

Wake County Board of Commissioners
Human Services Committee
April 11, 2018
12 p.m.
Wake County Justice Center, Room 2800

Commissioners Present:

James West-Chair
Jessica Holmes-Vice Chair
Greg Ford
Sig Hutchinson
Erv Portman

Wake County Staff Present:

David Ellis, County Manager; Johnna Rogers, Chief Operating Officer; Denise Foreman, Assistant County Manager; Chris Dillon, Assistant County Manager; Nicole Kreiser, Assistant County Manager; Ken Murphy, Senior Assistant County Attorney; Katherine Williams, Cooperative Extension Director; Verna Best, Human Services Program Manager; Regina Petteway, Human Services Director; Paarth Mehta, Senior Budget and Management Analyst; Denise Hogan, Clerk to the Board; Yvonne Gilyard, Deputy Clerk to the Board, and Michelle Cerett, Executive Assistant.

Others Present: Jim Edgerton, Alliance Behavioral Health Board; Chris Bostock, Alliance Behavioral Health Board; Cynthia Binanay, Chair, Alliance Behavioral Health Board; Rob Robinson, CEO, Alliance Behavioral Health; Kelly Goodfellow, CFO, Alliance Behavioral Health; Bill Stanford, Former Human Service Board Member; and Danya Perry, Equitable Economic Development Manager.

Meeting Called to Order

Chairman West called the meeting to order at 12:00 p.m. He welcomed those present and asked them to introduce themselves.

Ms. Denise Foreman, Assistant County Manager, said the meeting was scheduled at the request of Alliance Behavioral Health to discuss ongoing issues. She provided an overview of the agenda and turned the presentation over to Mr. Rob Robinson, CEO, Alliance Behavioral Health for opening comments.

Mr. Robinson thanked everyone for attending the meeting. He congratulated Mr. David Ellis on his new position of County Manager. He said he will provide an update on the Wake Crisis Center and discuss some of the barriers to the project.

Ms. Cynthia Binanay, Chair, Alliance Board of Directors, thanked everyone for allowing them to present their concerns today. She said the board members are very aware of the issues faced by those in need of mental health services. She said Alliance has a comprehensive reinvestment plan that has been in place for several years. She said a recent retreat was held to discuss pressing issues and outcomes. She said the financial status of the organization was discussed and the cost of the crisis center is becoming increasingly concerning to the board members.

She said her goal today is to brain storm collaborative solutions to allow the new crisis center project to move forward.

Behavioral Health Budget Planning

Ms. Foreman provided an overview of the first agenda item.

- Staff will share information regarding FY2019 budget planning for Wake County and Alliance Behavioral Healthcare
- Commissioners will provide feedback on information received
- No decisions to be made at Committee meeting

She shared the County Behavioral Health Budget Planning Process.

- County and Alliance staff work together to establish funding levels for key behavioral health initiatives for our community
- Most funding stable and continues for programs in place since before divestiture
- County and Alliance accrue prior year savings and have established reinvestment plans to address key initiatives
- County recommendations focus on some of key initiatives identified through Behavioral Health Summit

She said many of these issues were discussed at the summit.

She shared an overview of the Behavioral Health services in the County.

- Focus on addressing high priority service gaps not met by primary funding sources – Medicaid, state/federal funds, private, non-profit...
- Gaps include:
 - Basic services for uninsured
 - Enhanced service needs for uninsured/underinsured

- Other programs/services for all residents

Ms. Foreman shared the service gaps that have been identified.

Services Gaps (Examples)

Basic Services	Enhanced Services	Other Programs/Services
<ul style="list-style-type: none"> • Outpatient services • Medications • Medication management • Inpatient • Residential treatment programs 	<ul style="list-style-type: none"> • Medications • Medication management • Extended sessions • Individual sessions • Repeat treatment (i.e. addiction treatment) • Tenancy support 	<ul style="list-style-type: none"> • Case management • Care coordination • Peer support • Forensic programs • Housing – short-term and permanent • School-based programs • System wayfinding • BH education

Commissioner Hutchinson asked for clarification on the services provided. He asked how much the county pays for services that could be covered by Medicaid.

Ms. Foreman referred to the next slide to provide those numbers.

She shared a chart of the Wake County population and the medical insurance providers.

	Wake Population	Numbers Served in Wake	Funding Available
Medicaid	124,868	15,977 (12.8%)	Approx. \$175M from Medicaid
Uninsured	112,471	8,482 (7.4%)	Approx. \$60M from State/Local
Insured/Other	768,028		

Ms. Foreman said there are services not covered by Medicaid and those services are paid by the county.

Ms. Foreman shared a chart of the county areas of focus. She said it is critical for individuals to receive care in the correct setting for their situation.

Areas of focus:

Crisis Services	Housing	Criminal Justice	Access and Coordination	Familiar Faces
Reduce need for crisis services; Reduce wait times; Improve access to services	Increase and improve housing options for behavioral health population	Reduce interactions of mentally ill with criminal justice system	Improve behavioral health system to improve outcomes for individuals interacting with the system, including clients, families, providers, agencies	Identify as early as possible, intervene, reduce high utilization and improve quality and stability of their lives

She shared the top three priorities that were discussed at the recent summit.

Top Three Priorities by Focus Area:

Rank	Crisis Services	Housing	Criminal Justice	Access and Coordination	Familiar Faces
1	Increase inpatient psychiatric capacity	Create additional permanent supportive housing	Expand pre-charge diversion programs for adolescents and adults	Expand outpatient care for uninsured and underinsured	Develop early intervention system for those with pattern of utilization
2	Expand adult crisis assessment and add locations	Expand short-term housing options	Advocate to suspend Medicaid for incarcerated	Develop connection with healthcare providers, sharing information	Intersect data systems to identify familiar faces
3	Develop a walk-in behavioral health urgent care	Implement a housing first strategy	Improve re-entry program linkages	Acquire technology framework for assessment case management and outcomes tracking	Assign high risk individuals to case managers

She shared how the areas of focus align with the board goals. (Three slides)

Board Initiatives for 2018 Goal: Community Health	Crisis Services	Housing	Criminal Justice	Access and Coordination	Familiar Faces
CH1.1: Work with the Sheriff's Office and community partners to develop sustainable strategies for assisting detained and/or incarcerated individuals that suffer from mental illness.	X	X	X	X	X
CH1.2: Evaluate and develop sustainability plan for WakeBrook operations.	X			X	
CH1.3: Work with Wake Director's Group and community partners to improve coordination and integration of services and resources related to behavioral health needs, including improved utilization of 211.	X	X	X	X	X
CH1.4: Leverage partnerships to enhance data sharing related to behavioral health services.	X	X	X	X	X
CH1.5: Expand opportunities to provide stable housing choices to frequent users of community services through permanent supportive housing and other available tools (i.e. housing first).		X		X	X
CH1.6: Explore opportunities to continue Medicaid eligibility for individuals incarcerated in County jails.			X	X	X
CH1.7: Evaluate options to expand telemedicine for case management and other behavioral health services.	X			X	X
CH1.8: Enhance crisis services available to Wake County residents.	X		X	X	X

Board Initiatives for 2018 Goal: Public Safety	Crisis Services	Housing	Criminal Justice	Access and Coordination	Familiar Faces
PS1.1: Coordinate public safety data collection and interagency coordination to inform and assist public policy decisions and identify areas for strengthening.	X		X	X	X
PS4.1: Continue coordination of stakeholders that informs key leaders on drug-related issues and their impact on the community.	X		X	X	X
PS4.2: Work with partners such as other law enforcement agencies, first responders, and the County health department to improve public education and define county messaging parameters.	X		X	X	
PS4.3: Identify public health, addiction prevention and recovery strategies to address substance abuse in the community.	X		X	X	
PS6.1: Evaluate and implement tools available to assist public safety personnel working in crisis management, de-escalation and mental health first aid.	X	X	X	X	X
PS6.2: Work with stakeholders to identify strategies to provide interventions for at-risk school-aged youth to disrupt the school-to-prison pipeline.			X	X	
PS7.1: Utilize data to implement programs that increase diversion opportunities and reduce length of stay in jail.	X	X	X	X	X
PS7.3: Continue support for recovery (drug treatment) courts as a diversion opportunity.			X	X	

Board Initiatives for 2018 Goal: Social and Economic Vitality	Crisis Services	Housing	Criminal Justice	Access and Coordination	Familiar Faces
SEV1.1: Work collaboratively with all partners to preserve and increase the County's affordable housing inventory, reduce homelessness, and improve the wellbeing of our most vulnerable citizens.		X		X	X
SEV2.1: Use and share data to develop economic, physical, behavioral, and environmental health strategies and baseline indicators at the individual, community and population level to track improvement in specific vulnerable regions of the County.	X	X	X	X	X

She shared information on a Behavioral Health Plan for Wake County. She said the county currently has no plan but staff is working to create one. She said several partners will be involved in creating the plan.

- Developing Behavioral Health Plan for Wake County
- Complete May 2018
- Plan Purpose:
 - Articulate global vision for behavioral health services in Wake county
 - Build a team of informed citizens engaged in making measurable progress for neighbors with mental illness
 - Advance Summit priorities in the five focus areas: Criminal Justice, Crisis Services, Housing, Familiar Faces and Access and Coordination
- Core Team includes representatives from NAMI, Alliance, Wake District Attorney, Sheriff, Community Provider, WakeMed

She shared the FY 2018 Budget request and how those funds will be allocated. She shared the various programs that the County funding is utilized for.

Category/Programs	Budget	Comments
Crisis Services <i>WakeBrook and Holly Hill</i>	\$18.5M	Includes Partial Hospitalization Pilot at Holly Hill
Treatment <i>Outpatient, Foster Care, Flex Funds</i>	\$ 4.1M	Includes Flex Funds
Criminal Justice <i>Jail services, Post-Release</i>	\$ 1.3M	
Residential <i>Transitional, Independent, Case management</i>	\$ 1.1M	Includes Short-term Supportive Housing Pilot at Harrington Place
Supports <i>School Based, SOAR, Network of Care, Daycare, I/DD Camp, Peer Support</i>	\$ 1.6M	Includes annualized support for Network of Care and Mental Health First Aid, ACEs program with <u>SouthLight</u> and WCPSS and Peer Support at <u>WakeBrook</u>
Recovery <i>Peer-led Recovery Center</i>	\$ 385K	
Total – Operating/Fund Balance Blend	\$27.3M	Includes \$1.3 M allocation from fund balance

*Budget includes additional allocation for Healing Place, consultant contracts, and data projects that doesn't flow through Alliance

She shared the FY2019 budget request that was submitted to the County Manager. She said the new budget includes a \$3 million increase, most of which is to expand crisis services as well as to create a new mobile crisis for first responders.

Category	FY19 Target Base Budget	FY19 Proposed Budget Request	Difference	Notes
Behavioral Health - Admin	\$ 752,744	\$ 652,744	\$ (100,000)	Adds funds for contractors; moves Healing Place to Crisis Services
Crisis Services	\$ 18,050,912	\$ 19,983,912	\$ 1,933,000	Moves Healing Transitions; Continues Partial Hospitalization; Adds Mobile Crisis for First Responders
Treatment	\$ 3,908,821	\$ 4,798,821	\$ 900,000	Continues Flex Funds; Adds Behavioral Health Urgent Care
Judiciary/Criminal Justice	\$ 1,341,446	\$ 1,341,446	\$ 0	No changes to funding
Residential	\$ 970,344	\$ 1,120,344	\$ 150,000	Continues Independent Living Initiative
Supports	\$ 1,377,781	\$ 1,928,781	\$ 666,000	Continue ACE program; Expand School Based Team
Recovery	\$ 385,567	\$ 385,567	\$ -	No changes to funding
Administrative Support	\$ 260,349	\$ 289,489	\$ 29,140	1% administrative fee to Alliance
Total	\$27,047,964	\$ 30,791,482	\$ 3,674,000	\$900,000 continue programs funded in FY2018; \$2.6 new programs

Commissioner Portman said patients being warehoused without receiving treatment is a huge financial burden.

Ms. Foreman spoke of an open access model being used for behavioral health services. She said it is like an urgent care, but for mental health services only. She said the urgent care mental health services were implemented in Durham county last year and have been successful. She said Alliance Behavioral Health has similar plans for a facility in Wake County.

Mr. Robinson said the urgent care is an asset because it prevents the need for some inpatient stays.

Ms. Foreman shared the Behavioral Health Fund Balance Planning.

Designated Behavioral Health Fund Balance		
	<u>Expenditure</u>	<u>Balance</u>
		\$ 14,417,533
<u>FY18 Commitments/Plans</u>		
FY18 Contract Commitment	\$ 1,004,000	\$ 13,413,533
Permanent Supportive Housing	\$ 8,000,000	\$ 5,413,533
Consultant Contracts	\$ 325,000	\$ 5,088,533
<u>FY19 Plans</u>		
FY19 Proposed Expansions	\$ 3,674,000	\$ 1,414,533
Balance Available		\$ 1,414,533

She said plans for permanent supportive housing are moving along and an RFP will be implemented soon. She said there are currently 900 supportive housing units in Wake County, but there is need for more.

She shared other Initiatives under consideration.

Proposals could be finalized prior to budget presentation

- Adult Crisis Facility
 - Consider county contribution to ongoing operating costs
 - Alliance purchased facility – delayed operation due to State funding reductions
- Care Coordinator for Public Defender
 - Public Defender's office submitted draft request; vetting process on-going
 - Fund through Alliance similar to adolescent diversion care coordinator on school based team or court liaison

She shared the ongoing efforts being considered.

- Permanent Supportive Housing Development
- Data Sharing Efforts/Technology Integration

Ms. Foreman shared the next steps for County Budget planning.

- Manager considering all budget requests
- May 9 – Manager Presents Recommended Budget
- June 4 – County Commissioners Approve Fy2019 Budget

Commissioner Hutchinson commented on the services being rendered by Alliance Behavioral Health and how they are changing lives. He said many of these programs are not offered in any other county.

Commissioner Holmes joined the meeting at 12:50 p.m.

Commissioner Holmes said it is important to prioritize housing for veterans.

Mr. Robinson shared an overview of his agenda item.

- Financial picture
- Funding reductions
- Reinvestment plan
- Wake Adult Crisis Facility

He said Wake County was number one in the state in terms of funding per capita for mental health services.

He shared an overview of the Alliance Behavioral Health funding for Fiscal Year 18. He said Alliance is obligated to provide services to individuals regardless of their insurance status. He said the state and local funding is used to provide services to uninsured/underinsured clients.

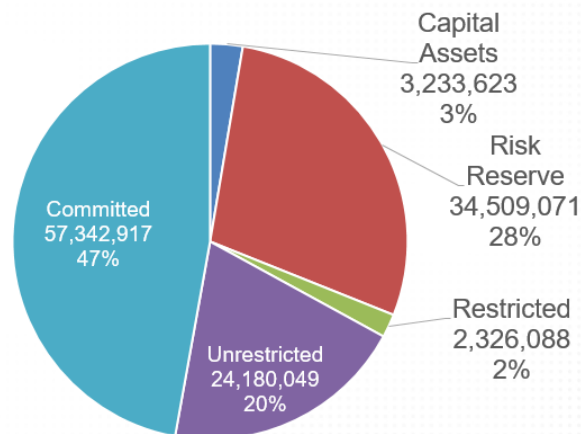
Alliance FY18 Funding

Source	Amount	% of Total
Medicaid	\$415,470,331	77.48%
State	\$83,833,344	15.63%
Local	\$36,034,939	6.72%
Grants/Misc.	\$883,000	0.16%
Total	\$536,221,615	100%

Mr. Robinson shared the fund balance/net position of Alliance as of June 30, 2017

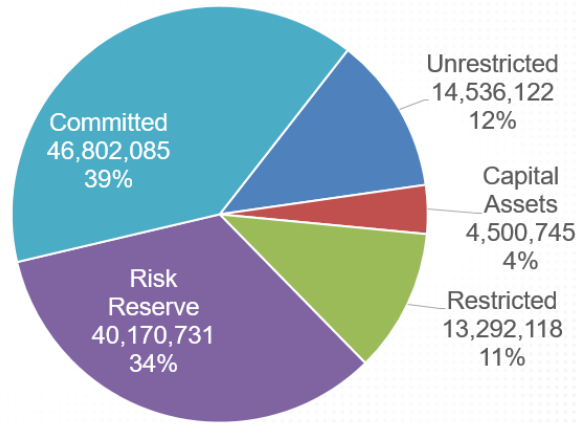
Fund Balance/Net Position - \$121M

as of June 30, 2017

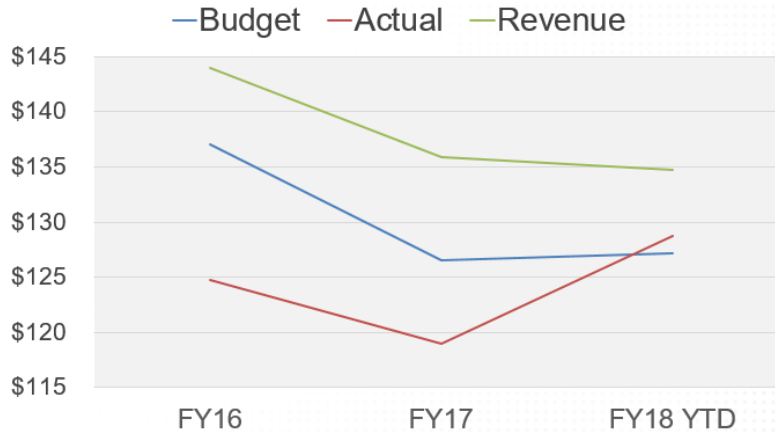


Ms. Kelly Goodfellow, CFO, Alliance Behavioral Health, shared the fund balance/net position as of February 28, 2018. She said a large portion of the money is restricted by the state and must be kept in a risk reserve account.

Fund Balance/Net Position - \$119M as of February 28



She shared the per member per month trend analysis for the past three years.



Ms. Binanay said it is important to remember that the savings received due to the change to managed care will continue to decrease since the cost of services is more stable.

Ms. Goodfellow shared the single-stream funding reductions. The funding cuts are anticipated to continue over the next two years but are expected to decrease slightly.

Fiscal Year	Alliance Share of Legislative Reduction (RECURRING)	Alliance Share of Legislative Reduction (NON-RECURRING)	Total Legislative Reduction
FY16		\$11,066,104	\$110,000,000
FY17		\$15,264,638	\$152,000,000
FY18	\$7,468,941	\$8,478,129	\$86,942,289
FY19	\$10,226,331	\$9,357,813	\$90,608,677

Mr. Robinson shared the reinvestment plan for Alliance Behavioral Health. He said there is adequate money to open the crisis center and operate it for the first year but there is no funding commitment in place beyond that time frame.

Reinvestment Plan

- Original plan - \$43M
- Revised plan - \$29M
 - FY19 plan - \$13.6M
 - Includes Wake Adult Crisis - \$5M renovation
- FY20 plan - \$5.3M start-up/first year operations for Wake Adult Crisis
- Future years – funding needed for ongoing support

He shared the successes of the reinvestment plan to date. He said the child crisis facility will be the first in the state.

Reinvestment Plan Success

- Child Crisis Facility
- Renovations of Durham Crisis Facility
- Provider rate increases
- Integrated Care
- Enhanced Therapeutic Foster Care
- NC START
- Technology Enabled Homes
- **Total spend over two years - \$16M**

Commissioner West asked how quality improvement and outcomes are monitored for mental health providers. Mr. Robinson said data and outcomes are used in addition to monitoring and compliance programs. Mr. Robinson said many of the providers have not received a rate increase in several years.

Mr. Robinson shared information on the Adult Crisis facility that will be opening in Fiscal Year 20.

Wake Adult Crisis Facility

- Behavioral health crisis facilities are critical to addressing overcrowded emergency departments by offering an alternative location for emergency responders to transport individuals experiencing a behavioral health crisis.
- A 24/7 community-based, non-hospital residential setting to provide specialized and cost-effective care to individuals in crisis
- 16 beds for crisis services and 4 chairs for walk-in behavioral health needs
- Expected to serve 200-300 per month

He said approximately 5 percent of individuals served at the crisis center have Medicaid. However, Alliance provides service regardless of coverage in accordance with their agreement with the County.

He shared the estimated start-up costs of the Crisis Facility.

- \$7M initial investment
 - Building purchase, renovation/build, equipment, supplies, furniture, staff training and start-up
- Yearly operational costs – \$5.8M+
 - Medicaid funding – \$500K
 - Annual need – \$5.3M

Ms. Goodfellow shared the potential unrestricted net position of Alliance over the next five years.

Potential Unrestricted Net Position					
	FY18	FY19	FY20	FY21	FY22
Beginning Unrestricted Net Position	\$ 81,522,966	\$ 66,730,332	\$ 29,568,184	\$ 12,966,482	(\$ 1,598,080)
Current Commitments	22,792,634	44,887,148	29,876,702	21,689,562	22,155,562
Offset with Recommended Savings		(2,725,000)	(5,275,000)	(7,125,000)	(7,625,000)
Total	\$ 22,792,634	\$ 42,162,148	\$ 24,601,702	\$ 14,564,562	\$ 14,530,562
Funds available after commitments	58,730,332	24,568,184	4,966,482	(1,598,080)	(16,128,642)
Assumed yearly savings	8,000,000	5,000,000	8,000,000	5,000,000	5,000,000
Potential Ending Net Position	\$ 66,730,332	\$ 29,568,184	\$ 12,966,482	(\$ 1,598,080)	(\$ 11,128,642)

She shared the commitments they have made for Fiscal Year 18 and Fiscal Year 19 and their respective costs.

	FY18	FY19
Beginning Unrestricted Net Position	\$ 81,522,966	\$ 66,730,332
Commitments		
Reinvestment Plan	\$ 5,300,000	\$ 16,490,773
Legislative reductions	15,947,070	19,584,144
Yearly Commitments		
Crisis Centers		
Durham	321,272	321,272
Cumberland	940,959	940,959
Child Crisis		500,000
Wake Crisis		
Behavioral Health Urgent Care		1,200,000
Non-Medicaid rate increases	283,333	850,000
Medicaid Transformation		5,000,000
Total Cost of Yearly Commitments	\$ 22,792,634	\$ 44,887,148

Ms. Goodfellow shared the potential full net position over the next five years. She said Alliance Behavioral Health has no means of raising revenue. She said the state most likely will not approve the use of the restricted funds to provide necessary services.

	FY18	FY19	FY20	FY21	FY22
Investment in Capital Asset	7,430,730	9,965,251	11,255,148	12,543,224	12,837,061
Restricted:					
Risk Reserve	42,818,478	51,543,355	60,704,475	65,436,577	65,436,577
Total Restricted	42,818,478	51,543,355	60,704,475	65,436,577	65,436,577
Unrestricted:					
Medicaid Funding	66,730,332	29,568,184	12,966,482	(1,598,080)	(11,128,642)
Total Potential Net Position at 6/30	\$109,548,809	\$81,111,538	\$73,670,957	\$63,838,497	\$54,307,935

Commissioner West agreed with the need for the crisis center but he is concerned about the costs. Ms. Binanay said collaboration and partnership is necessary for Alliance to move forward with their plans to open the crisis center.

Mr. Edgerton, Board Member, said the entire fund balance is related to Medicaid money, which is insecure. He said they are not permitted to keep unspent state money; therefore, their reserve will diminish quickly.

Commissioner Holmes asked how many mental health beds are available in Wake County. Mr. Edgerton said he doesn't have that information.

Mr. Robinson said Holly Hill has expanded their beds and two other facilities may be adding beds. Commissioner Holmes asked staff to confirm the number of beds available and provide the information to the board.

Commissioner Ford asked if there are other crisis programs or facilities that are facing shortfalls. Ms. Goodfellow said other crisis centers are already receiving local funding; therefore, they are not experiencing shortfalls.

Commissioner Portman asked for demographic data of the clients served by Alliance Behavioral Health be provided to the board. He thanked Alliance staff for bringing their concerns to the board.

Commissioner Hutchinson thanked Alliance staff for the work they do for the citizens of the county. He said it is important to figure out a way to pay for the adult crisis unit. He said there may be grants or pilot program funding that may help.

Commissioner West commented on the funding gap that has been identified and asked what the solution is.

Ms. Binanay said staff has reached out to other providers, but have not received funding support. She asked the board of commissioner to speak to legislatures and lobby for increased funding.

Mr. Robinson asked the board of commissioners to do a resolution like the one approved last year requesting the legislature to stop making cuts to behavioral health funding.

Mr. Chris Dillon, Assistant County Manager, said the legislature has the money to provide the funding but they are retaining it as reserve funds. He said progress has been made but there is more work to be done by the legislators.

Mr. David Ellis, County Manager, asked what the next steps are for the crisis center. Ms. Foreman said staff will work toward a solution with Alliance and report back to the committee.

Ms. Binanay said a funding commitment from the County is necessary before they commit to moving forward with the new crisis center. She encouraged the commissioners to meet with hospital staff and lobby for their financial support.

Mr. Edgerton said there are no other means of funding for Alliance and encouraged the commissioners to make a funding commitment.

Commissioner Hutchinson said the Board of Commissioners are not able to make financial commitments for future Boards of Commissioners, but he does feel funding will be provided when it is necessary.

Commissioner Portman said he understands the position of Alliance but he feels they should move forward with the crisis center and perform annual reviews. He said they can then use that information to lobby for additional funding.

There was further discussion regarding the options for funding for the new crisis center.

There being no further business, it was moved by Commissioner West to adjourn the meeting at 1:58 p.m.

Respectfully submitted,

Michelle L. Cerett
Executive Assistant,
Wake County Commissioners