COMMONWEALTH *of* VIRGINIA

DEBRA FERGUSON, Ph.D.
COMMISSIONER

DEPARTMENT OF
BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES
Post Office Box 1797
Richmond, Virginia 23218-1797

Telephone (804) 786-3921
Fax (804) 371-6638
www.dbhds.virginia.gov

December 1, 2014

The Honorable Walter A. Stosch, Co-Chair
The Honorable Charles Colgan, Co-Chair
Senate Finance Committee
10th Floor, General Assembly Building
910 Capitol Street
Richmond, VA 23219

Dear Senator Stosch and Senator Colgan:

Item 314.B.1. of the 2014 Special Session *Appropriation Act*, required the Commissioner of the Department of Behavioral Health and Developmental Services (DBHDS) to "*review the current configuration of services provided at the Commonwealth's adult mental health hospitals and consider options for consolidating and reorganizing the delivery of such state services"* and *"submit this review to the Governor and to the Chairmen of the Senate Finance and House Appropriations Committees by October 1, 2014."*

Please find enclosed the report in accordance with Item 314.B.1. Staff at the department are available should you wish to discuss this request.

Sincerely,

Debra Ferguson, Ph.D.

Enc.

Cc: William A. Hazel, Jr., M.D.
Kathleen Drumwright
Joe Flores
Susan E. Massart
Daniel Herr
Donald Darr

COMMONWEALTH of VIRGINIA

DEBRA FERGUSON, Ph.D.
COMMISSIONER

DEPARTMENT OF
BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES
Post Office Box 1797
Richmond, Virginia 23218-1797

Telephone (804) 786-3921
Fax (804) 371-6638
www.dbhds.virginia.gov

December 1, 2014

The Honorable S. Chris Jones, Chair
House Appropriations Committee
General Assembly Building
P.O. Box 406
Richmond, VA 23218

Dear Delegate Jones:

Item 314.B.1. of the 2014 Special Session *Appropriation Act*, required the Commissioner of the Department of Behavioral Health and Developmental Services (DBHDS) to *"review the current configuration of services provided at the Commonwealth's adult mental health hospitals and consider options for consolidating and reorganizing the delivery of such state services"* and *"submit this review to the Governor and to the Chairmen of the Senate Finance and House Appropriations Committees by October 1, 2014."*

Please find enclosed the report in accordance with Item 314.B.1. Staff at the department are available should you wish to discuss this request.

Sincerely,

Debra Ferguson, Ph.D.

Enc.
Cc: William A. Hazel, Jr., M.D.
Kathleen Drumwright
Joe Flores
Susan E. Massart
Daniel Herr
Donald Darr

COMMONWEALTH *of* VIRGINIA

DEBRA FERGUSON, Ph.D.
COMMISSIONER

DEPARTMENT OF
BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES
Post Office Box 1797
Richmond, Virginia 23218-1797

Telephone (804) 786-3921
Fax (804) 371-6638
www.dbhds.virginia.gov

December 1, 2014

The Honorable Terry McAuliffe, Governor
Commonwealth of Virginia
Patrick Henry Building
P.O. Box 1475
Richmond, VA 23218

Dear Governor McAuliffe:

Item 314.B.1. of the 2014 Special Session *Appropriation Act*, required the Commissioner of the Department of Behavioral Health and Developmental Services (DBHDS) to "*review the current configuration of services provided at the Commonwealth's adult mental health hospitals and consider options for consolidating and reorganizing the delivery of such state services"* and *"submit this review to the Governor and to the Chairmen of the Senate Finance and House Appropriations Committees by October 1, 2014."*

Please find enclosed the report in accordance with Item 314.B.1. Staff at the department are available should you wish to discuss this request.

Sincerely,

Debra Ferguson, Ph.D.

Enc.
Cc: William A. Hazel, Jr., M.D.
Kathleen Drumwright
Joe Flores
Susan E. Massart
Daniel Herr
Donald Darr

Item 314.B.1. – Report on the Commonwealth's Utilization of State Hospitals

to the Governor and Chairmen of House Appropriations and Senate Finance Committees

November 5, 2014

1220 BANK STREET • P.O. BOX 1797 • RICHMOND, VIRGINIA 23218-1797

PHONE: (804) 786-3921 • FAX: (804) 371-6638 • WEB SITE: WWW.DBHDS.VIRGINIA.GOV

Governor's Confidential Working Papers

Review of the Commonwealth's Utilization of State Hospitals

I. Appropriation Act:

Introduction

Item 314 B.1. of the 2014 Appropriation Act requires the Department of Behavioral Health and Developmental Services (DBHDS) to submit to the Governor and the Chairmen of the Senate Finance and House Appropriations Committee a review of the current configuration of services provided at the Commonwealth's adult mental health hospitals, which considers options for consolidating and reorganizing the delivery of such state services. This review includes a programmatic assessment and fiscal impact of the long term needs for inpatient services for geriatric, adult, and forensic populations, the fiscal impact of the reduction in geriatric census on first and third party reimbursement at facilities, and the long term capital requirements of state mental health facilities. Paragraph B.2. requires DBHDS to establish a planning process to provide geriatric, adult, and forensic mental health services, both inpatient and community-based, as close to persons' homes as possible. This planning process will produce a comprehensive plan that ensures there are quality services, both inpatient and community-based, delivered at the community level in every part of the Commonwealth. The report on the planning process is due October 1, 2015.

Appropriation Language

Item 314 of the 2014 Appropriation Act states:

B.1. The Department of Behavioral Health and Developmental Services shall review the current configuration of services provided at the Commonwealth's adult mental health hospitals and consider options for consolidating and reorganizing the delivery of such state services. This review shall include: a programmatic assessment and fiscal impact of the long-term needs for inpatient services for geriatric, adult, and forensic populations; the fiscal impact of the reduction in geriatric census on first and third party reimbursement at facilities; and, the long-term capital requirements of state mental health facilities. The review shall also identify national best practices in the delivery of these types of services. The Commissioner, Department of Behavioral Health and Developmental Services, shall submit this review to the Governor and to the Chairmen of the Senate Finance and House Appropriations Committees by October 1, 2014.

2. The Commissioner, Department of Behavioral Health and Developmental Services, shall establish a planning process to provide geriatric, adult, and forensic mental health services, both inpatient and community-based, as close to persons' homes as possible. This planning process will produce a comprehensive plan that ensures there are quality services, both inpatient and community-based, delivered at the community level in every part of the Commonwealth. The target populations to be addressed in this plan are adults age 18 and older who: (i) have mental health needs, (ii) may have co-occurring mental health and substance abuse problems, (iii) may be in contact with the courts systems, (iv) may require emergency mental health services, (v) may need access to acute or intermediate inpatient psychiatric hospitalization, or (vi) may require long-term community behavioral health and other supports. The planning process should identify

the mental health and substance abuse services and supports that are needed to help persons remain in their home and function in the community and should define the role that the Commonwealth's mental health hospitals will play in this effort. The plan should establish and rank recommendations for community and facility services and supports based on greatest priority and identify future estimated funding needs associated with each recommendation. The planning process shall include input from community services boards, state and private inpatient facilities, the Department of Medical Assistance Services, persons receiving mental health and co-occurring substance abuse services, advocates for mental health and co-occurring services, and any other persons or entities the Department of Behavioral Health and Developmental Services deems necessary for full consideration of the issues and needed solutions. The Commissioner shall report to Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2015.

II. Background and Context

<u>DBHDS Transformation Initiatives</u>

DBHDS envisions a life of possibilities for all Virginians, and for our state to be a model system for behavioral healthcare for all who need its services. To that end the DBHDS Commissioner initiated a comprehensive review of the state behavioral health safety net to develop plans for a system of care that ensures both inpatient and community based quality care across the lifespan in every part of the Commonwealth. The current system has challenges, as the public behavioral health system is at a crucial point, presenting an unprecedented opportunity to truly transform our system to the benefit of those we serve. A transformed system focused on access, evidence-based interventions, stewardship of resources, and accountability, will instill confidence in our response during times of crisis and inspire hope for the promise of recovery for everyone.

First and foremost, the Commonwealth's public behavioral health system must be grounded in the principle that people can and do recover from serious mental illness, that effective treatment is available, and that treatment works. Second, there must be access to services. There should be a high-quality continuum of services that are consistently available across the Commonwealth. To best promote recovery, interventions should be holistic, and include the necessary primary health care, housing and employment supports. Services must be individualized, consumer-driven and family-focused. Interventions should be focused on prevention and early intervention. A transformed system must include a well-functioning and responsive safety net for individuals in crisis as well as their family members. DBHDS, in collaboration with community partners, must ensure that the emergency service system responds appropriately and effectively every single time.

A comprehensive and responsive behavioral health system of care will require a significant investment in wellness, prevention, early intervention, and core treatment services to provide for a continuum of care which is easily accessible. Fifty percent of all lifetime cases of mental illness begin by the age of 14, and 75 percent by the age of 24. The average delay between onset of symptoms and intervention is eight to ten years. Additionally, DBHDS recognizes the need to further invest in substance abuse treatment, resources for children and young adults. This continuum would include housing and employment supports because these are an integral part of sustaining individuals and families in the community. These programs are highly effective and promote sustainable recovery.

In order to effectively review the current configuration of state mental health hospitals and options for consolidating and reorganizing the delivery of state services, it is necessary to further develop the DBHDS vision of a comprehensive and responsive system of care, the development of a comprehensive plan and timeline for implementation. The DBHDS is committed to a full-scale, comprehensive system transformation effort. This includes an increased emphasis in the key areas of accountability, transparency, strengthening communication among all stakeholders, collaboration with community partners, and systemic implementation of best practices.

The DBHDS will call on national experts for recommendations and lessons learned across the country. Additionally, the DBHDS will incorporate recommendations from previous efforts in Virginia, such as the prior work of the Commission on Mental Health Law Reform, the Virginia Tech Review Panel, the Taskforce on School and Campus Safety and the recommendations from the Governor's Taskforce on Improving Mental Health Services and Crisis Response.

This transformation will occur in phases. In the first phase, Commissioner Ferguson has convened small transformation teams for the behavioral health services system to begin developing a strategic plan for services, delivery and infrastructure. The teams will focus in four areas initially, including:

- Adult behavioral health
- Adult developmental services
- Children's behavioral health
- Justice-involved behavioral health and developmental disability services

These teams will advise the Commissioner on the best practices, structures, and ideas to transform the system. The Commissioner's aim is to identify the structures and processes that will aid, enhance and expand the delivery of behavioral health services across the Commonwealth. As the teams get underway, the Commissioner will establish goals for key deliverables for 6, 12, 18 and 24 months. Each group will keep the Commissioner informed of their key findings and developments.

III. Evolving Role of State Mental Health Hospitals

<u>Current Role of State Mental Health Hospitals In Continuum of Care</u>

DBHDS is committed to excellence in psychiatric care in our state mental health hospitals. The role of the state hospital should be to serve as the safety net for individuals with serious mental illness and/or co-occurring disorders throughout the Commonwealth. DBHDS mental health hospitals are only one component of a continuum of public behavioral health services, which provides a safety net for all citizens of the Commonwealth. State mental health hospitals provide the most intensive and most costly services to individuals and serve two percent of those receiving behavioral health services from the public sector of care. At the present time, 11 percent of the state mental health hospital capacity is used by 150 individuals who have been clinically ready for discharge more than thirty days, but have extraordinary barriers that prevent

them from being reintegrated in their community in a timely manner. For many of these individuals the needed array of community based services does not exist. Twenty-eight individuals remain in our state hospitals even though they have been ready for discharge more than 365 days.

These individuals could and should be served in the community if there were sufficient, willing providers and a comprehensive continuum of community-based services. Nursing homes and assisted living facilities are often reluctant to admit individuals from our state hospitals due to the complexity of their medical and behavioral health issues and their inability to access behavioral health support. The DBHDS is developing plans to provide access to behavioral health supports for nursing homes and assisted living facilities. This is just one example of the transformational projects DBHDS is implementing. Until the Commonwealth develops the infrastructure and strong working relationships with private providers to transition these individuals to the community, the state mental health hospitals will continue to be used as a long term care placement when a less secure and more integrated placement is appropriate.

The DBHDS mental health hospitals play a major role in providing behavioral health care to individuals with serious mental illness who are involved with the criminal justice system. Overall, 34 percent of state mental health hospital beds are used for this purpose. Over the past four years, DBHDS has experienced a slow, but steady increase in the number of forensic admissions, a trend seen in many states. Despite this, in FY 2014 DBHDS saw an overall decrease in the number of forensic bed days, which may suggest that the periods of hospitalization appropriately and efficiently addressed the psycho-legal issues which resulted in the hospitalization. Individuals adjudicated Not Guilty by Reason of Insanity (NGRI) continue to use the highest number of forensic bed days. Admissions for the purpose of restoring individuals Competency to Stand Trial continue to be the forensic category for which DBHDS admits the greatest number of forensic clients. Aligned with our commitment to community-based care, the DBHDS is continuing to work with community providers to safely reduce and divert forensic admissions from state hospitals, increase conditional releases, and the reintegration of individuals with justice-involvement into the community. This effort is possible through the ongoing development of community-based forensic expertise. The DBHDS has significantly increased the capacity and the capabilities of community-based evaluators by providing community forensic training and recommended forensic evaluation. In addition, the DBHDS continues to expand outpatient restoration services and enhance outpatient forensic evaluations to decrease forensic pressures on state hospital admissions.

We have witnessed an increase in the number of competency restoration referrals to CSBs to provide the service on an outpatient basis, thus preserving inpatient beds. We anticipate with the additional training and resources provided to CSBs this year we will see a further increase in the number of outpatient competency restoration cases in FY 2015.

<u>Current Configuration of State Mental Health Hospitals</u>

As part of the public sector continuum of care, DBHDS mental health hospitals work collaboratively within regional partnerships to serve as the safety net for individuals with serious mental illness (SMI) across the life span. Hospital staff maintains strong relationships with Community Services Boards (CSB) and private providers to manage the state hospital census and ensure that a bed is always available for individuals with SMI who are in crisis. The average

length of stay and number of admissions varies by hospital, which partially reflects the needs of the community.

Catawba Hospital

Catawba Hospital is located in Roanoke County, Virginia. The facility specializes in serving adult and geriatric patients needing behavioral health care. Catawba Hospital offers dedicated acute care and extended care geriatric treatment. The first priority of Catawba Hospital is to help individuals in their care regain and maintain their highest level of mental and physical functioning, with the ultimate goal of returning to community living. Catawba Hospital primarily provides treatment for adults in Partnership Planning Region VII, which includes two CSBs (Blue Ridge Behavioral Health and Alleghany Highlands). The current bed operational capacity and admission statistics are as follows:

Catawba Hospital	**Bed Capacity**	**Type of Admissions**	**FY 2013**	**FY 2014**	**FY 2015** 7/1/14 - 8/31/14
Adult	50	Civil	112	64	9
		Civil TDO	37	62	29
		Forensic TDO	13	16	2
		Other Forensic	11	14	1
		Adult Total	**173**	**156**	**41**
Geriatric	60	Civil	48	37	2
		Civil TDO	22	40	16
		Forensic TDO	1	4	1
		Other Forensic	5	7	3
		Geriatric Total	**76**	**88**	**22**
Catawba Hospital Total	**110**		**249**	**244**	**63**

Central State Hospital

Central State Hospital (CSH) is located in Dinwiddie County, Virginia and responds, in partnership, to the mental health needs of individuals in Health Planning Region IV (HPR IV). Central State Hospital provides the only maximum-security forensic psychiatry for the entire Commonwealth and provides a safety net for individuals requiring behavioral healthcare in that region. The civil adult treatment program at CSH provides extended treatment to clients over 18 years of age from the Central Virginia area. The services provided range from short term, quick re-entry to the community, to long-term intensive treatment for individuals with the most severe SMI. While CSH does not maintain an acute care unit, they collaborate with community partners to serve as a safety net and accept TDOs until the individual can be transferred to a private provider.

Central State Hospital serves adult civil commitments for six CSBs (Chesterfield, Crossroads, District 19, Goochland-Powhatan, Hanover, and Henrico Area). The current bed operational capacity and admission statistics are as follows:

Central State Hospital	Bed Capacity	Type of Admissions	FY13	FY 14	FY 15 7/1/14 - 8/31/14
Adult Civil	100	Civil	26	29	4
		Civil TDO	44	54	9
Forensic	177	Forensic TDO	87	94	22
		Other Forensic	357	336	65
		Adult Total	**514**	**513**	**100**
		Geriatric Forensic TDO	0	2	0
		Other Forensic	0	6	3
		Geriatric Total	**0**	**8**	**3**
CSH Total	**277**		**514**	**521**	**103**

Eastern State Hospital

Eastern State Hospital (ESH) is located in James City County, Virginia. In April 2008, the Hancock Geriatric Treatment Center introduced a new, smaller, state-of-the-art setting, followed by the September 2010 opening of the adult mental health treatment center. As part of Virginia's public mental health system, ESH serves adults, between the ages of 18 and 64, as well as individuals age 65 and above in Health Planning Region V (HPR-V). ESH primarily provides treatment for individuals in HPR V which includes eight CSBs (Chesapeake, Colonial Behavioral Health, Eastern Shore, Middle Peninsula-Northern Neck, Norfolk, Portsmouth, Virginia Beach and Western Tidewater). The current bed operational capacity and admission statistics are as follows:

ESH	Bed Capacity	Type of Admissions	FY 2013	FY 2014	FY 2015 7/1/14 - 8/31/14
Adult Civil	90	Civil	38	54	11
		Civil TDO	11	34	13
Forensic	127	Forensic TDO	19	36	3
		Other Forensic	159	161	27
		Adult Total	**227**	**285**	**54**
Geriatric	80	Civil	6	5	1
		Civil TDO	2	5	13
		Forensic TDO	2	1	0
		Other Forensic	5	8	1
		Geriatric Total	**15**	**19**	**15**
ESH Hospital Total	**297**		**242**	**304**	**69**

Northern Virginia Mental Health Institute

Northern Virginia Mental Health Institute (NVMHI), located in Falls Church, Virginia provides mental health treatment for individuals living in Northern Virginia. NVMHI accepts individuals on involuntary and/or voluntary admission status. NVMHI provides treatment for individuals between the ages of 18 and 65, who are in need of acute psychiatric treatment and reside in one of the five CSBs in Northern Virginia (Arlington, Alexandria, Fairfax-Falls Church, Loudoun,

and Prince William). The current bed operational capacity and admission statistics are as follows:

NVMHI	Bed Capacity	Type of Admissions	FY 2013	FY 2014	FY 2015 7/1/14 - 8/31/14
Adult Civil	96	Civil	516	468	118
		Civil TDO	159	62	13
Forensic	38	Other Forensic	18	16	2
NVMHI Total	**134**		**693**	**546**	**133**

Piedmont Geriatric Hospital

Piedmont Geriatric Hospital (PGH) located in Burkeville, Virginia, is the only state facility that exclusively treats geriatric persons, individuals 65 years of age or older, in need of inpatient treatment for serious mental illness, meet the requirements for voluntary or involuntary admission, and do not have a medical condition that requires priority treatment in an acute care hospital. The current bed operational capacity and admission statistics are as follows:

PGH	Bed Capacity	Type of Admissions	FY 2013	FY 2014	FY 2015 7/1/14 - 8/31/14
Adult		Civil	1	1	
Geriatric	123	Civil	43	39	
		Civil TDO	5	15	
		Forensic TDO	1	1	
		Other Forensic	9	18	
PGH Total	**123**		**59**	**74**	

Southern Virginia Mental Health Institute

Southern Virginia Mental Health Institute (SVMHI), in Danville, Virginia provides person-centered, individualized treatment using the principles of recovery to promote hope, self-determination, and empowerment. The primary goal is to maximize favorable outcomes for individuals served to ensure their successful reentry to their chosen community. Essential elements of treatment focus on self-direction, respect, responsibility, and the use of peer support. The treatment at SVMHI is holistic and strength-based. SVMHI provides treatment for adults with SMI for three CSBs (Danville-Pittsylvania, Piedmont, and Southside). The current bed operational capacity and admission statistics are as follows:

SVMHI	Bed Capacity	Type of Admissions	FY 2013	FY 2014	FY 2015 7/1/14 - 8/31/14
Adult Civil	48	Civil	69	107	15
		Civil TDO	157	160	21
Forensic	24	Forensic TDO	11	14	3
		Other TDO	24	29	3
SVMHI Total	**72**		**261**	**310**	**42**

Southwestern Virginia Mental Health Institute

Southwestern Virginia Mental Health Institute (SWVMHI) is located in Marion, VA. SWVMHI, in collaboration with the local CSBs, works together to be the region's center for excellence in the treatment of serious mental illness. SWVMHI is a values-driven organization. This is demonstrated through training, identifying priorities, communication, and commitment in the quality of care provided to those they serve. SWVMHI primarily provides treatment for individuals in HPR III which includes six CSBs (Cumberland Mountain, Dickenson County, Highlands, Mount Rogers, New River Valley, and Planning District 1). The current bed operational capacity and admission statistics are as follows:

SWVMHI	Bed Capacity	Type of Admissions	FY 2013	FY 2014	FY 2015 7/1/14 - 8/31/14
Adult Civil	125	Civil	126	80	16
		Civil TDO	512	585	93
		Forensic TDO	7	31	2
		Other Forensic	27	24	6
		Adult Total	**672**	**720**	**117**
Geriatric	41	Civil	6	6	0
		Civil TDO	35	44	8
		Other Forensic	7	2	0
		Geriatric Total	**48**	**52**	**8**
SWVMHI Total	**166**		**720**	**772**	**125**

Western State Hospital

Western State Hospital (WSH) is located in Staunton, Virginia. In 2013, a new state-of-the-art, $140.5 million facility opened and patients were successfully transitioned from the old facility to the new one. The design of the new hospital incorporates special features that facilitate the delivery of highly-specialized, recovery-oriented treatment and provides a secure environment. This new setting not only enhances the provision of treatment, but also supports the development of the life skills needed for living independently within the community upon discharge. Western State Hospital primarily provides treatment for individuals in HPR I which includes eight CSBs (Horizon, Harrisonburg –Rockingham, Northwestern, Rappahannock Area, Rappahannock-Rapidan, Region Ten, Rockbridge Area, and Valley). The current bed operational capacity and admission statistics are as follows:

WSH	Bed Capacity	Type of Admissions	FY 2013	FY 2014	FY 2015 7/1/14 - 8/31/14
Adult Civil	216	Civil	254	296	42
		Civil TDO	25	56	25
Forensic	28	Forensic TDO	83	108	16
		Other Forensic	168	211	51
WSH Total	**244**		**530**	**671**	**143**

Total Admissions for All State Hospitals:

FY 2013	FY 2014	FY 2015 (YTD)
3,959	**4,275**	**803**

In summary, the number of admissions to state mental health hospitals for FY 2013 averaged 330 per month. For FY 2014 the average number of admissions to state hospitals was 356 per month. For the first two months in FY 2015 the average number of admissions to all state hospitals is currently 401.5 per month.

The associated expenses and revenues for each of the state mental health hospitals is described below.

Revenues, Appropriations, and Expenditures for State Mental Health Hospitals

Facility	FY 2014 Revenues	FY 2014 Appropriations	FY 2014 Expenditures
Catawba Hospital	$ 10,566,171	$21,779,294	$ 21,779,294
Central State Hospital	$ 198,871	$49,591,872	$ 49,572,499
Eastern State Hospital	$ 19,391,089	$67,993,007	$ 65,766,984
Northern Virginia Mental Health Institute	$ 1,890,093	$26,760,623	$ 26,749,943
Piedmont Geriatric Hospital	$ 22,877,410	$24,178,882	$ 24,178,882
Southern Virginia Mental Health Institute	$ 1,798,227	$13,419,350	$ 13,033,052
Southwest Virginia Mental Health Institute	$ 9,701,414	$34,184,048	$ 34,181,225
Western State Hospital	$ 5,809,196	$52,745,206	$ 52,739,210
Total	**$ 72,232,471**	**$290,652,282**	**$288,001,089**

Note: Revenues represent only what these facilities have generated in terms of reimbursement. The General Fund appropriation is not included. Appropriations adjusted for central accounts distributions.

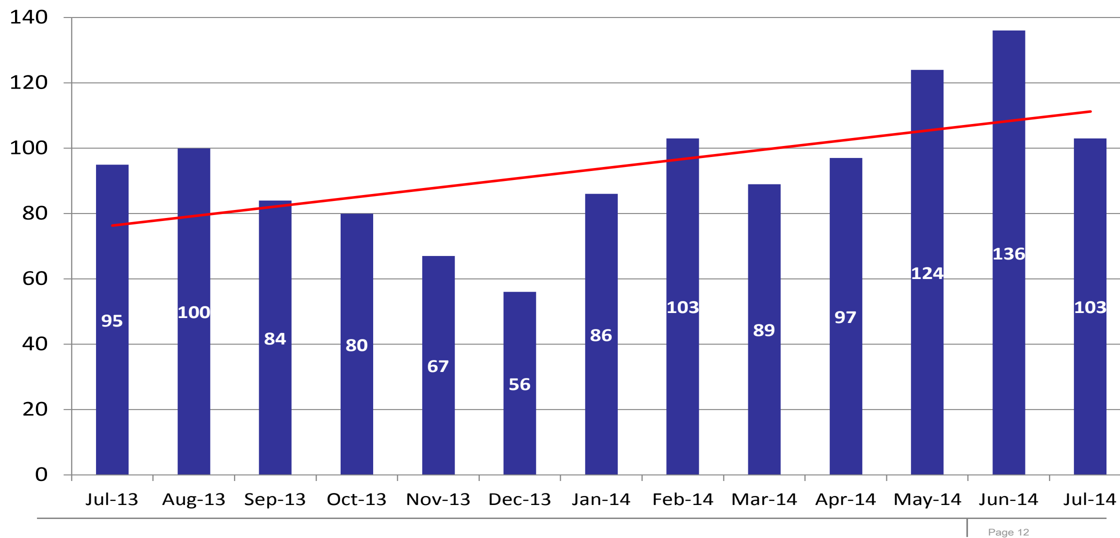
Impact of 2014 Changes to Civil Commitment Laws

The 2014 General Assembly Session passed a number of legislative changes to Virginia's civil commitment laws that went into effect on July 1, 2014. The implementation of the new legislation established state mental health hospitals as the facility of last resort. This change has significantly impacted the role of state mental health hospitals within the continuum of care. In the six months leading up to the implementation of these changes, overall admissions to state mental health hospitals increased by 24 percent. However, the rate of increase varied by the population served – adult beds experienced an 18 percent increase, child and adolescent beds experienced a 46 percent increase, and geriatric beds experienced a 42 percent increase. Due to

robust treatment and appropriate discharge into the community, there was not a commensurate increase in overall state mental health hospital census.

In the first two months following the implementation of the new civil commitment laws, overall admissions to state mental health hospitals increased by 19.4 percent. However, once again the rate of increase varied by the population served – adult beds had a 14 percent increase, child and adolescent beds had a 30 percent increase, and geriatric beds had a 65 percent increase.

The July 1, 2014 changes to the civil commitment laws significantly altered the role of the state mental health hospitals in the emergency custody and temporary detention process. Among other procedural changes, state mental health facilities will now admit all individuals who need involuntary temporary detention for whom no alternative facility can be found. These "last resort" provisions can complicate access to and coordination of needed care under certain conditions (e.g., individuals with co-morbid psychiatric and medical issues, brain injury, etc). DBHDS is collecting data on these cases in order to understand the impact of these changes and potential improvements that would support the delivery of appropriate care in a timely and efficient manner.



Data interpretation and trend projections are complicated by the variable impact of the new laws for each of the four major populations served by DBHDS: child and adolescent, adult, geriatric, and forensic individuals. DBHDS will continue to collect and analyze data and ensure that the transformation efforts incorporate all available information in its recommendations. These efforts will result in recommendations and options for consolidating and reorganizing the delivery of state mental health hospital services.

National Best Practices for the Role of State Mental Health Hospitals

The DBHDS transformation efforts will continue to review the current configuration of state mental health hospitals, data regarding the impact of the new legislation for state mental health hospitals, and national literature on the role of state mental health hospitals in the continuum of behavioral health care services. The National Association of State Mental Health Hospital Directors (NASMHPD) recently published a technical report called “The Vital Role of State Psychiatric Hospitals” (NASMHPD, 2014). In this report, NASMHPD advocates for state mental health hospitals to play a unique role in the continuum of the treatment and recovery services that are available within a robust continuum of community-based services. Community supports are recognized as essential components of a strong public mental health safety net system, which allows many individuals to avoid hospitalization in state hospitals, supports wellness, and provides for early intervention. This recognizes that many individuals with serious mental illness will need services that are provided only through the expertise of state mental health hospitals, but also emphasizes that numerous individuals can avoid admission to a state mental health hospital when early intervention and appropriate continuum of care is easily accessible in their communities.

The NASMHPD report found that health care reform (which has increased access to private inpatient capacity which indirectly increases demand on the public sector capacity since private beds are full), economic restraint, complex civil commitment laws, and the need to ensure civil rights have placed pressures on the capacity and adequacy of state mental health hospitals. Additionally, due to the history of deinstitutionalization and the development of comprehensive community mental health systems, the number of residents in state psychiatric hospitals has declined by 92 percent from 1950 to 2012. During this same 62-year period, the number of state mental health hospitals has declined by 36 percent. Like the Commonwealth, many states are working to build community-based mental health treatment and recovery support systems. However, similar to Virginia, NASMHPD found that the increased capacity for community based mental health services has been insufficient to accommodate the level of community resources required to serve the number of individuals in need of mental health treatment.

Currently, there are 207 state-operated mental health hospitals nationwide, serving approximately 40,600 people at any given point in time. The average state mental health hospital has about 200 individuals served on any given day. The most common populations are adults, the elderly, and forensic patients. There is a great deal less variability in the use of state hospitals for acute care (fewer than 30 days), intermediate care (30 to 90 days), and long-term care (more than 90 days). Intermediate care is the most common, followed closely by long-term and then short-term care. Individuals admitted into state mental health hospitals can be admitted voluntarily, civilly committed, or committed by a criminal court.

In 1999, the Supreme Court’s *Olmstead* decision reaffirmed the civil rights granted to individuals within the scope of the *American Disabilities Act (ADA)* of 1990 and the *Civil Rights of Institutionalized Persons Act (CRIPA)* of 1980. These two federal laws collectively protect the rights of individuals with disabilities to live in the least restrictive, most integrated community settings possible. Numerous states have been investigated by the U.S. Department of Justice (DOJ) as well as various state Protection and Advocacy (P&A) groups for violating standards promulgated under the *Olmstead* ruling, resulting in settlement agreements designed to transition individuals into less restrictive settings, and placements which integrate the individual to the greatest degree possible within the community. In January 2012, Virginia and the DOJ entered

into a settlement agreement covering individuals with intellectual and developmental disabilities. Virginia is potentially vulnerable to a DOJ investigation of its adult and geriatric state mental health hospitals as it relates to individuals who could thrive in integrated community settings given the proper array of community based services and supports.

Nationally, the combination of states with established *Olmstead* Plans and those with settlement agreements have led to the broad expansion of community-based services, integrated care, and supported housing options. The *Olmstead* decision emphasizes that if a person should need care for disabilities, including people with serious mental illness, the treatment and care should be provided in the *least restrictive*, and *most integrated* setting possible. It is important that during the DBHDS transformation planning, Virginia develop a strong strategic plan for the development of community-based services consistent with the *Olmstead* decision.

As states have downsized their state mental health hospitals, two types of involuntary treatment clients -- forensic clients and sex offenders committed to the state hospital -- have grown as a share of the clients served by state mental health hospitals. In FY 1983, state mental health hospitals expended 7.6 percent of their funds on forensic services. By FY 2012, the share of state mental health hospital expenditures for individuals with forensic status had grown to 36 percent. It is anticipated that the state mental health hospitals role in addressing the needs of justice involved individuals will continue to increase.

All individuals served in state mental health hospitals should be considered in the process of recovery. Every individual who is committed to a state mental health hospital, forensic or otherwise, needs to be evaluated as an individual in terms of inpatient goals, risks, and benefits in order to determine if this same treatment could be safely provided in the community. State hospital services should be recovery-oriented and evidence-based for patients with complex psychiatric conditions who are at risk of harm to self or others and who cannot be effectively treated by existing services in the community.

A shared safety net is when a state implements an accessible and comprehensive continuum of care between hospital-based care and community-based care to meet a wide range of needs for individuals and families in crisis. To ensure continuity of care, state hospital services should be integrated within the continuum of community services so that individuals are served in the community wherever possible and appropriate. Safety net goals are aligned with the *Olmstead* tenets.

The majority of persons served in state psychiatric hospitals have experienced trauma that is often a major cause of their suffering. As such, state psychiatric hospitals should utilize trauma-informed care. Trauma-informed practices are policies, procedures, interventions, and interactions among clients and staff that recognize the likelihood that a person receiving services has experienced trauma or violence. In a trauma-informed program, everyone, regardless of job level or specific role, is educated about trauma and its consequences. The goal is to create an inviting environment of respect and safety that promotes healing and prevents the need for seclusion and restraint.

A well-trained, professional and paraprofessional workforce is paramount in ensuring quality care. State psychiatric hospitals cannot maintain safe environments and provide effective treatments with perpetually high vacancy rates of professional staff and lack of staff training. Staff vacancies are often an indicator of underfunding. State salaries must be competitive with the healthcare market for mental health professionals and health care administrators. State psychiatric hospitals should promote, enhance, support and strengthen the skill levels of all staff, including offering Continuing Education Credits. State psychiatric hospitals should strive to have teaching relationships with various professional fields including, but not limited to, psychiatry, psychology, nursing, direct care, social work, counseling and primary care.

In summary, national literature, and the NASMHPD reports recognize the unique role state mental health hospitals have in the continuum of the treatment and recovery services that are available to individuals. Any consolidation or reorganization of state mental health facilities must be done with an understanding of the current community based service system. These community supports are essential components of a strong public mental health safety net system, which allows many individuals to avoid hospitalization in state hospitals, supports wellness, and provides for early intervention. The DBHDS transformation efforts will provide recommendations and options for consolidating and reorganizing the delivery of state mental health hospital services within the context of existing and recommended array of community-based services.

IV. Physical Plant and Capital Outlay Considerations for State Mental Health Hospitals

Physical Plant Conditions of State Mental Health Facilities

Physical Plant Overview

DBHDS is responsible for the operation of ten state-owned mental health facilities. The state hospitals, along with Hiram Davis Medical Center (HDMC), have approximately three million square feet of building area with an average age of nearly 50 years. Lack of adequate maintenance reserve funding continues to present problems for these older structures.

These facilities consist of over 200 individual buildings served by a variety of mechanical heating and cooling systems ranging from central plant distribution systems to individual package heating and cooling units and in some instances makeshift systems. Replacement of these systems based on age and physical condition has typically been deferred due to an uncertainty of the long-range need for continued use of the buildings. Many buildings anticipated to remain in use for a defined duration have reached the point of requiring an investment to maintain reliable systems for the duration of their use. Buildings that may reach surplus status require conditioned environments to prevent deterioration, therefore enhancing possible future utilization. Although substantial critical system improvements have been achieved in recent years, a substantial backlog of potential system failures and system inefficiencies remain.

Following is a building condition assessment for the adult mental health facilities:

Large Facilities

Eastern State Hospital: The campus currently contains approximate 747,000 square feet of buildings, of which 284,000 square feet has been declared surplus and is in the process of being sold. The remaining 463,000 square feet includes the Hancock Geriatric Treatment Center (opened in 2008) and the Adult Mental Health Treatment Center (opened in 2010) accounting for 300,000 square feet of space excellent condition. The remaining 163,000 square feet are older structures that are used for support functions and will need modernization in the near future. The overall condition of this facility is very good.

Western State Hospital: The former campus has been sold to the City of Staunton's Industrial Development Authority. The new, replacement hospital is complete and in operation. It provides approximately 360,000 square feet of the most modern and appropriate mental health facilities in the country. This new hospital cost approximately $130 million. The overall condition of this facility is excellent. The facility has a capacity of 246. Provision for expansion is pre-planned and built-in. An additional 56 beds can added in the future.

Central State Hospital: This hospital operates in many buildings that are old and beyond their useful life. Pre-planning funds have been approved to replace many of these buildings with a new 300-bed facility similar to the new, Western State Hospital. The current condition of this facility is poor.

Southwestern Virginia Mental Health Institute: The main treatment area contains approximately 100,000 square feet and was constructed in 1988. This building has recently received a new fire alarm and security system. Also, the main administration building is housed in a building that is listed on the National Historic Registry and was constructed in 1887. It received a new roof and skylight this year. In addition to these two buildings, the 110 acre campus contains 15 other buildings varying in age from 1910 to 1970. Some buildings have been vacated and are no longer in use. The campus water supply system is extremely old and in need of complete replacement. This campus will continue to need maintenance reserve funding commensurate with the age of the structures, however, the overall condition of the facility is good.

Regional Facilities

Northern Virginia Mental Health Institute: The original structure was constructed in 1975 and received a major addition and renovation in 1997. A re-roofing project was recently completed. The building is in good condition with the mechanical systems generally beyond the midpoint of their expected life. NVMHI will need ongoing maintenance commensurate with the building's age, but there are no plans to make major changes to the

building structure. The building is located on 10 acres of property with no opportunity for growth. It is surrounded on three sides by residential development and on the other side by INOVA Hospital. The overall condition of the facility is good.

Southern Virginia Mental Health Institute: The structure was built in 1975 and received a major upgrade of its mechanical systems and interior finishes in 2010. Several years ago the building received a new roof. The building contains 70,000 square feet and is situated on approximately 20 acres of land. The building's main parking lot is in need of replacement. Due to the age of the fire alarm and security systems, replacement of these system is currently in design. The overall condition of the building is very good.

Smaller Facilities

Piedmont Geriatric Hospital: This main hospital, Building 15, was constructed in 1939 and contains 27,000 square feet. In 1951, a 103,000 square foot addition added the north and west wings in 1951. Upgrades were made to the patient care area in 2011 to comply with the "Plan of Correction" approved by the Center for Medicare and Medicaid Services after an extensive audit of the facility showed numerous hanging hazards and other unsafe conditions in the building. Also, kitchen upgrades have been made as needed. The buildings mechanical, electrical and plumbing systems remain adequate, but are well beyond the midpoint of their expected life and will be in need of replacement in the near future. The exterior envelope of the building is failing. Extensive renovation is needed in the near future and planning for the repair of the exterior envelope has been completed and is awaiting authority to begin final design as funds are released.

Building 29 houses administration functions and contains approximately 35,000 square feet. It was constructed in 1950 as a nurse dormitory and has been adapted to the current use. Its mechanical systems are beyond their useful life and the building windows are in need of replacement. The remaining 23 buildings on campus range in age from 1924 to 1952. Many are vacant and unused.

The boiler plant has recently completed a major renovation that allows the facility to use renewable energy sources such as wood waste (i.e., sawdust) and native warm season grasses (i.e., switchgrass). This plant serves both the Piedmont Geriatric Hospital buildings and the Virginia Center for Behavioral Rehabilitation.
The overall condition of the facility is fair but the age of the buildings will require a great deal of maintenance.

Catawba Hospital: The hospital occupies 670 acres of property in a rural area of Roanoke County. It contains approximately 25 buildings constructed from 1910 to 1990. The main hospital building is an eight-story structure constructed in 1953 and contains approximately 140,000 square feet. Several of the hospital floors are not occupied.

The building has recently received a major security systems and fire alarm system upgrade which are critical to assure safety. The building roof has recently been replaced. The mechanical systems are beyond their useful life and will require major renovation to bring them into compliance with modern standards. The heating, ventilation and air-conditioning systems are particularly challenging due to the low floor-to-floor height in the building. Windows were replaced several years ago and are very energy efficient, but on the patient floors these windows lack the security imposed in modern structures at Eastern State and Western State Hospitals.

Due to the remote nature of the site, this hospital has its own water treatment and sewage treatment facilities. The facility owns an extensive high voltage distribution system that must be maintained and makes it especially vulnerable to outages. The facility is served by its steam plant that is operated on fuel oil. While the facility is extremely well-maintained and operated with low energy usage, its inherent cost of energy makes it one of the most expensive to operate in the entire DBHDS system. In addition to the Main Hospital, Building 15, there are approximately 25 other buildings on campus constructed between 1912 and 1996. The building that is in the best condition is the 9,000 square foot Patient Activities Building that was the most recently constructed. Many of the older buildings are vacant and abandoned. Efforts are underway to demolish several of the older buildings that are in a serious state of decay and contain hazardous materials.

The overall condition of the facility is fair.

DBHDS' six-year Capital Outlay Plan for mental health facilities includes the following:

- Replacement of CSH ($137.1 million)
- Expansion of WSH ($20.1 million)
- Renovation of PGH ($38.8 million)
- Renovate SVMHI ($10.2 million)
- ESH Phase III ($30.0 million)
- Renovation of CH ($45.9 million)
- Food service transformation ($23.2 million)
- Improvements at ESH to create a safe adult mental health environment ($2.4 million)
- Major system renovations for greater security ($8.4 million)
- Major renovation projects for roofs, infrastructure, abatement of hazardous materials and HVAC/boilers repairs and replacement ($34.9 million)

V. Fiscal Impact of Reduction in Geriatric Census

As the chart below demonstrates, the total geriatric census in our MH facilities has decreased 18 percent over the last 6 fiscal years; while the non-geriatric census has only decreased 10 percent.

Mental Health Facilities with a combination of both Geriatric and Adult Services

Year	Total Census (in bed days)	Geriatric Census (in bed days)	% of Medicaid Days	Expenditures	Revenue	Expenditures vs. Revenue
2008	286,275	149,130	63%	$ 151,241,129	$ 63,385,877	$ 87,855,252
2009	263,829	135,687	60%	$ 150,362,357	$ 63,282,808	$ 87,079,549
2010	251,789	137,043	62%	$ 145,349,147	$ 70,909,589	$ 74,439,558
2011	233,130	133,561	46%	$ 144,602,059	$ 48,309,947	$ 96,292,112
2012	223,230	124,283	55%	$ 142,539,521	$ 58,836,760	$ 83,702,761
2013	219,652	121,814	52%	$ 147,165,788	$ 53,579,238	$ 93,586,550
2014	224,302	99,125	44%	$ 145,906,385	$ 57,740,467	$ 88,165,918

This change in population mix has resulted in the total expenditures only decreasing 3 percent over this same time period while the revenue has decreased 15 percent. The small decrease in expenditures is a direct reflection of the standard operational costs for facilities. The facility with the largest decline in Medicaid Geriatric days is Eastern State Hospital. Utilized bed days fell from a high in 2008 of 41,334 to 23,243 in 2013 or a drop of 18,091. These factors have resulted in the department's increased utilization of General Fund (7 percent) to take care of the individuals entrusted to our care. This is demonstrated by the increased need in General Fund appropriation at Eastern State based on the patient mix changes.

VI. Summary And Conclusions

DBHDS is committed to ensuring that the public mental health safety net is accessible for every individual or family in crisis. At this point, insufficient data is available to determine the impact of the recent legislation on the populations served by the state mental health hospitals. Additionally, considerable resources will need to be invested in state hospitals either in new construction or regular maintenance. Given the broad range of strategic planning, the transformational initiatives that are being launched, the realignment of resources, and the increased focus on specific populations, it is appropriate to provide more time for DBHDS to clarify the vision of the Commonwealth's public mental health care system in future years. In addition to the above considerations, any strategy to consolidate and reorganize state mental hospitals must factor in the financial impact of shifts in the mix of child/adolescent, adult, geriatric, and forensic populations served by these facilities.

Consistent with the *Olmstead* decision, the DBHDS remains committed to its mission of *A life of possibilities for all Virginians*. This mission is only attainable if a continuum of core services is accessible in every area throughout the Commonwealth. These core services must include wellness, prevention, early intervention, multiple levels of intensity in community based treatment, and a robust private sector engaged to serve the needs of diverse populations This

continuum of services would also ensure a safety net is accessible and responsive to every individual and family in crisis, every time, and without fail.

As the Commonwealth develops additional community based resources, DBHDS anticipates that the state hospitals role will diminish over time. However, at this point, insufficient data is available to determine the impact of the recent legislation on the populations served by the state mental health hospitals. Additionally, considerable resources will need to be invested in state hospitals either in new construction or regular maintenance. Given the broad range of strategic planning, the transformational initiatives that are being launched, the realignment of resources, and the increased focus on specific populations, it is appropriate to provide more time for DBHDS to clarify the vision of the Commonwealth's public mental health care system in future years. In addition to the above considerations, any strategy to consolidate and reorganize state mental hospitals must factor in the financial impact of shifts in the mix of child/adolescent, adult, geriatric, and forensic populations served by these facilities. The role of state mental health hospitals within a community based system of care must be guided by and fully support the following principles:

- Individuals can and do recover from mental illness and substance use disorders.
- Across the entire Commonwealth, Virginians should have access to quality mental health services.
- Interventions should be focused on prevention and early intervention.
- Services must be individualized, consumer-driven and family-focused.
- To best promote recovery, interventions should be holistic, and include necessary primary health care, housing and employment supports.
- A safety net must be accessible and responsive to every individual and every family in crisis, every time, and without fail.

References

National Association of State Mental Health Program Directors (NASMHPD) Medical Directors Council. (2014). *The Vital Role of State Psychiatric Hospitals.* Alexandria: NASMHPD Medical Directors Council. Retrieved September 22, 2014, from http://www.nasmhpd.org/Publications/The%20Vital%20Role%20of%20State%20Psychiatric%20HospitalsTechnical%20Report_July_2014.pdf