

must be indigent and uninsured; (3) they have been involuntarily committed (though some voluntary commitments are possible); (4) they are otherwise admissible to a state hospital; and (5) they need short-term stabilization. With approval, patients may be treated for as long as needed to stabilize them or transfer them to a state facility.

Patients requiring care typically are facing a destabilizing crisis that makes them a risk to themselves or others. Underlying diagnoses include severe psychotic disorders, schizophrenia, and post-traumatic stress. Crises often are triggered by a medication problem or severe stress. Some patients also may have substance abuse issues requiring treatment.

Responsibilities of the Parties

Although structured as a three-way partnership, much of the day-to-day work revolves around the relationships between local hospitals and their local mental health management entities. LMEs are responsible for managing the contracts on a daily basis and serve as the program's financial pipeline. LMEs work with the participating hospitals to authorize admissions and reauthorizations, if applicable, and also are responsible for coordinating the patient's care and discharge plans. LMEs are responsible, too, for managing admissions requested by other LMEs and making a

Buying Psychiatric Beds in North Carolina

by John Quintero

Stakeholders in the mental health system are cognizant of the need to maintain and expand local hospital capacity. Over the years, the state and the local mental health management entities (LMEs) have entered into various partnerships with local hospitals. One way to foster capacity is to purchase psychiatric beds in local hospitals, and there have been four ways in which beds could be purchased:

- LMEs may use local funds to purchase beds. Seven LMEs have purchased beds with local funds to date: CenterPoint, Cumberland, Guilford, Mecklenburg, Mental Health Partners, Orange-Person-Chatham, and Wake. In 2010–11, these LMEs spent a combined \$22 million to purchase 28,395 actual bed days.
- LMEs may use part of their generic allocation of state funding to purchase beds. In 2010–11, 16 LMEs spent \$18 million to purchase 32,304 actual bed days serving 4,513 persons.
- LMEs may use hospitalization utilization project funds to purchase beds. N.C. Session Law 2007-323 provided funds for four LMEs (CenterPoint, Mecklenburg, Smoky Mountain, and Western Highlands) to purchase beds and develop strategies to serve people locally rather than send them to state hospitals.
- Partnerships among hospitals, LMEs, and the state may use three-way contract funds to purchase beds, as discussed in this article.

The services received by a patient do not vary based on funding sources, at least in theory.

Source: See North Carolina Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Uniform System for Beds or Bed Days Purchased: with Local Funds, from Existing State Appropriations, under the Hospital Utilization Pilot, and from Funds Appropriated under Session Law 2011-145, Section 10.8.(b), Raleigh, NC, April 1, 2009 and May 25, 2012.