History of System of Care in North Carolina

North Carolina has a long history of SOC that stretches back to the 1980s with a program for children involved with the juvenile justice system that resulted from a class action lawsuit in which the class was determined to not be receiving appropriate services. The stipulations of the lawsuit settlement—that children meeting the class criteria had the right to individualized treatment in the least restrictive setting possible (NC DHHS, 1999) - became the foundation for state and national child mental health initiatives that followed.

Over the past decade the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMHDDSAS), or State Mental Health Authority, and its local agencies have undergone a series of changes. DMHDDSAS merged branches in its organizational structure that served age- or disability-specific groups into sections composed of teams formed along functions and content expertise. At the local level, Area Programs, that had originally been providers of services, became Local Management Entities (LMEs), contracting with providers for the delivery of services in their catchment areas. Between 2001 and 2010 the number of LMEs was incrementally reduced from 48 to 23. The system also transitioned into a managed care environment, and the LMEs have become managed care organizations of which there are currently eight.

A major issue in the current service delivery system is the absence of a comprehensive and systematic plan for children and youth that addresses the changes brought about by the transformation of the public state delivery system for mental health and substance use disorders over the past decade. Prior to the organizational changes, North Carolina had a robust infrastructure for the delivery of mental health services for children and youth administered by the Child and Family Services Branch that began with the Willie M. Program.

The Willie M. Program

March 23, 1979 may well mark the birth of System of Care for the whole country. On this date, George F. Bason, the District Judge of Wake County, North Carolina, called a press conference where he challenged lawyers to sue him as a representative of the state for not providing institutionalized children and youth with mental illness the education and care that were entitled to them under state and federal law. As a juvenile court judge, Bason had seen the same children revolve in and out of his court. The sight of a young boy with mental illness languishing behind bars with adult prisoners for assaultive behavior because mental health and social services could find no other place for him had so appalled the judge he was compelled to call a press conference to draw the attention of the public to the problem.

*“The state of North Carolina is entering into a multi-million dollar building program for a veterinary school – to treat your cat for mange – but your severely mentally ill children must go untreated”*

*George F. Bason*

*March 23, 1979*



In September 1979, seven lawyers filed a class action lawsuit in the Federal District Court in Charlotte on behalf of four clients, the youngest of who was Willie M. That Willie M. resided in Charlotte raised the assurance that the case would be heard under a sympathetic U.S. District Court Judge who, some years earlier, had ruled against school segregation. The class was defined as North Carolina citizens under the age of eighteen who “(a) now or will in the future suffer from serious emotional, mental or neurological handicaps, which handicaps have been accompanied by behavior which is characterized as violent or assaultive; and (b) are or will be in the future, involuntarily institutionalized or otherwise placed in residential programs; and (c) for whom the Defendants have not provided appropriate treatment and educational programs.”

Named as defendants were the directors of the institutions where the four plaintiffs currently resided, the Director of Mental Health, Youth Services, and Social Services divisions of the Department of Human Resources (DHR), chief administrators of the Department of Public Instruction, juvenile court judges (including Bason himself), and finally, the then NC Governor (Willie M. et al. v. James B. Hunt et al., 1979).

A court date was set for September 1980. But on the eve of the trial, a settlement was reached that acknowledged that the plaintiffs and the class they represented had rights to appropriate treatment. The scope of services that the state was obliged to provide are stated in Paragraph 9 of the Second Set of Stipulations (Willie M. et. al., September 2, 1980).

Paragraph 9 of the Second Set of Stipulations

(A) Each plaintiff shall be provided habilitation, including medical treatment, education, training and care, suited to his needs, which affords him a reasonable chance to acquire and maintain those life skills that enable him to cope as effectively as his own capabilities permit with the demands of his own person and of his environment and to raise the level of his physical, mental, and social efficiency. Such habilitation shall create a reasonable expectation of progress toward the goal of independent community living. Defendants do not guarantee each plaintiff a “cure,” but do guarantee each plaintiff a program of habilitation which is a good faith effort to accomplish the goals set forth herein.

(B) Each plaintiff shall be provided with the least restrictive, i.e., most normal, living conditions appropriate for that person. Among the factors to be considered in determining the least restrictive living conditions appropriate for the individual are the need to minimize the possibility of harm to the individual and society.

( C) The goal of habilitation shall be to enable each plaintiff, as appropriate for that individual, to move from:

1. Living and programming segregated from the community to

living and programming integrated with the community;

(2) More structured to less structured living;

(3) Group residences to individual residences;

(4) Dependent living to independent living.

(D) Each plaintiff shall be provided such placements and services as are actually needed as determined by an individualized habilitation plan rather than such placements and services as are currently available. If placements and services actually needed are not available, the person shall be entitled to have them developed and implemented within a reasonable period. Prior to development and implementation of needed placement and services, the person shall be entitled to placement and services which meet as nearly as possible his actual needs.

The settlement led to the development of a community-based systems of services wrapped around each child or youth with case management as linchpin that was to dramatically change treatment for mental illness among children and youth in the whole country (Knitzer, 1982).

Innovations that were made in the Willie M. Program are now considered standard in System of Care. The program provided services ranging from highly restrictive placements to day treatment in the child’s

home, maintained that treatment should be individualized, and that children and youth are best served as close as possible to where

they and their family resided. It fostered coordination between services and collaboration between agencies.

The Willie M. Program pioneered pre-service and in-service training. It had a training branch that produced training videos for providers of Willie M. services and a curriculum that was offered by community colleges to students in social work and related fields. It also had a strong evaluation component, developing an outcomes instrument that included risk and resiliency measures and a computerized system that tracked and linked outcomes, services, and expenditures.

In 1998, the court determined that the state had complied with the stipulations of the agreement and closed the Willie M. case. By then, more than a thousand children had been served through the program at a cost of more than a hundred million dollars to the state.

*The Willie M. lawsuit settlement mandated a comprehensive program of physical, mental, social, and educational services in the least restrictive setting possible, individualized for each child who met class eligibility requirements, that was eventually to become known as System of Care*

The Willie M. Section was dissolved a year later and services were folded into the Child and Services Branch of the Division of Mental Health.

System of Care Demonstration Projects

Between 1994 and 2010, the Child and Family Services Branch obtained three SOC grants from the Substance Abuse Mental Health Services Authority – Center for Mental Health Services (SAMHSA – CMHS). The Pitt-Edgecombe-Nash Public Academic Liaison, (PEN PAL), the NC Faces and Communities Equals Success (NC FACES), and the System of Care Network (SOC-Net) demonstration projects implemented the

Comprehensive Community Mental Health for Children and Their Families Program (CMHI) in 26 counties in the catchment areas of three Local Management Entities located in the eastern, central, and western portions of the state.

The SAMHSA CMHS-funded projects, the Fort Bragg Demonstration project, the Carolina Alternative program (the state’s initial foray into Managed Care) have led to the adoption of a framework that is infused with the SOC philosophy and guiding principles in each of the DMHDDSAS State’s Plans starting in 2001. It also led to the founding of a statewide family organization (now North Carolina Families United) that was led by Sandra Spencer who went on to become Executive Director of the national Federation of Families on Children’s Mental Health. Grants. They also helped to sustain the SAMHSA-funded grant evaluation through the inclusion of indicators in the North Carolina Treatment and Outcomes Program Performance System (NC TOPPS), the state’s web-based system for collecting data on people with substance abuse and mental health disorders that it served (Fernandez, O’Donnell, and Grant, 2006).

The founding of the State Collaborative in 2001 was another significant achievement of the demonstration projects. Composed of representatives from state agencies, family and youth organizations, advocates, universities and colleges, and other community groups, the State Collaborative acted as the advisory body for the original grants and other grants obtained by the state and local agencies. The State Collaborative now offers a forum to discuss SOC development and issues and provides support for local collaboratives and child and family teams.

The end of the Willie M. Program, the dissolution of the Child and Family Services Branch, the integration of mental health and substance use services, and reorganization of the public service delivery system for mental health drastically changed the infrastructure for the delivery of mental health and substance use services.

At the end of the last demonstration project, the State Mental Health Agency basically had only one System of Care Coordinator at the state level overseeing System of Care Coordinators at LMEs/MCOs (funded by the General Assembly annually at $2 million dollars in recurring funds) delegated with the responsibility for the statewide implementation of System of Care.