

DMHDDSUS will launch a public awareness campaign to connect North Carolinians to crisis services. The campaign will engage people who intersect with the crisis system including law enforcement, providers, families, schools, and community organizations.

WHAT A COMPREHENSIVE CRISIS CONTINUUM WILL MEAN FOR NORTH CAROLINA PARTNERS

- **People experiencing a behavioral health crisis** will have a streamlined way to reach behavioral health crisis support—through 988, the peer warm line or other call centers—and are quickly triaged to appropriate treatment closer to home and through more mobile crisis providers, BHUCs, FBCs and inpatient psychiatric beds.
- **Community-based providers** will be able to respond more effectively to de-escalate crises and connect individuals to appropriate care, reducing law enforcement and EMS involvement in behavioral health crises.

INVESTING IN BEHAVIORAL HEALTH SUPPORTS FOR JUSTICE-INVOLVED INDIVIDUALS

Vision and Goals

Individuals with behavioral health, I/DD and TBI conditions are overrepresented in justice settings.

DHHS aims to reduce justice-system involvement for North Carolinians by:

- Preventing justice involvement by strengthening pathways to community-based treatment and supports;
- Supporting youth and adults with behavioral health, I/DD and TBI needs and justice system involvement with evidence-based treatment; and
- Ensuring seamless re-entry and stabilization in the community.

The Need to Support Justice-Involved Individuals

- In North Carolina prisons in 2019, 75% of people were identified as having SUD needs, and 50% of people were identified as having mental health needs.
- Nationally, 2 in 5 state and federal prisoners reported at least one disability in 2016, and cognitive disabilities were the most common disability reported.

DHHS is working to ensure that community-based treatment services and supports are accessible in all communities in the state to prevent justice involvement and support individuals as they re-enter the community. DHHS will continue collaborating with its partners to ensure North Carolinians are provided community-based supports specific to their needs so that detention is used as a last resort.

Once the vision is achieved, we will see:

- Improved access to treatment and services for individuals involved with the justice system;
- Increased state psychiatric bed availability as capacity restoration efforts expand;
- Decreased emergency department use for behavioral health holds due to increased residential and inpatient capacity; and
- Reduced recidivism rates over time.

The Need for Youth-Focused Initiatives

In 2021, 100% of youth in North Carolina youth development centers—secure facilities that prepare committed youth to transition back to their communities—had at least one mental health diagnosis, and more than half had an SUD diagnosis.[17]

Involvement in the justice system can place youth in scenarios where they experience more trauma or are exposed to situations that intensify their psychological distress. Involvement with the justice system prior to adulthood can lead to increased risk of adult criminal activity, lower education attainment and difficulty finding a job.[18] The justice system for youth also differs from the justice system for adults—including different facilities and goals—increasing the need for youth-focused solutions.

Before the $835 Million: Foundational Investments

Over the last five years, DHHS has invested $26 million federal and state dollars in 26 programs to support justice-involved individuals with behavioral health needs across 32 of the state's 100 counties. These programs have provided deflection and diversion services,[19] re-entry programming, services to youth in juvenile detention, capacity restoration and treatment for individuals with SMIs in jails.[20]

North Carolina's first capacity restoration program in a detention center(NC RISE) launched in December 2022. Capacity restoration programs serve people who the courts determine are Incapable to Proceed (ITP) to trial, with a focus on restoring a person's ability to understand trial proceedings and move forward in the justice system. While previously provided only in state hospitals, moving these programs to communities and detention centers can ensure that individuals get capacity restoration in a setting that matches their psychiatric acuity and maximizes the use of state psychiatric hospital beds. In its first year, NC RISE restored capacity for 80% of individuals who participated, and the time to restore capacity through the program was 43 days compared to 180 days in state hospitals.[21] Additional community-based capacity restoration programs were announced in April 2023, and more are expected to be funded via the $835 million.[22] Based on the success of the initial detention based capacity restoration program, DHHS is standing up pilots in two additional counties.

OUTCOMES FROM EARLY INVESTMENTS IN JUSTICE PROGRAMS

From 2020 to 2023, 10,354 North Carolinians involved with the justice system were served via DHHS community programs, 79% through diversion programs and 21% through re-entry programs. Of the 10,354 individuals served through these programs:

- **51%** were connected to SUD services;
- **18%** connected to medications for opioid use disorder (MOUD) services; and
- **5%** reported re-arrest of program participants.

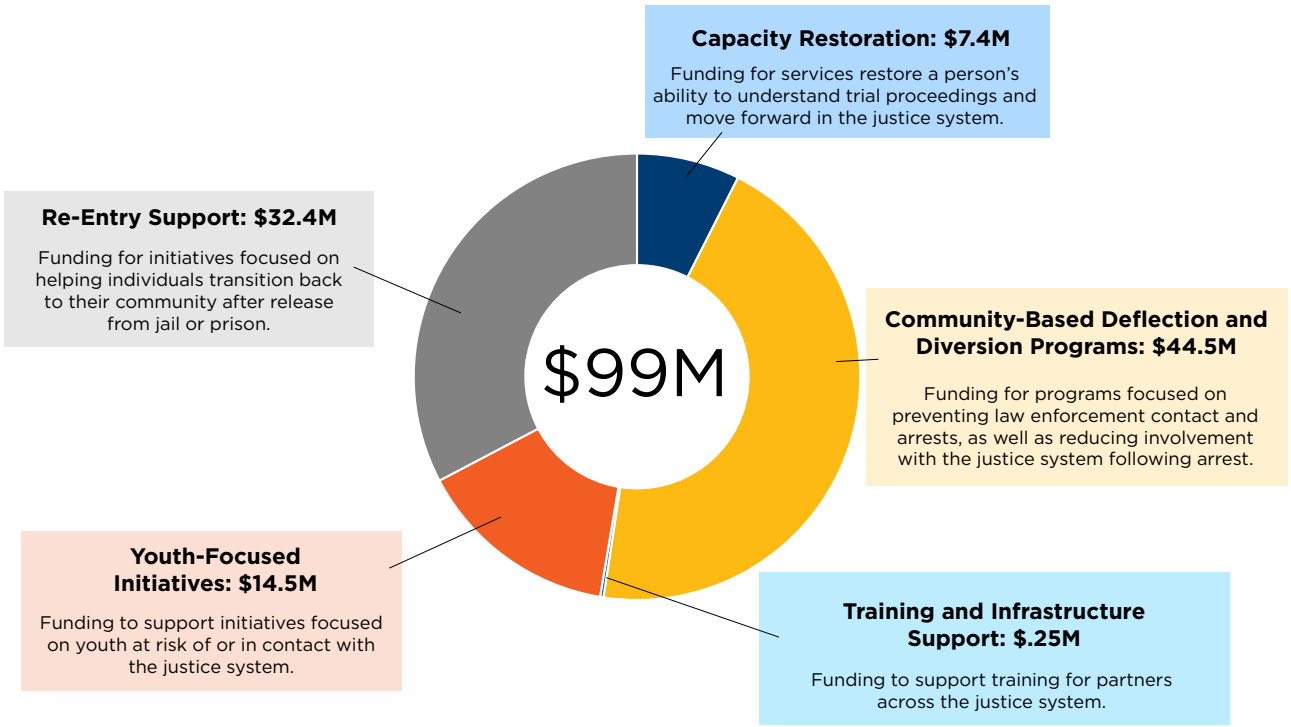
More than 17,000 naloxone kits—which can reverse overdoses—were also distributed, and among 382 reported overdose events, 92% were known to be reversed and 20% of individuals were linked to MOUD services.

Continued Improvements: $99 Million for the Justice System

DHHS is using the $99 million allocated by the General Assembly for the justice system to build on its prior efforts. The $99 million will be distributed by DHHS to support 1) community-based pre-arrest diversion and re-entry programs; 2) local partnerships between law enforcement, counties, and behavioral health providers; and 3) community-based and detention center-based capacity restoration programs. Key investment areas outlined in ***Figure 8*** include:

- Deflection, diversion and/or re-entry supports to individuals with behavioral health, I/DD and/or TBI needs involved with the justice system, to ensure access to care and seamless re-entry and stabilization in communities;
- Programs that are tailored to supporting youth at risk of or in contact with the justice system; and
- Capacity restoration programs that allow individuals to move through the justice system more expediently.

Figure 8. $99 Million in Justice-Related Investments for SFY 2023–2025



Note: Funding amounts are preliminary and subject to change.

INVESTMENT SPOTLIGHT: NORTH CAROLINA FORMERLY INCARCERATED TRANSITION (NC FIT) PROGRAM

In February 2024, DHHS announced it would invest $5.5 million in the NC FIT Wellness Program based in Wake County.[23] NC FIT Wellness provides re-entry services for people with an SMI who have been involved with the state prison system, including mental and physical health services and connections to supports like housing, transportation, and phones. Participants also have the opportunity to work with Peer Support Specialists that have a personal history of incarceration. Early outcomes indicate that 75% of FIT Wellness participants had no emergency department visits within three months of release, and 81% have had no hospital visit.

The new funding will help expand the program to serve Durham, Orange, and New Hanover counties, as well as create training opportunities for medical students and psychiatry residents to engage with incarcerated and formerly incarcerated people with SMI.

INVESTMENT SPOTLIGHT: CREDIBLE MESSENGERS

Using part of the $99 million allocated to the justice system, DHHS will fund Credible Messengers, a program that matches youth in juvenile justice facilities with specially trained adults who have lived experience in the justice system or similar life experiences to youth.[24]

Credible Messengers inspire youth to challenge and transform thinking, attitudes, and actions. Credible Messengers provide mentoring sessions, facilitate restorative group activities, and provide support for educational, vocational, personal development, life enhancement activities, life coaching and co-navigation. They can also share prevention strategies with youth and the community that reduce contact with law enforcement and act as a bridge between community organizations and members, agencies and policymakers.[25] Similar approaches in other states have led to reductions in recidivism for young adults.[26]

INVESTMENT SPOTLIGHT: SUPPORTING INDIVIDUALS WITH I/DD AND TBI IN THE JUSTICE SYSTEM

DHHS is launching multiple initiatives leveraging investments in the justice system to support individuals with I/DD and TBI. This includes using funding to support trainings for Department of Adult Correction staff and other justice partners focused on how to better understand and serve individuals with I/DD and TBI who are overrepresented among justice-involved individuals. DHHS is also supporting the expansion of existing re-entry initiatives focused on meeting the needs of individuals with I/DD and TBI and increasing available supports when individuals transition out of justice settings, including initial rental assistance and some clothing and food costs.

Looking Ahead

As more initiatives are implemented that meet people where they are, North Carolinians can expect to see improved access to treatment and services, increased state psychiatric bed availability, decreased emergency department utilization for behavioral health holds, fewer people in jails and prisons with behavioral health, I/DD and TBI diagnoses, reduced overdose rates for people re-entering their communities, and a reduction in recidivism. Key to this transformation is the administration's application to CMS for an 1115 waiver which would allow incarcerated individuals to receive care management and other Medicaid services prior to release (see side bar). This is a game-changing opportunity to improve the physical and behavioral health of people reentering their communities.

WHAT THESE CHANGES MEAN FOR DIFFERENT STAKEHOLDERS:

- **Law enforcement, including county detention centers, and the court system** have fewer cases to handle as fewer people enter the justice system and recidivism decreases, and law enforcement will respond to fewer behavioral health crises.
- **Individuals involved with the justice system** have more supports at every step of the continuum.

PROVIDING MEDICAID SERVICES FOR INDIVIDUALS WHO ARE INCARCERATED PRIOR TO RELEASE

In 2023, DHHS submitted an application to the Centers for Medicare and Medicaid Services to renew its Medicaid Reform Demonstration Waiver for another five-year period. If approved, the waiver will allow for key services to be covered by Medicaid 90 days pre-release from incarceration. Currently, federal rules prevent states from using federal Medicaid funding for Medicaid services provided to individuals while they are incarcerated.[27]

Among the set of pre-release services that approval of the Waiver would allow for are MOUD treatments, which would include medication in combination with counseling/behavioral therapies, as well as physical and behavioral health clinical consultation services and care management to create of a comprehensive and successful reentry plan. DHHS has also requested $315 million in capacity building funds to support the delivery of services and cross-system implementation efforts.

INVESTING IN BEHAVIORAL HEALTH SERVICES FOR CHILDREN AND FAMILIES

Vision and Goals

Children and youth represent our future, and many in North Carolina are experiencing significant behavioral health challenges and are not receiving the care and supports they need.

The Need to Support Child and Family Behavioral Health

- NC ranked last in the nation for access to children's behavioral health in 2019.
- Youth suicides have doubled in the last decade and are the second-leading cause of death for children ages 10–18.
- More than 50 children sleep in an emergency department or DSS office every week.

Supporting children and youth who have behavioral health needs starts with prevention and early intervention for ***all*** children, reaching them in their community and where children spend a significant portion of their days: schools. There is a need for evidence-based intervention services to be available in all communities that respond to the needs of children and families. The ability to receive these services timely and conveniently may prevent them from having a crisis or needing higher levels of care.

Additionally, children with behavioral health needs must receive services that are suitable, essential, child-centered, trauma-informed, and high-quality; services that enable as many children as possible to either remain in or return to a home setting. If a child needs specialized care in a residential treatment setting, there should be high-quality programs with available beds in their community or nearby. These settings should be accountable for outcomes associated with successful recovery and a return to home-based settings.

Efforts to improve behavioral health care for children must include tailored strategies for children and youth involved in the Child Welfare system and Tribal Child Welfare Programs. These children may be more likely to have experienced traumatic events in their lives and, therefore, may have a greater need for behavioral health care.

Once the vision is achieved, we will see:

- Rates of suicide and self-harm among youth return to pre-pandemic levels and further decline over time;
- More families able to stay intact because they receive the upstream services they need;
- Fewer children staying in DSS offices or emergency departments; and
- Every child involved in the child welfare system has a safe placement in a setting that can meet their needs.

Before the $835 Million: Foundational Investments

Over the past five years, child and family behavioral health has been a high priority for the Administration. Approximately 40% of North Carolina children are covered by Medicaid and the Children's Health Insurance Program. With North Carolina's Medicaid transformation efforts, nearly all of these children receive comprehensive, integrated physical and behavioral health coverage, and children with mental health or I/DD are able to receive focused care management through Tailored Care Management.[28,29] DHHS launched a new Division of Child and Family Well-Being (DCFW),

bringing together programs and staff previously operating across multiple department divisions to support the physical, behavioral, and social needs of children under one roof.[30] The creation of DCFW reflects DHHS's new approach to whole-child and whole-family care, allowing North Carolina to leverage funding, data, and program capacity to better service children and their families.

For more than a decade, DHHS and its community partners have utilized the System of Care framework that places the family at the center of a child's care to inform what services a child needs, in recognition of the many child-serving agencies they may be interacting with (e.g., schools, primary care, social services, juvenile justice, etc.).[31] In recent years, DHHS advanced the System of Care framework through investments in behavioral health supports in schools and expanded high-fidelity wraparound services, which offer team based collaborative care for children with mental health needs, to 73 counties through a multi-year federal grant.[32] DHHS has also begun paying family members who step in to support children in need, recognizing that when a child cannot be assured safety in their own homes, often the best alternative resource can be found within extended family and other kin.[33]

Additionally, recognizing the unique needs and barriers that children and families involved in the child welfare system face, DHHS received legislative authority to launch the Children and Families Specialty Plan (CFSP). CFSP will support Medicaid-enrolled children, youth, and families served by the child welfare system in receiving seamless, integrated, and coordinated health care coverage.[34] Once implemented, the CFSP will offer robust care management to every enrolled member, working in close coordination with the NCDSS, County DSS agencies, and the Eastern Band of Cherokee Indian Family Safety Program.

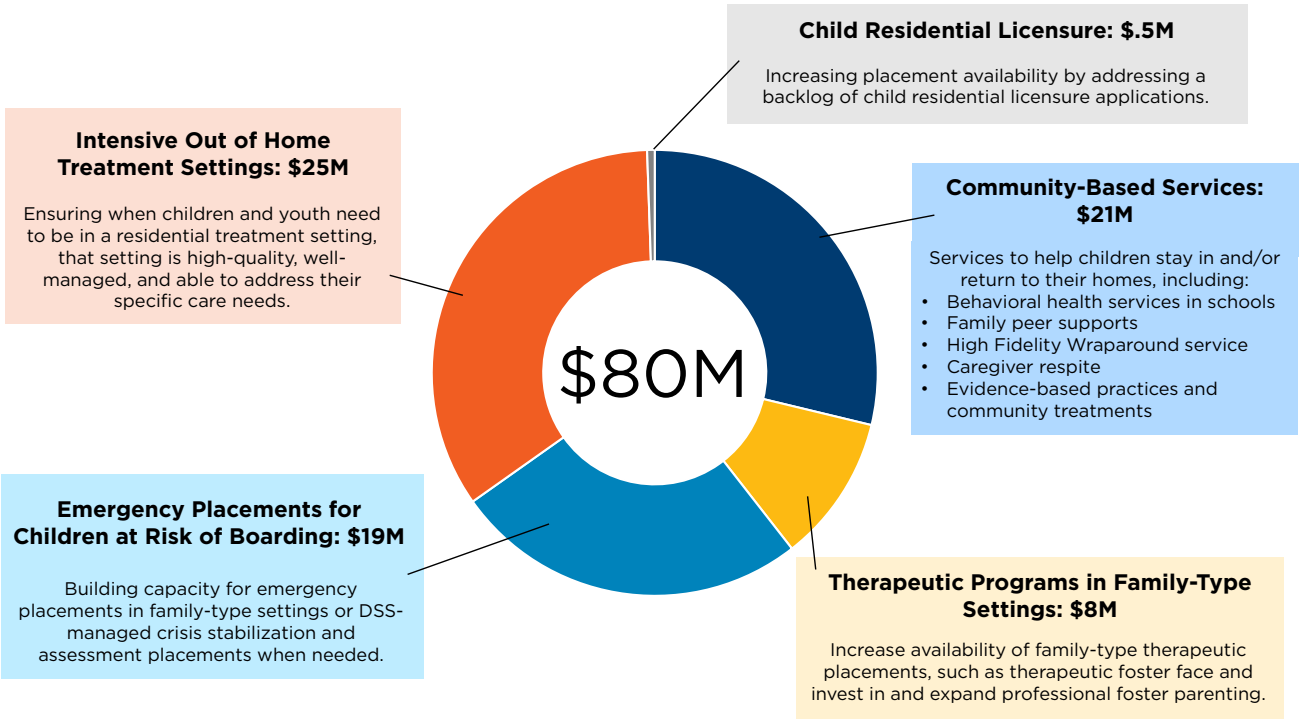
Continued Improvements: $80 Million in Child and Family Behavioral Health Supports

In addition to Medicaid provider reimbursement increases that improve access to child and youth behavioral health services (described above), $80 million of the $835 million has been allocated to support behavioral health for children and families. These investments will prioritize addressing critical gaps in services for children with complex behavioral health needs and families involved in the child welfare system.

Key investment areas outlined in ***Figure 9*** include:

- Expanding access to community-based services that help children with behavioral health needs stay in and return to their homes safely;
- Increasing the availability of therapeutic programs in family-type settings;
- Building capacity for emergency placement for children at risk of boarding, keeping kids out of emergency departments and DSS offices;
- Increasing the quality and management of residential treatment settings; and
- Addressing the backlog of child residential licensure applications to increase available placements.

Figure 9. $80 Million in Child and Behavioral Health Investments for SFY 2023–2025



Note: Funding amounts are preliminary and subject to change.

INVESTMENT SPOTLIGHT: ENVIRONMENT OF CARE IMPROVEMENTS AT RESIDENTIAL TREATMENT SETTINGS

DHHS is committed to ensuring that care in residential treatment settings for children and youth with complex behavioral health needs is high-quality, evidence-based, trauma-informed, and effective. DHHS is investing $5M to improve the environment of care in existing residential treatment settings to support safe, trauma-informed treatment programs.

DHHS released a request for proposals from providers and LME-MCOs to develop or enhance a trauma-informed environment of care within residential treatment settings in March 2024, and has selected to fund 25 proposals submitted by 18 unique providers to enhance their physical environment of care. A reserve fund of $1M has been established to enhance the physical environments in currently licensed Psychiatric Residential Treatment Facilities (PRTFs).

Funded projects impact all residential treatment levels of care—Level II-Program Type, Level III, Level IV, and PRTF—and represent programs in all four LME-MCO catchment areas.

Geographically, these projects span 12 counties and will result in 255 youth daily engaging in residential therapy provided in settings that are physically safe, comfortable, and conducive for healing. Projects include making facility repairs, creating sensory rooms and resources for children and youth, enhancing outdoor common spaces, creating recreation opportunities, and purchasing new furniture.

INVESTMENT SPOTLIGHT: DSS EMERGENCY PLACEMENT FUND

Approximately 30 children with complex behavioral health needs are living in DSS offices in the average week because there is no place for them to go that is appropriate for their care. To address this crisis, DHHS invested $2.3 million in FY23 and will invest $5.5 million in FY24 in county DSS offices to implement practices that have been shown to support better placements for children with complex behavioral health needs.[35] These practices can include:

- Maintaining a crisis placement provider on retainer who can provide temporary emergency placement that is suitable to a child's behavioral health needs until a treatment placement can be located.
- Providing short-term rate increases to placement providers who care for children with behavioral health needs who require an exceptional level of supervision.
- Implementing local solutions that prevent a child in DSS custody from spending a night in the DSS office while awaiting an appropriate placement for behavioral health treatment.

INVESTMENT SPOTLIGHT: FAMILY-BASED BEHAVIORAL HEALTH SERVICES FOR CHILDREN WITH COMPLEX NEEDS

For children whose complex behavioral health needs require intensive support, there is often a gap in home-based treatment options, resulting in too many children sleeping in an emergency department, a local DSS, or residential treatment setting because the right level of support services is not available in their community. To address this gap, DHHS invested $11 million in treatment services designed to keep children who have complex behavioral health needs in homes and communities.[36]

DHHS is contracting with Rapid Resources for Families to expand access to Intensive Alternative Family Treatment® (IAFT)—a specialized program that enables children with complex behavioral health to receive family-based services through a therapeutic foster home with counseling and psychiatric supports. IAFT® serves children whose complex needs make it difficult to find a safe, supportive placement, helping to prevent inappropriate boarding or use of institutional settings. To ensure long-lasting recovery and permanence, IAFT® treatment builds on a child's natural support system and focuses on healing for the whole family.

The partnership between DHHS and Rapid Resources for Families will expand NC's capacity for IAFT services, increase training for licensed foster parents, and increase access to short-term IAFT placements.

Looking Ahead

DHHS will continue to expand access to child and family behavioral health services and address critical gaps in care for children with complex behavioral health needs and those involved in the child welfare system in SFY 2024–2025. DHHS will invest in upstream solutions to support children staying in their homes, including expanding access to family peer supports and exploring opportunities to give parents and guardians short-term relief through caregiver respite programs.

DHHS will also continue to improve care for children and youth with complex behavioral health needs by improving the placement process, prioritizing family-type settings for children at risk of extended stays at an emergency department or DSS office, and building care capacity in high-quality residential treatment settings.

WHAT THIS MEANS FOR DIFFERENT STAKEHOLDERS:

- **Families**, including legal guardians, will be placed at the center of decision-making for a child's behavioral health, prioritizing coordinated and accessible community-based care. When a child experiences a crisis, there will be high-quality services provided during the crisis and wrap-around supports after the crisis episode.
- **County DSS offices** will have the resources they need to support children with complex behavioral health needs find a safe place to stay where their specialized needs can be met.

INVESTING IN THE BEHAVIORAL HEALTH WORKFORCE OF THE FUTURE: TRAINING, RECRUITMENT, AND RETENTION EFFORTS

Vision and Goals

The Need for Workforce Investments

- 94 of 100 counties in NC face a shortage of mental health professionals.
- Over 50 percent of behavioral health providers reported experiencing symptoms of burnout in the wake of the COVID-19 pandemic.
- Behavioral health professionals are historically underfunded compared to physical health professionals.
- 43 counties have no child psychiatrists.

The behavioral health, I/DD and TBI workforce is the backbone of a high-quality, accessible system, and in North Carolina—as well as across the country—there is a shortage of workers that is only expected to grow in the coming years.[37] This workforce crisis has been tied to low Medicaid provider reimbursement rates, high levels of burnout among workers, and inconsistencies in providers' training and scope of practice. Workforce challenges delay access to care for people when and where they need it, from finding a therapist or DSP in the community to accessing a bed in a residential care facility.

DHHS workforce development efforts aim to bolster provider capacity to deliver high quality behavioral health care and build a strong, high-quality, and sustainable behavioral health workforce for the future.

Once the vision is achieved, we will see:

- There are enough providers and workers in every community to ensure access to services across the continuum;

- DSPs are appropriately compensated to support expanded access to community integration for individuals with I/DD or TBI;
- All members of the workforce feel supported and confident in their role in the system; and
- Peer Support Specialists will be a well-utilized and well-respected part of the recovery-oriented system of care.

Before the $835 Million: Foundational Investments

Over the past five years, DHHS has worked to grow the behavioral health workforce to support access to care for North Carolinians. The State has invested in educational opportunities, including launching the Addiction Education Minority Fellowship Program in 2022, which funds $6 million in scholarships for students from ethnic/racial minority groups to pursue degrees that support addiction prevention, treatment, and recovery.[38] DHHS also expanded the integration of SUD education into the standard curriculum of health care and health services education programs across the state.[39] To support licensed behavioral health providers serving rural and underserved communities, DHHS established a State Loan Repayment Program, repaying up to $50,000 in student loans for these critical workers.[40]

In 2022, in response to the tremendous efforts of direct care workers during the COVID-19 pandemic, DHHS issued $2,000 bonuses to all eligible direct care workers, including DSPs who provide care for individuals with I/DD.

DHHS has also been a leader in promoting the Peer Support Specialist workforce. Peer support specialists play a critical role in promoting recovery and helping to engage individuals in evidence-based treatments. In 2006, DHHS began covering peer support services under its Medicaid program, and the number of certified Peer Support Specialists has increased significantly in the subsequent years.[41] Additionally, Medicaid expansion will infuse funding into behavioral health provider agencies and workers, as many individuals who have not received behavioral health care due to cost will now be accessing services.[42]

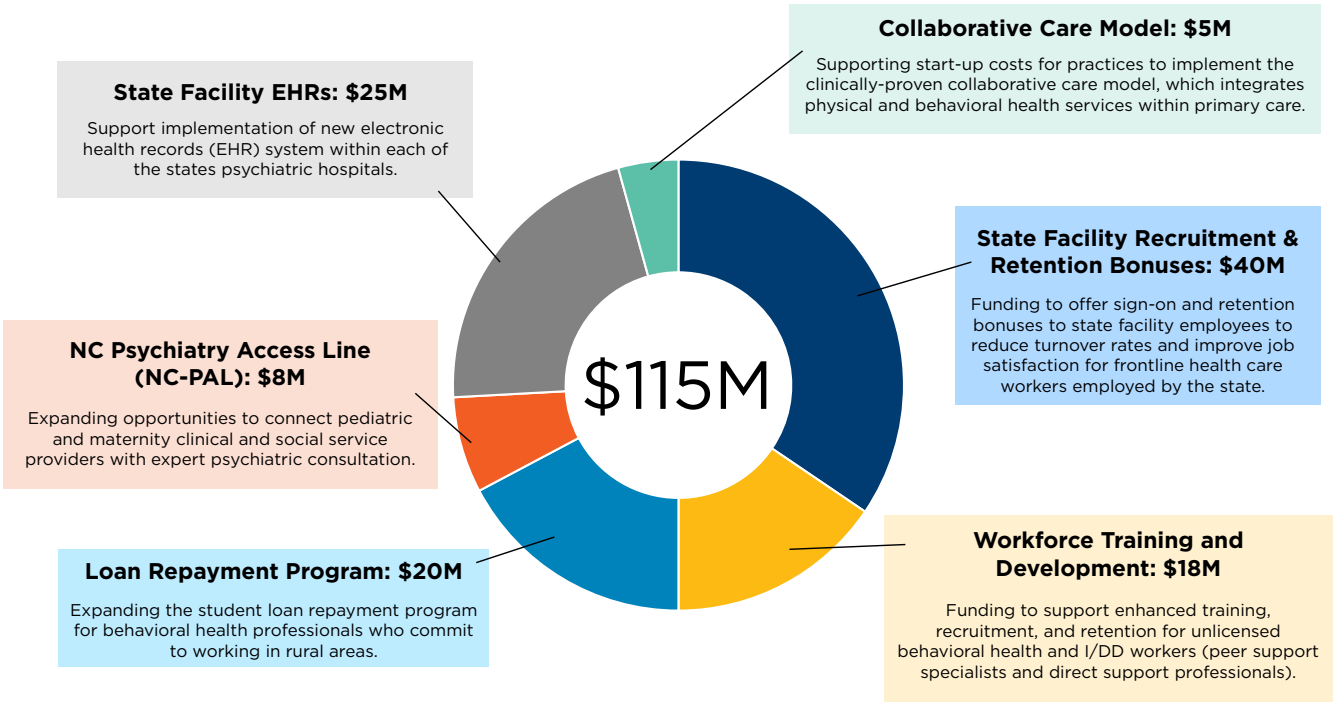
Continued Improvements: $115M in Training, Recruitment, and Retention Investments

In addition to Medicaid reimbursement increases, DHHS aims to improve the recruitment, training, and retention of key behavioral health professionals. Key investment areas outlined in ***Figure 10*** include:

- Expanding loan repayment programs for licensed professionals including social workers and psychologists working in rural areas;
- Expanding the NC-PAL to offer child and maternal behavioral health consultation to clinical and social service providers, including in schools, and promote integrated physical and behavioral health care in primary care;
- Recruitment and retention bonuses for state facility employees and implementation of electronic health records in all state psychiatric hospitals;
- Supporting practices in implementing the evidence-based Collaborative Care Model (CoCM), a model that integrates physical and behavioral health in primary care offices and acts as a workforce extender for psychiatric care, through enhanced Medicaid rates—120% of Medicare as of December 2022—and capacity building grants for primary care practices; and

- Improving training, recruitment, and retention of unlicensed professionals, including DSPs and Peer Support Specialists.

Figure 10. $115 Million in Workforce Investments for SFY 2023–2025



Note: Funding amounts are preliminary and subject to change.

Notably, DHHS is placing greater focus on expanding a high-quality workforce of DSPs and Peer Support Specialists. There is currently a significant shortfall of DSPs in the state, leaving many individuals with I/DD and TBI (many of whom have co-occurring mental health needs) without home- and community-based care. Additionally, while there are over 5,100 Certified Peer Support Specialists across the state, many peers report struggling to find a good, well-paying job and feel underutilized and unsupported by their clinical counterparts.[43]

WHO ARE DSPS AND PEER SUPPORT SPECIALISTS?

A DSP provides direct, hands-on support and services to people with I/DD or TBI needs

A Peer Support Specialist with lived experience providing support to others who are living through similar circumstances

Investments will support the recruitment, retention, and consistent training of DSPs and Peer Support Specialists and bring more people into this growing field, help them stay in their jobs, and support their advancement and career growth in the behavioral health field.

INVESTMENT SPOTLIGHT: GROWING THE PEER SUPPORT SPECIALIST WORKFORCE

Peer Support Specialists are changing lives for people experiencing substance use and mental health issues across North Carolina. For example, the new statewide Peer Warmline, run by Promise Resource Network, has answered over 25,000 calls to offer peer-to-peer mentoring, support, and connection to services since launching in February 2024.[44] Encouraging more providers and employers to recognize the evidence-based results of utilizing Peer Support Specialists—from hospital emergency department rooms to community peer "living rooms"—will only serve to benefit behavioral health resilience in North Carolina.[45,46]

Expanding access to high-quality peer support services begins with ensuring there is a well-prepared peer support workforce and an employer community that is ready to integrate peers into the behavioral health system. Utilizing a portion of the $18 million in workforce development investments, DHHS aims to bring more Peer Support Specialists into the workforce. DHHS is kicking off these efforts by developing a standardized, high-quality certification curriculum that all peers will take as they enter the field, as recommended by the Roadmap to Strengthen North Carolina's Caregiving Workforce.[47]

Beyond ensuring Peer Support Specialists are prepared to enter the workforce, peers need support finding good jobs with employers who value their expertise. DHHS also plans to invest in hiring supports to connect peers to employers and invest in efforts to educate employers on how to integrate peers into their care teams in a way that demonstrates respect and allows peers to operate at the top of their abilities.

INVESTMENT SPOTLIGHT: NC-PAL

Since 2018, NC-PAL has offered free telephonic consultation to help health care and social service providers address child and maternal behavioral health needs and support behavioral health trainings in 130 public schools across North Carolina. There is a marked shortage of child psychiatrists in NC, and NC-PAL acts as a workforce multiplier by granting all primary care providers across the state access to child psychiatrists. This consultation not only supports other health care, education, and social service providers, but ultimately supports children, parents, and guardians who are able to receive specialized advice within their own communities and local care settings.

To expand the reach of this important resource, DHHS is investing $8 million over the next two years, with recurring funds allocated in the budget.

Looking Ahead

Workforce investments will enable provider agencies to recruit and retain strong talent, increasing service capacity and improving quality of care for all North Carolinians. The DSP Workforce Plan, released in June 2024, details how DHHS will address the DSP workforce shortage, reaffirming the commitment to DSPs and the essential services they provide to individuals with I/DD.[48] The multi-

year plan aims to build a robust, high-quality DSP workforce through improved retention, strategic recruitment, and enhanced training to create a career path for DSPs that acknowledges their value.

Proposed initiatives include:

- Establishing a core curriculum and certificate program for DSPs to receive consistent, high-quality training;
- Offering recruitment and retention grants to fund provider programs that improve job satisfaction for DSPs; and
- Launching a recruitment and awareness campaign to bring more DSPs into the field and educate communities about the pivotal role they play in supporting people with I/DD.

DHHS also plans to work with community partners to expand peer support services for people with I/DD and TBI, including developing training opportunities for people with I/DD and TBI to become peers, and expand access to peer support services for justice-involved populations.

Finally, DHHS is requesting $100 million in funding through its 1115 Demonstration Renewal Request to expand the behavioral health student loan repayment program and provide recruitment and retention payments for direct care workers and other professionals who provide long-term services and supports, behavioral health, and I/DD services to Medicaid members.[49]

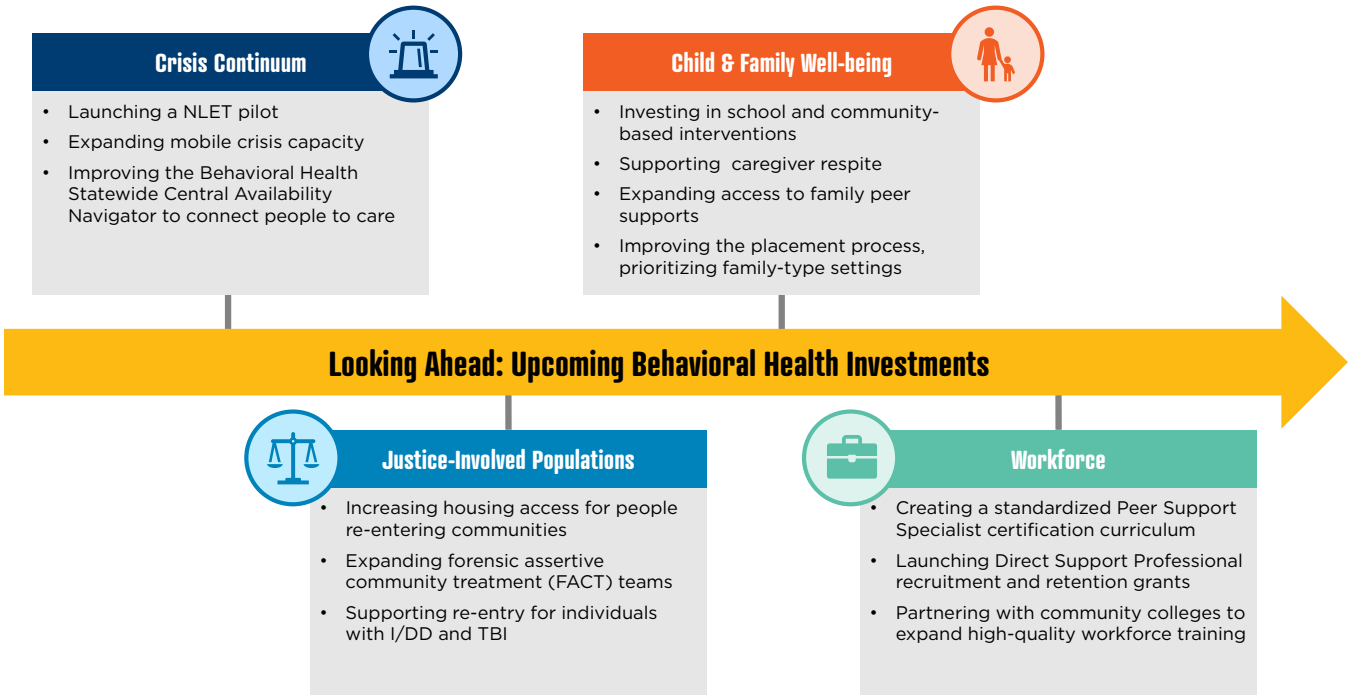
WHAT WORKFORCE INVESTMENTS MEAN FOR COMMUNITY PARTNERS

- **Behavioral Health workers** receive a long-overdue pay raise through increased Medicaid reimbursement, in addition to loan repayment, training, recruitment, and retention initiatives.
- **Family caregivers** of people with I/DD will have access to support through a strengthened DSP workforce.
- **People with lived experience** will have greater access to employment opportunities through a standardized Peer Support Specialist certification process that prioritizes helping peers find good jobs and grow in their career.

Achieving a Transformed Behavioral Health System in North Carolina

Over the next year, DHHS will continue to leverage the $835 million in behavioral health funding to finalize investments that fundamentally change the landscape of how people experience and receive behavioral health care in North Carolina (see ***Figure 11***). Engagement with community partners will be critical to this work; there will be opportunities for continued discussions on investment proposals and opportunities to maximize the impact of this historic funding opportunity. DMHDDSUS has published a proposed strategic plan to help advance the roadmap and support sustained attention across its key investment areas.[50]

Figure 11. Upcoming Behavioral Health Investments



DMHDDSUS STRATEGIC PLAN

DMHDDSUS—the Division at DHHS responsible for overseeing and regulating North Carolina's public system for providing prevention, treatment, services, and supports to individuals with mental health, I/DD and TBI, and substance use needs—released its Strategic Plan for public comment on 2024–2029 on June 3, 2024. The Strategic Plan supports and builds on the work outlined in this report, and describes six priority areas, including:

1. Promote Wellness and Recovery
2. Expand Access to Quality I/DD and TBI Services
3. Prevent Substance Misuse and Overdose
4. Strengthen the Workforce
5. Strengthen the Crisis System
6. Expand Services for Individuals in the Justice System

The full Strategic Plan will be published later this year and describes in more detail the goals DMHDDSUS will pursue for each priority area and how it will measure success.

As the initiatives and services described above are implemented, more North Carolinians will be receiving the mental health and SUD care they need, faster and closer to home. Because more people will be receiving the care they need, crises will happen less often, and fewer crises means fewer people waiting in emergency departments or children waiting in DSS offices because there is

nowhere to go. And, when crises occur, people will know who to call to get connected to resources in their communities.

In short, the system will meet North Carolinians' needs, prevent infliction of more harm, ***and*** champion behavioral health and resilience.

What Transformation Will Look Like for Our Investment Areas	
Crisis	• A decrease in individuals utilizing crisis service repeatedly • A reduction in the number of emergency department bed holds • A reduction in the number of IVCs • Decreased emergency department use for behavioral health holds due to increased hospital capacity for psychiatric care
Justice	• Improved access to treatment and services for individuals involved with the justice system • Increased state psychiatric bed availability as capacity restoration efforts expands • Access to capacity restoration services across a continuum of care so that individuals can be treated in the least restrictive environment and the one most appropriate for their psychiatric acuity • Reduced recidivism rates over time
Child and Family Well-Being	• Rates of suicide and self-harm among youth return to pre-pandemic levels and continue to decline • More families have the support they need to stay intact • Reduce the length of stay in residential treatment settings with effective day-one discharge planning, therapy, and family engagement. • Improve the transition process to and from residential treatment settings with access to community-based interventions • Increase access to specialty in-state residential care that is brief, therapeutic, and home-like.
Workforce	• Enough providers and workers are in every community to sustain a strong behavioral health system that is consistent statewide • All members of the behavioral health and I/DD workforce feel supported and sure of their role in the system and will promote wellness and recovery

DHHS is committed to the ongoing work of championing this vision for North Carolina's behavioral health system and carrying out the promise of the investments outlined in the roadmap and advanced since its release. As part of that role, DHHS will coordinate across divisions, behavioral health providers, and health plans to bolster training and retention opportunities for individuals who are part of the behavioral health, I/DD and TBI workforce. DHHS will also monitor and report out on the "health" of the behavioral health system through an enhanced data structure that ensures North Carolinians are getting what they pay for.

Other DHHS work in progress will further support this system transformation, including efforts to renew the state's Section 1115 Waiver. DHHS is using the Section 1115 Waiver to seek federal approval to pay for Medicaid services for individuals who are incarcerated ***before*** they are released, which will facilitate even more seamless and successful reentry into communities. DHHS is also seeking to build on the success of the Healthy Opportunities Pilots and expand access to housing and food supports statewide, providing more North Carolinians with resources that support their well-being.

More work will be needed to build and sustain the behavioral health system North Carolinians deserve. DHHS cannot achieve its goals alone—it will require ongoing buy-in and collaboration with the community partners who have been instrumental every step of the way. Local, state, federal, and community partners will also be critical in sustaining the strides made from these investments and responding to new challenges that arise along the way. Together, we can make it possible for all North Carolinians to thrive.

Acknowledgments

None of the efforts described in this report would be possible without the support of our many partners across the state. We thank each and every one of our partners for their support in the work that has been accomplished so far, as well as their commitment to our shared vision for a stronger, more resilient system that supports all North Carolinians.

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