

**Item Title:** Approval of FY 2027 Funding Agreement with Alliance Health for Behavioral Health Services

**Specific Action Requested:**

**That the Board of Commissioners authorizes the County Manager to enter into a funding agreement not to exceed \$20,625,811 with Alliance Health that provides funding for behavioral health services subject to terms and conditions acceptable to the County Attorney.**

**Item Summary:**

**Purpose:** While not required by statute, the Board of Commissioners has historically approved the annual funding agreement with Alliance Health due to the County's significant investment in behavioral health services.

**Background:** Wake County contracts with Alliance Health (Alliance) to engage the services of community providers for specific programs and services that might not otherwise be available to Wake County residents. The Board is asked to approve an annual contract in the amount of \$20,625,811 for services described below.

Since 2012, Wake County has provided local funding to Alliance Health to support mental health, substance use, and intellectual/developmental disability services for Wake County residents. Wake County and Alliance work together to establish the service areas that will receive County funding and leverage state and federal dollars. These services address identified gaps in the service continuum in the key areas of crisis services, criminal justice, housing, familiar faces and system access/coordination.

**Strategic Plan:** This action supports Community Health and Wellbeing Goal 3: By 2029, 5% more residents asked will indicate low barriers to healthcare and behavioral health services, such as access to providers, insurance coverage, affordability and appointment wait times.

**Fiscal Impact:** \$20,625,811 is included in the FY 2027 budget for behavioral health services through the funding agreement with Alliance Health. No additional appropriation is required.

**Additional Information:**

*Contract with Alliance Behavioral Healthcare = \$20,625,811*

Wake County will provide Alliance with up to \$20,625,811 in FY 2027 for the purchase of services supporting six service categories and administrative fees. A brief description of

each category is identified below with the associated County funds that will support each program. Alliance will enter annual contracts with community providers.

The FY27 funding agreement maintains Wake County’s investment in key behavioral health services for uninsured and underinsured residents. Funding supports both established programs and innovative approaches that address service gaps related to crisis response, homelessness, system navigation, and care coordination.

Alliance will pay each provider as services are delivered and Wake County will reimburse Alliance on a quarterly basis. The funding agreement requires Alliance to bill all other funding sources before billing Wake County. The funding agreement requires Alliance to obtain approval from Wake County if funds need to be moved between the programs. Alliance oversees service quality and performance outcomes and is required to provide Wake County with regular program performance reports.

The FY27 agreement provides \$20.6 million to support behavioral health services across six service categories that address identified gaps in Wake County’s system of care.

<b>Funding Category</b>	<b>Amount</b>
Crisis Services	\$ 8,892,500
Treatment	\$ 4,900,000
Criminal Justice	\$ 180,250
Residential	\$ 1,908,396
Supports	\$ 3,812,634
Recovery	\$ 527,603
Administrative Support	\$ 404,428
<b>Total</b>	<b>\$ 20,625,811</b>

*Crisis Services* *\$8,892,500*  
 Crisis services funding in FY27 will support both WakeBrook and mobile response alternatives. Medicaid expansion has increased access to behavioral health services, reducing the County’s share of funding needed for certain crisis services. Funding will also provide shelter and residential substance use services for men and women in a community setting.

*Treatment* *\$ 4,900,000*  
 Treatment will fund outpatient services for adults who have a behavioral health diagnosis or co-occurring MH/SA diagnosis and have no payor source. Services will be available in Raleigh, Cary, and Wake County Human Service centers. Services include assessments, individual and group therapy, and medication management. Additionally, funding will be used to support special needs of families/children in the foster care system and adults in Wake County guardianship with unmet behavioral health needs. Funding also supports the Behavioral Health Urgent Care, which provides walk in behavioral health services with evening hours during the week and some weekend hours and provides behavioral health assessments at Oak City Cares. In FY27, funding will support second year funds for a pilot program to launch the Center for Living Skills and Belonging, which will help individuals build independent living skills and foster a sense of community through occupational therapy and experiential learning.

*Criminal Justice* \$ 180,250

Support for the criminal justice system provides outpatient/post-release treatments of adults with co-occurring mental health and substance use diagnosis and are being discharged from the Wake County Detention Center.

*Residential* \$ 1,908,396

Residential programs and support will provide funding to support substance abuse transitional living beds, short-term supportive housing and case management and peer support for adults with severe mental illness living in permanent supportive housing. For FY27, funding is provided for a second-year pilot of a new homeless community liaison team to partner on reducing unsheltered homelessness and improving access to care for these individuals.

*Supports* \$ 3,812,634

Support services assist programs that are not standalone treatment programs but are designed to complement and enhance other behavioral health initiatives. These include the School-Based Mental Health Program, CASAWORKS perinatal services, recreation programs for children and adults with intellectual and developmental disabilities, efforts to increase access to Social Security benefits for eligible adults, care coordination for individuals involved in the court system, and the continued delivery of Mental Health First Aid and other behavioral health trainings.

*Recovery* \$ 527,603

Recovery will support recovery focused services including a peer-led recovery center using evidence-based practices, in order to serve adults with severe mental illness with a focus on physical health education and support.

*Administrative Fees* \$ 404,428

Provides Alliance with 2% of contract funding to cover administrative costs associated with managing the funded programs (2% of \$20,221,383.)

The key terms of the agreement include:

- Term covers July 1, 2026 through June 30, 2027.
- Funding designated by service category as described above.
- Alliance may redistribute funding within program categories with written approval from the Wake County.
- Funding will be distributed in quarterly payments to Alliance based on actual expenditures.
- Quarterly performance reports will be provided by Alliance.

**Attachments:**

1. Recommended FY27 Annual Funding Agreement with Alliance Health