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

1773
First public hospital to treat the mentally ill opened in Williamsburg

1825 - 1841
Reform movement begins and Dorothea Dix begins her advocacy work

1954
Introduction of new drugs, i.e. Thorazine

1963
President Kennedy signs the Community Health Centers Act

1965 - 1977
Medicaid and SSI programs begin
State mental hospital population drops to 160,000 by 1977

1999
Supreme Court rules in Olmstead Case on Community Integration and Choice

2003
President Bush’s New Freedom Commission on Mental Health

2016
37,000 State Mental Health Hospital Beds
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Commission</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>Hirst Commission</td>
<td>Commission on Mental, Indigent and Geriatric Patients</td>
</tr>
<tr>
<td>1979</td>
<td>JLARC</td>
<td>Report on Deinstitutionalization and Community Services</td>
</tr>
<tr>
<td>1980</td>
<td>Bagley Commission</td>
<td>Commission on Mental Health and Mental Retardation</td>
</tr>
<tr>
<td>1986</td>
<td>Emick Commission</td>
<td>Commission on Deinstitutionalization</td>
</tr>
<tr>
<td>1986</td>
<td>JLARC</td>
<td>Report on Deinstitutionalization and Community Services</td>
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<tr>
<td>1997</td>
<td>Rhodes Commission</td>
<td>Joint Subcommittee to Study the Effects of Deinstitutionalization</td>
</tr>
<tr>
<td>2000</td>
<td>Gartlan Commission</td>
<td>Joint Subcommittee to Evaluate the Future Delivery of Publicly Funded Mental Health, Mental Retardation and Substance Abuse Services</td>
</tr>
</tbody>
</table>
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
2. Alleghany Highlands
3. Arlington County
4. Horizon Behavioral Health
5. Blue Ridge Behavioral
6. Chesapeake
7. Chesterfield
8. Colonial Behavioral Health
9. Crossroads
10. Cumberland Mountain
11. Danville-Pittsylvania
12. Dickenson County
13. District 19
14. Eastern Shore
15. Fairfax-Falls Church
16. Goochland-Powhatan
17. Hampton-Newport News
18. Hanover County
19. Harrisonburg-Rockingham
20. Henrico Area
21. Highlands
22. Loudoun County
23. Middle Peninsula-Northern Neck
24. Mount Rogers
25. New River Valley
26. Norfolk
27. Northwestern
28. Piedmont
29. Planning District One
30. Portsmouth
31. Prince William
32. Rappahannock-Rapidan
33. Rappahannock Area
34. Region Ten
35. Richmond
36. Rockbridge Area
37. Southside
38. Valley
39. Virginia Beach
40. Western Tidewater
## Current System of State Psychiatric Hospitals

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Beds</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern State Hospital</td>
<td>302</td>
<td>Williamsburg</td>
</tr>
<tr>
<td>Central State Hospital</td>
<td>277</td>
<td>Petersburg</td>
</tr>
<tr>
<td>Western State Hospital</td>
<td>246</td>
<td>Staunton</td>
</tr>
<tr>
<td>Southwestern Virginia Mental Health Institute</td>
<td>179</td>
<td>Marion</td>
</tr>
<tr>
<td>Northern Virginia Mental Health Institute</td>
<td>134</td>
<td>Falls Church</td>
</tr>
<tr>
<td>Piedmont Geriatric Hospital</td>
<td>123</td>
<td>Burkeville</td>
</tr>
<tr>
<td>Catawba Hospital</td>
<td>110</td>
<td>Catawba</td>
</tr>
<tr>
<td>Southern Virginia Mental Health Institute</td>
<td>72</td>
<td>Danville</td>
</tr>
<tr>
<td>Commonwealth Center for Children and Adolescents</td>
<td>48</td>
<td>Staunton</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,491</strong></td>
<td></td>
</tr>
</tbody>
</table>
How is the Public Mental Health System Funded?

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

- Community Services Boards: 43%
- Medicaid*: 35%
- State Hospitals: 19%
- Central Office Support: 3%

*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)

Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Other</th>
<th>Federal</th>
<th>Fees</th>
<th>Local Funds</th>
<th>State Funds</th>
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<tbody>
<tr>
<td>2007</td>
<td>$18.6</td>
<td>$54.0</td>
<td>$191.0</td>
<td>$132.3</td>
<td>$193.0</td>
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<tr>
<td>2008</td>
<td>$22.3</td>
<td>$53.8</td>
<td>$212.7</td>
<td>$143.7</td>
<td>$203.6</td>
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<tr>
<td>2009</td>
<td>$22.8</td>
<td>$52.3</td>
<td>$226.1</td>
<td>$141.3</td>
<td>$210.1</td>
</tr>
<tr>
<td>2010</td>
<td>$25.7</td>
<td>$53.5</td>
<td>$236.7</td>
<td>$144.1</td>
<td>$219.6</td>
</tr>
<tr>
<td>2011</td>
<td>$25.8</td>
<td>$53.8</td>
<td>$248.0</td>
<td>$139.1</td>
<td>$227.2</td>
</tr>
<tr>
<td>2012</td>
<td>$21.8</td>
<td>$55.5</td>
<td>$254.4</td>
<td>$150.3</td>
<td>$230.9</td>
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<tr>
<td>2013</td>
<td>$23.1</td>
<td>$54.5</td>
<td>$264.9</td>
<td>$157.6</td>
<td>$231.5</td>
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<tr>
<td>2014</td>
<td>$23.1</td>
<td>$53.7</td>
<td>$251.6</td>
<td>$161.8</td>
<td>$241.4</td>
</tr>
<tr>
<td>2015</td>
<td>$25.7</td>
<td>$53.4</td>
<td>$256.5</td>
<td>$160.5</td>
<td>$251.6</td>
</tr>
<tr>
<td>2016</td>
<td>$27.2</td>
<td>$54.9</td>
<td>$267.1</td>
<td>$164.2</td>
<td>$281.4</td>
</tr>
</tbody>
</table>
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

- Medicaid 58%
- Medicare 22%
- Private Ins. 7%
- Other Revenue 13%

FY 2016 Expenditures
$358.2 million (All Funds)

- Staffing Costs 77%
- Operational 22%
- Equipment and Property 1%

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Emergency Evaluations</th>
<th>TDOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>83,701</td>
<td>22,804</td>
</tr>
<tr>
<td>FY 2016</td>
<td>96,041</td>
<td>25,816</td>
</tr>
</tbody>
</table>

- 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

Private hospitals cite: Behavioral and medical acuity, and clinically inappropriate.
## Admissions Have Increased for All Hospitals

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

* Includes admissions to contracted beds at Popular Springs Hospital.
## Hospital Bed Utilization

Capacity is Routinely Above 85%

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

*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

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

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

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.