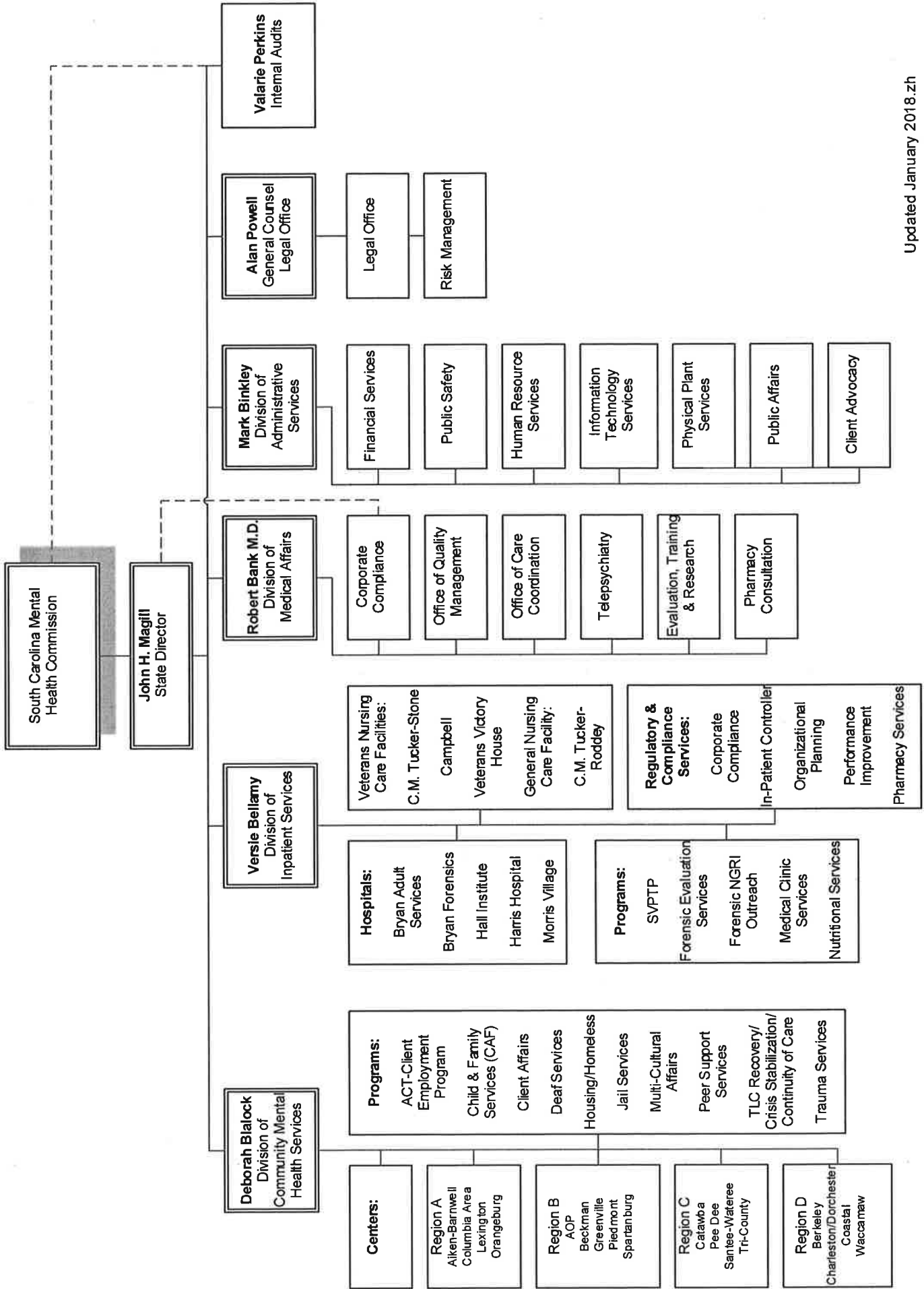


The South Carolina Department of Mental Health

FY 2018-19 Budget Hearing
South Carolina House of Representatives
Ways and Means
Healthcare Subcommittee
January 23, 2018

S.C. Department of Mental Health Organizational Chart



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The South Carolina Department of Mental Health (Slide Numbers 4-5)

- The South Carolina Department of Mental Health’s (SCDMH) mission is to support the recovery of people with mental illnesses, giving priority to adults with serious and persistent mental illness and to children and adolescents with serious emotional disturbances.
- The SCDMH system...
 - Comprises 17 community-based, outpatient mental health centers, each with clinics and satellite offices, which serve all 46 counties – a total of approximately 60 outpatient sites;
 - Provides services to approximately 100,000 patients per year, approximately 30,000 of whom are children;
 - Operates several licensed hospitals, serving adults, children and adolescents, and addictive disease;
 - Operates four nursing homes, including three for veterans;
 - Includes operation of an inpatient Forensics hospital and an outpatient program;
 - Includes operation of a Sexually Violent Predator Treatment Program.
- SCDMH is one of the largest healthcare systems in South Carolina.
- SCDMH has more than 800 portals of access across the State of South Carolina, including:
 - the hospitals, nursing homes, and clinics as described in the previous slide;
 - more than 20 specialized clinical service sites (DMH offices that provide some type of clinical care, but do not offer a full array of services found in a center or clinic);
 - more than 20 South Carolina hospitals with Telepsychiatry services;
 - more than 140 community sites (non-DMH entities or businesses where DMH staff regularly and routinely provide clinical services); and
 - more than 640 school-based service program sites.

Program Highlights

- Forensics (Slide 8)
 - The inpatient waitlist currently has decreased approximately 82% since May 2016 from over 100 to 20 as of January 2, 2018.
- Telepsychiatry (Slide 10)
 - As of January 2018, SCDMH’s Telepsychiatry Programs have provided more than 76,000 psychiatric services via telehealth.
 - While it has been acknowledged that SCDMH is the largest provider of telepsychiatry services in South Carolina, it has now been established that SCDMH is also the largest provider of telehealth services in the State of South Carolina.
- School-based Services (Slide 12)
 - With funds appropriated by the SC General Assembly in FY15, FY16, and FY17, SCDMH has continued to expand school-based programs. SCDMH School-based Services are now available in 641 schools across South Carolina.

- Sexually Violent Predator Treatment Program (Slide 18)
 - With funds appropriated by the SC General Assembly in FY17 (\$4.2 million), which enabled SCDMH to secure approval from the Joint Bond Review Committee and State Fiscal Accountability Authority for a much needed new facility, SCDMH was able to adequately fund the Sexually Violent Predator Treatment Program, and was consequently able to use its other appropriated funds for mental health services.
- Veterans Nursing Homes
 - With funds appropriated by the SC General Assembly in FY17 (\$1,172,227), SCDMH was able to adequately fund its costs associated with the management and operations of its State Veterans Nursing Homes, and was consequently able to use its other appropriated funds for mental health services.

List of FY2019 Budget Requests

Recurring Budget Requests (Slide Number)

Supported Community Housing Expansion (22)	\$ 4,452,017
Child and Adolescent Intensive Community and Residential Services (23)	2,000,000
Public Safety Officers Recruitment/Retention (24)	1,633,756
First Episode Psychosis (FEP) Programs (25)	800,000
School-Based Services (26)	250,000
Crisis Stabilization (27)	500,000
Inpatient Clinical and Medical Services – Salary Adjustment (28)	1,094,026
Inpatient Clinical and Medical Services – CRCF Adjustment (29)	91,000
Contractual Adjustment – Inpatient Services (30)	1,362,527
Sexually Violent Predators Program (31)	512,728
Information Technology (32)	2,274,378
Contract Monitoring Unit (33)	400,000
Annualization – Central Office (34)	270,000
Annualization – Division of Administrative Services (35)	300,000
Annualization – Other Support Areas (36)	1,852,294
Long-Term Care – Vaccinations (37)	<u>53,200</u>
Total Recurring Budget Requests	<u>\$17,845,926</u>

Non-Recurring Budget Requests (Slide Number)

Community Mental Health Services – Outpatient Electronic Medical Record (38)	\$4,500,000
Inpatient Medical Equipment and Vehicle Replacement (39)	895,245
Record Scanning Project (40)	500,000
Long-Term Care (41)	<u>308,282</u>
Total Non-Recurring Budget Requests	<u>\$6,203,527</u>

Capital Budget Requests (Slide Number)

NE Campus Electrical Distribution System Renovations (42)	\$ 3,600,000
Catawba Mental Health Center Construction (43)	12,430,000
Community Buildings Deferred Maintenance (44)	3,000,000
Anderson-Oconee-Pickens Mental Health Center Construction (45)	12,430,000
Columbia Area MHC Phase III Construction (46)	4,000,000
Campbell Veterans Nursing Home Renovations (47)	3,940,000
Tucker Center (Roddey Flooring, Laundry & Nurse Call Renovations) (48)	<u>2,000,000</u>
Total Capital Budget Requests	<u>\$41,400,000</u>

Highlights of FY2019 Budget Requests

Highlights of the FY2019 Budget Requests are listed hereafter.

Supported Community Housing Expansion

\$4,452,017

- The requested funds would expand the supported community housing options for long-term, chronically ill patients who have presented as discharge challenges at Bryan Psychiatric Hospital and Harris Psychiatric Hospital.
- This initiative will provide appropriate staff support and treatment to patients who have been unsuccessful in remaining in more independent community residential settings, have demonstrated an unhealthy reliance on the inpatient system to meet treatment needs, and/or have behaviors which most private residential providers are unwilling to tolerate.
- The result will be increased hospital discharges for this challenging population and longer, hopefully permanent, community tenure for these individuals.
- Successful discharges of long-term patients will also result in additional inpatient capacity as lower lengths of stay and bed turnover will result in increased bed availability for new patients in need of hospitalization.

Child and Adolescent Intensive Community and Residential Services

\$2,000,000

- State recurring funds are needed to increase the available array of intensive community mental health services and short-term therapeutic residential services for adolescents with a mental illness who are at high risk for institutionalization. Examples would be children and adolescents with a mental illness who have come into contact with the juvenile justice system and/or hospital emergency departments.
- At one time available service options under the State's Medicaid Plan included Intensive Family Services, such as Multi-Systemic Therapy (MST), Therapeutic Foster Care (TFC), and Temporary De-escalation Care (TDC – Respite care), and prior to 2008, therapeutic group homes.
- Changes in the Medicaid plan impacting these services were in most cases to “unbundle” the multiple clinical interventions which made up a particular intensive “wrap” service, and require that each intervention be separately documented and billed. Such a change increased the amount of administrative time clinical staff had to spend documenting, and resulted in substantially lowering the overall level of reimbursement to private community providers of these intensive wrap services, often below the cost to provide the previous level of services to the adolescent patient and their family.
- With the changes, the availability of intensive wrap services and respite services to children and adolescents by quality private providers has largely disappeared. Even when intensive community “wrap” services are appropriate for a particular youth, institutional care, such as in a Psychiatric Residential Treatment Facility (PRTF) or hospital is now frequently the only available option. Unfortunately even access to PRTFs for adolescents in State care or custody has become increasingly limited, especially for juvenile justice involved youth.
- The requested funds would enable DMH to initially add four (4) MST teams in year one, bringing the current total to nine (9), and to expand by an additional two (2) teams in year two as earned revenue begins to reduce the amount of State funds needed to sustain an existing MST team.
- The requested funds would also enable the agency to serve an estimated 40 to 50 youth annually in a therapeutic group home setting, based on an average length of stay of 3 to 4 months.

Public Safety Officers Recruitment/Retention

\$1,633,756

- Over 90% of the patients in the agency's three (3) hospitals are there involuntarily, admitted because they were posing a risk of harm to themselves or others. The DMH Office of Public Safety provides necessary security at the agency's inpatient facilities, including responding to emergencies on patient units. Because of the nature of the patients treated, DMH Public Safety employs certified law enforcement officers.
- Certified Public Safety Officers are also required when transporting patients who have outstanding criminal charges, as well as when transporting residents of the Department's Sexually Violent Predator Program.
- The salaries paid by the Department to its Public Safety Officers have increasingly lagged behind the salaries being paid by other State agencies which employ certified officers, as well as the salaries offered by local law enforcement agencies. This has resulted in high turnover of SCDMH Public Safety Officers and a high number of vacant positions. In order to meet its critical responsibilities, the Department incurs significant overtime costs for Public Safety Officers.
- The requested funds will enable the Department to increase Public Safety salaries close to the average paid by other State agencies, thereby aiding in recruitment and retention, and reducing overtime.

First Episode Psychosis (FEP) Programs

\$800,000

- Funds will support two (2) evidence-based programs for individuals who have experienced the early onset of a psychotic disorder, such as Schizophrenia.
- The first symptoms of psychotic disorders typically manifest in individuals between the ages of 16 and 25. Young adults are a challenging population to engage and stay in treatment. FEP programs are 2 year intensive programs with small caseloads using a person-centered team approach. Also known as "Coordinated Specialty Care," FEP programs are aimed at guiding young adults experiencing psychosis (and their families) toward mental, physical and functional health.
- Studies have shown that Coordinated Specialty Care programs improve treatment engagement and adherence and substantially reduce the likelihood that patients' psychotic disorders will lead to long-term disability. The majority of patients are able to stay in school or remain employed, and remain connected to family, friends and social supports. Correspondingly, patient's use of emergency services, such as hospital Emergency Departments and calls to law enforcement is significantly reduced.
- Despite the clear benefits of these programs for patients and for reducing long-term care costs, neither public nor private insurance currently reimburse many of the services provided by Coordinated Specialty Care programs.

School-Based Services

\$250,000

- SCDMH school based mental health services improve access to needed mental health services for children and their families.
- The requested funding would enable the agency to increase by at least 10 the number of school based mental health therapists based on the average State support needed to sustain a position being \$25,000 per school-based therapist.

Crisis Stabilization

\$500,000

- The requested funds would enable the agency to continue to partner with local hospitals and other community officials to increase residential crisis stabilization programs beyond the four (4) currently in existence or in the planning stages. Such programs help divert individuals in a psychiatric crisis who can be safely cared for outside of a hospital from emergency departments.

- Inpatient Clinical and Medical Services – Salary Adjustment \$1,094,026
- BPH Adult, BPH C&A, HPH, MV, Roddey Pavilion, Stone Pavilion, Nutritional Services
 - The South Carolina Department of Mental Health is committed to providing outstanding inpatient services to residents of this state and training to the staff. Providing the requested funding will support recruitment and retention for direct care and clinical support workers for the care delivery of high risk populations and environments to maintain effective care delivery and to maintain safety and meet regulatory standards. Clinical support workers (food service, custodial and nursing aides) are crucial to meeting and maintaining these standards.
- Inpatient Clinical and Medical Services – CRCF Adjustment \$91,000
- MV, BPH Adult, BPH Forensic, HPH
 - Granting funding of this request would provide for bridge funds to facilitate efficiency of patient discharge and movement of patients across the system to improve movement and to create capacity for other citizens awaiting treatment.
 - These funds will be provided to operators of Community Residential Care Facilities located throughout the state.
- Contractual Adjustment – Inpatient Services \$1,362,527
- The requested amount represents expected contractual obligations in FY2019 related to CPI adjustments for the Department’s forensics program and veterans’ nursing homes.
 - Forensics (CPI), Contracted Veterans Nursing Homes (CPI)
 - This request is based on an approximation of FY2019 contractual obligations.
- Sexually Violent Predators Program \$512,728
- The census of the program is steadily increasing, and additional funding is being requested to offset the increased costs based on the projected increase in the number of civilly committed residents.
 - The request is based on an estimate of the cost per year to provide services to 12 additional residents (one added per month) for the associated number of bed days at the rate of \$216.89 per bed day.
- Information Technology \$2,274,378
- The requested funds will replace one-time funds and provide additional recurring funds to support the Department’s operations, including its expanding telepsychiatry network, its Inpatient Services and Community Mental Health Services electronic health records, information technology support, and its network infrastructure support, including contractual services maintenance, software product costs, training, and funds associated with vacant and requested Information Technology staff positions.
- Contract Monitoring Unit \$400,000
- The South Carolina Department of Mental Health is establishing a clinical contract monitoring office to monitor the contractual requirements of the large operations contracts the agency has established for the operation of State Veterans Nursing Homes and other inpatient programs.
 - Based on estimated expenditures to employ an attorney, a registered nurse, a social worker, and an administrative professional. This estimate includes fringe. This estimate also includes accommodations for other operational expenditures.

Annualization - Central Office	\$270,000
<ul style="list-style-type: none"> • Medical Director, Quality Management • This request is based on FY2018 expenditures and funding amounts. 	
Annualization – Division of Administrative Services	\$300,000
<ul style="list-style-type: none"> • Human Resources • This request is based on FY2018 expenditures and funding amounts. 	
Annualization – Other Support Areas	\$1,852,294
<ul style="list-style-type: none"> • Care Coordination, Deaf Services, IPS/Employment Program, Alzheimer’s Association, PRTF Placements • This request is based on FY2018 expenditures and funding amounts. 	
Long-Term Care – Vaccinations	\$53,200
<ul style="list-style-type: none"> • The requested funds will provide for vaccinations for shingles (Zostovax) at Roddey Pavilion at C.M. Tucker Nursing Care Center, and Stone Pavilion at C.M. Tucker Nursing Care Center. • This request is based on an estimate of the total funds required to meet the financial obligation. 	
Community Mental Health Services – Outpatient Electronic Health Record	\$4,500,000
<ul style="list-style-type: none"> • The requested funds would be used for the procurement of an integrated software solution for SCDMH’s Community Mental Health Centers (CMHC) that will either augment or replace SCDMH’s current billing and electronic medical records software applications and any services associated therewith. • The request for funding is based on an estimate of the total funds required to meet the financial obligation. This initial request will fund the first stage of the full implementation of this system. Additional non-recurring funds may be requested in future years as the system is implemented in its entirety. • A new EHR will ensure that SCDMH will avoid Medicare penalties and maintain eligibility for Federal grants. • A new EHR will also maximize billing which will increase earned revenues. • This upgrade will allow SCDMH to share clinical information with clinical partners and report quality measures accurately to Managed Care Organizations (MCO). 	
Inpatient Medical Equipment and Vehicle Replacement	\$895,245
<ul style="list-style-type: none"> • Inpatient Medical Equipment \$808,445 • Vehicle Replacement \$ 86,800 • The requested funds would provide for the procurement of the following inpatient medical equipment: Specialty Clinics (Station Sterilizer; Retinoscope: Powersource; Rechargeable Base); Nutritional Services (Retherm Refrigerator/Cart; Refrigerated Tables; Roll-In Cooler; Insulated Truck Refrigerator Box; 100 Gal Cook Chill Kettle; Walk-in Cooler; Walk-in Cooler Doors, Ice Machine, Truck with Box and Refrigerator Unit/Liftgate); BPH C&A (Patient Furniture); HPH (Computers; Vehicle; Patient Furniture); and Morris Village (Patient Beds). • The funds would also provide for the replacement of vehicles: laundry vehicle and a second vehicle at Roddey Pavilion and a vehicle at Veterans Victory House. 	

Record Scanning Project \$500,000

- This request would provide an annual amount to sustain a project to replace the agency's paper medical records and other important records with electronic versions. The funds would pay for scanning, software licenses, and storage of document images for Human Resources, Division of Inpatient Services, Financial Services, and the Community Mental Health Centers.

Long-Term Care \$308,282

- Funds are requested for one-time expenses associated with the following:
 - Roddey Pavilion - Physical Therapy/Occupational Therapy/Recreational Therapy equipment, vehicles, furniture and equipment replacement, and dining supplies.
 - Stone Pavilion – Nurse-call system upgrade, furniture and equipment replacement.

NE Campus Electrical Distribution System Renovations \$3,600,000

- Crafts Farrow State Hospital Campus is located on Farrow Road in Northeast Columbia. Most of the supporting electrical distribution infrastructure is at least 40 years old. The Department of Mental Health owns and maintains the electrical substation, as well as the overhead and underground portions of the distribution system. Many of the existing components including the substation, transformers, wooden poles and the pole mounted switches are in poor condition and need to be replaced. Over 4000 feet of the underground feed cables to Morris Village and G. Werber Bryan Psychiatric Hospital are over 40 years old, have exceeded their useful life and require replacement.

Catawba Mental Health Center Construction \$12,430,000

- Purchase 6 acres of land and construct a 35,000 SF facility in the Rock Hill area to provide mental health services to clients in York County. This request is related to the Department's goal to provide sufficient mental health services in communities to minimize consumers' needs for hospitalization to the greatest extent possible. The building will include space for York Adult Services Program; Catawba Family Center; School Based Mental Health Program; Dual Diagnosis Program; and Administration, Training and Facility Support. This facility will consolidate programs housed in three leased facilities located in Rock Hill. Lease costs for these three facilities is over \$320,000 year. Placing the various programs in one consolidated facility will aid in efficiency of service delivery.
- The new facility would allow for a more seamless transition between various programs for our clients, as well as, provide more security and safety.

Community Buildings Deferred Maintenance \$3,000,000

- This project is to address deferred maintenance issues in our community mental health facilities. SCDMH has deferred maintenance issues totaling over \$40 million. This request is to address the most urgent building needs and examples include heating and air conditioning system repairs at Berkeley, Coastal Empire, Orangeburg, and Waccamaw Mental Health Center buildings; interior and exterior repairs at Piedmont, Orangeburg and Tri-County, and fire sprinkler repairs at Coastal Empire. The Department has established an identified fund for deferred maintenance pursuant to Proviso 35.14; however, the agency does not have the ability to self-fund all of its current deferred needs. SCDMH will continue to include its significant priority deferred maintenance requests in its Capital Budget Request submitted to the General Assembly.
- This work is needed to ensure the buildings are maintained in an adequate condition to enable the staff to carry out their missions. Correcting these deferred maintenance issues will help

extend the useful life of the buildings. If not addressed, these issues could result in reduced productivity, more costly repairs, and life safety issues.

- Anderson-Oconee-Pickens Mental Health Center Construction \$12,430,000
- Construct a 35,000 SF facility on five acres of land currently owned by Anderson County. This request is related to the Department's goal to provide sufficient mental health services in communities to minimize consumers' needs for hospitalization to the greatest extent possible. Anderson County Council has voted and approved the donation of the five acres in a prime county business park location. The current estimated value of the property is \$600,000. The building will include space for Adult Outpatient Services; Child, Adolescent and Family Services; and Administration, Training and Facility Support. This facility will consolidate programs housed in leased facilities in the Anderson area and reduce lease costs by \$135,000/year. Placing the various programs in one consolidated facility will aid in efficiency of service delivery.
 - The current facility is located on leased county land, constructed in the 1960s and is 17,800 SF. The current lease will expire in 2016. It is overcrowded and needs a variety of deferred maintenance work. The new facility would allow for a more seamless transition between various programs, as well as, provide more security and safety and reduce lease costs.

- Columbia Area MHC Phase III Construction \$4,000,000
- This project is to construct a 25,000 square foot facility on land currently owned by the Department. Columbia Area Mental Health Center's Child & Adolescent (CAF) Program has outgrown its current space in the Phase I Building. The new facility will accommodate the CAF Services Program and the Assessment Resource Center (Now known as the Metropolitan Children and Advocacy Center – Met CAC) and several associated support services. Placing these child-based programs in the same facility will aid in efficiency of service delivery and increase access to care. The building would also enable Columbia Area MHC to relocate programs from temporary leased locations and consolidate those programs on one campus.
 - The Comprehensive Child and Family Behavioral Health Complex would co-locate the Met CAC and CAF services providing a centralized, integrated system of care to provide services to children and their families. Co-location would increase access to crisis intervention services, psychiatric services, and facilitate collaboration between programs, particularly between the Met CAC and our Child Welfare Program that deals with our DSS children. The completion of this project will allow SCDMH to relocate its Adult Clinic Services (ACS) to the centralized campus in the Phase I space occupied by CAF Services. ACS is currently leasing temporary space from Richland County.

- Campbell Veterans Nursing Home Renovations \$3,940,000
- This project is to address deferred maintenance issues at the Campbell State Veterans Nursing Home in Anderson. The work includes renovations to the kitchen to include repair of drain line leaks in the dish room and repair of damage caused by those leaks, replacement of the walk in freezer/refrigerator and serving line equipment; renovations to five group showers to provide more patient privacy; replacing patient room flooring finishes on Unit 5; and re-configuration of resident bathrooms to allow access for patient lifts. Replacement of the emergency power generator – the existing does not have the capacity to support the HVAC chiller system and/or our electric kitchen appliances, which poses a safety concern to residents during an extended outage.
 - The project is needed for enhanced security and to ensure the kitchen facility is capable of providing the necessary meals for the 220 veterans. The work will enable the residents to have a more comfortable home and provide amenities that will make living and dining better.

Tucker Center (Roddey Flooring, Laundry & Nurse Call Renovations)

\$2,000,000

- Project is to replace the floor tile and nurse call systems in the Roddey Nursing Home, and to renovate the existing laundry facility shared by Roddey Nursing Home and Stone Veterans Nursing Home. Both facilities are located on the SCDMH owned Tucker Center complex in downtown Columbia.
- The capacity of the current Tucker Center laundry facility is not large enough to adequately supply Roddey and Stone with clean linens and keep up with patient clothes. Majority of the current laundry is being handled by an outside service and the completion of this project will reduce operating costs. The Roddey Nursing Home flooring is worn and needs replacement and has been documented as an environment of care issue by DHEC during recent inspections. This will provide a more aesthetically pleasing facility for the patients to live in. The current nurse call system does not meet the needs of the Roddey facility. Equipment is original to construction which dates back to the late 1970's. The system is antiquated and not upgradeable.

Proviso Requests

- No Proviso Requests

Meeting Future Challenges (Slide Number 50)

- The Current Challenges of Workforce Development, Recruitment and Retention
- The Transition of Long-Term Patients from Hospitalization
- The Forensification of Inpatient Beds
- The Effects of Managed Care Organization Carve-In (MCO Carve-In)
- The Future Challenges of Operating Three New VA State Homes – Staffing Three 108-Bed Nursing Homes
- The Continued Expansion of SCDMH's Telepsychiatry Programs
- The Status of the Sexually Violent Predator Program Management and Operations Outsourcing