

June 8, 2009

Dear Cumberland LME Providers:

I am sure by now you have been made aware of the drastic budget cuts in mental health, developmental disabilities and substance abuse services being proposed by members of the N.C. House of Representatives. The budget under consideration in the House would cut overall State support for community services by approximately \$250 million next fiscal year. In addition, massive cuts are being proposed in Medicaid funded services that provide community care for many of our consumers. Specific examples of these reductions include, but are not limited to, the following:

- \$16,000,000 cut in State funded services for the developmentally disabled.
- \$50,000,000 reduction in State funded community services.
- \$50,000,000 cut in LME Fund Balance. In some cases, fund balance is used to make payments to providers while waiting for the State to submit a check for services rendered by providers that have been processed through the LME. This loss of fund balance will impact the stability of the LME management system and provider payments.
- 5.5% reduction in Medicaid rates of \$148,393,793.
- Phase out Community Support Services FY 09-10 of \$59,772,501 Note: Community Support Services will be completely phased out during FY 10-11.

The loss of community service funding would be devastating to our most vulnerable consumers. This loss could increase populations in youth detention centers, jails and prisons, emergency rooms and other unintended consequences could occur. These cuts will also force a dramatic reduction in services, will close some provider operations and further destabilize an already fragile service system.

I realize that North Carolina is facing an enormous economic challenge, but we cannot allow the state budget to be balanced on the backs of citizens who need these services. **I strongly encourage you to contact the Cumberland County Legislative Delegation provided by this link:**

http://www.ccmentalhealth.org/pdf/Legislative_Delegation.pdf

I am also sending you a link to the "Special Provisions of the House Appropriations Subcommittee on Health and Human Services" which provides more detail about the pending community service eliminations and Medicaid rate reductions:

http://www.ncga.state.nc.us/fiscalresearch/subcommittee_reports/House%20HHS%20Approps%20Subcommittee%20Complete%20Report%20and%20Provisions%202009_06_04a.pdf

Thank you for your prompt attention to this very important matter. A vote in Raleigh is expected this week. If you have any questions, please contact me directly at 910-222-6126.

Hank Debnam, Area Director