

**Report Card on the Clinical Impact
of North Carolina's Mental Health Reform
by the North Carolina Psychiatric Association**

June 2005

I. SUMMARY

North Carolina's Mental Health Reform effort was designed to enhance community capacity and reduce reliance on state hospitals. While there has been anecdotal acknowledgement of increased state hospital admissions and problems with Mental Health Reform, NCPA saw the need to analyze data to quantify the clinical impact of Mental Health Reform. Based on data provided by DMHDDSAS to NCPA on state hospital admissions from July 1999 through April 2005:

- a. Admissions of adult consumers have increased 23.3% since 1999, and have risen dramatically since March 2004.
- b. Admissions of child/adolescent consumers have increased dramatically since August 2003, nearly doubling between July-Sept 2003 and Oct-Dec 2004.
- c. Admissions of geropsychiatric consumers have sustained a 34.7% decrease since 1999.

II. WHAT DOES THIS MEAN?

There are no direct measures of the clinical impact of North Carolina's Mental Health Reform effort on consumers. The best readily available data are on state hospital use by consumers, an indirect measure of clinical impact, but a measure promised to be reduced as a result of Mental Health Reform.

It is clear that Mental Health Reform is not achieving the promised reductions in state hospital admissions of children/adolescents and adults.

Mental Health Reform ran into a "perfect storm" of adverse events: unanticipated budget problems, shortfalls in Medicaid, increased population, more medically indigent (non-Medicaid) consumers needing care, less bridge funding than anticipated, community hospital capacity not increasing (and in fact hundreds of beds being closed over the past decade), and the loss of public sector clinicians (especially psychiatrists). These contingencies, however, should have been taken into account in planning for mental health reform.

Mental Health Reform is based on community capacity being developed, and since such capacity has not yet been fully developed throughout the state, it could be argued that these results are to be expected. However, Mental Health Reform has been under way since State Plan 2001 was issued in November 2001. Much effort and system change has taken place. It is now almost four years later, time for a consumer-oriented progress report.

III. WHAT TO DO NOW?

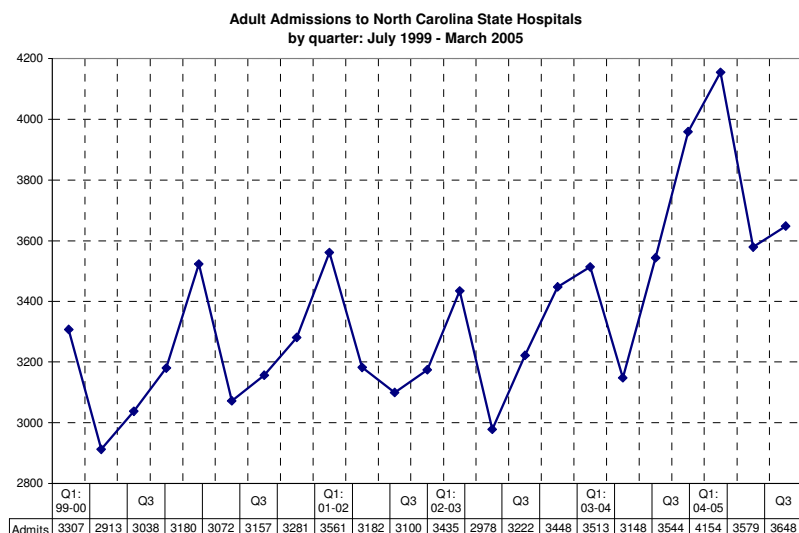
NCPA urges:

1. Address the emergency in North Carolina's Mental Health System as a high legislative priority for the current state budget.
2. The Legislature authorize an immediate independent study of the progress of mental health reform, to make recommendations for needed corrective actions. The study should focus on: (a) provider capacity across the state, (b) recruitment and retention of the mental health workforce, and (c) community hospital and emergency services capacity.
3. Reaffirm the decision of DMHDDSAS to slow down the pace of divestiture of public sector psychiatrists.
4. Preserve clinical services which are functional, unless it is both economically and clinically feasible to divest them. DMHDDSAS must ensure that adequate community capacity is thoroughly documented as part of its approval of local business plans and that divestiture of clinical services is suspended pending demonstration of an adequate provider safety net.
5. Where there are insufficient numbers of public sector clinicians to serve consumers, take active steps to retain and recruit needed staff for the system.
6. State Hospital beds not be downsized until it is clear those beds are no longer needed as a safety net for consumers.
7. DMHDDSAS re-engage with significant stakeholders with regular face-to-face substantive planning and communication efforts.
8. Future DMHDDSAS and Legislative Oversight Committee reports on the progress of Mental Health Reform must focus on person-/consumer-oriented measures of clinical impact.

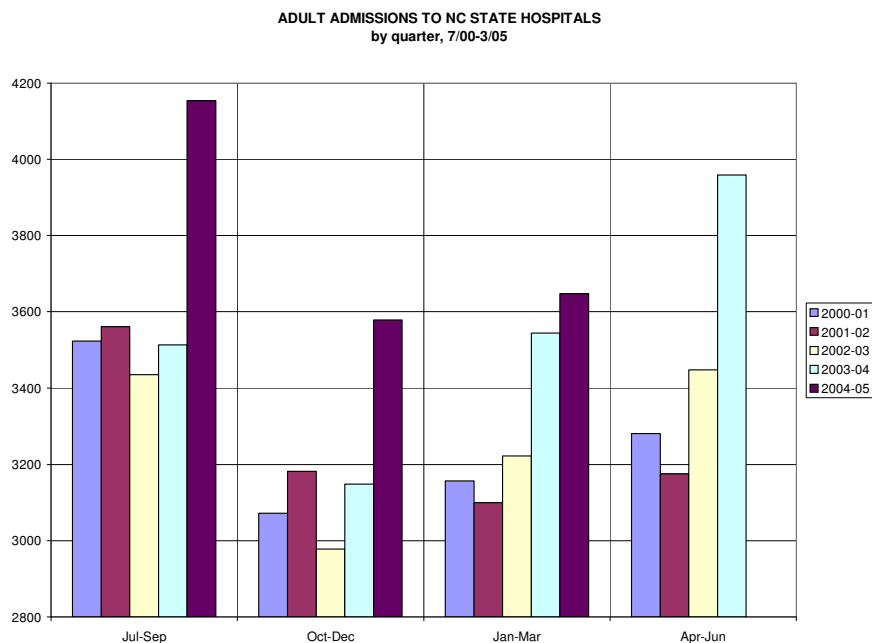
APPENDIX - The Data: Admissions to North Carolina State Hospitals

1. Have Adult State Hospital Admissions Decreased?

No. In fact, adult admissions have risen dramatically since March 2004.

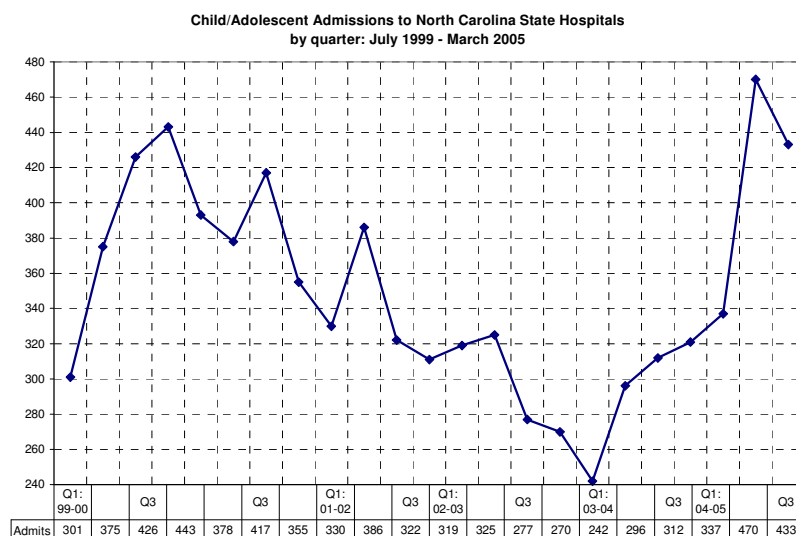


The increase in adult admissions since March 2004 is remarkable. While there has been a seasonal downward trend in adult admissions since September 2004, there is no evidence that adult admissions are likely in the short-term to return to the level prevalent before February 2004. As can be seen in the Figure below, each of the last nine quarters has seen more adult admissions than the same quarter the year before.



2. Have child/adolescent admissions decreased?

Not since August 2003.

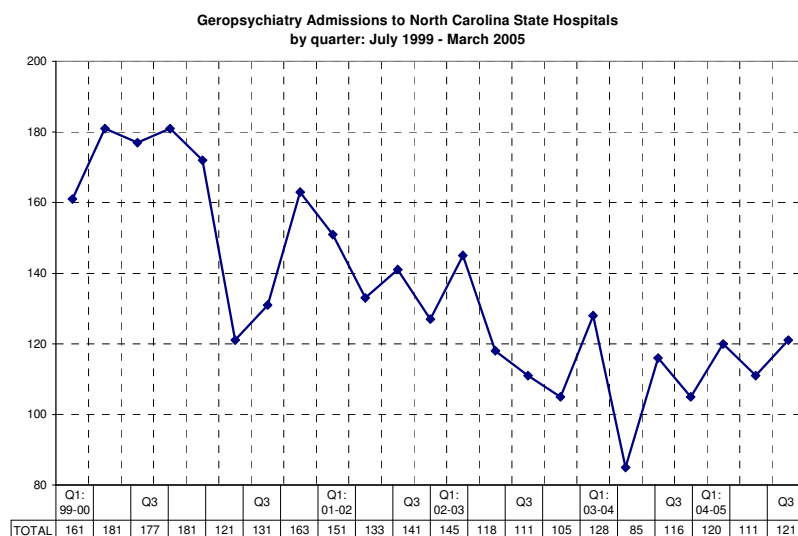


From Apr-Jun 2000 (with 443 admissions/quarter) until Jul-Sep 2003 (with 242 admissions/quarter), North Carolina child/adolescent state hospital admissions showed a remarkable steady decrease of 45.4%.

This encouraging trend abruptly reversed in August 2003. Since then, North Carolina has experienced five straight quarters of increased admissions, to a high of 470 in Oct-Dec 2004, an increase of 94.2% in the five quarters since July-Sept 2003.

3. Have geropsychiatry admissions decreased?

Geropsychiatry is the one age-group whose state hospital admissions have maintained a decline since July 1999-June 2000 (with 700 admissions/4 quarters). Since then, admissions have declined 34.7% to 457 in Apr 2004-Mar 2005.



As the Figure above shows, this trend began with a sharp 30% decrease in geropsychiatry admissions in Sept-Dec 2000; however, this decrease was reversed by a 34.7% increase in admissions over the next two quarters. Geropsychiatry admissions have steadily declined since then, with a slight increase since Jan-Mar 2004.

TECHNICAL NOTE:

Changes in admissions on page one compare the year from April 2004 to March 2005 to the baseline year, July 1999-June 2000.