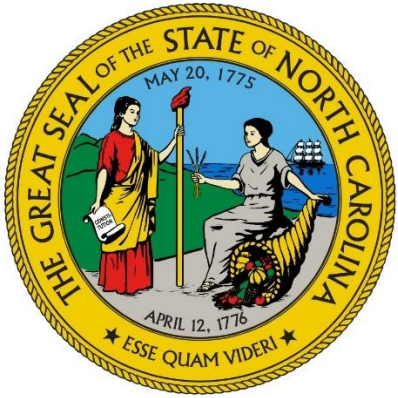




NC Department of Health and Human Services

State Consumer and Family Advisory Committee (SCFAC)

SFY 2025-2026 Annual Recommendations

July 8, 2026

SCFAC Annual Report Recommendations – SFY 2025-2026

Recommendation #	Area	Deliverable	SCFAC Due Date	Progress
Recommendation 1	I/DD & Medicaid (General Assembly)	Increase Medicaid funded Direct Support Professional (DSP) wages.	Long Session	
Recommendation 2	I/DD & Medicaid	Prioritize Innovations Waiver slots and develop a two-tiered Waiver System	March 30, 2027	
Recommendation 3	Traumatic Brain Injury	Develop and fund a statewide TBI ECHO (Extension for Community Healthcare Outcomes)	October 1, 2026	
Recommendation 4	Veterans	Integrate AskMeNC Statewide	June 30, 2029	
Recommendation 5	Medicaid	Standardize Medicaid Waiver Terminology	December 31, 2026	
Recommendation 6	Traumatic Brain Injury	Include “Relative as Provider” in CAP Waivers	October 1, 2026	

SCFAC Annual Report Recommendations – SFY 2025-2026

Recommendation #	Area	Deliverable	SCFAC Due Date	Progress
Recommendation 7	Medicaid (General Assembly)	Expand Medicaid Coverage to Include Transcranial Magnetic Stimulation (TMS)	December 31, 2026/Long Session	
Recommendation 8	I/DD (General Assembly)	Appropriate funding for housing	Long Session	
Recommendation 9	Traumatic Brain Injury (General Assembly)	TBI Waiver Statewide Expansion	Long Session	
Recommendation 10	Medicaid	Prioritize and Fund ICF Community Waiver Home Study	December 31, 2026	

SCFAC Recommendations

Due Date: Long Session

**Recommendation 1: Increase in Direct Support Professional (DSP) Wages
(General Assembly)**

Increase in DSP wages for Medicaid funded DSP wages to a minimum of \$20/hour with NCDHHS request for increase of Waiver capitation rates to address inflation and competitive wages.

SCFAC Recommendations

Due Date: March 30, 2027

Recommendation 2: Prioritize Innovations Waiver slots and develop a two-tiered Waiver System

- Prioritize allocation of Innovations Waiver slots and complete a full review of the waitlist using verifiable, assessment and current status within six months.
- Include:
 - Current number on the waitlist each quarter (timelier than current 6-month delay).
 - Length of time individuals have been waiting.
 - Number removed from the waitlist and reasons (clinical ineligibility, financial ineligibility, received other services, refused service, moved, died).
 - Clarification that individuals who refuse services should not retain their position without valid justification.
 - Report number of new additions to the Innovations Waiver Waitlist each quarter.
 - Consideration of a tiered system addressing actual needs of each consumer under waiver services.

SCFAC Recommendations

Due Date: October 1, 2026

Recommendation 3: Develop and fund a statewide TBI ECHO (Extension for Community Healthcare Outcomes)

Develop and fund a statewide TBI ECHO program, leveraging available grant opportunities (Rural Health Transformation Program (RHTP), Administration for Community Living (ACL) Grant, Managed Care Organization) partnering with a North Carolina Academic Medical Institutions.

Note: This recommendation is supported by the Brain Injury Advisory Council (BIAC)

SCFAC Recommendations

Due Date: June 30, 2029 (2 Phases)

Recommendation 4: Integrate AskMeNC Statewide

Allocate funding and adopt policy guidance to embed AskMeNC training and practices into state and local government operations statewide.

SCFAC Recommendations

Due Date: December 31, 2026

Recommendation 5: Standardize Medicaid Waiver Terminology

SCFAC recommends for DHHS to establish a Stakeholder Workgroup to standardize service terminology across all four NC Medicaid Waivers (Innovations, Community Alternatives Program for Children (CAP/C), Community Alternatives Program for Disabled Adults (CAP/DA), and Traumatic Brain Injury (TBI)).

SCFAC Recommendations

Due Date: October 1, 2026

Recommendation 6: Include “Relative as Provider” in CAP Waivers

- SCFAC recommends that the Department include the option of “Relative as Provider” under the CAP waivers.
 - Provides essential services to help individuals remain in their homes, reducing the need for institutionalization.
 - Ensures relatives serving as providers receive a fair hourly rate for their services under the waiver provision.
 - Ensures coordination of Waiver services and State Plan Medicaid services are met (such language currently exists in the Innovations Waiver Clinical Coverage Policy 8P).
- Develop a CAP Waiver Advisory Committee to involve beneficiaries, families, and stakeholders in addressing service barriers and policy improvements.

DIRECT HARMS OF STRUCTURAL CARE DISPLACEMENT IN NORTH CAROLINA’S CAP WAIVERS

And the Framing Required to Interpret These Harms Correctly

When CAP/C and CAP/DA fail to fund and deliver essential services, families are forced to absorb the care and coordination the system was designed to provide. These harms are real, significant, and preventable—but they are the result of under-provision, not of home care or family caregiving.

DIRECT HARMS TO INDIVIDUALS & FAMILIES

1 PHYSICAL HEALTH HARMS

- Missed or inconsistent nursing leads to medical instability, complications, and preventable emergency visits.
- Delayed hospital discharges and inadequate transitions increase risk.
- Errors in high-acuity care (ventilator, trach, meds) can be life-threatening.

2 MENTAL & EMOTIONAL HARMS

- Chronic stress, anxiety, and depression are common among caregivers.
- Children experience stress and physiologic instability from unfamiliar or rotating caregivers.
- Constant vigilance prevents rest and recovery.

3 BURNOUT & CAREGIVER COLLAPSE

- 24/7 demands lead to exhaustion, sleep deprivation, and serious health decline.
- Caregivers report the health care system—not the child’s condition—as their greatest source of distress.
- Collapse jeopardizes the child’s safety and stability.

4 ECONOMIC & FINANCIAL HARM

- Lost wages, reduced work opportunities, and career stagnation.
- Foregone retirement savings, education, and economic advancement.
- Out-of-pocket costs for supplies, transportation, and uncovered needs.

5 SOCIAL & FAMILY IMPACT

- Isolation from community, friends, and extended family.
- Siblings’ needs are often neglected.
- Strain on marriages and relationships.
- Life choices are dictated by the care system, not personal goals.

6 RISK OF CRISIS & INSTITUTIONALIZATION

- Caregiver collapse, medical crises, or lack of relief can lead to emergency placements.
- Families may be forced to relinquish custody.
- The very institutional outcomes the waivers were designed to prevent.

SYSTEM-LEVEL IMPACT | These harms drive higher costs through more hospitalizations, longer lengths of stay, preventable complications, and crisis-driven placements—costs that far exceed what adequate home- and community-based services would require.

IMPORTANT CONSIDERATIONS / FRAMING FOR INTERPRETING THESE HARMS

THESE HARMS ARE GENERATED BY UNDER-PROVISION, NOT BY HOME CARE. The evidence shows what happens when the system lacks adequate funding, workforce, training, oversight, and support—not that home care, waivers, or family caregivers are unsafe or unwarranted.

THE REMEDY IS MORE ADEQUATE PROVISION, NOT LESS. The correct response to under-resourced systems is to invest in a licensed workforce AND permanently recognize and compensate family caregivers. These solutions are complementary, not competing.

FAMILIES ARE THE LOAD-BEARING STRUCTURE, NOT A CONTINGENCY. Recognizing and supporting the family caregiver is not a temporary patch; it is a permanent, structural feature of any honest system for this population.

HARM EVIDENCE IS OF EPIDEMIC PROPORTIONS BECAUSE THE DISPLACEMENT IS SYSTEMIC. Because the labor is invisible in data, the true scale of harm is underestimated—and accountability is obscured.

THE STANDARD THAT MATTERS IS THE BENEFICIARY’S NEED, SAFETY, AND WELL-BEING. Policies that focus on parental obligation, staffing availability, or convenience invert the purpose of a needs-based system.

THE CENTRAL TRUTH: Remove the family caregiver from the equation, and the child or adult does not merely lose convenience—their health, stability, and survival are at risk. Their needs are the beneficiary’s needs.

Kristen Adelman, MSPC, BSN, RN, CHPPN

SCFAC Recommendations

Due Date: Long Session

Recommendation 7: Expand Medicaid Coverage to Include Transcranial Magnetic Stimulation (TMS) (General Assembly)

- Establish TMS as a viable treatment option for individuals with major depression disorders and treatment-resistant depression.
- Request funding from the General Assembly for Medicaid to cover Transcranial Magnetic Stimulation (TMS).

SCFAC Recommendations

Due Date: Long Session

Recommendation 8: Appropriate funding for housing (General Assembly)

- Provide funding for Transitions to Community Living (TCL)
 - Expand support for people with serious mental illness by increasing housing resources, providing tenancy assistance, and sustaining wraparound mental health services to help individuals transition from institutional settings to community-based care, in alignment with the US Department of Justice Olmstead Settlement.
- Provide funding to assess the needs of persons with developmental disabilities, traumatic brain injury, and mental illness who rely on aging parent caregivers
 - Identify how the state can provide housing and support when caregivers can no longer do so.
 - Prevent unnecessary institutionalization by planning for sustainable community-based supports.
- Provide funding for emergency and supportive housing assistance for people with MH/DD/SUS/TBI.
 - Offset costs in areas with limited affordable housing and minimal housing supports for people with disabilities.

SCFAC Recommendations

Due Date: Long Session

Recommendation 9: TBI Waiver Statewide Expansion (General Assembly)

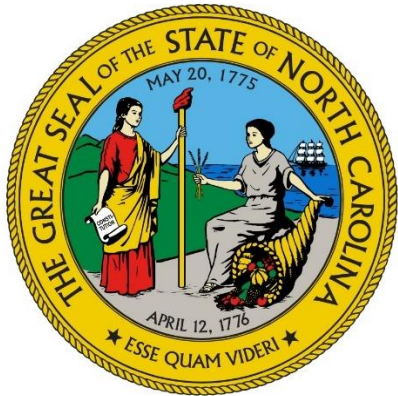
- Increase access to medically necessary, specialized services, improving outcomes and reducing long-term disability and facility-based care.
- Include funding in the biennial state budget to support full statewide TBI Waiver expansion.

SCFAC Recommendations

Due Date: December 31, 2027

Recommendation 10: Prioritize and Fund ICF and Community Waiver Home Study

- Create and fund Intermediate Care Facilities Community Waiver Home Study to evaluate placement options for families and caregivers over 60 who lack supportive residential choices.
- Provide structured feedback from affected families.
- Goals:
 - Increase available choices for family-based placement
 - Access long-term use of residential facilities and the populations they serve



DMH/DD/SUS SCFAC Update

**Renee Rader, Deputy Director &
Chief Operating Officer**

**Mental Health, Developmental Disabilities,
and Substance Use Services**

NC Department of Health & Human Services

July 8, 2026

Legislative & Budget Update

Implications for North Carolina's public mental health, I/DD, substance use, TBI, and problem gambling systems

State Budget Highlights: Single Stream Funding

- Continues monthly advance payments to LMEs to improve cash flow.
- Allows up to \$30 million from a Medicaid surplus to be transferred to single-stream funding, if available.
- Maintains expectations that LMEs continue providing at least the same overall level of single-stream (state-funded) services.

State Budget Highlights: Crisis Services and Inpatient Capacity

- Reduces local inpatient psychiatric bed (three-way beds) funding by an additional \$2 million.
 - Reflects Legislature's expectation that Medicaid expansion will offset some of the costs for state-funded services
- Continues higher reimbursement for higher-acuity patients.
- Up to 40% of funding may continue supporting:
 - Facility-based crisis
 - Non-hospital detoxification
 - Peer respite
- Continued emphasis on equitable statewide distribution of beds.

State Budget Highlights: Substance Use Services

- **Medication for Opioid Use Disorder**

- Establishes a permanent grant program supporting medications for opioid use disorder (MOUD) in county jails.
- Prioritizes counties with greatest opioid burden.
- Requires a multidisciplinary review process.

- **Opioid Settlement Funds**

- Transfers \$14 million recurring from the Opioid Abatement Reserve to support single-stream funding.
- Provides:
 - \$4 million for opioid remediation through the LMEs
 - \$2 million for naloxone procurement and distribution

State Budget Highlights: Strengthening I/DD Services & Workforce

- Continues investment in Direct Support Professional (DSP) compensation through provider rate increases.
- Directs DHSR to adopt rules allowing live-in DSPs in certain licensed group homes to support workforce recruitment and retention.
- Eliminates Medicaid copayments for Innovations and TBI Waiver participants.

Other Notable Budget Provisions

- **Substance Use Prevention Infrastructure**
 - Replaces outdated IT systems supporting:
 - DWI Services
 - Drug Education School
 - Drug Control Unit

House Bill 1104

Major Themes

- Updates involuntary commitment procedures
- Revises transportation and custody provisions
- Clarifies responsibilities among hospitals, providers, law enforcement, clerks, magistrates, and LMEs
- Includes multiple implementation dates extending into 2027

What We're Watching

Over the coming year, DHHS will focus on:

- Implementing budget provisions
- Implementing House Bill 1104
- Continuing collaboration with LME and providers
- Supporting access to community services, crisis services, and inpatient care
- Monitoring the impact of these investments

Other Updates

NCDHHS Releases 2026-2029 TBI State Action Plan

A new statewide roadmap, shaped by lived experience and the [Brain Injury Advisory Council](#), sets four strategic priorities to improve TBI services and outcomes.

Public Invited to Help Shape TBI Disability Evaluation Standards

The National Academies and Social Security Administration are gathering input from people with TBI and caregivers to inform future disability evaluations.



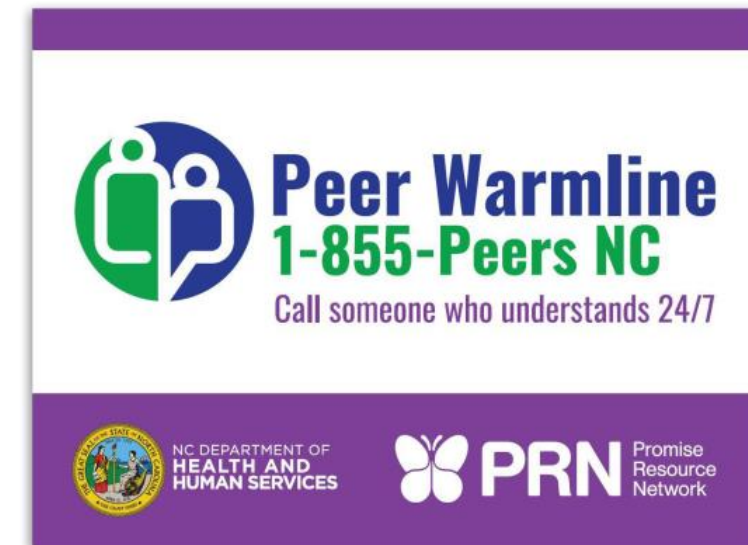


Strengthen the Crisis System



Text and Chat Now Available on the NC Peer Warmline

New options expand access to the 24/7 crisis service operated by Promise Resource Network, connecting more people with trained peer specialists.



July Side by Side: Minority Mental Health Month

Please join us for a conversation with NC organizations that are working to reach people in new ways, build trust within their communities, and improve access to care.

Date/Time: Monday, July 13, 2026, 2:00-3:30 p.m.

Registration: [Register for the webinar](#)

Closed-Captioning & ASL Interpreters will be provided.

