North Carolina Department of Health and Human Services

Opportunities for Philanthropy to Support Behavioral Health*

September 2024

Behavioral health is a broad term that covers a range of issues, including mental health and substance use disorders that can impact physical, emotional, and social well-being. Behavioral health care refers to the prevention, diagnosis, and treatment of behavioral health conditions.[1] When people experience unaddressed behavioral health challenges, they often experience unnecessary suffering and disruptions to family and work. Without appropriate and adequate behavioral healthcare services and systems, behavioral health issues can lead to crisis situations requiring costly and complex services and treatments. In the most extreme circumstances, these preventable behavioral health crises can lead people to lose their lives.

The NC Department of Health and Human Services (NCDHHS) oversees the systems that support delivery of behavioral health care services. North Carolina's 2023-25 biennium state budget directed an historic $835M investment to NCDHHS to support specific improvements in the delivery of behavioral health services.[2] In September of 2024, NCDHHS released a report, *Transforming North Carolina's Behavioral Health System: Investing in a System That Delivers Whole-Person Care When and Where People Need It*, which outlines the expansive and strategic efforts to transform the public behavioral health system through these new investments.

Though the $835M public investment will enable NCDHHS to enhance many behavioral health system services and supports, particularly for people with complex needs or in crisis, the magnitude of need in our state leaves many opportunities for philanthropy (see pp. 6-7) to support the state's work statewide and at the community level.[3] Philanthropic support is critical to help expand the reach and sustain the investments from this one-time funding. The needs for innovative strategies to fill gaps that traditional medical and emergency system responses are not equipped to address, and related to supports for upstream and crisis prevention behavioral health services, present notable opportunities for philanthropic partners to support NCDHHS' efforts to strengthen the behavioral health system.

This document provides an overview of the work NCDHHS is leading related to behavioral health reflecting in large part the agency's deployment of the $835M investment. Overall, a significant portion is being used to support an increase in Medicaid reimbursement rates for behavioral health providers.[4] NCDHHS is also directing more than $130 million to enhance and stabilize the behavioral healthcare crisis system; build up the behavioral health workforce; address the needs of individuals involved in the justice system and others with complex needs, including children and families; and ensure a mental health safety net that helps promote a culture of mental wellness. This document includes greater detail on the following elements of NCDHHS' strategy and opportunities for philanthropy to align investments.

- Strengthening behavioral crisis responses
- Behavioral health supports at justice system intersections
- Enhancing and supporting the behavioral health workforce
- Safety net enhancements
- Strengthening child behavioral health systems

NCDHHS' work to enhance the state's behavioral health system is a cross-departmental effort including the administrative divisions listed below. Any questions or comments may be directed to Kelly Crosbie, Director, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (kelly.crosbie@dhhs.nc.gov) regarding behavioral health workforce, crisis, and justice system strategies; and to Hanaleah Hoberman, Director of Child and Family Strategy (hanahleah.hoberman@dhhs.nc.gov) regarding child and family behavioral health strategies.

- The Division of Child and Family Well-Being (DCFW), which focuses on delivering early intervention services for children birth to three and implementing dozens of programs that meet the health, social, and emotional needs of children and youth ages birth to 21 and families;
- The Division of Health Benefits (DHB), administers NC Medicaid which helps low-income parents, children, seniors, and people with disabilities receive physical and behavioral care and services;
- The Division for Mental Health, Developmental Disabilities, and Substance Use Services (DMHDDSUS), which focuses on supporting systems and services for individuals with intellectual and/or developmental disabilities and mental illness and substance use disorders; and
- The Division of Social Services (DSS), which provides guidance and technical assistance to agencies providing direct services to children and families experiencing the impacts of poverty, family violence, and exploitation.

Strengthening behavioral crisis responses

NCDHHS is working to strengthen the behavioral health crisis system to ensure that people in crisis or with complex needs have someone to call and somewhere to go other than hospital emergency departments. Examples of services that NCDHHS is supporting include:

- **Crisis hotlines,** available 24 hours per day seven days a week, including the 988 Suicide and Crisis Lifeline staffed by trained crisis counselors; and other call lines, such as the Peer Warmline, which is staffed by people living in recovery with mental illness and/or substance use disorders who provide non-clinical support based on their lived experience; and the NC Psychiatric Access Line (NC PAL), a collaborative effort between NCDHHS and the Duke University and UNC Chapel Hill Schools of Medicine to provide mental health consultation to clinical and social service providers in North Carolina, which is being expanded to increase behavioral health support in K-12 schools.
- **Mobile crisis teams** that are available 24 hours per day seven days a week to meet people experiencing a crisis related to mental health, substance use, or developmental disabilities at home, school, work, or other safe location (e.g., the Mobile Outreach Response Engagement and Stabilization (MORES) Pilot, that delivers team-based crisis response interventions for children and adolescents experiencing escalating emotional and/or behavioral needs).
- **Alternative emergency responses to behavioral health crisis,** including a co-responder model in which mental/behavioral health professionals trained in trauma response work together with law enforcement to determine the best response when someone is experiencing a behavioral health crisis;[5] and an unarmed mobile crisis response team in which a team including a crisis counselor, peer support specialist, and EMT respond instead of law enforcement to behavioral health and low-level, non-violent offense calls.[6]
- **Evidence-based training and coaching for behavioral health crisis responders** (e.g., staff in behavioral health centers and facilities, including social workers, mental health and substance

use technicians, community health workers) and K12 school staff and youth-serving partners across the state.

- **Non-law enforcement transportation service** for behavioral health crisis responders to transport patients for voluntary and involuntary psychiatric admissions.
- **Enhanced facilities and marketing** about their availability so people in communities know where to access services; these facilities include:
    - Behavioral Health Urgent Care sites[7] that provide mental health and substance use services for children and adults experiencing a crisis;
    - Five new Facility-Based Crisis Centers for adults, and three new centers for children; these centers provide short-term inpatient mental health stabilization and substance use detox for people in the community who otherwise would need to go to a hospital;[8]
    - A new Peer Respite Center, a voluntary resource that provides a non-restrictive setting for behavioral health treatment and 24-hour access to Peer Support Specialists for people seeking mental health, substance use, or behavioral health crisis support.[9]

Behavioral health supports at justice system intersections

With mental health and substance use disorders prevalent among people in jails or prisons,[10] NCDHHS is working to increase behavioral health services that help people receive treatment and avoid incarceration. These include pre-trial alternatives to detention and support for people reentering communities after leaving prison. Specifically, NCDHHS is working to:

- **Expand diversion and capacity restoration programs.** Diversion programs allow people—usually first-time and non-violent offenders—to avoid arrest, charge, or criminal conviction and reduce pre-trial detention. Capacity restoration programs are for people that courts find "incapable to proceed (ITP)" because they do not understand the charges brought against them or the legal process due to a mental or behavioral health condition. Diversion redirects eligible defendants to an alternative remedy or accountability process, such as treatment; capacity restoration allows defendants deemed ITP to receive treatment in the least restrictive environment, typically a psychiatric facility.[11]
- **Increase access to re-entry programs and wraparound supports** (e.g., transportation, transitional housing, employment supports, health services, first month's rent payments, etc.) to help formerly incarcerated people make successful transitions into their home communities.
- **Enhance judicial understanding of behavioral health services.** With increased availability of evidence-based training and decision-making aids and educational resources (e.g., bench cards) on community options for behavioral health services and treatment, court officials and judges who make recommendations for or impose dispositions will be better equipped to address treatment needs of people with mental health and substance use issues.
- **Increase use of evidence-based programs for justice-involved youth.** Youth and adolescents with mental and substance use disorders require specialized services that meet them at each disposition point in the justice system. Tailored programming and supports as well as partnerships with community-based organizations are needed to ensure that quality services are available to support diversion to community-based services; and treatment and support during intermittent detention, community supervision, and re-entry into home communities following incarceration.

Enhancing and supporting the behavioral health workforce

With staffing shortages among behavioral health providers and facilities limiting access to services, NCDHHS is funding efforts to recruit and retain workers, and enhance education and training pipelines. These efforts include implementing supports for:

- **Peer support specialists** (or people with lived experience who serve in non-clinical roles to provide supports to people in crisis or recovery related to mental health or substance use) including developing and implementing a standardized certification process for them and matching them to employers.
- **Direct support specialists** (or professionals who work directly with people with intellectual and developmental disabilities), including matching them to employers, providing hiring and retention incentives, and working with community colleges and universities to train and place direct support professionals, in needed areas.
- **Licensed providers.** A shortage of licensed providers across North Carolina's entire public treatment system means that some people who need services are not able to get them. Only 13 percent of existing mental health needs are met by the existing mental health workforce, compared to 28 percent across the U.S. An additional 221 providers are needed to remove the federal Health Professional Shortage Area (HPSA) designations that 94 North Carolina counties hold for mental health.[12] North Carolina's existing behavioral health workforce has also cited staff shortages as a key barrier to getting more people access to services. Training, hiring, and retention strategies are needed to increase the number of licensed providers entering the public workforce.
- **Unlicensed professionals.** Providers in the public system provide services to people with complex, individualized needs, including a significant population of individuals that experiences co-occurring diagnoses.[13] A survey of family members of individuals with intellectual and developmental disabilities, serious mental illness, substance use disorder, and traumatic brain injury in North Carolina identified the lack of adequate and well-trained staff as a top concern.[14] Some services are also highly regulated–such as services for substance use disorders. More training and support for unlicensed professionals is needed to ensure they provide quality services in line with federal and state requirements.

In 2025, NCDHHS will invest in developing a standardized certification program for mental health and substance use technicians who provide the bulk of services in the behavioral health system.

Safety net enhancements

NCDHHS activities focus on increasing awareness of mental health services and reducing stigma around accessing these services. They include:

- **Implementing public awareness campaigns** that destigmatize using mental and substance use services and use plain language, so people understand how to access and engage with the behavioral health system.
- **Developing a public directory** of services so people know where to go for behavioral health services.
- **Ensuring local infrastructure for populations needing specialized care,** including veterans, LGBTQ, youth, deaf and hearing impaired, and older adults. This includes developing and

training staff (e.g., doctors, behavioral health professionals, substance abuse peers) to support these populations.
- **Implementing mobile units** that provide onsite support and treatment for people experiencing a crisis related to substance use (e.g., mobile methadone clinics and opioid treatment programs). (See "mobile crisis teams" in the "Crisis responses" discussion above.)

Strengthening child behavioral health systems

NCDHHS' overarching goal is to ensure that children with behavioral health needs can stay in a home setting by ensuring they receive appropriate, high-quality, child-centered, trauma-informed services. About one-quarter of the $835M will support enhancement of responses for children and youth across NCDHHS' entire continuum of care, including children and youth involved in the juvenile justice system.[15] NCDHHS is focusing a significant portion of this state funding on developing and enhancing out-of-home placements that are implementing evidence-based treatments.

Roughly $80M dedicated to child and family well-being focuses on expanding community-based services and supports to serve children as close to home as possible and help prevent children from experiencing a behavioral health crisis. The quality and quantity of community-based family-type treatment is being increased to serve children with complex needs that require out-of-home intensive treatment and response services (including children not in the custody of the Division of Social Services (DSS)) in a home setting (including foster homes and kinship placements) and to help children transition back home after a necessary out-of-home placement. NCDHHS' measurable goals for these investments include:

- Reducing the number of incidences of children and youth going to emergency departments for behavioral health needs when another resource would be more appropriate,
- Reducing the number of youth boarding in emergency departments or sleeping in local DSS offices,
- Decreasing the length of stay in out of home placements; and reducing the frequency of readmission to out-of-home placements,
- Increasing the proportion of children in DSS custody who have behavioral health and are living in home settings.

NCDHHS' strategy to meet these goals includes developing, expanding, and enhancing:

- **Community-based services,** that help children stay in or return to their homes, including behavioral health services in schools; expanded access to family-focused support and care coordination (e.g., Family Peer Support, a peer model using adult and youth peers to support parents and children with mental and behavioral health challenges; High Fidelity Wraparound, an evidence-based, intensive team-based model for coordinating services across multiple systems) for families with children with complex needs; and emergency respite pilots for caregivers.
- **Therapeutic programs in family type settings,** including increasing access to specialized foster parents (e.g., Intensive Alternative Family Treatment, a specialized, family based foster care option for children and teens with severe emotional behavioral challenges at risk of hospitalization/institutionalization).

- **Emergency placements for children at risk of boarding or inappropriate placement,** including emergency placements in family-type settings and DSS-managed crisis stabilization and assessment placements (e.g., Flexible Emergency Foster Care Placement Pilot that allows DSS to implement certain flexible short-term funding and placement options to avoid boarding children in DSS offices; and Placement First Plus, a time-limited foster care, kinship, or group home placement focused on stabilizing children in crisis).
- **Intensive residential treatment settings** by improving quality and management of residential levels of care and increasing capacity for specialty residential care so that out-of-home stays are shorter and more effective.

NCDHHS is also working on addressing the back log of child residential licensure applications, new initial licensure applications, and priority licensure requests.

Opportunities for philanthropy

State investments are allowing NCDHHS to focus significantly on building and enhancing behavioral healthcare systems to serve people in crisis and people with complex needs when and where they need support. Many of these approaches are innovations in the behavioral health system, including evidence-based crisis responses outside of the primary care realm, that will help create a singular rather than fragmented system of support. Some are pilots of evidence-based programs that will need sustained investments to become stable components of the continuum of behavioral health supports. The following strategies reflect some of the approaches in which philanthropic investments can further the state's efforts to advance innovation or sustain proven strategies for improving the behavioral health care system overall.

- **Increasing support for teens and adolescents,** e.g., school-based interventions for teens and adolescents and specialized supports for adolescents (e.g., 988 or Peer Warmline).
- **Embedding behavioral health clinicians in emergency response systems,** e.g., social workers or behavioral health workers accompanying law enforcement and emergency responders on 911 call responses.
- **Implementing non-traumatic interventions,** e.g., an emergency response for behavioral health and substance use issues as an alternative to the 911 system and non-law enforcement transportation for behavioral health technicians to take people to clinical facilities.
- **Supporting justice system responses to behavioral health needs,** e.g., implementing recovery courts, alternatives to incarceration for defendants with behavioral health needs, training for judges and court officers on evidence-based practices; and developing educational and guidance materials (e.g., bench cards) on local recovery resources.
- **Supporting equitable opportunities for innovative mental health and substance use crisis response programs.** NCDHHS recognizes that community partners, particularly in rural and underserved communities, are increasingly providing innovative responses to address mental health and substance use needs but may not be historically recognized as providers of such services (e.g., faith-based organizations working to connect people to mental or behavioral health treatments).

Regarding NCDHHS' areas of need related to *child behavioral health* some critical investment opportunities include:

- **Supporting community-based organizations to start evidence-based behavioral health and parent support programs (such as home visiting) to support families with young children;** for example, by providing access to consultants or learning collaboratives that can provide capacity building technical assistance (e.g., support identifying and accessing funding, particularly federal grants).
- **Supporting community-based organizations**, local health departments or other organizations to augment public awareness campaigns to **de-stigmatize behavioral health concerns** and to conduct trainings on **trauma**, **adverse childhood events, and trauma-informed care.**
- **Enhancing/increasing access to evidence-based behavioral health training in early childhood and K12 settings.** This includes providing primary prevention training or support for training for early childhood educators and K12 school instructional support staff that equip them to address social-emotional well-being and behavioral health and avoid the need for more intensive services later. In the early childhood arena, statewide organizations could be supported to provide training to local organizations for free or reduced charge; or local early childcare organizations (e.g., early childcare centers) could be supported to fund training for employees (including benefits and stipends) and conduct pilot programs focused on identification of and interventions for behavioral health needs.
- **Supporting evaluation of NCDHHS' funding investments** in community-based services**,** therapeutic programs, and emergency placements, as described above.

---

[1] See American Medical Association. (n.d.) "Public Health." Retrieved from https://www.ama-assn.org/delivering-care/public-health/what-behavioral-health

[2] See NCDHHS. (10 October 2023). "On World Mental Health Day, NC Celebrates Historic $835M Investment in Behavioral Health." Retrieved from https://www.ncdhhs.gov/news/press-releases/2023/10/10/world-mental-health-day-nc-celebrates-historic-835m-investment-behavioral-health.

[3] For more detail on NCDHHS' plan for improving the state's behavioral health system, see NCDHHS. (3 June 2024). Draft North Carolina Division of Mental Health, Developmental Disabilities, and Substance Use Services Strategic Plan for 2024-2029. Available at https://www.ncdhhs.gov/draft-dmhddsus-strategic-plan-june-2024/open

[4] See NCDHHS. (15 November 2023). "Behavioral Health Reimbursement Rates Increased for the First Time in a Decade." Retrieved from https://www.ncdhhs.gov/news/press-releases/2023/11/15/behavioral-health-reimbursement-rates-increased-first-time-decade

[5] Federal funds from the Bipartisan Safer Communities Act (CSCA) granted to Vaya Health and RHA Health Services are supporting the Crisis Co-Responder for Law Enforcement (CORE) model in Buncombe and Person counties and the City of Burlington. NCDHHS will evaluate the pilot and use results to inform expansion of co-responder services statewide. NCDHHS. (7 May 2024). "NCDHHS Pilots Mobile Crisi, Co-Responder Models for Behavioral Health Crisis Response." Retrieved from https://www.ncdhhs.gov/news/press-releases/2024/05/07/ncdhhs-pilots-mobile-crisis-co-responder-models-behavioral-health-crisis-response

[6] NCDHHS is investing $580,000 in a two-year pilot with the Chapel Hill Police Department with the goal of expanding it to all law enforcement agencies in Orange County. NCDHHS is partnering with Alliance Health, Orange County, and the Chapel Hill Police Department to develop a Crisis Assistance, Response, and Engagement (CARE) team, and the UNC School of Government Criminal Justice Innovation Lab to evaluate it. NCDHHS will use pilot and evaluation data to inform decisions related to the structure of mobile crisis teams and their further integration into the state's behavioral crisis response system in the future. NCDHHS. (7 May 2024). "NCDHHS Pilots Mobile Crisis, Co-Responder Models for Behavioral Health Crisis Response." Retrieved from https://www.ncdhhs.gov/news/press-releases/2024/05/07/ncdhhs-pilots-mobile-crisis-co-responder-models-behavioral-health-crisis-response

[7] As of this writing, behavioral health urgent care centers are located in Cumberland, Durham, Forsyth, Guilford, Mecklenburg, Randolph, Richmond, and Wake counties. NCDHHS will partner with the state's Local Management

Entity/Managed Care Organizations (LME/MCOs) to locate nine new behavioral health urgent care centers in Alamance, Buncombe, Caldwell, Haywood, Onslow, Pitt, Rockingham, Rowan, and Vance counties. This $15M investment over two-years will increase the state's capacity to provide behavioral health urgent care by nearly 50 percent. See NCDHHS. (8 April 2024). "Investment in Strengthening North Carolina's Behavioral Health Crisis Response System." Retrieved from https://www.ncdhhs.gov/news/press-releases/2024/04/08/investment-strengthening-north-carolinas-behavioral-health-crisis-response-system

[8] NCDHHS. (April 24, 2024). "NCDHHS Invests $22 Million in Community Crisis Centers and Peer Respite in North Carolina." Retrieved from https://www.ncdhhs.gov/news/press-releases/2024/04/24/ncdhhs-invests-22-million-community-crisis-centers-and-peer-respite-north-carolina. The new centers will join a network of 24 facility-based crisis centers in 22 other counties. The new centers for adults will be located in Alamance, Forsyth, New Hanover, Pitt, and Vance counties and will create an additional 60 beds. The new centers for children will be in Gaston, Pitt, and Vance counties and will create an additional 44 beds.

[9] NCDHHS. (April 24, 2024). "NCDHHS Invests $22 Million in Community Crisis Centers and Peer Respite in North Carolina." Retrieved from https://www.ncdhhs.gov/news/press-releases/2024/04/24/ncdhhs-invests-22-million-community-crisis-centers-and-peer-respite-north-carolina. NCDHHS is partnering with Alliance Health and Promise Resource Network (PRN) to create this program, the third in North Carolina, in Wake County.

[10] NCDHHS reports that 15 percent of men and 31 percent of women in jails are affected by serious mental illness, and 85 percent of the prison population has a substance use disorder or was incarcerated for a crime related to substance abuse. NCDHHS. (7 May 2024). "NCDHHS Pilots Mobile Crisis, Co-Responder Models for Behavioral Health Crisis Response." Retrieved from https://www.ncdhhs.gov/news/press-releases/2024/05/07/ncdhhs-pilots-mobile-crisis-co-responder-models-behavioral-health-crisis-response. See also, Fazel S, Yoon IA, Hayes AJ. (2017). "Substance use disorders in prisoners: an updated systematic review and meta-regression analysis in recently incarcerated men and women." Addiction, Oct 2017, pp. 1725-1739. NC Department of Adult Correction. (2023). Substance Use Disorder Treatment Programs Annual Report. Retrieved from https://files.nc.gov/dac/documents/2023-11/Annual%2021-22.pdf?VersionId=.hpfZOByipUq0n8xsnT5nhKXPkPVXWFY; NC Sentencing and Policy Advisory Commission. (2023). Justice Reinvestment Act: Implementation Evaluation Report 2023. Retrieved from SPAC-2023-Justice-Reinvestment-Implementation-Evaluation-Report_1.pdf (nccourts.gov). (See note 33, p. 15);. NC Department of Adult Correction. (2023). Substance Use Disorder Treatment Programs Annual Report. Retrieved from https://files.nc.gov/dac/documents/2023-11/Annual%2021-22.pdf?VersionId=.hpfZOByipUq0n8xsnT5nhKXPkPVXWFY;

[11] NCDHHS piloted NC RISE, a detention capacity restoration program, with the Mecklenburg County Detention Center in December 2023, and in April announced the development of pilot community-based programs in Mecklenburg, Wake, and Cumberland counties. See NCDHHS. (6 April 2023). "NCDHHS Offers Community-Based Capacity Restoration Services to ITP Defendants in Mecklenburg, Wake, and Cumberland Counties." Retrieved from https://www.ncdhhs.gov/news/press-releases/2023/04/06/ncdhhs-offers-community-based-capacity-restoration-services-itp-defendants-mecklenburg-wake-and

[12] See NC Office of Rural Health, NCDHHS. (2021). North Carolina's 2021 Annual Health Professional Shortage Area Summary Report. Retrieved from https://www.ncdhhs.gov/2021-hpsa-report/open

[13] Up to 40 percent of individuals with intellectual and developmental disabilities have a co-occurring mental illness.

[14] Technical Assistance Collaborative and the Human Services Research Institute (April 2021). An Assessment of the North Carolina Department of Health and Human Services' System of Services and Supports for Individuals with Disabilities. https://www.ncdhhs.gov/508-compliant-north-carolinaolmstead-assessment-report/download?attachment

[15] NCDHHS is also using federal grant funds to implement the Children and Families Specialty Plan, a system of care for Medicaid-enrolled children, youth, and families that coordinates all the child welfare system supports a family interacts with to co-plan services/supports. The agency also has $22M in Medicaid funding to support services for children in foster care.