

## North Carolina Mental Health Block Grant Planning and Advisory Council (MHBGPAC)

Meeting Minutes | Friday, December 5, 2025, 10:00 AM – 3:00 PM

**Present:** Peg Morrison, Maryann Dantone, Diane Krisanda, Jeff McCloud, June Freeman, Marcia Gibson, Stacy Morgan, Thea Craft, Virginia Knowlton-Marcus, Susan Hertz, Tracy Boggiano, Stacey Harward

**DMHDDSUS Staff:** Stacey Harward, Crystal Dorsey, Badia Henderson, Jennifer Meade, Shannon Kuper

**Mission:** To make recommendations on the State Behavioral Health Plan(s) for services & programs for children & adults with serious mental health needs & their families.

**Vision:** A mental health system that works for everyone.

	Agenda Item/Presenter Discussion	MHBG Plan Relevance Resources/Data Sources/Indicators	Action
1.	<b>Welcome / Approval Minutes</b> Peg Morrison, Chair	<ul style="list-style-type: none"> <li>• Approval of Agenda &amp; Minutes</li> <li>• Motion made to approve August meeting minutes:                             <ul style="list-style-type: none"> <li>○ 1<sup>st</sup> motion made by Diane Krisanda</li> <li>○ 2<sup>nd</sup> motion made by Stacy Morgan</li> </ul> </li> </ul>	Minutes approved  Meeting materials will be posted on <a href="#">MHBG web page</a>
2.	<b>DMH/DD/SUS Update</b> Kelly Crosbie, Director for Division of MH/DD/SUS	<p><b>Federal-Level Changes:</b></p> <ul style="list-style-type: none"> <li>• Federal government shutdown impacted operations and services</li> <li>• New executive orders affected individuals who use substances, the unhoused, and other marginalized populations</li> </ul> <p><b>State-Level Budget Cuts:</b></p> <ul style="list-style-type: none"> <li>• The General Assembly (GA) cut \$42 million from Mental Health, Developmental Disabilities, and Substance Use Services (MH/DD/SUS)</li> <li>• Medicaid was underfunded by \$200 million, leading to:                             <ul style="list-style-type: none"> <li>○ Cuts to consultants, project managers, and AHEC training staff at the Division of Health Benefits (DHB)</li> <li>○ Slower implementation of DHB projects</li> </ul> </li> </ul> <p><b>Medicaid Rate Reductions:</b></p> <ul style="list-style-type: none"> <li>• Rate cuts of 3%, 5%, and 8%, with primary care hit hardest at 8%.</li> <li>• These cuts negatively impacted:                             <ul style="list-style-type: none"> <li>○ Clinical and preventive care services</li> <li>○ Provider sustainability, especially in rural areas</li> </ul> </li> </ul> <p><b>Provider Impact:</b></p>	

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		<ul style="list-style-type: none"> <li>• Rate cuts led to:             <ul style="list-style-type: none"> <li>○ Staff salary reductions</li> <li>○ Risk of service discontinuation</li> <li>○ Reduced access in rural communities</li> </ul> </li> <li>• Some providers are entirely dependent on Medicaid funding</li> <li>• Sustainability is threatened with 10–20% funding losses</li> <li><b>Funding Cuts:</b> <ul style="list-style-type: none"> <li>• Cuts made to Single Stream Funds (SSFs) and the Mental Health Block Grant (MHBG)</li> <li>• Mobile Crisis MORES for youth now relies solely on MHBG, limiting service coverage to 25 counties and halting Medicaid expansion</li> </ul> </li> <li><b>Community Grants:</b> <ul style="list-style-type: none"> <li>• \$4.5M in community grants for marginalized groups (LGBTQIA+, faith-based, veterans) were previously released</li> <li>• This year’s budget cuts halted those grants</li> </ul> </li> <li><b>Implementation Delays:</b> <ul style="list-style-type: none"> <li>• LME/MCO/TPs delayed implementing cuts by one month</li> </ul> </li> <li><b>Legal and Legislative Actions:</b> <ul style="list-style-type: none"> <li>• Legal action blocked rate cuts to Applied Behavior Analysis (ABA) services for autism and developmental disabilities</li> <li>• Governor’s emergency funding request was denied by the General Assembly</li> </ul> </li> <li><b>System Fragility:</b> <ul style="list-style-type: none"> <li>• The I/DD system is fragile, with long wait times and staff shortages</li> <li>• Providers may shut down or leave for better-paying jobs</li> </ul> </li> <li><b>Waiver and Funding Issues:</b> <ul style="list-style-type: none"> <li>• No timeline for new Innovations Waiver slots; waiting list continues to grow</li> <li>• State funding is split across Mental Health (MH), Developmental Disabilities (DD), and Substance Use Services (SUS)</li> </ul> </li> <li><b>Workforce Development:</b></li> </ul>	
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		<ul style="list-style-type: none"> <li>• Community colleges partnering with the division to build an entry-level workforce focused on treatment and capacity building</li> <li>• CMS approval pending for the Qualified Professional Initiative to support certification via associate degrees in human services</li> </ul> <p><b>Mental Health Supports:</b></p> <ul style="list-style-type: none"> <li>• Available supports include NAMI chapters, counseling, telehealth, and NC-PAL (NC Pediatric Access Line)</li> <li>• Rural funding applications prioritize mental health and substance use workforce development</li> </ul> <p><b>Stakeholder Engagement:</b></p> <ul style="list-style-type: none"> <li>• Feedback and information channels include advisory groups, provider groups, SCFAC, and NCCDD</li> </ul>	
3.	<b>Public Comment</b>	<p><b>Concern about quality of care:</b></p> <ul style="list-style-type: none"> <li>• Quality of care is at risk: Current services are already insufficient, and further budget cuts could worsen the situation</li> <li>• Accountability remains a concern: Oversight and responsibility in public services are lacking</li> <li>• Personal example shared: A case of police misconduct and theft was mentioned to illustrate systemic issues</li> <li>• Mental health service gaps: More than half of counties lack adequate mental health resources</li> </ul> <p><b>Provider feedback:</b></p> <ul style="list-style-type: none"> <li>• A children’s provider shared their experience transitioning from LME/MCO/TPs to Healthy Blue</li> </ul> <p><b>Recovery support concerns:</b></p> <ul style="list-style-type: none"> <li>• Criticism of 12-step programs: Individual expressed concern about the over-reliance on 12-step models, which may not be suitable for those with mental health challenges</li> </ul>	<p><b>Action item:</b> Add quality of care discussion to a future agenda for a deeper dive</p> <p><b>Action item:</b> Add to a future agenda for deeper discussion.</p>

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		<ul style="list-style-type: none"> <li>• Call for broader recovery supports: The individual requested access to the MHBG budget to evaluate funding for more inclusive, secular, and non-clinical recovery options</li> <li>• Invitation to recovery conference: The group was invited to attend a March recovery conference</li> </ul>	
4.	<p><b>Children and Families Specialty Plan (CFSP) Update – NC Medicaid</b> Chameka Jackson, Associate Director for Children and Families Specialty Plan</p>	<p><b>Who It Serves:</b></p> <ul style="list-style-type: none"> <li>• Children, youth, and young adults in foster care, receiving adoption assistance, formerly in foster care, and their minor children</li> <li>• Eligible individuals in the EBCI Family Safety Program can opt in but are not auto enrolled</li> </ul> <p><b>Services Offered:</b></p> <ul style="list-style-type: none"> <li>• Physical and behavioral health</li> <li>• Pharmacy</li> <li>• Long-term care</li> <li>• Intellectual/developmental disability services</li> <li>• Coordinated care management</li> </ul> <p><b>Launch Date:</b> December 1, 2025</p> <p><b>Populations Remaining with Tailored Plans (TPs):</b></p> <ul style="list-style-type: none"> <li>• Innovations Waiver</li> <li>• TBI Waiver</li> <li>• ICF/IID or ICF In Lieu of Services</li> <li>• Transitions to Community Living (TCL)</li> <li>• State-funded Residential Services</li> </ul> <p><b>Transition of Care:</b></p> <ul style="list-style-type: none"> <li>• Flexibilities introduced (e.g., relaxed medical/pharmacy requirements) to ensure continuity and reduce provider burden</li> </ul> <p><b>Day-One Priorities:</b></p> <ul style="list-style-type: none"> <li>• Ensure beneficiaries receive care</li> <li>• Enable providers to submit claims</li> </ul>	

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		<p><b>General Discussion:</b></p> <ul style="list-style-type: none"> <li>• Question raised about TP clients in ICF homes transferring to CFSP—issue is under review</li> <li>• Providers faced claim submission issues; one was advised to register on a specific platform</li> <li>• Chameka Jackson offered assistance and shared her contact: <a href="mailto:Chameka.L.Jackson@dhhs.nc.gov">Chameka.L.Jackson@dhhs.nc.gov</a></li> </ul>	
5.	<p><b>Open Discussion</b> MHPAC</p>	<p><b>Nominating Committee</b></p> <ul style="list-style-type: none"> <li>• Virginia Knowlton-Marcus, chairperson, shared that the committee had interviewed Ron Rau, a veteran and provider with lived, familial, and professional experience in mental health and substance use, who previously served on SCFAC. The committee unanimously recommends Mr. Rau’s election to the Council and so moved.             <ul style="list-style-type: none"> <li>○ 2<sup>nd</sup> motion made by Maryann Dantone</li> </ul> </li> <li>• The Chair noted growing interest in MHBGPAC membership but some members and potential raised concerns about the five-hour meeting length. This will be discussed in February.</li> <li>• A second applicant was interviewed that works for DHHS. Committee would need to review composition of members to remain in compliance with bylaws.</li> </ul> <p><b>Rescheduling of April Meeting</b></p> <ul style="list-style-type: none"> <li>• The April Meeting is scheduled for April 3<sup>rd</sup>, Good Friday, which will be a state holiday.             <ul style="list-style-type: none"> <li>○ 1st motion to approve was made by Tracy Boggiano</li> <li>○ 2nd motion was made by Maryann Dantone</li> </ul> </li> </ul> <p><b>2025 MHPAC Findings</b></p> <p>The Chair shared a document she created reflecting: General Concerns, Topics and Trends, and Bright Spots:</p> <ul style="list-style-type: none"> <li>• General Concerns: Uncertainty, ICE raids, Medicaid cuts, unstable funding, Iryna’s Law (tougher cashless bail, easier IVC post-arrest, more mandated</li> </ul>	<p><b>Action item:</b> review of bylaws to ensure that membership composition is in compliance with the bylaws</p> <p><b>Action Item:</b> Add cadence of meeting to February agenda</p>

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		<p>MH evaluations, increased pressure for death penalty, lack of investment in treatment/programs)</p> <ul style="list-style-type: none"> <li>• Topics &amp; Trends (<i>to be moved to General Concerns</i>): Rising IVC petitions, low MH spending in NC, need for more community MH system capacity</li> <li>• Other Trends: ED boarding (especially youth), shortage of affordable/supported housing</li> <li>• Bright Spots: Growth in Peer Support and Clubhouses, student loan repayment for professionals in shortage areas, strong community of dedicated individuals</li> <li>• Group Recommendations:             <ul style="list-style-type: none"> <li>○ Move first two “Topics &amp; Trends” bullets to General Concerns</li> <li>○ PSS and WRAP Trainings are highly valued, especially those by Recovery Innovations</li> </ul> </li> </ul> <p><b>Continued Discussion re: MHBG budget request</b></p> <ul style="list-style-type: none"> <li>• Council expressed frustration about budget request submitted to clarify MHBG spending, including provider payments via Tailored Plans and direct contracts, with chart illustrating how funds are distributed</li> </ul>	
6.	<p><b>Bylaw Change</b> Jeff McCloud</p>	<p><b>Revise Section 2.16</b></p> <ul style="list-style-type: none"> <li>• Proposed bylaws change to Section 2.16, updating membership language from “up to eight” to “a minimum of eight” representatives with lived experience in mental illness or SED             <ul style="list-style-type: none"> <li>○ 1<sup>st</sup> motion to approve made by Susan Hertz</li> <li>○ 2nd motion made by Diane Krisanda</li> </ul> </li> </ul>	<p><b>Action Item:</b> This change made to the bylaws needs to be reported to the DMHDDSUS Division Director and the Secretary as well. Virginia Knowlton-Marcus volunteered to let Director Crosbie know about the change.</p>

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7.	<b>Chair Report Out/Round Robin</b>	<p><b>Virginia Knowlton-Marcus:</b></p> <ul style="list-style-type: none"><li>• CEO of Disability Rights North Carolina (DRNC).</li><li>• IOLTA funding for civil legal aid organizations was frozen by the NC General Assembly causing staff layoffs at DRNC, Legal Aid NC and other organizations.</li><li>• DRNC will host their advocacy conference on May 6, 2026, at Friday Center in Chapel Hill.</li><li>• DRNC's PAIMI Advisory Council (Protection and Advocacy for Individuals with Mental Illness) submits an annual evaluation to SAMHSA on how DRNC provides services to people with mental health disabilities.</li></ul> <p><b>Tracy Boggiano:</b></p> <ul style="list-style-type: none"><li>• She serves as President of the Board of Directors for the Foster Family Alliance of North Carolina that is closely monitoring the rollout of the new Child and Family Specialty Plan</li><li>• Also volunteers as a Guardian Ad Litem</li></ul> <p><b>Susan Hertz:</b></p> <ul style="list-style-type: none"><li>• Works with clubhouse models</li><li>• Her agency is addressing funding gaps, as much of the work isn't reimbursable</li><li>• One-time HHS funds helped, but a Medicaid definition is needed for long-term sustainability</li></ul> <p><b>Jeff McCloud:</b></p> <ul style="list-style-type: none"><li>• Interviewed with the PAIMI (Protection &amp; Advocacy for Individuals with Mental Illness) Advisory Council chair</li><li>• Also has an upcoming interview with the NC Statewide Independent Living Council</li></ul> <p><b>Stacey Harward:</b></p> <ul style="list-style-type: none"><li>• DMHDDSUS staff support for MHBGPAC</li><li>• Assisted with updates from Director Crosbie's presentation</li></ul> <p><b>Shannon Kuper:</b></p> <ul style="list-style-type: none"><li>• Works for DMHDDSUS I</li></ul>	
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		<ul style="list-style-type: none"> <li>• Will be taking on a greater role in supporting MHBGPAC</li> </ul> <p><b>Badia Henderson:</b></p> <ul style="list-style-type: none"> <li>• DMHDDSUS Community Outreach Program Manager</li> <li>• Supports MHBGPAC via Advocacy &amp; Empowerment Team</li> </ul> <p><b>Maryann Dantone:</b></p> <ul style="list-style-type: none"> <li>• MHBGPAC co-chair</li> <li>• Resigned from Vaya TP, now operates an Alternative Living Home for individuals with intellectual and developmental disabilities and mental health challenges</li> </ul> <p><b>Stacy Morgan:</b></p> <ul style="list-style-type: none"> <li>• Provides lived experience perspective and advocates for system change</li> </ul> <p><b>June Freeman:</b></p> <ul style="list-style-type: none"> <li>• Works at the Division of Health Benefits (DHB)</li> <li>• Contributed to the 2023 appropriations bill focused on addressing gaps in children’s services, especially for foster care</li> <li>• One initiative draft policy now in progress</li> <li>• Engages with stakeholder groups to explore adding services like High-Fidelity Wraparound to the State Plan</li> </ul>	
8.	<p><b>MHBG Funding Update- DMH/DD/SUS</b>                  Lisa DeCiantis, Acting Chief Clinical Officer for Mental Health, Treatment, and Recovery                  Alicia Hess, Grant Manager</p> <p><b>Roles:</b>                  Lisa focuses on MHBG program side.                  Alicia focuses on MHBG funding side.</p>	<p><b>MHBG Required Set-Asides:</b></p> <ul style="list-style-type: none"> <li>• <b>First Episode Psychosis (FEP):</b> <ul style="list-style-type: none"> <li>○ Receives 10% of total allocation</li> <li>○ Supports six teams</li> </ul> </li> </ul> <p><b>Crisis Services:</b></p> <ul style="list-style-type: none"> <li>• Minimum 5% for evidence-based programs serving                             <ul style="list-style-type: none"> <li>○ Adults with Severe Mental Illness</li> <li>○ Youth with Severe Emotional Disturbance</li> </ul> </li> <li>• Supports crisis call centers, mobile crisis teams, and stabilization services</li> </ul> <p><b>MHBG Funding Details:</b></p> <ul style="list-style-type: none"> <li>• Paid in four installments over 12 months for a 24-month budget period.</li> </ul>	<p><b>Action Item:</b> Council requested the slides that Lisa and Alicia used.</p>

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		<ul style="list-style-type: none"><li>• For 10/1/2024–9/30/2026: total installment is \$28,414,605; fourth installment received 7/20/2025</li><li>• Division of Child and Family Well-being receives \$5,386,350 annually<ul style="list-style-type: none"><li>◦ DMHDDSUS manages over 30 funding sources</li></ul></li></ul> <p><b>Budget Discussion:</b></p> <ul style="list-style-type: none"><li>• Members emphasized need for details on MHBG spending to make recommendations. This request has been made numerous times.<ul style="list-style-type: none"><li>◦ DeCiantis and Hess mentioned there are many funding sources for DMHDDSUS services and they would need to work with various departments and programs to better itemize</li><li>◦ The annual report to SAMHSA completed in September includes the total budget for that period</li><li>◦ The Chair asked the speaker when the requested overview of grant allocations might be provided; the speaker stated she needed to confer with colleagues and that she would follow-up after the meeting.</li></ul></li><li>• Federal oversight focuses on:<ul style="list-style-type: none"><li>◦ Set-aside compliance</li><li>◦ Admin dollar allocation</li><li>◦ Maintenance of Effort (MOE) not falling below prior service levels</li><li>◦ Review of large line items, not granular details</li><li>◦ Question raised about annual report completion without full budget visibility</li><li>◦ Response: URS tables #3 and #7 submitted to SAMHSA show breakdowns (FEP, Crisis, Admin, etc.)</li><li>◦ No line-item budget required for SAMHSA</li></ul></li></ul> <p><b>Grant Budgeting Notes:</b></p> <ul style="list-style-type: none"><li>• Some years are retrospective; others are forecasts</li><li>• Admin allowance typically under 5%, often around 2% (\$500K–\$900K)</li></ul>	<p><b>Action Item:</b> Lisa to follow up with Chair to discuss next steps after consulting with other internal DMHDDSUS teams</p>
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9.	<p><b>Overview of NC Housing Programs – Division of Aging</b>                  Detra Purcell, Section Chief of Housing and Homelessness</p>	<p><b>Housing Support Programs Overview:</b></p> <p><b>Targeting Program:</b></p> <ul style="list-style-type: none"> <li>• Supports affordable housing for low-income individuals with disabilities.</li> <li>• Includes liaisons to work between property managers and residents</li> <li>• Wraparound services help residents stay housed</li> <li>• Funded by \$7.2M in state funds, \$60K from MFP, and other sources</li> <li>• Eligible individuals are placed on property-specific waitlists, typically short if they meet priority criteria:                         <ul style="list-style-type: none"> <li>○ Priority 1: Transitions to Community Living (TCL)</li> <li>○ Priority 2: Money Follows the Person (MFP)</li> <li>○ Priority 3: Disabled Homeless Individuals</li> <li>○ Priority 4: General disabled population not meeting TCL/MFP/homeless definitions</li> </ul> </li> <li>• Detra’s team matches individuals to units; rental assistance is tied to the unit and not portable</li> <li>• Group discussion:                         <ul style="list-style-type: none"> <li>○ 811 is for people with disabilities; even those with no income can qualify</li> <li>○ Bottlenecks exist due to turnover delays, unresolved landlord issues, or hospitalization (units held max 90 days)</li> <li>○ Over 1,000 units planned, not all built</li> </ul> </li> </ul> <p><b>Emergency Solutions Grant Program (ESG):</b></p> <ul style="list-style-type: none"> <li>• HUD-funded program to improve emergency shelters, rehouse homeless individuals/families, and prevent homelessness</li> <li>• Eligibility: Household income &lt;30% Area Median Income (AMI) and meets HUD homelessness definition</li> <li>• NC receives \$5M annually; Division of Aging awards 65–80 sub-recipients yearly</li> <li>• Coordinated Entry serves as the county-level access point for those homeless or at risk</li> </ul>	
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10.	<b>Closing Discussion Items</b> MHPAC	<p><b>SCFAC Request:</b></p> <ul style="list-style-type: none"> <li>Each member list top five service gaps and needs form. Send completed form to DMHDDSUS support staff, Stacey Harward by January 9th.</li> <li><b>Membership updates:</b></li> <li>Virginia shared that Robin Soderena withdrew her MHBGPAC application due to other commitments</li> <li>There was a question about a peer who wants to join a CFAC in the area in which they reside but works for a TP in another area. DMHDDSUS support staff provided some guidance, suggesting that they may also want to consider joining the SCFAC as well</li> </ul>	<p><b>Action item:</b> complete document as requested by SCFAC re: the top five gaps and needs and submit to Stacey Harward due by January 9th</p>
11.	<b>Adjournment</b>	The meeting was adjourned at 2:24 PM.	

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### 2025-2026 Meeting Dates

<b>February 6, 2026,</b>		
<b>April 10, 2026</b>	<b>June 5, 2026</b>	<b>August 7, 2026</b>

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<b>October 2, 2026</b>	<b>December 4, 2026</b>	<b>February 5, 2027</b>
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