On behalf of North Carolina's seven Local Management Entity/Managed Care Organizations (LME/MCOs), we appreciate the opportunity to provide continuing feedback on how the COVID-19 pandemic has impacted our state's publicly managed behavioral health system. LME/MCOs are responsible for managing Medicaid and other public behavioral health and intellectual/developmental disability (IDD) funds for millions of North Carolinians in all 100 counties. We are working 24/7 to support frontline healthcare providers, ensure access to and continuity of care, and meet the staggering behavioral health challenges faced by our communities as a result of this terrible pandemic.

The LME/MCO system respectfully requests the Legislature's consideration of the following non-CARES Act budget and policy items:

- **Stop Single-Stream Funding Cuts**: ***Ensure the solvency of our state's health safety net to provide behavioral health access to increasing uninsured and underinsured individuals due to COVID-19.***

  Single-Stream Funding is the state funding to provide access to behavioral health services for North Carolinians who are uninsured/underinsured and do not qualify for Medicaid. This resource enables LME/MCOs to cover things that Medicaid does not, such as housing, vocational programs, jail diversion activities, and transportation. This safety net funding has been cut for more than five consecutive years, diverting more than half a billion dollars from the state's public behavioral health system. When people cannot get the behavioral healthcare they need, their conditions often manifest into severe crises resulting in avoidable ED visits, police involvement, and homelessness – scenarios that are traumatic and expensive for our families and that will exact more of an economic toll as our state struggles to recover from the impacts of the pandemic.
  With a large influx of North Carolinians suddenly facing unemployment or furlough due to the crisis, this funding stream is critical to serving the behavioral health needs of many individuals and families during a very challenging time. An April 2020 study by Health Management Associates estimated how the economic impacts of COVID-19 could affect the number of uninsured individuals. This study warned that uninsured numbers could increase to 40 million nationwide, with bigger impacts in North Carolina and other Medicaid non-expansion states. North Carolina could see our uninsured numbers grow anywhere from 98,000 to 524,000 more individuals.

- **Increase Innovations Waiver Slots**: ***Increase Innovations Waiver slots to meet the needs of over 12,000 North Carolina citizens on the waiting list for IDD services.***

  Waiver slots enable individuals with disabilities, who would otherwise face institutionalization, to receive support services in their homes and communities. Currently, the waiting list across the state for this program is more than 12,000 people. The total number of slots is determined and funded in the state budget. Keeping individuals stable in the home and community of their choice is integral to positive health outcomes, especially during this emergency when we all should be at home to the fullest possible extent to reduce the spread of COVID-19. Furthermore, additional stress on families due to the pandemic can exacerbate the need for adequate services and supports for a family member with IDD, particular when parents/family caregivers are elderly.
  We are grateful that DHHS pursued, and the federal government approved, options to assist people who are already on the Innovations Waiver through an Appendix K Waiver that allows additional hours of service, alternatives for service delivery, and other flexibilities during the pandemic. It is important to note that depending on how long the impact of the pandemic lasts, LME/MCO capitation rates may need to be adjusted to recognize the cost of those flexibilities.

- **Additional Policy Considerations**:
  - Support allocation of additional revenue from alcohol sales during the COVID-19 emergency period for substance use disorder treatment
  - Support new funding to add reserved capacity (emergency) Innovations Waiver slots for COVID-19-related situations
  - Support sufficient allocation of personal protective equipment (PPE) to behavioral health providers and support staff