Kansas

Department for Aging and Disability Services

Legislative Budget Committee
September 12, 2012

Financial Management Services and State Hospitals

Presented by:

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Joint Legislative Budget Committee
September 12 and 13, 2012
Attachment: 3

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Financial Management Services

Under the direction of the Centers for Medicare and Medicaid (CMS), Kansas was required to change their payroll agent process to Financial Management Services (FMS). This change required a separation of the administrative rate and the direct service worker rates. Prior to this change, Kansas would reimburse payroll agents one lump sum, with no standardization of how much was for administrative tasks and how much the direct service worker was paid. Kansas chose the FMS Agency with Choice (AWC) model which provides administrative, information and assistance tasks for those beneficiaries choosing to self-direct Home and Community Based Services (HCBS).

Myers and Stauffer finalized their cost study of FMS providers in Kansas and the state using that data determined the break-even at $100.00 per member per month. Susan Flanagan, PhD Westchester Consulting Group at the MFP conference in Baltimore in October of 2011 cited the average Agency with Choice FMS rate at $98.10 per member per month. This was the preliminary finding of the National Survey of Publicly-funded Participant-Directed Service programs. Several other state rates were reviewed including Utah who reported a two tiered system of $30.08 for low usage and $98.30 for high usage. Iowa FMS rates range from $68.25 – $82.96. There are of course states with higher and lower rates but based on the information available Kansas was comfortable with the $115.00.

The state reviewed other states AWC model and initiated a small FMS workgroup. The group expanded and currently has 14 members:

- Stacy Jones and Anne Cousin from Helpers Inc.
- Brian Atwell from Link
- Colin McKinney from Starkey
- Gary March, Tamar and Chris from Assisted Companies
- Cindi Unruh from ILRC
- Doug Gerdel from Life Pattern
- Ed Henry from Twin Valley
- Monte Coffman from Windsor
- Mike Oxford from TILRC
- Sheila Nelson-Stout from OCCK
- Travis Olson from Another Day
- Gary Haulmark, Elizabeth Phelps and Susan Fout

The group began their work reviewing other states AWC FMS models and their rates. In March of 2012 the workgroup heard from Mollie Murphy, Director of Financial Management Services at the National Research Center on Participant Directed Services. While Mollie did not provide a specific rate she

believed after hearing the expectations of providers that Kansas would be within the range paying slightly higher than the $98.10 national average. After hearing from Mollie, the state felt validated that the FMS rate is appropriate for the expectation of the FMS providers.

It was determined by the workgroup that Kansas was within the norm for the current rate but thought there should be a limited number of providers. The group is interested in gathering more information on budget authority and will share this recommendation with the MCO's. The group members discussed perhaps changing or limiting some of the I & A requirements while others in the group believed this to be a critical component to FMS, so there will be further discussion on this topic. This group worked to determine if an RFP would be an option in limiting the number of providers and decided at this time it would not be prudent but may be something to visit at a later date. While the workgroup agrees there should be limited FMS providers their recommendation is to look at tightening the enrollment or re-enrollment criteria. Currently the thought is to retain the current providers and reevaluate with the implementation of KanCare. The workgroup will meet with the three MCO's this Friday to share their recommendations and Kansas philosophy regarding participant direction.

State Hospital Census, Staffing and Salaries

Kansas Neurological Institute

KNI provides comprehensive treatment for adults with intellectual disabilities. Approximately 95% of the individuals living at KNI function within the Severe to Profound range of intellectual disability and require a high level of medical and direct care support for basic living skills. The mission of KNI is to support each person who lives at KNI to have a meaningful life. This will be accomplished by ensuring well-being, providing opportunities for choice, promoting personal relationships, encouraging participation in the community, and recognizing individuality.

During the 2012 legislative session KNI reported that our biggest recruitment challenge has been in attracting Licensed Practical Nurses (LPN). In March, KNI received local above-step hiring authority to pay LPN recruits a more competitive wage. Presently, KNI has 5 vacancies in these classifications and 21.5 filled positions, for a vacancy rate of 19%.

The turnover rate among KNI's Developmental Disability Technicians (classified as MH&DD Techs) increased from 15% in CY 2010 to 24% in CY 2011. While KNI has been able to recruit new trainees for 1st and 2nd shift positions, they have had particular difficulty finding qualified applicants who are willing to work 3rd shift (overnight) positions.

- FY 2012 & current Avg Daily Census = 150
- FY 2013 budgeted Avg Daily Census = 150
- Total FTE staff-to-resident ratio = 3.28:1
- Direct Support staff-to-resident ratio = 2.47:1
- FY 2013 budgeted FTE = 491.7
- Direct Support staff =367 FTE

Parsons State Hospital and Training Center

PSH&TC residents function within the profound to borderline range of intellectual abilities. Approximately 90 percent are dually diagnosed; meaning that in addition to having an intellectual disability they also have accompanying psychiatric impairments such as Borderline Personality Disorder, Paraphilias (e.g., pedophilia, beastiality, and necrophilia), Psychotic Disorders, and Mood Disorders. The foundation for all services through PSHTC is within a culture of person directed supports. During the past two fiscal years, there have been 46 discharges and 31 admissions to PSH&TC.

- FY 2012 Average Daily Census (ADC) = 178
- Full-time Equivalent (FTE) positions = 455.2
- FY 2013 Budgeted ADC = 178
- Direct Care staff: 377.21 FTE (about 83%)
- Total FTE staff- to-resident ratio = 2.56:1
- Direct Care FTE staff-to-resident ratio: 2.12:1

(The numbers above exclude 11 FTE for the Sexual Predator Treatment Program Transition House which is a new program at PSH&TC scheduled to open later this fiscal year.)

- Total Admissions to PSH&TC in FY 2011 and FY 2012 = 31
- Total Discharges from PSH&TC in FY 2011 and FY 2012 = 46

In FY 2004, PSH&TC was accredited by The Council on Quality and Leadership. This accreditation was consistent with our agency's direction toward self-determination and self-advocacy for residents. Through CQL, Personal Outcome Measures for residents are used to promote and monitor person-centered planning. During the spring of 2012, the Council on Quality and Leadership recommended PSH&TC to be re-accredited for a four year term. Four years is the longest accreditation term awarded by CQL. Very few state institutions in the country have achieved this honor.

About two years ago, PSH&TC began implementation of the Franklin Covey (FC) 4-Disciplines of Execution as a strategy to improve the quality of services we provide. The Franklin Covey process has complimented the principles of CQL by putting a system in place to give direct support staff ownership, responsibility and more autonomy to improve the lives of the residents they support. Since implementing the FC 4-Disciplines of Execution, the CQL outcomes of "People's Rights and Treated Fairly" have increased an average of 88 percent and there has been a 1,500 percent increase in rate of support development for residents. By utilizing the FC process, PSH&TC has also been able to restructure (reduce) its administrative staff on residence cottages saving about $150,000 annually.

Other quality outcomes at PSH&TC:

- Since 2004, elimination of psychotropic medications for admissions has resulted in savings to the State of Kansas of approximately $2 million.

- Since 2006, PSH&TC has reduced its OOE expenses by 4.45 percent since FY 2006, lowering costs by over $162,000.

In FY 2013, PSH&TC will open a transition unit that will serve up to eight Sexual Predator Treatment Program (SPTP) individuals from Larned State Hospital. This will be a new program in PSH&TC's budget (Program 32900). The transition program will offer individuals in the SPTP a chance to re-enter

the public sector. There is a statutory requirement that no more than eight SPTP transition individuals can reside in one county.

Larned State Hospital:

Larned State Hospital provides services for the citizens of Kansas via the three programs located on the campus grounds. LSH has recently received an increase of FTEs for the two expansion units (1 for SPTP and 1 for SSP) and an additional 23 FTE's to lower staff's overtime. With the additional FTEs, LSH now has a total of 931 positions with a 15% vacancy rate. LSH is working diligently to reduce the vacancy rate through recruitment efforts. Even with the 15% vacancy rate, LSH wide overtime has been steadily decreasing since March 2012. This decrease is also partially attributed to the legislative approved and now implemented salary increases for the RNs and the Governor's agreement to increase the salaries of physicians employed at LSH.

The Psychiatric Services Program (PSP) serves sixty-one (61) counties in central and western Kansas and has experienced a dramatic increase in census. In FY 2006, PSP was only over census for two (2) days, whereas in FY 2012 the program was over census for 258 days. Currently, the PSP vacancy rate is at 12%. The majority of the vacancies on PSP are in the nursing department (15% vacant), although we have had a 16% increase in RNs and a 9% increase in LPNs.

# of RNs March 1, 2012	# of RNs September 1, 2012	# of LPNs March 1, 2012	# of LPNs September 1, 2012	# of psychiatrists March 1, 2012	# of psychiatrists September 1, 2012
56.50	67	19	21	6	7

The State Security Program (SSP) serves the entire state of Kansas and consists of eight (8) units, including one used for the Sexual Predator Treatment Program (SPTP). Total patient capacity on the SSP is 250 and the total staff vacancy rate is 9%. Given the demand for patient placement for services on SSP, there currently is a waiting list of thirty-seven (37) patients awaiting admission. Therefore, we expect the new 30-bed unit opening this year will reach full capacity quickly.

The Sexual Predator Treatment Program (SPTP) serves the entire state of Kansas. SPTP has a current census of 218 residents on the grounds of LSH. SPTP also oversees a reintegration house on the grounds of Osawatomie State Hospital that has a maximum capacity of eight (8) residents. A similar transition house will open in FY 2013 and KDADS leadership is also exploring the option of opening a unit for medically infirm SPTP residents on the grounds of Parsons State Hospital. As the census continues to grow, plans are in place for additional space in Meyers building to open in FY 2014. The current vacancy rate for all of SPTP is at 12%.

staff

LSH staff continues to diligently recruit new staff to reduce the vacancy rates. Multiple efforts such as job fairs, employment incentives (e.g. temporary housing), and competitive wages have assisted in this effort.

Osawatomie State Hospital and Rainbow Mental Health Facility

Osawatomie State Hospital (OSH) serves adults in need of inpatient psychiatric care from 46 eastern Kansas counties, including Sedgwick, Shawnee, Wyandotte, and Johnson counties. This includes providing services for 30 patient beds from Rainbow Mental Health Facility (RMHF) that are temporarily located on the grounds of OSH. These beds will return to RMHF in Kansas City once renovations are completed at that facility.

In FY 2012, OSH admitted 2,278 patients with an average daily census of 175 (licensed capacity = 176). During that same fiscal year, OSH was over their licensed capacity 48% of the time. The average length of stay at the hospital was 26 days. Additionally, 13.05% of patients were readmitted to the hospital within 30 days of their discharge.

In FY 2012, RMHF admitted 635 patients with an average daily census of 30 (licensed capacity = 36). During that same fiscal year, RMHF was over their licensed capacity 2% of the time. The average length of stay at the hospital was 18 days. Additionally, 13.03% of patients were readmitted to the hospital within 30 days of their discharge.

The following tables depict the number of staff and percentage of staff vacancies in both direct care and non-direct care positions:

Osawatomie State Hospital

	FTE	FTE Filled	% Filled	% Vacant
Direct Care:	265.6	224.6	84.6%	15.4%
Non-Direct Care:	130.8	121.7	93.0%	7.0%
Total:	396.4	346.3	87.4%	**12.6%**

Rainbow Mental Health Facility

	FTE	FTE Filled	% Filled	% Vacant
Direct Care:	84.0	49.5	58.9%	41.1%
Non-Direct Care:	28.2	23.9	84.8%	15.2%
Total:	112.2	73.4	65.4%	**34.6%**

Census Relationship To Community Based Treatment And Support

The three state mental health hospitals currently have the capacity to serve an average daily census of 296 persons in their general psychiatric services programs[1]. According to state law, with few exceptions, a qualified mental health professional employed by a community mental health center (CMHC) must determine that a person is mentally ill and, because of the person's mental illness, is likely to cause harm to self or others before the person can be admitted to a state mental health hospital. Kansas state mental health hospitals accept everyone approved for admission by a CMHC, even when the hospital is above its budgeted capacity. Individuals receive inpatient services until such time as the symptoms of their mental illness are stabilized and they can be safely treated in a community setting. The state mental health hospitals are often considered the "placement of last resort," so the role that community mental health and other social services fulfill defines the role of the state mental health hospitals. As a result, the state mental health hospitals are currently called on to provide broad social safety net services.

The Hospital and Home Strategic plan calls for taking a developmental, multi-faceted approach to developing the service array to better meet these person's needs outside the state mental health hospitals. This will gradually allow the state mental health hospitals to focus more resources on specialized inpatient psychiatric services rather than the broad social safety net services. Strategies to implement the strategic plan include the following:

1. **Intensive Case Management Program (ICM)**

KDADS CSP Behavioral Health Services (previously SRS DBHS Mental Health) contracted with Heartland Regional Alcohol Drug Assessment Center from 2006 through June 30, 2011 to provide ICM services to individuals who lived in Wyandott, Johnson, Douglas, or Shawnee counties: with a history of admissions to state hospitals, considered at risk for admission to state hospitals due to co-occurring mental health and substance abuse issues, with multiple unsuccessful treatment episodes and/or being homeless.

During that time, 439 individuals were provided ICM services and *only 72 were ever admitted to a state hospital following the initiation of services.*

Beginning May 1, 2012, CSP BHS reissued the contract to HRADAC to cover not only the 4 counties previously served, but 4 additional counties: Sedgwick, Ellis, Barton, and Saline.

Data collected on 9/7/12 indicates that 35 current ICM clients had 73 admissions and used 839 bed days between January 1, 2012 and July 31, 2012. The typical length of stay for this population has been 24 days, with an average of 2 admissions per individual during this same timeframe. If outcomes are consistent with previous results, we expect that 84% or 29 of these 35 individuals will not have any further admissions or readmissions, saving 696 bed days.

[1]This does not include the State Security Hospital or the Sexual Predator Treatment Program or KVC STAR for children.

2. Census Management Initiative (CMI)

KDADS continues to contract with Via Christi Hospital in Wichita and Prairie View Hospital in Newton to provide inpatient mental health services to persons who are involuntarily committed when the State Mental Health Hospitals reach high census. Census Management Initiative (CMI) was activated on 8/24/2012 for the first time in FY 2013. CMI continued for both hospitals through 9-7-12. A total of 45 bed days at Prairie View and 19 at Via Christi were used before CMI was deactivate.

3. Planning Efforts (Sedgwick Policy Academy)

Stakeholders in Sedgwick Co, referred to as the Policy Academy are planning for a long-term goal **to reduce dependence on inpatient hospitalization while increasing peer support and recovery coaches**. A short-term goal includes the development of a 16 bed crisis facility operated by ComCare.

4. ComCare Crisis Stabilization Beds

One of the short term goals of the Policy Academy includes ComCare developing a 16-bed crisis facility. This crisis facility will provide intensive clinical and support services to be available 24 hours a day seven days per week, with the goal of providing safety, stabilizing the situation, and averting the need for more restrictive services or inpatient services.

5. Community Mental Health Centers Contracts

FY 2013 contract outcome for Community Mental Health Centers (CMHCs) targets a reduction of 30 day readmissions with the following outcome:

Percent of adult admissions with readmission to SMHH, private psychiatric hospital, local acute psychiatric unit, within 30 days of discharge.

a. Numerator: Number of adults discharged from SMHH, private psychiatric hospital, local acute psychiatric unit with a subsequent readmission within 30 days.

b. Denominator: Adult discharges from SMHH, private psychiatric hospital, or local acute psychiatric services

The table below depicts progress that has occurred already in June and July 2012:

SMHH ADULT	TOTAL ADMISSIONS	READMISSIONS WITHIN 30 DAYS	PERCENTAGE WITHIN 30 DAYS
JULY 2012	297	35	11.8%
JUNE 2012	314	39	12.4%
JULY 2011	363	53	14.6%
CHANGES FROM JULY/11 TO JULY/12	66 FEWER ADMISSIONS OVERALL	18 FEWER READMISSIONS W/IN 30 DAYS	19.2% DECREASE IN 30 DAY READMISSIONS