



DEPARTMENT OF SOCIAL  
AND REHABILITATION SERVICES

Don Jordan, Secretary

**House Social Service Budget Committee**  
**February 8, 2010**

**State Developmental Disability Hospitals**

**Secretary Don Jordan**

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# State Developmental Disability Hospitals

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Chairwoman Mast and members of the committee, thank you for the opportunity to appear before you today to present the agency overview of the state developmental disability hospitals. Before I begin, I would like to introduce the superintendents of the DD hospitals, Dr. Jerry Rea from Parsons State Hospital and Training Center and Barney Hubert from Kansas Neurological Institute.

Kansas' state DD hospitals provide critical services to Kansans with severe developmental disabilities as part of a statewide provider network which includes a wide range of community and inpatient services. Changes in one part of these service systems affect other parts, so I would ask that you remain mindful of reduced budgets in the larger developmental disabilities system as you consider appropriations for the hospitals.

SRS has tried to absorb the SGF reductions for the State Hospitals in the SRS reduction package. State hospital budgets represent actual operating costs. Further reductions would require serving fewer people, which would be very difficult to accomplish as budget cuts in the community system increase the demand on hospitals. Grants for developmental disability assistance have been reduced by approximately \$8.1 million, resulting in reduced or eliminated services for an estimated 2,450 individuals.

Because of the reductions to the SRS budget, it has become increasingly difficult to absorb the reduced resource reductions and Governor's budget allotments in SRS. As a result KNI and Parsons in FY 2010 had a 1% reduction to their base budget and in addition will be reduced \$1,217,080, in FY 2010 and \$1,448,840 in FY 2011 to meet the November Governor's budget allotments.



## State Developmental Disability Hospitals

Parsons State Hospital and Training Center (PSH&TC) and Kansas Neurological Institute (KNI) 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 time 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.

The Kansas Facilities Closure and Realignment Commission's November 2009 report recommended that SRS develop community placement criteria for people receiving services at Kansas Neurological Hospital and Parsons State Hospital, and require those meeting the criteria to transfer to community based services; that remaining individuals be served at Parsons State Hospital; and that Kansas Neurological Institute be closed.

The Governor did not accept the commission's recommendations for KNI and Parsons. The Governor concluded that while serving individuals in the community can lead to a better quality of life, it is currently not feasible to close KNI and consolidate all residents at Parsons. Therefore, the Governor issued an executive order to begin a phased reduction of the populations at KNI and Parsons that if effective, could lead to the closure of one institution in approximately three to four years.

The Governor issued Executive Order 10-01 KNI and Parsons, on January 26, 2010, with the following directives to the Secretary of SRS.

- Work in cooperation with Community Developmental Disability Organizations ("CDDOs") to establish standards to determine which individuals require the level of care provided in the state hospitals.
- Establish new standards which impose restrictions on admissions to PSH and KNI.
- Work in cooperation with CDDOs to increase the capacity in the community to appropriately and effectively serve all Kansans who are currently residents of PSH or KNI.
- Facilitate the movement of individuals currently served at PSH and KNI to community living by developing and implementing a process to introduce guardians to the potential benefits and opportunities available in their local communities.



- Pursuant to K.S.A. 39-1806, move to community living arrangements, at an appropriate pace, all individuals who do not meet the new state hospital levels of care standards.
- Establish responsible and attainable goals for the consolidation of PSH and KNI, including the movement of individual residents to community living, and monitor the progress each hospital makes in meeting these targets.
- Track the quality of services provided to individuals who leave PSH and KNI to assure their needs are met and that they experience improvement in the quality of their lives.
- In accordance with K.S.A. 39-7,161, as individuals leave PSH and KNI and move to community based living environments any savings of state funds shall be annually and timely redirected to the Home and Community Based Services for the Developmentally Disabled ("HCBS DD") Waiver.
- In cooperation with the Director of the Division of Budget, track savings accomplished through this process using the procedures established to assure savings are redirected to reducing the number of individuals on the waiting list for HCBS DD services.
- Report annually to the Governor on the status of the above directives, and whether the population at PSH and KNI combined has reached a level to make continued operation of both facilities impractical and inefficient.
- The Secretary shall also provide an annual report to the Governor on whether an Executive Reorganization Order to consolidate PSH and KNI is recommended for continued improvement of the service system for individuals with a developmental disability.

The above directives from the Governor were designed to assure that every Kansan with a developmental disability has the opportunity to live with their fellow citizens and experience the full range of activities available to Kansans, while maximizing the effective use of Kansas taxpayer dollars.

**SUMMARY OF STATE DEVELOPMENTAL DISABILITY HOSPITAL CENSUS**

Facility	Budgeted Beds	Average Census
PSH&TC	188	192
KNI	168	158
Total	356	350



## **Parsons State Hospital and Training Center**

Parsons State Hospital and Training Center (PSH&TC) is budgeted to serve 188 persons in ten residential units. Most residential units house 16-22 persons, except for the dual diagnosis unit which currently serves 14 individuals. One residential unit was closed in December 2009 due to budget reductions. PSH&TC recently restructured its services to accommodate about 15 residents living on that unit within the ten remaining units.

On January 9, 2009 the Council on Quality and Leadership (CQL) recommended PSH&TC to be accredited for a three year term. CQL is the recognized leader for quality of life for persons with intellectual disabilities and persons with mental illness, and the people, organizations and communities who support them. Three years is the longest accreditation term awarded in the CQL's Personal Outcomes Measures 2000 process. There are very few state institutions in the country who have achieved this honor.

Fifty-two percent of PSH&TC's residents are categorized in the severe to profound range of mental retardation. In addition to their mental retardation, about 90 percent of the residents present significant behavioral challenges or symptoms of emotional disturbance. Last fiscal year, 20 persons were discharged from PSH&TC to community settings and 17 persons were admitted.

Important quality outcomes achieved for individuals admitted to PSH&TC during the past five years include:

- Nearly half (48.43%) of the psychotropic medications used by persons prior to admission to PSH&TC were able to be eliminated, resulting in substantial cost savings while improving the individual's quality of life.
- Altogether, 70% of people admitted to PSH&TC have had psychotropic medications reduced or eliminated.
- The average length of stay at PSH&TC has decreased from 2,318 days to 160 days for individuals admitted and discharged within the past five years.

PSH&TC also provides a research-based treatment program for persons with developmental disabilities who have a history of sexual offenses. During FY 2009, PSH&TC worked with 56 persons in assessment and treatment programs designed to reduce the probability of new offenses. In addition, PSH&TC psychologists provided sex offender training either in the form of in-servicing prior to discharge, or follow up for those previously discharged, to approximately 120 community agency staff.

PSH&TC's Dual Diagnosis Treatment and Training Services (DDT&TS) provides treatment and consultation for persons with DD and severe mental illness. With seven staff stationed throughout the state, the DDT&TS provides on-site delivery of psychological services to



individuals, as well as direct training to parents, families, schools and staff of community service providers. Of those individuals served, less than one percent required admission to PSH&TC for treatment. In FY 2009, the DDT&TS Outreach Service Program provided services to 122 individuals in 49 Kansas communities, Osawatomie State Hospital and Larned State Hospital.

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 53-year history at PSH&TC and employ 44 faculty and staff with \$5.70 million in contracts and grant awards.

KUCDD provides community service programs within the catchment area of PSH&TC, including the Foster Care Project (SEK TFC), Respite Services Program, Birth-to-Three and Coordinated Resource Support Services. During FY 2009, these programs provided services to more than 575 families and children.

KUCDD also supports an Assistive Technology for Kansans (ATK) project that provides a number of services to Kansans with disabilities. A major component managed by the ATK is the Kansas Equipment Exchange Program which provides good, used equipment and assistive technology devices to Kansans at no charge. Nearly 21,000 inquiries were made about services available through this program during FY 2009 and equipment valued at nearly \$700,000 was assigned at no cost to individuals who used these services.

Another active program is PSH&TC's own Assistive Technology Department. The department designs, develops and "invents" a number of adaptive devices for use by residents and has responded to a number of requests from surrounding communities providing consultation and advice.

### **Kansas Neurological Institute**

Kansas Neurological Institute (KNI) serves 158 persons, 96 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, about two-thirds have seizure disorders, and about one-third are unable to eat by mouth and receive their nutrition through feeding tubes. Individuals at KNI live in 23 homes in five residential lodges.

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

- Ensuring well-being;
- Providing opportunities for choice;
- Encouraging community participation;



- Promoting personal relationships; and
- Recognizing individuality.

KNI also operates one of four seating clinics in Kansas providing individually designed seating for persons using wheelchairs and provides additional assistive technology support to people with DD living in the community. The seating clinic served 186 individuals from the community in FY 2008, 207 people last fiscal year, and expects to serve at least 230 individuals this fiscal year. Assistive technology assistance was provided to 153 people in FY 2008, 177 people in FY 2009, and services will be provided to approximately 180 people in FY 2010. The increase in number of people served through the seating clinic and assistive technology services is expected to continue in FY 2011.

KNI also provides dental services to persons with DD living in the community who are unable to access needed care. Since this service was initiated, 129 people have utilized these services, and it is anticipated that 70 people will participate in these services during FY 2010. Because dental services have recently been eliminated for adults served through the HCBS waiver for people with developmental disabilities it is anticipated that demand for dental services will increase in FY 2011.

KNI has also provided a variety of medical and therapeutic services to people with developmental disabilities who could not obtain these services through community providers because of a variety of special needs or circumstances. These services include primary care services, support during recovery from surgery, evaluative services, diabetes management and occupational and physical therapy services. Support of this nature was provided to 20 people in FY 2009, and it is anticipated a similar number of people will require these services by the end of FY 2010 and in FY 2011.

Starting in FY 2006, KNI began providing behavioral consultation and support to people with DD receiving community-based services. In FY 2009 these services were utilized by 23 people. Approximately 30 people will utilize these services in FY 2010, and a comparable number of people are expected to request behavioral consultation and support in FY 2011. In FY 2009 and again in FY 2010, KNI has also fielded increased requests from community service providers to serve as a resource in the provision of various other person-centered supports for people who present behavioral or medical challenges.

Because of a very gradual decrease in census, KNI has begun a process that will result in the consolidation of one home and a reduction of ten FTE by approximately March 1, 2010. The six people living in this home will move to other homes within KNI, and staff currently working in this home will be reassigned to other homes at KNI as attrition occurs.



## Key State Hospital Issues

### Resource Challenges

Sufficient resources are needed to ensure quality state hospital services are available to Kansans who need them. In recent years, the state hospitals have experienced serious challenges to the adequacy of their resources. Therefore, the state hospitals have not submitted reduced resource budgets. Instead, SRS' reduced resource budget includes the reduced resource targets for the state hospitals.

### Operating Challenges

The current state budget situation has required us to review all of our programs for efficiencies. The most recent allotment issued by the Governor will result in policy changes we would prefer not to do but are necessary to save money to meet our current budget. As mentioned earlier, state grants to the CMHCs and CDDOs have been reduced, which will tend to increase demand on state institutions.

The hospitals are also implementing various personnel actions, unit consolidations, and other operating reductions to reduce expenditures in both FY 2010 and FY 2011. Major changes include closing the Youth Services Unit at Larned State Hospital; consolidating a home in FY 2009 and another home in FY 2010 at KNI; and closing Willow cottage at Parsons State Hospital and consolidating these residents into another cottage.

The Mental Health Hospitals are operating at the bare minimum staffing to ensure active treatment and the safety of staff and patients. Current vacancy rates at the Mental Health Hospitals are running from 6.9 percent to 14.0 percent. It should also be noted that further reductions of the hospital budgets would necessitate the need to cease voluntary admissions at the Mental Health Hospitals and the closure of patient units. Any further reductions, without reducing patient census at the MH hospitals, could put the hospital at risk of losing their license and certification.

### Building Conditions

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. Currently, state hospitals are only allocated \$1.4 million per year for maintenance and repair and major capital improvement projects for these vast complexes of facilities. This is insufficient to keep up with the demand for repairs on these aging facilities. So, a new backlog of needed maintenance and repair is beginning to once again accumulate. Our 5 year capital improvement plan has a request for \$4.8 million for our first





priority rehabilitation and repair and \$5.2 million for major rehabilitation and repair (including the \$1.6 million for the remodel of the Meyer building).

I will now stand for questions.

Description	FY 2010 SGF	FY 2010 All Funds	FY 2011 SGF	FY 2011 All Funds
<b><i>November Allotments and Governor's Recommended Reductions</i></b>				
<b>Reduction in Operating Expenditures</b> SGF operating expenditures for the five state hospitals have been decreased by a total of \$3.0 million. These reductions will result in the consolidation of units at KNI, the closing of children's beds at Larned, the consolidation of cottages at Parsons, and various other reductions in salaries and other operating expenditures. In addition, fee fund balances will be used in FY 2010 to replace approximately \$1.1 million SGF.	(3,002,763)	(1,918,759)	(3,000,000)	(3,000,000)
<b>Replace SGF with Unbudgeted State Hospital ARRA Funds.</b> Approximately \$3.1 million SGF will be replaced with unbudgeted ARRA funds. This has no effect on services.	(3,092,047)	--	--	--
<b>Replace SGF with Fee Funds</b> Balances in various hospital fee funds will be used to replace SGF expenditures.	--	--	(4,200,000)	--
<b>TOTAL NOVEMBER and GOVERNOR'S RECOMMENDED REDUCTIONS</b>	<b>(6,094,810)</b>	<b>(1,918,759)</b>	<b>(7,200,000)</b>	<b>(3,000,000)</b>
<b><i>Other Recommended Adjustments</i></b>				
<b>SPTP 17-Bed Expansion</b> The census for the Sexual Predator Treatment Program (SPTP) is currently 187, which is 27 persons more than Larned State Hospital has funding to serve. This additional funding will provide a 17-bed expansion for the program to be implemented around March 2010. The \$450,000 SGF in FY 2010 represents a transfer from SRS, which was made available by replacing SGF expenditures with fee fund expenditures in SRS. The funding available in FY 2011 for this expansion is a result of increasing Title XIX expenditures throughout the Hospitals.	450,000	450,000	--	1,402,261
<b>Workers Compensation Increase</b> The Hospitals will be using balances in their fee funds to cover increasing workers compensation costs in FY 2010 and FY 2011.	--	2,272,410	--	1,894,705



**KANSAS**  
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Description	FY 2010 SGF	FY 2010 All Funds	FY 2011 SGF	FY 2011 All Funds
TOTAL OTHER RECOMMENDED ADJUSTMENTS	450,000	2,722,410	--	3,296,966