



February 7, 2023

Dear North Carolina House and Senate Appropriation Chairs,

I am writing to you as Chair of The Coalition on Mental Health, Intellectual and Development Disabilities, and Substance Use Disorders (The Coalition) to urge your consideration for our budget requests for our public MH/IDD/SUD system for 2023. The Coalition shares these priorities with the General Assembly as we have done for the decades of our collaboration. These priorities were carefully outlined and agreed upon by over 32 organizational members as a means to ensure that people can be adequately served by the MH/IDD/SUD community in North Carolina. The priorities support services that better influence the lives of individuals and families in need, providers both large and small, and ultimately healthier communities especially those historically marginalized communities who have long-standing disparities in access to quality health care.

The Coalition wants to continue its work with the NCGA to build on the work done in the last three legislative sessions to continue to focus on much needed investments in behavioral health and developmental disabilities services. Included in this 2023 Coalition budget proposal are priorities that have remained unresolved as well as new priorities for the times we find ourselves in. **These priorities support NC's Olmstead Plan** which is required for compliance with the U.S. Supreme Court's Olmstead ruling. An Olmstead Plan addresses the institutional bias and lack of access to MH/IDD/SUD Home and Community Based services for tens of thousands of North Carolinians. The waiting list for those needing services continues to grow and individuals and families are more in need than ever of viable community-based choices. Provider agencies are working within the limits of their thin operating margins to address the cost of services for insured and uninsured individuals. **The rise in costs and the challenge of healthcare rates not increasing to meet the demands of the current labor market and inflation related operational expenses, have pushed those needing services into crisis.**

More than \$500,000,000 in "Single Stream" funds have been cut from the State-funded services for those without other health coverage over the last decade. These funds created access to services for those without health care coverage for their condition, who often make up half of those seeking help from our MH/DD/SAS system. During the pandemic, some Medicaid rates were increased to address the need for increased safety measures. As those rates began coming to an end, the NCGA stepped in with rate increases to address low wages. ***It will take more support for community-based providers of MH/DD/SAS services to achieve labor parity in today's market and to attract, train and retain a healthcare and direct support workforce that will be needed as the state continues to grow.***

**The NCGA can provide additional funding in the Medicaid program rebase to increase the per member per month capitation rate paid to LME/MCOs, restore Single Stream funds to previous levels, and address the other priorities set forth in this document.** The surge in behavioral health service utilization that began during the pandemic has not abated and the growth in those waiting increases each year. Now is the time to address the \*whole\* health of North Carolinians.

We are asking for careful consideration to be given to the funding priorities outlined by The Coalition. We are available to provide additional data and information to support your efforts as you draft the next Appropriations bill.

Sincerely,

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## Budget Priorities for the 2023 North Carolina Legislative Session

The Coalition is composed of organizations representing consumers, families, advocates, providers and professionals who are committed to assuring the availability of the services and supports for North Carolinians who experience addictive diseases, mental illness, and developmental disabilities in North Carolina, and for the millions of family members, friends and others whose lives are also affected. Through the Coalition's broad reach across the state, we seek to expand the current continuum of services available to people with intellectual and/or developmental disabilities (I/DD), traumatic brain injury (TBI), substance use disorders (SUD) and mental health (MH) issues. People with disabilities face specific challenges that our Coalition of member organizations seek to highlight. Our budget priorities promote solutions to current issues that can increase efficiencies and promote personal success.

**Note: all dollars included in the document are state appropriations: in some programs those state appropriations would be used as a match for additional federal dollars to meet the stated goal.**

### Support and Sustain the MH/DD/SAS Workforce

- **Increase direct support and peer services provider rates by 35% to attract and retain peer and direct support professionals**, raise the lowest pay levels to 18.00 per hour, and tie the rates to the cost index most appropriate to the rise in labor and provider costs to ensure labor market parity for community-based services. *\$87 million recurring*
- Increase SUD and MH services provider rates by 30% to attract and retain a quality substance use workforce and tie annual rate increases to the cost index most appropriate to the rise in labor and provider costs. *\$25 million recurring*
- Work with stakeholders, including community colleges and universities, to develop a loan forgiveness program as part of a comprehensive behavioral health and developmental professional recruitment strategy for North Carolina. *\$8 million recurring*

### Increase Access to Community-Based Services, Reduce Crisis, Reduce Reliance on Institutions

- **Increase single-stream funding for critical behavioral health and I/DD services.** *\$75 million recurring, for 5 years.*
- **Increase access to the Innovations Waiver** by 2,000 slots per year to reduce the waitlist for these critical services for individuals with IDD. *\$48 million recurring*
- Expand TBI eligibility across MCOs to develop a statewide TBI waiver program as outlined in previous legislation.
- **Create a preemptive dedicated funding stream** within any future Cannabis and/or gambling expansion bills that pass General Assembly to ensure that 25% of revenues are dedicated to addiction services including primary prevention, harm reduction, treatment, and recovery support services.
- **Fund access to services for children with complex needs**, often 3-21 year olds, whose developmental and behavioral needs must be addressed with intensive specialized services like wrap around supports, complex care management, NC START, IDD Medical Health Home pilots, kinship supports and home respite. Create consistent access to Medicaid for complex children with a TEFRA waiver under the Child and Family Services Plan Tailored Plan *\$ 6 million recurring for complex needs programs, 18 million recurring to expand Medicaid access under TEFRA waiver*
- **Expand affordable housing options for persons with disabilities:** Create state Office of Housing to develop and coordinate a comprehensive strategy around housing for people with disabilities. *\$250,000 recurring.*

- **Fund programs for students with disabilities needing specialty education:** Funding for private school programs focused on severe behavioral health services (H771 sponsored by Rep Lofton) and additional school psychologists. *\$1 million recurring*
- **Fund school-based behavioral health services for students to address the increase in suicidality, mental health and substance use issues and support students with disabilities in remaining in school, increasing graduation rates.** *\$100 million recurring*
- **Develop service definitions that increase family support,** such as Coordinated Caregiving, Personal Assistance, or other options to Innovations waiver programs, 1915i services, and state funded services. *\$15 million recurring*

### Invest in the MH/IDD/SUD system to provide services to those without public or private health care coverage

- **Address substance use disorders.** Provide funding to address substance use disorder primary prevention as well as addiction treatment services to address gaps in the current continuum of care. *\$28.5 million recurring*
- **Increase access to local SUD programs by increasing local ABC funding distribution:** Maintain controlled ABC system with an increase in the local board distribution requirement from 7% to 10%, with 3% earmarked for primary prevention. Significantly increased ABC revenues should be focused on greater access to services.
- **Increase funding for Treatment Accountability for Safer Communities (TASC).** Decrease caseload size and provide effective and efficient clinical supervision, oversight and training. *\$4.1 million recurring*
- **Fund treatment services, staffing, and national accreditation of jail and prison based mental health treatment services.** Fund additional staffing for jail inspectors. Increase funding for Juvenile Justice programs and staffing. Pilot jail diversion programs across the state at an average cost of *\$50,000 per pilot*
- **Develop reentry initiative for people with IDD who are leaving prison and implement Medicaid suspension program for people in county jails.** *\$300,000 recurring*
- **Expand family support provided through community organizations** that fill needs for non-clinical, crucial determinants of health and supports not covered by Medicaid dollars. *\$400,000 recurring*
- **Increase funding for three-way psychiatric bed contracts with community hospitals to ensure access to crisis behavioral health care for those without insurance.** *\$25 million recurring*

### Provide a basic level of health care for the uninsured

- **Close the health insurance gap** by enacting Medicaid Expansion for coverage and services to 600,000 individuals including 150,000 individuals with opioid addiction and other behavioral health needs. *Cost neutral to North Carolina with the federal government paying 90 percent of the costs, makes better use of state funds already being spent for uninsured health care.*

## 2023 Membership of The Coalition

[nccoalition.org](http://nccoalition.org)

Addiction Professionals of North Carolina  
Alcohol/Drug Council of North Carolina  
The Arc of North Carolina  
Autism Society of North Carolina  
Benchmarks NC  
Coastal Horizons, Inc.  
Community Based Care  
North Carolina Developmental Disabilities Consortium  
Developmental Disabilities Facilities Association  
First In Families of North Carolina  
Governor's Institute on Alcohol and Substance Abuse  
i2i Center for Integrative Health  
Licensed Professional Counselors Association of North Carolina  
Mental Health America of Central Carolinas  
North Carolina Mental Health Coalition  
National Alliance on Mental Illness, North Carolina  
National Association of Social Workers North Carolina  
North Carolina Association of Rehabilitation Facilities  
North Carolina Association of the Deaf  
North Carolina Association for Marriage and Family Therapy  
North Carolina Association of People Supporting Employment First  
North Carolina Association for the Treatment of Opioid Dependence  
North Carolina Consumer, Advocacy, Networking, and Support Organization  
North Carolina Employee Assistance Program Association  
North Carolina Occupational Therapy Association  
North Carolina Providers Council  
North Carolina Psychiatric Association  
North Carolina Psychological Association  
North Carolina Psychological Foundation  
North Carolina Substance Abuse Prevention Providers Association  
Oxford Houses of North Carolina  
Recovery Communities of North Carolina  
RHA Health Services  
Substance Use Disorder Federation