

Item Title: Approval of Funding Agreement with Alliance Behavioral Healthcare 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 \$12,591,591 with Alliance Behavioral Healthcare that provides funding for behavioral health services subject to terms and conditions acceptable to the County Attorney.

Item Summary:

Beginning July 1, 2012, Alliance Behavioral Healthcare assumed responsibility for the management of mental health, developmental disability and substance abuse (MH/DD/SA) services in Wake County. Since that time, Wake County has worked with Alliance to engage the services of community providers for system needs and gaps that would not be otherwise available to Wake County residents. Many of these services were provided by Wake County staff prior to changes in state law that resulted in a divestiture of the services.

Wake County is providing over \$26 million in funds to Alliance for the fiscal year 2017; over \$12 million will support the programs described below, an additional \$3 million will support inpatient care at Holly Hill Hospital and almost \$11 million will support services provided by UNC Health Care covered through separate funding agreements. Alliance staff leads competitive processes for the selection of providers for each of these programs, often focusing on evidence based models and innovative approaches to meeting the community's need. Providing local funds to Alliance allows them to leverage county funds with federal and state funds to address needs across the service continuum. Alliance is committed to developing a system of care to meet the array of supports a person or family may need to be successful in their community.

Wake County will provide Alliance with up to \$12,591,591 in FY2017 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 funding agreement requires Alliance to obtain approval from Wake County if funds need to be moved between the programs. Alliance is required to provide Wake County with regular program performance reports.

Crisis Services **\$4,425,000**

Crisis services will provide funding for inpatient psychiatric care at Holly Hill Hospital (in addition to \$3,000,000 in Holly Hill inpatient funding provided through an existing multi-year agreement) and rapid response services for children in crisis.

Outpatient and Specialty Treatment Programs **\$ 4,008,821**

Outpatient and Specialty Treatment Programs will fund 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 each regional center. Services

included 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.

Criminal Justice System Support \$ 1,341,446

Support for the judiciary system will include a continuum of treatment including forensic mental health consultation within the detention setting, court consultation and outpatient treatments of adults who have criminal justice system involvement.

Residential Programs and Support \$ 830,344

Residential Programs and Support will provide funding to support transitional living beds, short term rental assistance and case management to support independent living for adults with mental illness.

Community Support Programs \$ 1,340,091

Community Support Program funding supports school-based mental health coordination and services, facility support for the CASAWORKS perinatal programs, programming for children with intellectual and developmental disabilities and increased access to social security for eligible adults.

Recovery Programs \$ 385,567

Recovery Programs 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 \$ 260,322

Provide Alliance with 1% of the funding for all contract services to cover administrative costs associated with administering the obligations set forth in the FY17 funding agreements (1% of \$26,032,181.)

The key terms of the agreement include:

- Term covers July 1, 2016 through June 30, 2017.
- Funding designated by service category as described above.
- Funding will be distributed in quarterly payments to Alliance based on actual expenditures.
- Quarterly performance reports will be provided by Alliance.
- Funds in Alliance's designated fund balance may be used to offset the County's annual distribution to Alliance.

In addition to the funding outlined above, Wake County authorizes Alliance to use \$1,018,000 in the Wake County Restricted Fund Balance held by Alliance for the following expenditures in FY2017.

Program Category	Amount
Treatment	\$ 125,000
Crisis	468,000
Supports	125,000
Residential	150,000

Flex Funds	150,000
Total	\$ 1,018,000

The Program Categories presented above include the following services:

1. Treatment – Provide one time gap funding for adults currently receiving enhanced benefits without alternative funding sources at Triangle Family Services.
2. Crisis – Continue partial hospitalization pilot program with Holly Hill Hospital that began in FY16.
3. Supports – Continue transportation and peer support pilot programs that began in FY16 at UNC Wakebrook and establish care coordination/case management for new program at WakeMed to reduce emergency department readmissions.
4. Residential – Provide one time funding to increase access to housing.
5. Flex Funds – Provide funds to meet unanticipated expenses in any Program Category within service gaps, funds can be used with approval of the Wake County Manager or designee up to the stated amount.

Attachments:

1. Draft FY17 Annual Funding Agreement