

# North Carolina Olmstead Plan Implementation

First Quarter Summary Report: January 1 – March 31,  
2022

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# Background/Introduction

In January 2022, the North Carolina Department of Health and Human Services (NC DHHS; DHHS) released the state’s initial Olmstead Plan (the Plan), a cross-population blueprint, addressing the health and well-being of children and families, youth, adults, and elders with disabilities. The Plan incorporated much work the state had already undertaken, while guiding a changing system of services and supports, committed to advancing independence, integration, inclusion, and self-determination for individuals with disabilities.

The Plan is a strategic plan, with eleven priority areas of focus. Each priority area includes strategies identified to begin or to continue a transformation of services and supports that is essential for North Carolinians with disabilities to live as fully included members of their communities. Targeted divisions and offices within DHHS, working with other state agencies, were tasked with developing work plans. These plans identified high-level action steps and timeframes for completion to implement the strategies. The progress reports are intended to capture changes in strategies and in implementation activities as well. In sum, they provide the foundation for measuring progress towards Plan implementation.

The initial implementation work plans and status reports were due to the Technical Assistance Collaborative, Inc. (TAC) on June 15, 2022. The status reports cover activity for the first quarter of calendar year 2022, from January 1 through March 31. This lag in submission is necessary to allow for data collection and reporting to occur. Status reports are due each quarter: for example, the second quarter report will be due September 15, 2022; the third quarter report will be due December 15, 2022; the fourth quarter report will be due on March 15, 2023; and so forth. These reports will be reviewed and analyzed by the TAC and summarized for DHHS Leadership.

North Carolina’s Olmstead Plan is intended to be a fluid document; implementation is occurring within an evolving system of health care and behavioral health services and supports for people with disabilities. Strategies may change over time as a result.

TAC has reviewed each work plan, coaching divisions and agencies on strengthening their action steps, as needed. Readers should view this initial report as a work in progress. As implementation of the Plan proceeds, staff will become more accustomed to and comfortable with regular updates. We recognize and commend all staff for the time and thought they have invested into this process to date.

## Identified and Emerging Challenges

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Implementation of the Olmstead Plan is occurring within the context of systems transformation in North Carolina. TAC observes that aligning the Plan’s implementation in tandem with other key DHHS initiatives is critical for the Plan’s success and sustainability. At the same time, this alignment elevates many of the challenges within and across the services and systems that support people with disabilities in North Carolina.

## **Addressing the Workforce Crisis**

In states across the country, including North Carolina, both public human service agencies and nonprofit community-based organizations are experiencing significant difficulties in retaining staff and filling vacancies. The lack of sufficient qualified staff is an issue reported at all levels within the North Carolina's Health and Human Services System.

### **Providers**

TAC has heard reports of staff shortages, both among highly qualified clinical professionals and frontline workers, each essential for effective services. Efforts to increase wages for Direct Support Professionals are underway, initially supported with enhanced federal matching funds and also with funds approved by the General Assembly. These funds are targeted to limited provider types that support individuals with disabilities in North Carolina. TAC's assessment is that the increased wages have not been applied consistently across state-operated and private community-based provider staff. Additional workforce solutions are necessary for addressing disparities in pay across systems, thereby expanding and strengthening community-based services.

### **DHHS**

The Department has experienced significant turnover among staff with the history and subject matter expertise necessary to lead and to facilitate the implementation of those changes requisite to a continued Systems Transformation. At this time, DHHS staff are spread thin, trying to manage multiple key initiatives. There is not yet an identified Office of Olmstead Implementation; oversight of the work to date continues under the Office of the Senior Advisor on the Americans with Disabilities Act (ADA), with support from TAC.

## **Using Data to Drive Systems Change**

The staff identified across DHHS as subject matter experts for Olmstead are often well-versed in policy and program content, but less familiar with existing data that can be used to support baseline benchmarks and targeted measures and to assess progress. The Olmstead Plan data lead staff are also supporting other key initiatives, such as DHHS' Transition to Community Living (TCL) and the transition to Standard Plans and Tailored Plans. To better monitor whether people with disabilities are able to access and experience the full benefit of inclusive communities, the Department has expanded its contract with Mathematica. Building on Mathematica's work with TCL, Mathematica's development of an Olmstead Plan data management system, analytic platform and data dashboards will provide a stronger framework for quality assurance and performance improvement in Plan implementation.

## **Engaging Local Management Entities/Managed Care Organizations (LME/MCOs)**

As the stewards of a large proportion of resources that support people with disabilities in the community, LME/MCOs are key partners in implementing the Olmstead Plan. Their engagement with the specific requirements for Olmstead Plan implementation has been limited to date, in large part as a result of their preparation for transitioning to Tailored Plans. Their current contracts contain few, if any, specific requirements related to the Olmstead Plan. The Department intends to clarify Olmstead-related roles and responsibilities in the Tailored Plan contracts.

## Developing a Unified Vision among Stakeholders

Based on TAC's experience, an Olmstead Plan that addresses community inclusion for people with all disabilities is going to encounter differences in priorities among stakeholders. However, TAC is typically able to identify mutual interests to build on. For some priorities, TAC has experienced greater difficulty identifying consensus among external stakeholders in North Carolina. There is wide variation in perspectives on key issues relevant to Olmstead compliance, including divergence in support for approaches to advancing independent living, supporting the direct service workforce and implementing competitive integrated employment.

## Enhancing Access to Safe, Decent, and Affordable Housing

North Carolina is experiencing a "housing crisis" similar to most other states across the country. Access to safe, decent, and affordable housing is especially difficult in urban areas and academic centers in the state, whereas services and supports are more available in these same areas. Conversely, housing in rural areas may be available, but the necessary services and supports may not be. The Department is engaged in and fully supports development of a NC Strategic Housing Plan, but housing development takes time. At present, the lack of availability of units is an issue for Olmstead Plan implementation.

While these challenges are noteworthy, the DHHS has maintained its commitment to Plan implementation.

# Status of Strategies

TAC has identified the following categories to describe the status of Plan Strategies.

Complete: The strategy/all identified action steps were accomplished as of the end of the reporting period.

In Process: Staff were actively engaged in the strategy/at least one action step had been taken as of the end of the reporting period.

Not Started: Work related to the strategy/action step(s) was not underway as of the end of the reporting period.

Needs Revision/Clarification: The strategy *may* move forward with modification.

No Longer Under Consideration: The strategy is too vague as written and appears to duplicate another more detailed strategy.

New: The strategy has been added since the Plan was released in January 2022.

Status Pending: No status updates were reported.

Table 1 below summarizes the status of the Plan strategies during the first quarter of Plan Year 1, January 1 through March 31, 2022. The status of all Plan strategies can be found in the Calendar Year 2022, Quarter 1 Olmstead Plan Progress Report delivered with this report.

**Table 1. Plan Strategies/Action Steps Summary – First Quarter (1/1/22 - 3/31/22)**

Complete	In Process	Not Started	Needs Revision/ Clarification	No Longer Under Consideration	New	Status Pending
7	70	11	3	2	22	32

TAC did not interpret the status of the thirty-two (32) pending strategies and will work with the lead staff to determine the status for the next report.

## Highlights of Progress Achieved

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North Carolina made notable progress with a number of strategies within the first quarter of Plan implementation. TAC attributes this progress to the Department’s efforts already underway to transform its services and system to better support community inclusion for individuals with disabilities. Progress includes attainment of strategies as well as significant progress towards attainment. While progress was reported on numerous strategies and actions steps, the following are *highlighted examples*. Please refer to the [North Carolina Olmstead Plan](#) for a full listing of strategies across all eleven Priority Areas.

### Examples of Strategies and Action Steps Completed or In Process

#### ***Priority Area #1: Strengthen Individuals’ and Families’ Choice for Community Inclusion through Increased Access to Home and Community Based Services and Supports***

The Division of Health Benefits (DHB) has added Innovations waiver slots, and additional Community Alternatives Program for Disabled Adults (CAP/DA) and Community Alternatives Program for Children (CAP/C) waiver slots are in process, using enhanced Federal Medical Assistance Percentage (FMAP) and newly appropriated state funds.

DHHS is progressing with expansion of eligibility for the Traumatic Brain Injury (TBI) waiver. Reducing the age of eligibility to 18 years old and increasing the income limit to 300% of the federal poverty level are complete; work continues on expanding waiver eligibility to additional counties of residence.

### ***Priority Area #2: Address the Direct Support Professional Crisis***

The DHB allocated enhanced FMAP funds to increase Direct Support Professional (DSP; direct service workforce) wages, effective 4/1/22. Increases for DSPs working with the Intellectual/Developmental Disability (I/DD) population will be sustained on an ongoing basis as a result of additional funds appropriated by the General Assembly.

Between August 2021 and March 2022, the Aging and Disability Resource Center; Division of Aging and Adult Services (DAAS); and NC Assistive Technology Project collaboratively provided assistive technology to an additional 1,287 individuals with disabilities, a 59.9% increase over the baseline of 2,147 people with disabilities who accessed assistive technology between April 2020 and August 2021.

### ***Priority Area #3: Divert and Transition Individuals from Unnecessary Institutional and Segregated Settings***

DHHS collaborated with the NC Housing Finance Agency (NCHFA) to develop an online, e-learning course on the Informed Decision Making (IDM) consumer engagement tool and posted information on the NC DHHS Transition to Community Living (TCL) website on 1/18/22 to expand and monitor the use of the IDM tool beyond TCL.

The State Developmental Centers hired an Olmstead Specialist at the Murdoch Center in December 2021; a specialist is targeted for hire at Caswell Center in April 2022, and a specialist is targeted for hire at Joseph Iverson Riddle Developmental Center (JIRDC) in July 2022. A second specialist is targeted for hire at the Murdoch Center in October 2022. These specialists implement enhanced transition planning to ensure that individuals with Memorandums of Agreement (MOAs) are planning, from the time of admission, their return to the community.

The State Developmental Centers are exploring opportunities to partner with community peer support networks. Through these networks, individuals with disabilities in the Centers can learn from peers in the community about opportunities for inclusion. Connections will occur, at a minimum, once per quarter.

DMH/DD/SAS is on track to select five sites and award funds to implement enhanced mobile crisis for children and families by August 2022.

The North Carolina Council on Developmental Disabilities (NCCDD) is partnering with the Alliance of Disability Advocates and the NC Department of Public Safety to reduce the recidivism rate of individuals with I/DD by providing individualized, long-term support upon release from prison. The project received 83 referrals and completed 71 Individualized Reentry Plans (IRPs).

### ***Priority Area #4: Increase Opportunities for Supported Education and Pre-employment Transition Services for Youth with Disabilities, and Competitive Integrated Employment for Adults with Disabilities***

The Division of Vocation Rehabilitation Services (DVRS) Transition Team developed a Pre-Employment Transition Services curriculum for adjudicated youth in Youth Development Centers and trained Center staff on delivery of the curriculum, completing the training in March 2022.

The DHHS is solidifying Medicaid coverage for supported employment through submission of a 1915(i) Medicaid State Plan Amendment, anticipated to go live on 12/1/22, and is aligning the supported employment service definition across funding streams.

#### ***Priority Area #5: Increase Opportunities for Inclusive Community Living***

The DHB sent letters to the Local Management Entities/Managed Care Organizations (LME/MCOs), with copies to their Care Coordinators and other agencies, clarifying the criteria that allows individuals receiving Supported Living Level 3 to exceed the \$135,000 cap for the Innovations waiver.

In February 2022, the Department established an incentive plan with set performance measures for each LME/MCO to increase the number of successful transitions from Adult Care Homes (ACHs) to Permanent Supportive Housing (PSH). Assessment of performance and awarding of incentives will begin April 1, 2022 (4<sup>th</sup> Quarter FY 21/22) and will be captured in the next Olmstead Plan report of progress.

The DHHS, system partners, external stakeholders and TAC began meeting in the Fall of 2021 and held monthly meetings to identify draft Strategic Housing Goals, Objectives and Strategies. The draft will be shared for public comment in July/August 2022.

NCCDD, in partnership with Money Follows the Person (MFP), NC Medicaid, and others, convened a Supported Living Level 2 & 3 Action Team to discuss barriers to Supported Living and solutions to overcome these barriers. The Action Team established the three workgroups that have been meeting monthly and discussing barriers related to the DSP Workforce, Housing, and the Program Coordinator Role.

#### ***Priority Area #6: Address Gaps in Services***

DHHS received approval in March 2022 to expand research-based behavioral health treatment services for adults with autism.

DHHS convened a Child Welfare Family Wellbeing Transformation Team in the Fall of 2021, charged with developing a Coordinated Action Plan (CAP). The CAP will expand access to needed community-based services, thereby reducing reliance on out-of-home placements. The Team is on course to release the CAP in May 2022.

DHHS submitted to, and is awaiting approval from, the Centers for Medicare and Medicaid Services (CMS) to allow a parent to retain Medicaid eligibility when their child is being served temporarily by the foster care system, regardless of the type of out-of-home placement, so long as the parent is making reasonable efforts to comply with a court-ordered plan of reunification.

#### ***Priority #7: Explore Alternatives to Full Guardianship***

TCL and Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) staff secured baseline data (Fiscal Year (FY) 21) on adults with a primary diagnosis of I/DD or mental illness who are served by a public guardian in North Carolina. Establishing this baseline was necessary to quantify the impact of strategies proposed in the Olmstead Plan to address alternatives to guardianship.

In March 2022, DMH/DD/SAS presented a webinar on alternatives to guardianship to the I/DD stakeholder workgroup.

A broad-based stakeholder workgroup has drafted detailed proposed reforms to NC General Statute 35A, Incompetency and Guardianship. The workgroup has engaged the NC Bar Association and the NC Conference of Clerks in crafting language that will educate and inform NC legislators about the need for reforms to NC General Statute 35A to promote alternatives to guardianship.

#### ***Priority Area #8: Address Disparities in Access to Services***

DMH/DD/SAS provided allocations to LME/MCOs to increase access to Community Support Team (CST) and Assertive Community Treatment (ACT) programs in rural and underserved communities by June 2022.

DMH/DD/SAS is anticipating execution of a contract with the Governor's Institute in June 2022 to identify and engage emerging leaders in the Substance Use Disorder (SUD) field. The contract will fund assistance for standardized test reimbursement (for licensure and certification costs) and registration fees for various SUD trainings and conferences, with a priority on serving historically marginalized and rural populations.

#### ***Priority Area #9: Increase Input from Individuals with Lived Experience***

DHHS has attained a 51% representation of individuals with lived experience on the Olmstead Plan Stakeholder Advisory Committee.

DMH/DD/SAS is developing a written inventory of consumer-operated services that support individuals with Serious Mental Illness (SMI), I/DD, TBI and co-occurring SUD, to be completed by December 2022.

#### ***Priority Area #10: Reduce Transportation Burdens for Individuals with Disabilities***

DHB submitted a request to CMS and is awaiting approval to use enhanced FMAP to add remote technology support to the CAP/C and CAP/DA waivers to increase access to services for individuals living in rural areas of the state.

#### ***Priority Area #11: Use Data for Quality Improvement***

DHHS staff are working with Mathematica to enhance TCL data quality and integration, performance measurement, and use of program data for evaluation and decision-making, and to establish a framework that can potentially assist in developing a quality assurance structure for the state's Olmstead Plan.

In summary, progress was made toward implementing numerous strategies identified in the Olmstead Plan. TAC will continue tracking the status of each strategy, with particular attention to the ongoing efforts to increase waiver slots, the distribution of the DSP wage increase, LME/MCO attainment of housing performance incentives and stakeholder efforts to educate the General Assembly on needed reforms to NC General Statute 35A to promote alternatives to guardianship.

# Next Steps in Olmstead Plan Implementation

1. DHHS staff and staff from other agencies provided work plans and other valuable information on the status of implementation strategies and action steps. TAC will continue to work with staff to clarify, refine and strengthen work plans as needed.
2. TAC and Mathematica are working closely to identify additional baseline data and targeted measures that can be used to assess progress with implementation of the plan and the impact of strategies.
3. DHHS, system partners, external stakeholders and TAC will continue drafting NC DHHS Strategic Housing Goals, Objectives and Strategies; TAC anticipates these will be made available for public comment in July or August 2022.
4. TAC is working with the Department to develop a comprehensive plan to provide level-setting and orientation sessions that will support leadership, staff and stakeholders, across systems, to conduct their work through “an Olmstead lens.”
5. The TAC will work with policymakers and program staff at the state, regional and provider levels, to advance an array of evidence-based practices that promote community inclusion. Efforts will include training for the direct service workforce.
6. The Second Quarter Status Report of activity, from April 1 through June 30, 2022 will be due on September 15, 2022.

Submitted by Sherry Lerch