

SENATE OF VIRGINIA

Senate Finance Committee



State Mental Health Hospitals Under Pressure: *Current Challenges and Future Role*



November 17, 2016



Presentation Overview

Topics covered in this presentation:

- Brief Background on Mental Health Care in America
- Background on the State Mental Health System
- Trends for the State Mental Health Hospitals in the Commonwealth and Challenges
- The Future Role of the State Mental Health Hospital in a Community-Based System



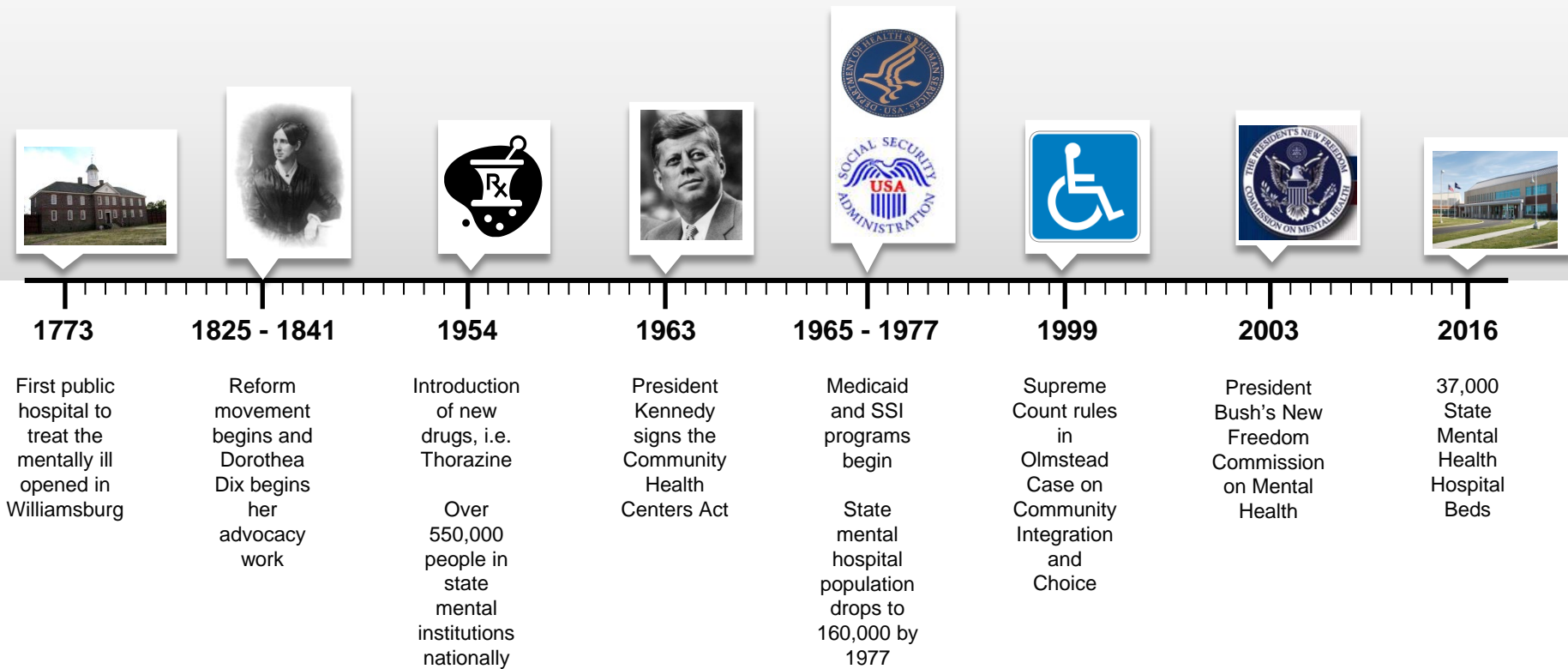
Virginia Built the First Public Psychiatric Hospital in America

- The first public hospital to care for the mentally ill was opened in October 1773, in Williamsburg.
- The facility had 24 beds and only admitted persons considered to be curable or dangerous.
- Prior to the creation of the hospital, mentally ill persons were typically confined to jail.



The Public Hospital for Persons of Insane and Disordered Minds

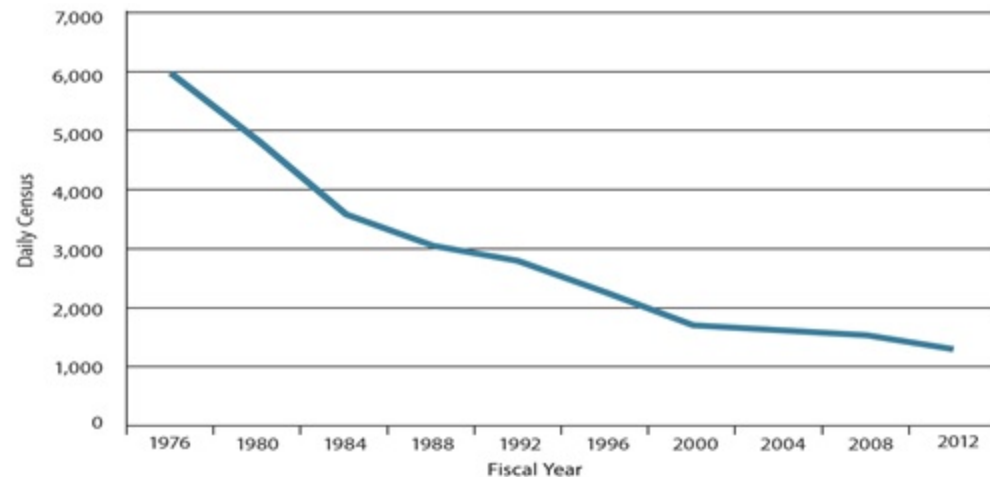
Timeline of Mental Health Care and Deinstitutionalization in America



Deinstitutionalization Impact

- Rapid deinstitutionalization of state mental health hospitals began in the 1960's. In 1970, the average daily census was over 9,300, and is down to about 1,300 today.
- It is generally accepted that neither the federal government nor state governments provided adequate resources to fully develop the community capacity needed to treat individuals with serious mental illness as deinstitutionalization occurred.
- The resulting impact is high numbers of the mentally ill in jail and in the state correctional system, utilizing emergency rooms in crisis, and among the homeless.

Virginia Mental Health Hospital Average Daily Census (1976 -2012)



8 Major Virginia Mental Health Studies Since 1971

1971	Hirst Commission	Commission on Mental, Indigent and Geriatric Patients
1979	JLARC	Report on Deinstitutionalization and Community Services
1980	Bagley Commission	Commission on Mental Health and Mental Retardation
1986	Emick Commission	Commission on Deinstitutionalization
1986	JLARC	Report on Deinstitutionalization and Community Services
1997	Rhodes Commission	Joint Subcommittee to Study the Effects of Deinstitutionalization
2000	Gartlan Commission	Joint Subcommittee to Evaluate the Future Delivery of Publicly Funded Mental Health, Mental Retardation and Substance Abuse Services
2014 - 2017	Deeds Commission	Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21 st Century



Why is the Public Mental Health Care System so important?

- In 2014, 18% of adults (over 1.1 million) in Virginia were identified as having a mental illness and about 3.8% or 240,000 Virginians had a serious mental illness.
- Estimates place the number of children and adolescents in Virginia with serious emotional disturbance at 100,000.
- Nationally, 24% (104,000) of homeless adults are considered seriously mentally ill.
- 6,554 (16.4%) inmates in local and regional jails have a mental illness.
- The cost to the state through the criminal justice system, along with the economic impact of mental illness on society, affects every Virginian.

Sources: SAMHSA, Center for Behavioral Health Statistics and Quality, National Survey on Drug Use and Health, 2013 and 2014; NIMH Data; and 2015 U.S. Housing and Urban Development Survey.



What is the Public Mental Health System in Virginia?

- Nine state psychiatric hospitals (eight for adults and one for children) provide inpatient hospital care with a capacity of 1,491 beds.
- Community-based services are provided through a system of 39 Community Services Boards and one Behavioral Health Authority established in 1968.
 - Mandated to provide case management and emergency services.
 - Other services include outpatient services, day support, residential, and employment services.
- Private providers, reimbursed through Medicaid, also play a major role in providing mental health services.
- State correctional facilities and local and regional jails hold several thousand offenders with serious mental illness.



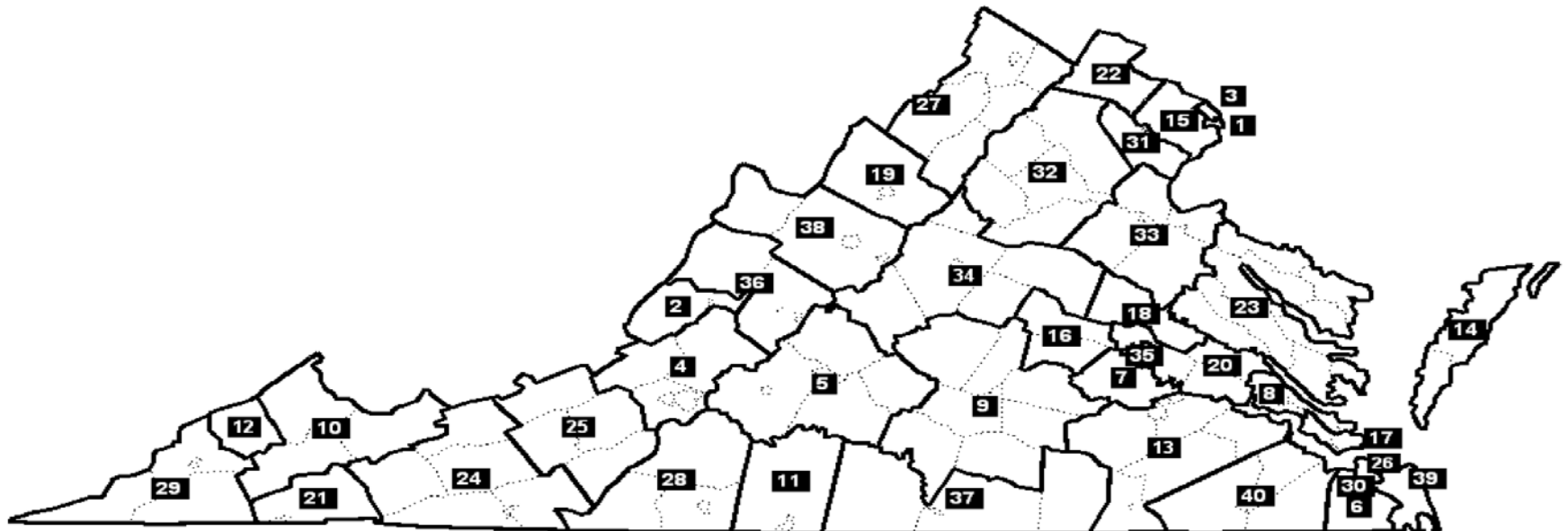
The Public Mental Health System Serves Many In Need

- In FY 2015, 118,919 individuals received mental health services from Community Services Boards and 32,964 received substance abuse services.
 - 70% were adults and 30% were children.
- Of the adults, 65% had a serious mental illness and of the children, 77% had a serious emotional disturbance.
- About 68% of total CSB spending in FY 2015 was for mental health and substance abuse services (\$720 million).
 - Approximately 55% of the individuals receiving mental health services were covered by Medicaid.
- In FY 2015, 5,814 individuals received services in state mental health hospitals, with annual expenditures of \$341.2 million (total funds).



Map of the Community Services Boards

1	Alexandria	11	Danville-Pittsylvania	21	Highlands	31	Prince William
2	Alleghany Highlands	12	Dickenson County	22	Loudoun County	32	Rappahannock-Rapidan
3	Arlington County	13	District 19	23	Middle Peninsula-Northern Neck	33	Rappahannock Area
5	Horizon Behavioral Health	14	Eastern Shore	24	Mount Rogers	34	Region Ten
4	Blue Ridge Behavioral	15	Fairfax-Falls Chruch	25	New River Valley	35	Richmond
6	Chesapeake	16	Goochland-Powhatan	26	Norfolk	36	Rockbridge Area
7	Chesterfield	17	Hampton-Newport News	27	Northwestern	37	Southside
8	Colonial Behavioral Health	18	Hanover County	28	Piedmont	38	Valley
9	Crossroads	19	Harrisonburg-Rockingham	29	Planning District One	39	Virginia Beach
10	Cumberland Mountain	20	Henrico Area	30	Portsmouth	40	Western Tidewater



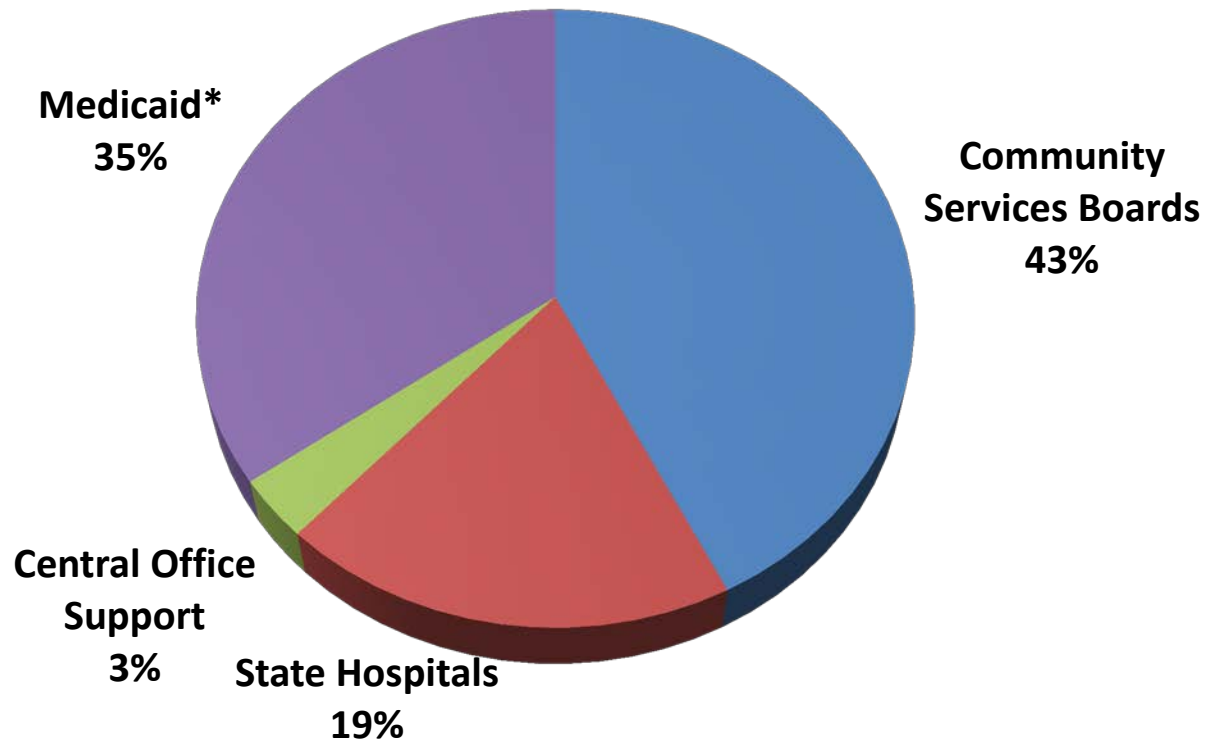
Current System of State Psychiatric Hospitals

Hospital	Beds	Location
Eastern State Hospital	302	Williamsburg
Central State Hospital	277	Petersburg
Western State Hospital	246	Staunton
Southwestern Virginia Mental Health Institute	179	Marion
Northern Virginia Mental Health Institute	134	Falls Church
Piedmont Geriatric Hospital	123	Burkeville
Catawba Hospital	110	Catawba
Southern Virginia Mental Health Institute	72	Danville
Commonwealth Center for Children and Adolescents	48	Staunton
Total	1,491	



How is the Public Mental Health System Funded?

FY 2015 Total Public Funding = \$1.75 billion
(Does not include Dept. of Corrections or Jails)

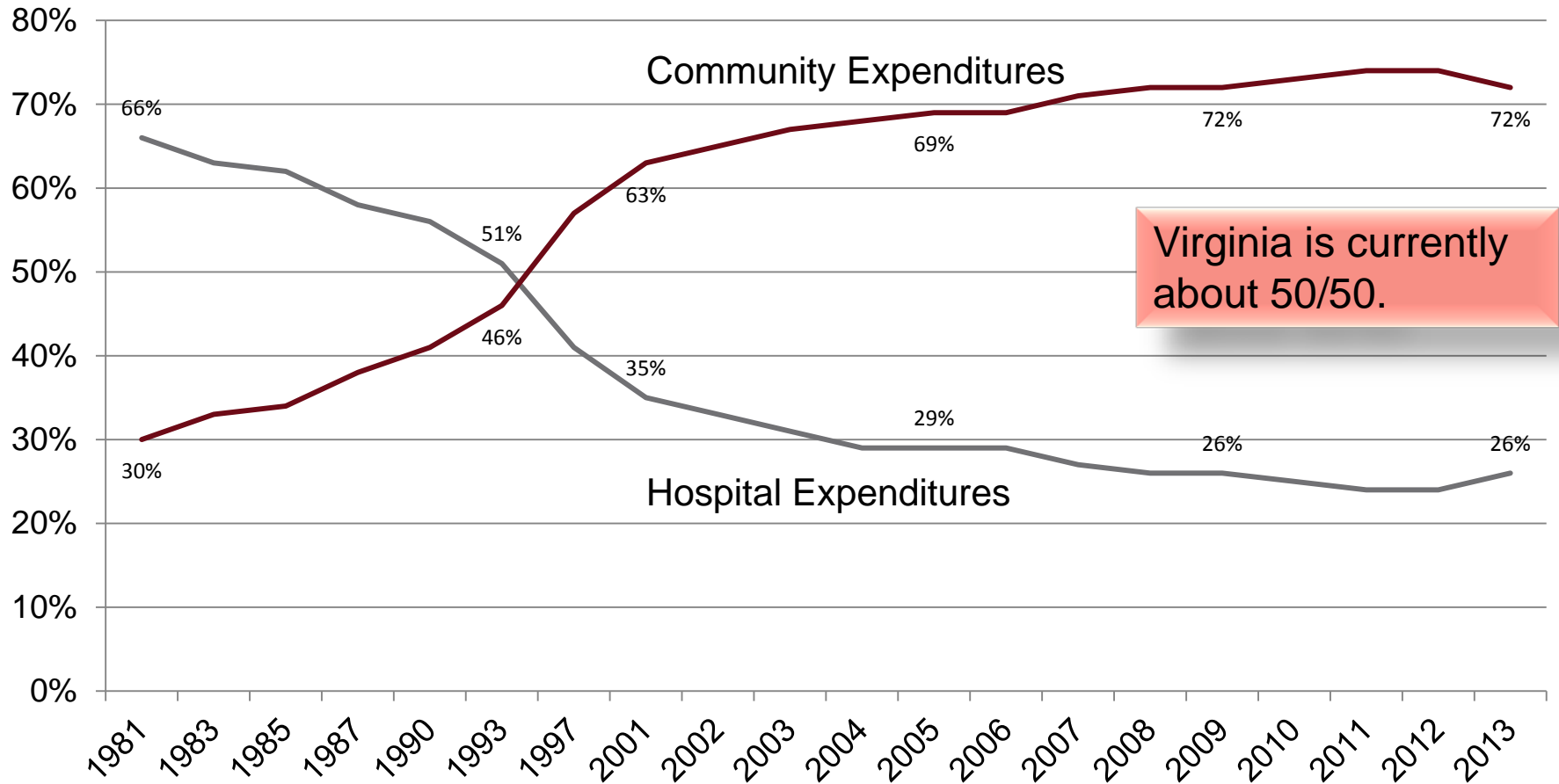


**Excludes Medicaid Payments to CSBs and state mental health hospitals.
Source: Data provided by DMAS and DBHDS.*



Virginia is Lagging the National Transition to Community Services

National % of State Mental Health Agency Expenditures by Setting



Virginia is currently about 50/50.

Source: National Association of State Mental Health Program Directors



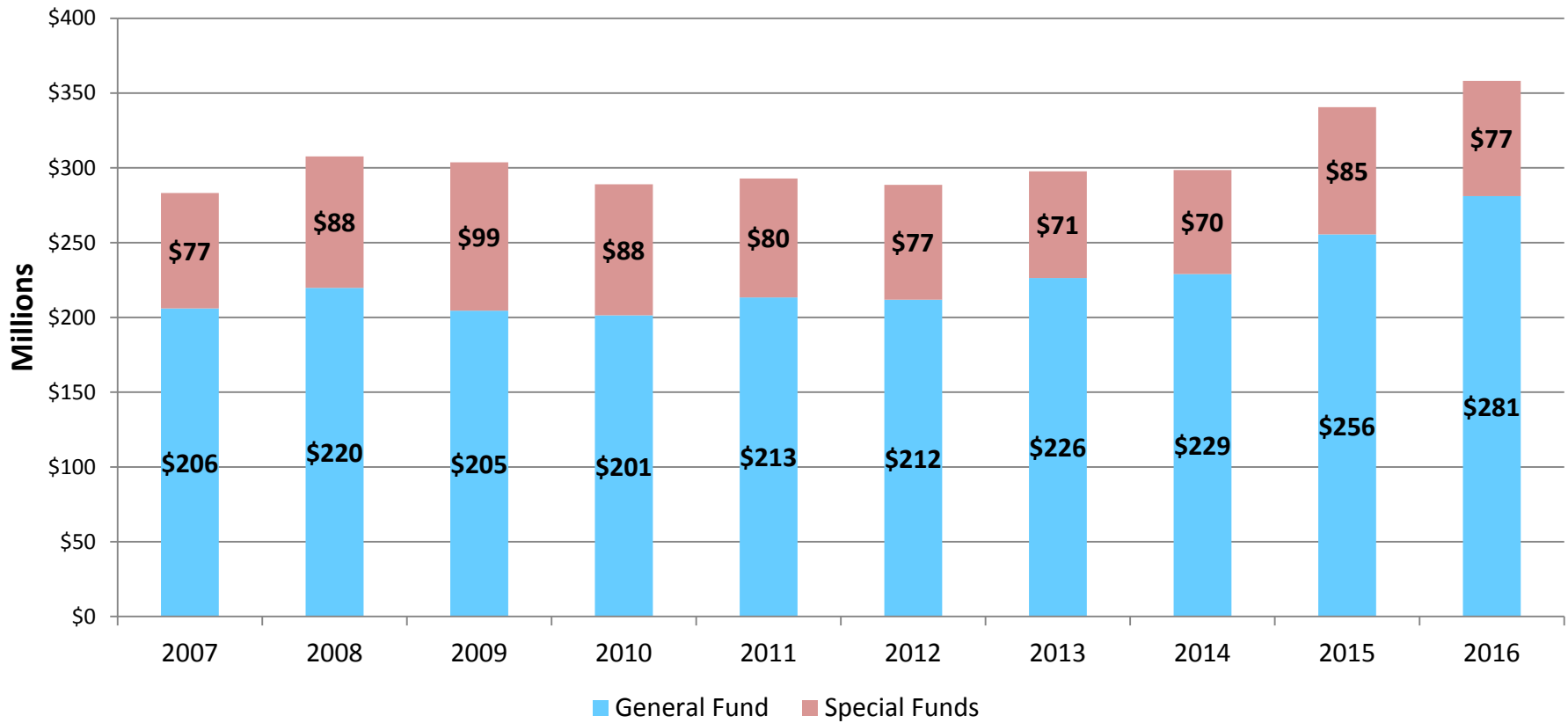
State Support for Community Services Has Grown

Community Services Boards Mental Health and Substance Abuse Services Expenditures (Prior 10 Fiscal Years)



State Hospital Spending

State Mental Health Hospital Expenditures By Funding Type

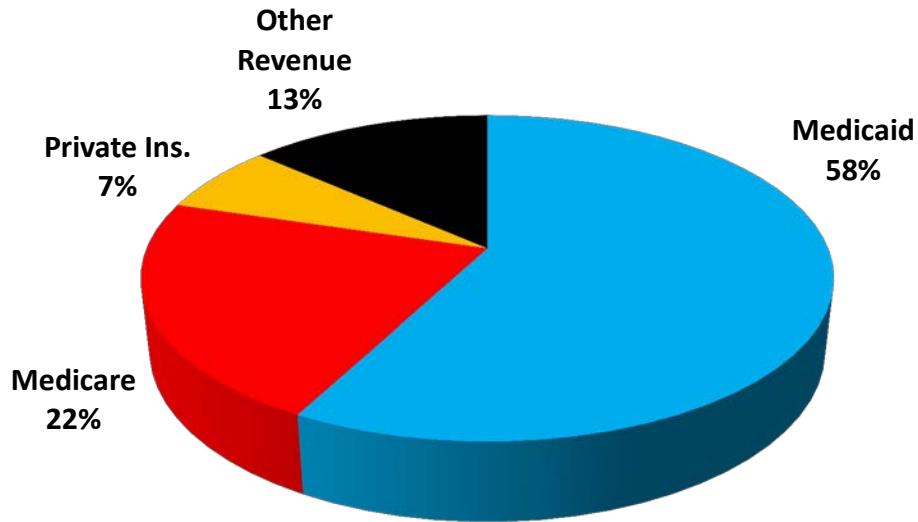


Note: Special funds are revenue from Medicaid, Medicare, commercial insurance and private pay.

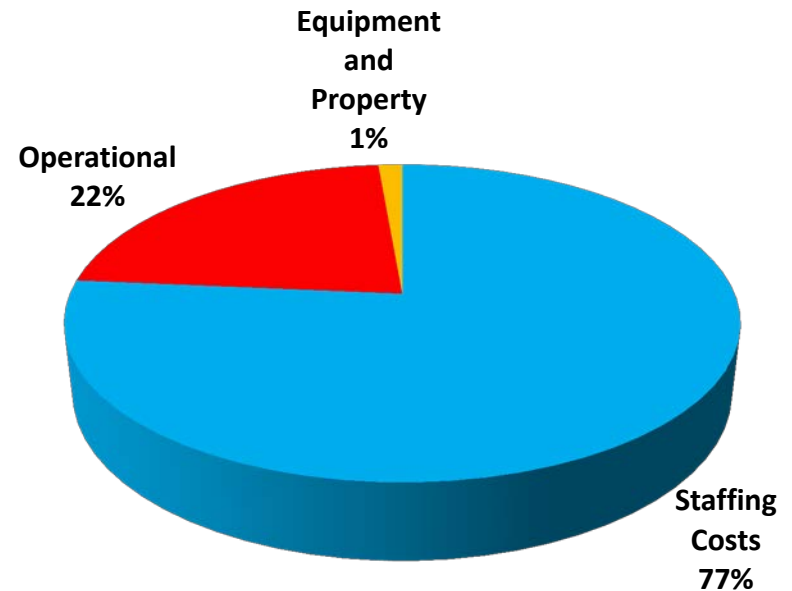


State Hospital Revenues and Expenditures

FY 2016 NGF Revenue
\$55.6 million



FY 2016 Expenditures
\$358.2 million (All Funds)



Note: Except for children and geriatric patients, Medicaid does not pay for inpatient psychiatric care for adults (IMD Exclusion).



Hospital Cost per Bed Averages

\$237,000 Annually

Hospital	Beds	FY 2016 Cost / Bed
Eastern State Hospital	302	\$236,282
Central State Hospital	277	\$254,613
Western State Hospital	246	\$245,626
Southwestern Virginia Mental Health Institute	179	\$223,364
Northern Virginia Mental Health Institute	134	\$236,420
Piedmont Geriatric Hospital	123	\$248,462
Catawba Hospital	110	\$216,436
Southern Virginia Mental Health Institute	72	\$236,025
Commonwealth Center for Children and Adolescents	48	\$270,726
Average		\$237,142

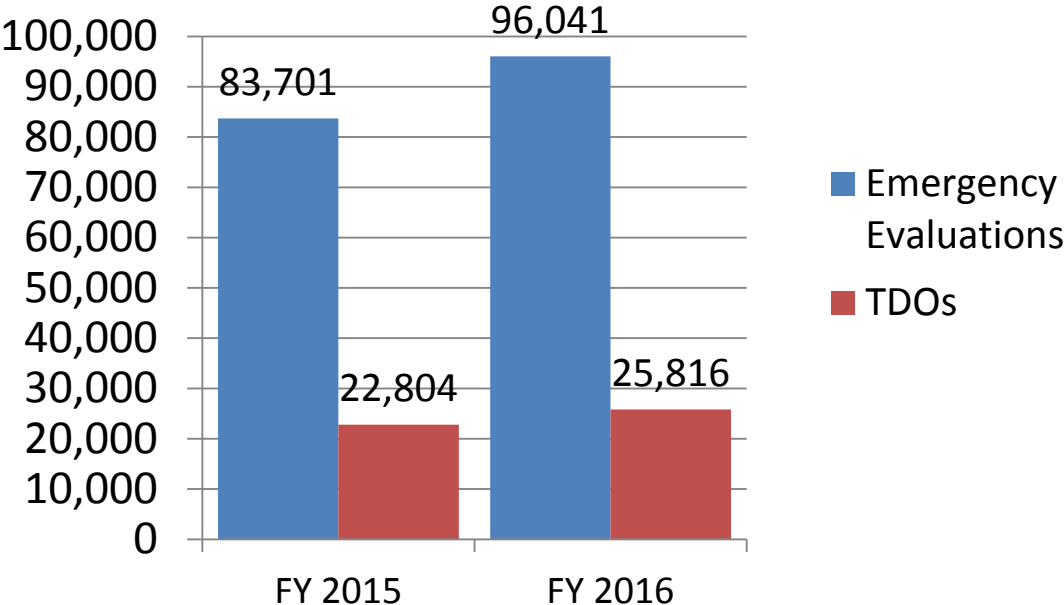


Issue for State Hospitals: 2014 Law Changes

- **Bed of Last Resort (SB 260)**
 - Changed the law to make state hospitals accept individuals under a Temporary Detention Order (TDO) if no other willing facility is found.
 - Since July 1, 2014, no individual has gone without a bed.
- **Emergency Custody Orders (ECO) and TDO Timeframes (SB 260)**
 - Extended the maximum period of a TDO from 48 to 72 hours.
 - Extended the maximum length of time an ECO is valid to eight hours, up from six hours.
- **Acute Psychiatric Bed Registry (SB 260)**
 - Required the creation of a web-based psychiatric bed registry to facilitate the identification and designation of facilities for the temporary detention.



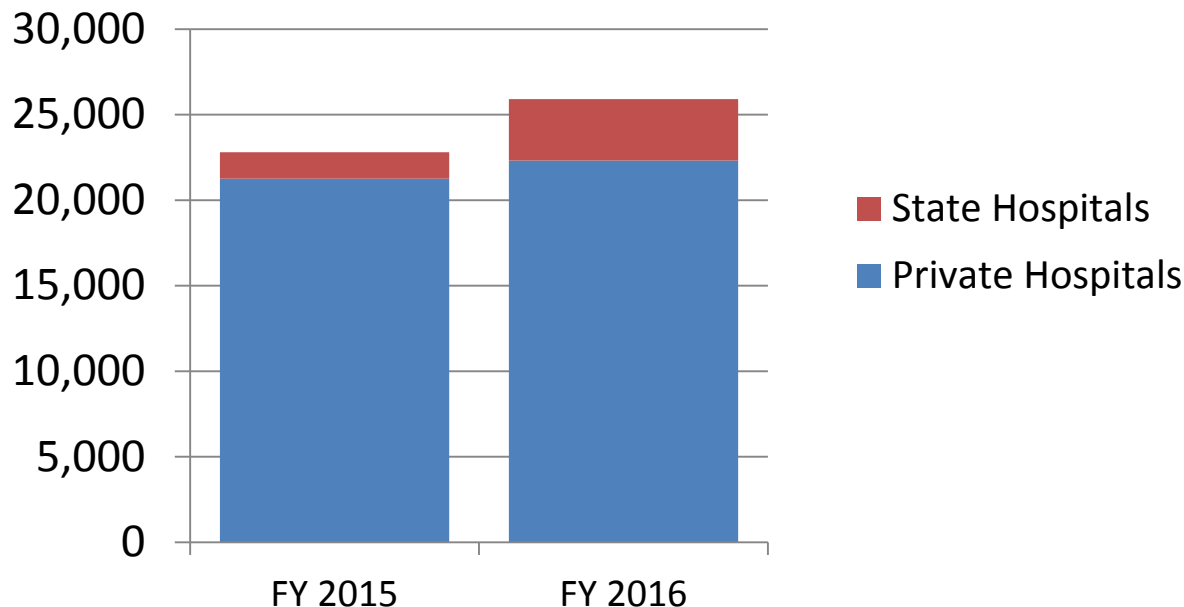
Increase in Emergency Evaluations



FY 2015	27.2% of Emergency Evaluations resulted in TDOs
FY 2016	26.7% of Emergency Evaluations resulted in TDOs
In FY 2016, an average of 263 emergency evaluations and 71 TDOs were issued daily.	



State Hospitals Took 66% of the Increase in TDOs in the Past Year



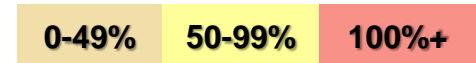
FY 2015	22,804 TDOs - 21,263 went to private hospitals (93%)
FY 2016	25,798 TDOs - 22,321 went to private hospitals (86.5%)

Private hospitals cite: Behavioral and medical acuity, and clinically inappropriate.



Admissions Have Increased for All Hospitals

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	% Increase Since FY 2012
Catawba	223	249	244	345	456	104%
Central	545	514	521	620	799	47%
CCCA	775	691	833	931*	1,018*	31%
Eastern	248	242	569	628	766	209%
NVMHI	763	693	546	822	1,059	39%
Piedmont	62	59	74	115	105	69%
SVMHI	287	261	310	282	374	30%
SWVMHI	756	720	772	730	931	23%
Western	585	530	671	786	832	42%
TOTAL	4,330	3,959	4,275	5,087	6,340	46%



* Includes admissions to contracted beds at Popular Springs Hospital.



Hospital Bed Utilization Capacity is Routinely Above 85%

Facility	Beds	Aug. 23, 2016
Catawba Hospital	110	98.2
Central State Hospital	277	88.4
Eastern State Hospital	302	99.7
Northern Virginia Mental Health Institute	134	90.3
Piedmont Geriatric Hospital	123	99.2
Southern Virginia Mental Health Institute	72	93.1
Southwestern Virginia Mental Health Institute	179	96.6
Western State Hospital	246	96.7

Source: Department of Behavioral Health and Developmental Services



Short-Term Challenges for State Hospitals

- **Bed of Last Resort Legislation**

- Has resulted in increased admissions and, combined with an increase in TDOs, has pushed the capacity of the state hospitals beyond best practices.
- In addition, much of the capacity is being used for TDOs rather than the typical use of state hospital beds (civil and geriatric commitments).

- **Extraordinary Barriers to Discharge List**

- State hospitals maintain a list of patients that have been clinically ready for discharge for 30 days but lack the family and community supports to be discharged.
- The list typically has from 150 to 180 individuals on it at any onetime.
- Typical barriers to discharge are lack of housing and guardianship.



What Are the Short-Term Options to Handle These Challenges?

- **Rebalance TDO admissions with Private Hospitals**
 - Fully understanding the reasons why private hospitals are not able to handle the increase in TDOs is critical.
 - The Virginia Hospital and Healthcare Association recently surveyed members to get more data to better understand the issue.
 - The Department of Behavioral Health and Developmental Services is working with private hospitals to provide short-term assistance to secure more beds for TDOs in private hospitals.
 - If funding is an issue, the state could explore higher rates for TDOs (currently paid at Medicaid rates) to incentivize private hospitals.
 - Provide additional funds for Local Inpatient Purchase of Service (LIPOS) program to facilitate private hospital admissions.
- **Provide Additional Community Supports to Reduce the Extraordinary Barriers to Discharge List**
 - Provide additional funding for permanent supportive housing.
 - Explore options in Medicaid to cover supportive housing services.
 - Fund additional public guardianships.
 - Provide additional Discharge Assistance Planning funds.

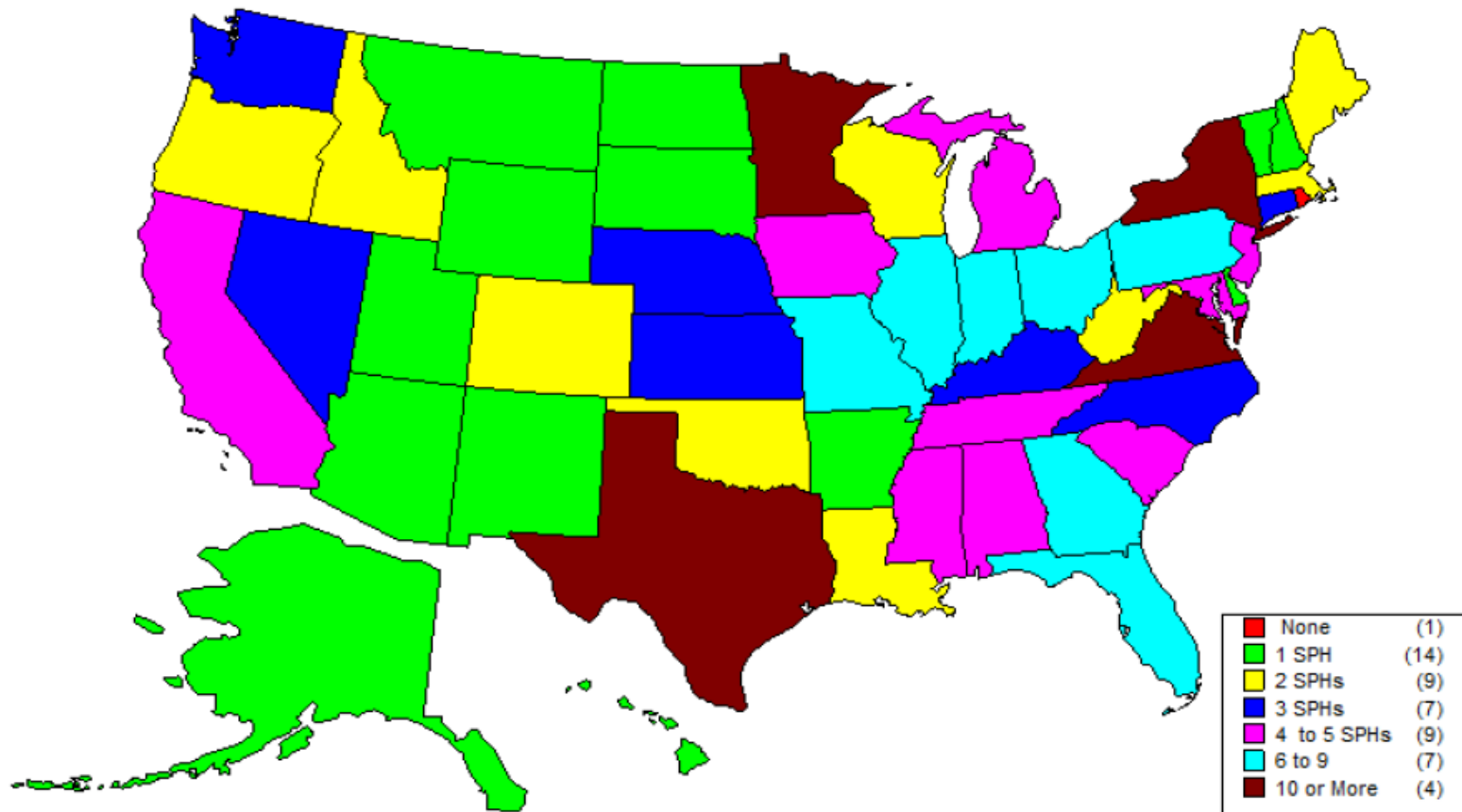


State Hospitals Have a Future Role in a Community-Based System

- The need for state mental health hospital beds will continue. The role of the state hospital should be limited to being the system's safety net.
 - Future advancements in behavioral health drugs and a robust community services system may minimize the need for state hospital psychiatric beds.
- The Commonwealth needs to balance psychiatric hospital care with the capabilities of the community system.
 - As the community-based mental health system develops overtime we will be able to better determine the appropriate number of state hospitals/beds needed at any onetime.



Virginia Has a High Number of Mental Health Hospitals



Source: NRI 2013 State Mental Health Agency Profiling System



Virginia has a High Number of Beds per 100,000 Population

10 Highest States

State	Beds per 100,000	Rank
Wyoming	34.3	1
North Dakota	18.5	2
Virginia	18.2	3
New Jersey	17.2	4
Connecticut	17.1	5
Montana	16.8	6
New York	16.3	7
Mississippi	16.2	8
Oregon	16.2	9
Maryland	15.8	10

10 Lowest States

State	Beds per 100,000	Rank
Utah	8.4	41
Texas	8.1	42
Wisconsin	7.9	43
Alabama	7.9	44
Arkansas	7.5	45
Michigan	7.3	46
Arizona	4.4	47
Vermont	4.0	48
Minnesota	3.5	49
Iowa	2.0	50

National Average = 11.7

Source: Treatment Advocacy Center



What are the Long-Term Challenges for State Hospitals?

- **Size of the Hospital System**

- Funding for hospitals versus community services.
- How many hospitals does the Commonwealth need?
- How many beds are necessary?

- **Aligning Financial Incentives for the Use of State Hospitals**

- The Community Services Boards determine admissions to the state hospitals and there is no cost to the community.

- **Capital Needs**

- The current system of nine hospitals has significant capital needs totaling over \$235 million.
- Replacement of Central State Hospital is the highest priority.



Long-Term Challenges for State Hospitals (continued)

- **Workforce**

- The state hospitals compete with the private sector for nurses and mental health professionals.
- Shortages of professionals along with state pay practices make it harder for the state hospitals to compete and retain staff.

- **Management and Operations**

- Ensuring that the hospitals operate as a system rather than individual hospitals.



Long-Term Options to Consider

- **Conduct a Comprehensive Review of the State Hospital System**
 - Evaluate both the number of hospitals and bed capacity the system needs.
 - Evaluate financial incentives related to the use of state hospital beds versus other community options.
 - Determine the appropriate management and operational structure for the system of hospitals.
 - Develop outcome measures for the system.
 - Develop a plan for meeting the capital needs of the future system.
 - Consider options to improve workforce issues.
- **Develop a caseload forecasting capability for the entire mental health system**
 - This tool would allow policymakers to better understand the demand in the system and develop appropriate plans to better meet community needs.



Long-Term Options to Consider (continued)

- **Evaluate the Effectiveness of Discharge Assistance Planning (DAP) funding**
 - Nearly \$21 million a year is spent on DAP, which is used to pay for supports in the community to discharge individuals from state hospitals.
 - One option to explore is using some of the funding to support certain initiatives (i.e. group homes) that assist more than just one individual.
- **Explore creating a stand-alone mental health agency**
 - An agency dedicated to only mental health and substance abuse may provide greater focus on the issues facing the system.
 - Developmental services could be moved and combined with other agencies to create a larger agency focused on services for individuals with disabilities.



Conclusions

- Virginia's Mental Health System must continue moving toward a more robust community-based system to ensure treatment of the mentally ill in appropriate settings.
- In the short-term, Virginia needs to maintain the current level of state mental health hospital beds due to the increase in TDO admissions until such time that the demand for beds has lessened.
- In order to relieve the pressure on the state mental health hospitals, Virginia should incentivize private hospitals to handle more TDOs and provide alternative placements in discharging patients on the Extraordinary Barriers Discharge List.
- In the longer-term, as Virginia continues to invest and develop a consistent and robust community system of care, the size of the mental health hospital system could be downsized commensurate with the need.

