



January 13, 2021

Dear North Carolina House and Senate Appropriation Chairs,

I am writing to you as Chair of The Coalition on Mental Health, Intellectual and Development Disabilities, and Substance Use Disorders (The Coalition) to urge your consideration for our budget requests for our public MH/IDD/SUD system for 2021.

In 2019, The Coalition distributed a list of budget priorities to the General Assembly as we have done for the decades of our collaboration. These priorities were carefully outlined and agreed upon by over 32 organizational members as a means to ensure that people can be adequately served by the MH/IDD/SUD community in North Carolina. The priorities supported services that better influence the lives of individuals and families in need, providers both large and small, and ultimately healthier communities. At the time of the letter, COVID-19 was not on anyone's radar. Now, in 2021, more than ever, healthcare equity is needed as more people are unemployed and uninsured and in desperate need of services. These people include the disproportionately affected, historically marginalized communities including those with disabilities who have had long-standing disparities in access to quality health care.

The Coalition's 2021 budget request includes priorities that remained unresolved after many years of advocacy as well as new priorities for the times we find ourselves in. These priorities support North Carolina's [Olmstead Plan](#) which is required for compliance with the U.S. Supreme Court's Olmstead ruling. An Olmstead Plan addresses the institutional bias and lack of access to MH/IDD/SUD Home and Community Based services for tens of thousands of North Carolinians. The waiting list for those needing services continues to grow and individuals and families are more in need than ever. Provider agencies are working within the limits of their thin operating margins to address the cost of services for insured and uninsured individuals – without additional fiscal support.

More than \$500,000,000 in "Single Stream" funds have been cut from the State-funded services for those without other health coverage over the last five years. Additionally, the state is operating on the 2018-2019 spending levels. None of this accounts for the growth in people needing services, including a 12% increase in Medicaid program enrollment in 2020 due to job losses and the public health emergency.

In response to COVID-19, Congress and the NCGA authorized a 5% Medicaid provider rate increase. **However, this 5% increase does not include providers in the Mental Health, Intellectual and Developmental Disabilities, and Substance Use Disorder arena.** *Our provider community is under managed care and receives reimbursement from the LME/MCOs based on their per member per month capitated rate, unlike other Medicaid State Plan services.* MH, IDD, and SUD providers are experiencing the same financial stress as hospitals, nursing homes, and primary care physician practices. Clinics are competing for expensive PPE resources, implementing special COVID infection prevention measures for clients living in congregate settings, and struggling to keep their direct care workers employed and their patient or client populations out of hospital emergency rooms. More support is needed so that current services do not have to end.

The NCGA can provide additional funding in the Medicaid program rebase to increase the per member per month capitation rate paid to LME/MCOs, restore Single Stream funds to previous levels, and address the other priorities set forth in this document. Our community is already seeing a behavioral health service utilization surge as a result of the pandemic, and that surge is likely to extend for several years.

We are asking for careful consideration to be given to the funding priorities outlined by The Coalition. We are available to provide additional data and information to support your efforts as you draft the next Appropriations bill in response to the pandemic.

Sincerely,

Valerie Arendt, MSW, MPP

The Coalition, Chair

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Budget Priorities for the 2021 North Carolina Legislative Session

The Coalition is composed of organizations representing consumers, families, advocates, providers and professionals who are committed to assuring the availability of the services and supports for North Carolinians who experience addictive diseases, mental illness, and developmental disabilities in North Carolina, and for the millions of family members, friends and others whose lives are also affected. Through the Coalition's broad reach across the state, we seek to expand the current continuum of services available to people with intellectual and developmental disabilities (IDD), traumatic brain injury (TBI), substance use disorders and mental health (MH) issues. People with disabilities face specific challenges that our Coalition of member organizations seek to highlight. Our budget priorities promote solutions to current issues that can increase efficiencies and promote personal success.

- **Reinstate single stream funding for critical behavioral health and IDD services.** *\$50 million recurring, for 5 years.*
- **Increase access to the Innovations Waiver** by 1,000 slots per year to reduce the waitlist for these critical services for individuals with IDD. *\$19.5 million recurring*
- **Address Opioids and other addictive diseases.** Provide prevention funds to address Opioid Misuse and Primary Prevention. Appropriate more funding for addiction treatment services to address gaps in the current continuum of care. *\$22.3 million recurring*
- **Increase provider rates by 35% to attract and retain peer and direct support professionals** for community-based services for those who qualify. *\$87 million recurring*
- **Support ongoing funding for children with complex needs**, often 3-21 year-olds whose developmental and behavioral needs must be addressed with intensive specialized services. This includes NC START, IDD Medical Health Home pilots, and crisis navigation/support. *\$4 million recurring*

COVID-19 response:

- **People we are helping have been disproportionately affected by unemployment, loss of health insurance, homelessness and are in desperate need of services that are not accessible.** Prioritize new COVID federal relief funds to citizens disproportionately impacted by the pandemic.
- Unspent federal and state dollars should be reinvested for the underfunded MH/IDD/SUD services system.
- Changes/flexibility for waivers and telehealth should remain in place. (Expand/Refine this statement for final version). Maintain current flexibility for waivers and telehealth policies that were put into place as a result of COVID-19. These include no pre-authorization, paying the same rate as in person visits, and flexibility for platforms used to deliver services.

Increase the availability of accessible, safe and community-based housing:

- **Expand affordable housing options for persons with disabilities** including the passage of a group home preservation bill for people who chose or could benefit from that housing option. Fund the Housing Trust Fund to alleviate the shortage of safe, affordable, accessible housing for low/ moderate-income citizens with behavioral health/IDD.

Invest in the MH/IDD/SUD system to provide services to those without public or private health care coverage:

- **Fund treatment services, staffing and national accreditation of jail and prison based mental health treatment services.** Pilot jail diversion programs across the state at an average cost of *\$50,000 per pilot*
- **Expand family support provided through community organizations** that fill needs for non-clinical, crucial determinants of health and supports not covered by Medicaid dollars. *\$120,000 recurring.*
- **Increase funding for three-way psychiatric bed contracts with community hospitals to ensure access to crisis behavioral health care for those without insurance.** *\$25 million recurring*
- **Ensure funding for expansion of three-way beds specific to Dorothea Dix fund.** *\$20 million recurring*

Provide a basic level of health care for the uninsured:

- **Close the health insurance gap** by enacting Medicaid Expansion for coverage and services to 500,000 individuals including 150,000 individuals with opioid addiction and other behavioral health needs. *Cost neutral to North Carolina with the federal government paying 90 percent of the costs, makes better use of state funds already being spent for uninsured health care.*

2021 Membership of The Coalition

Addiction Professionals of North Carolina
Alcohol/Drug Council of North Carolina
The Arc of North Carolina
Autism Society of North Carolina
Benchmarks
Community Based Care
Developmental Disability Consortium
Developmental Disabilities Facilities Association
First In Families of North Carolina
Governor's Institute on Alcohol and Substance Abuse
i2i Center for Integrative Health
Licensed Professional Counselors Association of North Carolina
Mental Health America of Central Carolinas
NC Mental Health Coalition
National Alliance on Mental Illness, North Carolina
National Association of Social Workers, North Carolina Chapter
North Carolina Association of Rehabilitation Facilities
North Carolina Association of the Deaf
North Carolina Association for Marriage and Family Therapy
North Carolina Association of People Supporting Employment First
North Carolina Consumer, Advocacy, Networking, and Support Organization
North Carolina Employee Assistance Program Association
North Carolina Healthcare Association
North Carolina Providers Council
North Carolina Psychiatric Association
North Carolina Psychological Association
North Carolina Psychological Foundation
North Carolina Substance Abuse Prevention Providers Association
Oxford Houses of North Carolina
RHA Health Services
NC Substance Use Disorder Federation