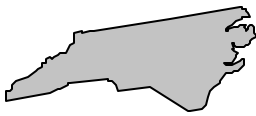


NORTH CAROLINA

State SSA Director

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Structure and Function

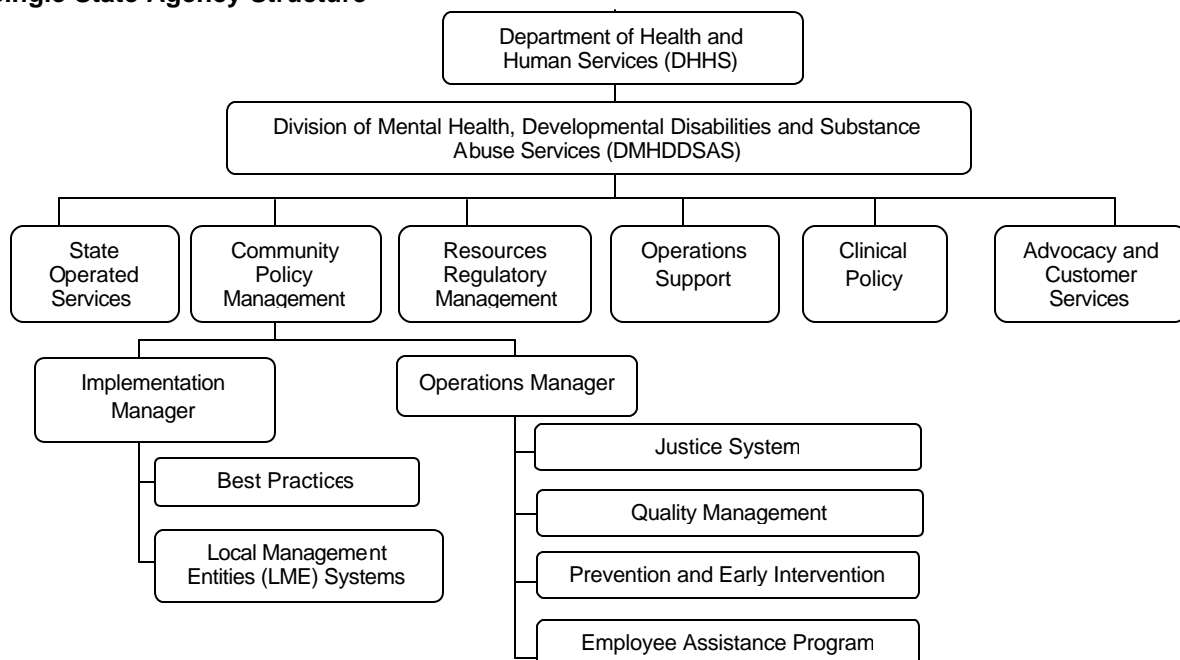


The Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMHDDSAS) is the designated Single State Agency (SSA) and provides leadership in planning, developing, and organizing a statewide system of alcohol and other drug services. It coordinates and communicates policies and strategies that educate, encourage, and empower individuals, families, organizations, and local communities to respond proactively to prevention, intervention, and treatment issues.

DMHDDSAS is one of five divisions under the Department of Health and Human Services (DHHS). The organizational units of DMHDDSAS include the Director's Office (includes strategic leadership and oversight), State Operated Services (includes substance abuse treatment centers), Community Policy Management (includes the functions of the SSA for substance abuse), Advocacy and Customer Service (includes community customer services), Resource/Regulatory Management (includes systems management, budgeting, contracting), and Operations Support (includes communications, strategic planning, and training).

Community-based substance abuse services are provided through a network of area authorities or county programs. These programs are being transitioned to become local management entities (LMEs) that oversee and manage local services and are responsible for planning and budgeting.

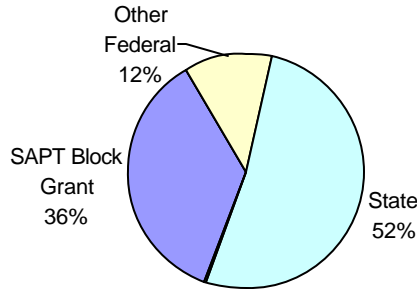
Single State Agency Structure



Single State Agency Funding Overview

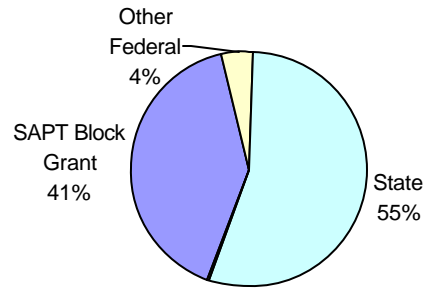
After peaking in FY 2001 at \$98.9 million, North Carolina's overall SSA funding decreased in FYs 2002 and 2003, totaling \$93.1 million in FY 2003. The proportion of funding from the Block Grant increased from FY 2000 (from constituting 36 percent of the total in FY 2000 to 41 percent in FY 2003) while funding from other Federal sources decreased substantially from 12 to 4 percent during the same time period.

FY 2000 Expenditures by Funding Source

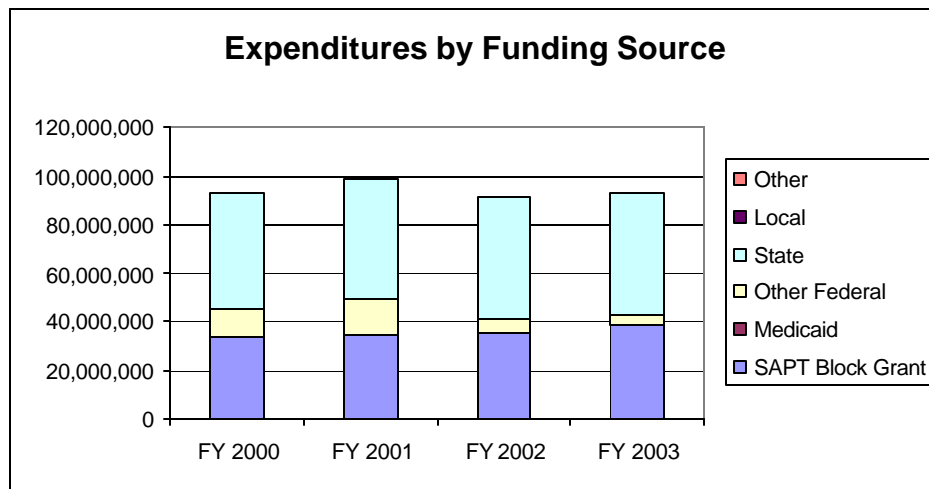


N=\$92,989,261

FY 2003 Expenditures by Funding Source



N=\$93,146,862



Single State Agency Expenditures From All Funding Sources

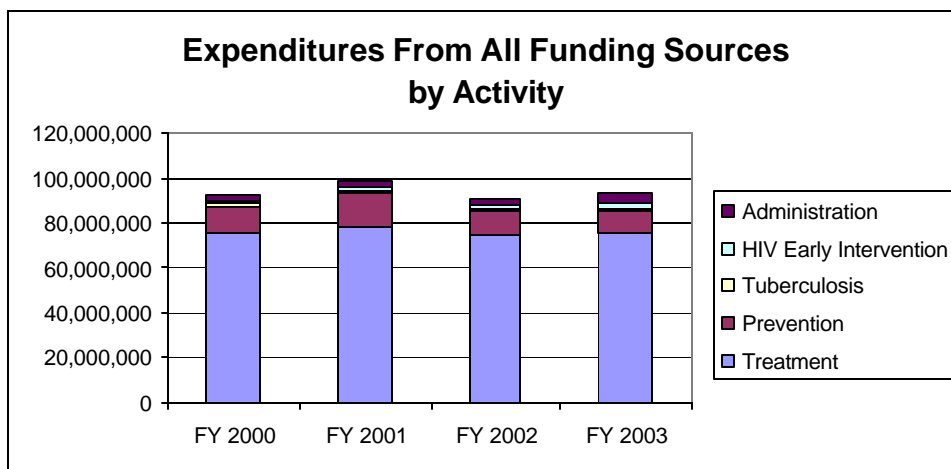
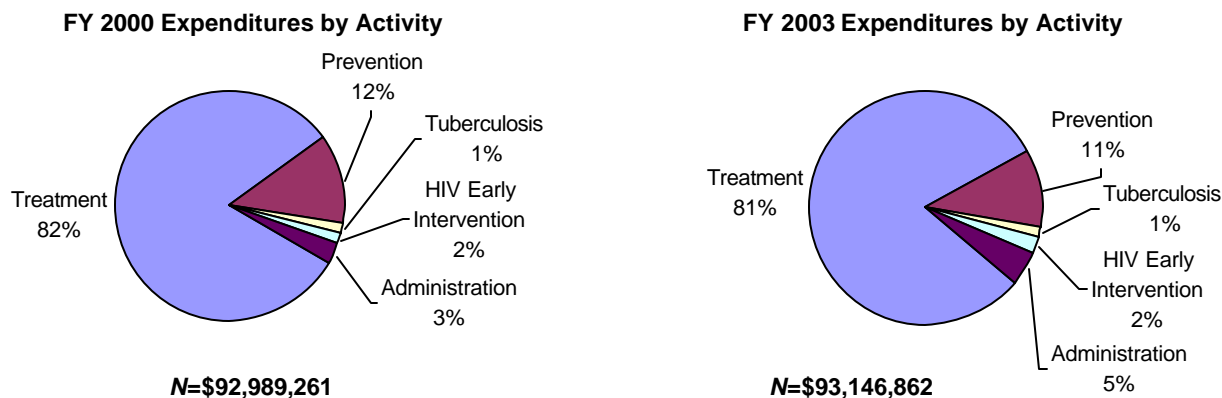
Funding Source	FY 2000		FY 2001		FY 2002		FY 2003	
	\$ Spent	%	\$ Spent	%	\$ Spent	%	\$ Spent	%
SAPT Block Grant	33,680,936	36	34,472,623	35	35,377,284	39	38,135,024	41
Medicaid	0	0	0	0	0	0	0	0
Other Federal	11,020,397	12	14,896,397	15	5,333,027	6	4,126,931	4
State	48,287,928	52	49,569,418	50	50,524,601	55	50,884,907	55
Local	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Total*	92,989,261	100	98,938,438	100	91,234,912	100	93,146,862	100

SOURCE: FYs 2003–2006 SAPT Block Grant Applications, Form 4

* Totals may not equal 100 percent due to rounding.

Activities and Expenditures From All Funding Sources

Of the \$93.1 million expended in FY 2003, North Carolina spent more than \$74.6 million for treatment and rehabilitation—81 percent of total funds. Prevention expenditures constituted 11 percent of total funds, and HIV early intervention, administrative costs, and tuberculosis services constituted the remainder. This distribution is similar to that of previous fiscal years.



Single State Agency Expenditures From All Funding Sources by Activity

Activity	FY 2000		FY 2001		FY 2002		FY 2003	
	\$ Spent	%	\$ Spent	%	\$ Spent	%	\$ Spent	%
Treatment and Rehabilitation	53,934,693	58	78,500,816	79	74,617,458	82	75,522,116	81
Alcohol Treatment	12,292,137	13	0	0				
Drug Treatment	9,924,413	11	0	0				
Prevention	11,317,112	12	14,631,493	15	10,732,287	12	9,947,685	11
Tuberculosis	1,350,000	1	1,350,000	1	1,350,000	1	1,350,000	1
HIV Early Intervention	1,586,493	2	1,723,631	2	1,768,865	2	1,960,751	2
Administration	2,584,413	3	2,732,498	3	2,766,302	3	4,420,310	5
Total*	92,989,261	100	98,938,438	100	91,234,912	100	93,146,862	100

SOURCE: FYs 2003–2006 SAPT Block Grant Applications, Form 4; States were not required to report separate expenditures for alcohol and drug treatment for FYs 2002 and 2003.

NOTE: States with a specified HIV/AIDS case rate (10 or more per 100,000) must spend a portion of their SAPT Block Grant funds (usually 5%) on HIV early intervention activities.

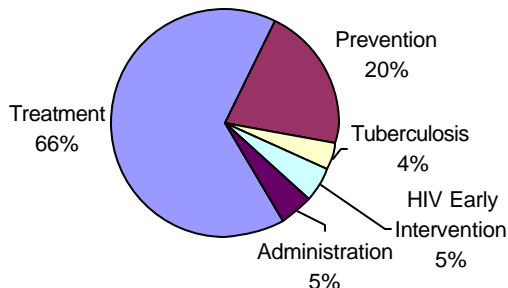
* Totals may not equal 100 percent due to rounding.

Expenditures of Block Grant and State Funds

Expenditures of Block Grant Funds

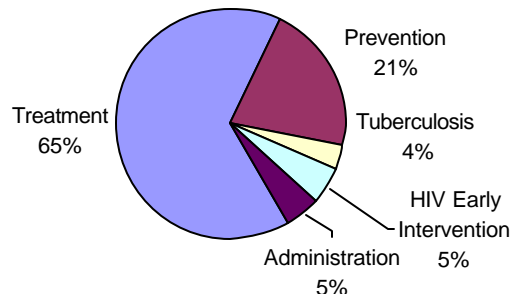
Block Grant funding increased between FYs 2000 and 2003 (from \$33.7 to \$38.2 million). Allocation proportions for those funds remained relatively stable over those two periods: approximately two-thirds of the Block Grant funds went to treatment and rehabilitation, while prevention represented about one-fifth. HIV early intervention services accounted for 5 percent of Block Grant funds.

FY 2000 Block Grant Expenditures by Activity

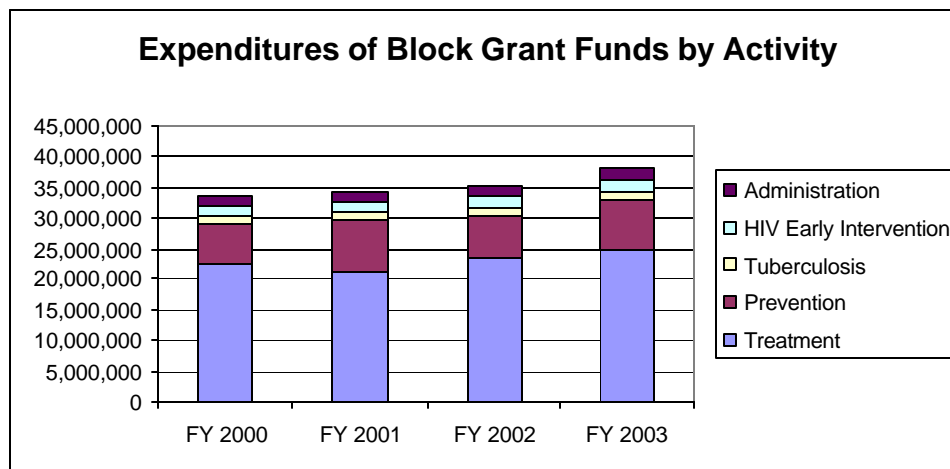


N=\$33,680,936

FY 2003 Block Grant Expenditures by Activity



N=\$38,189,024



Single State Agency Expenditures of Block Grant Funds by Activity

Activity	FY 2000		FY 2001		FY 2002		FY 2003	
	\$ Spent	%	\$ Spent	%	\$ Spent	%	\$ Spent	%
Treatment and Rehabilitation	0	0	20,914,704	61	23,193,744	66	25,017,161	66
Alcohol Treatment	12,292,137	36	0	0				
Drug Treatment	9,924,413	29	0	0				
Prevention	6,843,846	20	8,760,657	25	7,295,811	21	7,954,361	21
Tuberculosis	1,350,000	4	1,350,000	4	1,350,000	4	1,350,000	4
HIV Early Intervention	1,586,493	5	1,723,631	5	1,768,865	5	1,960,751	5
Administration	1,684,047	5	1,723,631	5	1,768,864	5	1,906,751	5
Total*	33,680,936	100	34,472,623	100	35,377,284	100	38,189,024	100

SOURCE: FYs 2003–2006 SAPT Block Grant Applications, Form 4; States were not required to report separate expenditures for alcohol and drug treatment for FYs 2002 and 2003.

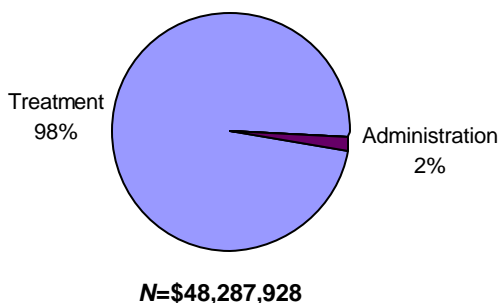
NOTE: States with a specified HIV/AIDS case rate (10 or more per 100,000) must spend a portion of their SAPT Block Grant funds (usually 5%) on HIV early intervention activities.

* Totals may not equal 100 percent due to rounding.

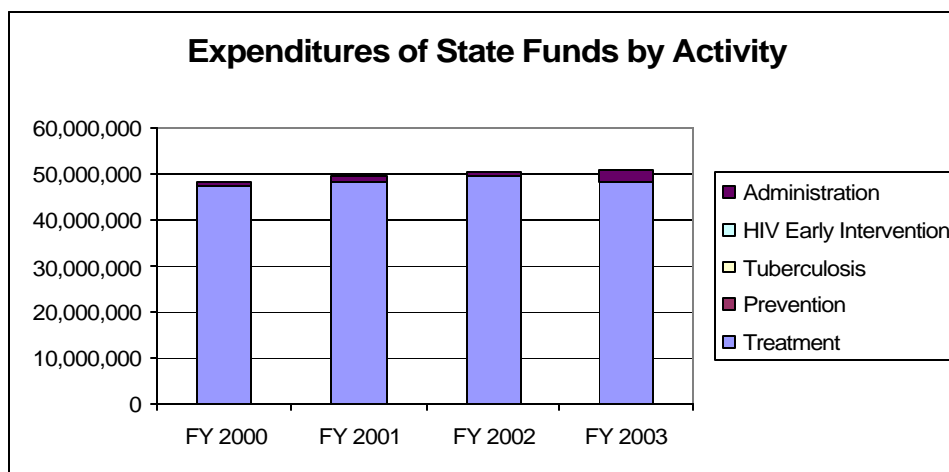
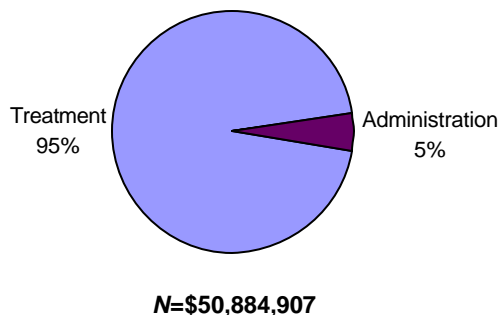
Expenditures of State Funds

State expenditures on SSA activities increased from \$48.3 to \$50.9 million between FYs 2000 and 2003. During that time period, most (95 to 98 percent) State funds paid for treatment services and the remainder went toward administrative activities (2 to 5 percent).

FY 2000 State Expenditures by Activity



FY 2003 State Expenditures by Activity



Single State Agency Expenditures of State Funds by Activity

Activity	FY 2000		FY 2001		FY 2002		FY 2003	
	\$ Spent	%	\$ Spent	%	\$ Spent	%	\$ Spent	%
Treatment and Rehabilitation	47,387,562	98	48,560,551	98	49,527,163	98	48,371,348	95
Alcohol Treatment	0	0	0	0				
Drug Treatment	0	0	0	0				
Prevention	0	0	0	0	0	0	0	0
Tuberculosis	0	0	0	0	0	0	0	0
HIV Early Intervention	0	0	0	0	0	0	0	0
Administration	900,366	2	1,008,867	2	997,438	2	2,513,559	5
Total*	48,287,928	100	49,569,418	100	50,524,601	100	50,884,907	100

SOURCE: FYs 2003–2006 SAPT Block Grant Applications, Form 4; States were not required to report separate expenditures for alcohol and drug treatment for FYs 2002 and 2003.

* Totals may not equal 100 percent due to rounding.

Prevention Services

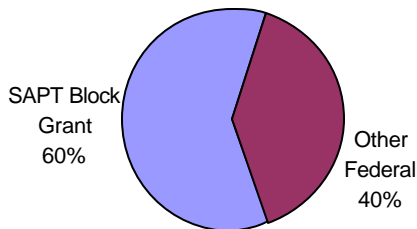
The Prevention and Early Intervention Team, Community Policy Section, is the designated Office of Prevention. The Team’s mission is to reduce, delay, and prevent substance use and abuse by children, adolescents, and adults. Contracts with LMEs and their provider agencies implement a myriad of prevention initiatives and innovations. Local programs are encouraged to use evidence-based programs in planning to address the six core strategies.

Prevention Funding and Expenditures

Between FYs 2000 and 2003, total prevention expenditures declined from \$11.3 to nearly \$10 million. In FY 2003, the Block Grant covered 80 percent of total prevention expenditures, and other Federal funds covered the remaining 20 percent. This represents a shift from FY 2000, when the Block Grant covered 60 percent of prevention funds, and other Federal sources covered the remaining 40 percent.

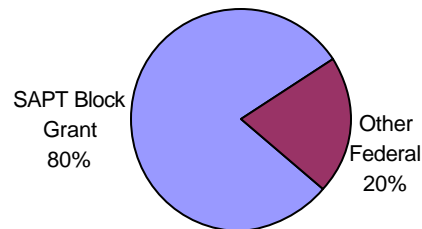
The SAPT Block Grant funding per capita on prevention services fluctuated in North Carolina, increasing from \$0.85 in FY 2000 to \$1.07 in FY 2001 and then decreasing to \$0.88 in FY 2002. In FY 2003, per capita funds for prevention rebounded to \$0.94.

FY 2000 Prevention Expenditures by Funding Source

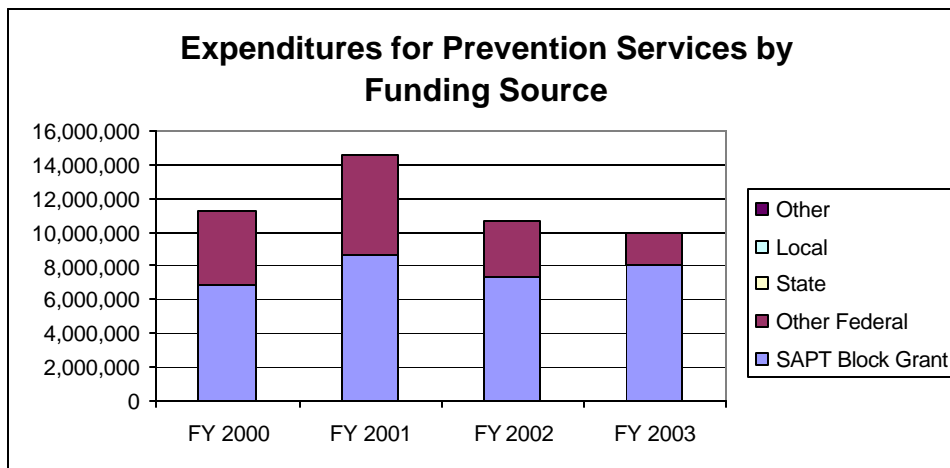


N=\$11,317,112

FY 2003 Prevention Expenditures by Funding Source



N=\$9,947,685



Single State Agency Expenditures for Prevention Services From All Funding Sources

Funding Source	FY 2000		FY 2001		FY 2002		FY 2003	
	\$ Spent	%	\$ Spent	%	\$ Spent	%	\$ Spent	%
SAPT Block Grant	6,843,846	60	8,760,657	60	7,295,811	68	7,954,361	80
Other Federal	4,473,266	40	5,870,836	40	3,436,476	32	1,993,324	20
State	0	0	0	0	0	0	0	0
Local	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Total*	11,317,112	100	14,631,493	100	10,732,287	100	9,947,685	100

SOURCE: FYs 2003–2006 SAPT Block Grant Applications, Form 4

* Totals may not equal 100 percent due to rounding.

Core Strategies

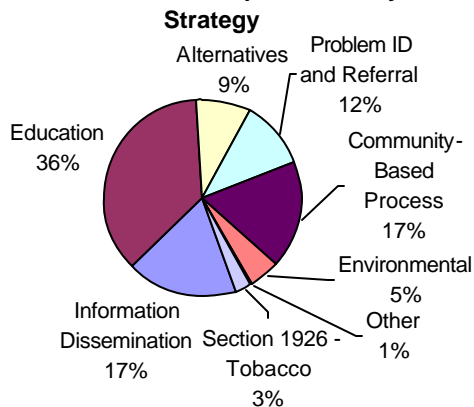
Examples of core prevention strategies supported by Block Grant funds include:

Core Strategy	Examples of Activities
Information Dissemination	Statewide Regional Alcohol and Drug Awareness Resources (RADAR) center and affiliates disseminate information and maintain a Web site and newsletter <i>The Next Step</i> . Mini-grants support prevention resource centers for specific population groups.
Education	Prevention professionals are trained through the Governor's Academy for Prevention Professionals, Area Health Education Centers offer trainings, and various conferences are held.
Alternatives	Alternatives include the Prom-Promise initiative, ropes courses, health fairs, drug-free essay contents, and art exhibits.
Community-Based Processes	Workshops are held for professionals in the school system, and community collaborative entities and faith-based groups meet on a regional basis.
Environmental	Strategies include a retailer training and beverage server program.
Problem Identification and Referral	LME professionals are trained to identify risk and protective factors and make referrals to indicated programs.

Expenditures of Block Grant Funds for Core Strategies

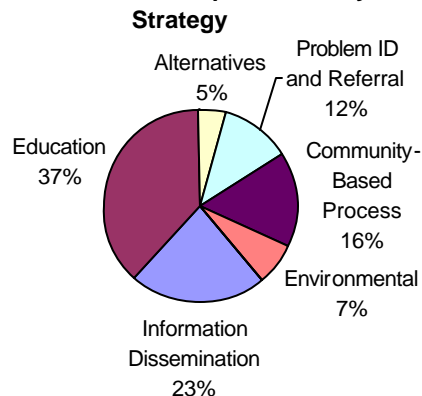
Block Grant expenditures on prevention cores strategies increased over time from over \$6.8 million in FY 2000 to nearly \$8 million in FY 2003. The largest portion of Block Grant funds for prevention strategies in FY 2003 was spent on education, 23 percent was spent on information dissemination, 16 percent on community-based processes, and 12 percent on problem identification and referral. This distribution of funding was relatively stable from FYs 2000 to 2003.

FY 2000 Block Grant Expenditures by Core Strategy

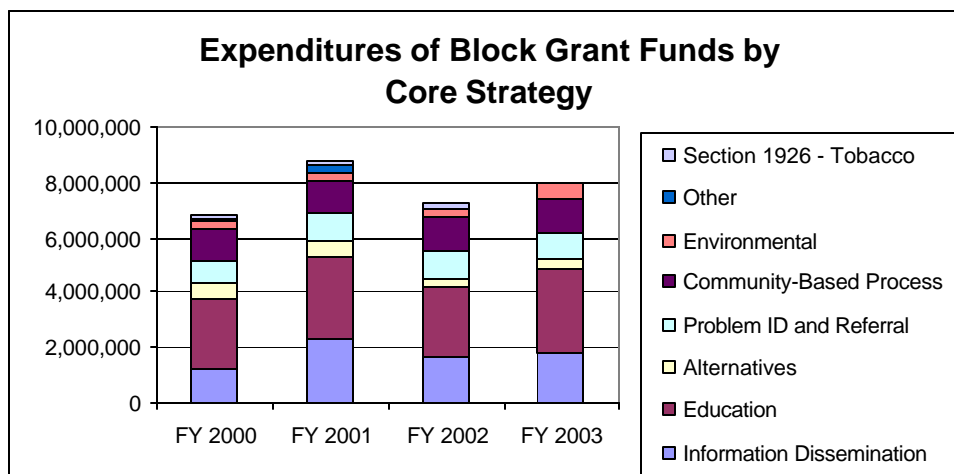


N=\$6,843,846

FY 2003 Block Grant Expenditures by Core Strategy



N=\$7,954,361



Single State Agency Expenditures of Block Grant Funds by Core Strategy

Strategy	FY 2000		FY 2001		FY 2002		FY 2003	
	\$ Spent	%	\$ Spent	%	\$ Spent	%	\$ Spent	%
Information Dissemination	1,233,163	18	2,283,272	26	1,622,932	22	1,810,410	23
Education	2,506,466	37	3,065,250	35	2,540,241	35	3,037,253	38
Alternatives	607,088	9	564,725	6	282,249	4	365,418	5
Problem ID and Referral	789,625	12	970,707	11	1,058,434	15	950,549	12
Community-Based Process	1,179,028	17	1,207,459	14	1,270,120	17	1,245,399	16
Environmental	315,148	5	287,561	3	282,249	4	545,332	7
Other	36,765	1	257,310	3	0	0	0	0
Section 1926 - Tobacco	176,563	3	124,373	1	239,586	3	0	0
Total*	6,843,846	100	8,760,657	100	7,295,811	100	7,954,361	100

SOURCE: FYs 2003–2006 SAPT Block Grant Applications, Form 4a
 * Totals may not equal 100 percent due to rounding.

Treatment and Rehabilitation Services

The implementation of LMEs reformed the delivery of substance abuse treatment in North Carolina. LMEs ensure (1) that direct services are purchased from local private, nonprofit organizations, and (2) that quality care is provided to consumers in their catchment areas. The State will continue to provide an array of treatment services through local providers, including detoxification, crisis stabilization, outpatient, inpatient, residential, halfway house, and specialized services to women and injection drug users (IDUs).

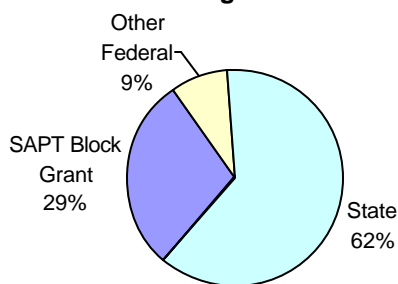
Target populations are eligible to receive additional services beyond the basic services offered to all consumers. Adult target populations are IDUs and those with communicable diseases, women, criminal justice and driving under intoxication (DUI) offenders, deaf and hard-of-hearing persons, homeless persons, and social services-involved parents. Children and adolescents who are at high risk or who abuse substances are also targeted for additional services.

Treatment Funding and Expenditures

Expenditures on treatment remained relatively stable from FYs 2000 to 2003, ranging from \$74.6 to \$78.5 million. The distribution of funds also remained similar over time. Funding from the State constituted the majority of treatment expenditures (62 to 66 percent), followed by the SAPT Block Grant (27 to 33 percent).

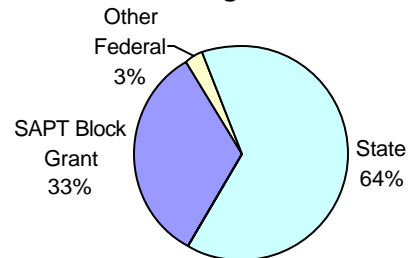
The SAPT Block Grant funding per capita for treatment and rehabilitation services decreased from \$2.75 in FY 2000 to \$2.55 in FY 2001. In FY 2002, per capita funding rebounded to \$2.79, and in FY 2003 it continued to increase to \$2.97.

FY 2000 Treatment Expenditures by Funding Source

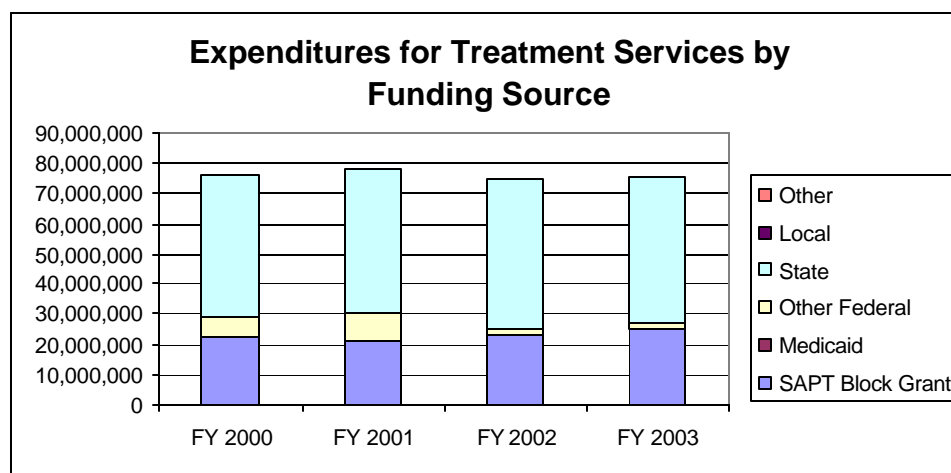


N=\$76,151,243

FY 2003 Treatment Expenditures by Funding Source



N=\$75,522,116



Single State Agency Expenditures for Treatment Services From All Funding Sources

Funding Source	FY 2000		FY 2001		FY 2002		FY 2003	
	\$ Spent	%	\$ Spent	%	\$ Spent	%	\$ Spent	%
SAPT Block Grant	22,216,550	29	20,914,704	27	23,193,744	31	25,017,161	33
Medicaid	0	0	0	0	0	0	0	0
Other Federal	6,547,131	9	9,025,561	11	1,896,551	3	2,133,607	3
State	47,387,562	62	48,560,551	62	49,527,163	66	48,371,348	64
Local	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Total*	76,151,243	100	78,500,816	100	74,617,458	100	75,522,116	100

SOURCE: FYs 2003–2006 SAPT Block Grant Applications, Form 4

* Totals may not equal 100 percent due to rounding.

Admissions

North Carolina's SAPT Block Grant application indicates that 32,000 persons were admitted to treatment during FY 2002, most of which were admitted for outpatient (non-methadone, free-standing residential, and short-term residential).

Number of Persons Admitted by Type of Treatment Care

Type of Care	Total Number Admissions by Primary Diagnosis (N=32,000)		
	Alcohol Problems	Drug Problems	None Indicated
Detoxification (24-hour care)			
Hospital inpatient	139	120	0
Free-standing residential	1,997	1,767	0
Rehabilitation/Residential			
Hospital inpatient (rehabilitation)	170	144	0
Short-term residential	1,338	2,102	0
Long-term residential	364	645	0
Ambulatory (Outpatient)			
Outpatient (methadone)	0	1,113	0
Outpatient (non-methadone)	9,170	10,200	435
Intensive outpatient	874	1,277	0
Detoxification (outpatient)	75	70	0
Total	14,127	17,438	435

SOURCE: FY 2005 SAPT Block Grant Application Form 7a; Reported data for State FY 2002

Treatment Episode Data Set (TEDS) data indicate slightly more than 30,000 admissions (where at least one substance is known), of which nearly 10,000 were for alcohol only. Calculations (with imputation) from TEDS data show that approximately 56 percent of persons admitted to treatment programs reported a psychiatric problem combined with alcohol or drug use. This figure varied slightly when separating out alcohol-only abuse versus abuse of alcohol in combination with other drugs. Approximately 60 percent of persons admitted for abusing alcohol only were diagnosed with a psychiatric problem and 54 percent of persons admitted for abusing alcohol in

combination with other drugs were diagnosed as having a psychiatric problem. (For a discussion of the different data sources, see Appendix D: Methodology.)

Percent of Admissions with a Psychiatric Problem by Primary Diagnosis

Admissions	2002	
	Admissions Where at Least One Substance Is Known	% with Psychiatric Problem*
Alcohol only	9,959	59.7
Any other drugs	20,086	54.2
Total	30,045	56.0

SOURCE: Treatment Episode Data Set, 2002

*Values are imputed for admission records with missing information on other psychiatric diagnoses.

According to the National Survey of Drug Use and Health, 427,000 North Carolina residents aged 12 and older (6.3 percent of the State's population) needed, but did not receive, treatment for alcohol use, and 177,000 persons (2.6 percent) needed, but did not receive, treatment for illicit drug use.

Treatment Gap by Age Group

Measure	% 12 and older	% 12–17	% 18–25	% 26 and older
Needing but not receiving treatment for alcohol use	6.31	5.34	16.04	4.80
Needing but not receiving treatment for illicit drug use	2.62	5.21	6.65	1.60

SOURCE: National Survey on Drug Use and Health; combined data for 2002 and 2003

Resource Development Activities

Planning and Needs Assessment

Substate planning is carried out at multiple levels. Counties are grouped into catchment areas served by the LMEs and into four regions. Areas that have the highest prevalence and greatest need are primarily determined at the area and regional levels. Data and recommendations from the LMEs and Regional Management Teams to DMHDDSAS and section chiefs are the basis for State plans. The Commission for DMHDDSAS regulates and advises the DMHDDSAS regarding all State plans. Various State, regional, and local advisory councils advise and assist the SSA on service needs, priority populations, and linkages with other State initiatives.

The Substance Abuse Services section uses an Annual Performance Agreement that includes reporting by each LME to assure that programs serve communities with the highest prevalence and greatest need. Based on regular analysis of these reports, site visits are conducted on a sample of programs to assess allocation of resources with the highest levels of local needs. Multiple prevention and treatment needs assessment studies are used in strategic planning.

Evaluation

The Substance Abuse Services section maintains performance agreements with the LMEs that outline appropriate use of SAPT Block Grant funds. They monitor treatment and prevention service delivery to high-risk populations. At least 5 percent of programs receiving SAPT Block Grant funding are scheduled and reviewed each year.

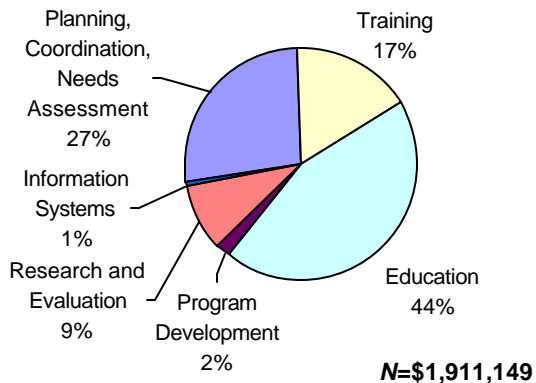
Training and Assistance

Continuing education and training is provided to substance abuse, prevention, child and adolescent, and adult human service professionals regarding alcohol, tobacco and other drug (ATOD) use, abuse, and dependence. Education and training services are provided through: (1) annual conferences, summits, and schools, (2) best practice models for professionals in the mental health, developmental disabilities, and substance abuse fields, (3) annual scholarships for attendance at alcohol and other drug school programs, (4) specialized training regarding targeted populations, and (5) training on science-based model programs.

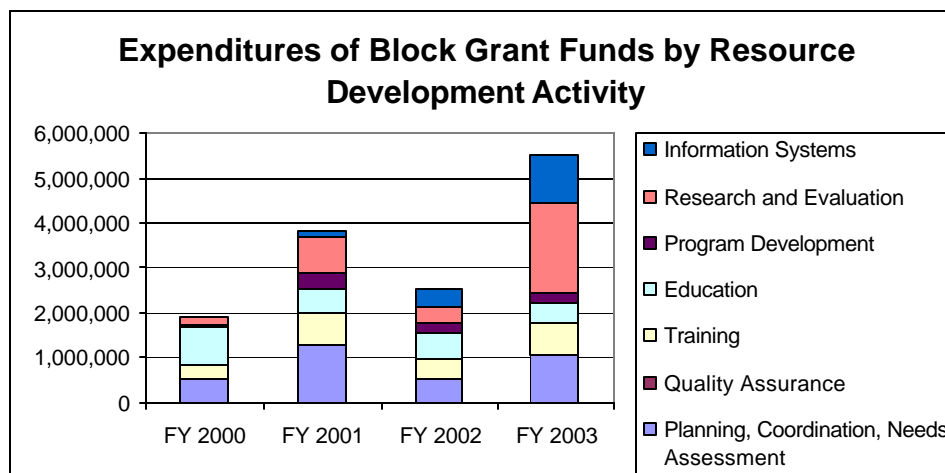
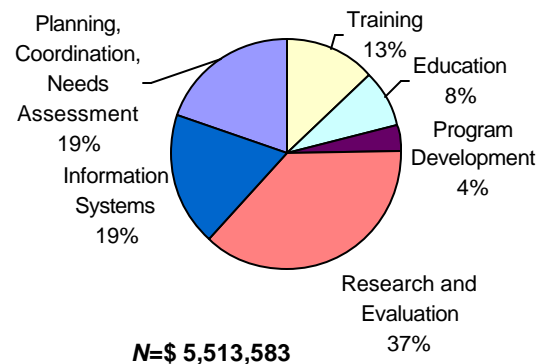
Expenditures of Block Grant Funds for Resource Development Activities

Block Grant expenditures for resource development activities more than doubled between FYs 2000 and 2003 (from \$1.9 to \$5.5 million). The proportion of funds spent on the different activities also shifted. In FY 2003, 37 percent of the total was spent on research and evaluation (compared to 9 percent in FY 2000) and 19 percent was spent on information systems (compared with 1 percent in FY 2000). In contrast, in FY 2000, 44 percent was spent on education activities and only 8 percent was spent on education activities in FY 2003.

FY 2000 Block Grant Expenditures on Resource Development Activities



FY 2003 Block Grant Expenditures on Resource Development Activities



Single State Agency Expenditures of Block Grant Funds by Resource Development Activity

Activity	FY 2000		FY 2001		FY 2002		FY 2003	
	\$ Spent	%	\$ Spent	%	\$ Spent	%	\$ Spent	%
Planning, Coordination, Needs Assessment	521,186	27	1,271,343	33	532,613	21	1,066,384	19
Quality Assurance	0	0	0	0	0	0	0	0
Training	323,070	17	709,850	18	449,128	18	713,499	13
Education	845,366	44	542,232	14	567,003	22	441,756	8
Program Development	33,462	2	324,723	8	226,959	9	212,668	4
Research and Evaluation	177,985	9	863,582	22	347,161	14	2,039,638	37
Information Systems	10,080	1	132,906	3	407,665	16	1,039,638	19
Total*	1,911,149	100	3,844,636	100	2,530,529	100	5,513,583	100

SOURCE: FYs 2003–2006 SAPT Block Grant Applications, Form 4b

* Totals may not equal 100 percent due to rounding.

Discretionary Funding

Center for Substance Abuse Prevention

The Center for Substance Abuse Prevention (CSAP) awarded more than \$1.5 million in 12 discretionary grants to entities in North Carolina during FY 2004. Eight of the 12 grants were awarded to drug-free communities, and nearly half (\$7 million) of the funds were targeted at HIV/AIDS cohort services.

Center for Substance Abuse Prevention Discretionary Awards for FY 2004

CSAP Discretionary Grant	Number of Awards	Total \$ Amount
Drug Free Communities	8	681,392
HIV/AIDS Cohort 3 Services	1	349,364
HIV/AIDS Cohort 4 Services	1	350,000
SAMHSA Conference Grants	1	25,000
Youth Transition into the Workplace	1	149,987
Total	12	1,555,743

SOURCE: www.samhsa.gov

Center for Substance Abuse Treatment

The Center for Substance Abuse Treatment (CSAT) awarded more than \$1.8 million in seven discretionary funds to North Carolina. Much of those funds (\$773,840) were targeted at HIV/AIDS.

Center for Substance Abuse Treatment Discretionary Awards for FY 2004

CSAT Discretionary Grant	Number of Awards	Total \$ Amount
Effective Adolescent Treatment	1	249,967
Recovery Community Service	2	495,138
State Data Infrastructure	1	100,000
Strengthening Access and Retention	1	200,000
Targeted Capacity - HIV/AIDS	2	773,840
Total	7	1,818,945

SOURCE: www.samhsa.gov