Transformation:

Collaboration to Put Consumers First

Artwork by Alice "Pinky" Cox
of Murdoch Center, Butner, North Carolina

State Fiscal Year July 1, 2005 to June 30, 2006

Annual Report for the
North Carolina Division of Mental Health,
Developmental Disabilities and Substance Abuse Services

Local Management Entities (LMEs)* and their member counties

The counties within an LME share the same color. Unless otherwise indicated, the LME name is the county name(s).

**Local Management Entities (LMEs) are agencies of local government – area authorities or county programs – that are responsible for managing, coordinating, facilitating and monitoring the provision of mental health, developmental disabilities and substance abuse services in the area served.*

State Facilities

Psychiatric Hospitals

Broughton Hospital, Morganton, Burke County, Western Region

Cherry Hospital, Goldsboro, Wayne County, Eastern Region

Dorothea Dix Hospital, Raleigh, Wake County, South Central Region

John Umstead Hospital, Butner, Granville County, North Central Region

Alcohol and Drug Abuse Treatment Centers (ADATC)

Julian F. Keith ADATC, Black Mountain, Buncombe County, Western Region

Walter B. Jones ADATC, Greenville, Pitt County, Eastern Region

R.J. Blackley ADATC, Butner, Granville County, Central Region

Specialized Facilities

North Carolina Special Care Center, Wilson, Wilson County, Statewide

Black Mountain Center, Black Mountain, Buncombe County, Statewide

Developmental Centers

Caswell Center, Kinston, Lenoir County, Eastern Region

Murdoch Center, Butner, Granville County, North Central Region

O'Berry Center, Goldsboro, Wayne County, South Central Region

J. Iverson Riddle Developmental Center, Morganton, Burke County, Western Region

Residential Programs for Children

Whitaker School, Butner, Granville County, Statewide

Wright School, Durham, Durham County, Statewide

North Carolina Department of Health and Human Services
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Michael F. Easley, Governor

Carmen Hooker Odom, Secretary

Dear People of North Carolina:

The Division of Mental Health, Developmental Disabilities and Substance Abuse Services is responsible for the delivery of services and supports that positively impact the people's lives and improve the future of the communities. Providing human services is complex and the results are not always predictable. Positive outcomes are usually the result of a series of steps that take place over weeks or years.

This annual report offers a view of the transformation of the public system of mental health, developmental disabilities and substance abuse services during the last state fiscal year as led by the Division. Progress made at both the state and local levels are illustrated with charts, data and specific accomplishments. You will also find stories of hope and opportunity from individuals who have participated in services in their communities and in the state's facilities.

I offer a personal thanks to the individuals and their family members and friends who came forward and shared an intimate part of their life for this report: Kathy Cunningham, Carolyn Hanseman, Missouri Harvey, Charles E. Hester, Jr., Anne-Marie Huber, Ron Huber, Loretta King, Jo Ann Leary-Eason, Andrea Stevens and Justin Stevens. We appreciate the beautiful artwork on the cover by Alice "Pinky" Cox and the wonderful artwork inside the back cover by Dwight Bailey.

These are a few of the people we have helped. They are positive voices despite having obstacles placed in front of them or their loved ones. What impresses me is their courage. They are not afraid to reveal their identity and risk the stigma of receiving support or service from North Carolina's public system of mental health, developmental disabilities and substance abuse services.

Representing all walks of life, they are your neighbors, relatives or the people standing behind the counter at the grocery store. They have jobs, pay taxes and take vacations. Their individual voices collectively reflect the depth and positive impact of a public program undergoing transformation.

Best regards,

Carmen Hooker Odom

vision: *North Carolina residents with mental health, developmental disabilities and substance abuse service needs will have prompt access to evidence-based, culturally competent services in their communities to support them in achieving their goals in life.*

Dear Friends,

The state Consumer and Family Advisory Committee (CFAC) originally began in May 2004. In the 2006 session of the General Assembly, both state and local CFACs were codified in Session Law 2006-142 Section 5, House Bill 2077. We view this action as a demonstration of the value North Carolina puts on the importance of the perspective of consumers and family members in maintaining and further improving the quality of the MH/DD/SAS system.

The statute changed the appointing authority for the state CFAC. Instead of the Secretary being the sole appointing authority for the committee, the new law calls for three appointments each from the President Pro Tem of the Senate, the Speaker of the House, the North Carolina Association of County Commissioners and the North Carolina Council of Community Programs. The Secretary appoints the remaining nine members bringing the total membership to 21. Accordingly, the old committee was disbanded and a new state CFAC was formed with the membership being appointed by these authorities. While the state CFAC exercises no statutory authority over the local CFACs, we have committed ourselves to the ongoing task of modeling, encouraging and assisting in the transitional partnerships among local management entities, consumers and providers. The state CFAC is developing a process and template for receiving reports on the findings and recommendations from local CFACs and anticipates increased future collaboration and communication with the local CFACs.

We have begun a process to enhance our statewide communications with local CFACs and with the Division's Executive Leadership Team (ELT). We continue to meet monthly with the ELT. Our goal continues to effectively provide consumer and family perspectives and thereby further improve services to the people of North Carolina. We look forward to another productive year.

Sincerely yours,

Carl Britton-Watkins

Carl Britton-Watkins
Chair, State CFAC

TO: Citizens of North Carolina

The Commission for Mental Health, Developmental Disabilities and Substance Abuse Services is pleased to provide an annual report of its activities from July 1, 2005 to June 30, 2006. The annual report is sent to many of our stakeholders, available on the division's website and available upon request by contacting the Division.

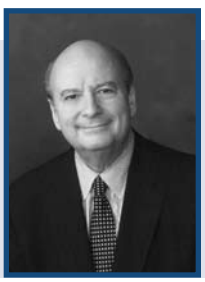
The Commission is given statutory authority to make and amend rules governing the operation of all state-owned or state-funded mental health, developmental disabilities and substance abuse programs and services. The Commission is also given the statutory responsibility of serving in advisory capacity to the Secretary of Health and Human Services. In order to carry out our work, we have two committees, the Rules Committee and the Advisory Committee.

During the coming fiscal year we look forward to addressing rules mandated by the General Assembly in the last session and engaging in strategic planning to review needs in the system for new or amended rules. Members of the Commission work as a public service to the citizens of our state. Our members are professionals in the various service areas, consumer of services, family members of consumers and advocates for consumers. It is a diverse body that takes its work most seriously and carries out its responsibilities with great diligence.

Sincerely,

Pender R. McElroy

Pender R. McElroy
Chairman, NC Commission for Mental Health, Developmental Disabilities and Substance Abuse Services



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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Michael Moseley, Director

Dear Friends:

This year's annual report holds a unique place in the Division's history because it reflects our commitment to consumers. We have accomplished this through collaborative partnerships. It is people helping people.

This has been quite a year for system transformation. We received final approval of the mental health and substance abuse service definitions and implementation began on March 20, 2006. The approval of the new service definitions allowed us to accelerate our efforts to transform the public mental health, developmental disabilities and substance abuse services system. The approval impacts the clinical foundation of the type of services the consumer receives as well as where the consumer receives the services. The core of transformation is the wide array of effective practices and increasing consumer and family choice in developing person-centered plans. Transformation is based on the belief that consumers can best be served by accessing services within his or her own community.

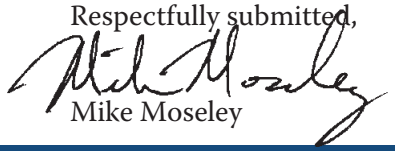
We made progress this year, yet challenges face us. The State of North Carolina is fortunate to have a very large and dedicated group of staff who is navigating across and removing bumps in the road ahead. We strive to achieve our six guiding principles – participant driven, community based, prevention focus, recovery outcome oriented, reflect best treatment/support practices, and cost effective. I offer my heartfelt thanks to the many individuals who continue to work diligently and with strong conviction. They are people helping people in the greatest sense.

This summer, at the 2006 legislative session, the Division received unprecedented and critically needed funding to move transformation forward. We are grateful to the North Carolina General Assembly for addressing our immediate funding needs. These funds are being used with good stewardship.

Once again we step back, take stock of our accomplishments and confirm our commitment to build an effective and efficient system of mental health, developmental disabilities and substance abuse service in North Carolina.

I am proud to present to the people of North Carolina *Transformation: Collaboration to Put Consumers First.*

Respectfully submitted,



Mike Moseley

mission: *North Carolina will provide people with, or at risk of, mental illness, developmental disabilities and substance abuse problems and their families the necessary prevention, intervention, treatment services and supports they need to live successfully in communities of their choice.*

Transformation: Major System Changes

Transformation of the North Carolina public mental health, developmental disabilities and substance abuse services (MH/DD/SAS) system benefits from, and requires, collaboration at both state and local levels. This annual report identifies some of the most successful collaborative approaches and accomplishments undertaken during state fiscal year 2006 from July 1, 2005 to June 30, 2006. Three of the year's most important system changes are:

- Development and expansion of the Community Alternatives Program for Individuals with Mental Retardation/ Developmental Disabilities;
- Federal approval of new Medicaid reimbursable enhanced benefit services; and
- Implementation of a statewide process to authorize services for consumers who are eligible for Medicaid.

A. CAP-MR/DD

The federal Centers for Medicare and Medicaid Services approved the state's request to expand the Community Alternatives Program for Individuals with Mental Retardation/Developmental Disabilities (CAP-MR/DD). CAP-MR/DD benefits individuals with developmental disabilities who meet the Intermediate Care Facility for the Mentally Retarded (ICF/MR) level of care, yet who choose to live in community settings rather than in a state facility.

The new CAP-MR/DD program waiver that began in September 2005 allows for more comprehensive supports and services for individuals to live in communities of their choice. An individual's services are based on the person-centered planning process. Targeted case management is a required service for everyone participating in this program. Federal approval of the CAP-MR/DD program expansion added approximately 3,050 more individuals to the program during the state fiscal year 2006. During the first year of the waiver program's operation, over 9,400 individuals received supports and services through the CAP-MR/DD waiver program. State funds are available for consumers who do not meet the guidelines for the CAP-MR/DD waiver.

CAP-MR/DD Services

The Community Alternatives Program for Individuals with Mental Retardation/ Developmental Disabilities (CAP-MR/ DD) program waiver can provide residential supports; home and community supports; personal care; respite care; adult day health; supported employment services; home modifications; transportation; specialized medical equipment and supplies; family/caregiver training; communication equipment and therapy; and crisis intervention services and support.

B. Enhanced Benefit Services

In December 2005, the federal Centers for Medicare and Medicaid Services approved North Carolina's Medicaid State Plan Amendment to implement new Medicaid Rehabilitation Option enhanced benefit services. The amendment provides definitions of new and modified services to individuals with mental health and substance

"I have been in the DD system for about 31 years. I was first in a sheltered workshop setting; then a group home and now I've been in my own apartment for about 15 years. I was able to make these accomplishments and maintain my independence by recovery supported living funds and CAP funding. I no longer receive CAP but continue to maintain with developmental therapy and personal care on an as needed basis. I love being out on my own."

- Missouri Harvey, 53 / Elizabeth City, North Carolina

use disorders. These service definitions are based on best practice models. The Substance Abuse and Mental Health Services Administration provided the guidance for the new service definitions that were approved by the Centers for Medicare and Medical Services. The service definitions correspond to the principles established by the President's New Freedom Commission on Mental Health. The three-year interagency development process included a review by consumers, providers and the state's Medicaid Physician Advisory Group. Achieving federal approval of the new service definitions was a critical milestone in the transformation of the system. The new services allow the state to deliver clinically appropriate evidence-based services within the federal guidelines and introduce new services such as community support teams.

Service Definitions

New service definitions provide the clinical foundation for transforming community services and for providing more effective services to consumers. Service definitions describe the services for which providers can be reimbursed in the state's public MH/DD/SAS system. The new service definitions promote the best practices that are effective in improving outcomes for consumers.

The new enhanced services became available to consumers and their families for the first time on March 20, 2006. Using a process developed by the Division of Mental Health, Developmental Disabilities and Substance Abuse Services and the Division of Medical Assistance, during state fiscal year 2006, local management entities endorsed over 1,500 providers to deliver the new services. Providers were subsequently enrolled with the Division of Medical Assistance for direct Medicaid reimbursement.

C. Utilization Review

The review and authorization of services for an individual, called utilization review, has always been part of the MH/DD/SAS delivery system. When the new service definitions went into effect, the DHHS Secretary determined that this review would be more efficient, effective and consistent with Medicaid requirements when conducted by a single, statewide organization. DHHS contracted with a private company, Value Options, to conduct all utilization review and authorization of services for Medicaid-eligible consumers. Based on the extensive utilization management requirements of the new service definitions, a single entity was selected to coordinate and carry out the function for the whole state. Utilization review of non-Medicaid services, paid for by state funds, remains the responsibility of local management entities.

Collaboration: Groundwork for Transformation

Transformation aims to support consumers to live and work in their own communities. Through collaboration, community-based services have expanded into a variety of services, treatments and supports. Collaboration works because organizations committed to consumers of mental health, developmental disabilities and substance abuse services have a history of cooperation and a stake in the outcomes. There are clear roles and policy guidelines for the partners. Collaborative efforts promote use of creative solutions, maximize resources and address consumer needs in the community.

Examples of collaboration include joint planning with the NC Department of Public Instruction for services for children in public schools and planning community-based services for children with the NC Department of Juvenile Justice and Delinquency Prevention. Other examples of collaboration are highlighted in this report.

More information on division activities can be found at: **www.ncdhhs.gov/mhddsas/**.

Transformation: Collaboration Equals Accomplishments in State Fiscal Year 2006

The Division collaborated with many groups, agencies and organizations. The results of the collaboration include the following accomplishments:

- **Peer specialist certification process** - The Division, the University of North Carolina Behavioral Health Care Resource Program and the Division of Medical Assistance developed a peer specialist certification process.

- **Joint Planning of Services for Children in Public Schools** - The Division and the Department of Public Instruction developed joint guidance for local management entities, providers and school personnel about the transition of education services for children who would no longer receive community-based services (CBS). The guidance recommended that staff work together with families to ensure children received needed services. The Division provided videos and workbooks for all local management entities and public school districts in the state.

- **Multisystemic Therapy** - North Carolina was the first state approved by the federal Centers for Medicare and Medicaid Services to implement multisystemic therapy for Medicaid reimbursement. Multisystemic therapy is an evidence-based practice of intensive family and community-based treatment that addresses the multiple risk factors of youth with serious behavior problems.

- **Provider Action Agenda** - Two summits between providers and the Division leadership focused on the challenges, concerns, opportunities and recommendations as transformation moves forward. As a result, the Division established a collaborative provider workgroup with an agenda focusing on standardization, regulations and reporting and improvement initiatives.

- **Statewide behavioral health disaster training for responders** - The Division collaborated with the state Office of Emergency Management, the Division of Public Health and others to train over 200 responders to prepare, respond and recover from national, state and local emergencies.

- **External Advisory Team** - In January 2006, the Division established the External Advisory Team to advise the division director about transformation policies and operation of the mental health, developmental disabilities and substance abuse services system. The External Advisory Team will participate in developing the Division's three-year strategic plan. The plan will establish the goals and how to measure progress for the further transformation of the system.

- **Primary Health Care and Behavioral Health Needs** - The Division collaborated with the NC Foundation for Advanced Health Programs; NC Office of Research, Demonstrations, and Rural Health Development; and Kate B. Reynolds Charitable Trust to address unmet behavioral health needs. They established a multi-year initiative to expand the capacity of primary care providers in the state to provide appropriate behavioral health services and increase collaboration between primary care and behavioral health professionals.

Transformation: Consumer and Family Voices

Established local consumer and family advisory committees (CFAC) operate collaboratively with the 30 local management entities. CFAC activities demonstrate the involvement of consumers and family members in the transformed system. The table titled "Examples of Local Consumer and Family Advisory Committee Accomplishments in SFY 2006" highlights the activities, advocacy, quality improvement efforts, technical assistance and training events achieved throughout the state. The Division's Advocacy and Customer Services Section includes advocacy specialists located throughout the state who proactively provide technical assistance to all local CFACs.

Listening to Concerns

Consumers, family members and other stakeholders have a confidential way to communicate specific personal needs locally and to the Division. Each local management entity has a Customer Service and Consumer Affairs Office to receive inquiries and concerns about the quality of the public service system. The Division's Customer Service and Community Rights Team helps the local offices address questions by ensuring timely responses and attention to critical client rights issues.

Certified Peer Specialists

Certified peer specialists are included in the staffing listed in the service definitions for Assertive Community Treatment Teams, Community Support Teams, and Social Setting Detoxification as of March 20, 2006. This reflects recognition that people who have first-hand experience with self-determination and recovery bring an important consumer perspective to service provision. Certified peer specialists do not replace traditional staff but they provide personal insight into the self-determination or recovery. They are people helping people. People who wish to become certified peer specialists must apply for certification and receive training. For more information on the peer specialist certification process visit www.behavioralhealthcareinstitute.org/pss, call (919) 843-6083 or email peersupport@unc.edu.

"A neighbor down the street told me about local mental health services. I had been going to a private doctor, all I ever received was medicine and I could not even function properly (all I ever did was sleep). Enter mental health services (local). After I went there a miracle occurred. The doctor listened, really helped me (proper meds). The therapist worked with me, helped me go to a psycho-social clubhouse. Boy what a turnaround in myself. I became a different person. My services were great."

– Loretta King, 66 / Gastonia, North Carolina

Examples of Local Consumer and Family Advisory Committee (CFAC) Accomplishments in SFY 2006

Local Management Entities	CFAC Accomplishments
Alamance-Caswell-Rockingham Local Management Entity *serves Alamance-Caswell-Rockingham counties*	Collaborated with the homeless shelter on MH/DD/SAS resources and identifying homeless individuals needing services.
Albemarle Mental Health Center and Developmental Disabilities and Substance Abuse Services *serves Camden, Chowan, Currituck, Dare, Pasquotank, and Perquimans counties*	Developed CFAC webpage and developed CFAC English/Spanish brochure and ensured distribution in the Latino/Spanish-speaking community.
CenterPoint Human Services *serves Davie, Forsyth and Stokes counties*	CFAC Jail Diversion subcommittee reviewed and made recommendations on a jail diversion services proposal that was funded.
Crossroads Behavioral Healthcare *serves Iredell, Surry and Yadkin counties*	Initiated three Wellness Recovery Action Planning (WRAP) trainings.
Cumberland County Mental Health Center *serves Cumberland County*	Provided feedback on provider incident data and the strategic plan for the local management entity.
Durham Center Managing Behavioral Health and Disabilities Services *serves Durham County*	CFAC Housing Subcommittee collaborated with the local Mental Health Association, the National Alliance on Mental Illness and the housing coalition.
Eastpointe *serves Duplin, Lenoir, Sampson and Wayne counties*	Organized legislative letter writing campaign to advocate for increased resources for mental health services and supports.
Edgecombe-Nash Area Mental Health, Developmental Disabilities and Substance Abuse Services *serves Edgecombe and Nash counties*	Reviewed data on provider endorsements, monitoring, consumer complaints and other quality management activities. (This CFAC also serves the Wilson-Greene Area MH/DD/SAS.)
Five County Mental Health Authority *serves Franklin, Granville, Halifax, Vance and Warren counties*	Consistently provided recommendations to the local management entity about the local services continuum.
Foothills Area MH/DD/SA Authority *serves Alexander, Burke, Caldwell and McDowell counties*	Advocated successfully for peer support services and initiated community outreach efforts in partnership with the local management entity.
Guilford Center for Behavioral Health and Disability Services *serves Guilford County*	Communicated regularly with elected officials and state policy makers.
Johnston County Area Mental Health, Developmental Disabilities and Substance Abuse Authority *serves Johnston County*	Collaborated with advocacy organizations to sponsor "Lunch and Learn" sessions and helped develop a warm line pre-crisis service at the local management entity.
Mecklenburg County Area Mental Health, Developmental Disabilities and Substance Abuse Authority *serves Mecklenburg County*	Reviewed requests for proposals, workgroup reports, provider satisfaction survey and quality improvement plan.
Mental Health Services of Catawba County *serves Catawba County*	Hosted community forums to inform the public about CFAC activities and MH/DD/SAS.
Neuse Center for Mental Health, Developmental Disabilities and Substance Abuse Services *serves Craven, Jones and Pamlico counties*	Helped plan the clubhouse for a recovery oriented drop-in and urgent care center.
New River Behavioral HealthCare *serves Alleghany, Ashe, Avery, Watauga and Wilkes counties*	Provided telecommunication options to increase CFAC meeting attendance and to recruit new members.

Onslow-Carteret Behavioral Healthcare Services *serves Onslow and Carteret counties*	Participated in local management entity committees and workgroups.
Orange-Person-Chatham Mental Health, Developmental Disabilities and Substance Abuse Authority *serves Chatham, Orange and Person counties*	Helped develop initiatives to reduce stigma and reviewed strategies on developing cultural and linguistic competencies.
Pathways Mental Health, Developmental Disabilities and Substance Abuse *serves Gaston, Lincoln and Cleveland counties*	Helped plan a mystery shopper program to evaluate MH/DD/SAS.
Piedmont Behavioral Healthcare *serves Cabarrus, Davidson, Rowan, Stanly and Union counties*	Co-sponsored a conference on person-centered planning for consumers, family members and providers.
Pitt County Mental Health, Developmental Disabilities and Substance Abuse Authority *serves Pitt County*	Partnered with the local management entity and advocacy group to establish a police-based pre-booking jail diversion program.
Roanoke-Chowan Human Services Center *serves Bertie, Gates, Hertford, and Northampton counties*	Advocated for more peer support services and establishing a peer support center.
Sandhills Center for Mental Health, Developmental Disabilities and Substance Abuse Services *serves Anson, Harnett, Hoke, Lee, Montgomery, Moore, Randolph and Richmond counties*	Proposed and helped develop a quality management survey tool on consumer satisfaction with hospital services.
Smoky Mountain Center *serves Cherokee, Clay, Graham, Haywood, Jackson, Macon and Swain counties*	Hosted open houses at treatment centers to educate the public and to recruit new CFAC members.
Southeastern Center for Mental Health, Developmental Disabilities Substance Abuse Services *serves Brunswick, New Hanover and Pender counties*	Recommended and advocated for establishing a wellness resource center.
Southeastern Regional Mental Health, Developmental Disabilities and Substance Abuse Services *serves Bladen, Columbus, Robeson and Scotland counties*	Helped plan and implement the continuous quality improvement plan.
Tideland Mental Health Center *serves Beaufort, Hyde, Martin, Tyrrell and Washington counties*	Co-sponsored the first annual Eastern Regional Housing Coalition Forum.
Wake County Human Services *serves Wake County*	Reviewed and commented on the proposed new, 60 bed in-patient psychiatric hospital in Wake County.
Western Highlands Network *serves Buncombe, Henderson, Madison, Mitchell, Polk, Rutherford, Transylvania and Yancey counties*	Collaborated with local law enforcement to provide training to increase awareness of MH/DD/SAS issues.
Wilson-Greene Area Mental Health, Developmental Disabilities and Substance Abuse Services *serves Wilson and Greene counties*	Reviewed data on provider endorsements, monitoring, consumer complaints and other quality management activities. (This CFAC also serves Edgecombe-Nash Area MH/DD/SAS.)

"I have been a member of the Johnston County CFAC for two years and am currently co-chairperson. The other members and I have worked diligently to formulate this seminal advocacy group and are in the process of making a difference in our community."

– Charles E. Hester, Jr. / Selma, North Carolina

Person-Centeredness

Person-centered planning and thinking are essential as individuals receiving mental health, developmental disabilities and substance abuse services develop individual plans for services and support. Along with the implementation of new services, providers began assisting consumers and their families in developing person-centered plans. Many of the new service definitions have training requirements addressing person-centered planning and other areas. Providers ensure that staff complete the required training.

Person-centered thinking throughout the system helps people have better lives not just better plans. The Division established person-centered planning as an important element in the transformation of the mental health, developmental disabilities and substance abuse services system. Person-centered planning is the process of determining the real life outcomes that are important to individuals and to develop strategies to achieve the outcomes. The person-centered plan provides a framework for a vision of health and wellness; prevention and early intervention of crises; natural and community supports; and individual services, supports and treatments within the planning process. The focus is on areas that are important to a person.

In June 2006, the Division released a standardized template for person-centered planning that included a crisis plan and steps to help prevent a crisis. The format and instructions for developing a person-centered plan are being field tested to implement over the next year.

Dynamics of Person-Centered Planning

- Build on individual and family strengths.
- Support consumer empowerment and provide recovery and self-determination choices.
- Develop individual programs that promote dignity, respect, competence and appropriate independence.
- Create community connections with natural and community supports.
- Adapt planning to an individual's culture, ethnicity, religion and gender.
- Build and respect partnerships of providers and individuals and families.

The Division was awarded a *Traumatic Brain Injury State Grants Program for State Implementation Grants* from the federal Health Resources and Services Administration for $100,000 per year for three years. The grant focuses on building community capacity.

guiding principle:
Participant Driven

Community-Based Services

Community-based services promote a lifestyle of recovery, self-determination and productivity. Local services and supports enable consumers to live in their own homes, achieve gainful employment, establish social networks, make personal decisions and participate in community living. Services once provided by area mental health authorities and a limited number of contract providers are now provided by over 1,500 providers. By June 30, 2006, 23 of the 30 local management entities have enrolled providers for at least four evidence-based practices. There were 322,397 individuals served in communities during the state fiscal year.

Housing Support Initiatives

Oxford House is a drug and alcohol addiction recovery program that is a democratically run, self-supporting and drug free home. North Carolina has 106 Oxford Houses; six of these opened in state fiscal year 2006. Oxford Houses for men provide 603 beds and 26 Oxford Houses for women provide 189 beds. The Division oversees state funds and federal Substance Abuse Prevention and Treatment Block Grant funds for the Oxford Houses. The Division staff has the responsibility to approve new houses, monitor existing houses and review monthly and quarterly progress reports.

Housing specialists in local management entities help consumers access the housing transition funds. In 2006, 60 persons with disabilities received financial assistance to transition from institutional settings to community housing. Funds for the program came from the Real Choice Systems Change Grant, "Integrating Long-Term Supports with Affordable Housing" awarded to the Department of Health and Human Services by the federal Centers of Medicare and Medicaid Services.

Transitioning Populations Project

The Division was awarded a three-year $475,100 Real Choice System Change Grant for quality assurance and quality improvement in home and community-based services from the federal Centers for Medicare and Medicaid Services. The grant focused on interviewing individuals transitioning from state facilities to communities. Early results indicate that most people discharged from a state MH/DD/SAS facility expressed satisfaction with their living settings after the move. Individual interviews revealed the following positive qualities: they feel independent, experience peace and quiet, receive respect from staff, felt safety, live closer to family and friends and experience convenience. Challenges do remain. Approximately, one-third of the interviewed consumers reported problems with moving, transportation, finances and medications.

Total Persons Served by DMH/DD/SAS SFY 2006 (Duplicated Headcount)*

Community Services	322,397
State Psychiatric Hospitals	18,292
State Alcohol and Drug Abuse Treatment Centers	4,003
State Developmental Centers	1,690
State Specialized Nursing Facilities	712
Residential Programs for Children	106
TOTAL	**347,200**

**The duplicated head count means a consumer may be counted more than once if he or she has more than one distinct admission/discharge event. From Consumer Data Warehouse, NC DMH/DD/SAS.*

guiding principle:
Community Based

Statewide System of Care

The Division concentrated on the statewide implementation of System of Care principles and practices for children with or at risk of serious emotional disturbances and their families. The System of Care approach represents a change in how children with serious emotional disturbances and their families are served, treated and supported. In a System of Care, the family is the main decision maker in how the child or adolescent is supported by multiple agencies and providers of services. A child and family team is formed to support the child or adolescent and the family and develop a person-centered plan. The team collaboration focuses on the strengths and successes of the young consumer and the family.

During 2006, the Division provided funding to local management entities to establish one full-time person dedicated to system of care. This coordinator provides local community leadership, training and technical assistance for families, person-centered planning and promotes activities of the community collaboratives. The system of care requires collaboration across multiple agencies including local public health and social services agencies, the school system and the courts.

Strategic Prevention Framework – State Incentive Grant (SPF-SIG)

The Division participates in a nationwide prevention effort with a five-year $2,332,000 grant awarded to North Carolina by the federal Substance Abuse and Mental Health Services Administration. The three goals of the Strategic Prevention Framework-State Incentive Grant (SPF-SIG) are to build prevention capacity in the community, to prevent the onset and reduce the progression of substance abuse and to reduce substance abuse related problems in communities, with an emphasis on reducing underage drinking.

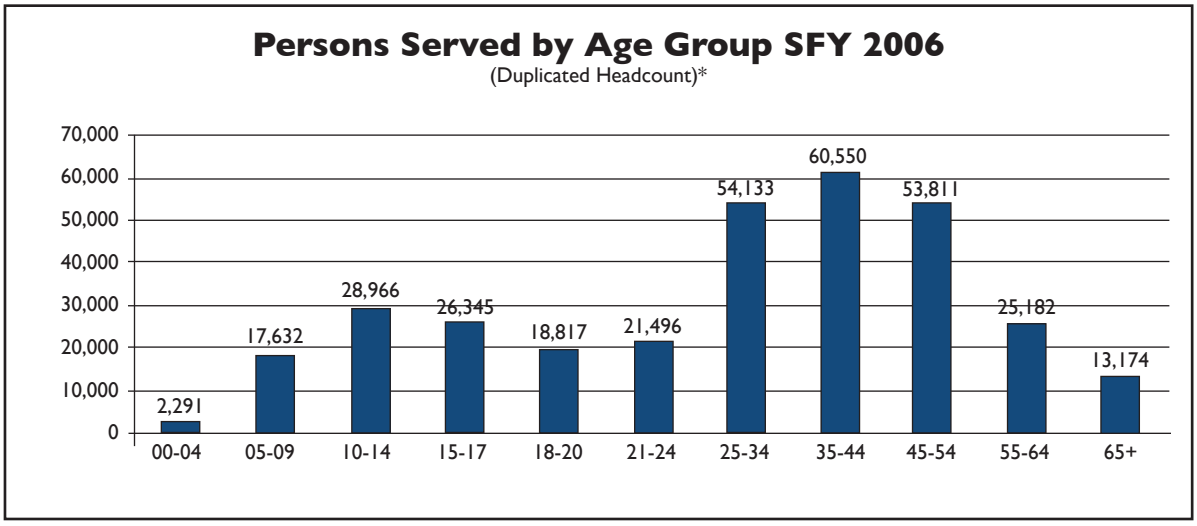
The Division collaborated with the Research Triangle Institute to conduct a statewide needs assessment by examining population based data and community needs. The report identified statewide priorities for using the SPF-SIG funds over the next five years. The Division is also collaborating with the Pacific Institute for Research and Evaluation of Chapel Hill to assist in strategic planning and evaluation. Other organizations involved in this project include the Interagency Coordinating Council on Reducing Underage Drinking in North Carolina and the state's Cooperative Agreement Advisory Board representing multiple agencies. There will be a prevention resource center established in local communities involved in the project.

Strengthening Families

The Strengthening Families Initiative is a prevention intervention for parents and children of high-risk families. The program includes sessions adapted for families with adolescents, for families from rural and urban communities, and for African Americans, Latinos/Hispanics and other persons of color. The Strengthening Families Initiative is a science-based intervention program identified by the federal Center for Substance Abuse Prevention of the Substance Abuse and Mental Health Services Administration as one of the 10 best evidence-based substance abuse prevention programs in the country. The initiative has a track record of reducing risk factors and improving personal resistance to drug use in high risk youth. There were 75 families across the state who benefited from the comprehensive program in 2006.

Controlled Substances Reporting System (CSRS)

The NC Controlled Substances Reporting System (CSRS) Act became law this past year and required that the Department of Health and Human Services maintain information for all controlled substance prescriptions. The system improves the state's ability to identify controlled substance abuse or misuse and refer individuals for treatment and without impeding the appropriate medical use of controlled substances. Examples of controlled substances are methadone, Valium and Xanax. To help implement the reporting system, the division received a $399,900 grant from the Bureau of Justice Assistance, U.S. Department of Justice.



*A consumer may be counted more than once if he or she has more than one distinct admission/discharge event.
From Consumer Data Warehouse, NC DMH/DD/SAS.

"They have helped me so much. I'm a recovering alcoholic. They were there when I hit rock bottom. I lost everything. My car, job, apartment and my will to go on. I got depressed. By me going to A.A. group therapy, seeing their doctors, etc, I made it. This September 17, it will be five years since I had my last drink. Also CFAC has encouraged me. Also I had a stroke in the process where I couldn't walk, talk, weakness on the right side. I really went thru something. But God was with me."

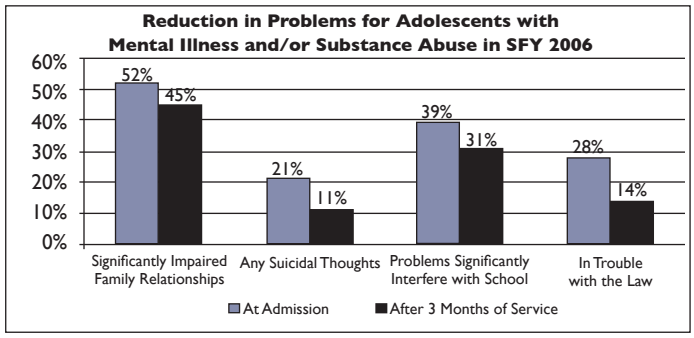
– Jo Ann Leary-Eason, 44 / Edenton, North Carolina

North Carolina Treatment Outcomes and Program Performance System

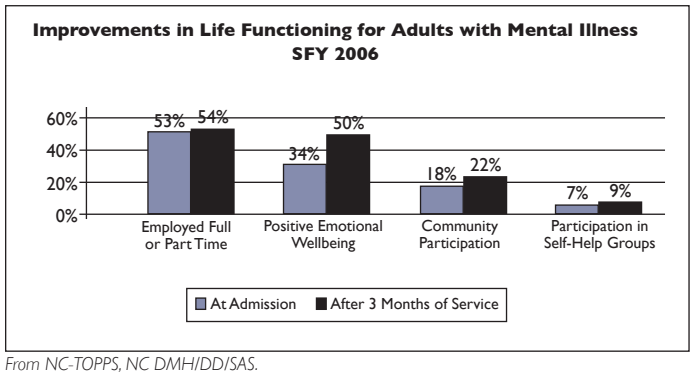
North Carolina is one of the first states to implement a statewide performance outcomes reporting system for all substance abuse and mental health consumers. NC Treatment Outcomes and Program Performance System (NC-TOPPS) was established in 1997 and funded by the Substance Abuse and Mental Health Services Administration as a partnership collaboration between the federal government and the state to monitor and evaluate substance abuse treatment services. The system recently became web based and outcomes of all mental health and substance abuse consumers were collected for the first time.

Consumers are interviewed when they enter the MH/DD/SAS system; after three, six and 12 months in treatment; and then every six months thereafter. Consumer outcomes focus on housing; employment; education; daily activities; absence of counterproductive behavior; reduction of involvement in criminal justice and supportive relationships. Data collected for NC-TOPPS information is used confidentially to identify services and supports for an individual's person-centered plan. Providers, local management entities and the Division use the NC-TOPPS data to gauge the system's services to consumers.

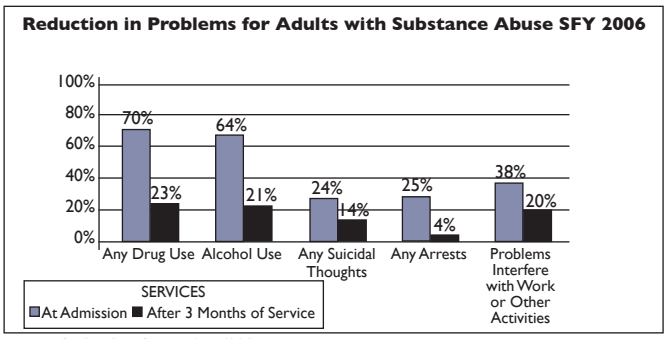
Outcomes for consumers with developmental disabilities are currently measured by the National Core Indicators Project based on consumer interviews. NC-TOPPS will expand to include outcome data for consumers with developmental disabilities. NC-TOPPS benefits from the policy guidance of a statewide advisory committee collaboration – representing consumers and families, local management entities and providers.



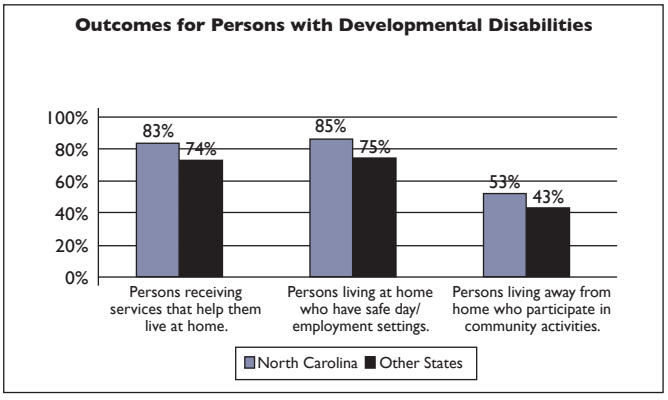
From NC-TOPPS, NC DMH/DD/SAS.



From NC-TOPPS, NC DMH/DD/SAS.



From NC-TOPPS, NC DMH/DD/SAS.



**Based on the latest data available from federal fiscal year 2004.*
From National Core Indicators Project.

guiding principle:
Recovery Outcome Oriented

Practice Improvement Collaborative

During 2006, the Division established the Practice Improvement Collaborative to recommend evidence-based services and supports for consumers of the public mental health, developmental disabilities and substance abuse services system. The division director appointed 60 people to represent all three disabilities and to serve as advisors to the Division. This advisory group is a collaboration among consumers, clinicians and researchers. The Practice Improvement Collaborative is funded jointly by the Substance Abuse and Mental Health Services Administration and National Institute on Drug Abuse of the National Institutes of Health.

The Practice Improvement Collaborative aims to ensure that all North Carolinians receive excellent care consistent with the current scientific understanding of what works. The Practice Improvement Collaborative reviews new and emerging best practices to ensure that services are the highest quality and most cost effective to produce the best outcomes for consumers. The Division evaluates programs to determine a timetable for endorsement and adoption to the public system. Programs evaluated by the Practice Improvement Collaborative are available for review on the web at **www.ncpic.net**.

Evidence-based practices have scientific evidence of improving outcomes for consumers. Best practices are considered standard community care and have not been part of a clinical trial.

A major accomplishment was the implementation of new enhanced services. These services represent the best practices known for serving and treating consumers with mental health, developmental disabilities and substance abuse services. By June 30, 2006, local management entities endorsed 1,515 providers. The newly approved services are referred as the Medicaid Rehabilitation Option enhanced benefit services. The new service definitions are:

Mental Health and Substance Abuse Services

- Community Support - Adults
- Community Support - Children/Adolescents
- Community Support Team
- Child and Adolescent Day Treatment

Crisis Services

- Mobile Crisis Management

Diagnostic/Assessment

Mental Health Services

- Intensive In-Home Services
- Multisystemic Therapy
- Assertive Community Treatment Team
- Psychosocial Rehabilitation
- Partial Hospitalization
- Professional Treatment Services in Facility-Based Crisis Programs

Substance Abuse Services

- Substance Abuse Intensive Outpatient Program
- Substance Abuse Comprehensive Outpatient Treatment Program
- Substance Abuse Non-Medical Community Residential Treatment
- Substance Abuse Medically Monitored Community Residential Treatment

Detoxification Services

- Ambulatory Detoxification
- Non-Hospital Medical Detoxification
- Medically Supervised Detoxification/Crisis Stabilization

For more information on the services and the provider endorsements, see **www.dhhs.state.nc.us/mhddsas/servicedefinitions/index.htm**. For information on the actual provider enrollment statistics as approved by the Division of Medical Assistance, see **www.dhhs.state.nc.us/dma/home.htm**.

guiding principle:

Reflect Best Treatment/Support Practices

The Right Tools Make a Difference

Evidence-based practices offered in communities help achieve goals toward increased recovery, self-determination and improved outcomes. Here are three examples. The Illness Management and Recovery Program is a series of weekly sessions in which mental health practitioners help people experiencing psychiatric symptoms to develop personal strategies for coping with mental illness and moving forward in their lives. The Integrated Dual Disorders Treatment Program treats adult consumers with both substance abuse or dependence disorders and mental illness such as schizophrenia, bipolar disorder or depression. Relapse Prevention Therapy is based on cognitive behavioral principles and addresses the significant problem of relapse or consumer setbacks through the development of self-control strategies.

Special Federal Funds to the State

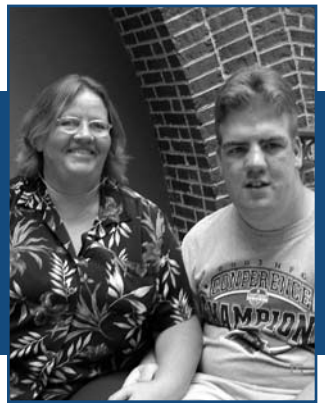
The Division received a three-year $1.2 million grant from the Center for Substance Abuse Treatment of the Substance Abuse and Mental Health Services Administration for the North Carolina Adolescent Substance Abuse Treatment Project (NC ASATP). The grant strengthens the state's ability to deliver substance abuse treatment services to youth and their families that are comprehensive, effective, accessible, affordable and coordinated with other health and human services.

Web Based Opioid Take Home Exception System

The Division serves as the state's Opioid Authority and provides regulatory oversight for the 33 opioid treatment programs across the state. Responsibilities include reviewing individual requests for patients in hospitals or treatment centers to receive extra take home doses for outpatient treatment with methadone, a synthetic narcotic medication used to treat opioid (heroin and prescription drug) addiction.

When the Substance Abuse and Mental Health Services Administration tested a new web based system for the state and federal approval of extra methadone take home doses, North Carolina was one of three states chosen to pilot test this web based exception system.

North Carolina received national recognition for becoming the first state to successfully implement the test model.



"The service is pretty good. It helps me to become better in the community and hopefully to become a better advocate. The best part is that I get to have fun and go into the community, and be independent. Thank you mom, you really helped me."

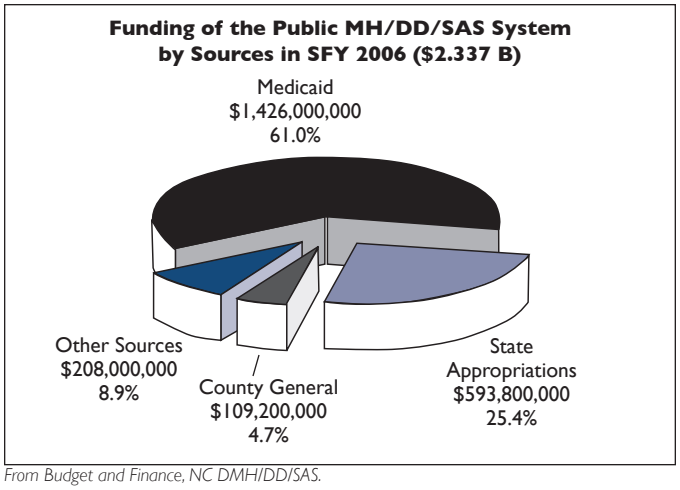
– Justin Stevens, 17 / Monroe, North Carolina

"In order for Justin to have expressed these words, many hours of advocating and interventions have taken place."

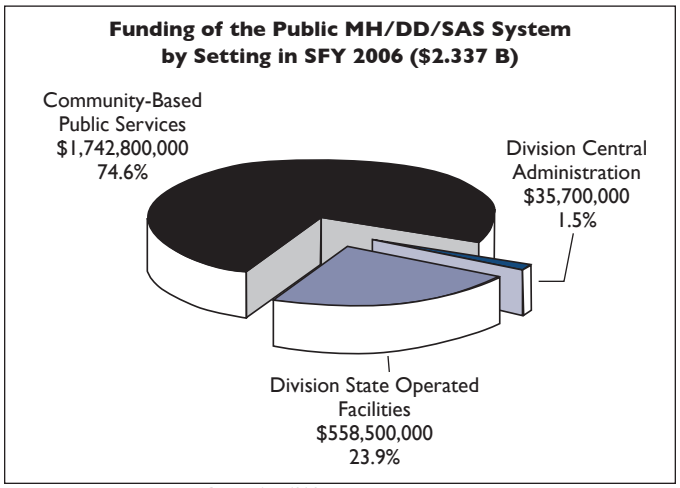
– Andrea Stevens (Justin's mother) / Monroe, North Carolina

Using Resources Wisely

A goal of transformation is to assure that persons with mental illness, developmental disabilities and substance abuse problems receive more appropriate services, more expanded choice of providers and more effective outcomes. Collaborative efforts focus on optimizing resources from public, private and nonprofit partners. With the new service definitions, the division expanded the number of services that Medicaid will fund. Serving more people who are eligible for Medicaid allows limited state resources to support services to indigent individuals not eligible for Medicaid.



From Budget and Finance, NC DMH/DD/SAS.



From Budget and Finance, NC DMH/DD/SAS.

Expanding Community Capacity

As North Carolina's population grows, there is an increase in the number of individuals and families in need of services. Developing community capacity has been partially funded by the downsizing of state facilities and transferring resources to the community. Community services have increased by changing services to include a wide array of community service providers that enables individuals to more appropriately remain in their home communities rather than entering state facilities.

In addition, the state-funded North Carolina Mental Health Trust Fund provides non-recurring bridge funding and start-up resources for the development of community-based services. In 2006, $14,837,338 in Mental Health Trust Fund resources were allotted for the development of additional community-based services. Key services initiatives addressed through the Mental Health Trust Fund resources at the community level included:

- Development and enhancement of crisis services
- Increase in services to children
- Increase in community services for individuals to divert potential admissions from state facilities and to assist with the transition of individuals from state facilities to the community
- Increase in community housing options for individuals with disabilities
- Assistance to providers for one-time funding needs to support additional community capacity.

guiding principle:
Cost Effective

As services grow in communities, particularly crisis services, more dollars can be transferred to communities through downsizing of the state facilities. By transitioning individuals from developmental centers, funds were realigned to support the Community Alternatives Program for Individuals with Mental Retardation/ Developmental Disabilities (CAP-MR/DD) program waiver. When state operated developmental centers downsized, funds were transferred from the developmental centers to the community for community-based services and increasing community capacity. For example, during state fiscal year 2006, 26 individuals moved from developmental centers into the community, resulting in the realignment of $1,122,516 within the Division of Medical Assistance's budget from institution Intermediate Care Facility for the Mentally Retarded (ICF/MR) payments to the CAP-MR/DD budget for services to individuals in the community. In addition to the Medicaid realignment, developmental center downsizing also allowed for the transfer of $102,090 in state appropriation from the developmental centers to community-based services funding.

Other Collaborative Efforts with Federal Agencies in SFY 2006

Federal Agency	Collaboration Highlights
Substance Abuse and Mental Health Services Administration (SAMHSA)	The Division received $150,000 from the SAMHSA Office of Applied Studies for the State Outcomes Measurement and Management System to collect and report on substance abuse consumer discharge information for national outcome measures.
Substance Abuse and Mental Health Services Administration	The state was one of five states selected to participate in the Network for Improvement of Addiction Treatment (NIATx). This SAMHSA pilot project was established to demonstrate the "rapid-change" process improvement model - which is a therapy to improve consumer access and retention in outpatient substance abuse treatment.
Substance Abuse and Mental Health Services Administration	North Carolina was one of two states in the Washington Circle Public Sector Workgroup that worked with SAMHSA to develop standardized performance measures and benchmarks for substance abuse services.
Centers for Medicare and Medicaid Services (CMS)	The Division received two CMS Real Choice System Change Grants. The Quality Assurance/Quality Improvement in Home and Community Based Services Grant helped improve the consumer outcomes management system, and the Mental Health Systems Transformation Grant helped develop the necessary system within local management entities for the provision of evidence-based services.
U.S. Department of Justice	The Division sponsored the first engagement and retention curriculum training for drug court professionals that was developed by the National Treatment Accountability for Safer Communication (TASC) program. The curriculum teaches methods for engaging and retaining adult drug court participants in treatment to improve their outcomes. The initial training was for NC's Administrative Office of the Courts and funded by the Bureau of Justice Assistance, US Department of Justice.

"I am fortunate that I was given opportunities throughout the years as the LME expanded and diversified that I was given more and more opportunities. The club house director encouraged me to learn about my illness, get involved, and I have. Had I not learned about the different services throughout the years, I would not be in recovery now."

– Carolyn Hanseman, 64 / Morganton, North Carolina

Planning the System's Financial Future

In state fiscal year 2006, the Division, with the assistance of a consulting team, undertook two significant initiatives as directed by the North Carolina General Assembly. First, a long-range plan study was initiated to determine the service needs in the MH/DD/SAS system. The final long-range plan study report identifies gaps in services and identifies three planning models that will enable the examination of different arrays of services and the cost of the services for Medicaid and non-Medicaid eligible consumers. Secondly, along with the long-range plan study, the Division, with the same consulting team, undertook development of a finance model to determine how the cost of services identified in the long-range plan study could most effectively be funded.

Transformation is Moving Forward

State and local governments continue to collaborate and develop a consumer driven system. Consumers are accessing a broader choice of mental health, developmental disabilities and substance abuse services and supports. Community-based collaborations are building and sustaining high quality community programs. By working hand-in-hand with local leaders, advocates, consumers and family members, transformation of the overall system occurs on a large scale and community by community. Community collaboration thrives with influential advocates, innovative funding, diverse resources and committed volunteers. Hard work remains and challenges will be addressed. Community living is becoming a reality for consumers.

The Division continues to plan for housing for adults with disabilities; assist local management entities in crisis services planning for all ages and all disabilities; develop primary health care and behavioral health care integrated initiatives; redesign the local business plan of local management entities; enhance provider relationships; distribute new system performance reports; and conduct strategic planning for the State Plan 2007-2010 as required by legislation.

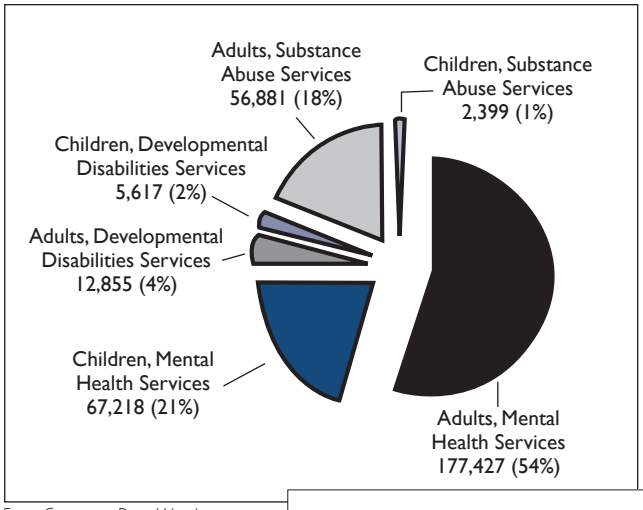
"The Legislature has directed the Department to prepare a three-year strategic plan to guide continued transformation of the system. This process is underway."

– Leza Wainwright
Deputy Director, DMH/DD/SAS

"I am the father and I am telling the story of our daughter Anne-Marie. She is 37 years old and receives services through MH/DD/SAS. Anne-Marie has lived in her group home since 1992. Although there have been staff changes over these years, she has received good care and has improved on her lifeskills. Sometimes things have not gone right for her, but, she has now learned to express her feelings. Because of this, her life is better today. Occasionally we still must advocate for her. This may involve talking directly to the staff of the group home and rarely do we have to talk to someone at the local mental health center."

– Ron Huber, 63 / Sanford, North Carolina

Persons Served by Primary/Co-Occurring Disability SFY 2006
(Duplicated Headcount)*



From Consumer Data Warehouse, NC DMH/DD/SAS.

Increase of Services to Hispanic/ Spanish-speaking Individuals

Mental health, developmental disabilities and substance abuse services to Hispanic/ Spanish-speaking individuals have increased over the past five years. There were 5,521 Hispanic/Spanish-speaking individuals served in state fiscal year 2002, and there were 8,937 Hispanic/Spanish-speaking individuals served in state fiscal year 2006. (Numbers are duplicated headcounts.)*

**A consumer may be counted more than once if he or she has more than one distinct admission/discharge event.*

Consumer Demographics of Persons Served by Local Management Entities SFY 2006
(Duplicated Headcount)*

RACE	Female Child	Female Adult	Male Child	Male Adult	Total
American Indian/ Alaskan Native	420	1,944	760	1,746	4,870
Asian	91	437	167	404	1,099
African American	10,671	37,594	19,769	40,921	108,955
Multiracial	3	0	1	1	5
Other	2,311	4,802	3,648	4,563	15,324
Pacific Islander	1	3	4	7	15
White	14,508	83,132	22,880	71,609	192,129
Total	28,005	127,912	47,229	119,251	322,397

From Consumer Data Warehouse, NC DMH/DD/SAS. As of 11/27/06

"I was selected to serve on the Adult Mental Health Advisory Committee and a year later I was selected to serve on the CFAC. As a consumer, I was asked to sit on many tables and I went to lots of conferences, trainings and retreats. And yes I was Empowered. I learned how to advocate effectively for myself and others with mental health issues and how to work with my head held high without stigma being a factor."

– Kathy Cunningham, 50 / Winston-Salem, North Carolina

CENTRAL REGIONAL PSYCHIATRIC HOSPITAL

Construction Progress

2005

2006

PLAN

Consumer Artwork

The butterfly cover artwork is by Alice "Pinky" Cox of Murdoch Center. In the above picture, Ms. Cox stands with Sandra Dennis, an education development assistant.

The parrot artwork titled "Bird of Paradise" is by Dwight Bailey. Mary Gooch, an education development assistant, is pictured above with the artist and artwork.

Thank you to Kathy Cunningham, Carolyn Hanseman, Missouri Harvey, Charles E. Hester, Jr., Anne-Marie Huber, Ron Huber, Loretta King, Jo Ann Leary-Eason, Andrea Stevens and Justin Stevens for sharing personal stories. A special thank you to Alice "Pinky" Cox and Dwight Bailey from Murdoch Center in Butner. Their beautiful artwork graces the front cover and this page.

State of North Carolina • Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services
www.ncdhhs.gov
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02/07