



North Carolina Department of Health and Human Services
Office of Public Affairs

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Dempsey Benton, Secretary

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Statement by DHHS Secretary Dempsey Benton on Cherry Hospital

The loss of Medicare and Medicaid certification by Cherry Hospital in Goldsboro is more than a matter of lost funds. It speaks to me of a need to look at the circumstances which led to this point and determine what needs to be fixed and how quickly and safely we can restore the public's trust in the operations of the Hospital. As I have already stated, the Department is dedicated to providing quality care to consumers in the state facilities, and substandard care will not be tolerated.

To this end, I have contracted with the Compass Group, Inc., an independent hospital management team from out of state, to go to Cherry Hospital and give me an unbiased and unvarnished assessment of the Hospital and to develop a plan to implement whatever changes are necessary to bring this hospital not just back into compliance but to the highest standards of care. I expect to have their report before the end of September. A team of five experts in hospital operations from the Compass Group began work onsite on Wednesday.

I have requested a two-part approach from the Compass Group. First, I want a thorough and comprehensive examination of Cherry Hospital's current organizational structure, staffing patterns, policies and procedures and its management procedures. Based on their phase one assessment and the work plan they develop, Compass Group will then work onsite at Cherry Hospital and implement the plan and provide onsite management in order to see that necessary changes are acted upon and put in place.

While this action may seem drastic to some, circumstances have proven that changes need to be made at Cherry Hospital. I will take whatever actions I deem necessary in order to make Cherry Hospital a safe and secure environment for the patients under its responsibility.

I have been assured by Governor Easley that he will do all within his power to help the Department secure the funds needed to supplement the loss of Medicaid and Medicare dollars. The Governor has also directed the Office of State Personnel to approve procedures that allow adjustments in health care technician pay where needed to retain or hire qualified staff.

Governor Easley has directed me to increase my efforts in planning for the next legislative session to secure the funds and authority I have been advocating to make the mental health system more responsive and more accountable. As the Governor and I have stated

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repeatedly, the reform enacted by the General Assembly envisioned that as bed reductions at state psychiatric hospitals occurred, community service alternatives would grow. That did not happen. In fact, we have actually seen a decrease in the number of psychiatric inpatient beds in community hospitals over the past five years. We sought \$20 million in the past session for this purpose but received only \$8.1 million in funding. The Governor has directed me to aggressively pursue that additional funding in the next session.

As I have stated in the past, it is time for community hospitals to step up and accept that “psychiatric beds” are part of their community and they need to increase the number of beds available in their hospitals so mentally ill patients can be successfully treated in their home communities and not just at a state hospital.

As the Governor told me today, “I am still committed to giving you (Sec. Benton) all the resources you need to guarantee quality service to all patients. This is not an optional service that can be denied or allowed to fail. It is critically important to all of us in North Carolina, and these services must be provided properly.”

I plan to use my time as Secretary making these changes my highest priority. By Nov. 1, eight mobile crisis units – including three new units – will be operating in the catchment area covered by Cherry Hospital. These units provide local community mental health care and treatment to people in crisis, which reduces the need for treatment at Cherry Hospital. With the addition of the three new units, the entire eastern region will now be covered by one or more of these teams.

We also expect to have an additional 30 to 40 community hospital beds under contract by Dec. 1 for the eastern region.

Finally, we have just concluded an agreement with East Carolina Behavioral Health, the largest Local Management Entity in the eastern region and the source of the largest number of patients referred to Cherry Hospital. This agreement calls for certified peer specialists who will be assigned to patients referred to Cherry Hospital by the LME. These specialists will be an outside but integral part of the patient treatment plan and will work with the patient and the hospital staff to develop a wellness plan. The peer specialists will also work with the patient and hospital to develop, implement and monitor the patient discharge planning so successful community placement and followup is carried out.

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