

DBHDS

Virginia Department of
Behavioral Health and
Developmental Services

Proposed Budget for Virginia's Behavioral Health and Developmental Services System

HHR Subcommittee, House Appropriations Committee
January 14, 2014

John Pezzoli
Acting Commissioner,
DBHDS

Behavioral Health Services

Ongoing Treatment and Support Services

Children/
Youth
MH/SA

Adults
MH/SA/
Forensic

Older
Adults

Serious/
Persistent
Mental
Illness

Develop-
mental
Disabilities

Crisis Response Services
(Including Acute Psychiatric Inpatient)

Targeted Efforts to Address MH/SA Service Capacity FY 2005 – FY 2014

New Funding	Total (in millions)
Community Total	\$71.40
Crisis Response	\$24.12
Adults with Serious and Persistent Mental Illness	\$23.33
Mental Health Treatment for Children & Adolescents	\$12.15
Mental Health & Criminal Justice Interface	\$4.77
Substance Abuse Services	\$3.43
Outpatient Mental Health Treatment for Adults	\$3.00
Prevention	\$0.60
State Hospitals Total	\$20.52
Total New Funding	\$91.92
Total Reductions	(\$57.50)
Net Total	\$34.42

Mental Health Funding

FY 2005 – FY 2014 (in millions)

Community	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
New Funding	\$8.60	\$10.05	\$13.83	\$3.47	\$16.40	\$7.50	\$0.40	\$3.90	\$2.10	\$5.15	\$71.40
Reductions	\$0.00	\$0.00	\$0.00	\$0.00	(\$12.40)	(\$16.70)	\$3.80*	\$0.00	\$0.00	\$0.00	(\$25.30)
Community Net	\$8.60	\$10.05	\$13.83	\$3.47	\$4.00	(\$9.20)	\$4.20	\$3.90	\$2.10	\$5.15	\$46.10
State Hospitals											
New Funding	\$14.80	\$0.98	\$0.14	\$1.30	\$0.00	\$0.00	\$2.00	\$0.00	\$0.60	\$0.70	\$20.52
Reductions	\$0.00	\$0.00	(\$1.60)	(\$7.10)	(\$3.10)	(\$13.10)	(\$2.00)	(\$5.30)	\$0.00	\$0.00	(\$32.20)
State Hospital Net	\$14.80	\$0.98	(\$1.46)	(\$5.80)	(\$3.10)	(\$13.10)	\$0.00	(\$5.30)	\$0.60	\$0.70	(\$11.68)
Total Net Increase MH											
	\$23.40	\$11.03	\$12.37	(\$2.33)	\$0.90	(\$22.30)	\$4.20	(\$1.40)	\$2.70	\$5.85	\$34.42

*Supplants \$4.5 million GF in FY 2010 with one-time nongeneral fund balances to support community mental health programs provided by CSBs – GF support restored in FY 2011.

Secretary of Health and Human Resources Review

- Included reviews of pertinent medical records and interviews with clinicians, hospital personnel, and law enforcement personnel involved in the events of November 18, 2013.
- Conducted by DBHDS Licensing and Program staff.
- To comply with state confidentiality laws and to respect the privacy of the family, the full report of the review has not released.
- 15 recommendations to improve Virginia's mental health system in categories including the civil commitment process, facility of temporary detention, and creation of adequate service capacity.

Executive Order 68

Task Force on Improving Mental Health Services and Crisis Response

- On December 10, 2013, the Governor announced the creation of a task force with duties to help improve Virginia's mental health crisis services and help prevent crises from developing.
- Membership appointed on January 2, 2014, includes leaders in the mental health field, law enforcement, judicial system, private hospitals, and individuals receiving services and their families.
- The task force will review existing services and challenges in the mental health system and make recommendations, including legislative and budget proposals, for critical improvements to procedures, programs and services.
- Initial recommendations due no later than January 31, 2014.
- Final report due no later than October 1, 2014.

Governor's Mental Health Budget Submission

Proposals would infuse \$38.3 million over the 2014-2016 biennium to expand crisis response and crisis prevention services for Virginia's behavioral health system.

Mental Health Crisis Response Budget Submission

Budget Action	General Fund FY 2015	General Fund FY 2016
Provide for a 2 nd 2-hour Emergency Custody Order extension to the 4 hour ECO period	Negligible	Negligible
Increase max TDO period from 48 to 72 hours	\$1.4M	\$1.7M
Ensure operational supports for new Western State Hospital (WSH) facility	\$0.7M	\$0.7M
Maintain current adult capacity at Eastern State Hospital (ESH)/Replace lost Medicaid revenues from decreased demand for geriatric beds	\$5.0M	\$5.0M
Expand adult capacity at ESH in FY 2015 – Opens vacant 20-bed geriatric unit for non-geriatric use	\$2.2M	\$2.2M
Expand availability of secure intervention team (CIT) assessment centers	\$1.8M	\$3.6M
Expand telepsychiatry	\$1.1M	\$0.6M

MH/SA Treatment & Support Services Budget Submission

Budget Action	General Fund FY 2015	General Fund FY 2016
Expand MH outpatient services for older teens and young adults; Hire 34 clinicians	\$3.5M	\$4.0M
Expand Program of Assertive Community Treatment (PACT)	\$1.0M	\$1.9M
Expand peer support recovery programs	\$0.6M	\$1.0M
Substance abuse community recovery program	\$0.3M	\$0.3M

Summary of the 10 Year DOJ Settlement Agreement

	Base Projections	Current Projections
Total Cost ¹	\$2.4 Billion	\$2.5 Billion
GF Share of the Cost	\$1.2 Billion	\$1.2 Billion
GF savings and offsets ²	\$826.9 Million	\$806.0 Million
<u>New</u> GF required ³	\$380.7 Million	\$439.0 Million

¹ Includes total state and federal costs to implement the settlement including ID/DD waivers, crisis management, family support, facility transition waivers, administration, monitoring, quality management systems, and facility closure costs.

² Includes facility savings, appropriations that were in place in FY 2012 before the Trust Fund was established (base funding) and \$60 million in Trust Funds that were provided in fiscal years 2012 and 2013.

³ Base projections reflect actions by 2013 General Assembly session which added \$30.4M in adult crisis funds and \$10M in children's crisis funding over nine years.

DOJ-Required Medicaid Waiver Slots

Virginia will create 4,170 waiver slots by June 30, 2021:

State Fiscal Year	Individuals in Training Centers to Transition to the Community	ID Waiver Slots for Individuals on Urgent Wait List	DD Waiver Slots for Individuals on Wait List
2012	60	275	150
2013	160	225*	25**
2014	160	225*	25**
2015	90	250*	25**
2016	85	275*	25**
2017	90	300	25***
2018	90	325	25***
2019	35	325	25
2020	35	355	50
2021	0	360	75
Total	805	2,915	450

*25 slots each year are prioritized for individuals less than 22 years who reside in nursing homes or large ICFs.

**15 slots each year are prioritized for individuals less than 22 years who reside in homes or large ICFs.

***10 slots each year are prioritized for individuals less than 22 years who reside in homes or large ICFs.

Additional Waiver Slots

Over this biennium, the General Assembly has provided Intellectual Disability (ID) and Developmental Disability (DD) waiver slots in addition to those required by the settlement agreement, including:

425	additional community intellectual disability (ID) waiver slots
130	additional developmental disability (DD) waiver slots

Virginia's Five Training Centers

as of January 1, 2014

Name	2000 Census	2005 Census	2010 Census	Current Census	Percent Decrease
Southside (SVTC) Petersburg - closure 6/30/14	465	371	267	57	88%
Northern (NVTC) Fairfax – closure 6/30/15	189	182	170	115	39%
Southwestern (SWVTC) Hillsville – closure 6/30/18	218	214	192	150	31%
Central (CVTC) Lynchburg – closure 6/30/20	679	564	426	285	58%
Southeastern (SEVTC) Chesapeake	194	192	143	81	58%
TOTAL	1,745	1,523	1,198	688	61%

DOJ Settlement Agreement Budget FY 2014 – FY 2016 (1 of 2 Slides)

<i>Budget Actions (\$ in millions)</i>	FY 2014 GF Budget	FY 2015 GF Proposed Budget	FY 2016 GF Proposed Budget
DMAS and DBHDS Base Funding¹	\$21.76	\$21.76	\$21.76
DBHDS			
Individual Family & Support	\$3.80	\$3.20	\$3.20
Rental Subsidies	\$0.80	\$0.00	\$0.00
Crisis Stabilization	\$2.18	\$2.10	\$6.20
Facility Closure Costs ²	\$2.57	\$14.93	\$15.82
Independent Reviewer	\$0.33	\$0.33	\$0.33
DBHDS Administration and Quality Mgmt	\$4.75	\$3.47	\$3.47
DD Health Supports Network (New Funding)	\$0.00	\$2.00	\$2.60
NoVA Capacity Development (NVTC Bridge)	\$3.15	\$2.75	\$0.00
SIS Assessment (New Funding)	\$0.00	\$1.08	\$1.74
Utilize FY 2014 Balances	\$0.00	(\$2.80)	\$0.00
DBHDS Subtotal	\$17.58	\$27.05	\$33.36

¹ Base funding includes approx. \$11.6 million for DMAS waiver slots, \$8.8 million for adult crisis, \$1.25 million for children crisis, \$50,000 for SIS online and \$70,000 for community provider training.

² Includes \$10.2 million GF each year for SVTC closure (for shared services with CSH) and \$2.9 million GF FY15 and \$1.7 million GF FY16 for MH backfill.

DOJ Settlement Agreement Budget FY 2014 – FY 2016 (2 of 2 Slides)

<i>Budget Actions (\$ in millions)</i>	FY 2014 Budget	FY 2015 Proposed Budget	FY 2016 Proposed Budget
DMAS			
Facility Transition ID Waivers ¹	\$19.53	\$29.24	\$35.01
Community ID & DD Waivers ¹	\$16.05	\$25.04	\$34.82
Facility Closure Costs ²	\$5.83	\$13.07	\$6.50
Facility Savings ²	(\$19.36)	(\$44.47)	(\$59.82)
DMAS Administration	\$0.79	\$0.74	\$0.77
DMAS MMIS	\$0.25	\$0.00	\$0.00
DMAS Subtotal	\$23.09	\$23.62	\$17.29
Total DOJ Commitment	\$62.43	\$72.43	\$72.41

¹ DMAS has two budget submissions: 1) \$39.4 million GF each year for waiver slots already approved and 2) \$14.9million GF FY15 and \$30.5 million GF FY16 for new facility and community waiver slots.

² DMAS has one budget submission that incorporates these two actions for a reduction of \$31.4 million GF FY15 and \$53.3 million GF FY16.

** During FY 2014, all funds reside in DBHDS. Costs associated with expenses incurred by DMAS will be transferred at the end of the fiscal year.*

DOJ Settlement Agreement Impact of Delayed Closures

<i>6 Month Delay of Closure</i>	Current Closure Date	Revised Closure Date	Gross Cost Estimate ¹	Net Cost Estimate ²
Northern Virginia Training Center (NVTC)	06/30/15	12/30/15	\$ 3,583,255	\$ 2,140,283

<i>12 Month Delay of Closure</i>	Current Closure Date	Revised Closure Date	Gross Cost Estimate ¹	Net Cost Estimate ²
Northern Virginia Training Center	06/30/15	06/30/16	\$ 7,234,700	\$ 4,153,759

NVTC	FY 2015			FY 2016			Total
	Gross Cost Est.	Offset	Net Cost Est.	Gross Cost Est.	Offset	Net Cost Est.	
6 Month Delay	\$741,307	(\$1,377,974)	(\$636,667)	\$2,518,132	(\$181,997)	\$2,336,136	\$1,699,469
12 Month Delay	\$2,105,161	(\$2,105,960)	(\$798)	\$3,884,658	(\$857,984)	\$3,026,675	\$3,025,876

¹ Gross cost estimates are based on unrealized facility savings associated with reduced staffing and indirect costs

² Net cost estimates are based on unrealized facility savings offset by reduced waiver costs associated with fewer individuals transitioning

- Estimated costs are projections only. It is unclear how a delay would impact the discharge trend – a six month delay could influence individual and family decision-making impacting the timing of discharge and the associated facility savings and waiver costs.

- Additionally, facilities may likely have to develop operational strategies and financial incentives to entice staff to stay on in an uncertain environment or provide for contractual support with a higher cost structure.

Other DBHDS Initiatives Budget Submission

Budget Action	General Fund FY 2015	General Fund FY 2016
Provide support for electronic health records development and maintenance costs	\$2.2M GF \$3.0M NGF	\$3.3M GF \$808,846 NGF
Support sexually violent predator conditional release program. Includes \$153,720 GF in FY 2014	\$0.7M	\$1.0M
Comply with state information technology security policies	\$0.4M	\$0.5M
Provide funds for a handicap-accessible park through the Greater Richmond ARC	\$0.3M	-
Fund changes in employee workers' compensation premiums	\$0.5M	\$0.6M
Fund information technology costs at Commonwealth Center for Children and Adolescents	\$0.1M	\$0.1M
Enhance Infant Toddler Online Tracking System (ITOTS) - \$250,000 NGF in FY 2014	-	-
Other budget items	\$0.1M	\$0.8M

Language Only Actions

Budget Submission

- **Identify efficiencies at Western State Hospital.** Language requires DBHDS to study and report on any efficiencies realized as a result of the new facility. Language for the 2014-2016 biennium.
- **Study mental health service delivery.** Language requires DBHDS to review the current configuration of services provided by the state's adult mental health hospitals and to establish a planning process for mental health services.
- **Provide language to clarify funding for the disbursement of funds associated with the Virginia Autism Resources Center.** Funds will go to VCU instead of the Grafton School. Language for FY 2014 and the 2014-2016 biennium.
- **Authorize DBHDS to reduce earmarks of the federal block grants in case these grants are reduced by the federal government.** Language for FY 2014 and the 2014 - 2016 biennium.
- **Revert interest for the DBHDS Trust Fund.** Transfers interest earned to the General Fund (FY 2015 only).

DBHDS Capital Budget Submission

- **Support planning for a new VCBR facility.** Provides funding to conduct detailed planning of a new facility (pooled project – NGF).
- **Support planning for a new Central State Hospital.** Provides pre-planning funding for a new facility (pooled project – NGF).
- **Governor's budget also provides support for deferred maintenance, replace roofs and abate environmental hazards at DBHDS facilities.**

DBHDS Savings Strategies

Budget Submission

Budget Savings Strategies	General Fund FY 2014	General Fund FY 2015	General Fund FY 2016
DBHDS Central Office internal efficiency strategies, available cash balances, and programmatic changes	\$205,815	\$432,856	\$476,806

Summary of DBHDS Budget Budget Submission (in millions)

	GF FY15	GF FY16	NGF FY15	NGF FY16
Mental Health	\$17.5	\$21.0	-	-
DOJ Settlement (DBHDS)	\$27.1	\$33.4	-	-
Other Budget Initiatives	\$4.1	\$6.3	\$3.98	\$0.8
Central Office Savings Strategies	(\$-0.4)	(\$-0.5)	-	-
DBHDS Total	\$48.3	\$60.2	-	-
DOJ Settlement (DMAS)	\$23.6	\$17.2	-	-