

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on February 22, 1995 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Kathy Porter, Legislative Research Department  
Tim Colton, Legislative Research Department  
Susan Wieggers, Legislative Research Department  
Norman Furse, Revisor of Statutes  
Michael Corrigan, Revisor of Statutes  
Judy Bromich, Administrative Assistant  
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Senator Lawrence moved, Senator Moran seconded, that the minutes of February 20 be approved as presented. The motion carried on a voice vote.

It was moved by Senator Karr and seconded by Senator Morris that bill draft 5 RS 1038 as requested by the Joint Committee on Building Construction be introduced. The motion carried on a voice vote.

**SB 343: Appropriations for FY 96, the department of social and rehabilitation services and state mental health and mental retardation institutions**

Senator Kerr reviewed the subcommittee's systemwide recommendations and the recommendations for FY 95 and FY 96 for Larned State Hospital (Attachment 1).

The FY 95 and FY 96 subcommittee reports on Osawatomie State Hospital were presented by Senator Kerr (Attachment 2). In discussing item 4 (Attachment 2-3), Senator Kerr explained that the Governor had recommended closing 20 of the 43 adolescent beds. However, census is back up and the adolescents cannot be absorbed by the community or by Rainbow Mental Health Facility. In answer to Senator Salisbury, staff stated that Sedgwick County's dependence on federal waivers refers to Medicaid waivers for transfer from the state institutions to county facilities.

Senator Salisbury expressed her opinion that even though Osawatomie State Hospital was the first institution to be a part of mental health reform, there are continuing problems with community programs. She stated that she believes this is just a sampling of what the committee is looking at when considering closure of a facility.

Senator Kerr reviewed the FY 95 and FY 96 subcommittee reports for Rainbow Mental Health Facility (Attachment 3) and for Topeka State Hospital (Attachment 4). In answer to Senator Salisbury, Senator Kerr stated that there were no disparity issues on average daily census between the Topeka State Hospital and the Governor.

The Chairman brought the attention of the Committee to the subcommittee report on Community Mental Health Services for the Department of Social and Rehabilitation Services (Attachment 5). It was noted that the report had been reviewed at the previous meeting of the Committee. Senator Rock moved and Senator Morris seconded that the FY 96 report be amended by the deletion of language from item 4 (Attachment 5-5, &6) beginning with the words "Because unity of purpose will be essential..." and continuing through the end of item 4. It was noted by the Chairman that the motion to amend would not negate a study of closure, but would eliminate the establishment of a commission from the report. Senator Lawrence asked to go on record that, though she signed the subcommittee report, she had difficulty with the persons who were listed as possible members of the commission. In response to Senator Karr, the Chairman stated that if the proposed

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 22, 1995.

amendment failed, and the Legislature adopted the recommendation for closure, he would envision that an interim committee would study the issue of which facility to close and would make a recommendation to the 1996 Legislature. He stated that he believed the final decision should be an executive one. The motion carried on a show of hands.

There was lengthy discussion about the subcommittee's endorsement of and the Legislature's position on the carve-out concept (item 2, Attachment 5-4). It was noted that a plan for the waiver has been submitted that is all-inclusive and includes the CMHCs as part of the plan, but not as the gatekeepers. It was moved by Senator Vancrum and seconded by Senator Rock that item 2 of the FY 96 subcommittee report on Community Mental Health Facilities (Attachment 5-4) be amended by deleting the last three sentences of paragraph two (beginning with "The Subcommittee is disappointed that...") and the last two sentences of paragraph three (beginning with "To the Subcommittee, this suggests that..."). The motion failed on a show of hands.

It was moved by Senator Kerr and seconded by Senator Lawrence that the subcommittee reports on the Mental Health Hospitals (Attachments 1 through 4) and on Community Mental Health Services as amended (Attachment 5) be adopted. A division of the question was called.

The motion to adopt the subcommittee report as amended on Community Mental Health Services failed on a show of hands, 5-6, with Senators Vancrum, Bogina and Moran wishing to be recorded as having voted no.

The motion to adopt the subcommittee reports on Mental Health Hospitals carried on a voice vote with Senator Petty wishing to be recorded as having voted no.

The Chairman adjourned the meeting at 12:50 P.M. The next meeting is scheduled for February 23, 1995.

# SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: FEBRUARY 22, 1995

NAME	REPRESENTING
LINDA McGILL	PMA
Alie Huson	psit advisory Bd.
<del>Linda Ramsey</del>	KOHR
FRED LUCKY	KANSAS HOSPITAL ASSOC.
Bill Sneed	Ks Fun Dir: Emb. Assoc.
Judy Wozek	Winfield Daily Courier
Donald Uoth	Mental Health Consortium
Judy Kinard	Ks. Mental Health Coalition
Carla Byrne	Menninger
Adam	Keep doc Networking
Marty Yost	Ks Health Care Assn.
Car Jordan	SRS-MHRS
Paul M. Kelly	ASSOC. OF CMHCs
Doug Bowman	Coordinating Council
Kelley Jennings	KAPE
B. Mariani	Dept of Adm.
L Furd	" " "
B Monis	Senator Monis
Dorey Hyla Conklin	Senator Monis



# SUBCOMMITTEE REPORTS

Larned State Hospital  
Osawatomie State Hospital  
Rainbow Mental Health Facility  
Topeka State Hospital

FY 1995 and FY 1996



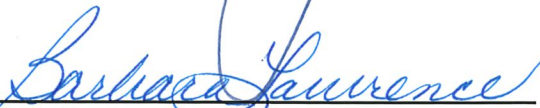
---

Senator Dave Kerr, Chairperson



---

Senator Bill Brady



---

Senator Barbara Lawrence

SWAM  
February 22, 1995  
Attachment 1

## SYSTEMWIDE RECOMMENDATIONS

1. The Senate Subcommittee recommends that each mental health institution perform a thorough examination of all duties assigned to nursing staff. The institutions should then reallocate all duties which are not related directly related to patient care to other staff in order to free up nursing staff so they can concentrate on their direct care duties.
2. The Subcommittee encourages all institutions to use Clozaril on every patient who could possibly benefit from its use. The Subcommittee further notes that hospitals should not limit Clozaril's use due to budgetary constraints as increased spending on such medication will be considered by the Subcommittee in the 1996 Legislative Session as a possible supplemental appropriation. The Subcommittee adds that the institutions must document their expanded use of the drug and its effect in helping to move patients out of the institutions.

**SUBCOMMITTEE REPORT**

**Agency:** Larned State Hospital

**Bill No. --**

**Bill Sec. --**

**Analyst:** Wiegiers

**Analysis Pg. No. 925**

**Budget Page No. 381**

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 17,290,557	\$ 17,124,732	\$ 0
General Fees Fund	1,383,176	1,363,176	0
Title XIX Fund	12,772,042	12,297,042	0
Federal Education Funds	74,737	74,737	0
<b>TOTAL</b>	<u><u>\$ 31,520,512</u></u>	<u><u>\$ 30,859,687</u></u>	<u><u>\$ 0</u></u>
FTE Positions	849.1	849.1	0.0
Special Projects Appointment	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>849.1</u></u>	<u><u>849.1</u></u>	<u><u>0.0</u></u>

**Agency Estimate/Governor's Recommendation**

The agency estimates expenditures of \$31,520,512 in FY 1995, an increase of \$831,779, or 2.7 percent above the actual FY 1994 expenditures. This amount does not include appropriations for the Youth Center at Larned (YCAL) which is being appropriated with the other state youth centers. However, not all of the costs for YCAL could be separated out and are contained within the amounts for Larned State Hospital. These costs included the education contract, utilities, food, medical services, maintenance and communications. The hospital is in its second year of Mental Health Reform and will close 30 adult beds by the end of FY 1995. The hospital estimates an average daily census of 388. The Governor recommends \$30,859,687 for FY 1995, a decrease of \$660,825 below the agency estimate. The recommendation includes an average daily census of 373. Salaries and wages were adjusted for lower health insurance rates.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.

## SUBCOMMITTEE REPORT

**Agency:** Larned State Hospital

**Bill No.** 343

**Bill Sec.** 4

**Analyst:** Wiegers

**Analysis Pg. No.** 925

**Budget Page No.** 381

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 18,513,137	\$ 16,417,468	\$ (544,046)
General Fees Fund	1,570,651	1,590,651	0
Title XIX Fund	11,445,177	12,828,150	(415,470)
Federal Education Funds	74,737	74,737	0
<b>TOTAL</b>	<u><u>\$ 31,603,702</u></u>	<u><u>\$ 30,911,006</u></u>	<u><u>\$ (959,516)</u></u>
FTE Positions	808.1	808.1	0.0
Special Projects Appointment	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>808.1</u></u>	<u><u>808.1</u></u>	<u><u>0.0</u></u>

### Agency Request/Governor's Recommendation

The agency requests \$31,603,702 for FY 1996, an increase of \$83,190 above the FY 1995 estimate. This amount does not include appropriations for the Youth Center at Larned (YCAL) which is being appropriated with the other state youth centers. However, not all of the costs for YCAL could be separated out as are contained within the amounts for Larned State Hospital. These costs included the education contract, utilities, food, medical services, maintenance and communications. The agency plans to close 30 adult beds in its third and final year of Mental Health Reform. The agency also plans to eliminate 41.0 FTE positions. The agency requests an average daily census of 369. The Governor recommends \$30,911,006 for FY 1996, a decrease of \$692,696 below the agency request. The recommendation includes a 3.5 percent unclassified merit pool and a 1.0 percent classified base salary adjustment. The Governor recommends an average daily census of 343.

### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following change and observation:

1. Delete \$959,516, including \$544,046 from the State General Fund, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$92,654); classified step movement (\$316,606); a one percent base adjustment for classified employees (\$211,876); and the longevity bonus (\$338,380) from individual agency budgets.



2. The Subcommittee noted the possibility of increased costs for waste disposal due to rate adjustment in July, 1995. The Subcommittee also noted the possibility of further increase in waste disposal costs if the landfill should decide to stop taking hazardous waste in the future.

3. The Subcommittee noted the following agency performance measures:

Performance Measure	Target	Actual		
	FY 1994	FY 1994	FY 1995	FY 1996
Number of beds closed due to Mental Health Reform	0	0	30	30
Median Adult length of stay (days)	--	15	13	9
Number of adult psychiatric readmissions	--	131	115	100
Average adolescent length of stay (days)	--	173	173	173
Percent of students improving scores in reading as measured by comparison of the test results upon enrollment and results upon discharge.	--	78%	80%	80%
Percent of student improving scores in math as measured by comparison of the test results upon enrollment and results upon discharge.	--	73%	80%	80%
Percent of students earning at least 6 credits per academic year	--	--	70%	72%
Percent of patients who have maintained a successful community placement after 12 months from discharge from LSH.	100%	75%	100%	100%
Percent of patients who have community/collateral liaison, release, placement, aftercare, referral planning, and collaboration.	100%	100%	100%	100%

**SUBCOMMITTEE REPORT**

**Agency:** Osawatomie State Hospital

**Bill No. --**

**Bill Sec. --**

**Analyst:** Wiegiers

**Analysis Pg. No. 939**

**Budget Page No. 415**

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 7,904,767	\$ 7,799,365	\$ 0
General Fees Fund	1,884,884	1,884,884	0
Title XIX Fund	11,658,115	11,320,209	0
Federal Education Fund	24,071	24,071	0
<b>TOTAL</b>	<u>\$ 21,471,837</u>	<u>\$ 21,028,529</u>	<u>\$ 0</u>
FTE Positions	591.5	591.5	0.0
Special Projects Appointment	0.0	0.0	0.0
<b>TOTAL</b>	<u>591.5</u>	<u>591.5</u>	<u>0.0</u>

**Agency Estimate/Governor's Recommendation**

The Hospital estimates FY 1995 expenditures of \$21,471,837, an increase of \$191,542 above FY 1994 actual expenditures. The estimate provides funding for the current 591.5 FTE positions. The Governor recommends \$21,028,529 for FY 1995, a decrease of \$443,308, or 2.1 percent, below the agency estimate. The recommendation continues funding for the current 591.5 FTE positions and adjusts salaries and wages to reflect decreased health insurance rates. The Governor recommends an Average Daily Census of 205 which is a decrease of 15 below the agency estimate of 220.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation .

*SWAM*  
*February 22, 1995*  
*Attachment 2*

**SUBCOMMITTEE REPORT**

Agency: Osawatomi State Hospital

Bill No. 343

Bill Sec. 5

Analyst: Wiegars

Analysis Pg. No. 939

Budget Page No. 415

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 10,242,587	\$ 7,266,336	\$ 458,451
General Fees Fund	1,824,201	1,824,201	(457,433)
Title XIX Fund	10,426,208	12,018,469	0
Federal Education Fund	22,800	22,800	0
<b>TOTAL</b>	<b><u>\$ 22,515,796</u></b>	<b><u>\$ 21,131,806</u></b>	<b><u>\$ 1,018</u></b>
FTE Positions	573.5	551.5	18.0
Special Projects Appointment	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>573.5</u></b>	<b><u>551.5</u></b>	<b><u>18.0</u></b>

**Agency Request/Governor's Recommendation**

The agency requests \$22,515,796 for FY 1996, an increase of \$1,043,959, 4.9 percent, above the FY 1995 estimate. The agency plans to eliminate 20.0 FTE positions due to the closure of a 30-bed adult unit in FY 1996 but requests 2.0 new FTE positions. The two requested positions are one Micro Support Specialist III and one Application Programmer/Analyst II. The net decrease in FTE positions is 18.0 which brings the number of positions to 573.5 from 591.5. The capital outlay request includes three systemwide items which are an optical disk storage system (\$85,000), LAN expansion (\$90,050) and an interactive video system (\$107,800). The hospital is also requesting \$124,100 for a pharmacy unit dose system. The agency is requesting authority to raze the DeJong building, the west greenhouse and the palmhouse using Rehabilitation and Repair funds. The hospital is requesting an average daily census of 220.

The Governor recommends \$21,131,806 which is a decrease of \$1,383,990, or 6.1 percent, below the agency request. The recommendation includes funding for 551.5 FTE positions which is a decrease of 22.0 FTE positions below the agency request. Salaries and wages were adjusted or an unclassified merit pool of 3.5 percent and a classified base salary increase of 1.0 percent. The Governor does not recommend the 2.0 new FTE positions. The Governor recommends an average daily census of 190, a decrease of 30 below the agency request and a decrease of 15 below the recommendation of 205 for FY 1995. The recommendation includes closing a 20-bed adolescent unit in addition to the 30-bed adult ward being closed by the hospital. The Governor recommends that future adolescent patients be diverted to Rainbow Mental Health Facility. The Governor does not recommend any of the three systemwide capital outlay requests.

### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following changes and observations:

1. The Subcommittee noted the agency's performance measures shown in the following table:

Performance Measure	Actual FY 94	Est. FY 95	Est. FY 96
Number of patients in hospital a year or more	102	90	80
Number of patients treated with Clozaril	43	30	30
Patients discharged on Clozaril	13	10	10
Average years hospitalized after Clozaril vs. Average years prior to Clozaril	1/6	1/4	1/4
Adult median length of stay (in days)	37	30	24
Adult number of readmissions within 30 days of discharge	--	32	35
Number of Admissions	650	675	700
Adolescent median length of stay (in days)	39	31	25
Substance abuse program completion rate	83%	80%	80%
Substance abuse program readmission rate	35%	35%	35%
Patients treated in substance abuse program	615	625	625

2. Delete \$637,982, including \$180,549 from the State General Fund based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$62,899); classified step movement (\$203,021); a one percent base adjustment for classified employees (\$138,119); and the longevity bonus (\$233,943) from individual agency budgets.
3. Delete \$20,000 State General Fund for miscellaneous computer equipment for the SHARP program based on the recommendation to delete all SHARP funding from individual agency budgets.
4. Add \$659,000 State General Fund and 18.0 FTE positions to restore a 20-bed adolescent unit closed in the Governor's recommendation. The Subcommittee made the following observations in deciding to restore the unit:
  - a. The Governor's recommendation to redirect future adolescents to Rainbow Mental Health Facility (RMHF) was unworkable because of RMHF's configuration and capacity.
  - b. The plan offered by Sedgwick County to assist in the closure will not be ready for FY 1996 due to its dependency on federal waivers.

- c. The Governor's plan to close the unit apparently did not include consultation with the communities and consumers which has been an integral part of what has made Mental Health Reform a success.
- d. The Subcommittee heard anecdotal evidence from conferees that some youths released from the institution were not cared for properly and did not see a case manager until six months after their release. This evidence diminished the Subcommittee's confidence in the system's ability to handle the closure of the additional 20-bed unit.
  - i. The community mental health conferees testified that youths are much more difficult to care for in the community as opposed to adults. This is due to many factors including their age and the likelihood that they have been in the institutions for most of their formative years, missing out on important socialization.
- 5. The Subcommittee noted its hesitancy to add additional capital outlay funds for a new pharmacy computer system and other major items when closure of an institution is being considered.
- 6. The Subcommittee concurs with the Senate Subcommittee on Capital Improvements which recommended giving the hospital authority to raze the west greenhouse and palmhouse and the DeJong building after returning to the Joint Committee on State Building Construction to report on other possible uses for the building and the feasibility of repair.

**SUBCOMMITTEE REPORT**

**Agency:** Rainbow Mental Health Facility

**Bill No. --**

**Bill Sec. --**

**Analyst:** Wiegiers

**Analysis Pg. No. 951**

**Budget Page No. 425**

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 2,244,964	\$ 2,223,215	\$ 0
General Fees Fund	221,689	221,689	0
Title XIX Fund	3,047,704	3,047,704	0
Federal Education Funds	33,000	33,000	0
<b>TOTAL</b>	<u><u>\$ 5,547,357</u></u>	<u><u>\$ 5,525,608</u></u>	<u><u>\$ 0</u></u>
FTE Positions	130.0	130.0	0.0
Special Projects Appointment	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>130.0</u></u>	<u><u>130.0</u></u>	<u><u>0.0</u></u>

**Agency Estimate/Governor's Recommendation**

The agency estimates FY 1995 expenditures of \$5,547,357, an increase of \$206,564 over the FY 1994 actual expenditures. The agency estimates an average daily census of 45. The Governor recommends \$5,525,608 for FY 1995, a decrease of \$21,749, or 0.4 percent, below the agency estimate. The decrease is due to retirement savings and a decrease in health insurance rates. The Governor concurs with the agency's estimate for average daily census.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.

*SWAM  
February 22, 1995  
Attachment 3*

**SUBCOMMITTEE REPORT**

**Agency:** Rainbow Mental Health Facility

**Bill No.** 343

**Bill Sec.** 7

**Analyst:** Wiegers

**Analysis Pg. No.** 951

**Budget Page No.** 425

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 3,261,078	\$ 2,391,853	\$ (72,157)
General Fees Fund	172,488	172,488	0
Title XIX Fund	2,721,935	3,054,234	(75,717)
Federal Education Funds	33,000	33,000	0
<b>TOTAL</b>	<b>\$ 6,188,501</b>	<b>\$ 5,651,575</b>	<b>\$ (147,874)</b>
FTE Positions	135.0	130.0	0.0
Special Projects Appointment	0.0	0.0	0.0
<b>TOTAL</b>	<b>135.0</b>	<b>130.0</b>	<b>0.0</b>

**Agency Request/Governor's Recommendation**

The agency requests \$6,188,501 for FY 1996, an increase of \$641,144, or 11.6 percent, above the FY 1995 estimate. Included in the request are 5.0 new FTE positions. The requested new positions are 4.0 FTE Registered Nurses (RN's) and 1.0 Microcomputer Systems Support Technician I. The 4.0 RN positions are requested by the agency in order to correct staffing deficiencies cited by the Health Care Financing Administration (HCFA) in its June, 1994 survey. The capital outlay request for FY 1996 includes LAN expansion materials, an optical disk storage system, a video conferencing system and an automated timekeeping system. The Governor recommends \$5,651,575, a decrease of \$536,926 below the agency request. The recommendation does not include expenditures for the optical disk storage system, LAN expansion, the video conferencing system or the automated timekeeping system. The Governor does not recommend the 5.0 new FTE positions. The recommendation does include a 3.5 percent unclassified merit pool and a 1.0 percent classified base salary adjustment.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation with the following observations and modifications:

1. The Subcommittee notes the following agency performance measures:

Performance Measure	Actual FY 1994	Agency Estimate FY 1995	Agency Estimate FY 1996
Percentage of patients readmitted within 30 days (adult)	4.8%	5.0%	5.0%
Percentage of patients readmitted within 30 days (children)	2.1%	2.5%	2.0%
Adult mean length of stay (days)	11	10	10
Children and Adolescent mean length of stay (days)	160	150	130

2. Delete \$129,874, including \$54,157 from the State General Fund, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$19,308); classified step movement (\$44,703); a one percent base adjustment for classified employees (\$32,393); and the longevity bonus (\$33,470) from individual agency budgets.
3. Delete \$18,000 State General Fund for miscellaneous computer equipment for the SHARP program based on the recommendation to delete all SHARP funding from individual agency budgets.
4. The Subcommittee discussed adding the 4.0 FTE Registered Nurse positions but decided that the agency should do a thorough study of all personnel to determine whether further internal reallocations or reclassifications could be made to alleviate the staffing deficiencies cited by HCFA.



**SUBCOMMITTEE REPORT**

**Agency:** Topeka State Hospital

**Bill No. --**

**Bill Sec. --**

**Analyst:** Wiegers

**Analysis Pg. No. 951**

**Budget Page No. 505**

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 8,187,660	\$ 8,077,552	\$ 0
General Fees Fund	3,911,969	3,911,969	115,000
Title XIX Fund	9,745,276	9,535,175	0
Federal Education Fund	167,303	167,303	0
<b>TOTAL</b>	<u><u>\$ 22,012,208</u></u>	<u><u>\$ 21,691,999</u></u>	<u><u>\$ 115,000</u></u>
FTE Positions	589.5	589.5	0.0
Special Projects Appointments	4.0	4.0	0.0
<b>TOTAL</b>	<u><u>593.5</u></u>	<u><u>593.5</u></u>	<u><u>0.0</u></u>

**Agency Estimate/Governor's Recommendation**

The agency estimates expenditures of \$22,012,208 for FY 1995, a decrease of \$625,076, or 2.8 percent, below actual FY 1994 expenditures. In its third and final year of downsizing due to Mental Health Reform, the agency will close 35 adult beds in FY 1995. During FY 1995 the hospital reached an agreement with Youth and Adult Services (YAS) and the Youth Center at Topeka (YCAT) for YAS and YCAT to take over payment for medical treatment for the Comprehensive Evaluation and Treatment Unit and YCAT formerly paid by the hospital. The hospital transferred \$75,000 to YCAT and \$32,000 to YAS for this purpose. The hospital estimates an average daily census of 218 for FY 1995.

The Governor recommends \$21,691,999 for FY 1995, a decrease of \$320,208 below the agency estimate. The recommendation includes adjustments for lower health insurance rates and a higher shrinkage rate of 8.8 percent as compared to the hospital's estimated rate of 7.8 percent. This increase in shrinkage rate represents a \$202,562 decrease in salaries and wages. The Governor recommends an average daily census of 208 in FY 1995.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation, with the following change:

1. Increase the expenditure limitation on the General Fees Fund by \$115,000 in order to help decrease shrinkage from 8.8 percent to 8.3 percent for FY 1995.

**SUBCOMMITTEE REPORT**

**Agency:** Topeka State Hospital

**Bill No.** 343

**Bill Sec.** 8

**Analyst:** Wiegiers

**Analysis Pg. No.** 951

**Budget Page No.** 505

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 9,468,611	\$ 7,871,280	\$ (252,470)
General Fees Fund	4,031,298	4,151,697	0
Title XIX Fund	8,740,046	9,760,800	(422,377)
Federal Education Fund	100,818	100,818	0
<b>TOTAL</b>	<u><u>\$ 22,340,773</u></u>	<u><u>\$ 21,884,595</u></u>	<u><u>\$(674,847)</u></u>
FTE Positions	573.5	567.5	0.0
Special Projects Appointments	0.0	4.0	0.0
<b>TOTAL</b>	<u><u>573.5</u></u>	<u><u>571.5</u></u>	<u><u>0.0</u></u>

**Agency Estimate/Governor's Recommendation**

The agency requests \$22,340,873 for FY 1996, an increase of \$328,665, or 1.5 percent, from the FY 1995 estimate. The request includes the elimination of 22.0 FTE positions due to downsizing and a request for 6.0 new FTE positions for a net decrease of 16.0 FTE positions. The request for 6.0 new FTE positions includes the conversion of 4.0 current special projects appointments in safety and security to FTE positions and 2.0 FTE positions in computer support services. The capital outlay request includes items to complete LAN expansion, an automated timekeeping and scheduling system and an optical disk storage system. The hospital requests an average daily census of 220.

The Governor recommends expenditures of \$21,884,595 for FY 1996, a decrease of \$456,278 below the agency request. The recommendation does not include the conversion of the 4.0 existing special projects appointments to FTE positions or the 2.0 new FTE positions in computer support services. The recommendation does include a 1.0 percent classified base salary increase, a 3.5 percent unclassified merit increase and an adjustment for lower health insurance rates in FY 1995. The Governor does not recommend the items for the LAN completion, the automated timekeeping and scheduling system or the optical disk storage system. The Governor recommends an average daily census of 195, a decrease of 25 below the agency request.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation with the following modifications:

1. Delete \$654,847, including \$232,470 from the State General Fund, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$59,266); classified step movement (\$268,146); a one percent base adjustment for classified employees (\$142,577); and the longevity bonus (\$184,858) from individual agency budgets.
2. Delete \$20,000 State General Fund for miscellaneous computer equipment for the SHARP program based on the recommendation to delete all SHARP funding from individual agency budgets.
3. The Subcommittee notes the following agency performance measures:

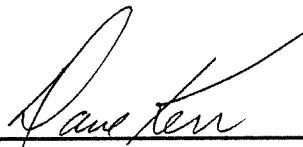
<u>Performance Measure</u>	<u>FY 1994 Actual</u>	<u>FY 1995 Estimate</u>	<u>FY 1996 Estimate</u>
Percent readmissions within 30 days	5.4%	6.5%	6.0%
Adult average length of stay (days)	91	110	110
Adol. average length of stay (days)	199	190	190

# Subcommittee Report

Department of Social and  
Rehabilitation Services--  
Community Mental Health Services

1995 Senate Bill 343

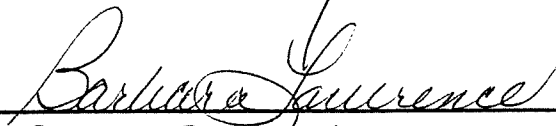
§ 1



Senator Dave Kerr, Chairman



Senator Bill Brady



Senator Barbara Lawrence

SWAM  
February 22, 1995  
Attachment 5

**SUBCOMMITTEE REPORT**

**Agency:** SRS -- Community Mental Health Services

**Bill No.** 236

**Bill Sec.** 6

**Analyst:** Colton

**Analysis Pg. No.** 899

**Budget Page No.** 485

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
<b>Mental Health Services</b>			
Mental Health Administration	\$ 1,387,905	\$ 1,369,377	\$ 0
State Aid	10,032,644	10,032,644	0
Mental Health Reform	15,455,010	15,455,010	0
Mental Health Grants	8,115,467	9,106,381	0
Federal Special Projects	1,285,411	1,287,013	0
Court-Ordered Evaluations	41,691	41,691	0
Total--All Funds	<u>\$ 36,318,128</u>	<u>\$ 37,292,116</u>	<u>\$ 0</u>
Total--SGF	<u>\$ 30,721,887</u>	<u>\$ 31,734,949</u>	<u>\$ 0</u>
<b>Medical Assistance</b>			
NF-MH Program -- All Funds	\$ 14,885,116	\$ 14,885,116	\$ 0
State General Fund	6,516,500	6,117,783	0
Total -- All Funds	\$ 51,203,244	\$ 52,177,232	\$ 0
Total -- SGF	\$ 37,238,387	\$ 37,852,732	\$ 0
FTE Positions	10.0	10.0	--

**Agency Estimate/Governor's Recommendation**

The agency estimates expenditures of \$36.3 million, of which \$30.7 million is from the State General Fund. The Governor recommends \$37.3 million (\$31.7 million from the State General Fund), or approximately \$1 million more than the agency estimate. The Governor's recommendation will allow the agency to spend a federal grant to create a family-focused system of mental health care for children in rural areas. Also, funding of \$788,874 is included in the Division's budget to allow it to implement the civil commitment of sexually violent predators.

**Senate Subcommittee Recommendation**

Concur.

**SUBCOMMITTEE REPORT**

**Agency:** SRS -- Community Mental Health Services

**Bill No.** 343

**Bill Sec.** 1

**Analyst:** Colton

**Analysis Pg. No.** 899

**Budget Page No.** 485

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
<b>Mental Health Services</b>			
Mental Health Administration	\$ 1,535,428	\$ 1,510,506	\$ (123,247)
State Aid	10,032,644	10,032,644	0
Mental Health Reform	17,825,952	17,825,952	0
Mental Health Grants	9,835,467	11,171,755	50,000
Federal Special Projects	1,286,282	1,287,340	0
Court-Ordered Evaluations	43,150	43,150	0
Total--All Funds	<u>\$ 40,558,923</u>	<u>\$ 41,871,347</u>	<u>\$ (73,247)</u>
 Total--SGF	 <u>\$ 35,216,690</u>	 <u>\$ 34,558,751</u>	 <u>\$ (29,810)</u>
<b>Medical Assistance</b>			
NF-MH Program -- All Funds	\$ 15,557,320	\$ 14,357,893	\$ 0
State General Fund	6,801,169	5,901,094	0
 Total -- All Funds	 \$ 56,116,243	 \$ 41,871,347	 \$ (73,247)
 Total -- SGF	 \$ 42,017,859	 \$ 40,459,845	 \$ (29,810)
 FTE Positions	 10.0	 10.0	 --

**Agency Request/Governor's Recommendation**

The agency requests FY 1996 funding of \$40.6 million (\$35.2 million SGF). Included in the request is \$926,742 for the treatment of sexually-violent predators, \$1.82 million in expansions for mental retardation grants, and \$17.8 million for mental health reform.

The Governor recommends FY 1996 funding for community mental health services of \$41.9 million (\$34.6 million SGF). The amount recommended by the Governor is greater than the amount requested by the agency because of the inclusion of funding from a federal grant that was received after submission of the agency's FY 1996 budget request. The Governor does not recommend the new initiatives that the agency requested, but does concur in the requested funding for the treatment of sexually-violent predators and for mental health reform.

### Senate Subcommittee Recommendation (Community Mental Health)

1. Add \$50,000 from the State General Fund to increase the state match for federal vocational rehabilitation funds for employment training for people with mental illness. The added funding will leverage approximately \$177,000 in federal funding for vocational training.
2. During the 1994 Session, \$2.0 million (\$810,200 State General Fund) was deleted from the budget of the Department of Social and Rehabilitation Services based upon projected savings from the recommended implementation of a capitated managed-care plan for the mental health portion of the agency's Medicaid budget. The recommendation to implement such a plan, known colloquially as a "carve-out" for mental health services, was never followed by the former Secretary of SRS, despite strong support from consumers and many sectors of the State Legislature.

The Subcommittee continues to support the concept of a carve-out. Studies have shown that states that have carried out such a plan have experienced initial savings of three to 10 percent through carve-outs, with the escalation of costs in subsequent years being held down. The Subcommittee is disappointed that SRS ignored the wishes of the Legislature as expressed during the 1994 Session to proceed with the setting up of a carve-out. The former Secretary of SRS attempted to create a carve-in for mental-health services under Medicaid managed care, ignoring the fact that primary-care physicians are generally unable to assess and treat the mental-health needs of individuals with mental illness. Attempts by consumers and service providers to discuss this issue with the former Secretary after the 1994 Session were ignored.

The Subcommittee believes that a carve-out would allow for the provision of more and better services to individuals with mental illness, with a savings of state dollars. The Governor did not restore the \$2.0 million in either FY 1995 or FY 1996. To the Subcommittee, this suggests that the Governor is also in favor of realizing the savings that could be achieved through the carve-out for Medicaid managed care. In light of this, the Subcommittee strongly recommends that the Acting Secretary proceed quickly with plans to create a carve-out, and to keep the Legislature--and specifically, the House Subcommittee examining this budget--informed of the progress of the carve-out during the Session.

4. The Subcommittee notes that the Governor's recommended budget provides full funding for mental health reform in FY 1996 (another payment of \$891,297 will be due in FY 1997, according to the mental health reform financing agreement). The table below shows the amount of funding provided for mental health reform in FY 1994, 1995 and 1996, and the cumulative bed closings that have occurred at the state's mental health hospitals.

	Actual FY 94	Gov. Rec. FY 95	Gov. Rec. FY 96
Mental Health Reform Funding	\$ 12,201,332	\$ 15,455,010	\$ 17,825,952
Beds Closed Through Mental Health Reform	142	202	269

The Subcommittee believes that, because of the progress that is being made in the care and treatment of persons with mental illness in the community, it is inevitable that the state will continue to require fewer beds in the state's mental health hospitals. The number of beds that will be required to meet the state's needs will continue to decline to such a point where it will no longer make financial sense to continue to maintain four mental health institutions, with their large fixed costs, which are a drain both on the state's budget and on funding for community services for people with mental illness.

The Subcommittee believes that the time has come to consolidate services at the state's MH institutions, and to close one of those institutions. The Subcommittee realizes that this is a difficult step for the state to take, and knows that if the consolidation and closure are to be successful, there must be unity of purpose among all involved, *i.e.*, consumers of mental health services, their family members, service providers, the Department of SRS, schools and local governments, law enforcement and the court system, and local hospitals.

Because unity of purpose will be essential in the consolidation and closure of an institution, and because support of the Executive Branch will be essential for the success of the closure process, the Subcommittee recommends that the Governor appoint an independent commission to design and recommend a plan for consolidation of hospital services for the mentally ill, and the closure of an MH institution to the Legislature. Such a commission would include members of the following groups:

◇Consumers of Mental Health Services	◇Family Members of Consumers, including Hospital Consumers	◇SRS
◇CMHCs	◇Schools	◇Local Governments
◇Local Hospitals	◇The Court System	◇Law Enforcement
◇Other Expertise available within State Government.		

The commission's charge would include, but would not be limited to:

- ◇ Examination of how other states have confronted the problem of consolidating services among state mental health hospitals, and the closure of such a hospital.



- ◇ Examine the ramifications that closing an institution would have upon clients, communities, schools, hospitals, the court system and law enforcement and the remaining institutions, and develop proposals to address those ramifications.
- ◇ Develop proposals for the improvement of mental health services to adolescents and young adults in all areas of the state. (The Subcommittee heard disturbing testimony from a parent about the lack of support, treatment and care resources that were available for her adolescent child. Although the Legislature is frequently told about the success of mental health reform, anecdotal evidence suggests that cases like the one about which the Subcommittee heard are not isolated phenomena. Such incidents tend to undermine confidence in mental health reform. The Subcommittee knows that until the problem of providing services to adolescents and young adults is addressed, it will be necessary to maintain the availability of youth hospital beds in all areas of the state.)
- ◇ Develop plans for addressing the impact of consolidation and closure upon state employees.
- ◇ Develop proposals for addressing the impact of consolidation and closure upon the affected communities.
- ◇ Choose an institution to be closed, and develop a timetable, beginning in FY 1996, for consolidating services among hospitals and closing the chosen hospital.

The commission could work with outside experts and consultants as necessary in developing its proposals, plans and timetable. The Governor may wish to consider proposing a modest plan for the financing of the commission's work to the Legislature at Omnibus time.

The commission would make its report to the Legislature by the beginning of the 1996 Legislative Session.

5. Put funding for the Governor's salary plan (\$123,247 all funds, \$79,810 SGF) in another bill. (N.B. These figures are MHRS divisionwide. They include both the Division's Mental Health *and* Mental Retardation programs.)