



COMMONWEALTH of VIRGINIA

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COMMISSIONER

DEPARTMENT OF
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October 31, 2020

The Honorable Janet D. Howell, Chair, Senate Finance Committee
The Honorable Luke E. Torian, Chair, House Appropriations Committee
14th Floor, Pocahontas Building
900 East Main Street
Richmond, VA 23219

Dear Senator Howell and Delegate Torian:

Item 320 CC.2 of the 2020 *Appropriations Act* directs the Department of Behavioral Health and Developmental Services (DBHDS) to provide a quarterly report on the establishment of pilot projects with alternative inpatient options to state behavioral health hospital care to reduce census pressures on state hospitals. The language states:

2. The department shall report quarterly on projects awarded with details on each project and its projected impact on the state behavioral health hospital census. The report shall be submitted to the Chairs of House Appropriations and Senate Finance and Appropriations Committees no later than 30 days after each quarter ends.

In accordance with this item, please find enclosed the combined report for Item 320 CC.2 for the first quarter of FY 2021. Staff are available should you wish to discuss this request.

Sincerely,

Alison G. Land, FACHE
Commissioner
Department of Behavioral Health & Developmental Services

CC:
Vanessa Walker Harris, MD
Susan Massart
Mike Tweedy



Report on Item 320 CC.2

Report on the Establishment of Census Pilot Projects

To the Chairs of House Appropriations and Senate Finance and Appropriations
Committees

October 31, 2020

Introduction

Item 320 CC of the 2020 Appropriations Act provides \$3,750,000 in FY20 and \$7,500,000 in FY21 in order to pursue alternative inpatient options to care at the Commonwealth's state mental health hospitals as well as step-down options for patients ready to discharge on the Extraordinary Barriers List. The language states:

CC.1. Out of this appropriation, \$3,750,000 the first year and \$7,500,000 the second year from the general fund is provided for the Department of Behavioral Health and Developmental Services (DBHDS) to pursue alternative inpatient options to state behavioral health hospital care or to increase capacity in the community for patients on the Extraordinary Barriers List through the establishment of two-year pilot projects that will reduce census pressures on state hospitals. Proposals shall be evaluated on: (i) the expected impact on state hospital bed use, including the impact on the extraordinary barrier list; (ii) the speed by which the project can become operational; (iii) the start-up and ongoing costs of the project; (iv) the sustainability of the project without the use of ongoing general funds; (v) the alignment between the project target population and the population currently being admitted to state hospitals; and (vi) the applicant's history of success in meeting the needs of the target population. No project shall be allocated more than \$2.5 million each year. Projects may include public-private partnerships, to include contracts with private entities. The department shall give preference to projects that serve individuals who would otherwise be admitted to a state hospital operated by DBHDS, that can be rapidly implemented, and provide the best long-term outcomes for patients. Consideration may be given to regional projects addressing comprehensive psychiatric emergency services, complex medical and neuro-developmental needs of children and adolescents receiving inpatient behavioral health services, and addressing complex medical needs of adults receiving inpatient behavioral health services. Any unexpended balance in this appropriation on June 30, 2021, shall be reappropriated for this purpose in the next fiscal year to fund project costs.

2. The department shall report quarterly on projects awarded with details on each project and its projected impact on the state behavioral health hospital census. The report shall be submitted to the Chairs of House Appropriations and Senate Finance and Appropriations Committees no later than 30 days after each quarter ends.

The census at the Commonwealth's eight mental health hospitals has been persistently and dangerously high. Though TDO admissions across Virginia have decreased slightly in recent years, Virginia's state facilities are taking a larger share of TDO admissions than private facilities. This current trend began when the Bed of Last Resort statute was passed in 2014, requiring an individual to be transported to a state hospital at the end of the 8-hour ECO period if no other bed is available. On average, the state hospital census in FY21 is consistently above 85 percent, considered safe operating capacity, and more frequently above 95 percent.

The current process of identifying an available bed for an individual subject to a TDO is done largely via phone calls and based on each hospital's milieu at the time. There is no central source of information on why there was a refusal from a private hospital. There is, however, documentation within each individual pre-screening form for the reasons. The most common

reason listed for refusal is the level of acuity of the patient (specifically historical or current aggression). Other common reasons for refusal include patients who have an exclusionary diagnosis (developmental disabilities or dementia), medical comorbidities, and concerns about housing and placement post discharge. The hospital census pilots in 320 CC of the Appropriations Act as well as other contracts with private hospitals described below seek to either support community hospitals in taking these high acuity patients or take on populations that may be more appropriately served in a private hospital (e.g., children under age 12).

Status of Census Contracts

DBHDS has been working with private providers to develop contracts for alternative inpatient settings as well as step-down options for state hospital patients.

As of the date of this report, no pilot projects have been implemented respective to Item 320 CC. However, several private contracts are in place in three key categories:

1. Emergency contracts in response to COVID-19 – these funds were designed to provide diversion of admissions and step-down options specifically in response to COVID-19 and the pressure it has placed on the state hospital census.
2. Contracts that existed prior to COVID-19 – these include contracts with various private providers for diversion as well as step-down services such as assisted living and guardianship services.
3. New funds allocated in FY21 for diversion/step-down contracts – these include pilot programs in Item 320 CC, children’s inpatient funds in Item 321 G, as well as other contracts with private providers.

As of the date of this report, no funds allocated in Item 320 CC have been spent. DBHDS is in conversations with several private providers and is actively pursuing pilot programs with these providers. However, due to when the funds were appropriated, contracts have yet to be finalized.¹

In addition, payment for these contracts is delivered once services are rendered. There have been several barriers to private providers accepting individuals who would otherwise be serviced at state hospitals or who are being discharged from state hospitals. COVID-19 has presented all congregate facilities with immense challenges that require the space and staffing necessary to ensure infection control. In addition, many private hospitals have various clinical exclusion criteria which can vary daily or even hourly depending on the facility’s current milieu. These criteria may preclude accepting patients who have exhibited aggressive behavior, who have an intellectual or developmental disability, or who otherwise require a level of staffing that the private facility is unequipped to provide at a given time. Therefore, the expenditure of the dollars allocated in Item 320 CC depends on the acceptance of patients who would otherwise be admitted to or are being discharged from a state facility, and many private providers are reluctant to accept these individuals.

¹ DBHDS has facilitated meetings with multiple hospital and private provider organizations over the past several months who expressed an interest in implementing a pilot project; however, DBHDS did not receive its first formal proposal until mid-April of 2021. DBHDS anticipates expending at least \$2.5 million dollars of this funding prior to the end of FY21.

The impact of these expenditures on the state hospital census is difficult to determine. Funds are distributed as services are rendered, and the estimated impact of individuals served by the end of April in 2021 is around 530. Whether or not these individuals would otherwise be admitted to a private facility is impossible to determine.

Table 1: Current Contracts with Private Providers

The following table details each existing contract with private providers for diversion from state hospital admissions as well as step-down options for patients ready for discharge from a state hospital.

Contract	Description or Purpose	Status	Projected annual cost	Expended as of 10/31/20	Estimate # of individuals served as of 10/31/20
<i>Emergency contracts in response to COVID-19</i>					
Contract for ALF Services at Commonwealth Senior Living	Reduce Geriatric Bed Census through diversion or step down of eligible patients to Assisted Living Facility	Active	\$250,000	\$25,200	9
Fellowship CSU	Adult step-down beds from state facilities during COVID	Active	\$810,000	\$178,614	22
CSU Agreement (exhibit D, not contract)	Agreement with CSB CSUs for diversion	Active	\$48,000	\$10,000	1
<i>Contracts that existed prior to COVID-19</i>					
Inpatient Psychiatric Beds for Adults and Geriatrics with Diamond Healthcare	Reduce Adult Bed Census through diversion or step down of eligible TDOs and long term stays	Active (reduced projected cost due to lack of use) will reinvest	\$200,000	\$60,300	13
Gateway Homes ALF and TGH	Assisted living facilities and Transitional Group Homes	Active	\$4,200,000	\$1,303,286	37
Poplar Springs	Reduce census through diversion of eligible TDOs	Active (reduced projected cost due to lack of use) will reinvest	\$100,000	\$0	0
Jewish Family Services/ Guardianship	Provide guardianship services for those discharged from state facilities	Active	\$600,000	\$124,000	81
Funds to be Reinvested from Contract Underspending	Additional dollars for census initiatives	Active	\$700,000		
<i>New funds allocated in FY21 for diversion/step-down contracts</i>					

Children's Inpatient Funds	Provide inpatient beds for diversion of children who would otherwise go to CCCA. Two emergency contracts: One with UHS (\$300,000), and one with CHKD (\$4,135,888).	2 rounds of RFP solicitations no bids. Working on alternatives for remainder of funding	\$6,300,000	\$0	6
Various CSB Exhibit D's	CSB Residential Beds, Additional fund for IDAPs, transitional housing	Actively working with CSBs	\$6,844,000	\$0	0
Mt Rogers Nursing Home	Provide nursing home beds for those with extraordinary behavioral health needs by providing specialized BH staff at the Nursing home.	Active	\$656,000	\$0	0
VHHA Pilot Programs	Various contracts to relieve census pressures	Working with Providers	\$3,750,000	\$0	0
			\$24,458,000	\$1,701,400	528.00