

Item Title: Approval of FY2022 Funding Agreements with UNC Health and Alliance Health for Behavioral Health Services at WakeBrook

Specific Action Requested:

That the Board of Commissioners authorizes the County Manager to enter into a tri-party funding agreement not to exceed \$13,200,912 with Alliance Health and UNC Health Care that provides funding for behavioral health services at WakeBrook campus 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 contract is a \$13,200,912 tri-party agreement with UNC Health Care and Alliance, this includes a \$2.5M increase over the prior year. UNC Health Care provides services at Wake County's WakeBrook campus and requests a tri-party funding agreement to reflect the commitment from all three parties. The Board also approved a separate funding agreement with Alliance Health on June 21, 2021 for other behavioral health services. The FY2022 contracts total \$30,746,909.

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.

Board Goal: This action supports Community Health and Vitality Goal 2: Improve access to affordable, high-quality care for all residents experiencing medical and/or behavioral health challenges.

Fiscal Impact: The contract amount is included in the approved FY2022 County budget.

Additional Information:

Wake County, UNC Health Care System (UNCHCS) and Alliance Health began a joint commitment for the provision of services at Wake County's WakeBrook campus in 2013 when UNC committed to provide up to \$40 million towards behavioral health programs in Wake County as the result of a negotiated agreement with WakeMed and the State of North Carolina.

UNCHCS operates crisis and assessment services, a 16-bed Facility-based Crisis program, a 16-bed Alcohol and Drug-Detoxification Unit and a 28-bed Inpatient Psychiatric Unit for adults. Prior to FY22, the Wake County annual contribution to support services at WakeBrook remained constant at \$10,700,912. UNC billed all available funding sources including private insurance, Medicaid, self pay, etc. Even with these combined revenues, an annual funding gap occurred between the cost to provide the services and the revenues available to UNC. UNC drew down from their \$40 million to offset the annual losses. In FY21, UNC's full \$40 million commitment was fulfilled. For FY22, the parties have worked together to consider alternative revenue sources, service levels and the long-term future of programs and services at WakeBrook. Due to uncertainty regarding Medicaid transformation, COVID related impacts and potential changes that could impact individuals in the insurance coverage gap, Wake County, UNCHCS and Alliance desire to enter a one-year agreement for FY22. During this period, Wake County has committed to providing \$13,200,912 towards WakeBrook, an increase of \$2.5 million over the prior year. UNCHCS has committed to providing up to \$5 million in FY22. However, even with these funding commitments, it is anticipated that there will be a funding gap in FY22. The parties agree to continuing efforts to develop a sustainable funding plan for the remainder of the fiscal year by August 1 for implementation by January 1, 2022 and for future years.

The key terms of the agreement include:

- Term covers July 1, 2020 through June 30, 2021.
- Funding designated to be used only for the purchase of UNCHCS services at WakeBrook.
- Funding will be distributed in quarterly payments to Alliance.
- Quarterly performance reports will be provided by Alliance.
- Parties will work to address funding gap for remainder of fiscal year and plan for future years.

Attachments:

1. Draft FY22 Annual Funding Agreement with UNC Health Care System and Alliance Health