



October 12, 2009

Wanda Mitchell  
Budget and Finance Office  
3013 Mail Service Center  
Raleigh, NC 27699-3013

Dear Ms. Mitchell,

In response to the Division's request dated September 8, 2009, The Durham Center provides this summary of its service plan for FY10:

- CASP Reduction – The Durham Center received reductions of \$136,009 for CASP programs. The following reductions shall be made, as directed by the Division, to the programs below. The Durham Center will communicate this to the affected providers.
  - Residential Perinatal - \$27,809
  - Regionally funded program by Community Choices - \$41,200
  - Regionally funded program by TROSA - \$67,000
- Reductions will not be made in Mobile Crisis, Walk In or DD Start. The Durham Center received additional funds for Mobile Crisis and DD Start so reductions are not required.
- The reductions received by The Durham Center will only be made in State dollars as directed by the Division. Our planning process described below will provide more details.
- As a single county, The Durham Center does not have a fund balance to offset reductions. Our planning process describes how we prepared for the FY10 budget reductions. Based on our planning and reductions made during FY09 and in consideration of our final state allocation, we will not be forced to make further cuts at this time.

### Planning Process

The Durham Center began planning for the FY10 budget in October of 2008 in anticipation of reductions in County funding. Planning involved all stakeholders, including community partners, staff of The Durham Center, Area Board and CFAC members, and the public. The process began with our Specialists in each disability area reviewing data, consulting with providers, and developing a set of recommendations for service reductions and continuations. Recommendations were included in community gap and needs assessment:

#### *Gap & Needs Assessment (January-March 2009)*

- Process directed by committee of The Durham Center staff, Area Board members and CFAC representatives.

- Comprehensive assessment collecting quantitative and qualitative data:
  - 311 surveys soliciting input on needs, gaps and strengths were completed by 113 consumers/family members, 32 staff, 94 providers and 72 representatives of partner agency (i.e. juvenile justice, social services, public health, etc.)
  - Seven focus groups, including attendees of a widely-publicized public town hall-style meeting, were comprised of 131 consumers and family members in all disability areas
  - Analysis of data of crisis/hospital services, prevention and treatment in all three disability areas
- Input from consumers & family members
- Recommendations:
  - Need for more specialty services across populations (e.g. dual-disorder services)
  - Continued development of a full service array in all disability areas
  - Improvement of quality of providers (workforce development, communication, collaboration, coordination)
  - Address the basic needs of consumers (i.e. housing, transportation, income/employment, integration of medical care with services)
  - Develop public awareness, including public education, of resources, information and access
  - Include family and natural supports in the treatment process
  - Enhance of prevention and early intervention services
  - Improve feedback mechanisms for consumers and families
  - Increase partnerships with no-cost community resources

Results from the comprehensive assessment were shared with the Area Board and CFAC representatives and used to inform budget and service development/reduction decisions:

*Board Budget Retreat (February 17, 2009)*

- Included Area Board members, staff of The Durham Center, and CFAC representatives
- Discussed an expected 10% reduction from County and projected 10% reduction from State
- Participants recommended maintaining services based on community needs (cited above) and “safety net” programs (crisis services and services for high-risk and acute consumers in all disability areas) in balance with funding issues (services required by state or federal funding)

*Area Board Meeting (April 2009)*

- Members given packet of budget recommendations to review in March
- Presented recommendations from Area Board budget retreat
- Area Board approved recommendations, with the exception of delaying reduction in substance abuse Transitional Living programs until receiving final allocation from the State

*Involvement of CFAC (May and June 2009)*

- At the May CFAC meeting, staff of The Durham Center sought guidance from CFAC regarding co-payments for pharmacy services. CFAC members accepted the proposal but

expressed concerns about its impact on consumers and requested that we review the impact quarterly. The Durham Center agreed to waive fees for individuals discharging from crisis services.

- The Durham Center's Finance Director presented the FY10 budget, including recommended reductions and rationale for funding priorities to CFAC members at their regular meeting in June 2009 and provided them an opportunity to comment and provide feedback.

#### *September 2009 Area Board Meeting*

- A majority of Area Board members voted to approve the reduction in substance abuse Transitional Living for adults with substance abuse disorders

#### Budget Reductions

Service reductions affected all disability areas and age groups, while maintaining crisis services and services for high-risk individuals, in line with recommendations in Gap and Needs Assessment, CFAC, and the Area Board:

- **Adult Mental Health**
  - Revised Indigent Pharmacy Program to include co-pays for psychotropic medications received thru the program. This program is funded in a non UCR manner.
  - Continued a reduced level of needed and effective specialty services for individuals with co-occurring disorders such as ACTT, IDACTT (integrated Dual-Disorder Team for individuals with severe mental health and substance abuse disorders), Dual-Disorder Intensive Outpatient Program, and Community Support Team. These services are funded through fee-for-service definitions.
  - Restructured the array of adult mental health services and incorporated a choice of best practice therapy models utilizing funds more efficiently by providing centralized, comprehensive mental health and substance abuse assessments for indigent adults. These services are funded through fee-for-service definitions.
  - Continued a reduced level of short-term rental assistance funding for consumers. These funds are allocated and paid in a non-UCR manner.
- **Child Mental Health**
  - Child Mental Health Flex Funds – These dollars come from an allocation specifically for flex funds to be used in a non-UCR manner for services that cannot be billed to the State. In FY09 these funds were used for Rapid Response (emergency respite beds in therapeutic family homes), programming, System of Care training and mentoring support for supervisors in provider agencies, technical assistance and training. The focus in FY10 will be on treatment (such as Rapid Response beds, sex offender treatment and independent transitional living support) rather than training.
- **Developmental Disabilities**
  - Reduction in budgets for developmental disability programs such as Day Activity, ADVP, Job Development and Training and Early Intervention for Children. At the same time, The Durham Center and DECI, Durham's largest DD provider, are continuing

with the creation of a best practice service definition to prepare and support transition-age youth with supported employment. These services are funded through fee-for-service definitions.

- Substance Abuse
  - Reduction of substance abuse Transitional Living beds for consumers stepping down from crisis services. These services are funded through fee-for-service definitions.
  - Continued a reduced service package for Hispanic/Latino (Spanish-speaking only) consumers. These services are funded through fee-for-service definitions.
  
- A decrease in psychiatric services was due, in part, to startup funds available only for FY09. This service is funded in a non-UCR manner.

### Changes to LME Benefit Plan

The Durham Center decided to limit the number of consumers admitted to IPRS services, instead of reducing provider rates or consumer benefit plans, to preserve the quality of services:

- Capped admissions for indigent services, resulting in consumers waiting for services:
  - Developmental Disabilities
    - Developmental Therapy
    - Personal Assistance
  - Adult Mental Health
    - ACTT
    - IDACTT (Integrated Dual-Disorder ACTT)
  - Adult Substance Abuse
    - Substance Abuse Intensive Outpatient program
    - Dual-Disorder Intensive Outpatient Program
    - Halfway House
    - Transitional Living
  
- Adults with complicated and multiple needs waiting for substance abuse and mental health services are offered time-limited case management to meet immediate needs.
  
- Gradually reduced and eliminated Community Support authorizations for adult mental health consumers in order to transition to best practice service models, including Wellness, Management and Recovery, Dialectical Behavior Therapy, and Trauma-Informed Care. All consumers were transitioned by June 30, 2009.

The Durham Center allocates single stream funds across all six disabilities and into crisis services. The funds are allocated based on percentage calculations and programs needs. This method was consistently used when making the above program changes.

In addition to the State reductions, The Durham Center received a 7% cut in County funds. The services mentioned above are also funded by County dollars after State funds have been exhausted. The percentage calculation used for single stream funds is used with County dollars as well.

We feel that we have planned appropriately for the reductions on both the State and County side. Our focus continues to be our high need consumers and preserving our “safety net” programs. Throughout the year, we will monitor our budget and expenses and make changes as needed, while keeping our partners and stakeholders informed and involved.

Should you need further information, please do not hesitate to contact either myself or Kelly Goodfellow, our Finance Director.

Sincerely,

A handwritten signature in cursive script that reads "Ellen S. Holliman".

Ellen Holliman  
Area Director