Virginia Department of Behavioral Health & Developmental Services

Governor's Budget Proposal for DBHDS

Senate Finance Committee – HHR Subcommittee

January 15, 2018

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Acting Commissioner
Virginia Department of Behavioral Health
and Developmental Services

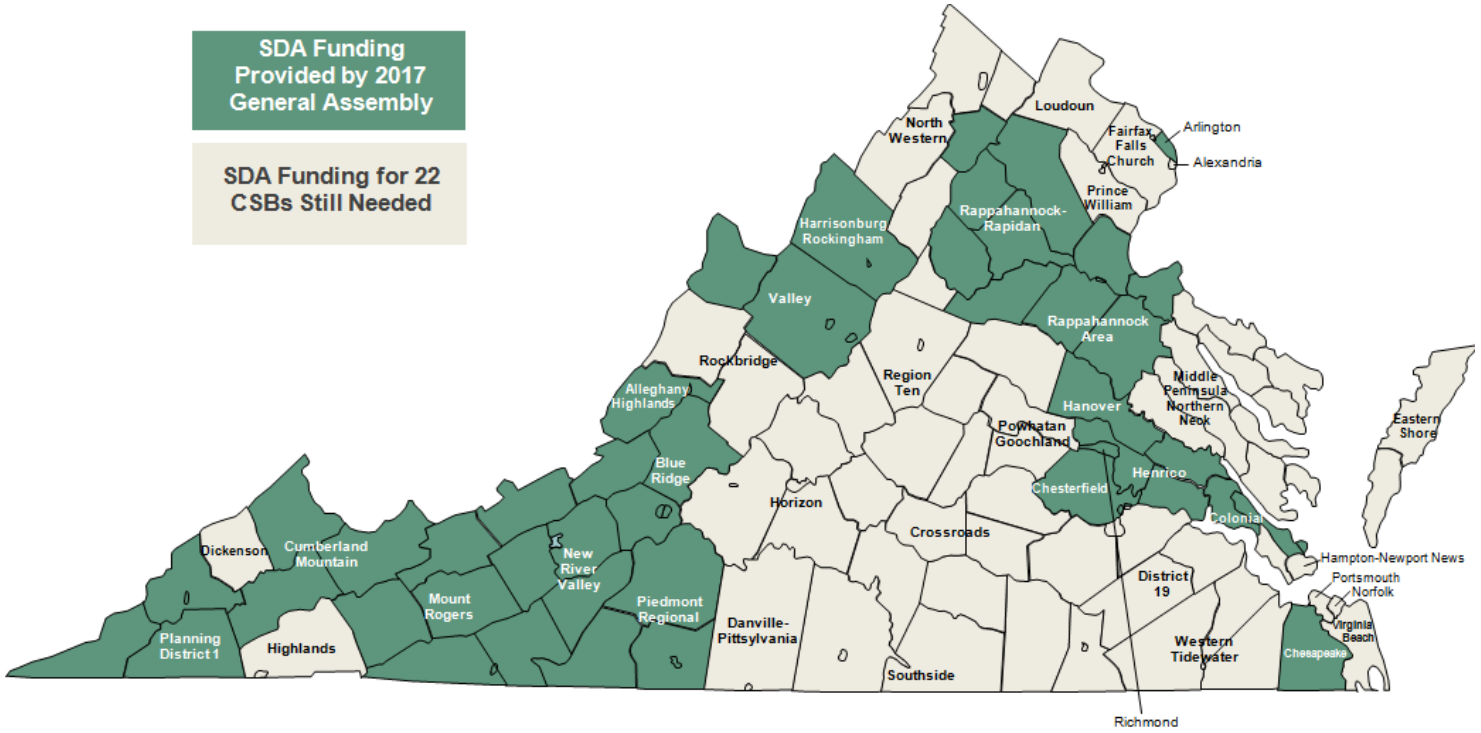
Governor's Budget Proposal for DBHDS

Summary Budget Actions	GF FY 2018 (in millions)	GF FY 2019 (in millions)	GF FY 2020 (in millions)
System Transformation, Excellence, Performance (STEP-VA)		$9.6	$13.3
State Hospital Census Management		$5.6	$10.5
Opioids / Substance-Use Disorders		$5.8	$6.7
Mental Health Hospitals		$0.9	$6.9
Virginia Center for Behavioral Rehabilitation (VCBR)	$0.2	$3.7	$11.7
Developmental Disability / DOJ Settlement Agreement	$0.9	$6.0	$10.6
Information Technology / Electronic Health Record		$5.1	$5.1
System Oversight		$0.2	$0.9
Technical Adjustments	$0.2	$0.2	$0.2
TOTAL DBHDS	**$1.3**	**$37.1**	**$65.9**
DMAS Items Impacting DBHDS		$6.0	$16.3
GRAND TOTAL	**$1.3**	**$43.1**	**$82.2**

Implementation Dates for STEP-VA Services - Required by Code

STEP-VA Service	GA Implementation Date Requirement	Funds Allocated
Same Day Access	July 1, 2019	**2017:** $4.9M GF / $4M NGF (GAP); only covers 18 of 40 CSBs
Primary Care Screening & Monitoring	July 1, 2019	–
Behavioral Health Crisis Services	July 1, 2021	–
Outpatient Behavioral Health	July 1, 2021	–
Psychiatric Rehabilitation	July 1, 2021	–
Peer/Family Support Services	July 1, 2021	–
Veterans Behavioral Health	July 1, 2021	–
Care Coordination	July 1, 2021	–
Targeted Case Management (Adults and Children)	July 1, 2021	–

18 CSBs to Receive FY 2018 Same Day Access Funding



Funding must be included to implement Same Day Access in the remaining 22 CSBs.

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Sampling of Same Day Access Initial Results

CSB	Initial Results for Same Day Access
Chesterfield	Eliminated wait-lists. Has zero no-shows for assessments (means staff spend less time doing outreach and rescheduling people who do not follow through with services). Improved (lower) drop-out rates from assessment to admission.
Blue Ridge	Decreased intake time from 3-3.5 hours to 1.5-2 hours.
Henrico	Engagement improved with a substantial increase in the show rate to the program (2016: 56% show rate; 2017: 77% show rate). Large increase in clients entering into services compared to 2016.
New River Valley	Wait time for initial intake has gone from almost 4-6 weeks to 0 days; No show rate for first appointment from assessment has decreased from over 40% to 18%.
Hanover	Launched December 1, 2017. From Dec. 1 – Dec. 29, there were 81 people who walked in for services.

Primary Care Screening and Monitoring

- In 2017, the General Assembly required all CSBs to provide outpatient primary care screening and monitoring services by July 1, 2019.
- Primary care screening and monitoring for individuals seeking services from CSBs will increase the likelihood of those at risk of physical health issues getting preventative and primary care for physical health conditions.
- Primary care screening and monitoring includes elements such as checking blood pressure, BMI, temperature, blood sugar and other health risks.
- Care coordination is vital to ensure individuals are linked with health care providers and follow up is done to address any barriers to services to address health risks.

"People with severe mental illness (SMI) have an excess mortality, being two or three times as high as that in the general population. This ..translates to a **13-30 year shortened life expectancy** in SMI patients…About **60% of this excess mortality is due to physical illness**." - Journal of World Psychiatry (Feb. 2011)

Governor's Budget Proposal for STEP-VA

	FY 2019	FY 2020
Same Day Access (SDA) for 22 Remaining CSBs	$5.9M	$5.9M
Primary Care Screening and Monitoring in 40 CSBs	$3.7M	$7.4M
GF State Match for SDA (DMAS)	$1.6M	$1.6M

State Hospital Utilization FY 2014 and FY 2017
(1st Day of the Month Census)

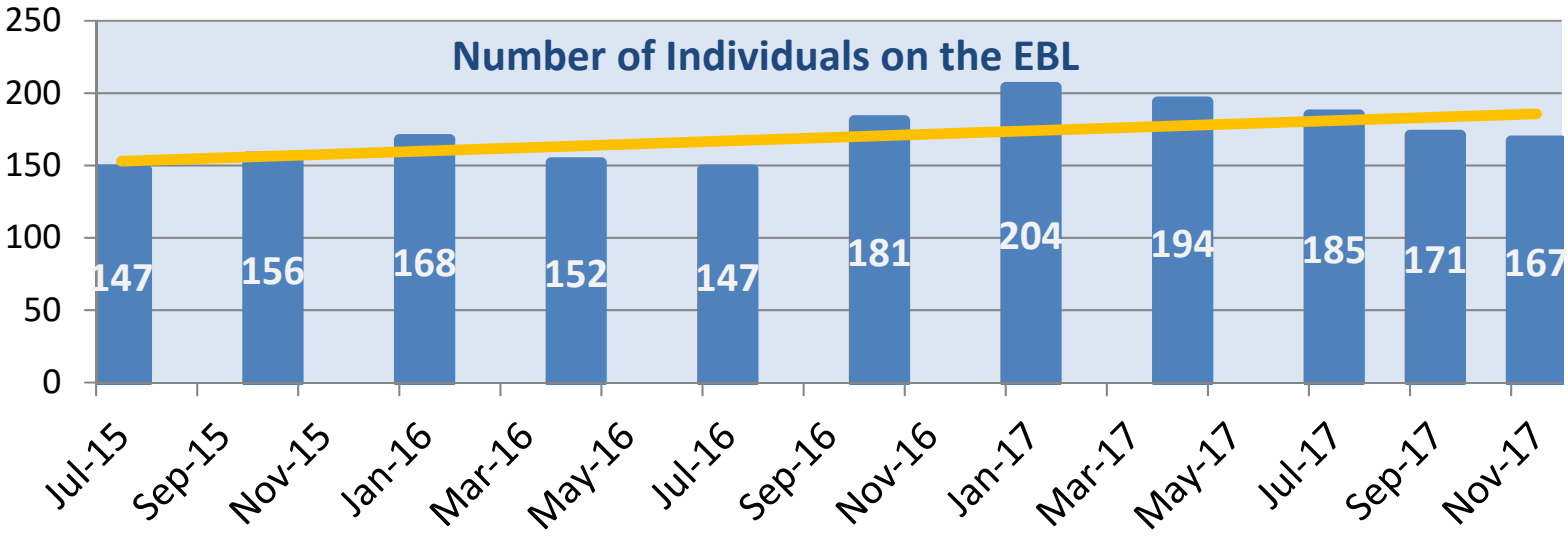
	CH	CSH	ESH	NVMHI	PGH	SVMHI	SWVMHI	WSH	Average
FY 2014	86%	66%	88%	97%	90%	93%	92%	86%	**87%**
FY 2017	94%	86%	100%	86%	97%	90%	94%	95%	**93%**

55-69% | 70-84% | 85-99% | 100%+

A utilization rate of **85%** or lower is safest for both patients and staff

Extraordinary Barriers to Discharge List (EBL)

In November 2017, there were **167** individuals in state hospitals who were clinically ready for discharge for more than 14 days but appropriate community services were unavailable to facilitate a safe discharge. This is 13 percent of the total statewide census. A special effort this year discharged 122 people from the EBL, but approximately 575 people are added every year.



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Permanent Supportive Housing

- Chronic housing instability and homelessness are correlated with high health, behavioral health, and criminal justice system costs.
- Permanent Supportive Housing (PSH) combines affordable rental housing with supportive services to address the treatment, rehabilitative, and recovery support needs of adults with serious mental illness.
- Studies have found PSH effectively improves **participants' housing stability** and **reduces emergency department and inpatient hospital utilization**.
- From FY 2015 – FY 2018, DBHDS has received $9.3M for PSH.
- Approximately 391 individuals are currently housed and 310 additional individuals will be housed this fiscal year.
- Once the leases are completed, DBHDS will house and serve 700 people with serious mental illness through PSH funding.

State Hospital Census Management Community Integration Plan

	FY 2019	FY 2020
Community Discharge Services Provides funds and 10 positions to develop/support two assisted living facilities for individuals with serious mental illness, and two community support teams to facilitate discharges of individuals on the EBL. A separate DSS item provides the associated cost to the auxiliary grant program ($299K GF in FY 2020).	$1.8M	$2.8M
Discharge Assistance (DAP) Funds Facilitates discharges for individuals currently on the EBL.	$2.3M	$4.6M
Expand Permanent Supportive Housing Provides housing options for up to 200 adults with serious mental illness.	$1.5M	$3.1M

Opioids/Substance Use Disorders

	FY 2019	FY 2020
Medication Assisted Treatment (MAT) MAT combines therapy and medications to treat substance use disorders. Funds are back-filling federal grant funds allocated to CSBs that are set to expire April 2018.	$5.0M	$5.0M
Supportive Housing for Pregnant and Parenting Women Of the 12,047 women who received CSB substance use services in 2016, 4,142 had dependent children and 738 were pregnant at the time of services. Funds would serve at least 75 low-income pregnant and/or parenting women with substance use disorders.	$826K	$1.7M

Workforce Challenges

- Direct care staff turnover is the highest in 10 years, a huge issue for state hospital census management.

State Hospital Staffing Vacancy Rates – August 2017

	CAT	CSH	CCCA	ESH	NVMHI	PGH	SVMHI	SWVMHI	WSH
Direct Care DSAs	18%	10%	19%	30%	7%	35%	11%	6%	0%
Direct Care RNs	26%	24%	50%	27%	14%	39%	12%	12%	27%

- The average salary trails the national market. Hospitals are facing staffing shortages and overtime is increasing as a result.
- RN vacancy rate across nine hospitals is 25.7%; Direct care vacancy rate is 16.8%.
- CSBs are losing case managers to the Health Plans who are paying $10-15,000 more with other incentives. “Pay not equal to workload" was among the top five reasons cited for leaving a case management position.

RN = Registered nurse

DSA = Direct service associate

State Mental Health Hospitals

	FY 2019	FY 2020
Support for 56 New Beds at Western State Hospital	–	$5.6M
Backfill DSH Payments	$908K	$1.3M

112 positions in FY 2020 for the operating costs associated with an expansion currently under construction. FTEs and ongoing funding necessary to open two new 28 bed units at Western State Hospital (WSH), scheduled to open April 2020.

Addresses reduced federal disproportionate share (DSH) collections at Piedmont Geriatric and Catawba Hospitals associated with federal legislation. DSH payments are comprised of federal and state dollars and are made to qualifying hospitals that serve a large number of Medicaid and uninsured individuals. There is a corresponding reduction in DMAS for half of this amount to reflect the GF match which is no longer required.

Hancock Geriatric Treatment Center (HGTC)

DBHDS was required to "*procure an independent contractor… to determine the necessary requirements to seek the appropriate Medicaid certification of all or a portion of HGTC.*" The study was completed in 2017 by Health Management Associates and the Behavioral Health Policy Collaborative.

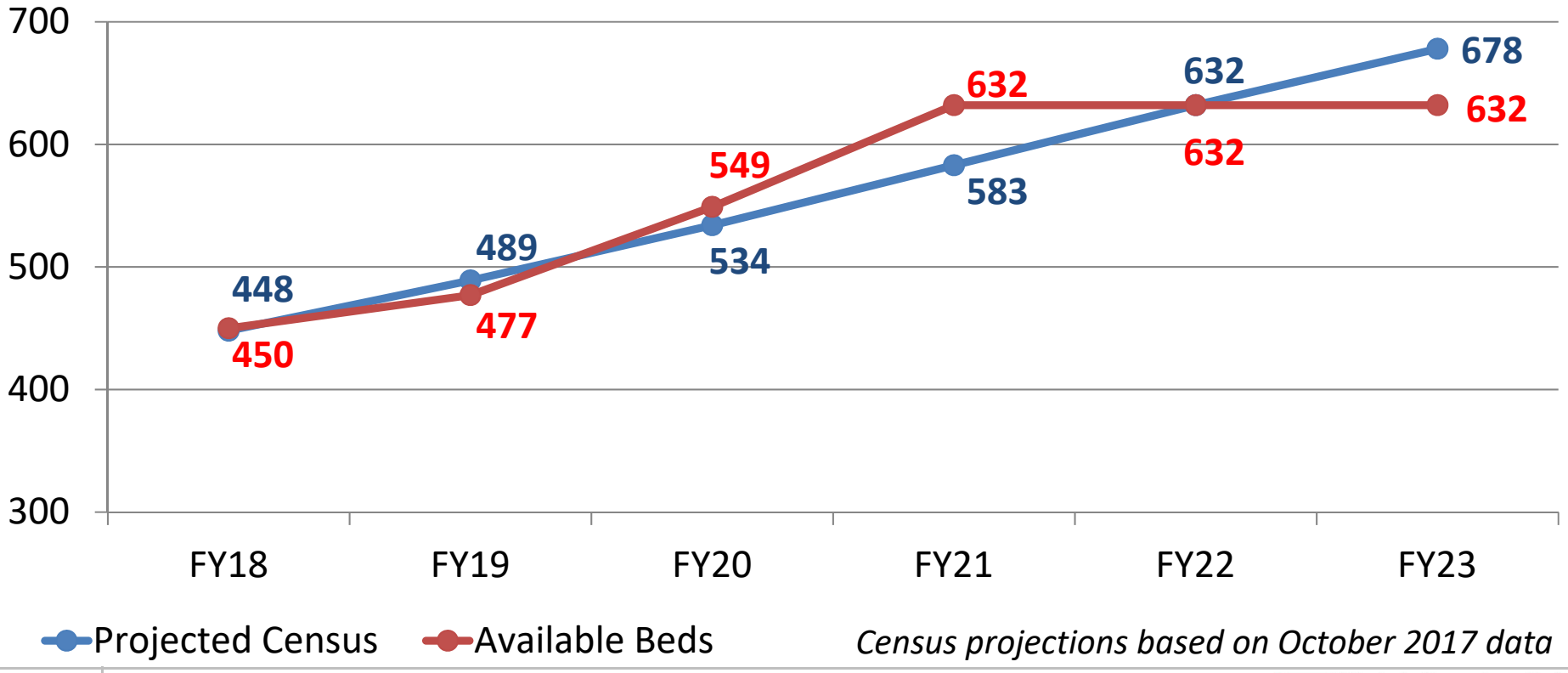
Findings
HGTC had been operating as an Institution for Mental Diseases (IMD), which had never been cited as a barrier by the state survey agency.
HGTC patients require active treatment and have not appropriate to be served by a nursing facility.
The risks, health, and safety needs of patients make it difficult, if not impossible, to provide a range of choices/freedoms required by the revised nursing facility certification.
Recommendations
HGTC should NOT seek to recertify as a nursing facility.
HGTC could seek certification under the Special Conditions of Participation as a Psychiatric Hospital for patients who meet medical requirements. Would need staffing adjustments/physical plant modifications.
HGTC should focus on providing acute psychiatric stabilization; ensuring management of complex cases with co-occurring conditions; developing community based long term services.

Geropsychiatric Services

DBHDS was required to *"hire a contractor to develop a comprehensive plan for the publicly funded geropsychiatric system of care in Virginia."* Study completed in 2017 by Health Management Associates.

Findings
The state hospitals have become the primary provider for many publicly funded older adult populations, even those who would traditionally not be served in inpatient psychiatric settings.
Virginia bears the financial burden for services that are eligible for a federal share of reimbursement under Medicaid and Medicare.
The aging hospitals need repair and modernization to maintain certification and accreditation status for reimbursements and modernization to meet patient care needs.
Recommendations
Rebalance reliance on state hospitals and revisit their role in providing long term services.
Build a full continuum of publicly funded care for older adults with mental illness.
Optimize funding streams to enable payments from Medicaid and Medicare, use state resources for needed services not eligible for federal match, leverage the strengths of DARS, DBHDS and DMAS.
Continue state funding for pilot programs that increase community-based options for older adults.
Explore opportunities for realigning community services to more effectively meet population needs.

Projected VCBR Census vs Existing and Expansion Beds (FY 2018 – FY 2023)



Census projections based on October 2017 data

Virginia Department of Behavioral Health & Developmental Services

VCBR Overflow and Operations

	FY 2019	FY 2020
Temporary Beds at PGH for Medically Infirm Residents 20 positions ($214K) in FY 2018, 35 additional positions (55 total positions) in FY 2019 and operating costs in FY 2020 to temporarily house 22 VCBR residents with significant medical needs at PGH.	$2.8M	$2.9M
Additional Beds for VCBR Expansion 147 positions in FY 2020 to support the operating costs associated with 72 new beds at the expanded VCBR facility.	–	$7.8M
Medical Costs for Residents with Hepatitis Funds treatment for affected residents, including pharmaceuticals, lab and exam as well as transportation costs.	$540K	$540K
Conditional Release Supervision Funds the increase in costs associated with the supervision and monitoring of VCBR residents that have been conditionally released.	$332K	$519K

Current Developmental Disability (DD) Slot Assignments

Building Independence (BI)	Family & Individual Supports (FIS)	Community Living (CL)
For adults (18+) able to live independently in the community	For individuals living with their families, friends, or in their own homes	24/7 services and supports for individuals with complex medical and/or behavioral support needs through licensed services
261 Individuals	**1,706** Individuals	**11,183** Individuals
Total Individuals Receiving Waiver Services = 13,150		

Waiting List Update
(January 2018)

Priority I

Projected to need services in a year

3,051 Individuals

Priority II

Expected to need services in 1-5 years

5,334 Individuals

Priority III

Expected to need services in 5+ years

3,935 Individuals

Total Waiting List = 12,320

Waiver Slot Assignments

FY 2018 CL and FIS waiver slots were assigned by independent Waiver Slot Assignment Committees.

- All of these slots went to individuals who were Priority 1.
- All of these slots were assigned by the end of November, 2017 (following CMS funding approval received on 9/7/17)

FY 2018 BI slots are assigned by independent ***regional*** Waiver Slot Assignment Committees.

- Regional committees are a new process this fiscal year, which required modified rules/organization.
- All FY 2018 BI slots will be assigned by the end of January 2018.

Emergency and Reserve Slot Assignments

All FY 2017 Reserve slots were assigned.

- 100% of individuals assigned a FIS reserve slot came from the BI waiver;
- 87% of individuals assigned a CL reserve slot came from the FIS waiver;
- 13% from the BI;
- 39 requests for reserve slots were denied (individuals did not meet criteria).

Requests for emergency slots are submitted by the CSB and reviewed by a committee of director-level staff at DBHDS. All efforts are made to secure other resources/explore other options. Assignment of an emergency slot is a last resort.

When a slot becomes vacant during the year, it is reassigned by the Waiver Slot Assignment Committee. Information is reviewed about the Priority 1 individuals with the most critical needs in the area with the vacant slot. The number of individuals reviewed is at least two times the number of vacant slots.

DD Waiver Slots

	FY 2019	FY 2020
Settlement Agreement Waiver Slots (DMAS) Funds an additional 825 slots to ensure mandates are fulfilled.	$14.5M	$30.5M
Waiver Reserve Slots (DMAS) Funds 50 waiver slots to address emergencies and provide a reserve for transfers between waivers or out of facilities.	$937K	$1.9M

- **Reserve Slots** – Transitions DD waiver recipients whose needs have changed to another DD waiver so they can access services not available in their current waiver.
  - 40 FY 2017 reserve slots have been distributed
  - 24 individuals now waiting to move between waivers
- **Emergency –** Abuse/neglect + no other caregivers available *or* death/lack of caregiver; Have had four emergencies in the past year.

Developmental Disabilities (DD) and Department of Justice (DOJ)Settlement Agreement

	FY 2019	FY 2020
Support Early Intervention (Part C) Growth Ensures mandated Part C services provided to all eligible children. Includes $882K in FY 2018.	$1.8M	$2.8M
Children and Adult Crisis Homes Funds operational costs of a children's crisis home and an adult transitional home in northern Virginia.	$2.4M	$3.2M
Rental Assistance Program Provides rental subsidies to up to 343 individuals with DD seeking independent housing options in the community.	$1.6M	$4.1M
DD Health Support Network (DDHSN) 8.75 positions in FY 2020 to expand DDHSN services to individuals transitioning from CVTC into the community.	–	$1.3M

DOJ Settlement Agreement (continued)

	FY 2019	FY 2020
Support to Individuals Without Medicaid Provides health care coverage to additional individuals transitioning from training centers to the community who have been determined to be Medicaid ineligible.	$175K	$175K
Increase Independent Reviewer Support Supports increased costs being realized by the settlement agreement independent reviewer as a result of increased reporting requirements and waiver slots.	$62K	$101K
Reduce Training Center Budget Due to Decreasing Census **A ($1.0 million) GF savings in FY 2020** to account for decreasing training center expenditures as a result of declining censuses and projected closures. There is a companion amendment at DMAS to reflect GF savings associated with reduced reimbursement due to lower expenditures.		($1.0M)

Virginia's Training Center Census
January 11, 2018

Training Center	2010	2012	2014	2016	1/8 2018	Projected Census 6/30/2018
Southwestern (SWVTC) Closure date: 2018	192	173	144	98	55	0
Central (CVTC) Closure date: 2020	426	342	288	192	113	98
Total Remaining Beds to be Closed in SWVTC and CVTC	**618**	**515**	**432**	**290**	**168**	**98**
Southeastern (SEVTC) Stays open	143	104	75	65	73	70
Total Statewide Census *	**1,198**	**969**	**614**	**355**	**241**	**168**

***Southside Virginia Training Center closed in 2014 and Northern Virginia Training Center closed in 2016. These facilities are included in the "Total Statewide Census" row in the years they were still open.*

Bond Defeasance: Current estimates if the properties do not continue in public use:
CVTC – $25 million; SWVTC – $6.5 million.

Electronic Health Records (EHR)

	FY 2019	FY 2020
Implement EHR at all DBHDS Facilities Includes development and roll out costs for six hospitals and Southeastern VA Training Center	$5.1M	$5.1M

- The EHR provides an electronic record of patient health information at state hospitals, including demographics, progress notes, clinical assessments, medication orders, past medical history, laboratory data and therapy reports.
- The EHR currently operates in **three of nine state hospitals**.
- Not having an EHR in the majority of state hospitals is harming DBHDS' ability to recruit and retain new nurses and doctors as well as compromising the ability to ensure safe medication practices and other medical processes.

Monitoring and Oversight – Licensing

	FY 2019	FY 2020
Additional Licensing Positions	$238,692	$859,294

Adds five positions in FY 2019 and four more positions in FY 2020 (nine total) to address the backlog in the increasing number of providers and provider locations.

- As of September 2017, DBHDS licenses 1,053 private providers who offer 2,818 services at 9,158 locations across Virginia.
- The DBHDS licensing office is currently supported by 34 licensing specialists and one data analyst.
- DBHDS licensing staff have case loads of 270-320 versus a national average of 70-90.

Background Slides

Age of Facility Structures

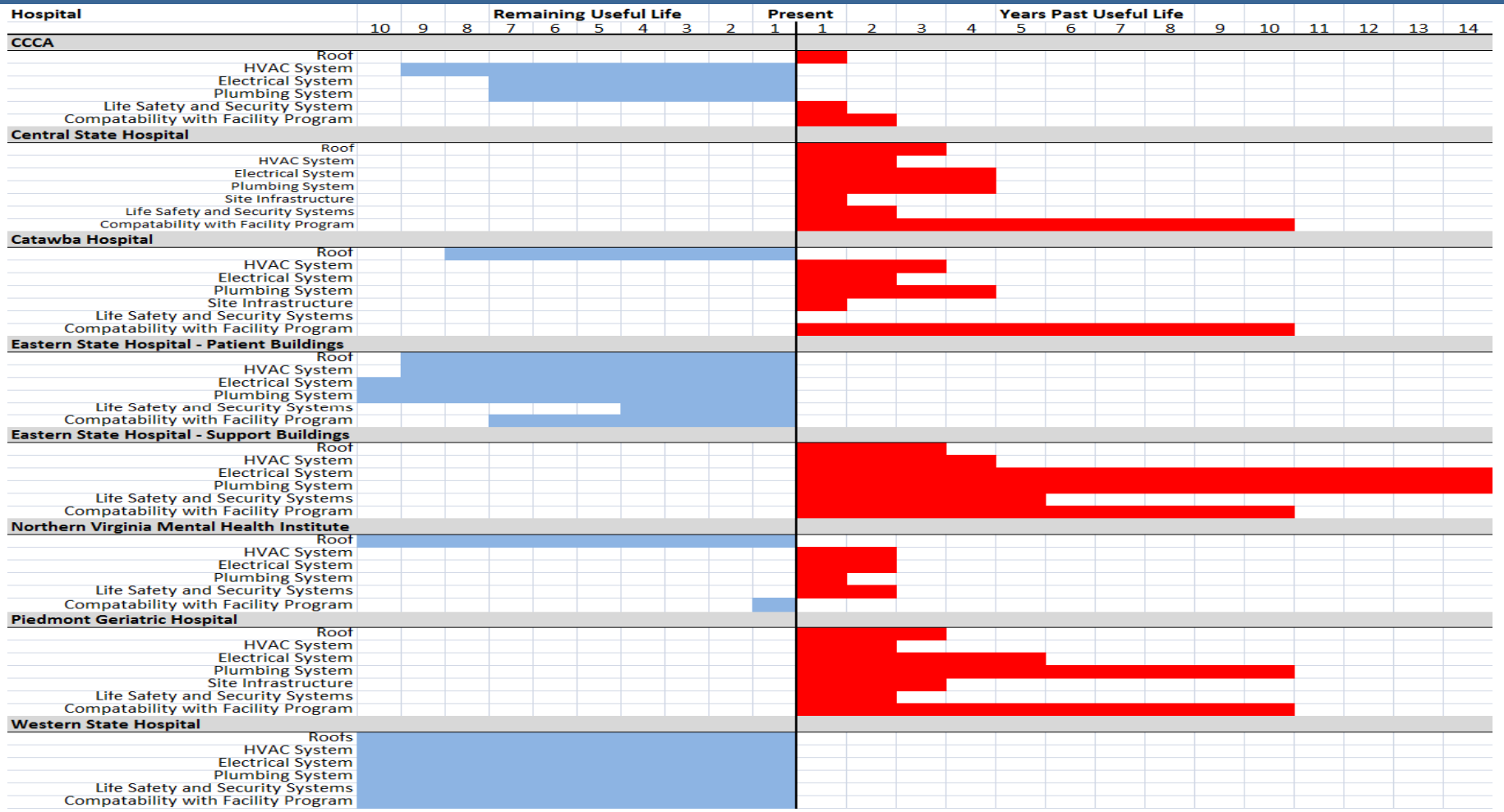
Facility and Building	Avg. Age	0-10 yrs.	11-20 yrs	21-30 yrs	31-40 yrs	41-50 yrs	51-60 yrs	61-70 yrs
Catawba Hospital	64 yrs							
Central State Hospital	56 Yrs							
Commonwealth Center for Children and Adolescents	21 Yrs							
Eastern State Hospital	10/56 Yrs	treatment	support buildings					
Hiram W. Davis Medical Center	43 Yrs							
Northern Virginia Mental Health Institute	21/52 Yrs	addition			original building			
Piedmont Geriatric Hospital	68 Yrs							
Southeastern Virginia Training Center	5 yrs.							
Southern Virginia Mental Health Institute	47 Yrs							
Southwestern Virginia Mental Health Institute	28/71 Yrs	treatment			support			
Western State Hospital	4 Yrs.							
Virginia Center for Behavioral Rehabilitation	9 Yrs.							

Less than 20 years old

Over 20 but less than 30

Over 30- needs renovation or replacement

Useful Life Analysis



Technical Adjustments

Budget Actions	Adjustment
Correct Appropriations Error in Central Office Budget to address a double count action reflected in Chapter 836, associated with a rejected licensing fee.	$200K in FY 2018, 2019 and 2020
Transfer Discharge Assistance Program (DAP) support from Central Office and State Hospitals to CSB budget.	$2.5M in FY 2019 and 2020
Transfer Local Inpatient Purchase of Services (LIPOS) support from Central Office and State Hospitals to CSB budget.	$2.25M in FY 2019 and 2020
Transfer funds for two permanent supportive housing oversight positions from the CSB budget to the Central Office budget.	$200K in FY 2019 and 2020
Transfer funds for community integration managers (three positions) from Training Center to Central Office budget.	$235,323 in FY 2019 and 2020
Increase federal fund appropriation for Central Office to align and support Medicaid cost allocation plan for FY 2019 and FY 2020	

DMAS Packages (DBHDS Initiated)

	FY 2019	FY 2020
Complete Implementation of Same Day Access State match GF component.	$1.6M	$1.6M
Settlement Agreement Waiver Slots Funds an additional 825 slots to ensure mandates are fulfilled.	$14.5M	$30.5M
Waiver Reserve Slots Funds 50 waiver slots to address emergencies and provide a reserve for transfers between waivers or out of facilities.	$937K	$1.9M

NOTES

- *Training center savings at DMAS* – These amounts reflect the GF savings ($(10.5M) for FY19 and $(17.0M) for FY20) associated with the anticipated closure of SWVTC on June 30, 2018 and CVTC on June 30, 2020. (The savings were derived from estimated expenditure plans in FY 2019 and estimated reimbursements and closure costs in FY 2020).
- *DSH reduction at DMAS* – Savings reflect anticipated GF decreases in DSH payments ($453,910) in FY19 and $635,474 in FY20) associated with scheduled reductions as a result of the Affordable Care Act.