



NORTH CAROLINA  
**COUNCIL OF  
COMMUNITY  
PROGRAMS**

**RESTORE STATE FUNDS FOR MH/I-DD/SUD SERVICES**

The Senate budget is a tragedy for individuals with mental illness, intellectual or developmental disabilities and substance abuse disorders. Using the Medicaid savings to replace State funding is a cut to the MH/I-DD/SUD system—there is no other way to look at it:

1. IT TAKES DOLLARS OUT OF THE SERVICE DELIVERY SYSTEM.
2. IT IS A RECURRING CUT.
3. IT IS BASED ON THE FALSE ASSUMPTION THAT MEDICAID SAVINGS WILL CONTINUE TO ACCRUE AT CURRENT RATES.
4. IT ASSUMES THAT MEDICAID SAVINGS WILL BE THERE FOR YEARS TO COME TO PAY FOR SERVICES FOR PEOPLE WHO DON'T EVEN HAVE MEDICAID. THIS IS ANOTHER FALSE ASSUMPTION.

The real issue is NOT Medicaid or Medicaid savings! This is about our legislature's responsibility to the citizens of North Carolina who do not qualify for Medicaid, who cannot afford private insurance, or whose private insurance doesn't pay for critical behavioral health and intellectual-developmental disability treatment.

To date, individuals who are indigent and experience serious mental illness, intellectual or developmental disabilities or substance use disorders have lost the potential of using \$262 million in TREATMENT AND HABILITATION SERVICES, mostly in their communities.

If the Senate budget passes, MH/I-DD/SUD will suffer an ADDITIONAL loss of \$172 million in State funding, and \$68 million of that loss will recur in the budget after the biennium and going forward.

The budget document states that this year's allocation is an increase but that is comparing it to a State budget that already had \$152 million cut from it. Make no mistake, THIS IS A CUT TO FUNDING FOR PEOPLE WITH DISABILITIES!

The LME/MCOs are PUBLIC managers. Whether it takes 2 months or 2 years, Medicaid savings have been and WILL be spent on the service system. The legislature, in its own words, has already "clawed back" \$262 million in state dollars that then were NOT spent on the service system. DOES IT REALLY MAKE SENSE TO TAKE MORE? IS THIS THE RIGHT THING TO DO? IS THIS FAIR TO THE CITIZENS OF NORTH CAROLINA?

LME-MCOs have worked with DHHS and others to develop parameters to ensure that they are spending Medicaid savings in appropriate and timely ways, and we expect to see these in special provisions this session. We see this as a productive way to improve our use of savings. Backfilling holes artificially created by the legislature is not.

The message is simple: RESTORE STATE FUNDS FOR MH/I-DD/SUD SERVICES!

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