

# Alliance Health 2019 Legislative Priority:

## Stop Reductions in Funding for NC Behavioral Healthcare

### Request to the General Assembly

Stop the cuts to State Single-Stream Funding that are severely restricting North Carolinians' access to healthcare services for mental health, intellectual/developmental disabilities, and substance use disorder (MH/IDD/SUD) needs.

- Single-Stream Funding is the State appropriation for the MH/IDD/SUD service needs of uninsured and underinsured North Carolinians. Single-Stream Funding is separate from Medicaid funding.
- State Single-Stream Funding has been cut for four consecutive years. The State's two most recent biennium budgets have cut nearly half a billion dollars from NC's public behavioral health system.
- These Single-Stream cuts continue to negatively impact our State's ability to address the behavioral health needs of the uninsured and underinsured.

### Background

- The current State budget included cuts to Single-Stream Funding of almost \$200 million over two years. This nearly \$200 million cut is in addition to \$262 million in Single-Stream cuts included in the previous budget. The table below breaks down the cuts by year. Alliance's share of this cut has been nearly \$67 million during this period.

State Fiscal Year	2016	2017	2018	2019	TOTAL
Statewide Single-Stream Cut (in millions)	\$110	\$152	\$87	\$107.6	\$458.3
Alliance's Share of Cuts (in millions)	\$11	\$15.2	\$15.9	\$25.1	\$67.2

- Despite these drastic reductions, current law requires LME-MCOs to continue offering the same level of State-funded services as before the reductions.
- LME-MCOs are forced to make up this State funding shortfall by using their Medicaid savings otherwise designated for reinvestment initiatives that target specific unmet behavioral health and social determinant needs of individuals living in our communities. This severely restricts investments in initiatives to reduce unnecessary emergency department admissions and divert people with behavioral health issues from the criminal justice system.

Cutting State funds in this manner contradicts the original intent in creating the public behavioral health managed care system in NC – for LME/MCOs to use savings derived from effective management of the system to build infrastructure to address unmet community needs. Alliance has been forced to halt planned reinvestment projects. For example, we have had to stop work on:

- Opening a new Adult Crisis Facility to respond to rapidly-growing demand in Wake County.
  - Expanding Behavioral Health Urgent Care Centers in several communities throughout our catchment area.
- Because the crisis facility and urgent care centers would serve a high proportion of uninsured and underinsured individuals, lack of current and future State Single-Stream Funding makes operating these much-needed facilities unsustainable.