REPORT TO THE

JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES

Pilot Program to Reduce State Psychiatric Hospital Use And to Increase Local Services for Persons with Mental Illness

Session Law 2007-323
House Bill 1473, Section 10.49(s)

February 1, 2008

NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES

Report on
Pilot Program to Reduce State Psychiatric Hospital Use
And to Increase Local Services for Persons with Mental Illness

February 1, 2008

This second interim report is submitted to the Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Services (LOC), pursuant to the requirements of House Bill 1473, Section 10.49.(s1-s5). This report encompasses progress of the 18-month pilot to be implemented in State Fiscal Year (SFY) 2007-2008 for the purpose of reducing State psychiatric hospital use by holding Local Management Entities (LMEs) financially and clinically responsible for the cost of that use and by providing additional resources to build community capacity.

Progress from the previous report (October 15, 2007):

1. Nine LMEs submitted applications for the pilot by October 15, 2007. Those LMEs were: Albemarle/Tideland, CenterPoint, Five County, Guilford, Mecklenburg, Pathways, Sandhills, Smoky Mountain, and Western Highlands.
2. All applications were reviewed using a scoring protocol (see Attachment 1) that evaluated nine major elements related to the legislation requirements, including crisis plan integration, community capacity building, coordination with State psychiatric hospitals, LME administrative capacity, budget, feasibility and impact on reduction of beds and admissions to the state psychiatric hospitals. Three pairs of reviewers (representing State Operated Services, the Best Practice Team and the LME Liaison Team of the NC Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) were oriented on the scoring tool and individually scored the applications. Each pair of reviewers scored by consensus. The three final scores were then averaged for a total composite score. The proposed budget for each application was also reviewed by staff from the Budget Office.
3. The final score and evaluation of feasibility and impact projected on reduction of hospital utilization were used to select four LMEs to participate in the project, which were CenterPoint, Mecklenburg, Smoky Mountain and Western Highlands. Refer to Attachment 2 for table of funding for each fiscal year of the pilot, proposed services and impact projected by each of the LMEs.
4. All LMEs that applied were notified of selection on November 1, 2007 by Communication Bulletin #083. The selected LMEs also received an email on the same day indicating selection and upcoming activities and timelines related to the project.
5. The Mecklenburg LME indicated on November 7, 2007 that their application needed to be changed due to a provider issue. A revised application was submitted on November 21, 2007. The plan was re-reviewed and scored by staff from DMH/DD/SAS State Operated Services

and the LME Team (who originally reviewed the applications). The resulting score, feasibility and impact were similar to the original score, and the revised plan was approved on November 27, 2007.

6. Allocation Letters were sent out to CenterPoint, Smoky Mountain and Western Highlands on November 21, 2007, and to Mecklenburg on December 4, 2007.
7. An initial coordination meeting was set up for the two regions at John Umstead Hospital on December 11, 2007, and at Broughton Hospital on December 17, 2007. The agenda for these meetings included:
    a. Logistical coordination between the LMEs and the hospital regarding staffing, space, coordination between State hospitals and LME staff
    b. Data needed by the LMEs and State Operated Services
    c. Data reporting requirements to ensure viability and sustainability
    d. Coordination between State Operated Services, other DMH/DD/SAS staff, LMEs, providers and hospitals
8. The funding allotted for DMH/DD/SAS to use will pay for an evaluation consultant to assess increases in community services funded through the pilot program, hospital utilization of the pilot, clinical decision-making, outcomes of the project, viability and sustainability regarding funding and bed rates, as well as challenges experienced during the implementation of the pilot.
9. The Hospital Utilization Committee met on January 9, 2008 to review progress of the pilot to date. Next steps regarding the pilot project are: 1) to review current and projected utilization data of the pilot programs, 2) State Operated Services to visit with each LME in February and March 2008 to assess implementation and challenges, 3) Authorization processes are to be continually reviewed and possible changes to the current policy are to be discussed, and 4) the next LME Pilot meeting with all LMEs will be on February 28, 2008 at the CenterPoint LME.

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

State Operated Services Section

Applicant Review Team Scoring Grid and Recommendations for the LME Pilot Project to Reduce State Psychiatric Hospital Usage Pursuant to HB1473 Section 10.49.(s1-s5)

Application Receipt Date: _____ **Review Team Members:**_____
Administrative Reviewer: Leza Wainwright _____
_____

1. Name of LME:	2. Review Date:
3. Review Type: ☐ 1st Preliminary Review ☐ Final Team Review	4. Application Review Score (total from Scoring Grid): _____
5. Application Strengths **to be Shared** with Applicant: (List comments on strengths in bullet form below)	6. Application Limitations **to be Shared** with Applicant: (List comments on limitations in bullet form below)
7. SOS Communications with Applicant: (during and after review process) **To be completed by SOS**	8. Assigned SOS and CPM Team Member(s) for Ongoing Reporting and Monitoring Responsibilities (as applicable): **To be completed by SOS**
9. Final Team Review Recommendations: ☐ **Recommend Funding** ☐ **Recommend Funding with Revisions** ☐ **Recommend Not Funding**	10. SOS/CPM Funding Decision and Comments: (to be completed after Section Chief and DMH Executive review): ☐ **Fund in the amount of $**_____ ☐ **Do Not Fund** **To be completed by SOS and Executive Reviewer**

LME Pilot Project to Reduce State Psychiatric Hospital Usage Review Team Scoring Grid and Review Comments

LME Name	Reviewer Names:_____ _____ _____

Item #	Description	Available Points	Non-Responsive	Poor	Fair	Good	Very Good	Excellent	Total	Internal Review Questions, Concerns, Comments & Discussion (should be very detailed)
1-5	Identifying Information	**Circle one rating below for each item and enter in the Total column. Non-Responsive receives a 0 score.**								
6	**Description of LME Catchment Continuum of Care**: Gaps identified and backed up with data that impact decreasing state hospital usage. Network of services is comprehensive —if not—plan is indicated.	**10**	**0**	**2**	**4**	**6**	**8**	**10**		
7	**Implementation of LME Crisis Plan:** Current progress indicated. Data used to backup findings. Plan discusses improvements and challenges.	**15**	**0**	**3**	**6**	**9**	**12**	**15**		
8	**Plans for Building Community Capacity:** Connection with crisis plan indicated. Key providers identified. Letters of support included to justify partnerships.	**15**	**0**	**3**	**6**	**9**	**12**	**15**		
9	**Reduction in State Psychiatric Hospital Utilization Projected:** Estimate of decreases detailed. Data sources and methodology are included. Hospital reduction is less than bed days allocated or FY06-07 utilization. Plan clearly shows reduction in admissions and feasibility overall.	**20**	**0**	**4**	**8**	**12**	**16**	**20**		
10	**Description of On-Site Hospital Representative:** Detailed description of the position and relationship with state hospital(s).	**10**	**0**	**2**	**4**	**6**	**8**	**10**		
11	**Detailed Budget for SFY 08 and 09:** Budget is detailed for each line item and includes staff, contracts and specifics for each.	**10**	**0**	**2**	**4**	**6**	**8**	**10**		
12	**State Psychiatric Hospital Support:** Description of specific efforts to partner with state hospitals. Description of authorizing admissions.	**10**	**0**	**2**	**4**	**6**	**8**	**10**		
13	**LME Administrative Capacity:** Description of LME's ability to meet business and financial requirements of the project. Operational changes are identified.	**5**	**0**	**1**	**2**	**3**	**4**	**5**		
14	**Technical Expertise to Affect Change:** Utilization of external TA is described, or reason for not using TA is specific and rational.	**5**	**0**	**1**	**2**	**3**	**4**	**5**		
Total		**100**	**Review Score Total to be Computed and Entered on Page 1, under #4**							

LME	FY08 Funding	FY09 Funding	Proposed Services	Proposed Impact (Reduction of State Psychiatric Hospital Usage)
CenterPoint	$750,000	$1,500,000	6 bed residential SA services for women with children, hospital step-down unit, Integrated Dual Disorder Treatment program, family advocate, recovery focused services, and residential respite.	3,330 reduction in bed days and 201 fewer admissions by end of FY08-09. **Utilization through December 2007:** Bed Days used: 9,114 (Annualized reduction of 2,750 bed days per FY06-07 utilization) Admissions: 326 (Annualized reduction of 322 Admissions per FY06-07 utilization)
Mecklenburg	$204,820	$405,240	Additional capacity for transitional housing for patients discharged from hospitals, crisis respite for child/adolescents and individuals with developmental disorders presenting to the ERs. Contract with Presbyterian Hospital to transition some medical/surgical beds to inpatient psychiatric beds.	Approximately 10 fewer admissions per month over the next 12 months. **Utilization through December 2007:** Bed Days used: 8,124 (Annualized reduction of 2,206 bed days per FY06-07 Utilization) Admissions: 181 (Annualized reduction of 115 Admissions per FY06-07 utilization)
Smoky Mountain	$148,987	$1,268,376	Adult inpatient capacity at Haywood and Cannon Hospitals. Child crisis bed/wrap around program, geriatric crisis residential program, enhanced coordination of care among outpatient providers, and a High Support Specialty Team program.	4,294 reduction in bed days overall (in the 18 month period) **Utilization through December 2007:** Bed Days used: 6,551 (Annualized reduction of 496 bed days per FY06-07 utilization) Admissions: 215 (Annualized reduction of 42 Admissions per FY06-07 utilization)

LME	FY08 Funding	FY09 Funding	Proposed Services	Proposed Impact (Reduction of State Psychiatric Hospital Usage)
Western Highlands	$1,146,193*	$1,436,710	Adding 2 Adult Care Coordinators to be available for 4 county hospital ERs and Broughton to facilitate diversions and crisis stabilization. 24/7/365 Dual Diagnosis Community Support Team. Stipends for providers to actively participate in hospital discharge planning, strengthen 1st responder system, funding for expedited labs and medication upon hospital discharge, additional staff for the 16 bed Crisis Stabilization Unit, development of an assessment center, early recovery services at a wet shelter (shelter which accepts individuals who have been drinking) for the homeless and consumer support groups. *Includes $401,088 one-time funding to purchase local psychiatric inpatient bed days in the Western Highlands area. This was funding available through the LME pilot project in FY08 that exceeded the FY08 request by selected LMEs.	9,528 reduction in bed days and 417 fewer admissions overall (in the 18 month period) **Utilization through December 2007:** Bed Days used: 15,718 (Annualized increase of 5863 bed days per FY06-07 utilization) Admissions: 505 (Annualized increase of 4 Admissions per FY06-07 utilization)