North Carolina State Consumer and Family Advisory Committee

Annual Report and Recommendations

Fiscal Year 2024 - 2025

Nothing About Us, Without Us.

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Editors-in-Chief: Landan Gross and Mia Nicole Phillips

Executive Summary

As Chairman of the North Carolina State Consumer and Family Advisory Committee (SCFAC), I am proud to present this year's Annual Report and Recommendations. This report reflects the lived experiences, voices, and insights of individuals and families directly impacted by our state's behavioral health, intellectual/developmental disabilities (I/DD), and substance use service systems.

Throughout 2024–2025, SCFAC remained steadfast in its role as an advisory body to the North Carolina Department of Health and Human Services (NCDHHS) and the General Assembly. In the wake of Hurricane Helene's devastating impact on Western North Carolina, we experienced our state coming together, and focusing on the urgent needs of those who were most impacted.

This year's recommendations are the result of persistent advocacy and a firm belief in the power of consumer and family voices. We emphasize the need to strengthen community-based services, safeguard consumer choice, and increase transparency and accountability across the system. Our priorities included ongoing system transformation, the implementation of Tailored Plans, and ensuring that policy decisions remain rooted in the realities of the people most affected. Notably, we have taken a more assertive approach in engaging lawmakers and advancing specific, strategic funding requests to address longstanding gaps in services and support for people accessing and depending on our public mental health, developmental disabilities, substance, and TBI services system. This report challenges state leadership to invest boldly in person-centered care, improve interagency communication, and build a sustainable infrastructure that meets the evolving needs of all North Carolinians.

As my time on the SCFAC comes to an end, I prepare to depart as a member but also as a continued supporter and advocate, with deep gratitude and a heart forever changed. These years have been more than a service commitment—they've been a journey of personal growth, humility, and purpose. I have come to understand that true leadership begins with listening. This work has helped shape me into a man who leads with empathy, patience, compassion, and a greater understanding of the challenges our communities face. I am honored to stand alongside so many resilient and courageous voices, and I leave with a renewed commitment to justice, dignity, and healing for all.

"Nothing about us, without us."
Semper Fidelis,

Brandon L. Wilson
Chairman
North Carolina State Consumer and Family Advisory Committee

Foreword

This report is respectfully submitted by the North Carolina State Consumer and Family Advisory Committee (SCFAC) in fulfillment of its statutory responsibility under NC General Statute §122C-171 to provide informed guidance to both the North Carolina General Assembly and the Department of Health and Human Services (NCDHHS). The SCFAC is hopeful that the insights and recommendations presented herein will inspire action from state leadership and strengthen initiatives led by the Department and General Assembly.

The development of this report reflects a significant investment of time and commitment from SCFAC members, who engaged in extensive listening and learning activities across the state. This included participation in statewide town halls, conferences, and local CFAC meetings, as well as leading and contributing to dedicated subcommittees and work groups. In addition to convening for monthly meetings, whether in Raleigh or virtually (per state guidance), members also advocated on behalf of North Carolinians during Legislative Day at the General Assembly. These efforts were rooted in a shared purpose: to ensure the voices of individuals and families affected by mental health challenges, intellectual and developmental disabilities, substance use disorders, and traumatic brain injuries are not only heard, but acted upon. The recommendations in this report are grounded in research, lived experience, and direct feedback from those most impacted by our public MH/DD/SUS/TBI service systems. We believe these recommendations offer pragmatic solutions to persistent challenges and reflect the needs and aspirations of consumers, providers, LME/MCOs, the Department, and communities across North Carolina.

We respectfully request a formal response from both the General Assembly and NCDHHS indicating whether each recommendation is marked as "Concur," "Partially Concur," or "Non-Concur," along with brief justifications. For those marked "Concur" or "Partially Concur," we further request quarterly updates on implementation progress to support ongoing collaboration, transparency, and shared accountability to the individuals and families we serve.

To provide better communication below are the definitions and implications of responses:

Concur:
Definition: Full agreement with the proposal, or recommendation. Implications: Indicates complete alignment and support without reservations. All aspects are accepted as presented, and any recommended actions are fully endorsed.

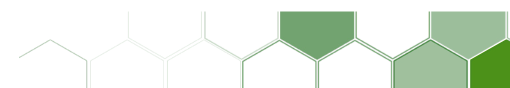
Partially Concur:
Definition: Partial agreement with the proposal, or recommendation. Implications: Indicates agreement with some aspects but not all. Specific elements are accepted, while others may be contested or require modification. Often includes explanations of the points of agreement and disagreement, along with suggestions for changes or conditions for full concurrence.

Non-Concur:
Definition: Full disagreement with the proposal, or recommendation. Implications: Indicates complete opposition or rejection. The reasons for disagreement are typically provided, along with any alternative suggestions or reasons why the original proposal is not acceptable.

North Carolina State Consumer and Family Advisory Committee 2024-2025

North Carolina State Consumer and Family Advisory Committee, local CFAC's, consumers, families and lawmakers at the March 11, 2025 Legislative Day in Raleigh, NC.

Chairman, Mr. Brandon Wilson	Vice Chairwoman, Dr. Michelle Laws	Ms. Angela-Christine Rainer
Ms. Lilly Parker	Ms. Jessica Aguillar	Ms. Crystal Foster
Ms. April DeSelms	Mr. Johnnie Thomas	Mr. Bob Crayton
Ms. Mamie Hutnick	Ms. Heather Johnson	Ms. Lorrine Washington
Ms. Jeannie Irby	Ms. Annette Smith	Ms. Flo Stein
Ms. Jean Anderson	Mr. Nathan Cartwright	Ms. Ashely Snyder Miller
Rev. Gene McClendon	Ms. Amie Brendle	Ms. Patty Schaeffer



Authorizing Legislation

North Carolina General Statute
§ 122C-171. State Consumer and Family Advisory Committee.

> a) There is established the State Consumer and Family Advisory Committee (State CFAC). The State CFAC shall be a self-governing and self-directed organization that advises the Department and the General Assembly on the planning and management of the State's public mental health, intellectual and developmental disabilities, substance use disorder, and traumatic brain injury services system. (b) The State CFAC shall be composed of 21 members. The members shall be composed exclusively of adult consumers of mental health, intellectual and developmental disabilities, substance use disorder, and traumatic brain injury services and family members of consumers of mental health, intellectual and developmental disabilities, substance use disorder, and traumatic brain injury services. The terms of members shall be three years, and no member may serve more than two consecutive terms. Vacancies shall be filled by the appointing authority.

SCFAC Mission and Purpose

Mission

The mission of the State CFAC is to:

- Support the development of consumer services by identifying needs and gaps in services and promoting services that are effective and meet high quality standards.
- Support CFAC growth and development at state and local level.
- Support individual consumer and family participation at state and local level.

Purpose

The State CFAC shall be a self-governing and self-directed organization that advises the Department and the General Assembly on the planning and management of the State's public mental health, developmental disabilities, and substance abuse services system.

The State CFAC shall undertake all the following:

(1) Review, comment on, and monitor the implementation of the State Plan for Mental Health, Developmental Disabilities, and Substance Abuse Services.

(2) Identify service gaps and underserved populations.

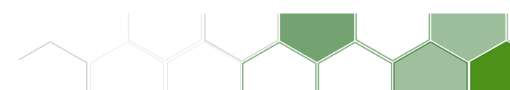
(3) Make recommendations regarding the service array and monitor the development of additional services.

(4) Review and comment on the State budget for mental health, intellectual and developmental disabilities, substance use disorder, and traumatic brain injury services.

(5) Review and comment on contract deliverables and the process and outcomes of prepaid health plans in meeting these contract deliverables.

(6) Receive the findings and recommendations by local CFACs regarding ways to improve the delivery of mental health, intellectual and developmental disabilities, substance use disorder, and traumatic brain injury services, including statewide issues.

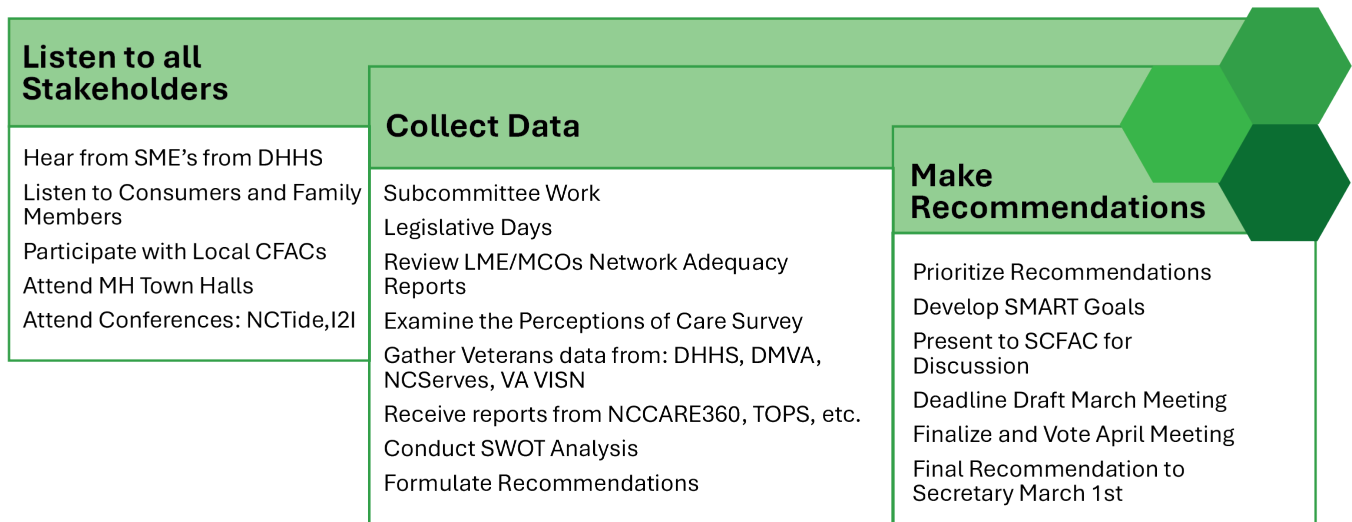
(7) Develop a collaborative and working relationship with the prepaid health plan member advisory committees to obtain input related to service delivery and system change issues.



Background of Annual Report

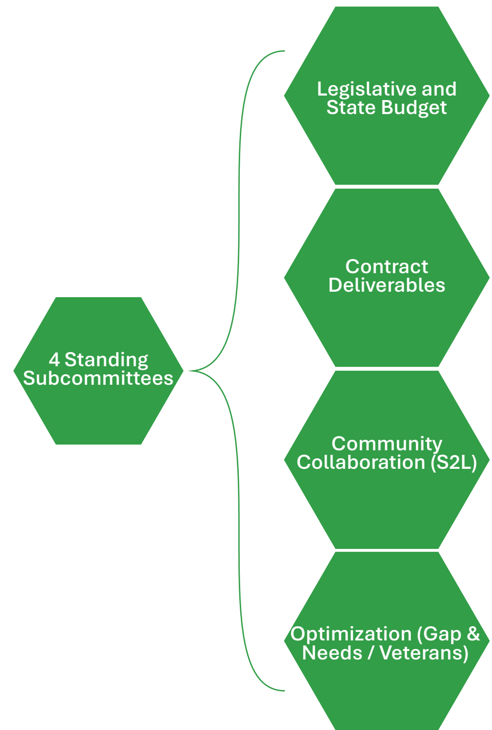
The SCFAC committee continually seeks out dedicated members with strong leadership and advocacy skills, paired with lived experiences that enable them to effectively identify challenges and barriers while maintaining a solutions-oriented approach for the Department. This annual report is a culmination of contributions from our subcommittees and members, serving as the voice of North Carolina consumers and families accessing services. Throughout the year, the committee gathers information from various sources, including Network Adequacy Reports, Consumer Surveys, LME/MCO data, inputs from the NCDMHDDSAS Quality Management Team, as well as insights from speakers, presentations, local CFAC communications, and direct feedback from individuals receiving mental health, substance use disorder, traumatic brain injury, and intellectual and developmental disabilities services. This wealth of data is thoroughly examined by the Optimization subcommittee to pinpoint areas where services are lacking. This year, the four standing subcommittees: Legislative and State Budget, Contract Deliverables, Community Collaboration, and Optimization (Gaps/Needs), ensured comprehensive coverage of our mandated areas under GS-122 C-171. Each subcommittee worked independently, occasionally collaborating with external subject matter experts, to develop recommendations in the SMART format. By adhering to Specific, Measurable, Attainable, Relevant, and Timely criteria, our recommendations are characterized by strong, clear language consistent with the Committee's mandate outlined in NC General Statute § 122C-171 and are subject to a vote for inclusion in the Annual Report.

NOTE: SCFAC has recently committed to releasing its annual report and recommendations each March to align more effectively with the Department's budget planning cycle and the state's biennium budget process. This intentional timing ensures that SCFAC's guidance can more directly inform the development of programs, allocation of resources, and funding decisions, enabling leaders to integrate these recommendations when they are most impactful and actionable.



Subcommittees and Focus areas of 2025

As we enter the new fiscal year the committee gathered in August for its annual strategic planning session. The objective was to sharpen our focus and ensure intentional alignment with our statutory responsibilities under 122C. A key priority was reassessing and restructuring our subcommittees, which are essential to maintaining our commitment to the mandates outlined in 122C. During this session, we revisited our charter and mission, ultimately deciding to pursue a more direct engagement strategy with members of the General Assembly in FY 2025. With a strengthened partnership with the Department of Health and Human Services, SCFAC intensified its focus on state-level funding and resource allocation, as reflected in the recommendations included in this report.



To support this work, SCFAC established four standing subcommittees, each chaired by a SCFAC member. These groups actively contributed throughout FY 2025 by offering feedback, conducting research, and facilitating advocacy efforts with LME/MCOs and Legislators. Membership of each subcommittee included representatives from local CFACs, individuals with lived experience, family members, and community-based subject matter experts.

Gaps/Needs & Optimization Subcommittee

Optimization Subcommittee (formerly Gaps and Needs) works to identify significant gaps and needs in the services array across Mental Health, Traumatic Brain Injury, Intellectual and Developmental Disabilities and Substance Use Disorder domains. In addition, this subcommittee also works to provide recommendations that address the needs of North Carolina's military connected communities that may be affected in the ecosystem of care. This committee also works to submit letters to the Department on a needed basis, while also compiling the other sub-committees' SMART goals to formulate the Annual Report.

Responsibilities

- Review reports and surveys from DMHDQ staff to ensure that all relevant data is provided and reviewed and aligns with yearly focus areas, subcommittees and legislation
- Identifies challenges and gaps of services within the Military and Veterans communities
- Manage public comment concerns and submit necessary letters to the Department
- Collates subcommittees SMART goals and develops the Annual Report and Recommendations

Chairperson: Crystal Foster, Vice-Chair: Annette Smith

Contract Deliverables Subcommittee

The Contract Deliverables Subcommittee works with DMH staff and DHB staff to ensure that state contracts for services are performed in compliance as it pertains to contract deliverables. The contracts reviewed include Standard Plans, Tailored Plans, LME/MCO's, Vendors and Providers. Two primary focus areas for FY 25 included: Network adequacy and Quality of care buckets.

Responsibilities

- Work with DMH and DHB staff to monitor list of deliverables within respected contracts
- Review reports from staff on the deliverables to gauge both implementation and execution of the contracts
- Provide strong recommendations in SMART format to the Optimization subcommittee every March

Chairperson: Johnnie Thomas, Vice-Chair: Dr. Michelle Laws

Community Collaboration Subcommittee

The Community Collaboration Subcommittee previously the State to Local subcommittee has been a vital part of communication and transparency between the State and Local CFACs. A standing monthly call allows exchange of information, education and collection of benchmarks and outcomes, which promotes community collaboration through working with other committees and councils such as the Brain Injury Association, IDD Council, etc. In addition, working alongside local CFAC committees, respective LME/MCO's and providers that employ services at a local level. This subcommittee is charged with creating a strong relationship with the Standard Plan Member Advisory Committee.

Responsibilities

- Facilitate Monthly State to Local Calls
- Development of the reporting, agenda and attendance of the State to local Call
- Provides report to the SCFAC committee monthly on any issues or trends.
- Develop a new and working relationship with the Standard Plan Member Advisory Committee and promote participation with the Standard Plan MAC.
- Provide strong recommendations in SMART format to the Optimization subcommittee

Chairperson: Nathan Cartwright, Vice-Chair: Amie Brendle

Legislative and State Budget Subcommittee

The Legislative and State Budget Subcommittee exists to support our General Statue Mandate. This committee is charged with monitoring proposed State legislation for bills that impact DHHS, Medicaid and behavioral health. In addition, this committee will explore and review both current and proposed state budgets that may have impact on the behavioral health system and in order to make future recommendations for the Department to consider during their strategic planning in reference to their budget requests.

Responsibilities

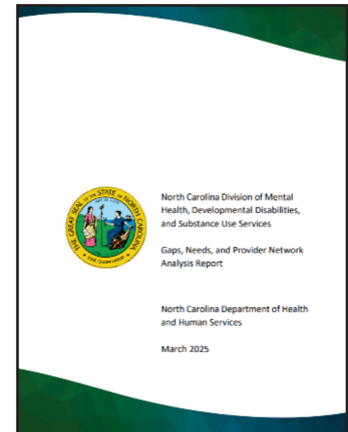
- Plan SCFAC participation with the Mental Health Legislative Breakfast
- Review and understand the state budget
- Develop Schedule for Legislative Day
- Generate SCFAC One-Pager with talking points for SCFAC members
- Provide a list of GA members to target on day
- Provide strong recommendation(s) in SMART format to the Optimization subcommittee
- Compile and monitor a list of bills that impact the behavioral health system

Chairperson: Bob Crayton, Vice-Chair: Lorrine Washington

Summary of Accomplishments 2024-2025

Published March 2025
NCDHHS – Gaps, Needs, and Provider Network Analysis Report
In 2019, SCFAC first proposed this recommendation to the Department with the goal of fostering greater transparency across the continuum of care—integrating data from LME/MCOs, NC-TOPPS, and NCCARE360. By implementing an annual report, the state can more effectively identify service gaps and establish stronger accountability among all stakeholders involved in delivering care.

Scan the QR Code to View NCDHHS Reports.


North Carolina Division of Mental Health, Developmental Disabilities, and Substance Use Services

Gaps, Needs, and Provider Network Analysis Report

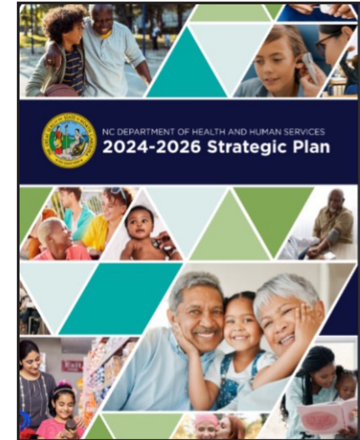
North Carolina Department of Health and Human Services

March 2025

Legislative Day- March 11, 2025
SCFAC makes history with Legislative Day
On March 11, SCFAC proudly hosted its 8th Annual Legislative Day—and made history in the process. For the first time, more than 100 advocates, lawmakers, and families gathered at the General Assembly to elevate the voices of consumers and families across North Carolina. This milestone event was made possible through the support of Representatives Sarah Crawford, Phil Rubin, and Zack Hawkins, as well as the dedicated participation of local CFACs from Vaya, Alliance, Partners, and Trillium. We extend our deepest gratitude to the consumers and families whose presence and passion continue to drive meaningful change.

Scan the QR Code to View the NC Insider Article.

LME/MCO Panel Discussion – February 2025
2nd Annual Convening of Tailored Plans' Top Leaders
In its signature style, SCFAC convened the foremost leaders of North Carolina's LME/MCO organizations for a powerful panel discussion on Tailored Plan implementation, Managed Care, Medicaid, and the evolving landscape of the behavioral health system—viewed through the lens of those delivering care on the ground. This strategy is driving greater transparency and establishing a new standard of accountability across the system.



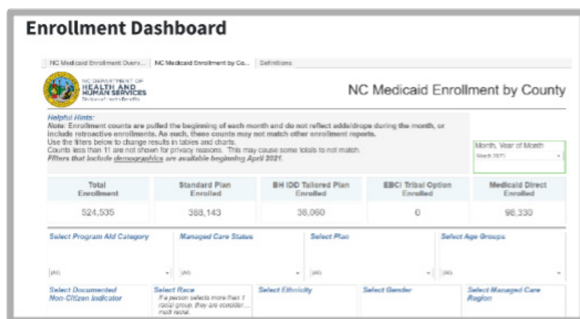
North Carolina Department of Health and Human Services 2024-2026 Strategic Plan Publication[1]

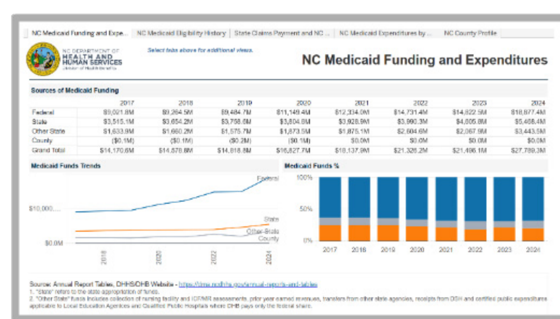
The North Carolina Department of Health and Human Services (NCDHHS) published its 2024–2029 Strategic Plan for the Division of Mental Health, Developmental Disabilities, and Substance Use Services (DMH/DD/SUS) on December 19, 2024. This comprehensive plan outlines the division's mission, vision, guiding principles, and seven key priorities aimed at enhancing the well-being of all North Carolinians. SCFAC played a pivotal role in shaping this strategic plan. Their collaboration with NCDHHS leadership ensured that the perspectives of consumers, families, and communities were integral to the plan's development.

Scan the QR Code to View Publication.

NCDHHS Dashboards

In 2024, the North Carolina Department of Health and Human Services (NCDHHS) launched several dashboards aimed at enhancing transparency and monitoring key health metrics, aligning with recommendations from the State Consumer and Family Advisory Committee (SCFAC). One notable initiative was the development of the Local Management Entities/Managed Care Organizations (LME/MCOs) dashboard, which reflects data-driven performance on selected measures. Additionally, the Innovations Waitlist Dashboard was introduced, displaying waitlist counts by LME/MCO and county, providing stakeholders with critical insights into service demand and availability. These tools serve as vital resources for policymakers, healthcare providers, and the public, facilitating informed decisions to improve health outcomes across the state.

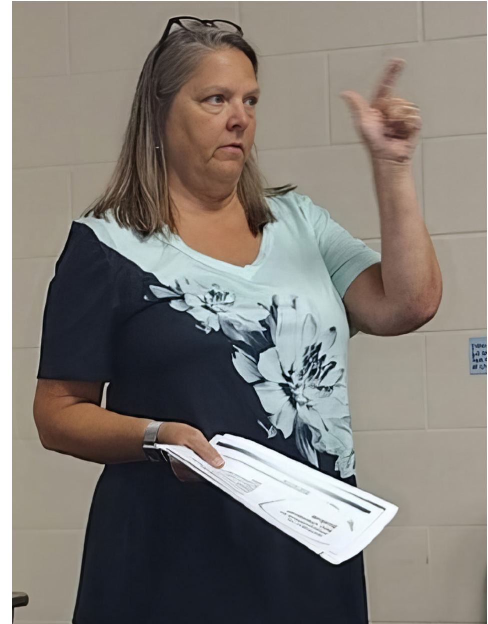




Scan the QR Code to View the NCDHHS Dashboard Online.

[1] (North Carolina Department of Health and Human Services, 2024)

Special Thanks



Ms. Suzanne Thompson

SCFAC would like to extend its profound appreciation to Suzanne Thompson for her more than 30 years of dedicated service in North Carolina state government and her unwavering support of the State Consumer and Family Advisory Committee. Suzanne's leadership, institutional knowledge, and tireless advocacy have been instrumental in advancing the work of SCFAC and elevating the voices of consumers and families across the state. Her commitment to collaboration, transparency, and meaningful system change has left a lasting impact on our committee and the broader behavioral health and intellectual/developmental disabilities community. We honor her legacy of service and offer our heartfelt thanks for her many contributions. Happy Retirement!

United in Recovery: A Collective Thank You

In the aftermath of Hurricane Helene, Western North Carolina faced devastation unlike anything in recent memory, displacing families, damaging critical infrastructure, and placing an overwhelming burden on already vulnerable communities. Amid this crisis, an extraordinary coalition of neighbors, community leaders, first responders, healthcare professionals, nonprofits, churches, and state partners rose to meet the moment.

The North Carolina State Consumer and Family Advisory Committee (SCFAC) extends its heartfelt gratitude to all who rallied in support of this region. Your collective action reflected the very best of North Carolina resilience, compassion, and unity. From providing emergency shelter, food, and medical care to rebuilding homes and restoring hope, your contributions created a lifeline for thousands. We also recognize the tireless efforts of those who worked behind the scenes advocating for policy waivers, delivering mental health and trauma-informed care, and coordinating across agencies to ensure services reached those in greatest need. These acts of service and solidarity embody the values that SCFAC seeks to uphold across the state's behavioral health and disability systems. This tribute stands as a sincere thank you and a lasting acknowledgment of the courage, leadership, and kindness that helped WNC begin its recovery. Your efforts remind us that even in the face of disaster, community is our greatest strength.

Recommendation 1: Mental Health Services

Enhancing Funding & Policy for Behavioral Health Crisis Services

The State Consumer and Family Advisory Committee (SCFAC) strongly supports behavioral health crisis centers across North Carolina. These facilities are essential components of the state's behavioral health crisis continuum and play a critical role in reducing emergency room utilization, diverting individuals from unnecessary hospitalization or incarceration, and ensuring timely access to care for people experiencing mental health and substance use crises.

According to the National Alliance on Mental Illness, nearly 1 in 5 U.S. adults lives with a mental illness, and about 1 in 25 experiences a serious mental illness that substantially interferes with major life activities[2]. In North Carolina alone, over 1.4 million adults have a mental health condition, yet many face long wait times or limited access to care, especially in rural or under-resourced regions[3].

Emergency departments (EDs) are increasingly overwhelmed with behavioral health-related visits. Data from the North Carolina Department of Health and Human Services (NCDHHS) show that psychiatric boarding times in EDs can exceed 24 hours, often with no immediate follow-up care. Crisis centers provide a critical alternative. A report by the Substance Abuse and Mental Health Services Administration (SAMHSA) affirms that crisis stabilization units can **reduce hospitalization rates by up to 70%**[4], saving both lives and taxpayer dollars.

With the support from NCDHHS and our LME/MCOs, North Carolina is now offering a variety of mental health crisis services, including facility-based crisis centers, behavioral health urgent care centers, and mobile crisis teams. For instance, RHA Health Services operates facility-based crisis centers such as the Foothills Regional Treatment Center in Lenoir and the Neil Dobbins Center in Asheville. Additionally, in March, Vaya Health along with Appalachian Community Services partnered for the ribbon cutting of a 12-bed facility that is co-located with the existing Adult Recovery Unit at the Balsam Center in Haywood County. In early 2025, Trillium Health Resources announced a substantial investment to open new community crisis centers in eastern NC. These centers provide 24/7 walk-in behavioral health crisis services, including psychiatric evaluations, detox services, outpatient therapy, peer support, and connections to long-term care that will lead to reducing extended costs to the state. However, despite their impact, many behavioral health crisis centers remain underfunded

[2](National Alliance on Mental Illness, 2023)
[3](Kaiser Family Foundation (KFF), 2023)
[4](Substance Abuse and Mental Health Services Administration (SAMHSA), 2020)

and face sustainability challenges. Facilities often rely on patchwork funding models that combine Medicaid, local funds, grants, and philanthropic support. Without a stable and predictable funding stream from the state, these life-saving centers cannot expand services, retain staff, or meet increasing demand. Notwithstanding the instability and unpredictability of federal funding, North Carolinians are counting on its public officials to make sure that critical safety nets for the medically fragile and vulnerable populations remain intact. It is the responsibility of the NCGA and Department of Health and Human Services to do all that it can within its power to buttress and invest in our state's public health care delivery system.

In the recently released NC Division of Mental Health, Developmental Disabilities, and Substance Use Services Gaps, Needs and Provider Network Analysis Report, it indicates a disparity between adults experiencing mental health issues and those receiving services, particularly among the uninsured. This recommendation supports addressing this issue to improve service penetration among uninsured adults seeking mental health services in a crisis.

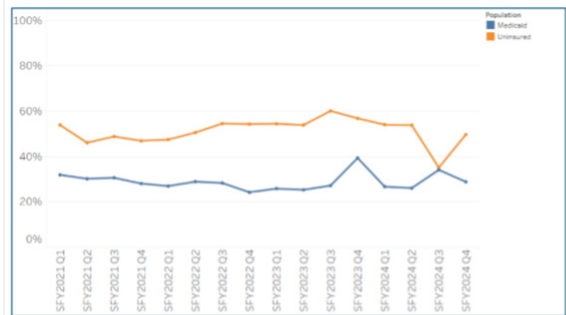
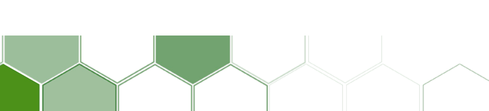


Figure 4. Initiation of Mental Health Services – All Ages – 2 Visits within the First 14 Days

SCFAC recommends the General Assembly to allocate $25 million in recurring funds over the next biennium to support the operations, staffing, and service expansion of community-based behavioral health crisis centers. This funding should be flexible enough to support facility needs, provider training, and the integration of peer support and community navigation services. Additionally, we recommend that this funding should support the stabilization for existing crisis centers to maintain 24/7 operations as well as provide grants to LME/MCOs to expand regional access to crisis services, especially in underserved areas.

Quick Links to References:

NC Division of Mental Health, Developmental Disabilities, and Substance Use Services Gaps, Needs and Provider Network Analysis Report. 2025,
https:// https://www.ncdhhs.gov/about/data-dashboards-action-planswhite-papers



Recommendation 2: Direct Support Professional Wages

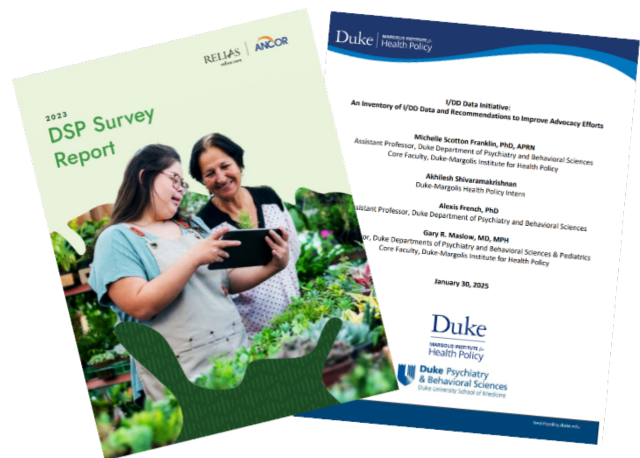
Increase in DSP Wages across health services sectors

More than 15,000 North Carolinians rely on Direct Support Professionals (DSPs) through the Innovations Waiver to receive essential, medically necessary care and support services that directly affect their health, safety, and quality of life. DSPs are the backbone of this system, serving as caregivers, educators, advocates, and supervisors for individuals enrolled in the waiver. More than 90% of Innovations services depend on DSPs. Yet, a severe and ongoing workforce shortage is limiting access to these vital services.

No DSPs means no services. Without adequate, competitive compensation, providers cannot recruit or retain the workforce necessary to deliver care—forcing families to step in and take on caregiving roles themselves, often at great personal and financial cost. This situation is unsustainable and puts the well-being of both individuals and families at risk.

According to ANCOR's national data[5], 60% of providers are discontinuing programs or services due to insufficient staffing, and 83% are turning away new referrals. Additionally, 81% of providers report that they are struggling to meet quality standards due to inadequate staffing. These national trends are reflected in North Carolina, where workforce instability directly jeopardizes individuals' access to services and their ability to live safely and independently in the community.

Moreover, the Duke-Margolis Institute for Health Policy[6] highlights that in North Carolina, 42.6% of provider agencies turned away new service referrals in 2022 due to DSP staffing shortages. The report also shows that DSP turnover remains alarmingly high, with 30.4% of DSPs leaving their roles and average hourly wages for NC DSPs ($13.93) well below the national average ($15.79). This reinforces that low wages are a central barrier to building a sustainable workforce and must be urgently addressed.



In addition, the 2023 Relias DSP Survey Report[7] reveals that more than one in three DSPs (38%) cite low compensation as their top dissatisfaction. While temporary COVID-era funding provided short-term relief, the report warns of an impending "fiscal cliff" a point at which providers may no longer be able to sustain those gains without permanent increases in funding. If this happens, organizations risk reversing hard-earned progress in DSP retention and satisfaction.

While one-time investments in DSP recruitment and training are a step in the right direction, establishing a sustainable, competitive wage floor of at least $18 per hour must be a top

[5](American Network of Community Options and Resources, 2023)
[6](Franklin, PhD, APRN , Shivaramakrishnan, French, PhD, & Maslow, MD, MPH, 2025)
[7](Baker, MA, Kruse, PhD, Bridges, BA, & Galindo, MSW, MPH, 2023) (Walker, Grozav, & Arnold, 2025)

funding priority. Without this, the DSP crisis will persist, and access to critical services will continue to erode. In addition, annual adjustments to Innovations Waiver capitation rates are essential. These rates must reflect cost-of-living changes and include targeted increases specifically to support direct care staff wages. The absence of regular, labor-related rate increases has suppressed DSP pay overtime. To keep Innovations Waiver rates in line with economic realities and ensure provider sustainability, capitation rates must be updated annually based on cost-of-living data.

"E pluribus unum" – "Out of many, one". The traditional motto of the United States, originally adopted in 1782 for the Great Seal. The phrase reflects the idea of unity among diversity — many states, one nation, many people, one republic. Through this recommendation SCFAC is asking that DHHS and General Assembly come together for this recommendation in this spirit.

SCFAC recommends that the General Assembly allocate appropriate funding, based on the Department's feasibility that will support raising Direct Support Professional (DSP) wages to a minimum of $18 per hour as an urgent step toward addressing the workforce shortage crisis in health services sectors. Furthermore, the General Assembly should mandate that NCDHHS prioritize these adjustments.

SCFAC recommends that DHHS prioritizes annual adjustments to Medicaid Capitation Rates for Innovations and 1915(i) services that include cost of living adjustments, especially for labor costs, for the program to be able to operate successfully within the economy at large.

SCFAC understands that the Department's execution of this recommendation hangs on General Assembly and that the two must work together in order to fully implement this proposal.

Quick Links to References:

ANCOR's 2023 Report on the Direct Support Workforce Crisis
https://www.ancor.org/priorities/dsp-workforce/

The 2023 Relias DSP Survey Report
https://www.relias.com/resource/dsp-survey-report

I/DD Data Initiative: An Inventory of I/DD Data and Recommendations to Improve Advocacy Efforts (Duke Margolis Institute for Health Policy)
https://nccdd.org/images/2025/IDD_Data_Initiative_Final_Report_2-6-25.pdf

Recommendation 3: Strengthening the Medicaid System

Healthy Opportunities Pilots

Launched in 2022, the Healthy Opportunities Pilots (HOPs) program is a pioneering initiative that integrates evidence-based, non-medical interventions, such as housing support, nutrition assistance, transportation services, and interventions addressing interpersonal violence and toxic stress with the Medicaid program. Operating across 33 predominantly rural counties, HOP has enrolled over 20,000 Medicaid beneficiaries and delivered more than 288,000 services to date.

This program is recognized in the Governor's Recommended Budget (FY 2025)[8], which includes funding through the Department of Health and Human Services to maintain operations in the current Healthy Opportunities Pilot (HOP) regions[9]. The inclusion of HOP in the Governor's budget underscores the state's acknowledgment of the program's effectiveness in addressing non-medical drivers of health and improving outcomes for Medicaid beneficiaries. Building on this foundation, the committee highlights the measurable impact of HOP to date and respectfully submits two formal recommendations for the General Assembly's consideration to ensure the program's continued success and expansion statewide.

Cost Savings:
The HOPs program in North Carolina has demonstrated notable cost savings for taxpayers by addressing non-medical factors that influence health outcomes. An independent evaluation revealed that, as of May 2024, the state is saving approximately $85 per HOP beneficiary per month in medical costs[10]. With over 20,000 Medicaid beneficiaries enrolled across 33 counties, this translates to total monthly savings of about $1.7 million. These savings are attributed to reductions in healthcare utilization, particularly in emergency department visits and inpatient hospitalizations. The program's focus on providing services such as housing support, nutrition assistance, and transportation has led to improved health outcomes and decreased reliance on costly medical interventions. Given the program's success, there is potential for even greater taxpayer savings if HOPs is expanded statewide. The North Carolina Department of Health and Human Services and Medicaid team has expressed intentions to broaden the program's reach, anticipating that addressing social determinants of health on a larger scale will further reduce medical expenditures and enhance overall population health.

NCCARE360:
Represents a transformative approach to addressing social determinants of health in North Carolina. By fostering collaboration across sectors and providing a standardized, efficient referral system, it enhances the state's ability to meet the comprehensive needs of its residents, ultimately contributing to improved health outcomes and reduced disparities. HOPs program has significantly enhanced the NCCARE360 initiative by operationalizing and scaling the use of the platform to deliver evidence-based, non-medical services through

[8](Walker, Grozav, & Arnold, 2025)
[9](Walker, Grozav, & Arnold, 2025, p. 165)
[10](Centers for Medicare & Medicaid Services, Center for Medicaid & CHIP Services, 2024)

Medicaid. Together, these two initiatives have created a comprehensive infrastructure — bridging the gap between healthcare and community-based services.

Enrollees have experienced reductions in social needs contributing to overall improved health outcomes. Longer participation in HOP correlates with greater reductions in these needs. Last year NCServes, the program that birthed NCCARE360 celebrated 10 years of work in NC serving Veterans and Military Families. This initiative contributed to a reduction in Veterans suicide and reduction in Veterans Homelessness leveraging this model of care. A comprehensive report is anticipated in May 2025.

Reduction in Healthcare Utilization:
One of the most significant early findings from the program is its impact on reducing avoidable, high-cost healthcare utilization, particularly emergency department (ED) visits and inpatient hospitalizations. These reductions are especially notable among non-pregnant adult Medicaid beneficiaries, a population that often experiences gaps in access to preventive care and stable living conditions that lead to frequent crisis-driven healthcare use. According to the interim evaluation report released by the NCDHHS in 2024, participation in the HOP program is associated with a reduction of 6 fewer emergency department visits[11], 2 fewer inpatient hospital admissions per 1,000 member-months[12]. This means that for every 1,000 months a group of beneficiaries is enrolled in Medicaid (i.e., 100 people for 10 months), there are 6 fewer ED visits and 2 fewer hospitalizations than would be expected without HOP services.

Quick Links to References:

Healthy Opportunities Pilots Interim Evaluation Report[13]
https://www.ncdhhs.gov/documents/healthy-opportunities-pilots-interim-evaluation-report-summary/open?utm_source

JAMA Health Journal[14]
https://jamanetwork.com/journals/jama/article-abstract/2830892

Milken Institute[15]
https://milkeninstitute.org/sites/default/files/2025-03/ScalingAndSustainingBetterHealthOutcomesThroughPrevention.pdf

Duke Margolis[16]
https://healthpolicy.duke.edu/publications/fact-sheet-north-carolinas-healthy-opportunities-pilots-what-it-and-what-have-we?utm_source

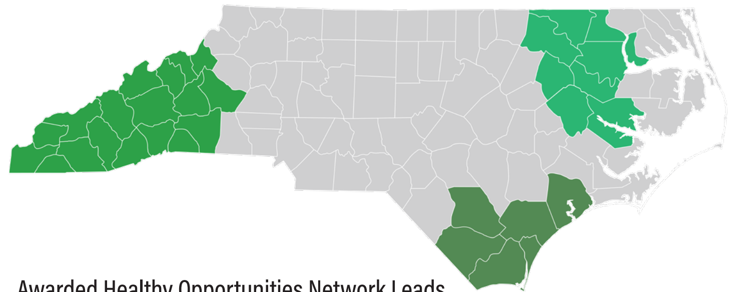
Harvard Public Health[17]
https://harvardpublichealth.org/policy-practice/nc-medicaids-social-determinants-of-health-efforts-are-working/?utm_source

[11](Centers for Medicare & Medicaid Services, Center for Medicaid & CHIP Services, 2024, p. 80)
[12](Centers for Medicare & Medicaid Services, Center for Medicaid & CHIP Services, 2024, p. 84)
[13](Centers for Medicare & Medicaid Services, Center for Medicaid & CHIP Services, 2024)
[14](Berkowitz, MD, MPH, et al., 2025)
[15](Cha, Choe, & Krofah, 2025)
[16](Duke Margolis Institute for Health Policy, 2024)
[17](Nandagiri, Huber, & Bleser, 2024)

Recommendation 3a: Strengthening the Medicaid System

Sustain and Strengthen the Existing HOP Pilot Regions

Sustaining the pilots is highly relevant to the state's broader Medicaid transformation goals. It ensures continuity of care for vulnerable populations and maintains momentum toward a more integrated, value-driven healthcare system. Without continued support, service disruptions could undermine the progress already achieved and place at-risk populations in jeopardy.



Awarded Healthy Opportunities Network Leads

Impact Health
Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Yancey

Access East, Inc.
Beaufort, Bertie, Chowan, Edgecombe, Halifax, Hertford, Martin, Northampton, Pitt

Community Care of the Lower Cape Fear
Bladen, Brunswick, Columbus, New Hanover, Onslow, Pender

To preserve the impact and integrity of North Carolina's Healthy Opportunities Pilots (HOP), SCFAC recommends a focused strategy to sustain and strengthen the three existing pilot regions. This begins with ensuring the uninterrupted continuation of services for current Medicaid beneficiaries by securing stable, recurring state funding and reinforcing the infrastructure necessary to support high-quality, community-based care.

This effort should be time-bound and action-oriented; therefore SCFAC recommends a phased approach. However, funding must be secured by Fiscal Year 2025 to avoid service interruptions, with operational continuity maintained through FY 2027. In parallel, ongoing funding, and independent evaluations to monitor program outcomes, and inform improvements will ensure program transparency and accountability. SCFAC also supports the continued use of Unite Us technology, which has been foundational to North Carolina's coordinated care efforts for over a decade, through its integration with NCCARE360 and proven statewide infrastructure. Adopting a new technology system would be detrimental for this program as momentum and adoption is finally growing.

The State Consumer and Family Advisory Committee (SCFAC) recommends that the North Carolina General Assembly allocate continued and appropriate funding to sustain the Healthy Opportunities Pilots (HOPs) program statewide. To preserve and build upon the program's success in improving health outcomes and reducing costs by addressing non-medical drivers of health, SCFAC urges the General Assembly to prioritize recurring funding to maintain and stabilize current operations in the pilot regions. This includes targeted investment in workforce development and provider sustainability, enhancements to technology and data systems for improved referral tracking and coordination, and dedicated funding for ongoing evaluation to monitor performance and guide best practices.

Recommendation 3b: Strengthening the Medicaid System

Expand the HOP Program Statewide with Scalable Infrastructure

The Centers for Medicare & Medicaid Services (CMS) has been instrumental in supporting North Carolina's Healthy Opportunities Pilots (HOP) through the approval of a Section 1115 Medicaid Demonstration Waiver. CMS's support encompasses funding for 29 evidence-based, non-medical interventions aimed at addressing social determinants of health, including housing, food insecurity, transportation, and interpersonal violence. These services are delivered through networks of community-based organizations to eligible Medicaid enrollees in designated pilot regions. Additionally, CMS has approved expansions to the program's eligibility criteria, allowing more individuals to benefit from these services. An ongoing, CMS-sponsored evaluation is assessing the impact of HOP on health outcomes, healthcare utilization, and costs, providing valuable insights into the effectiveness of integrating social care into Medicaid services.

The pilot regions have demonstrated both great success while achieving strategies to scale this program. With continued partnership with the Health Plans, Network Leads and Health Service Organizations, SCFAC believes that this pilot program is well positioned to successfully broaden this critical program.

SCFAC strongly recommends that the North Carolina General Assembly allocate the necessary funding to support a phased statewide expansion of the Healthy Opportunities Pilots (HOP) program, beginning in FY 2026. This expansion should reach at least 75 counties by FY 2027 and achieve full statewide implementation by FY 2028, ensuring that all eligible Medicaid beneficiaries have access to services that address social drivers of health through a coordinated care model. SCFAC recommends targeted appropriations to support this rollout, including capacity-building grants for community-based organizations, training and recruitment of a skilled workforce, and investment in data infrastructure and interoperability tools to enable effective service delivery, coordination, and program evaluation.

Recommendation 4: Mental Health Parity

Improve Consistency and Accountability in Medicaid Policy Implementation

With North Carolina's transition to Medicaid Managed Care and the state's efforts to comply with the Mental Health Parity and Addiction Equity Act (MHPAEA)[18], the Department of Health and Human Services (NCDHHS) delegated the responsibility for clinical coverage policies and utilization management (UM) protocols to individual Medicaid health plans. While this was intended to promote parity and give plans flexibility in managing care, the result has been significant—and concerning as variation in how services are interpreted and delivered have been experienced. Even when a clinical coverage policy is adopted across all Medicaid plans, its interpretation and implementation can vary widely between insurers. This means a single service, under the same policy, may be approved by one plan and denied by another—not because of medical necessity, but due to internal interpretation. Worse still, inconsistency often exists even within the same insurer, as staff offer conflicting guidance. This leads to care delays, wasted administrative time, and eroded trust in the system.

That's not access. That's systemic confusion.

While some variation among plans is expected, the core interpretation, application, and communication of clinical policies must be standardized. Oversight cannot be so decentralized that it leads to fragmented or inequitable care. Discrepancies in how policies are understood and enforced create a landscape where outcomes depend more on insurance design than on medical need.

Adding another layer of complexity, some Medicaid plans offer unique or supplemental benefits—for example, Healthy Blue provides coverage based on exclusive criteria not reflected in NC Medicaid clinical policies, unlike standard plans or LME-MCOs. Conversely, LME-MCOs may offer wraparound services, or flexible housing supports that commercial plans lack. While tiered support structures may be appropriate for certain high-need populations, this system forces consumers into trade-offs, sacrificing one set of services to gain access to another. People with complex health needs are left to navigate a confusing, inconsistent system with limited transparency.

This inconsistent interpretation and application of Medicaid clinical coverage policies across managed care plans continue to create confusion, delays in care, and inequities in access—particularly for individuals with behavioral health needs, intellectual and developmental disabilities (I/DD), and co-occurring conditions. To address this, there must be a clear and enforceable standardization of clinical coverage policies themselves, ensuring that all Medicaid plans in North Carolina adhere to a baseline set of statewide policies. Any additional services offered beyond this baseline must be explicitly defined and must not compromise essential coverage for other members. Equally important is the standardization of how these policies are interpreted, implemented, and reviewed. This includes aligning implementation procedures, required documentation, approval timelines, appeals processes, and communication protocols under a shared framework developed in collaboration with state leadership, consumers, providers, and community stakeholders. No Medicaid member should face denial of a service under one plan that is approved by another without clear,

[18](Centers for Medicare & Medicaid Services, 2024)

documented justification. In light of these needs, SCFAC recommends the following statewide actions to ensure consistency, transparency, and equity across North Carolina's Medicaid delivery system. To ensure fair access, standardization, accountability, and equitable interpretation of coverage policies must be prioritized.

SCFAC recommends the development and statewide implementation of a standardized protocol for the review, approval, enforcement, interpretation, and appeal of all existing Medicaid policies affecting clinical service definitions. This protocol must be applied uniformly across all Medicaid plans to ensure consistency, equity, and clarity for providers, consumers, and families. To achieve this, SCFAC calls for the creation of a Clinical Coverage and MHPAEA Alignment Task Force, which should include SCFAC, local CFAC, Standard Plan Member Advisory Committees, Medicaid Advisory Committees and community stakeholder representation. The task force should be responsible for identifying disparities in access and delays caused by inconsistent utilization management practices and for aligning clinical interpretations of coverage policies across plans.

In addition, annual audits of Medicaid plan policy interpretations must be conducted and published, focusing not only on listed policies but rather on how they are applied in practice. These audits will generate standardized data that informs statewide benchmarks, highlights discrepancies, and triggers technical assistance or corrective action as needed. Together, these steps will advance equity, reduce unnecessary barriers to care, and promote accountability in the delivery of behavioral and physical health services across North Carolina's Medicaid system.

Quick Links to References:

Centers for Medicare and Medicaid Services
Mental Health Parity and Addiction Equity Act
https://www.cms.gov/marketplace/private-health-insurance/mental-health-parity-addiction-equity

Recommendation 5: Traumatic Brain Injury Services

Increase specialized rehabilitative visits

Some North Carolina children and adults with TBIs are unable to reach optimal physical, cognitive, and psychological functioning following a traumatic brain injury because of smaller provider networks due to lack of funding for, or access to, necessary and appropriate therapeutic services. Misdiagnosis can lead to ineffective medical treatment and a lack of access to treatment and rehabilitative care. As a result of lack of knowledge and misdiagnosis, survivors often do not get referrals to specialized treatment. As such, individuals with TBIs have sometimes been placed in inappropriate institutional settings (i.e., nursing homes, psychiatric inpatient hospitals) or are being sent out of state for residential programs because of the lack of support and appropriate community-based residential services for them in North Carolina[19]. Although the current TBI waiver allows a total of 780 visits for these services, it is important to understand that not all who require these services are covered under this waiver provision.

The Centers for Medicare & Medicaid Services (CMS) officially recognized traumatic brain injury (TBI) as a chronic health condition, effective January 1, 2025[20]. This provides a pathway for the NC Division of Health Benefits (DHB) to pursue an amendment to increase the maximum allowable visits for rehabilitative therapies. Under NC Medicaid Clinical Coverage Policy 10A: Outpatient Specialized Therapies, individuals with TBI are currently limited to 30 visits each for occupational, physical, and speech therapy annually unless medically necessary extensions are approved—a cap that does not meet the complex rehabilitative needs of many TBI survivors[21].

SCFAC recommends increasing Specialized Therapy treatment visits in the state plan through clinical coverage policy 10A, for those with a diagnosis of Traumatic Brain Injury (TBI). These include:

- **A total maximum of 100 treatment visits per calendar year combined across occupational and physical therapy rehabilitative services.**
- **A total maximum of 60 treatment visits per calendar year for speech therapy rehabilitative services.**

SCFAC believes that this amendment can be achieved by DHB through the appropriate authorization process with CMS and full implementation by January 1, 2026.

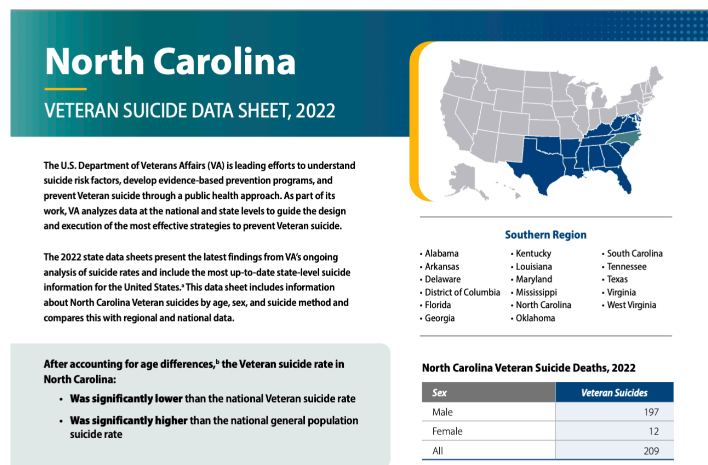
On May 8, 2025, this recommendation was endorsed by the North Carolina Brain Injury Advisory Council. With this endorsement, SCFAC strongly encourages strategic partnerships with Local Management Entities/Managed Care Organizations (LME/MCOs) statewide. The utilization of data from the SCFAC and NCDHHS Concept Paper Traumatic Brain Injury Waiver: Vision for Statewide Expansion dated February 5, 2025, should inform the structure and rollout. This goal directly addresses disparities in access to care for individuals with TBI, supports NC's commitment to community-based care, reduces long-term institutional costs, and aligns with the state's behavioral and intellectual/developmental disability (IDD) service goals.

[19](North Carolina Department of Health and Human Services, 2023)
[20](Medicare Program; Changes to the Medicare Advantage and the Medicare Prescription Drug Benefit Program for Contract Year 2024-Remaining Provisions and Contract Year 2025 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription, 2024)
[21](North Carolina Department of Health and Human Services, 2025)

Recommendation 6: Veterans and Military Families

Enhancing the Veterans Support Specialist training curriculum

North Carolina is the 5th largest Veteran populated state in the country and is home to Camp Lejeune, Ft. Bragg, and Seymour Johnson AFB, with over 619,000 Veterans, comprising about 8% of the state's population. Addressing the mental health challenges faced by Veterans in North Carolina is our duty. The North Carolina Department of Health and Human Services continues to support our Military connected communities across North Carolina. This has been evident over the last decade, through substantial support such as the publication of the NC4VETS resource guide established in 2015, the grassroots involvement and creation of the North Carolinas Governor's Working Group for Veterans, and the investments into the NCServes program, which celebrated 10 years in 2024. According to the 2022 North Carolina Veteran Suicide Data Sheet published by the U.S. Department of Veterans Affairs (VA), there were 209 Veteran suicide deaths in North Carolina in 2022, comprising 197 males and 12 females[22]. By remaining steadfast and committed to this work we can leverage both the lessons learned and the innovative projects from the NCServes programs that have solidified care networks that will improve Veterans' mental health and decrease Veterans' suicide rates.



North Carolina

VETERAN SUICIDE DATA SHEET, 2022

The U.S. Department of Veterans Affairs (VA) is leading efforts to understand suicide risk factors, develop evidence-based prevention programs, and prevent Veteran suicide through a public health approach. As part of its work, VA analyzes data at the national and state levels to guide the design and execution of the most effective strategies to prevent Veteran suicide.

The 2022 state data sheets present the latest findings from VA's ongoing analysis of suicide rates and include the most up-to-date state-level suicide information for the United States.[a] This data sheet includes information about North Carolina Veteran suicides by age, sex, and suicide method and compares this with regional and national data.

After accounting for age differences,[b] the Veteran suicide rate in North Carolina:

- **Was significantly lower** than the national Veteran suicide rate
- **Was significantly higher** than the national general population suicide rate

Southern Region

- Alabama
- Arkansas
- Delaware
- District of Columbia
- Florida
- Georgia
- Kentucky
- Louisiana
- Maryland
- Mississippi
- North Carolina
- Oklahoma
- South Carolina
- Tennessee
- Texas
- Virginia
- West Virginia

North Carolina Veteran Suicide Deaths, 2022

Sex	Veteran Suicides
Male	197
Female	12
All	209

One of the vital programs that is breaking stigma around Veterans mental health is the Veterans Support Specialist (VSS) Program[23]. This initiative, aimed at enhancing services for Veterans, service members, and their families was designed originally to provide cultural competency training to both county and state Veterans Service Officers. Today, this curriculum is supported by the Governor's Institute in partnership with Alliance Health, Duke Epic, Glaxo Smith Kline Foundation, Center for Child and Family Health, NCDHHS, and NCDMVA.

The VSS Program offers comprehensive training designed to equip individuals with the skills necessary to effectively support Veterans across all human service domains. This training encompasses a range of topics, including recovery principles, peer support techniques, and understanding conditions such as Post Traumatic Stress Disorder (PTSD). By focusing on these areas, the program ensures that specialists are well-prepared to address the unique challenges faced by the Veteran community that include mental health and substance use.

In 2022, the program achieved significant milestones, training 58 new specialists and developing three new learning modules. These advancements were particularly noteworthy as they occurred during a period when the program transitioned to virtual delivery methods, demonstrating adaptability and a continued commitment to serving Veterans despite challenging circumstances.

[22](U.S. Department of Veterans Affairs, 2022)

[23](NC Governor's Institute, n.d.)

The NCServes Narrative Analysis Report (2015–2024) by Syracuse University's D'Aniello Institute for Veterans and Military Families[24] highlights the critical role of social enrichment in supporting Veterans' transitions to civilian life. The report reveals that social enrichment services are among the most frequently co-requested alongside employment assistance, underscoring the importance of community engagement. The VSS program addresses this co-occuring need by leveraging training that supports social connection and community integration to enhance Veterans' well-being and successful reintegration.

The Committee strongly recommends the statewide expansion and institutionalization of the Veterans Support Specialist (VSS) program. This includes increasing training capacity, establishing standardized certification pathways, and embedding VSS roles across key agencies such as NCDHHS, the North Carolina Department of Military and Veterans Affairs (NCDMVA), and within community-based organizations. We further recommend broader promotion of VSS training among behavioral health crisis centers, VA programs, and State and County Veterans Service Officers, and LME/MCO Veterans Liaisons. To extend the reach and flexibility of the VSS program, we propose the development of a VSS Mini-Track Series—short, instructor-supported online modules designed for individuals who may work with the Service Members, Veterans, and their Families (SMVF) population as part of their role although not as a primary focus. It is estimated that this would be an increased investment of $150,000 for this program. SCFAC believes that this can be achieved in FY 2025-26.

This recommendation includes that all professionals providing patient care through DHHS-funded programs in North Carolina be encouraged—or where feasible, required—to complete the VSS Mini-Track Series to ensure greater military cultural competence and improve the quality of care for service members, Veterans, and their families.

Quick Links to References:

NC Governors Institute
https://governorsinstitute.org/?utm_source

NC Governors Institute MilVet Academy
milvetacademy.org

Department of Veterans Affairs – NC Veteran Suicide Data Sheet
https://www.mentalhealth.va.gov/docs/data-sheets/2022/2022_State_Data_Sheets_North_Carolina_508.pdf?utm_source

NCServes Narrative Analysis Report (2015–2024) by Syracuse University's D'Aniello Institute for Veterans and Military Families
https://static1.squarespace.com/static/5d0e6c7125254a0001f88122/t/673e1e3cd312a250c3c29853/1732124245183/NCServes+Narrative+Analysis+Report+2015-2024.pdf

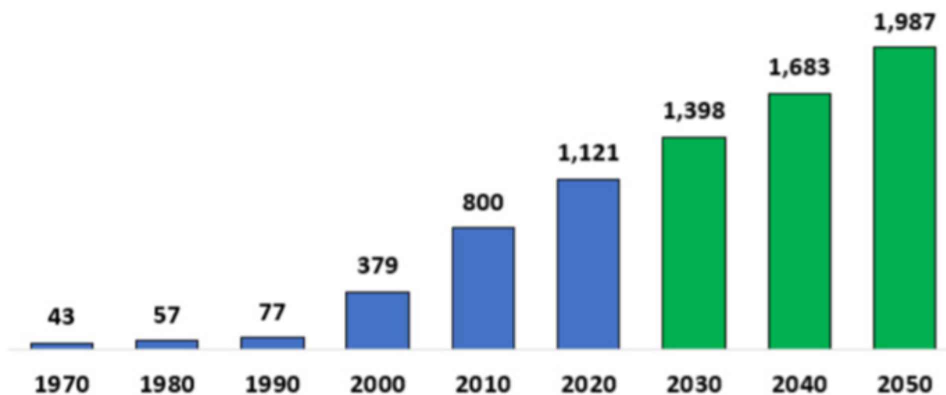
[24](NCServes Narrative Analysis Report, 2024)

Recommendation 7: Accessible Communications

Bilingual Support Infrastructure

As North Carolina continues its transformation toward a managed care model, equitable access to information, advocacy, and problem resolution services must be prioritized. Language should never be a barrier to navigating healthcare systems, yet many non-English speaking and limited English proficiency (LEP) beneficiaries continue to face significant challenges in understanding their rights, accessing benefits, and resolving disputes with Managed Care Organizations (MCOs).

The Hispanic population is the fastest-growing demographic group in North Carolina[25]. Between 1990 and 2020, the Hispanic population expanded from approximately 67,000 to over 1.1 million, marking a growth of over 1,500%. This surge has elevated the Hispanic community to comprise about 11% of the state's total population as of 2020. Projections indicate that this trend will continue, with expectations of the Hispanic population reaching 2 million by 2050, accounting for 14% of North Carolina's total population. This demographic growth is particularly notable in both urban and rural areas. For instance, in Duplin County, Hispanics make up 23% of the population, while Sampson and Lee counties have Hispanic populations of 21% and 20%, respectively. One of the most common misperceptions of the growing Hispanic population is that it is made up of recent immigrants. The reality is that only about 38% of Hispanic people in North Carolina are foreign-born, non-native individuals.



Source: US Census, 1970-2010 Census and North Carolina Office of State Budget and Management Population Projections, Vintage 2022

[25](Cline, 2023)

The rapid growth of the Hispanic community and Spanish speaking population underscores the importance of implementing inclusive policies and services that address the unique needs of this diverse population. SCFAC commends the department's advancement of their strategy for accessible communications. In 2022, SCFAC prioritized this strategy through formal recommendations and since, the division has implemented measures to ensure that information is accessible to individuals with disabilities and those with limited English proficiency[26]. This includes providing materials in multiple languages, offering sign language interpretation services, and ensuring that digital content meets accessibility standards.

Addressing language barriers and fostering trust within Medicaid services is essential to improving outcomes for North Carolinians with limited English proficiency. Many enrollees, particularly within the rapidly growing Spanish-speaking population, face challenges rooted in past experiences, stigma, and varying levels of literacy. Personalized, one-on-one engagement is critical to overcoming these barriers and ensuring equitable access to services. With this recommendation, DHHS can create a more responsive, culturally competent support system. These roles would serve as vital bridges between enrollees and managed care organizations, helping to build trust, breakdown stigma, promote fairness and transparency, enhance managed care accountability, and surface systemic issues around language access, education levels and service navigation. Strengthening these connections will not only improve member satisfaction and health outcomes, but will also reduce the administrative burden of unresolved grievances across the Medicaid system through deepened one-on-one engagements. These positions align with the Department's commitment to equity, inclusion, and whole-person care, and would represent a tangible step toward eliminating health disparities across our diverse communities.

The State Consumer and Family Advisory Committee (SCFAC) recommends that the North Carolina Department of Health and Human Services (NCDHHS) allocate funding or resources for seven new dedicated positions to better support individuals facing language barriers. Specifically, SCFAC recommends the creation of a DHHS "Bilingual Ombudsman" position—requiring fluency in both English and Spanish, demonstrated cultural competency, and expertise in healthcare advocacy, conflict resolution, and Medicaid program navigation. In addition, SCFAC urges the hiring of six bilingual Community Health Workers, one for each Medicaid region across North Carolina. These positions could be designed as dual roles if necessary, and SCFAC believes that the funding for these roles can be identified within the Department's existing organizational structure. We further recommend that these positions be fully implemented by January 1, 2026.

[26](North Carolina State Consumer and Family Advisory Committee, 2023, p. 13)

Recommendation 8: Mental Health Services

Expanding Access to the Clubhouse Model for Individuals with SPMI in North Carolina

Individuals living with Severe and Persistent Mental Illness (SPMI) face enduring challenges such as social isolation, limited employment opportunities, and inadequate access to recovery-oriented services. The Clubhouse model of psychosocial rehabilitation offers a proven, community-based approach that promotes skill development, peer support, and social inclusion[27]. However, its availability in North Carolina remains limited, especially in rural and underserved areas. The SCFAC believes that a strategy to close this gap is the expansion of the Clubhouse model.

Clubhouses reduce social isolation by creating inclusive spaces for individuals to build community and access peer support. They enhance employment outcomes through vocational training and job placement services tailored to the needs of individuals with SPMI. Furthermore, consistent engagement in Clubhouse programs improves quality of life and reduces reliance on costly emergency interventions. The proposal also encourages collaboration with local stakeholders—such as businesses, community centers, and healthcare providers—to build a more robust and supportive recovery ecosystem.

The Clubhouse model of psychosocial rehabilitation has demonstrated significant benefits for individuals with serious mental illness, as evidenced by various studies and reports as outlined on the Clubhouse model:

- **Employment Outcomes:** A systematic review found that Clubhouse members achieved employment rates of 42% annually, which is double the average employment rate for individuals in the public mental health system.
- **Reduction in Hospitalizations:** The same review reported a significant decrease in psychiatric hospitalizations among Clubhouse members, indicating improved stability and reduced reliance on inpatient care.
- **Cost-Effectiveness:** The Clubhouse model delivers a year of holistic recovery services to members at the same cost as a two-week stay in a psychiatric hospital, highlighting its economic efficiency.
- **Quality of Life Improvements:** An 18-month longitudinal study demonstrated that Clubhouse members reported decreased anxiety and improved confidence in managing daily tasks and social relationships over time.

These data points underscore the effectiveness of the Clubhouse model in enhancing employment opportunities, reducing hospitalizations, and improving the overall quality of life for individuals with serious mental illness across North Carolina. Additionally, the Division of Health Benefits is required to provide Medicaid coverage for eligible Clubhouse services, to the extent allowed by state law.

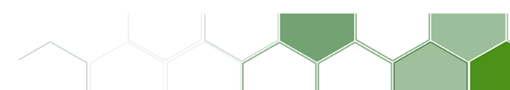
[27](Clubhouse International, 2025)

To support this expansion, SCFAC proposes $2.5 million in recurring funds beginning in FY 2026–2027, which will be used to support existing Clubhouses, establish new programs in underserved communities, cover accreditation costs, and invest in staff and member training. SCFAC believes that this recommendation may warrant a more in-depth assessment of its feasibility, implementation, and effectiveness. Accordingly, we believe it is reasonable to complete this work by July 1, 2026, including a detailed implementation timeline, cost estimates, training plans, and any proposed service definitions, while identifying appropriate funding sources.

In summary, expanding access to Clubhouse programs statewide will bridge critical service gaps and foster recovery for individuals with SPMI. By investing in these community-based supports, North Carolina can promote independence, employment, and improved mental health outcomes for one of its most vulnerable populations—while also realizing long-term cost savings for the public system.

Quick Links to References:

Clubhouse International
https://clubhouse-intl.org/what-we-do/research/?utm_source



Recommendation 9: Addressing Homelessness

Increased Resources for Housing Interventions

The most recent Point-in-Time (PIT) Count data for North Carolina, conducted in January 2024, indicates a significant increase in homelessness across the state. The U.S. Department of Housing and Urban Development (HUD) reported that 11,626 individuals were experiencing homelessness in North Carolina during this period, marking a 19% rise from the previous year[28]. This upward trend aligns with national data, which saw an 18% increase in homelessness in 2024 compared to 2023. Specifically, the number of unsheltered individuals in North Carolina rose by 31.4%, with over 4,500 people counted as unsheltered in 2024[29].

These rates of homelessness in North Carolina are closely linked to unmet mental health and substance use needs, as many individuals experiencing homelessness also face co-occurring behavioral health challenges. Without stable housing and access to treatment, these conditions often worsen, creating a cycle that is difficult to break without coordinated, person-centered support.

According to the National Alliance to End Homelessness, a chronically homeless individual costs taxpayers an average of $35,578 per year. However, when placed in supportive housing, these **costs are reduced by approximately 49.5%**, resulting in an average annual cost of $12,800 for supportive housing and net savings of about $4,800 per person each year[30].

Programs from the Department of Veterans Affairs such as their Grant Per Diem and Supportive Services for Veterans and Families grants with non-profit organizations contributed to a decrease of 11% of Veterans experiencing homelessness versus a contrast of 19% increase in homelessness statewide during the same period.

Addressing homelessness through comprehensive housing supports for people with disabilities is crucial to ensure that individuals can live independently, safely, and with dignity. Below are some important considerations and benefits the state can make by investing in housing to support people with disabilities:

Preventing Institutionalization
With adequate housing options, people with disabilities can remain in their communities, close to family and friends, and avoid unnecessary institutionalization.

Physical and Mental Health Benefits
Accessible and supportive housing can significantly improve both physical and mental health.

[28](North Carolina Housing Coalition, 2025)
[29](North Carolina Housing Coalition, 2025)
[30](National Alliance to End Homelessness, 2017)

Economic Empowerment
Housing support allows persons with disabilities to work, engage in educational opportunities, and participate in community life without the barriers that come with inadequate or inappropriate housing.

Supporting Families and Caregivers
Family members who are not burdened by inadequate housing can focus on providing better emotional and practical support, without having to worry about safety or accessibility issues in the home.

Community Inclusion
Housing supports help promote social inclusion, allowing individuals with disabilities to remain integrated in their communities.

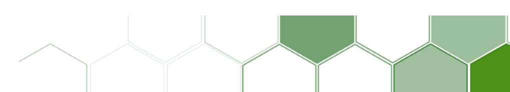
Legal and Ethical Responsibility
Accessible housing is a fundamental right that upholds the principles of equality and non-discrimination. Supporting housing for people with disabilities is a critical step in achieving justice and fairness in society.

SCFAC recommends increased funding for housing support to assist people with a MH/DD/SU/TBI to live independently in communities and reduce the risk for institutionalization and homelessness. The SCFAC urges the NCGA in collaboration with the NCDHHS to invest in housing support first by examining the existing funding and gaps that are preventing persons with disabilities having access to safe, suitable, accessible, and affordable housing. We recommend a comprehensive review of current funding streams and existing gaps that limit housing access for people with disabilities. Additionally, we encourage the state to explore and adopt evidence-based approaches—such as the VA's Housing First model—and to learn from successful housing initiatives already making an impact across North Carolina. Investing in stable housing is not only cost-effective but foundational to long-term recovery, wellness, and community inclusion.

Quick Links to References:

North Carolina Housing Coalition
https://nchousing.org/homelessness-in-nc-rises-19-annual-homelessness-assessment-report/?utm_source

National Alliance to End Homelessness
https://endhomelessness.org/resources/research-and-analysis/ending-chronic-homelessness-saves-taxpayers-money-2/



Recommendation 10: Traumatic Brain Injury

Support the Expansion of the Traumatic Brain Injury (TBI) Waiver Statewide

The need to expand the Traumatic Brain Injury (TBI) Waiver statewide in North Carolina is both urgent and essential. Currently, access to critical services under the TBI Waiver is limited geographically, creating significant disparities in care for individuals with TBI across the state. Increasing funding to support the expansion of this waiver will ensure equitable access to vital support and services for all North Carolinians living with TBI, regardless of their location.

The Brain Injury Association of North Carolina estimates that roughly 78,775 North Carolinians experience a traumatic brain injury annually, and more than 200,000 currently live with a long-term disability related to TBI.[31]

The October 2023 Appropriations Act (HB 259, Section 9E.16.(d) of Session Law 2023-134) signaled that, "It is the intent of the General Assembly that the Medicaid Traumatic Brain Injury waiver be expanded throughout the State. Within 60 days after the effective date of this act, DHHS shall submit an amended waiver application to expand the Traumatic Brain Injury waiver statewide by January 1, 2025, or any later date approved by the Centers for Medicare and Medicaid Services." Furthermore, in this Session Law, the TBI Quarterly Legislative Report from NCDHHS dated April 1, 2025, also outlined this expansion.[32] However, the Appropriations Act did not provide the funding required to implement this expansion.

Alliance Health, through a pilot initiative, currently manages the TBI Waiver in a limited number of counties. The TBI pilot waiver has demonstrated early success in helping individuals with TBI receive timely, coordinated, and person-centered care. Their experience provides a strong foundation for informing the waiver's broader implementation across the state. Alliance's work has also highlighted opportunities to improve service delivery and address gaps, which will be critical as the waiver is refined and scaled up.

An in-depth review of the current TBI Waiver structure and scope is critical to ensure it adequately addresses the diverse and evolving needs of those it is intended to serve. This includes evaluating eligibility criteria, service array, reimbursement rates, and provider capacity, especially focused on the feasibility of successful expanding the TBI waiver statewide. The NCSCFAC is actively collaborating with the NCDHHS on this review, including the development of a concept paper to guide the expansion.

As stated in the February 5, 2025 NCDHHS TBI Concept Paper, statewide waiver expansion would allow DHHS to provide medically necessary, specialized services to a greater number of North Carolinians with TBI, improving their health outcomes, reducing risks of permanent disability and/or long-term facility-based care, and potentially resulting in cost savings. Studies have shown that best practice rehabilitative care for TBI like the home and community-based services included in the TBI waiver can lead to cost savings by avoiding long-term facility-based care, loss of work and disability, emergency department visits, and hospital stays, among other indicators[33].

[31] (Brain Injury Association of North Carolina, 2025)
[32] (North Carolina Department of Health and Human Services, 2025)
[33] (National Academies of Sciences, Engineering, and Medicine, 2022)

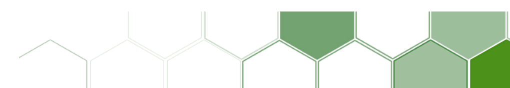
SCFAC recommends that General Assembly increase funding to support the Traumatic Brain Injury (TBI) Waiver statewide expansion beyond the seven county catchment in pilot, ensuring more individuals receive necessary care across North Carolina. This recommendation includes increasing waiver slots per LME/MCO.

Below is an excerpt from the NCDHHS Concept Paper Traumatic Brain Injury Waiver: Vision for Statewide Expansion dated February 5, 2025:

Appendix: Expansion Methodology

Estimated Additional TBI Waiver Cost		
New TBI Enrollees	Estimated % of Enrollment[1]	Net PMPM Cost[2]
No Prior Medicaid Experience	15%	$ 9,958.27
From Medicaid - Cost Neutral	30%	$ -
From Medicaid - Incremental Cost Increase[3]	55%	$ 6,390.64
Average Monthly Cost	100%	$ 5,008.60
Number of New Waiver Slots		300
Total Annual Cost Estimate		**$ 18,030,942**
Estimated State Share	**35%**	**$ 6,300,011**

1. Enrollment distribution based on users who enrolled in TBI during SFY 2022 and SFY 2023
2. PMPM Cost Estimates based on SFY 2026 Budget Rates
3. Estimated cost difference between ABD and TBI populations
4. All estimates are based upon the information and data available at a point in time and are subject to unforeseen and random events, and actual experience will vary from estimates

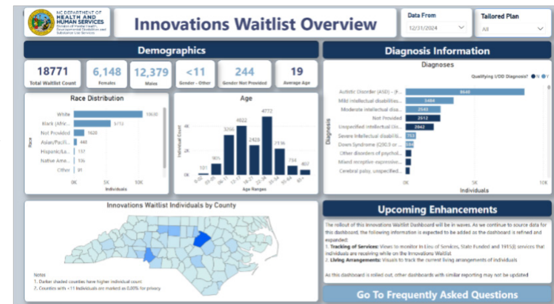


Recommendation 11: Intellectual and Developmental Disabilities

Increase Innovations Waivers Slots

This recommendation is in reference to the NC Innovations Waiver Act of 2021[34].This recommendation was also previously proposed in the SCFAC 2022-2023 Annual Report[35].

SCFAC does not feel that there has been enough progress with this recommendation from 2022-2023 and fears that without action, that this issue will continue to present challenges that lead to individuals not receiving benefits. The Department's 2023 response, which was a "Partial Concur", has accomplished some of their goals as pertaining to this original recommendation. However, DHHS has been unsuccessful in increasing these waiver slots effectively.



It is estimated that the current Innovations Waiver Registry of Unmet Needs includes more than 19,000 North Carolina citizens with disabilities, far more than are currently enrolled in the Innovations Waiver. Many individuals have waited more than 10 years. Although the Innovations Waiver is not an entitlement, it is a Medicaid-funded program. The SCFAC maintains that all individuals with disabilities who meet eligibility criteria should receive services—just as those eligible under the State Medicaid Plan are guaranteed access to care. Waiting lists for State Medicaid Plan services are prohibited. Individuals with mental health and substance use conditions that are eligible for Medicaid do not wait for services. A comprehensive plan, including measurable strategies with appropriate funding, must be developed that will ensure that this goal is met. This plan must ensure all eligible individuals are served through expanded Innovations Waiver slots or comparable services. The plan should also account for future growth in demand due to population increases or changing life circumstances.

The SCFAC recommends that both the General Assembly and NCDHHS make it a department priority to permanently eliminate the Innovations Waiver Registry of Unmet Needs (RUN) by 2033, a year previously set by Governor Cooper in 2023. SCFAC recommends that more stringent monitoring must be put in place to track progress or continued digression of this project. SCFAC requests quarterly reports beginning in September 2025 to include the following information at the county level or to be added to the Waitlist Dashboard (including state totals).

- **Current number on the waiting list at the end of the quarter.**
- **Length of time waiting (if known)**
- **Number of people taken off the waiting list and reason, (if available: not eligible for clinical reasons, not eligible for financial reasons, received other services, moved out of state, or died)**
- **Number of people added to the Innovations Waiver Registry of Unmet Needs waiting list.**

[34](North Carolina Innovations Waiver Act of 2021, 2021)
[35](North Carolina State Consumer and Family Advisory Committee, 2023, p. 19)

A Trifecta of Change

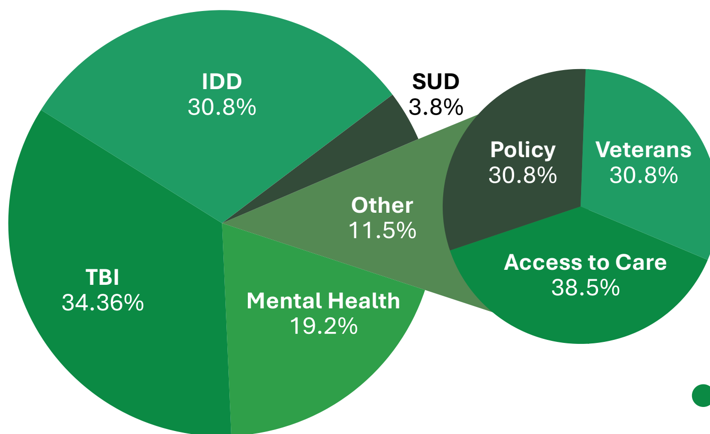
People. Policy. Progress.

Over the past three years, SCFAC has steadily amplified the voice of consumers and families impacted by mental health, intellectual/developmental disabilities, substance use disorders, and traumatic brain injury services. Operating under its statutory charge (§122C-171), SCFAC has evolved from an advisory body to a strategic policy influencer; championing person-centered reforms and advancing equity and access across Medicaid and public service systems. The current 2024–2025 cycle reflects an unprecedented level of engagement, hosting the largest-ever Legislative Day, shaping the DHHS Behavioral Health Strategic Plan, and submitting specific recommendations to the General Assembly outlined in this report.

To continue serving as a guiding compass for both the General Assembly and NCDHHS, SCFAC must remain transparent and balanced in both our strategic direction and in identifying where resources and service gaps exist. The snapshot below reflects the integration of our focus and the evolving landscape of care. This clarity is essential as we strive to provide the strongest possible advocacy, because there is still more work to be done.

Recommendation Summary

2022 - 2025



63%

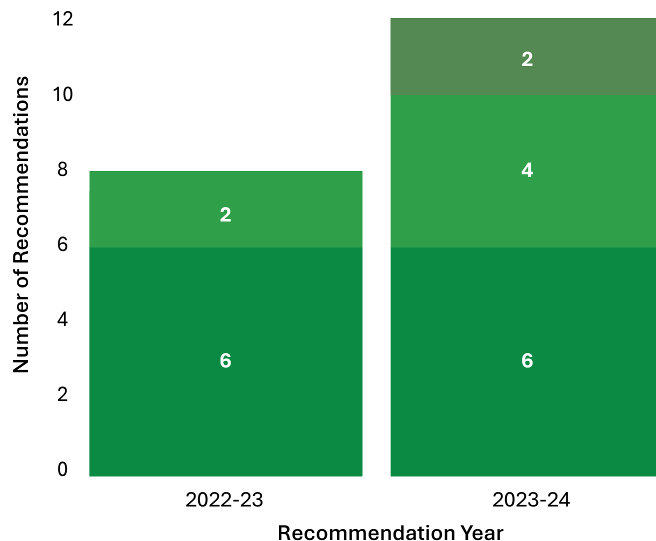
Successful Concurrence Rate on all Recommendations

32 Total Recommendations

4 Recommendations to the General Assembly

25 Recommendations to NCDHHS

3 Joint Recommendations to the General Assembly and NCDHHS



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