

**Item Title:** Approval of FY2025 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 \$31,626,362 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 traditionally approves the funding agreement with Alliance Health because of the priority placed on 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 \$31,626,362 for services described below.

Since 2012, Wake County has provided local county resources to Alliance to assist in the provision of mental health, developmental disability and substance abuse (MH/DD/SA) services in Wake County. 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:** The contract amounts are included in the approved FY25 County budget.

**Additional Information:**

*Contract with Alliance Behavioral Healthcare = \$31,626,362*

Wake County will provide Alliance with up to \$31,626,362 in FY2025 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. Alliance will pay

each provider as services are delivered and Wake County will reimburse Alliance on a quarterly basis. Funds unspent at the end of the fiscal year are moved to a designated fund balance for future support of behavioral health services. 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.

<b>Funding Category</b>	<b>Amount</b>
Crisis Services	\$ 19,437,092
Treatment	\$ 6,325,000
Criminal Justice	\$ 180,250
Residential	\$ 1,268,396
Supports	\$ 3,195,500
Recovery	\$ 600,000
Administrative Support	\$ 620,125
<b>Total</b>	<b>\$ 31,626,362</b>

*Crisis Services* \$19,437,092

Crisis services will provide funding for crisis services at WakeBrook, inpatient psychiatric care at local inpatient facilities, and enhanced mobile crisis. In anticipation of Medicaid expansion, funding for inpatient services was reduced by approximately \$2 million as more uninsured residents are anticipated to have Medicaid and Medicaid will pay for inpatient services. This change allows the County to provide increases for outpatient and other specialty programs that received limited or no support from Medicaid funds.

*Treatment* \$ 6,325,000

Treatment will fund outpatient services for adults who have a behavioral health diagnosis or co-occurring MH/SA diagnoses 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 that 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.

*Criminal Justice* \$ 180,250

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

*Residential* \$ 1,268,396

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.

*Supports* \$ 3,195,500

Supports assists programs that do not directly provide treatment on their own but instead are meant to be utilized in conjunction with other programs. Programs include support for

the School Based Mental Health Program, CASAWORKS perinatal programs, recreation programming for children and adults with intellectual and developmental disabilities, increasing access to social security for eligible adults, coordination of care for individuals in the court system, support for the Network of Care community resource database and ongoing provision of Mental Health First Aid and other behavioral health training.

*Recovery* \$ 600,000

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

*Administrative Fees* \$ 620,125

Provide Alliance with 2% of the funding for all contract services to cover administrative costs associated with administering the obligations set forth in the FY25 funding agreements (2% of \$31,626,362.)

The key terms of the agreement include:

- Term covers July 1, 2024 through June 30, 2025.
- Funding designated by service category as described above.
- Alliance may redistribute funding within program categories with written approval from the Wake County Manager's Office.
- Funding will be distributed in quarterly payments to Alliance based on actual expenditures.
- Quarterly performance reports will be provided by Alliance.

**Attachments:**

1. Recommended FY25 Annual Funding Agreement with Alliance Health