Washington’s State-Funded Mental Health Services

Staff Overview Briefing
for the
Senate Ways & Means Committee
January 31, 2011
In 2009, Washington’s public mental health system served 144,000 children and adults – about 2% of the population.
The Legislature would need to appropriate $1.7 billion to continue current public mental health programs & policies next biennium.

2011-13 Maintenance Level
*in millions*

- **NGF-S**
  - $952
  - 57%

- **M'caid**
  - $596
  - 36%

- **Other**
  - $109
  - 7%

“other” includes RSN tax transfer for M'caid match, and 3rd party insurance payments to state hospitals.
Washington’s public mental health system has two primary components

2011-13
Maintenance Level
All Funds, in Millions

- Community
  - $1,158
  - 70%
- Hospitals
  - $476
  - 29%
- Hdqtrs & Projects
  - $23
  - 1%
State-Operated Psychiatric Facilities
CSTC, Eastern, and Western State Hospitals serve the state’s most severely psychologically-impaired residents

<table>
<thead>
<tr>
<th>FY 10 Expenditures</th>
<th>Bed Capacity</th>
<th>Total Budget (in milions)</th>
<th>FTE Staffing</th>
<th>Staff per Bed</th>
<th>State Cost</th>
<th>All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Study &amp; Treatment Center (CSTC)</td>
<td>45</td>
<td>$10.6</td>
<td>133</td>
<td>3.0</td>
<td>$286</td>
<td>$646</td>
</tr>
<tr>
<td>Eastern State Hospital (ESH)</td>
<td>287</td>
<td>$54.9</td>
<td>705</td>
<td>2.5</td>
<td>$329</td>
<td>$524</td>
</tr>
<tr>
<td>Western State Hospital (WSH)</td>
<td>857</td>
<td>$156.0</td>
<td>1,843</td>
<td>2.15</td>
<td>$279</td>
<td>$499</td>
</tr>
<tr>
<td>Total Adult Capacity (ESH &amp; WSH)</td>
<td>1,144</td>
<td>$210.9</td>
<td>2,548</td>
<td>2.2</td>
<td>$259</td>
<td>$505</td>
</tr>
</tbody>
</table>
The in-residence census of forensic patients at the state hospitals has held steady at ~420 per day over the past decade.

**Forensic Patients**
- being evaluated for competency to stand trial;
- being restored to competency to stand trial; or
- being detained & treated after being determined not guilty by reason of insanity.
There has been a 15% decrease in the number of “civil” patients treated at the state hospitals over the past decade.
The Governor’s plan for balancing the 3-year deficit includes $20 million of reductions to the state psychiatric hospitals

<table>
<thead>
<tr>
<th>FTE's</th>
<th>State Funds (in millions)</th>
<th>FY 11</th>
<th>2011-13</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>State Funds</td>
<td>State Funds</td>
</tr>
<tr>
<td>Close 30 beds at Western State Hospital (WSH)</td>
<td>-29</td>
<td>-$2.5</td>
<td>-49</td>
</tr>
<tr>
<td>Reduce WSH Staffing an additional 2%</td>
<td>-24</td>
<td>-$2.0</td>
<td>-30</td>
</tr>
<tr>
<td>Reduce ESH Staffing &amp; Operating Costs ~4%</td>
<td>-1</td>
<td>-$0.3</td>
<td>-26</td>
</tr>
<tr>
<td>Reduce CSTC Administration ~60%</td>
<td>-5</td>
<td>-$0.35</td>
<td>-9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-59</td>
<td>-$5.2</td>
</tr>
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Community Mental Health Services
State-funded community mental health services are managed by 13 Regional Support Networks (RSNs)

- 12 of the 13 RSNs are individual counties, or consortia of counties
  - In Pierce County, the RSN is Optum, a private behavioral health management firm

- RSNs typically contract for delivery of services
  - Some directly employ staff to perform the designated mental health profession (DMP) function
  - ~130 non-profit and for-profit organizations, firms, and individuals contract to deliver direct services

- RSNs function as managed care companies
  - Receive monthly payment for each M’caid eligible person in region to provide all necessary mental health services
  - RSN bears risk if cost of care exceeds monthly payments, and if state hospital use exceeds allotted bed days
State appropriations for community mental health services totaled $465 million last year.

**FY 10 Expenditures in Millions**

- **Federal Medicaid**
  - $164
  - 35%

- **ARRA Medicaid**
  - $41
  - 9%

- **State Medicaid Match**
  - $121
  - 26%

- **State Only**
  - $138
  - 30%
The community mental health delivery system has struggled with two main fiscal challenges over the past decade:

- Steadily growing shortage of inpatient beds for persons involuntarily committed for 3-17 days
- Limited “state-only” funds for services and people Medicaid doesn’t cover
The number of beds available for patients in need of short-term hospitalization has decreased 16% over the past decade.
In 2009, 20% of all 3-17 day commitments were “boarded” in hospital emergency rooms or non-psych beds.

Additional conclusions from new WSIPP report

- To operate with 30% available capacity, would need 258 additional beds (35% more)
- Jan 2012 implementation of HB 3076 likely to increase need for beds by 10-20%
The RSN delivery system’s 2\textsuperscript{nd} fiscal challenge has been limited “state-only” funding for persons & services not eligible for Medicaid

- **Services Medicaid doesn’t cover**
  - ITA assessment, detention, & commitment costs
  - Basic residential care & supervision
  - Inpatient and outpatient care for persons not on Medicaid

- **Why might someone have very low income and a serious mental illness, and not be eligible for Medicaid?**
  - Childless or non-custodial parent in early acute phases of schizophrenia, bipolar disorder, etc
  - Fails to seek or maintain Medicaid enrollment because of illness
  - Immigration status
The number of persons not on Medicaid receiving outpatient mental health services has dropped 50% over the past decade.
Over half the non-Medicaid budget pays for crisis response, hospitalization, and residential care.
The Governor’s plan for balancing the 3-year deficit includes $38 million of reductions to the community mental health system.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 11</th>
<th>11-13</th>
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<tbody>
<tr>
<td>Reduce non-Medicaid Funding</td>
<td>-$17.7</td>
<td>-$17.4</td>
</tr>
<tr>
<td>Reduce Hospital Diversion Services <em>PACT, PALS, ECS</em></td>
<td>-$1.3</td>
<td>$0</td>
</tr>
<tr>
<td>Reduce Spokane Diversions Services</td>
<td>-$0.4</td>
<td>-$1.5</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>-$19.4</td>
<td>-$18.9</td>
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APPENDIX

REGIONAL SUPPORT NETWORK MAP