

Rob Siedlecki, Acting Secretary

House Social Services Budget Committee

February 7, 2011

Overview of State Developmental  
Disability Hospitals

Disability & Behavioral Health Services

Ray Dalton, Deputy Secretary

For Additional Information Contact:  
Gary Haulmark, Director of Legislative Affairs  
Docking State Office Building, 6<sup>th</sup> Floor North  
(785) 296-3271

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## Overview of State Developmental Disability Hospitals

Chairman Crum and members of the Committee, thank you for the opportunity to appear before you today to present the agency overview of the state hospitals that provide services to people with a developmental disability. Before I begin, I would like to introduce the superintendents of the hospitals: Dr. Jerry Rea from Parsons State Hospital and Training Center; and Barney Hubert from Kansas Neurological Institute.

Kansas' state developmental disability hospitals provide critical services to Kansans with developmental disabilities as part of a statewide provider network which includes a wide range of community services.

Over the last several years SRS has tried to absorb any hospital reduction in the SRS budget, because hospitals are budgeted at cost. Because of the reductions to the SRS budget, it has become increasingly difficult to absorb the reduced resource reductions and Governor's budget allotments in SRS. State hospital budgets represent actual operating costs. As a result KNI and Parsons in FY 2010 had a 1% reduction to their base budget and in addition were reduced \$1,407,859, in FY 2010 and \$1,183,976 in FY 2011.

As you are probably aware The Kansas Facilities Closure and Realignment Commission's November 2009 report recommended that SRS develop community placement criteria for people receiving services at Kansas Neurological Institute and Parsons State Hospital, and require those meeting the criteria to transfer to community based services; that remaining individuals be served at Parsons State Hospital; and that Kansas Neurological Institute be closed.

Governor Parkinson did not accept the commission's recommendations for KNI and Parsons. As a result Governor Parkinson issued Executive Order 10-01 to address the findings of the Closure and Realignment Commission as they relate to Parsons and KNI closure. SRS formed an advisory committee, made up of community providers and parents and guardians of people served by KNI and Parsons, to develop a plan for the downsizing and possible consolidation of the two facilities. The advisory committee made the following recommendations:

- Current admission policies and practices reflect the safety net functions of the hospitals and should continue as they are; in keeping with the policy direction of the then-Governor’s office, forced selection of community services should not be implemented at this time (subject to additional review or direction).
- Robust parent/guardian education and information strategies will be employed to help ensure they understand the community services available and to support the success of community placements.
- If by July 1, 2011, 53 people from PSH and 47 people from KNI have not selected community services; the state should consider whether it is necessary to formally limit service continuation.
- SRS, the state hospitals, CDDOs and community service providers will work with parents/guardians to ensure individualized person-centered support planning is in place to fully identify and meet the needs of each person transferring to community services.
- CDDOs and SRS will work together to ensure appropriate community capacity needs are addressed.
- Existing comprehensive quality monitoring systems will be utilized for the ongoing monitoring of services and outcomes for each person who moves to the community.

With the direction from the Governor’s Budget to begin the closure of KNI over a period of 23 months starting in FY2012, this same advisory committee can be used to lay out the plans for the closure of KNI.

### **State Developmental Disability Hospitals**

Parsons State Hospital and Training Center (PSH&TC) and Kansas Neurological Institute (KNI) serve people with severe, life-long disabilities that had their onset during the persons’ developmental years, most frequently at or before birth. One of the more frequently occurring developmental disabilities (DD) is intellectual disability (formerly known as “mental retardation”). Persons with DD generally require life time services and supports.

Both facilities are surveyed at least annually by the Kansas Department on Aging and are licensed and certified to participate in federal Medicaid funding as intermediate care facilities for persons with intellectual disabilities and other related conditions. Both facilities utilize person centered, preferred lifestyle planning to enhance the quality of their resident’s lives. They also seek full inclusion of their residents in the lives of their community.

**SUMMARY OF STATE DEVELOPMENTAL DISABILITY HOSPITAL CENSUS**

Facility	Budgeted Beds	Average Census YTD
PSH&TC	188	192
KNI	168	158
Total	356	350

**Parsons State Hospital and Training Center**

Parsons State Hospital and Training Center (PSH&TC) is budgeted to serve 188 persons in ten residential units. Most residential units house 17-22 persons, except for the dual diagnosis unit which currently serves 14 individuals. One residential unit was closed in December 2009 due to budget reductions. PSH&TC recently restructured its services to accommodate about 15 residents living on that unit within the ten remaining units.

On January 9, 2009 the Council on Quality and Leadership (CQL) recommended PSH&TC to be accredited for a three year term. CQL is the recognized leader for quality of life for persons with intellectual disabilities and persons with mental illness, and the people, organizations and communities who support them. Three years is the longest accreditation term awarded in the CQL's Personal Outcomes Measures 2000 process. There are very few state institutions in the country who have achieved this honor.

Fifty-two percent of PSH&TC's residents are categorized in the severe to profound range of intellectual disability. In addition to their intellectual disability, about 90 percent of the residents present significant behavioral challenges or symptoms of emotional disturbance. Last fiscal year, 22 persons were discharged from PSH&TC to community settings and 14 persons were admitted.

Important quality outcomes achieved for individuals admitted to PSH&TC during the past several years include:

- Since 2004, nearly half (47.62%) of the psychotropic medications used by persons prior to admission to PSH&TC were able to be eliminated, resulting in substantial cost savings while improving the individual's quality of life.
- Since 2004, 68.09% of people admitted to PSH&TC have had psychotropic medications reduced or eliminated.
- Since 2004, elimination of Psychotropic medications for admissions has resulted in savings to the State of Kansas of approximately \$1.9 million annually.
- The average length of stay at PSH&TC has decreased 71.92% from 2,286 days to 642 days for individuals admitted and discharged.

PSH&TC also provides a research-based treatment program for persons with developmental disabilities who have a history of sexual offenses. During FY 2010, PSH&TC worked with 60 persons in assessment and treatment programs designed to reduce the probability of new sexual offenses. In addition, PSH&TC

psychologists provided sex offender training either in the form of in-servicing prior to discharge, or follow up for those previously discharged, to approximately 225 community agency staff.

PSH&TC's Dual Diagnosis Treatment and Training Services (DDT&TS) provides treatment and consultation for persons with DD and severe mental illness. With seven staff stationed throughout the state, the DDT&TS provides on-site delivery of psychological services to individuals, as well as direct training to parents, families, schools and staff of community service providers. Of those individuals served, only about two percent required admission to PSH&TC for treatment. In FY 2010, the DDT&TS Outreach Service Program provided services to 122 individuals in 49 Kansas communities, Osawatomie State Hospital and Larned State Hospital. Two years ago, the program also began providing autism assessment services for families in Southeast Kansas and 59 families received the autism assessment services during FY 2010.

The Parsons Research Center and the Kansas University Center on Developmental Disabilities (KUCDD) are also located on the PSH&TC campus. These programs have a 54-year history at PSH&TC and employ 48 faculty and staff with \$6.16 million in contracts and grant awards.

KUCDD, in conjunction with PSH&TC, provides community service programs within the catchment area. These services include the Foster Care Project (SEK TFC), Respite Services Program, Birth-to-Three and Coordinated Resource Support Services. During FY 2010, these programs provided services to more than 650 families and children.

KUCDD also supports an Assistive Technology for Kansans (ATK) project that provides a number of services to Kansans with disabilities. A major component managed by the ATK is the Kansas Equipment Exchange Program which provides good, used equipment and assistive technology devices to Kansans at no charge. Nearly 21,000 inquiries were made about services available through this program during FY 2010 and equipment valued at nearly \$750,000 was assigned at no cost to individuals who used these services.

Another active program is PSH&TC's own Assistive Technology Department. The department designs, develops and "invents" a number of adaptive devices for use by residents and has responded to a number of requests from surrounding communities providing consultation and advice.

### **Kansas Neurological Institute**

Kansas Neurological Institute (KNI) serves 156 persons, 96 percent of whom are categorized in the severe to profound range of intellectual disability. Most KNI residents require intensive physical and medical supports. Most are unable to walk or speak, about two-thirds have seizure disorders, and over one-third are unable to eat by mouth and receive their nutrition through feeding tubes. Individuals at KNI live in 23 homes in five residential lodges.

KNI seeks to support each person living at KNI to have a meaningful life by:

- Ensuring well-being;
- Providing opportunities for choice;

- Encouraging community participation;
- Promoting personal relationships; and
- Recognizing individuality.

KNI also operates one of four seating clinics in Kansas providing individually designed seating systems for persons using wheelchairs and provides additional assistive technology support to people with intellectual and other developmental disabilities (ID/DD) living in the community. The seating clinic served 207 individuals from the community in FY 2009, 218 people last fiscal year, and expects to serve approximately 230 individuals this fiscal year. People served in KNI's seating clinic have a variety of neurological, neuromuscular, genetic, post-infection, nervous system and other conditions. Assistive technology assistance was provided to 177 people in FY 2009, 280 people in FY 2010, and services will be provided to a comparable number of people in FY 2011. The increase in number of people served through the seating clinic and assistive technology services is expected to continue in FY 2012.

KNI also provides dental services to persons with ID/DD living in the community who are unable to access needed care. Since this service was initiated, 149 people have utilized these services, and it is anticipated that 50 people will participate in these services during FY 2011. It is anticipated that a similar number of people will utilize these services in FY 2012.

KNI has also provided a variety of medical and therapeutic services to people with ID/DD who could not obtain these services through community providers because of a variety of special needs or circumstances. These services include primary care services, support during recovery from surgery, evaluative services, specialized counseling services and occupational and physical therapy services. Support of this nature was provided to 30 people in FY 2010, and it is anticipated a similar number of people will require these services by the end of FY 2011 and again in FY 2012.

Starting in FY 2006, KNI began providing behavioral consultation and support to people with ID/DD receiving community-based services. In FY2010 these services were utilized by 38 people, and a comparable number of people are expected to request behavioral consultation and support in FY 2011 and FY 2012. In recent years, KNI has also fielded increased requests from community service providers to serve as a resource in the provision of various other person-centered supports for people who present behavioral or medical challenges.

### **Title XIX Funding**

Nearly a third of the state hospital budgets are funded by federal Title XIX Medicaid funds. To meet Medicaid payment requirements and provide administrative ease, all Title XIX payments for state hospitals are placed in the central Title XIX account. Funds are then transferred from that account to the five state hospitals in amounts equal to their approved appropriations. All state hospitals receive Title XIX funding, but the process for the state DD hospitals is much different from the state MH hospitals. State DD hospitals are Medicaid

certified as intermediate care facilities for persons with mental retardation (ICFs/MR) and nearly all of the people living in the facilities are covered by Medicaid. The state DD hospitals submit annual cost reports that establish per diem rates which they charge to Medicaid for each day a person covered by Medicaid lives in the facility.

The state MH hospitals establish per diem rates in much the same way as the state DD hospitals. But the state MH hospitals are classified as institutions for mental disease (IMDs) by the Centers for Medicare and Medicaid Services (CMS). As such, CMS only allows collection of federal Medicaid matching funds for persons younger than 22 years of age and over 64 years of age. Those persons between those ages fall into a category called the "IMD exclusion." Their services are nearly all funded with state general funds or private payment. The vast majority of persons receiving services in state MH hospitals fall into this exclusion category. None of the SPTP or state security program patients qualify for Medicaid reimbursement. In addition, because they are licensed hospitals, the state MH hospitals must provide the full array of health care for all of their patients from their approved budgets.

State MH hospitals are eligible for additional payments authorized by CMS to assist all acute care hospitals that serve a disproportionately high number of indigent persons. These payments are called disproportionate share hospital (DSH) payments. The amount of DSH available in each state is limited by federal allocation, and these same federal rules limit the amount of DSH that can be transferred to IMDs, which includes the state mental health hospitals.

The state hospital budget request adjusts the amount of Title XIX funds used by each hospital to more closely match the amount of revenue each hospital is estimated to receive. This was done to more closely line up revenue with expenses.

Because of the increased Federal Medical Assistance Participation rates due to the American Recovery and Reinvestment Act being extended to June of 2011 current estimates for Title XIX revenue exceeds appropriated expenditures by a small margin. With the Federal Medical Assistance Participation rates reverting to pre ARRA rates in FY 2012 this small surplus all but disappears in keeping the allocations to the hospitals at the FY 2011 level. The projected balance at the end of FY 2012 for the Title XIX fund is less than \$500,000.

This concludes my testimony and the Superintendents and I will be glad to answer any questions you might have.

Description	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds	FTE
<b><i>Governor's Recommended Reductions</i></b>					
<b>Reduction in Operating Expenditures</b>					
Reduced salaries at Osawatomie State Hospital Eliminate 45 vacant positions in FY 2012	(500,000)	(500,000)	(500,000)	(500,000)	(45)
Reduced Salaries at Rainbow Mental Health Facility Eliminate 10 vacant positions in FY 2012	(250,000)	(250,000)	-	-	(10)
Start KNI Hospital Closure Utilize KNI fee Fund balance in place of SGF Eliminate 61 vacant positions in FY 2012			(277,039) (300,000)	(658,832)	(61)
PSH Eliminate 40 vacant positions				-	(40)
LSH Eliminate 138 vacant positions					(138)
<b>TOTAL GOVERNOR'S RECOMMENDED REDUCTIONS</b>	<b>(750,000)</b>	<b>(750,000)</b>	<b>(1,077,039)</b>	<b>(1,158,832)</b>	<b>(294)</b>