

Managing and Funding State Mental Hospitals in Texas Legislative Primer



SUBMITTED TO THE 82ND TEXAS LEGISLATURE

FEBRUARY 2011

LEGISLATIVE BUDGET BOARD STAFF

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Legislative Primer

LBB staff acknowledges the contributions of the
Texas Department of State Health Services
in preparing this report.

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MANAGING AND FUNDING STATE MENTAL HOSPITALS IN TEXAS

INTRODUCTION

The Texas Department of State Health Services manages nine state-owned mental hospitals and one state-owned inpatient residential treatment facility for adolescents. Together the state mental hospitals and inpatient residential treatment facility are one component of the statewide mental health delivery system that includes inpatient care and community-based care. This report provides an overview of state mental hospitals in Texas including information on who the hospitals serve, the services provided, how the hospitals are funded and factors affecting the hospitals. The report also provides statistical information regarding selected performance indicators maintained by the agency.

The 2006 technical report by the National Association of State Mental Health Program Directors' Medical Directors Council reports that persons with serious mental illness served by the nation's public mental health system die on average 25 years earlier than the general population. These persons have higher morbidity and mortality rates from medical conditions caused by risk factors such as obesity, smoking and substance abuse. They are also less likely to have adequate access to medical care and have greater difficulty navigating the healthcare system. Other factors that affect the health of persons with serious mental illness include homelessness, poverty, trauma, unemployment, social isolation and incarceration. The report indicates that psychotropic medications used to treat persons with serious mental illness introduce risk factors such as weight gain, insulin resistance, and diabetes or hyperglycemia. The medications may also mask the symptoms of other medical conditions.

The July 2009 statistical brief published by the U.S. Department of Health and Human Services reports that the five most costly conditions in the U.S. in 1996 and 2006 were heart conditions, cancer, trauma-related disorders, mental disorders and asthma. In each period, the expenditures for trauma-related disorders and mental disorders experienced the largest increases. The expenditures for mental disorders rose from \$35.2 billion in 1996 to \$57.5 billion in 2006, nationally. At the same time, expenditure for trauma-related disorders increased from \$46.2 billion to \$68.1 billion, nationally. The number of persons with mental disorders rose from 19.3 million in 1996 to 36.2 million in 2006 and

accounted for a substantial amount of the health care expenditure increase. Of the five conditions, treatment for mental disorders had the highest out-of-pocket payments.

The National Survey on Drug Use and Health for 2005 and 2006, conducted by the federal Substance Abuse and Mental Health Services Administration, found an average total of 1.8 million or 11 percent of Texans age 18 and older had serious psychological distress. The total number includes 0.4 million Texans ages 18 to 25 years and 1.4 million Texans age 26 and older. One million or 6.8 percent of Texans had at least one major depressive episode in the same period including 0.2 million persons ages 18 to 25 and 0.9 million persons age 26 and older. The agency also estimates an additional 0.2 million persons ages 12 to 17 had at least one major depressive episode.

PART I: OVERVIEW OF STATE MENTAL HOSPITALS IN TEXAS

CONTINUUM OF CARE

The Department of State Health Services (DSHS) is responsible for managing the nine state-owned mental hospitals and one state-owned inpatient residential treatment facility for adolescents. This report refers to the 10 entities as state mental hospitals or SMHs. The SMHs are one component of the statewide mental health delivery system that includes inpatient care and community-based care. DSHS designates Local Mental Health Authorities (LMHAs) that are responsible for achieving continuity of care in meeting a person's need for mental health services in the least restrictive environment. Each LMHA coordinates mental health services for persons residing in the counties that comprise a SMH's service area. The Appendices include a map showing the location of each SMH in Texas, a listing of the counties served by each SMH and a listing of the LMHAs responsible for coordinating the mental health services for persons residing in each SMH service area.

Within this continuum of care the SMHs' primary purpose is to stabilize the patients admitted by providing inpatient mental health treatment. Chapter 411 of the Texas Administrative Code defines inpatient mental health treatment as residential care including medical services, nursing services, and social services, as well as therapeutic

activities and psychological services ordered by the treating physician.

MANAGING STATE-OWNED MENTAL HOSPITALS IN TEXAS

A brief description of each SMH and analysis of the facility's performance on selected statewide performance indicators follows. The selected performance indicators include average daily census, average length of stay, average cost per patient served, turnover rate for critical shortage staff and percentage of vacancies for critical shortage staff. Critical shortage staff includes direct care, case workers, nurses, pharmacists, physicians, psychologists and therapists. The performance indicators are reported in the DSHS Management Plans published by the State Hospital Section, Hospital Management Data Services. DSHS maintains information on each SMH on the agency's website such as historical summaries, services offered, admission process and areas served.

AUSTIN STATE HOSPITAL

The Austin State Hospital (ASH) opened in 1861 and has operated under the facility's current name since 1925. ASH is a 299-bed facility and provides adult and child/adolescent services for South Central Texas. ASH also provides child and adolescent psychiatric services for counties in East Texas. Clinical specialty services are available in assessment, evaluation and treatment, including nursing, psychiatry, psychology, social work, education and rehabilitation services, nutrition and spiritual care. ASH also provides clinical supports including medical and dental care, x-ray and laboratory services and other consultative services.

For fiscal year 2010, the average daily census at ASH was 275 patients. The average length of stay was 25 days. The average cost per patient served was \$10,321. The turnover rate for critical shortage staff was 2.0 percent and the percentage of vacancies for critical shortage staff was 4.0 percent.

BIG SPRING STATE HOSPITAL

The Big Spring State Hospital (BSSH) opened in 1938. BSSH operates 200 beds and provides care for persons age 18 and older who have psychiatric illnesses. BSSH serves West Texas and the Texas South Plains. BSSH is one of three psychiatric hospitals providing treatment for patients on forensic commitments including competency restoration for persons no longer requiring a maximum security setting at North Texas State Hospital (NTSH) Vernon Campus. BSSH contracts with the Veterans Administration to service veterans in the Veterans Integrated Service Network 18

including West Texas, New Mexico and Arizona. BSSH offers vocational therapy services such as industrial therapy that provides community-based employment opportunities. Animal assisted therapy, fashion salon and horticulture programs provide other opportunities for patients to engage in work activities. BSSH offers other therapies such as music therapy and wellness skills training.

For fiscal year 2010, the average daily census at BSSH was 196 patients. The average length of stay was 51 days. The average cost per patient served was \$16,424. The turnover rate for critical shortage staff was 4.0 percent and the percentage of vacancies for critical shortage staff was 8.7 percent.

EL PASO PSYCHIATRIC CENTER

The El Paso Psychiatric Center (EPPC) opened in 1996. EPPC, a 74-bed facility, provides adult psychiatric care and child and adolescent services for West Texas residents. EPPC programs include acute and sub-acute care, as well as long-term care and forensic services. In addition to providing psychiatric patient care, EPPC also teaches and trains health care professionals and engages in research. EPPC is a new approach to collaborative community efforts in the state. EPPC does not offer physical, occupational, or vocational services.

For fiscal year 2010, average daily census at EPPC was 70 patients. The average length of stay averaged for the fiscal year was 28 days. The average cost per patient served was \$12,974. The turnover rate for critical shortage staff was 2.3 percent and the percentage of vacancies for critical shortage staff was 8.0 percent.

KERRVILLE STATE HOSPITAL

The Kerrville State Hospital (KSH) began providing psychiatric treatment in 1951 and became a forensic facility in 1999. KSH, a 202-bed facility, provides statewide adult psychiatric care for persons admitted on a forensic commitment. KSH programs aid persons deemed not competent to stand trial with the intent of helping the persons attain competency, if possible. KSH provides care for persons judged to be not guilty by reason of insanity. KSH provides transitional care for persons not requiring a maximum security setting. KSH provides services and programs such as psychosocial rehabilitation and patient education, vocational rehabilitation, co-occurring psychiatric and substance abuse services, and spiritual services.

In fiscal year 2010, the average daily census at KSH was 199 patients. The average length of stay was 777 days. The average cost per patient served was \$30,006. The turnover rate for critical shortage staff was 1.0 percent and the percentage of vacancies for critical shortage staff was 6.1 percent.

NORTH TEXAS STATE HOSPITAL

The state mental hospital in Wichita Falls opened in 1922 and was renamed the Wichita Falls State Hospital in 1925. An annex in Vernon, Texas was opened in 1951 to serve geriatric patients. In 1969, the Vernon State Center opened and was renamed the Vernon State Hospital in 1983. The Wichita Falls and Vernon facilities became the NTSH in 1998. NTSH operates the Wichita Falls and Vernon campuses. The Wichita Falls campus, a 257-bed facility, serves persons with mental illness and mental illness/mental retardation who reside in the North Texas area. The Vernon campus is a 343-bed statewide facility and provides a maximum security setting for adults needing forensic psychiatric services. The Vernon campus also provides a secure setting for adolescents needing forensic psychiatric services.

Persons admitted to the NTSH-Wichita Falls campus may receive services through facility-based programs such as intensive diagnostic rehabilitation, social behavior, geriatric psychiatry, and comprehensive bio-psychosocial habilitation and rehabilitation for persons with multiple disabilities. Other programs include child and adolescent treatment, and comprehensive rehabilitation therapies. The NTSH-Wichita Falls campus also provides opportunities for community-based vocational experiences. Vocational opportunities include recycling, lawn services and janitorial services.

Persons admitted to the NTSH-Vernon campus receive specialized care in a secure setting. NTSH-Vernon provides facility-based programs such as psychosocial rehabilitation, gateway residential services including transitional services such as behavior management and treatment. Medical services and comprehensive services for multiple disabilities are also provided. Other services and programs include vocational opportunities such as horticulture, upholstery, screen printing, recycling, matting and framing, and simulated work-related activities.

For fiscal year 2010, the average daily census at NTSH was 589 patients. The average length of stay was 97 days. The average cost per patient served was \$18,100. The turnover rate for critical shortage staff was 2.0 percent and the

percentage of vacancies for critical shortage staff was 8.3 percent.

RIO GRANDE STATE CENTER

The Rio Grande State Center (RGSC) opened in 1962 as the Harlingen Adult Mental Health Clinic and was renamed the Harlingen State Mental Health Clinic in 1965. By 1991, the Rio Grande State Center opened adjacent to the South Texas Hospital. In 2004, the two entities became the Rio Grande State Center/South Texas Healthcare System.

RGSC, a 130-bed facility, has a 55-bed unit for mental health services. RGSC also provides healthcare services and long term care services for persons with intellectual disabilities. Mental health services provided include psychiatric services and psychosocial rehabilitative education. DSHS also contracts with the Department of Aging and Disability Services (DADS) to provide mental retardation services to DADS clients at the RGSC facility. Mental retardation services include long term residential, vocational and educational services. RGSC operates a Vocational Services Program located at an onsite campus in Harlingen. Participants receive vocational opportunities in laundry, document shredding, and arts and crafts.

For fiscal year 2010, the average daily census at RGSC was 52 patients. The average length of stay was 18 days. The average cost per patient served was \$7,425. The turnover rate for critical shortage staff was 4.3 percent and the percentage of vacancies for critical shortage staff was 10.8 percent.

RUSK STATE HOSPITAL

The Rusk State Hospital (RSH) opened in 1919 and has operated under the facility's current name since 1925. RSH, a 335-bed facility, provides psychiatric care for persons with severe mental illness and persons with intellectual disabilities residing in the East Texas area. RSH provides services such as psychological services including co-occurring psychiatric and substance abuse, psychotherapy, consultation and education, and ancillary clinical and dental services. RSH is one of three psychiatric hospitals providing treatment for patients on forensic commitments including competency restoration for persons no longer requiring a maximum security setting at NTSH Vernon Campus. RSH operates a rehabilitation, education and recreation programs that focus on enhancing basic life skills and competency classes for forensic patients. Other programs and services include recreational activities such as farm animal tending, a client worker program and spiritual services.

For fiscal year 2010, the average daily census at RSH was 305 patients. The average length of stay was 113 days. The average cost per patient served was \$19,805. The turnover rate for critical shortage staff was 5.1 percent and the percentage of vacancies for critical shortage staff was 9.6 percent.

SAN ANTONIO STATE HOSPITAL

The San Antonio State Hospital (SASH) opened in 1892 and has operated under the current name since 1925. SASH, a 302-bed facility, provides diagnostic, treatment, rehabilitative and referral services for persons with severe mental illness residing in the South Texas area. SASH specialty services include psychiatric treatment for adolescents (ages 12 to 17), adult forensic services provided in a secure environment, long term geriatric care for persons age 60 and older, and extended care for persons ages 18 to 64 needing intensive medication intervention and rehabilitative services. SASH-Acute Care Services serve adults in crisis. In addition to the SASH facility, acute care services are also provided at a remote unit in Laredo using telemedicine technology. SASH operates a client work program that provides work activities for patients such as grounds keeping, janitorial and light home maintenance. Patients may also work in the campus library or clothing center.

For fiscal year 2010, the average daily census at SASH was 274 patients. The average length of stay was 44 days. The average cost per patient served was \$15,825. The turnover rate for critical shortage staff was 3.5 percent and the percentage of vacancies for critical shortage staff was 6.1 percent.

TERRELL STATE HOSPITAL

The Terrell State Hospital (TSH) opened in 1885 and has operated under the facility's current name since 1925. TSH, a 316-bed facility, provides psychiatric services for the North and Northeastern areas of Texas. TSH programs include adult acute care, child and adolescent services, forensic services, geriatric care, as well as, intensive behavioral and intermediate care services. TSH provides medical and dental services. TSH is responsible for providing services to adolescents in the TSH service area as well as one-half of the RSH service area. TSH is also responsible for providing services to children (ages 12 and younger) in the TSH service area as well as all of the RSH service area. Other services and programs include animal assisted therapy, recreational therapy, music therapy, horticulture classes, and work education.

For fiscal year 2010, the average daily census at TSH was 309 patients. The average length of stay was 37 days. The average cost per patient served was \$10,760. The turnover rate for critical shortage staff was 1.2 percent and the percentage of vacancies for critical shortage staff was 3.6 percent.

WACO CENTER FOR YOUTH

The Waco State Home was established in 1919 to serve dependent and neglected children. In 1979, the facility became the Waco Center for Youth (WCFY). WCFY, a 78-bed facility, provides statewide residential psychiatric services for adolescents ages 13 to 17 who are emotionally disturbed or have behavioral problems. The WCFY facility provides cottage style residential housing and classrooms for academic learning in a small group setting. WCFY provides general pediatric care, clinical services such as individual, group and family therapies, case management and aftercare planning. WCFY also provides spiritual services and recreational access to the on-campus gymnasium, recreational areas, swimming pool, horse stable, and arena.

For fiscal year 2010, the average daily census at WCFY was 70 patients. The average length of stay was 175 days. The average cost per patient served was \$23,298. The turnover rate for critical shortage staff was 4.2 percent and the percentage of vacancies for critical shortage staff was 6.6 percent.

Figure 1 shows the breakdown of mental health beds at SMHs and patient bed type. There were a total of 2,461 mental health beds in Texas in fiscal year 2010. This equates to approximately 10.3 beds per 100,000 Texans.

PATIENT ADMISSION

Admission to SMHs can occur voluntarily or involuntary. Involuntary admissions include civil and forensic commitments. There are also state provisions for the commitment of persons with intellectual disabilities experiencing acute psychiatric illness. Generally speaking, an LMHA screens persons who are self referred or referred by a community source, such as a police officer in the resident's service area. The LMHA, in collaboration with the judiciary, has the duty of finding the least restrictive, most appropriate treatment setting for the patients, who may be referred to state mental hospitals. If a person seeks admission independent of an LMHA, the SMH by law must conduct an emergency psychiatric screening which may result in patient admission to the SMH. In consultation with the LMHA, the admissions physician has final authority for

**FIGURE 1
NUMBER OF MENTAL HEALTH BEDS AT STATE MENTAL HOSPITALS IN TEXAS
FISCAL YEAR 2010**

STATE MENTAL HOSPITALS	BED TYPE	NUMBER OF BEDS
Austin State Hospital	Adults, Adolescents and Children	299
Big Spring State Hospital	Adults Only	200
El Paso Psychiatric Center	Adults, Adolescents and Children	74
Kerrville State Hospital	Adults Only	202
North Texas State Hospital - Total	Adults Adolescents and Children	600
NTSH - Vernon Campus	Adults and Adolescents	343
NTSH - Wichita Falls	Adults, Adolescents and Children	257
Rio Grande State Center	Adults Only	55
Rusk State Hospital	Adults Only	335
San Antonio State Hospital	Adults and Adolescents	302
Terrell State Hospital	Adults, Adolescents and Children	316
Waco Center for Youth	Adolescents Only	78
	TOTAL, ALL BED TYPES	2,461

SOURCE: Department of State Health Services.

admitting persons consistent with the availability of hospital resources.

According to Title VII of the Texas Health and Safety Code, a person can be admitted to a SMH voluntarily or involuntarily. A voluntary admission occurs when an adult, age 16 or older, self-admits. The person provides a signed written request for admission. A voluntary admission also occurs when a minor provides a written request for admission that is signed by a parent, guardian or managing conservator. The request must state that the minor submits to the custody of the SMH. Requests for admission facilitated by a guardian or managing conservator representing the state or a political subdivision of the state cannot be submitted without the minor's consent.

Persons may be directed through involuntary civil and forensic commitment to a SMH. Persons subject to involuntary admissions are usually found to have symptoms of mental illness and in need of treatment to protect the welfare of the person and others. In civil commitments, a person can be involuntarily detained with or without a warrant and presented by a peace officer to a SMH for evaluation. When the person is detained without a warrant, a peace officer must submit a written application for emergency detention that meets the criteria that the peace officer believes the person is mentally ill; the person shows substantial risk of serious harm to themselves or others that appears to be imminent; and the need of restraint that cannot

be accomplished without emergency detention. There is a 48-hour limit that is defined and set by law regarding the period the person can be held under emergency detention.

When the person is detained with a warrant, a judge or magistrate issues a warrant or order respectively that authorizes the peace officer to detain the person. In this circumstance, any adult may submit the written application for emergency detention of another person that meets the criteria that the applicant believes the person is mentally ill; the person shows substantial risk of serious harm to themselves or others that appears to be imminent; and the need for restraint cannot be accomplished without emergency detention.

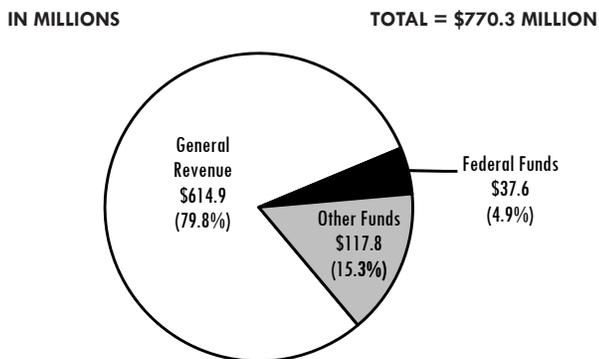
Under Texas Code of Criminal Procedure, defendants can be ordered to forensic commitment for competency restoration while awaiting adjudication or because of an insanity defense in post-adjudication. A magistrate's order can be issued if a defendant is suspected of having a mental illness. The order is subject to the request of a LMHA and the consent of the SMH. A defendant who a court or jury determines incompetent to stand trial can be committed to a SMH for a certain amount of time as prescribed by law or as specified by a judge's order. A defendant on trial for a criminal offense who a jury determines is not guilty by reason of insanity can be committed to a SMH for a period specified by a judge's order. The defendant cannot be released from the SMH without a judge's order.

The superintendent of a residential care facility for persons with intellectual disabilities may transfer a resident to a SMH for care if a licensed physician determines that the resident has symptoms of mental illness requiring care, treatment, control or rehabilitation and transferring the patient to a SMH is in the best interest of the resident. These are termed “consignments” and only last for a period of up to 30 days. If a patient requires a longer period of psychiatric hospitalization, the SMH would have to seek a civil commitment consistent with the Texas Mental Health Code.

FUNDING STATE-OWNED MENTAL HOSPITALS IN TEXAS

The Eighty-first Legislature, 2009, appropriated a total of \$770.3 million in All Funds and approximately 7,550 full-time-equivalent (FTE) positions for Texas SMHs for the 2010–11 biennium. **Figure 2** shows the type of funding and percentage of state appropriations for the SMHs for the 2010–11 biennium. These appropriations include \$614.9 million in General Revenue Funds. Of this amount, \$24.2 million are General Revenue Funds Certified as Match for Medicaid. Overall, the Eighty-first Legislature, 2009, increased appropriations for Texas SMHs by \$29.7 million in All Funds for the 2008–09 biennium to maintain fiscal year 2007 bed capacity at the SMHs.

**FIGURE 2
STATE MENTAL HOSPITAL FUNDING BY METHOD OF FINANCE
2010–2011 BIENNIUM**



Source: Legislative Budget Board.

Federal Funds constitute \$37.6 million, or 4.9 percent, of the 2010–11 biennial appropriations for Texas SMHs. This amount includes \$34.0 million in Medicaid funding. Under current federal law, Medicaid funding appropriated to Texas SMHs can only be used to serve children and adolescents age

21 and younger and eligible adults over the age 65. This is because all 10 Texas SMHs are Institutions for Mental Diseases (IMDs). Section 1905 of the federal Social Security Act defines an IMD as a hospital, nursing facility or other institution of more than 16 beds primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care and related services. In an IMD facility at least 51 percent of the patients have severe mental illness. Federal law prohibits federal Medicaid matching payments to IMDs for patients ages 22 to 64.

The IMD exclusion policy has been in place since Medicaid was enacted in 1965. At the time, state and local psychiatric hospitals housed large numbers of persons with severe mental illness at (non-federal) public expense. Congress intended that the new Medicaid funding was not to be used to supplant public efforts already funded with state and local resources. Later, exemptions for children and the elderly were added by amendment.

The additional Federal Funds appropriated to the Texas SMHs are to: (1) provide nutrition services to eligible child and adolescent patients through the National School Lunch and Breakfast programs; and (2) to implement the State of Texas Alternatives to Restraint and Seclusion (STARS) program, the purpose of which has been to further reduce the use of restraint and seclusion practices at the SMHs.

Federal funding in the form of disproportionate share hospital (DSH) payments is available to state and county psychiatric facilities serving a disproportionate number of low-income patients. However, Federal laws enacted during the 1990s set limits on payment amounts.

Other Funds account for 15.3 percent of the 2010–11 appropriations for Texas SMHs and total \$117.8 million for the biennium. This amount includes \$70.9 million in General Revenue–Dedicated Funds (Public Health Medicaid Reimbursements) which were appropriated in lieu of General Revenue Funds. The additional revenue from this account is the result of anticipated increased laboratory fee revenue due to a rate change to align with Medicare rates.

Other Funds also includes \$29.8 million in Interagency Contract funds. Most of these contracts are with the Department of Aging and Disability Services (DADS), which operates that State Supported Living Centers (formerly state schools). DSHS and DADS have contract agreements for services such as food and laundry. DSHS also provides

mental retardation services to DADS clients at the Rio Grande State Center.

Also included in Other Funds is \$15.3 million in MH Collections for Patient Support and Maintenance. These collections are defined as reimbursements received for health and other services provided to persons in state hospitals from third-party payers including insurance companies, clients, relatives, trusts and estates, and government retirement benefit programs including the U.S. Civil Service, Federal Railroad, state, Social Security, Teacher Retirement and Veteran's Administration.

ANALYSIS OF CASELOAD GROWTH

In the last three biennia, the SMHs have faced funding impacts due to increases in caseloads. The effect of this increase began with a ramp-up in capacity at the SMHs in fiscal years 2006 and 2007. During the 2006–07 biennium \$34.0 million was transferred from the Health and Human Services Commission (HHSC) to DSHS to increase bed capacity at SMHs to 2,477, a 240 bed increase from the previous bed capacity of 2,237. DSHS re-allocated existing funds during the biennium to meet the need associated with increased capacity.

For the 2008–09 biennium, the agency was appropriated an additional \$13.3 million in General Revenue Funds to help maintain the 2007 bed capacity of 2,477. Additionally, the fiscal year 2007 salary increase and Article IX, Sec. 19.62, of the 2008–09 General Appropriations Act, Appropriation for a Salary Increase for State Employees, provided an estimated \$17.2 million for additional salary increases for mental health state hospital staff for the 2008–09 biennium. This level of funding, however, was not enough to maintain the 2007 bed capacity as DSHS did not anticipate increased staffing costs. These increased costs were due to greater competition for clinical staff in local markets; increased cost for prescription drugs; outside medical costs; the cost of food; other operating costs; and overhead charges DSHS pays to HHSC for cost allocated support services. In order to address the issue, HHSC transferred \$21.4 million to DSHS to maintain 2007 bed capacity and \$22.4 million for Enterprise Support Services associated with the SMHs. DSHS was also able to use some additional collected revenue and re-allocate funds from Strategy F.2.1, Capital Items – Public Health to help address the shortfall. In fiscal year 2009, DSHS was provided \$15.9 million in 2009 supplemental General Revenue Funds to address these increased costs.

For the 2010–11 biennium DSHS was appropriated an additional \$29.7 million in All Funds because of similar concerns. Additionally the agency used \$7.4 million in one-time funds associated with an enhanced stimulus match rate for Medicaid to address these rising costs. The next section examines these cost increases as well as other factors affecting SMHs in Texas.

PART II: FACTORS AFFECTING STATE MENTAL HOSPITALS IN TEXAS

The following section examines several factors affecting the SMHs in Texas. The data used to analyze the effect of these factors comes from selected SMH state-wide performance indicators reported by DSHS State Hospital Section, Hospital Management Data Services in fiscal years 2006 to 2010.

AVERAGE LENGTH OF STAY

SMHs have seen an increase in the average lengths of patient stay. The average length of stay at discharge from SMHs for each fiscal year were 44.5 days in fiscal year 2006, 43.5 days in fiscal year 2007, 47.3 days in fiscal year 2008, 46.3 days in fiscal year 2009 and 51.5 days in fiscal year 2010. The average length of stay increased 15.7 percent when comparing fiscal year 2006 to fiscal year 2010.

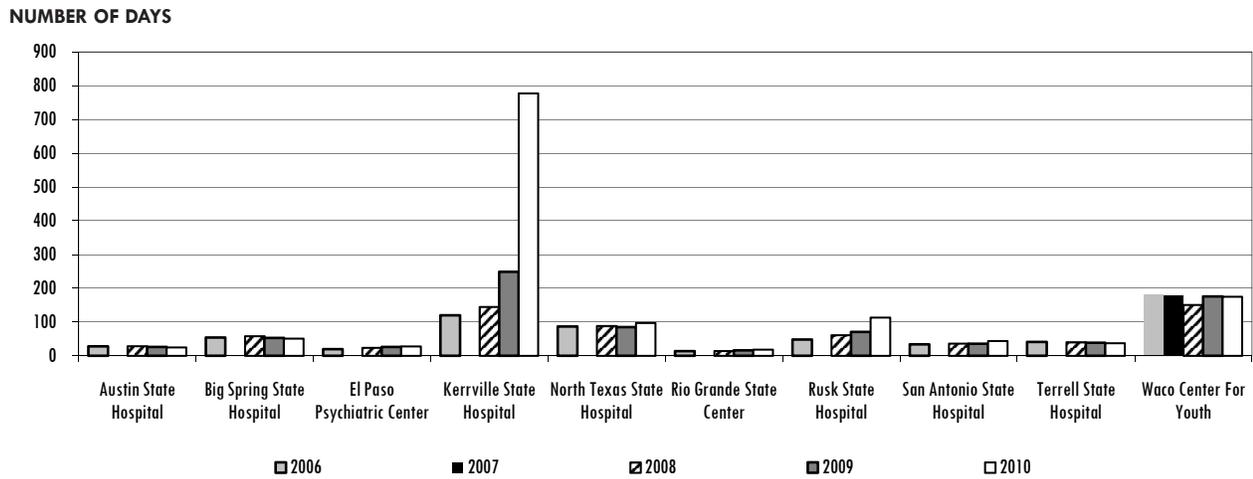
Figure 3 shows the average length of stay at discharge for each SMH for fiscal years 2006 to 2010.

INCREASING FORENSIC POPULATION

According to DSHS, the forensic population in SMHs is increasing. The role of the SMH in the treatment of forensic patients has expanded in recent years as some SMHs have experienced a significant increase in the number of forensic patients they serve. As described earlier a forensic patient is one who is admitted to a SMH by judicial order because they have been determined unfit to stand trial or found not guilty by reason of insanity. Some of the forensic patients who are in SMHs for competency restoration have been accused of minor crimes such as trespassing and misdemeanor assault. In fiscal year 2010, the total number of beds at SMHs was 2,461 including 1,558 civil beds and 903 forensic beds. **Figure 4** shows the number of civil and forensic beds at each SMH in fiscal year 2010. **Figure 5** shows the average daily census for civil and forensic beds at each SMH in fiscal year 2010.

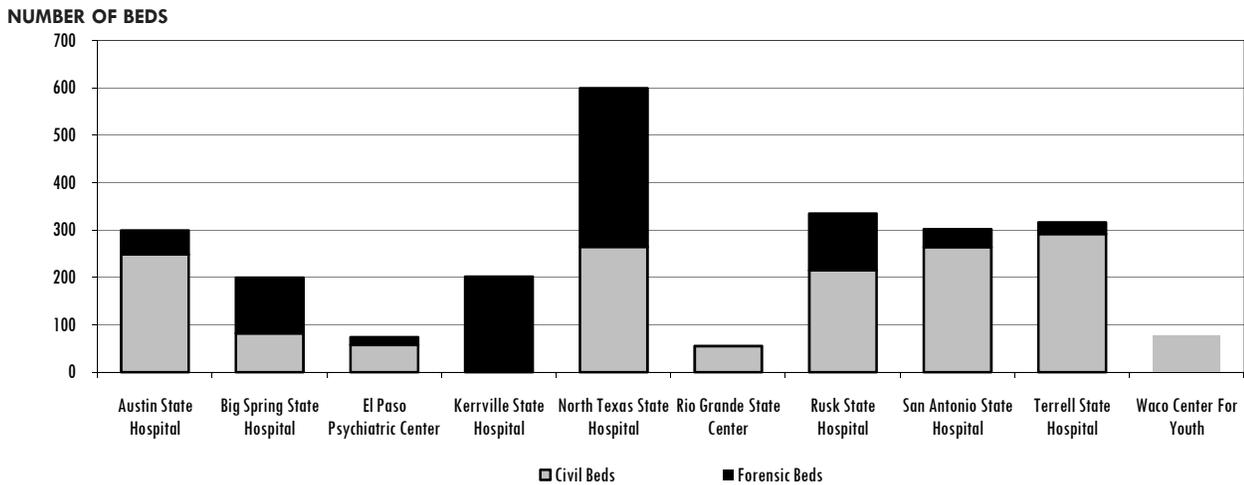
Forensic commitments generally involve longer lengths of stays in the SMHs. According to DSHS, the average length

FIGURE 3
AVERAGE LENGTH OF STAY AT DISCHARGE FROM STATE MENTAL HOSPITALS
FISCAL YEARS 2006 TO 2010



SOURCE: Department of State Health Services.

FIGURE 4
CIVIL AND FORENSIC BEDS AT STATE MENTAL HOSPITALS IN TEXAS
FISCAL YEAR 2010



SOURCE: Department of State Health Services.

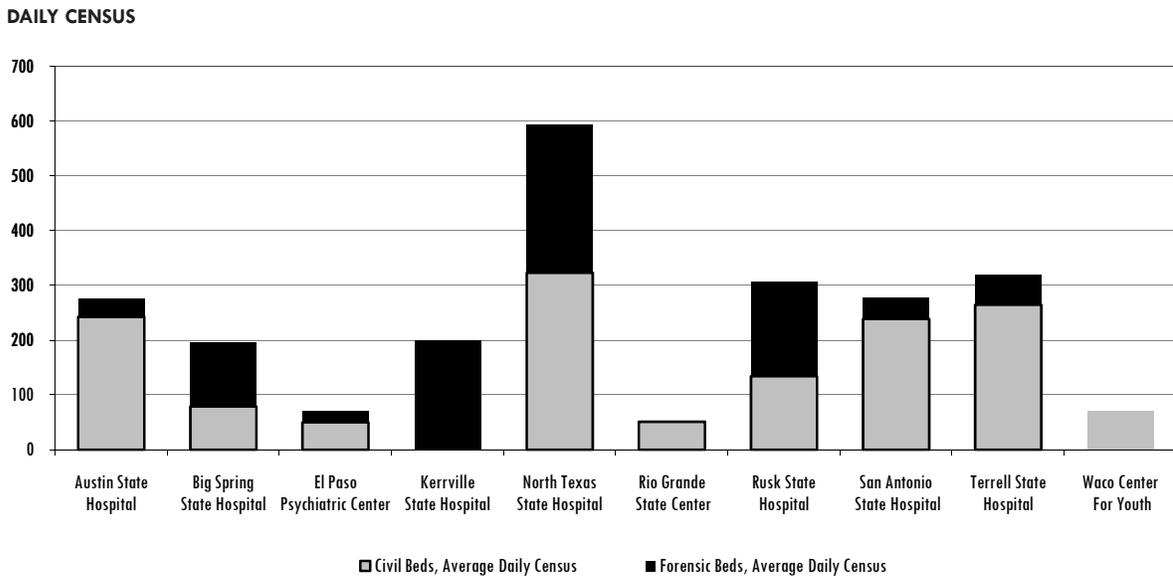
of stay for a non-forensic patient is less than 30 days compared to more than 30 days and often more than 90 days for forensic patients.

As of December 14, 2010 there were a total of 282 persons on waiting lists at SMHs for forensic beds. According to DSHS, the wait for a forensic bed can be as long as six months in jail for some nonviolent offenders needing

inpatient services. These long wait periods can have a negative effect on the forensic patients' mental conditions.

Longer wait times and longer lengths of stay at the SMHs before a forensic patient is declared competent may result in offenders waiting in jail longer for competency restoration than their sentence would be if they were convicted. It is likely that before some forensic patients have had their competency restored, they have already served the maximum

FIGURE 5
AVERAGE DAILY CENSUS FOR CIVIL AND FORENSIC BEDS AT STATE MENTAL HOSPITALS IN TEXAS
FISCAL YEAR 2010



SOURCE: Department of State Health Services.

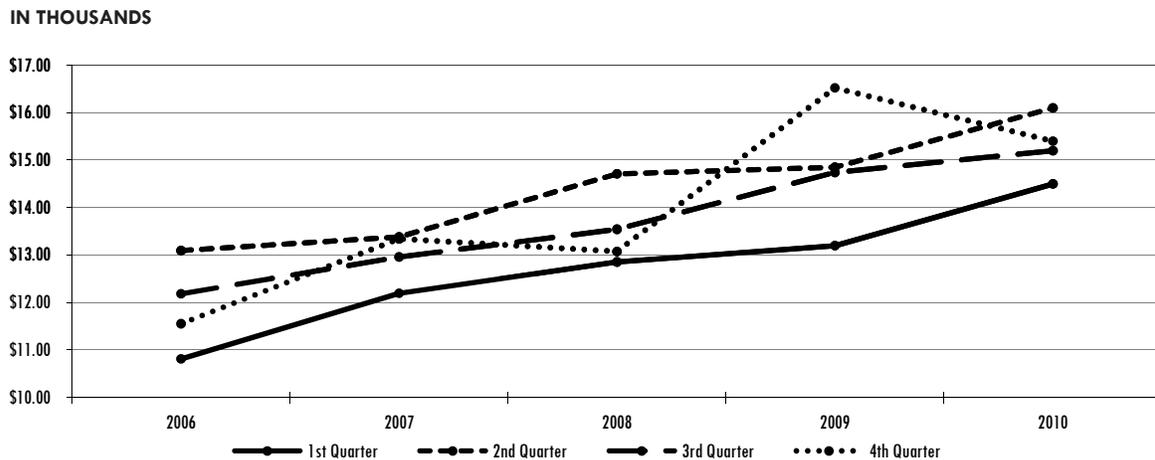
amount of jail time for sometimes minor criminal offenses and are released without sufficient on-going mental health services or resources. This situation may contribute to re-offending and cycling back into the judicial system.

COST CONSIDERATIONS

In the past five years, average cost per patient increased at SMHs. The Analysis of Caseload Growth section examines

some of the factors impacting these cost increases. **Figure 6** shows the average cost per patient served in all SHMs for each quarter of fiscal years 2006 to 2010. The yearly average of the average cost per patient served was \$11,912 in fiscal year 2006, \$12,971 in fiscal year 2007, \$13,547 in fiscal year 2008, \$14,828 in fiscal year 2009 and \$15,325 in fiscal year 2010. The average cost per patient

FIGURE 6
AVERAGE COST PER PATIENT SERVED IN STATE MENTAL HOSPITALS IN TEXAS
FISCAL YEARS 2006 TO 2010



SOURCE: Department of State Health Services.

increased \$3,413 or 28.6 percent from fiscal years 2006 to 2010.

Figure 7 shows the average cost per patient served in SMHs for fiscal years 2006 to 2010.

OUTSIDE MEDICAL COSTS

Another factor affecting the SMHs is the increase in outside medical costs. In addition to treating all patients admitted to SMHs for mental illness, the SMHs are also responsible for providing medical and dental care. Because of the IMD exclusion, Medicaid does not cover the costs for Medicaid eligible patients who are ages 22 to 64 years. Since fiscal year 2006, total outside medical costs have increased from \$11.3 million to \$17.8 million in fiscal year 2010, representing an overall increase of 57.4 percent. DSHS indicates that total outside medical costs in fiscal year 2010 included for example \$358,291 for chemotherapy, \$189,835 for pneumonia, and \$136,086 for congestive heart failure.

WORKFORCE SHORTAGES

According to DSHS, SMHs have experienced shortages in critical staff for several years. DSHS identifies critical shortage staff at SMHs to include direct care, case workers, nurses, pharmacists, physicians, psychologists and therapists. The percentage of vacancies in critical staff positions were 4.8 in fiscal year 2006, 4.8 in fiscal year 2007, 5.0 in fiscal year 2008, 4.6 percent in fiscal year 2009 and 7.1 percent in fiscal year 2010. Figure 8 shows the percentage of vacancies in

critical staff positions at each SMH for fiscal years 2006 through 2010.

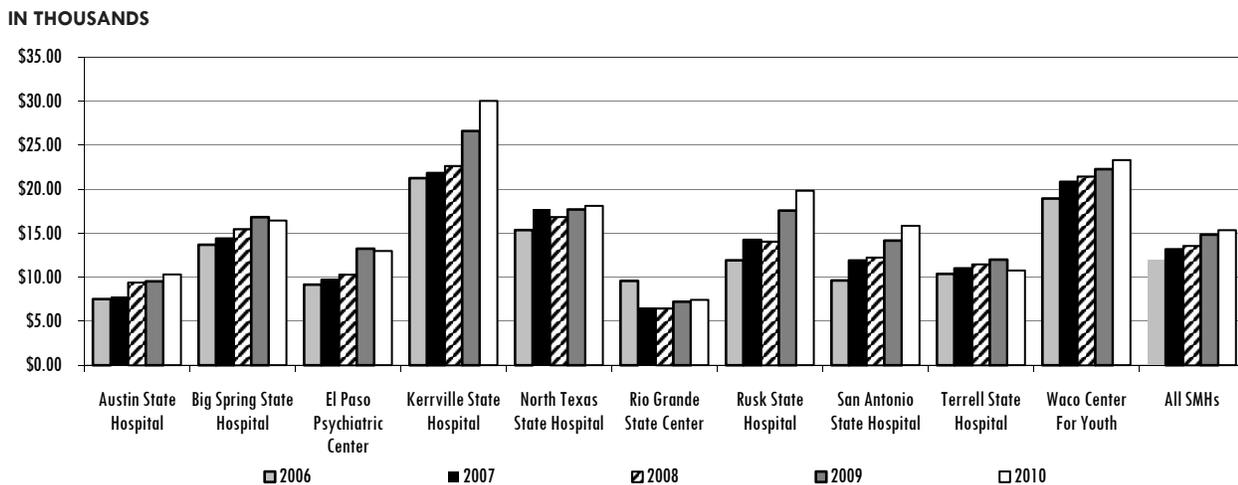
Additionally, turnover has increased in these critical staff positions. The average turnover rate in critical staff positions expressed as a percentage was 2.6 percent in fiscal year 2006, 2.3 percent in fiscal year 2007, 2.7 in fiscal year 2008, 2.0 in 2009 and 2.8 in fiscal year 2010. Figure 9 shows the turnover rate in critical staff positions, expressed as a percentage, for each SMH for fiscal years 2006 to 2010.

DSHS indicates it is especially difficult recruiting and retaining psychiatrists and physicians. The overall physician vacancy rate across all SMHs at the end of fiscal year 2009 was 15 percent. Recruitment is hampered due to lower starting salaries for psychiatrists offered by SMH relative to other public and private sector employers. DSHS indicates salary levels for physicians and psychiatrists are not competitive and affect the retention of current staff as well.

AGING HOSPITAL INFRASTRUCTURE

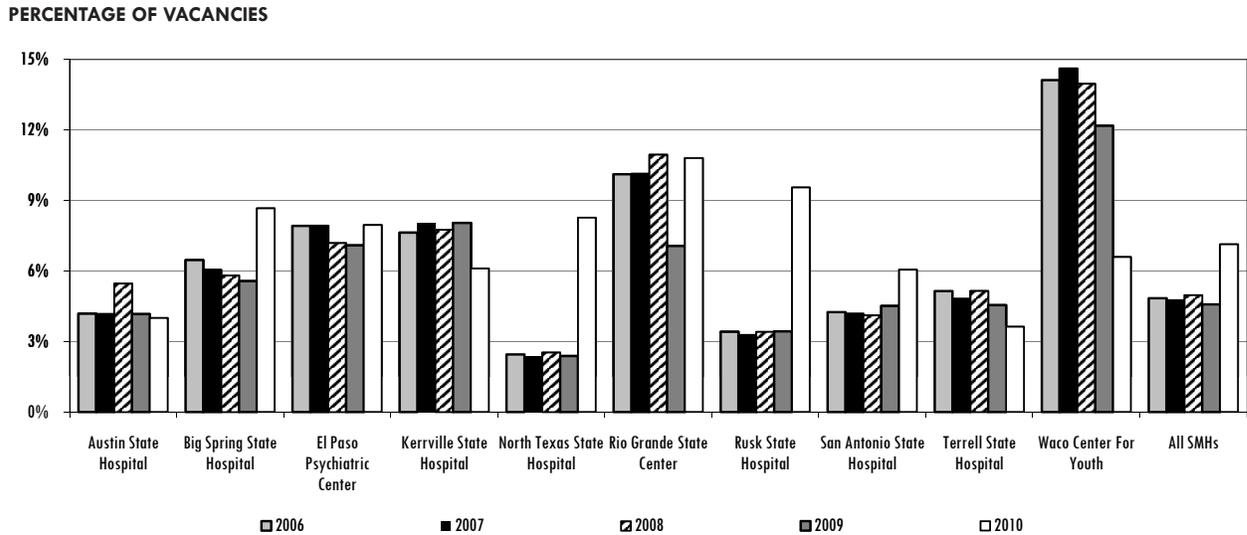
Another factor affecting the SMHs is aging infrastructure. Most of the SMHs were built before 1965. Although the SMHs were well built and remain structurally sound, the facilities are in need of renovation and repair to maintain certain standards and programmatic requirements. Repair and renovation is critical for continued accreditation by the Joint Commission (TJC) and can impact federal funding. Currently all 10 SMHs are accredited by TJC. TJC, formerly the Joint Commission on Accreditation of Healthcare

**FIGURE 7
AVERAGE COST PER PERSON SERVED AT STATE MENTAL HOSPITALS IN TEXAS
FISCAL YEARS 2006 TO 2010**



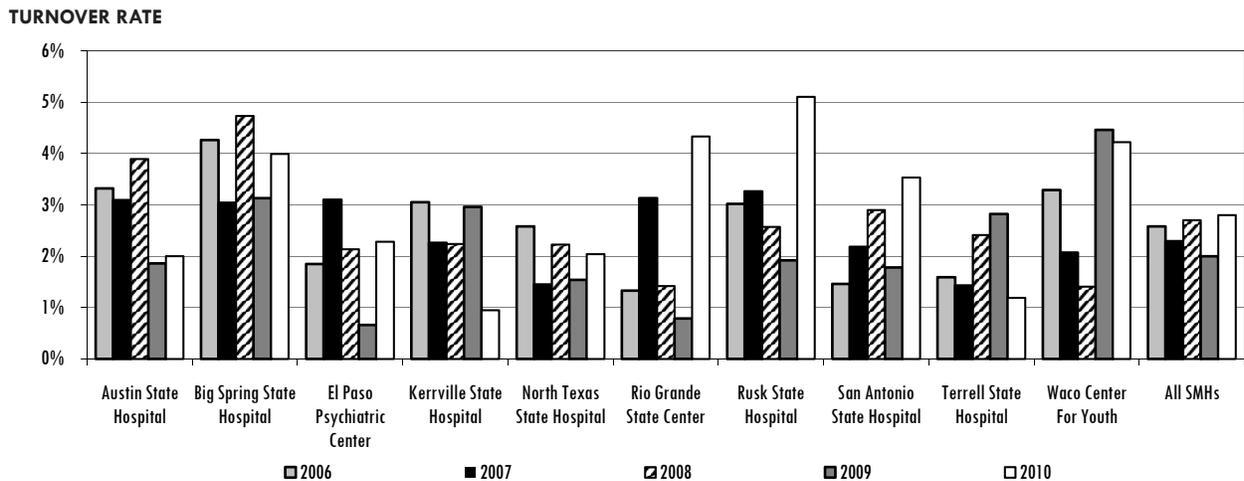
SOURCE: Department of State Health Services.

FIGURE 8
PERCENTAGE OF VACANCIES IN CRITICAL STAFF POSITIONS
FISCAL YEARS 2006 TO 2010



NOTE: According to the Department of State Health Services, critical staff positions include direct care, case workers, nurses, pharmacists, physicians, psychologists and therapists.
 SOURCE: Department of State Health Services.

FIGURE 9
TURNOVER RATE FOR CRITICAL STAFF POSITIONS
FISCAL YEARS 2006 TO 2010



NOTE: According to the Department of State Health Services, critical staff positions include direct care, case workers, nurses, pharmacists, physicians, psychologists and therapists.
 SOURCE: Department of State Health Services.

Organizations, is a not-for-profit organization, which sets standards for, and evaluates health care organizations in accordance with nationally recognized guidelines. To maintain TJC accreditation, the hospitals must comply with

the environment of care standards in the TJC accreditation manual, which requires buildings and equipment be maintained in a safe manner and provide a therapeutic environment conducive to the clients' recovery. In the past,

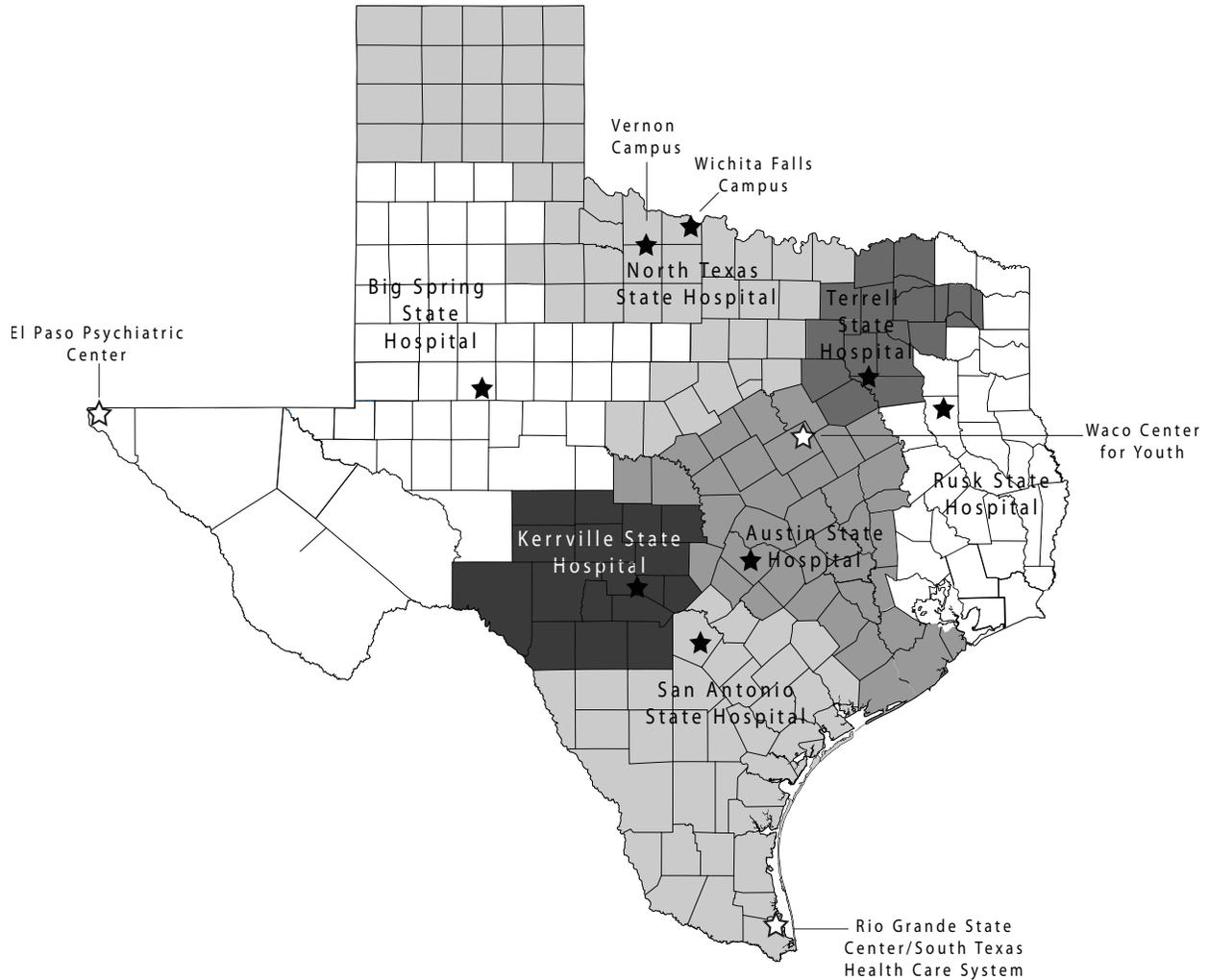
the Texas Legislature has provided funding for SMH repairs and renovations by appropriating bond proceeds to DSHS for these needs.

CONCLUSION

SMHs face managerial and fiscal challenges in meeting the needs of Texans with severe mental illness. Three significant challenges are addressing the growing forensic population, managing outside medical costs, and maintaining aging infrastructure. One of the major problems associated with the growing forensic population is the longer lengths of stay, often more than 90 days for forensic patients in SMHs. These longer lengths of stay and the overall increase in the forensic population has led to longer wait times and waiting lists at SMHs for forensic beds. Total outside medical costs, which include the provision of medical and dental services at the SMHs, have increased by 57.4 percent since fiscal year 2006. Because of the IMD exclusion, the majority of these costs are not covered by Medicaid. All of the SMHs in Texas are currently TJC accredited, however, repair and renovation of aging infrastructure is often necessary to maintain accreditation and safeguard federal funds. Addressing all of these challenges will require critical short and long-term policy and fiscal decisions. Decisions made regarding the SMHs will likely affect the state mental health delivery system as a whole. Maintaining or expanding community-based care may be favorable but a decision to do so is tempered by the reality that for many persons with severe mental illness, community-based care is not an option.

APPENDIX A

STATE MENTAL HOSPITALS IN TEXAS AND COUNTIES SERVED



NOTE: North Texas State Hospital-Vernon Campus provides forensic services to the entire state. State hospitals in Austin, Big Spring, El Paso, Kerrville, North Texas Wichita Falls Campus, Rusk, San Antonio and Terrell provide transitional forensic services. Children and Adolescent services are only provided at certain hospitals expanding the counties those hospitals serve. Waco Center for Youth serves the entire state. SOURCES: Legislative Budget Board; Department of State Health Services.

APPENDIX B

COUNTIES IN STATE MENTAL HOSPITALS SERVICE AREAS

North Texas State Hospital: Archer, Armstrong, Baylor, Brown, Carson, Childress, Clay, Coleman, Collingsworth, Comanche, Cooke, Cottle, Dallam, Deaf Smith, Denton, Dickens, Donley, Eastland, Erath, Foard, Gray, Grayson, Hall, Hansford, Hardeman, Hartley, Haskell, Hemphill, Hood, Hutchinson, Jack, Johnson, King, Knox, Lipscomb, Montague, Moore, Ochiltree, Oldham, Palo Pinto, Parker, Potter, Randall, Roberts, Sherman, Somervell, Stonewall, Tarrant, Throckmorton, Wheeler, Wichita, Wilbarger, Wise, and Young

Terrell State Hospital: Camp, Collin, Dallas, Delta, Ellis, Fannin, Franklin, Henderson, Hopkins, Hunt, Kaufman, Lamar, Morris, Navarro, Rains, Titus, Van Zandt, and Wood

Rusk State Hospital: Anderson, Angelina, Bowie, Cass, Chambers, Cherokee, Gregg, Hardin, Harris, Harrison, Houston, Jasper, Jefferson, Liberty, Marion, Montgomery, Nacogdoches, Newton, Orange, Panola, Polk, Red River, Rusk, Sabine, San Augustine, San Jacinto, Shelby, Smith, Trinity, Tyler, Upshur, and Walker

Austin State Hospital: Austin, Bastrop, Bell, Blanco, Bosque, Brazoria, Brazos, Burleson, Burnet, Caldwell, Colorado, Coryell, Falls, Fayette, Fort Bend, Freestone, Galveston, Grimes, Hamilton, Hays, Hill, Lampasas, Lee, Leon, Limestone, Madison, Matagorda, McCulloch, McLennan, Milam, Mills, Robertson, San Saba, Travis, Waller, Washington, Wharton, and Williamson

San Antonio State Hospital: Aransas, Atascosa, Bandera, Bee, Bexar, Brooks, Calhoun, Cameron, Comal, Dewitt, Dimmit, Duval, Edwards, Frio, Gillespie, Goliad, Gonzales, Guadalupe, Hidalgo, Jackson, Jim Hogg, Jim Wells, Karnes, Kendall, Kenedy, Kerr, Kinney, Kleberg, La Salle, Llano, Lavaca, Live Oak, Mason, Maverick, Medina, Menard, Nueces, Real, Refugio, San Patricio, Schleicher, Starr, Sutton, Uvalde, Val Verde, Victoria, Webb, Willacy, Wilson, Zapata, and Zavala

Kerrville State Hospital: Statewide Forensic Services.

Big Spring State Hospital: Andrews, Bailey, Borden, Brewster, Briscoe, Callahan, Castro, Cochran, Coke, Concho, Crane, Crockett, Crosby, Culberson, Dawson, Ector, El Paso, Fisher, Floyd, Gaines, Garza, Glasscock, Hale, Hockley, Howard, Hudspeth, Irion, Jeff Davis, Jones, Kent,

Lamb, Loving, Lubbock, Lynn, Martin, Midland, Mitchell, Motley, Nolan, Parmer, Pecos, Presidio, Reagan, Reeves, Runnels, Scurry, Shackelford, Stephens, Sterling, Swisher, Taylor, Terrell, Terry, Tom Green, Upton, Ward, Winkler, and Yoakum

Note: North Texas State Hospital-Vernon Campus and Kerrville State Hospital provide forensic services to the entire state. State hospitals in Austin, Big Spring, El Paso, Kerrville, North Texas Wichita Falls Campus, Rusk, San Antonio and Terrell provide transitional forensic services. Children and Adolescent services are only provided at certain hospitals expanding the counties those hospitals serve. Waco Center for Youth serves the entire state.

SOURCES: Department of State Health Services; Legislative Budget Board.

APPENDIX C

LOCAL MENTAL HEALTH AUTHORITIES IN STATE MENTAL HOSPITAL SERVICE AREAS

LMHAs in Austin State Hospital Service Area: Austin-Travis County MHMR Center; Bluebonnet Trails Community MHMR Center; Central Counties Center MHMR Services; Center of Life Resources; The Gulf Coast Center; Heart of Texas Region MHMR Center; Hill Country Community MHMR Center; MHMR Authority of Brazos Valley and Texana MHMR Center

LMHAs in Big Spring State Hospital Service Area: Betty Hardwick Center; Central Plains Center; MHMR Services of Concho Valley; Lubbock Regional MHMR Center; and Permian Basin Community Center

LMHA in El Paso Psychiatric Center Service Area: El Paso MHMR Center

LMHAs in Kerrville State Hospital Service Area: Provides Statewide Forensic Services

LMHAs in North Texas State Hospital - Wichita Falls Campus Service Area: Center for Life Resources; Denton County MHMR Center; Helen Farabee Regional MHMR Center; Pecan Valley MHMR Region; Tarrant County MHMR Community Center; Texas Panhandle MHMR; and MHMR Services of Texoma

LMHAs in North Texas State Hospital - Vernon Campus Service Area: Provides Adult and Adolescent Forensic Services Statewide

LMHAs in Rio Grande State Center Service Area: Coastal Plains Community MHMR Center and Tropical Texas Behavioral Health

LMHAs in Rusk State Hospital Service Area: ACCESS; Andrews Center; Burke Center; MHMR Authority of Harris County; Community Healthcore; Spindletop MHMR Services; Tri-County MHMR Services

LMHAs in San Antonio State Hospital Service Area: Bluebonnet Trails Community MHMR Center; Border Region MHMR Community Center; Camino Real Community MHMR Center; Center for Health Care Services; Coastal Plains Community MHMR Center; Gulf Bend MHMR Center; Hill Country Community MHMR Center; and MHMR Center of Nueces County

LMHAs in Terrell State Hospital Service Area: Andrews Center; Lakes Regional MHMR Center; North Texas Behavioral Health Authority and MHMR Services of Texoma

Waco Center for Youth: Provides residential services to adolescents from across the state.

SOURCES: Legislative Budget Board; Department of State Health Services.