



Virginia Department of
Behavioral Health &
Developmental Services

DBHDS Budget and Policy Overview

Jack Barber, M.D.
Interim Commissioner
Virginia Department of Behavioral Health
and Developmental Services

Summary of DBHDS Budget Actions

Summary Budget Actions – Operations	General Fund FY 2017 (dollars in millions)	General Fund FY 2018 (dollars in millions)
Governor’s Mental Health and Substance Abuse Initiative		
STEP VA (Same Day Access)	\$0.0	\$6.9
STEP VA (Opioids Initiative)	\$0.0	\$5.3
Census Management (Community Based Efforts)	\$0.0	\$7.4
Mental Health Hospital Support	\$1.6	\$3.7
VCBR	\$0.0	\$0.3
Total	\$1.6	\$23.6

- Governor’s Budget provides an additional \$1.6M in FY 2017 and \$23.6M FY 2018 in GF support for mental health, substance abuse, and state hospitals.
- Governor’s MH/SA initiative also includes \$4.2M to Department of Criminal Justice Services for MH in jails, \$4.5M in OSHHR budget for DBHDS system-wide assessment, and an additional \$1.3M to DMAS for GF match to support the initiative.

Summary of DBHDS Budget Actions

Summary Budget Actions – Operations	General Fund FY 2017 (dollars in millions)	General Fund FY 2018 (dollars in millions)
FY 2017 Governor’s Approved Budget Reduction Plan	(\$15.1)	-
FY 2018 Actions – Annualizing Approved Ongoing FY 2017 Strategies	-	(\$3.6)
Total	(\$15.1)	(\$3.6)

- Governor’s Budget includes \$15.1M in savings actions for FY 2017, as approved in the Governor’s October budget reduction plan.
- FY 2018 budget reductions reflect the annualizing of ongoing reductions approved for FY 2017. These include:
 - \$786,282 in Central Office;
 - \$362,000 for the implementation of revenue enhancement strategies (licensing and background check fees) and,
 - \$2.5M in savings from the training centers.

The Behavioral Healthcare (BH) Landscape



- Comprehensive BH is essential to population health and cost containment
- BH issues drive up to 35% of medical care costs and individuals with BH disorders cost up to 2-3 times as much as those without
- Integration of BH and primary care, as well as housing, employment, schools, social services
- Decreased reliance on institutions and increased focus on community services
- State hospital capacity average: 15 beds per 100,000 people
- **National average of state spending on hospitals = 23% of overall BH budget**
- **National average of state spending on community = 75% of overall BH budget (~\$89 per capita)**
- **From 2009-2012, 12 states closed 15 MH hospitals**

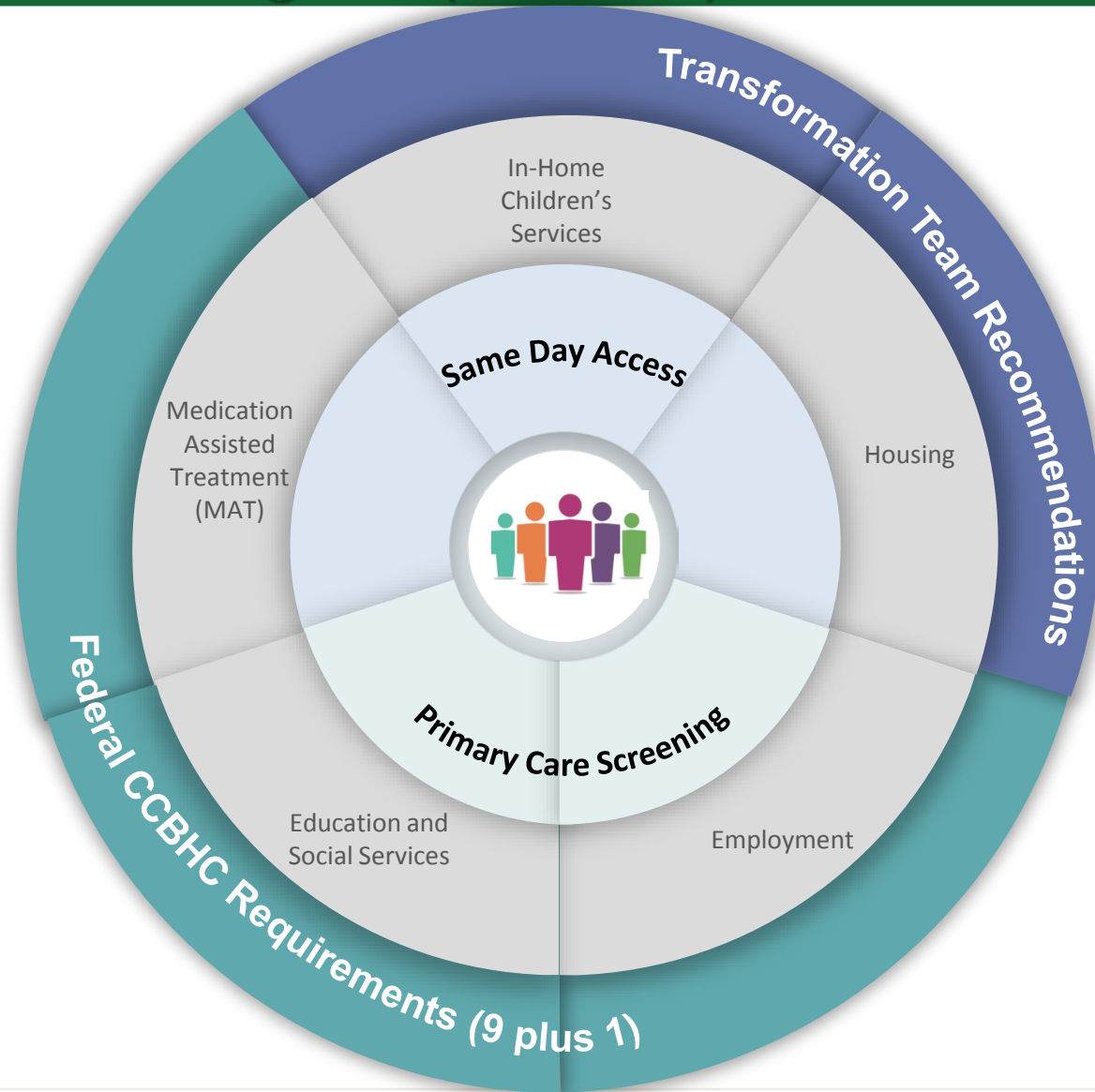
- How does VA measure up nationally? 31st in BH funding in 2013 GFs, non-Medicaid: \$92.58 per person. Median (Ohio) is \$100.29 per person
- Not maximizing our investment
- Roughly 50% of GF funding supports 3% of persons served
- State Hospital Capacity: 17.3 beds per 100,000 people
- Virginia spending on hospitals = 46% of overall BH budget
- Virginia spending on community = 51% of overall BH budget (\$47 per capita)
- Average 200+ individuals ready for discharge in VA's mental health hospitals
- VA has never closed a MH hospital



System Transformation, Excellence and Performance in Virginia (STEP-VA)

STEP-VA Services

1. Same Day Access
2. Outpatient Services (MAT included here)
3. Primary Care Integration
4. Detoxification
5. Care Coordination
6. Peer and Family Support
7. Psychosocial Rehabilitation/Skill Building
8. Targeted Case Management
9. Veterans Services
10. Person-Centered Treatment
11. Mobile Crisis Services



Same Day Access (SDA)

- A person calls or appears at the CSB and is assessed that day. Based on assessment is scheduled for appropriate initial treatment within 10 days.
- Shifts care away from crisis response when people are more at risk for themselves and for others.
- Reflects the critical need to “start at the front door” in terms of standardization and accountability.
- Requires a change in CSBs’ business practices, scheduling, documentation, caseload management, and utilization of more focused and practical therapies.
- Best practice that virtually eliminates “no show” appointments, increases adherence to follow-up appointments, reduces the “wait time” for appointments, and makes more cost-effective use of staff resources.



Average results seen by the National Council for Behavioral Health:

- 60% reduction in wait times; greater engagement and reduced no-shows.
- 39% reduction in cost of access to treatment process
- 34% reduction in staff time needed per access to treatment event.
- 9 hours per week in time saved per direct care staff on documentation.

What STEP-VA Can Address



ACCESS

- ✓ Regardless of ability to pay (sliding scale fees) and place of residence
- ✓ At convenient times & places
- ✓ Prompt intake & engagement in services
- ✓ Crisis management 24/7/365
- ✓ Prioritizes children, veterans, SED, SUD, SMI



QUALITY

- ✓ Evidence-based practices
- ✓ Improved coordination and integration
- ✓ EHR/Data-quality improvement, reducing disparities & research
- ✓ Person/family centered, trauma informed,
- ✓ Culturally competent
- ✓ Recovery oriented care



CONSISTENCY

- ✓ Specific required services
- ✓ Uniform definition of services
- ✓ Full array of services for mental health & substance abuse needs
- ✓ Basic primary care assessment and linkage
- ✓ Important support services



ACCOUNTABILITY

- ✓ Know what we are paying for, services provided, number of individuals served
- ✓ Expanded and improved data collection
- ✓ Uniform metrics, outcomes
- ✓ State certification required

Governor's DBHDS Budget for STEP-VA

Budget Action	Description	FY17 GF	FY18 GF
Adopt Same Day Access	Takes the first step towards a comprehensive state system of standard community treatment options by funding the implementation of "same day access" to screening and assessment services at 25 of the 40 CSBs; the remaining CSBs to come on line in the next biennium. \$8.2M GF is provided in FY 2018 to DBHDS and DMAS to fund additional intake and evaluation staff at CSBs to ensure that every person who walks through the door is screened the same day. Of this amount, \$1.3M is budgeted in DMAS to assist in the drawdown of federal Medicaid support for the initiative.	–	\$6.9M
Provide Medication Assisted Treatment	Funds will be used to contract with Opioid Treatment Programs (OTPs); contract with waived physicians; supplement the cost of either methadone or buprenorphine; provide support and address logistical barriers to accessing treatment (e.g., transportation). The amount requested would cover 100% of care for 1,000 individuals plus provide counseling, case management and logistical support.	–	\$5.1M
Support REVIVE!	Funds REVIVE! and purchase of naloxone. Number of opioid overdoses continues to climb; meanwhile, individuals without 3rd party healthcare coverage are having difficulty paying out-of-pocket for naloxone (at least \$150 per unit). DBHDS has been covering the cost of manufacturing REVIVE! kits @ \$11 since the inception of the pilot (June 2014) and has continued to absorb this cost even when the pilot expanded statewide.	–	\$200,000
TOTAL		–	\$12.2M

Implementing STEP-VA with Accountability and Consistency



Intensive Efforts to Reform Virginia's Behavioral Health System

- DBHDS' two-year systemwide transformation effort included 83 representatives from 50 stakeholder groups and resulted in comprehensive recommendations to solve ongoing challenges.
- Virginia received a federal grant to examine elevation of CSBs into federally Certified Community Behavioral Health Clinics (CCBHCs). DBHDS took a deep dive into eight CSBs and mapped out their needs.
- Informed by transformation teams and the CCBHC grant, DBHDS developed "System Transformation Excellence and Performance in Virginia" (STEP-VA).
- STEP-VA addresses system challenges through a uniform set of required services with common service definitions, consistent quality measures, and improved oversight in all Virginia communities.
- Beyond traditional funding allocation to CSBs, implementing standardized STEP-VA services statewide, including same-day access and medication assistance services, necessitates a broader and deeper state-led design.

Expert STEP-VA Implementation Plan

The budget includes \$4.5M one-time funds in OSHHR for expert system evaluation and development of detailed STEP-VA implementation plan:

- Builds on prior efforts of the Administration and Legislature and operates under the supervision of an oversight committee including Governor appointees, members of the General Assembly and cross system stakeholders.
- Assesses system to develop and implement an accountable, effective plan that identifies population needs, community resources, service gaps and costs.
- Yield comprehensive planning for the following at individual CSBs:
 - The requirements of STEP-VA,
 - Population needs in each CSB's localities,
 - Costs to fully implement STEP-VA statewide,
 - Requisite workforce and training needs,
 - IT infrastructure and data needs, and
 - Each CSB's opportunities to partner with private providers and each other.
- Analyze the DBHDS Central Office to ensure it is best positioned to support this transition of the community based system.



State Hospital Admissions: FY 2013 – FY 2016

	FY 2013	FY 2014	FY 2015	FY 2016	% Increase Since FY 2013
Catawba	249	244	345	456	83%
Central State	514	521	620	799	55%
CCCA	691	833	931*	1,018*	47%
Eastern State	242	569	628	766	217%
NVMHI	693	546	822	1,059	53%
Piedmont	59	74	115	105	78%
SVMHI	261	310	282	374	43%
SWVMHI	720	772	730	931	29%
WSH	530	671	786	832	57%
TOTAL	3,959	4,275	5,087	6,340	54%

* Includes diversions starting in FY 2015 when DBHDS initiated a contract with Poplar Springs.



State Hospital Utilization Averages for All Admissions (FY 2015 – FY 2017)

- Occupancy **over 85 percent is considered less safe for patients and staff.**
- Recently, several hospitals were at 100 percent and some had to use a temporary bed.
- There have recently been OSHA investigations at CSH and Joint Commission investigations at SWVMHI with findings about workplace safety issues.

Hospital	Beds	FY 2015 Average	FY 2016 Average	FY 2017* Average
Catawba	110	93	90	94
Central State	277	79	78	83
Eastern State	302	93	93	96
NVMHI	134	93	91	85
Piedmont	123	95	98	95
SVMHI	72	84	77	84
SWVMHI	179	89	88	90
WSH	246	94	91	91

*FY 2017 : July – November 2016

DBHDS Compensation Challenges

Low statewide compensation has a particularly negative impact on the DBHDS system

- Employs 6,202 full time workers, 2nd in the state
- Has high skilled labor in demand – physicians, nurses, therapists
- Has some lowest paid individuals in state – housekeepers, food service employees, DSAs

Operational impact includes:

- Increase stress on existing staff
- Higher overtime to maintain required coverage - 50% increase in OT costs since FY 2014
- Higher workers compensation costs- 30% Increase in costs for WC Awards since FY 2014
- Higher sick and disability leave use
- Lower staff morale, poorer operating climate

DBHDS has a high turnover rate in skilled position categories (Jan-May 2016)

	Turnover Rate	Vacancy Rate
Psychiatrists	5.5%	21.09%
RNs	14.3%	27.53%
DSAs	22.7%	11.25%

DBHDS does not have competitive salaries when hiring:

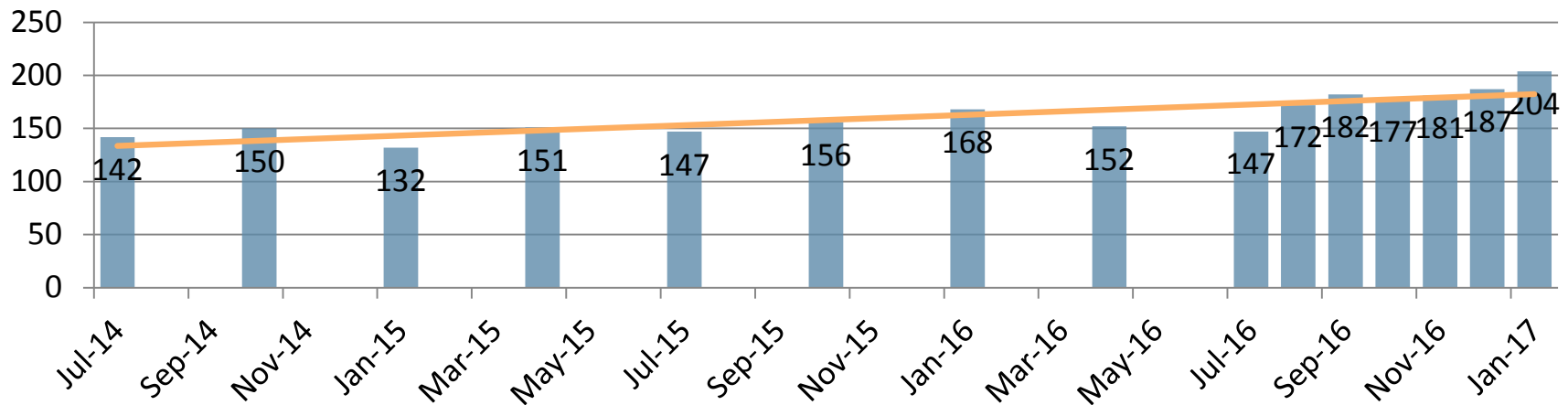
- Psychiatric RNs 15% below market rate
- LPNs 8% below market rate
- DSAs 16% below market rate

Extraordinary Barriers to Discharge List (EBL)

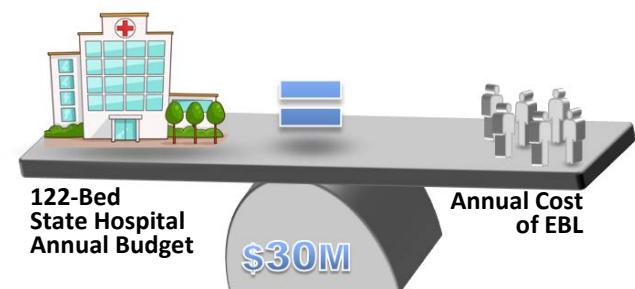
Current EBL Status

There are currently **204** individuals in state hospitals who have been clinically ready for discharge for more than 30 days but appropriate community services are not available to facilitate a safe discharge.

Number of Individuals on the EBL



While costs may continue in the community for those eventually discharged from the EBL and some of the vacated hospital beds may be filled, individuals on the EBL in 2015 used bed days that equate to the operational budget of a 122-bed state hospital, or a cost of about \$30 million.



Managing the Census (Community)

Budget Action	Description	FY17 GF	FY18 GF
Support discharge assistance planning	DAP is an extremely successful program providing funds to tailor the community services needed by a specific individual to be discharged successfully from a hospital. STEP-VA would identify areas to develop individual and system capacity across the lifespan, establish transitional housing, lease apartments and establish day support funding for rehabilitative services for individuals with specialized needs across the lifespan. This would help address the EBL.	—	\$2.5M
Provide community detox and sobriety services	Detoxification is the medical process of withdrawing a person from drugs or alcohol on which he or she had become dependent. It is the first step in rehabilitation. STEP-VA would establish a minimum level of detox capacity for each region based upon population and prevalence rates and would develop crisis capacity for detoxification at private hospitals or crisis stabilization units.	—	\$1.0M
Support private bed purchase for adult, children, and geriatric individuals	Provides Local Inpatient Purchase of Service (LIPOS) to purchase inpatient psychiatric services for individuals without healthcare who would otherwise be referred to a state psychiatric hospital for admission - \$1.25M for adult, \$1.0M for children, and \$750,000 for geriatric population.	—	\$3.0M
Provide a community multi-disciplinary team to work with nursing homes	Provides expert assistance to assisted living facilities and nursing homes to manage individuals with challenging behaviors and complex medical/clinical conditions and help enable them to stay in the community.	—	\$880,000
TOTAL		—	\$7.4M

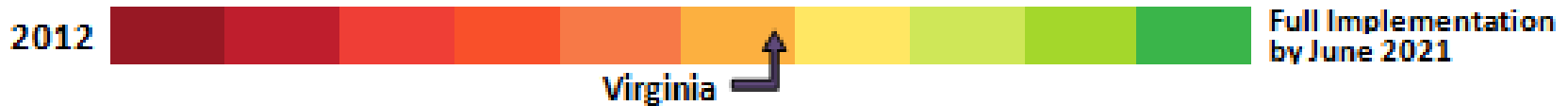
State Mental Health Hospital Support

The Governor's budget includes much needed support for state MH hospitals, which are under increasing pressure with higher levels of admission and discharges as well as acuity of patients.

Budget Action	Description	FY17 GF	FY18 GF
Add direct care staff to address increased admissions and discharges of high acuity clients at Catawba Hospital	Supports 10 additional nurses to address staff-to-patient ratios. Adult and geriatric TDO admissions have doubled since 2014, with higher percentages of individuals requiring direct supervision	–	\$805,281
Support Direct Service Associate positions to address direct impact of increasing acuity levels at Piedmont Geriatric Hospital	Provides support for 10 new direct care associate II positions to address increasing census pressure on the hospital as a result of increasing admissions.	–	\$474,447
Increase child psychiatrist services at CCCA	Adds one additional position to CCCA so that each unit is staffed with a full-time psychiatrist.	–	\$269,985
Increase pharmacy budget due to increased discharges at WSH	Addresses increasing census and discharge rates by providing funds for 14 day supplies of medications (discharge requirement).	–	\$305,000
Provide additional staffing security resources at NVMHI	Provides funds for 4 additional security staff, needed due to the higher number of jail transfers and the rise in the number and acuity of admissions.	–	\$256,488
Address growing special hospitalization costs at state MH hospitals	Addresses the increase in the costs associated with the hospitalization of patients requiring emergency or special medical care.	\$1.6M	\$1.6M
TOTAL		\$1.6M	\$3.7M

DOJ Overview

Ten-Year Settlement Agreement Implementation – Halfway Through



Virginia's Key Accomplishments

- Waiver redesign implemented September 1, 2016.
- Created approximately 3,100 additional waiver slots.
- Approved and funded 2,943 applications for the Individual and Family Support Program in FY 2016; agreement requires 1,000/year.
- Developed child and adult crisis programs in each region which reported in FY 2016:
 - 384 child and 854 adult referrals received
 - Mobile crisis teams for children served 204 children and conducted 218 crisis assessments
 - Adult mobile crisis teams served 636 individuals and conducted 1111 crisis assessments
 - 603 adults received crisis prevention, stabilization services in the regional crisis therapeutic homes
- Expanding number of individuals in employment services and making significant progress building capacity for individuals to live independently:
 - 499 individuals living in their own home as of Sept 2016 as compared to 343 in July 2015
 - 382 rental assistance resources set-aside for the settlement target population
- Strengthened community monitoring, quality and risk management through activities such as: developed real-time web-based reporting; improved licensing and human rights investigation processes; developed regional quality councils; created data warehouse to improve reporting.

Virginia's Training Centers Current Census

January 18, 2017

Name	June 2011	2012	2014	2016	Current	% Decrease 2011 - Present
Southside (SVTC) Closed 2014	242	197	0	0	0	100%
Northern (NVTC) Closed 2016	157	153	107	0	0	100%
Southwestern (SWVTC) Closure date: 2018	181	173	144	98	79	56%
Central (CVTC) Closure date: 2020	381	342	288	192	167 165 – ICF 2 – NF	56%
Southeastern (SEVTC) Stays open at 75 beds	123	104	75	65	69	44%
TOTAL	1,084	969	614	355	315	71%

Consistency and Quality in Waiver Redesign Implementation

- To manage a system of service provision, Virginia needs to be able to consistently assess the supported population to ensure resources are being allocated appropriately.
- The Supports Intensity Scale (SIS[®]) assessment tool evaluates practical support requirements of persons with developmental disabilities.
 - CMS requires each state to use a validated tool to assess needs of those receiving waiver funding. SIS[®] is endorsed by the AAIDD based on validity and reliability
 - The SIS[®] score does not determine the services. Services are determined through the person-centered planning process which creates the Individual Support Plan.
 - The SIS[®] helps assign one of seven levels of need for types of services and hours of service that are associated with four reimbursement tiers for certain residential services, group day and community engagement services. Supplemental questions have been added for individuals with high behavioral or medical needs
 - In the past three years, 10,500 individuals have had a SIS[®] and of those, 22 appeals have been filed. Of the 22 appeals, 5 resulted in a new SIS[®], 3 are pending.
- A planning calendar will assist the case manager to engage individuals in discussions about opportunities for community integration.

Individuals in Waiting List Priorities

Priority I Projected to need services in a year	Priority II Not expected to present in next 1-5 years	Priority III Not expected for five years or more	Not Yet Prioritized
2,895 Individuals	4,366 Individuals	3,509 Individuals	342 Individuals
Total Waiting List = 11,112			

Waiver Reallocation

Why is reallocation necessary?

1. To maximize the appropriated funds
2. To address the waiting list
3. To maximize the number of individuals served

How is reallocation possible?

- **Alignment of Need and Services Received** – The previous waiver did not consistently align individuals' needs and the services received. The restructured waivers with a different array of services are working to address this issue.
- **Waiver Mix** – Many people that would have normally been served in the Community Living (Former ID) waiver, will now be able to have their needs met in either the Family and Individual Supports (FIS) Waiver or the Building Independence (BI) waiver.
 - The new waivers include amended rates for some services and added services.
 - These changes will allow for more individuals to have their needs met on the Family and Individual Support (FIS) waiver.
 - To date, prior to the redesign, the majority of the DD population has been served on the Community Living waiver. This waiver, in addition to offering some of the more extensive 24-7 services, is most expensive on average.

DOJ Settlement Agreement Budget Amendments

Waiver Reform

An amendment to enable the remixing of waiver slots in FY 2018 to address individuals that are on the DD wait list.

- The Family and Individual Support (FIS) waiver will increase to 200 slots versus 25.
- The Community Living (CL) waiver will decrease to 180 slots from 415.
- The Building Independence (BI) waiver was amended to add 60 slots.

Language authorizes the Governor to amend the number of CL or FIS slots provided DMAS demonstrates the slots could be added within the approved appropriation.

Trust Fund

Governor's budget appropriates \$8.6 million in trust fund dollars to develop community capacity to comply with the DOJ settlement agreement.

- Primarily in the northern Virginia region (which includes all CSBs receiving the higher Medicaid rates), the funds (\$6.45M) will support crisis stabilization services, improve quality management, and expand availability of community based housing options.
- Anticipate funds will be available after the pending sale of NVTC.

Training Centers

Governor's budget provides for the permanent technical transfer of \$136,822 GF for shared support services from NVTCs budget to Northern Virginia Mental Health Institute. This is a zero sum transfer.

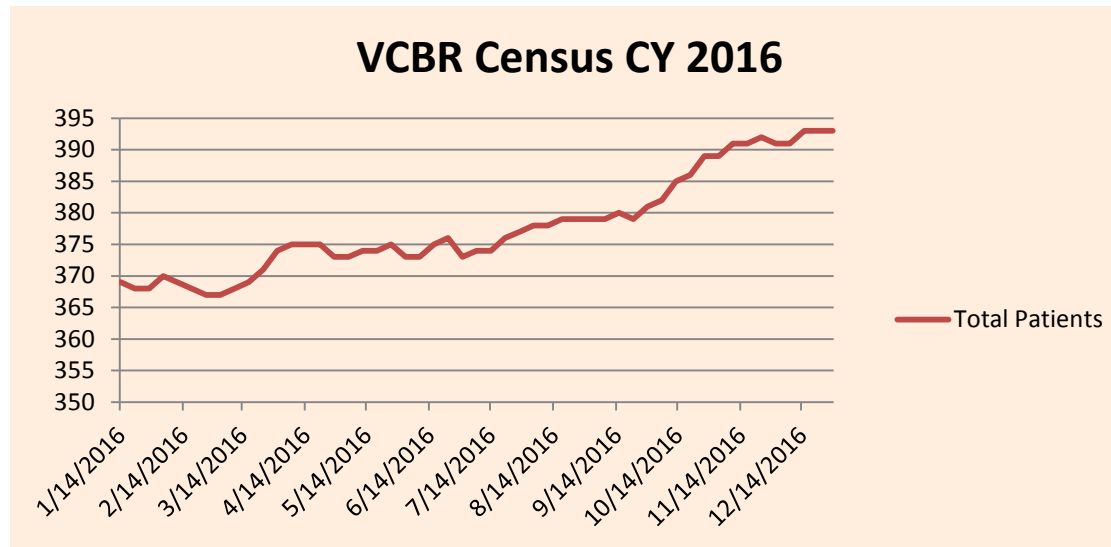
Permanent Supportive Housing (PSH)

Funded Agency - Project	CSB Catchment	Units/Apartments Funded
Cohort 1		
(2015: \$2.1 million GA allocation; Contract Start Dates January – March 2016)		
Norfolk CSB – (chronically homeless)	Norfolk, Chesapeake, Suffolk, Isle of Wright, Southampton Counties	34
Hampton – Newport News CSB – (chronically homeless)	Hampton, Newport News	34
Hampton & Norfolk CSBs – (ESH discharges)	DBHDS Region 5	16
Arlington CSB (homeless & high utilizers)	Arlington	30
Pathway Homes (homeless & high utilizers)	Fairfax-Falls Church, Prince William, Alexandria	35
Total PSH Units		149
Cohort 2		
(2016 GA \$2.1 million allocation; Contract Start Date September 2016)		
Richmond Behavioral Health	Richmond City	52
Virginia Beach DHS	Virginia Beach	52
Fairfax-Falls Church CSB	Fairfax-Falls Church	33
Total PSH Units		137

Virginia Center for Behavioral Rehabilitation (VCBR)

Budget Action	Description	FY17 GF	FY18 GF
Provide resources to fund Direct Care Service Associates at VCBR	Provides funds for 12 additional security and vocational positions. The cost of these positions is phased in throughout the year.	–	\$301,805

- VCBR census has increased by 25 residents since January 2016 putting pressure on its budget. Census has increased due to higher trend of admissions.
- DBHDS projects that for every 50 bed increase the facility requires \$3.6M GF to support 48 staff and other non-personal services.
- VCBR is understaffed to meet current census demands. In comparison to similar programs operated in other states, VCBR has fewer direct care staff and has higher resident to staff ratio for clinical staff.



Capital

- The Governor included \$7.0 million in debt to support DBHDS infrastructure repairs. This includes funds for the repair and/or replacement of deteriorating infrastructure, failing HVAC systems, and outdated security systems at facilities.
- The budget also includes detailed planning funds for the replacement of Central State Hospital in Petersburg.

DBHDS Savings Strategies

Savings	FY 2017	FY 2018	FTE 2017	FTE 2018
Eliminate hospital operations manager position	(\$85,285)	(\$85,285)	(0.85)	(1.00)
Layoff research and evaluation position	(\$33,619)	(\$85,729)	(1.00)	(1.00)
Eliminate boiler insurance for Central Office	(\$3,087)	(\$3,087)	0.00	
Eliminate funding for DOJ transition tracking system	(\$140,000)	(\$140,000)	0.00	
Reduce funding to support the transition of Non-Medicaid eligible individuals out of the state training centers.	(\$412,305)	(\$239,005)	0.00	
Reduce funding for Developmental Disability Health Support Networks	(\$475,071)	\$0	0.00	
Capture turnover and vacancy savings for behavioral health positions	(\$17,076)	\$0	0.00	
Reduce funding for State Board activities	(\$1,595)	(\$1,595)	0.00	
Adjust salary of new supervisor in fiscal & grants management office	(\$13,000)	(\$13,000)	0.00	
Reduce funding for analyst position in the reimbursement office	(\$18,581)	(\$18,581)	0.00	
Eliminate two temporary positions associated with Certified Community Behavioral Health Center project	(\$54,400)	\$0	0.00	
Sweep NGF cash for CCBHC	(\$1,100,000)	\$0		
Sweep Commissioner's Office turnover and vacancy	(\$57,363)	\$0	0.00	
Capture salary savings for positions in the Quality Management office	(\$357,659)	\$0	0.00	
Sweep IT turnover and vacancy	(\$671,872)	\$0	0.00	
Sweep Behavioral Health position turnover and vacancy	(\$17,076)	\$0	0.00	
Reduce VITA costs	(\$200,000)	(\$200,000)	0.00	
Establish new licensing fees for providers	(\$35,000)	(\$140,000)	0.00	
Sweep MH Hospitals special fund balances	(\$8,910,673)	\$0	0.00	
Reduce unobligated Training Center funding	(\$2,500,000)	(\$2,500,000)	0.00	
	(\$15,103,662)	(\$3,426,282)	(1.85)	(2.00)