



A division of the Department of Health and Human Services, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS) serves as the lead agency for the coordination of the public service system for individuals with developmental and intellectual disabilities (I/DD), mental illness and substance use disorders.<sup>1</sup>

### The Role of DMH/DD/SAS in Meeting the Behavioral Health Needs of North Carolinians

DMH/DD/SAS works to support the health and well-being of North Carolinians by promoting access to prevention, treatment, recovery, and rehabilitation programs and services for persons with mental illness, intellectual/developmental disabilities (I/DD), and substance use disorders in North Carolina. DMH/DD/SAS applies for and develops the plans for the use of annual block grant funds from the Substance Abuse and Mental Health Administration (SAMHSA), as well as other federal and grant funds as available.<sup>2,3</sup>

Most of the federal block grant funds are passed through to the LME/MCOs<sup>a</sup> for community-based services. As such, DMH/DD/SAS is primarily tasked with monitoring LME/MCO compliance with the programmatic and clinical requirements of state and federally-funded prevention and treatment services.<sup>4</sup> DMH/DD/SAS has annual contracts with the LME/MCOs that govern the use of non-Medicaid state appropriations (including block grants) and set performance goals. DMH/DD/SAS then monitors the activities of LME/MCOs to ensure that they are in compliance with federal and state law, spending their funds on authorized expenses, and meeting performance goals. In this way, DMH/DD/SAS oversees the use of state and federal funds by the LME/MCOs to manage the care of uninsured and underinsured individuals in each catchment area.<sup>5</sup> DMH/DD/SAS also contracts with various entities to address needs and gaps in the system, including technical assistance, workforce development and support, management of a web-based performance system, a statewide resource and referral system, and service quality improvement.<sup>6</sup>

In addition to overseeing the use of state and federal MH/DD/SU services funds, DMH/DD/SAS often partners with other state agencies, such as the Department of Public Safety, the Division of Public Health, and the Division of Social Services to reduce barriers that may arise when individuals receive services from two or more agencies.<sup>6</sup> The Division of Medical Assistance is a particularly important partner of DMH/DD/SAS, as the LME/MCOs manage the care of Medicaid beneficiaries requiring MH/DD/SU services. DMH/DD/SAS also works to develop and coordinate the state's response to concerns related to MH/DD/SA such as the opioid crisis, the mental health needs of military members, and the state's 2012 agreement with the US Department of Justice to provide more services for those with serious mental illness within their communities.<sup>6</sup> DMH/DD/SAS is subdivided into specialized sections to handle different functions of the Division. Table 2 (page 4) outlines the work of the six sections of DMH/DD/SAS.

### Funding

DMH/DD/SAS manages both state and federal funds for mental health, I/DD, and substance use disorder treatment not covered by Medicaid, Medicare, or private insurance for low-income individuals.<sup>7</sup> DMH/DD/SAS is the administrative state agency for two annual federal block grants from the Substance Abuse and Mental Health Services Administration (SAMHSA). The Substance Abuse Prevention and Treatment Block Grant (SAPTBG) provides funds and technical assistance for prevention, early intervention, treatment and recovery services and supports for uninsured individuals, while the Community Mental Health Services Block Grant (CMHSBG) supports comprehensive, community-based mental health services for uninsured children and adults with mental health disorders.<sup>8</sup> In FY 2017, North Carolina received \$44,992,436 from the SAPTBG and \$15,155,252 from the CMHSBG.<sup>9</sup> Recent priorities for SAPTBG funds have included increasing the use of trauma-informed practices, expanding the availability of recovery supports, and services for individuals who have

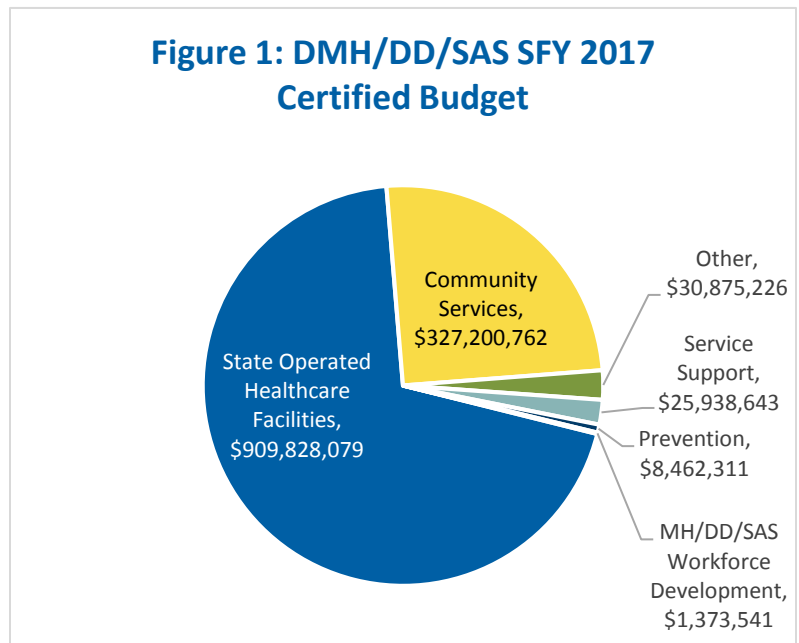
<sup>a</sup> LME/MCOs are public entities that receive state and federal funds to manage MHDD/SAS services for individuals in their regions.

substance abuse disorders who are involved with the law as a population of focus.<sup>3</sup> Priority populations for expanding mental health services through the CMHSBG include the deaf and hard of hearing, individuals experiencing homelessness, and veterans and military.<sup>2</sup>

MH/DD/SU services for uninsured individuals are primarily funded through appropriations by the General Assembly from the general fund, known as single stream funding.<sup>1</sup> In State Fiscal Year (SFY) 2017, over \$217 million in single stream funding was appropriated by the General Assembly to DMH/DD/SAS to be allocated to the LME/MCOs for community-based services.<sup>10</sup> County governments also contribute; in SFY 2016, the LME/MCOs reported \$62 million in county funding.<sup>11</sup>

Figure 1 shows the breakdown of the State Fiscal Year (SFY) 2017 budget for DMH/DD/SAS by purpose. Funding for the 14 state-operated healthcare facilities that treat children and adults with mental illness, developmental disabilities, substance abuse disorders, and neuro-medical needs comprises the majority of the budget. The distribution of the \$327.2 million in funding for community-based services, which represents the second largest funding category in the budget, is further broken down in Figure 2 based on the types of services provided. These categories include both state and federal funds that are distributed to LME/MCOs and other local entities that provide services. The majority of the funding for community services comes from state appropriations, including single stream funding to the LME/MCOs, funding for crisis services, and dollars appropriated as a match for federal grants or to satisfy the Maintenance of Effort<sup>b</sup> requirements for SAMHSA grants.<sup>9,12</sup>

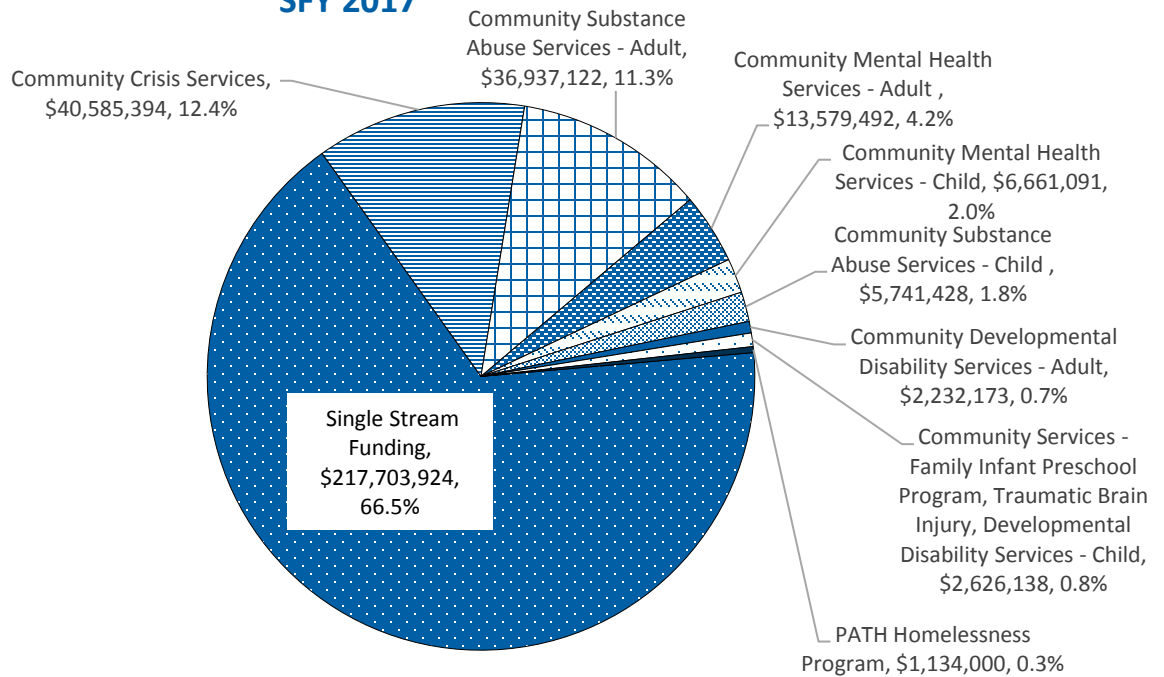
SAMHSA block grants account for most of the federal funding for community MH/DD/SU services, but DMH/DD/SAS also receives funds from the Social Services Block Grant (SSBG) to support community services and administration.<sup>13</sup> North Carolina also receives funding for specific federal programs, including the Projects for Assistance in Transition from Homelessness (PATH), where local organizations provide services and supports for individuals with mental illness who are homeless, and the Family, Infant, and Preschool Program to support pregnant women and children from birth to age five with I/DD and their families.<sup>14,15</sup>



Data from: North Carolina Office of State Budget and Management. Certified Budget Form BD307: DHHs – Mental Health/Developmental Disabilities/Substance Abuse Services. Raleigh, NC. [https://ncosbm.s3.amazonaws.com/s3fs-public/documents/files/2016-17\\_Certified\\_300\\_HHS\\_Mental.pdf](https://ncosbm.s3.amazonaws.com/s3fs-public/documents/files/2016-17_Certified_300_HHS_Mental.pdf). Published October 5, 2016. Accessed July 1, 2017.

<sup>b</sup> In order to receive SAMHSA block grant funding, a state must maintain aggregate state expenditures for activities to prevent and treat substance abuse and mental health disorders at a level that is greater than or equal to the level of spending for such activities for the two-year period prior to the grant year.

**Figure 2: MH/DD/SU Community Services Funding by Type of Service, SFY 2017**



Data from: North Carolina Office of State Budget and Management. Certified Budget Form BD307: DHHs – Mental Health/Developmental Disabilities/Substance Abuse Services. Raleigh, NC. [https://ncosbm.s3.amazonaws.com/s3fs-public/documents/files/2016-17\\_Certified\\_300\\_HHS\\_Mental.pdf](https://ncosbm.s3.amazonaws.com/s3fs-public/documents/files/2016-17_Certified_300_HHS_Mental.pdf). Published October 5, 2016. Accessed July 1, 2017.

**Impact**

DMH/DD/SAS plays an important role in promoting access to mental health, developmental disabilities, and substance abuse services for North Carolinians, particularly individuals who are uninsured or underinsured. SAMHSA estimates that 11.8% of the state’s uninsured low-income adults aged 18 – 64 suffer from serious psychological distress and 15.1% suffers from a substance use disorder.<sup>16</sup> As North Carolina’s service delivery system for MH/DD/SU services has evolved, individuals are more likely to be served through community programs rather than in one of the state-operate healthcare facilities, as shown in Table 1. However, according to the LME/MCOs, on average, only about 2.2% of uninsured individuals receive MH/DD/SU services through their LME/MCO.<sup>17</sup>

**Table 1: Total number of people receiving mental health or substance use services through DMH/DD/SAS, FY 2016<sup>18</sup>**

Setting	Demographic	Total Served During Year	Admission Rate	
			NC	US
State Psychiatric Hospitals	Total	2499	.75	.84
	Children	444	.90	.94
	Adults	2055	.72	.83
Other Inpatient	Total	13394	.44	1.09
	Children	130	.58	1.16
	Adults	13264	.43	1.08
Residential Treatment Center	Total	4774	.14	.98
	Children	1270	.19	1.24
	Adults	3504	.12	.97
Community Programs	Total	122801	.31	2.90
	Children	15639	.35	4.42
	Adults	107162	.31	2.31

**Table 2: Sections of the Division of Mental Health, Developmental Disabilities and Substance Abuse Services<sup>19</sup>**

Budget and Finance Section	<ul style="list-style-type: none"> <li>Assures correct management of funds by managing earning and expenditures and overseeing financial contracts</li> <li>Provides financial technical support to the LME/MCOs</li> <li>Collects and reports financial data on claims payments, reporting, and fund balances<sup>20</sup></li> </ul>
Clinical Policy Section	<ul style="list-style-type: none"> <li>Establishes policy governing the delivery of services through the public mental health, developmental disability and substance abuse services system in compliance with guidelines set by the General Assembly, SAMHSA, and the Center for Medicaid Services.<sup>21</sup></li> </ul>
Community Engagement and Empowerment Section	<ul style="list-style-type: none"> <li>Oversees the Customer Service and Community Rights Team and the Consumer Empowerment Team</li> <li>Engages consumers, their families, and advocacy organizations in community policy making and advocacy activities by working with Local Consumer and Family Advocacy Committees (CFACs)—advisory boards for each LME/MCO<sup>c</sup></li> <li>Ensures structural safeguards and compliance with rights protections by LME/MCOs, providers, and other agencies<sup>22</sup></li> </ul>
Community Services and Supports Section	<ul style="list-style-type: none"> <li>Oversees the Community Mental Health team, the Intellectual/Developmental Disabilities Team, the Traumatic Brain Injuries Team, and the Transitions to Community Living Initiative Team</li> <li>Responsible for oversight of mental health services and supports delivered in the community setting through the LME/MCOs<sup>6</sup></li> </ul>
Quality and Operations Section	<ul style="list-style-type: none"> <li>Oversees the LME/MCO System Management Section, the Quality Management Section, the Project Management Section, the Policy and Audit Team, and the Information Systems Data Team</li> <li>Performs quality improvement and risk management functions to promote effective organizational performance throughout the Division and in the LME/MCOs.<sup>23</sup></li> </ul>
Substance Abuse Services Section	<ul style="list-style-type: none"> <li>Oversees Community Wellness, Prevention and Health Integration; Addictions and Management Operations; and Justice System Innovations</li> <li>Responsible for the planning, implementation, monitoring, and evaluation of prevention, treatment, and recovery services and other supports for those with a substance abuse disorder or at risk of developing a substance abuse disorder<sup>4</sup></li> </ul>

DMH/DD/SAS is advised by several councils and commissions:<sup>20,24</sup>

- The Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services is made up of members appointed by the Governor and leadership of the General Assembly and is legislatively mandated to adopt, amend, and repeal rules affecting the MH/DD/SAS system.<sup>d</sup>
- The Mental Health Planning Council is composed of representatives from families, state agencies, and relevant entities appointed by the DHHS Secretary to review the state’s plan for the annual federal Mental Health Block Grant and to evaluate the adequacy of public mental health services.
- The Mental Health Advisory Council for the Deaf and Hard of Hearing advises DMH/DD/SAS on needs and programs specific to individuals who are deaf or hard of hearing.
- The State Consumer and Family Advisory Committee, mandated by the General Assembly, is made up of consumers and their families to advise DMHDDSAS on system planning and management and serves as the liaison between the local Consumer Family and Advocacy Committees and DHHS.<sup>e</sup>

<sup>c</sup> G.S. 122C-170

<sup>d</sup> G.S. 143B-147

<sup>e</sup> G.S. 122C-170

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