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Michael F. Easley, Governor

Carmen Hooker Odom, Secretary

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Senators and Representatives:

In recent weeks, the North Carolina Department of Health and Human Services has taken important steps to improve the safety of children in mental health group homes as well as residents of other types of residential facilities.

In addition, Gov. Easley's budget includes a new initiative to ensure the safety of residents in group homes, family and adult care facilities and foster homes, as well as clients served by home health care agencies.

I am writing to update you about the Department's efforts to date and to outline Gov. Easley's initiative.

As you may know, NC DHHS has already taken the following steps to improve the safety of child mental health group homes in our state:

- Proposed new administrative rules to require increased staffing, higher qualifications and other improvements in these facilities.
- Earmarked \$1.8 million in Mental Health Trust funding to build community capacity and developed new service definitions to better serve children in the community and decrease the need for residential placements.
- Stopped approval of all new applications for Level III group homes at least until new rules are in place.
- Implemented administrative rules that require local mental health administrators to notify the mental health program responsible for the county in which the home is located - along with the affected school system - when a child is placed in a mental health facility outside his or her home county.
- Created special teams of NC DHHS staff to inspect every group home in the state, starting with Cumberland and Mecklenburg County.
- As of February 17, NC DHHS inspectors have visited 258 homes in 15 counties and issued a variety of penalties and summary license suspensions.

In addition to these steps, Gov. Easley's budget includes a significant investment in the safety of residents of a variety of residential facilities and home health care clients by:

- Providing adequate staff to allow NC DHHS to conduct annual inspections of adult and mental health facilities, as well as regular inspections of home care agencies.
- Requiring annual inspections for facilities serving foster care children, including family foster care homes, therapeutic foster homes, child placing agencies, maternity homes and residential facilities.

- Requiring providers to post a new toll free line for clients and families to report violations - and providing new resources for NC DHHS to ensure fast and effective response to these calls.
- Creating an easily accessible database to allow NC DHHS, local governments, providers as well as clients and their families to obtain information about the track record of residential facilities across North Carolina.

Finally, Rep. Nye and Sen. Rand will shortly introduce a number of statutory changes on behalf of the Department to increase the safety at residential facilities in North Carolina.

These changes include

- Requiring county adult care home inspectors to attend mandatory NC DHHS training.
- Increasing penalties for violations in mental health and adult care facilities.
- Requiring NC DHHS to inspect adult care and mental health facilities annually.
- Requiring providers to post NC DHHS Toll Free line for clients and families to report violations.
- Deleting a 4-6 week penalty review period for adult care violations now in effect.
- Providing the NC DHHS Secretary with the authority to assume a county's regulatory responsibility if the Department determines the county is not meeting its monitoring duties.
- Providing NC DHHS with the authority to review and revoke an operator's license if the provider has not served children in the prior year.
- Requiring providers to report new information (number of clients served, staffing levels, etc) as a supplement to their current financial reporting requirements.
- Establishing penalties for providers who fail to report or who report false information.
- Prohibiting home health agencies from employing people with criminal histories or a proven record of patient abuse or neglect.

The reforms described above require investment. Governor Easley's budget calls for a new investment of \$4.1 million in FY 05-06 and \$5.9 million in FY 06-07 for this safety initiative. I am confident that this investment is critically important to ensure that these facilities provide safe and quality care for some of the state's most vulnerable citizens.

Thank you for reviewing this summary. Please let me know if I can provide you with any additional information or if I can be of any assistance to you or your constituents.

Sincerely,



Carmen Hooker Odom