

Kansas Department of

Social and Rehabilitation Services

Don Jordan, Acting Secretary

House Social Services Budget Committee

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SRS State Hospitals

Division of Health Care Policy

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Chairman Bethell and members of the Committee, I am Ray Dalton, Acting Deputy Secretary of Social and Rehabilitation Services for the Division of Health Care Policy. Thank you for the opportunity to appear before you today to present the agency overview of the state hospitals. Before I begin, I would like to introduce the superintendents of the state hospitals: Dr. Jerry Rea from the Parsons State Hospital and Training Center; Barney Hubert from the Kansas Neurological Institute; Dr. Mark Schutter from the Larned State Hospital; and Greg Valentine from the Osawatomie State Hospital and the Rainbow Mental Health Facility.

SRS' five state hospitals provide critical services to Kansans with severe mental illnesses or developmental disabilities as part of the social services safety net which includes a wide range of community and inpatient services. Changes in the budget of one part of these service systems affects other parts. Therefore, as I review the state hospitals with you today, I would ask that you remain mindful of the general budgets of the community mental health, substance abuse, and developmental disabilities systems as you develop appropriation recommendations for the state hospitals.

Today I will first provide a brief overview of each hospital. I will then review key program and budget issues with which the hospitals are dealing and how the Governor's Budget Recommendations address these issues. Then, should you have additional questions, the superintendents and I will be happy to answer them.

State Developmental Disability Hospitals

I will start with the state developmental disability hospitals – Parsons State Hospital and Training Center (PSH&TC) and Kansas Neurological Institute (KNI). These facilities serve people with severe, life-long disabilities that had their onset during the persons' developmental years, most frequently at or before birth. One of the more frequently occurring developmental disabilities (DD) is mental retardation. Persons with DD generally require life long services and supports.

Both facilities are surveyed at least annually by the Kansas Department on Aging and are licensed and certified to participate in federal Medicaid funding as intermediate care facilities for persons with mental retardation and other related conditions. Both facilities utilize person centered, preferred lifestyle planning to enhance the quality of their

resident's lives. They also seek full inclusion of their residents in the lives of their community.

SUMMARY OF STATE DEVELOPMENTAL DISABILITY HOSPITAL CENSUS

Facility	Budgeted Beds	Average Census
PSH&TC	188	198
KNI	168	165
Total	356	363

Parsons State Hospital and Training Center

Parsons State Hospital and Training Center (PSH&TC) is budgeted to serve 188 persons in ten (10) residential units. Most residential units house approximately 21 persons, except for the dual diagnosis unit which has an average census of ten (10). Just over half of the residents are categorized in the severe to profound range of mental retardation. In addition to their mental retardation, 93 percent of PSH&TC residents present significant behavioral challenges or symptoms of emotional disturbance. Last fiscal year, 19 persons were placed from PSH&TC to community service settings and 21 persons were admitted.

PSH&TC also provides a research-based treatment program for persons with DD who have a history of sexual offenses. Currently, PSH&TC works with 53 persons and 13 outpatients in assessment and treatment programs designed to reduce the probability of new offenses.

PSH&TC's Dual Diagnosis Treatment and Training Services (DDT&TS) provides treatment and consultation for persons with DD and severe mental illness. The DDT&TS has an active caseload of 76 in the community in addition to 10 residents at PSH&TC. The DDT&TS provides on-site delivery of psychological services, as well as direct training to parents and staff of community service providers.

The Parsons Research Center and the Kansas University Center on Developmental Disabilities (KUCDD) are also located on the PSH&TC campus. These programs have a 50-year history at PSH&TC employing 50 faculty and staff with \$4.3 million in contracts and grant awards.

Kansas Neurological Institute

Kansas Neurological Institute (KNI) serves 164 persons, 98 percent of whom are categorized in the severe to profound range of mental retardation. Most KNI residents require intensive physical and medical supports. Most are unable to walk, or speak,

and about two-thirds of them have seizure disorders. Individuals at KNI live in 24 homes in five residential lodges.

KNI seeks to support each person living at KNI to have a meaningful life through:

- Ensuring well-being;
- Providing opportunities for choice;
- Encouraging community participation;
- Promoting personal relationships; and
- Recognizing individuality.

KNI also operates one of three seating clinics in Kansas providing individually designed seating for persons using wheelchairs and providing assistive technology support to people with DD living in the community. The seating clinic served 121 individuals from the community last fiscal year and expects to serve 135 individuals this fiscal year. Assistive technology assistance was provided to 112 people in FY 2006, and services will be provided to approximately 120 more people in FY 2007.

KNI also provides dental services to persons with DD living in the community who are unable to access needed care. Thus far this fiscal year, 107 people have utilized these services. KNI staff have unique skills and experience that can be used to assist with developing new community-based dental services that will be made possible by the funding of last year's Governor's Budget Recommendation (GBR) that, when approved by the Centers for Medicare and Medicaid Services, will allow SRS to fund adult dental services through the home and community based services waivers.

Starting in FY 2006, KNI began providing behavioral consultation and support to people with DD receiving community-based services. This far this fiscal year, 17 people have used these services.

State Mental Health Hospitals

The state mental health hospitals – Osawatomie State Hospital (OSH), Rainbow Mental Health Facility (RMHF) and Larned State Hospital (LSH) – serve persons experiencing serious symptoms of severe mental illness. Only persons who have been determined to be a danger to themselves or others are referred to state mental health hospitals. These people generally exhibit symptoms that community providers cannot treat safely and effectively. Once severe symptoms are stabilized, they can successfully return home with supports provided by their community mental health centers (CMHCs).

The state mental health hospitals also serve prisoners needing inpatient mental health treatment and persons committed as violent sexual predators. In addition, hospitals complete mental health evaluations on persons referred by the courts.

The state mental health hospitals are accredited by the Joint Commission on Accreditation of Healthcare Organization (JCAHO) and are certified to participate in federal Medicaid and Medicare funding.

The state mental health hospitals are experiencing higher admissions than in past years. The following chart shows the number of psychiatric admissions to state mental health hospitals in recent years, excluding the State Security Program, Social Detox, and SPTP.

PSYCHIATRIC ADMISSIONS						
Hospital	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Larned	684	663	738	846	990	991
Osawatomie	886	1,023	1,189	1,404	1,767	1,853
Rainbow	435	513	588	715	671	664
Total	2,005	2,199	2,515	2,965	3,428	3,508

I will discuss the impact of these increased admissions as I review each facility.

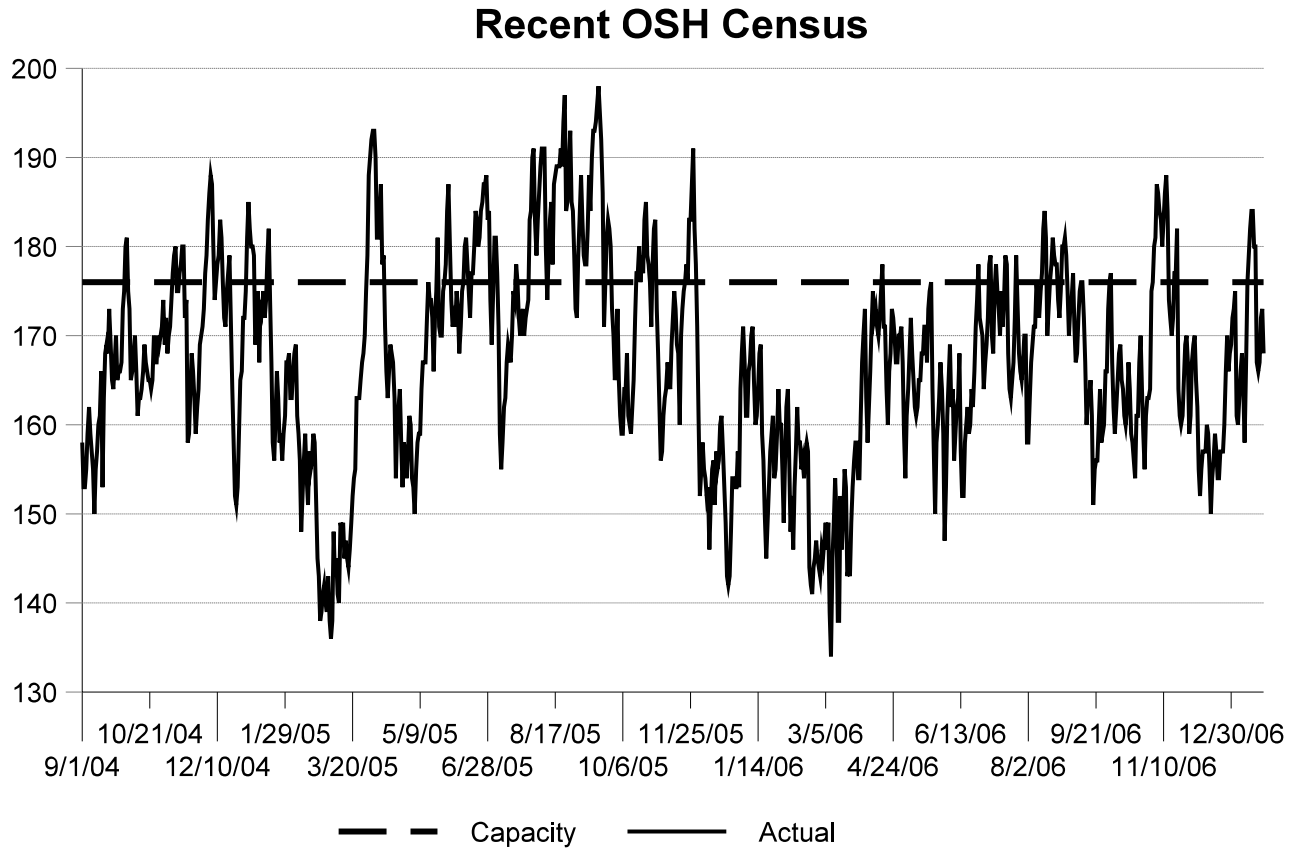
Osawatomie State Hospital and Rainbow Mental Health Facility

SUMMARY OF OSAWATOMIE AND RAINBOW CENSUS		
Facility and Population	Bed Capacity	Average Census YTD
Osawatomie State Hospital - Adults	176	168
Rainbow Mental Health Center		
Adults	30	28
Adolescents	10	8
Children	10	5
TOTAL	226	209

Osawatomie State Hospital

OSH serves adults from 46 eastern Kansas counties, including Sedgwick, Shawnee, Wyandotte, and Johnson Counties. OSH shares its catchment area with Rainbow Mental Health Facility. About 50 to 70 percent of the people served by OSH also need substance abuse treatment.

As a result of the number of increased admissions, OSH has exceeded its budgeted bed capacity on a fairly frequent basis as can be seen by the following chart:



The increased census has caused a strain on OSH's ability to provide needed services and late last Summer, the Centers for Medicare and Medicaid Services (CMS) surveyed OSH and found significant deficiencies in active treatment. OSH was given a period of time to address these deficiencies and, through extraordinary efforts on the part of the staff, when CMS returned for a re-survey they found the deficiencies had been generally addressed. As a result OSH was able to maintain its Medicaid and Medicare certification. However, at current staff levels, we are struggling to maintain the improvements that were achieved.

Rainbow Mental Health Facility

Rainbow provides inpatient psychiatric care to adults and youth. The catchment area for adult services includes 10 northeast Kansas counties. The catchment area for youth services covers 46 counties in the eastern half of Kansas, serving approximately 75 percent of the state's population.

Rainbow also has experienced census challenges in recent years. But, because it provides the only state hospital services for children and youth for all of eastern Kansas, when the adult census reaches critical levels, adult admissions are diverted to OSH. This causes additional stress on OSH's census.

Rainbow also experienced CMS survey deficiencies last Summer and, like OSH, staff did an outstanding job of addressing the deficiencies and they were found compliant when CMS re-surveyed them in the Fall. However, RMHF is also struggling to maintain the progress they achieved to meet CMS standards.

Larned State Hospital

SUMMARY OF LARNED CENSUS

Population/Program	Bed Capacity	Average Census YTD
Adult Psychiatric	79	70
Adolescent Psychiatric	12	7
Children Psychiatric	8	3
State Security Program	200	176
Total Average Daily Census	299	256
SPTP	Bed Capacity	Current Census
SPTP In-Patient Program	160	150
SPTP Transition Program	7	7

Larned State Hospital (LSH) operates the following three distinctly different treatment programs.

Psychiatric Services Program (PSP)

The PSP serves persons from 59 western Kansas counties and provides acute psychiatric inpatient services for adults, adolescents, and children. The program provides the same services as OSH and Rainbow for their respective catchment areas. LSH PSP admissions have also risen, but LSH has achieved shorter lengths of stay and has kept its ADC manageable.

State Security Program

The State Security Program (SSP), located in the new Isaac Ray Building, serves the statewide needs of the Department of Corrections (DoC) and the Unified Judicial System for forensic evaluation and inpatient psychiatric care. This program includes: a forensic evaluation unit, two psychiatric treatment units, a psychiatric unit for females, and a security behavior unit. The security behavior unit serves patients from all the state hospitals whose behaviors are extremely dangerous requiring the highest level of security.

Last April 2006, the SSP was expanded to serve an additional 90 DoC inmates in need of inpatient psychiatric treatment. This served a dual role of ensuring inmates receive needed inpatient services and frees high security prison space for DoC.

Sexual Predator Treatment Program (SPTP)

The SPTP serves persons with a civil commitment through the Kansas sexual predator treatment laws for indefinite treatment. The program currently serves 150 patients.

Due to steadily rising census in this program the SPTP has recently moved into the newly remodeled Jung building.

In addition to the inpatient program, LSH also manages the SPTP Transition Program located on the grounds of OSH. With 7 persons in the transition program, it is now at capacity. In anticipation of needing additional space for this program, SRS has begun to remodel a portion of the Biddle building at OSH to allow the Transition Program to expand when needed.

Other State Agencies on the Larned Campus

LSH shares the campus with the Larned Juvenile Correctional Facility (LJCF) and the Larned Correctional Mental Health Facility (LCMHF). LSH provides the LJCF, the LCMHF, and the Ft. Dodge Soldiers Home with support services that include dietary, maintenance, laundry, and water. Sharing LSH resources with DoC and JJA increases efficiencies of those agencies, but increases LSH's support costs above those of other state hospitals.

Recent Survey

The Department Health and Environment (KDHE) recently completed a survey of LSH triggered by complaints from some patients at the facility. KDHE found some deficiencies in the temperature of the water in some individual patient rooms, scarred furniture, and some housekeeping issues. SRS believes these deficiencies are not as extensive as the report and the press coverage suggests. However, we take the findings seriously and are taking aggressive steps to mitigate the concerns.

Key State Hospital Issues

Direct Care Staff Salary Increase and Professional Staffing

We would like to thank the legislature for its support for raising salary for state workers and for adjusting salaries for the trades staff. The staff greatly appreciate the salary increase. It provides tangible support for those who do some of the most difficult work to support and treat Kansas' most disabled citizens. SRS asks that you again support this year's GBR to provide a step increase and COLA for all state workers and to increase longevity pay.

Medicaid Title XIX Funds in the State Hospitals

As you will recall from discussions during the past three years, the CMS has disallowed a state mental health hospital Medicaid claim. SRS appealed the disallowance to the Departmental Appeals Board (DAB) and lost. However, SRS believes CMS miscalculated the disallowance and we have asked and been granted a DAB review of the amount of the deferral. We are also seeking District Court relief. Should SRS prevail, \$2.4 million of the deferral will be returned. This is important since revenue to

the Title XIX fund continues to lag behind expenditures from the fund. However, at this point, SRS believes the fund is sufficient to provide for the needs of this budget cycle.

Increased State Mental Health Hospital Admissions

Several activities are underway to address the increased admissions at the state mental health hospitals and the increased census that results.

Governor's Budget Recommendations

The GBR contains FY 2007 supplementals and FY 2008 enhancements for both OSH and RMHF to help address the need for more staff to maintain minimal staff coverage on each unit, continue to provide active treatment to meet the needs of the patients and comply with CMS rules, and serve the increased number of admissions and increased census at these facilities. These funds are needed to ensure the progress made at each facility to meet patient needs and comply with CMS standards is maintained over the long term. We ask for your support for these recommendations.

Steps Taken to Control Census

In addition the hospitals continue to address growing admissions by increasing the intensity and effectiveness of hospital treatment, thereby reducing lengths of stay and stabilizing their census. The Hospitals have changed their service delivery to include crisis stabilization services for those who would benefit from a short-term, intensive hospital stay.

In cooperation with mental health system stakeholders, SRS has developed an agreed upon *Protocol for Managing SMHH Census Increases*. Key elements of the protocol are:

- Improved communication between hospital and community mental health center staff especially related to beginning discharge planning on the day of admission;
- Prompt identification of a planned discharge date to provide a reasonable target for patients, family, hospital staff, and community service providers;
- Enhanced communication with community partners to quickly assist with upward census fluctuations;
- Extraordinary mutual planning and discharge effort when census crises loom;
- Hospitals working together to use admission diversion and transfer options;
- Seeking other treatment resources for people with intense or unique service needs; and
- Exploring and building alternative service options other than state psychiatric hospitals.

SRS will continue to monitor care of patients, capacity of facilities and budget and make adjustments in partnership with stakeholders to address this continuing concern.

Supplemental Funding to Open One 30 Bed Unit at OSH

Recently the Joint Budget Committee requested that SRS provide an estimate of the cost to open one 30 bed unit at OSH within existing available plant physical space. SRS estimates the annual operating cost of such a unit to be about \$3.2 million. In addition, \$2.7 million will be needed to remodel and furnish existing space to meet necessary treatment standards. The space would be in Biddle building which is currently being used as a staging area for extensive remodeling being done on other OSH units. So Biddle will not be available for remodeling until Fall 2008 and for use as a treatment facility until early FY 2009.

Contractual Arrangements with Local Hospitals

SRS has begun discussions with other providers regarding the possibility of entering into contractual arrangements to provide acute care inpatient services. These discussions appear to be promising, especially for children and youth. Rough estimates of costs run between \$375 and \$450 per day per youth. Should these arrangements be possible and are funded, children and adolescent services provided by RMHF and LSH could be shifted to private providers and the units freed up to serve more adults thereby relieving census issues at all the state mental health hospitals. In addition, SRS has worked with ComCare and Via Christi to ensure Via Christi continues to provide care to civilly committed individuals and to provide an overflow capability when OSH and LSH are both at capacity.

Future Role of the State Hospital

SRS will begin discussions with stakeholders building on the work done by the 2003 Project Steering Committee Report regarding the Future of Kansas Mental Health Hospitals, and the Governor's Mental Health Services Planning Council report of May 2006. However, this work is very intensive and detailed in nature and is not expected to be completed until the Summer of 2007.

Sexual Predator Treatment Program (SPTP) Growth

The GBR contains a FY 2007 supplemental and FY 2008 enhancement that allows LSH to hire 12 security guards to staff the security control center at Jung building. Up to now, LSH has had to rely on direct care staff positions to provide this vital service. As the SPTP census reaches 160, all of these staff will be needed to supervise and treat the SPTP residents. These critical staff are necessary for the

safe and efficient operation of the SPTP. We ask for your support for this recommendation.

When persons successfully complete their treatment at the SPTP inpatient program at LSH they are referred to the SPTP Transition program. Should more people be referred in the next several months, SRS will request a Governor' s Budget Amendment to staff the new unit being remodeled in Biddle. But, due to the uncertain nature of resident progress, such requests are, at this point, premature.

Vehicles

The GBR includes funds to replace high mileage vehicles at four of the state hospitals. Adequate transportation for the patients and residents is critical to providing effective services at the state hospitals. At the state mental health hospitals, more and more trips are being made to community providers and services on and off grounds. In addition, the state mental health hospitals are serving more persons with physical disabilities including elderly who are frail who require increased use of accessible vehicles. The establishment of the SPTP Transition Program located at OSH requires multiple daily trips for each person as they learn to successfully reintegrate into community life. This puts stress on OSH's limited fleet. The person centered lifestyle plans and the goal to integrate persons living at the state developmental disability hospitals into their community is not possible without sufficient numbers of specialized vehicles. Failure to provide these vehicles will significantly reduce the quality of care provided to mental health patients and effectively isolate residents of the state developmental disability hospitals in their homes. We ask for your support for the GBR to replace high mileage vehicles at the state hospitals.

Building Condition

In FY 2004 bonds were issued to make other critical major repairs and renovations on the state hospitals that had backlogged due to limited State Institutional Building Funds. The bond funding for major repairs and renovations was greatly appreciated and provided funding to catch up the then existing backlogged of overdue capital improvement projects. However, the state hospital buildings contain about 2,037,525 gross square feet of floor area. Many of the buildings are 20 to 50 years old. The buildings are deteriorating and the equipment continues to wear out. So, a new backlog of needed repairs is beginning to once again accumulate. SRS' Five Year Capital Improvement Plan reflects a need for \$48.23 million dollars over the next five years to address the repair and replacement projects at the State Hospitals, of which \$10.7 million is included in the plan for FY 2008. Listed below are some examples of needed projects that would be undertaken if additional funds were made available.

State Hospital Needed Projects	Estimated Cost In Millions
Larned State Hospital	
• Meyer building - Repairing and replacing old deteriorating heating, air conditioning, electrical system and windows, and bringing the building up to current life safety code requirements.	\$1.0
• Utility Tunnels - Replace the deteriorating major steam lines.	\$1.8
Osawatomie State Hospital	
• Replace deteriorating water lines.	\$1.5
• Replace electrical transformers in the Special Services Building, rebuild sewer lift station, replace pressure reducing valves in steam lines, replace water softener controls in the Power Plant	\$0.6
Rainbow Mental Health Facility	
• Replace windows in the patient rooms, remodel restrooms, upgrade kitchen with new stove and walk-in cooler/freezer	\$0.6
Parsons State Hospital and Training Center	
• Replace fan coil unit in resident cottages	\$ 1.6
• Replace air condition equipment in Recreation building, Research building, and Vocational Training Building	\$ 0.5
Kansas Neurological Institute	
• Cottonwood Lodge: Replace air handler units an ductwork and add fire sprinkler system	\$ 1.5
• Replace electrical substation at the Power Plant, upgrade Sunflower Lodge fire alarm and smoke detection system, upgrade secondary electrical distribution and switch gear in Meadowlark, and water main from Wheatland to Honey Bee Lodge	\$ 1.4

Over 1,000 Kansans with the most severe disabilities reside and are treated in our state hospitals. It is important that the facilities we provide them are safe and well maintained. Any consideration of these needs in the overall state capital improvement plan would be greatly appreciated.

I would be happy to answer any questions from the Committee.