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Budget Primer

Department of Human Services

Office of Mental Health and Substance Abuse

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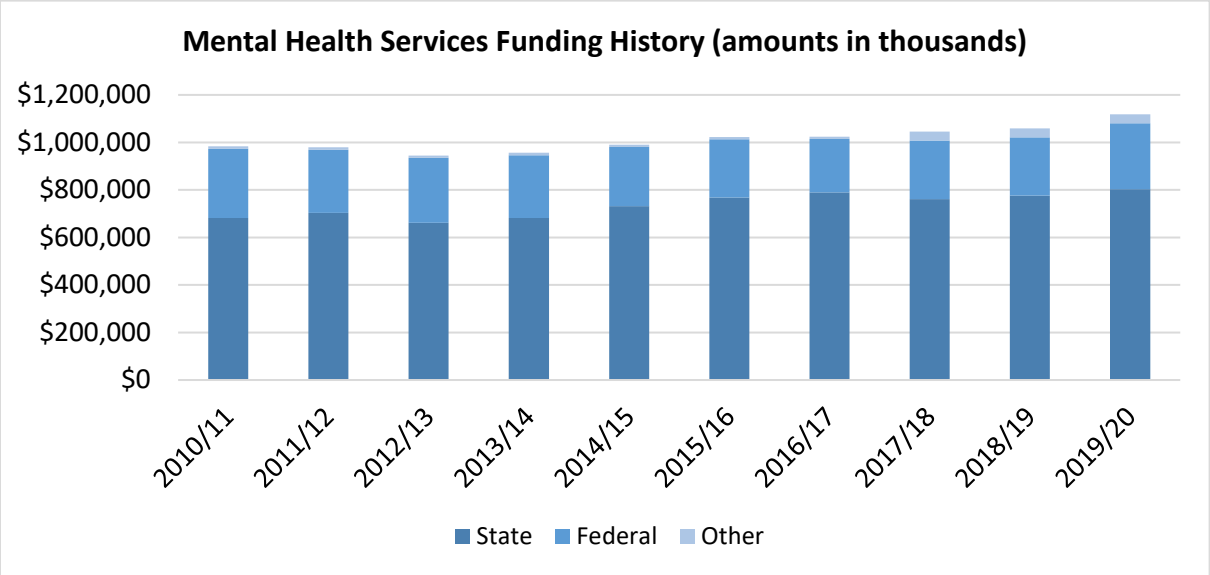
The Department of Human Services oversees and funds an array of mental health services, including hospital and community programs. The state hospital system is operated directly by the department and community mental health programs are administered by the counties. The department's Office of Mental Health and Substance Abuse Services oversees these programs, which are funded through the mental health services appropriation in the budget.

The Mental Health and Intellectual Disability Act of 1966 established responsibilities for state and county government, mandates services, defines eligibility, and creates procedures for commitments to state facilities. The Mental Health Procedures Act of 1976 further defined procedures for voluntary and involuntary commitments to state hospitals.

Approximately 1,500 people currently receive inpatient services in the state hospital system, while an estimated 172.000 Pennsylvanians (who are not eligible for Medicaid) receive services through county-run community programs.

The total budget (state, federal and other funds) for mental health services in 2019/20 is $1.12 billion – roughly 40 percent supports the state hospitals and 60 percent funds community programs.



State Hospitals

Pennsylvania maintains seven state mental hospitals; six of which provide general psychiatric inpatient treatment and specialty services. The six regional hospitals are: Clarks Summit (Lackawanna County), Danville (Montour County), Norristown (Montgomery County), Torrance (Westmoreland County), Warren (Warren County) and Wernersville (Berks County). The seventh facility – the South Mountain Restoration Center (Franklin County) – contains a skilled nursing unit and provides intermediate and long-term care services for former state hospital residents in need of advanced nursing care.

All seven facilities are certified by Medicare and Medicaid. Consequently, they must meet and maintain federal standards related to services, physical environment, and patient health and safety. Due to the nature of the population it serves, the South Mountain Restoration Center is also certified as a long-term care facility. The state hospital system only cares for adults, while children and adolescents are treated in community-based facilities.

All hospitals provide general psychiatric inpatient treatment for adults with serious mental illness who require extended treatment. Two of the hospitals – Torrance and Norristown – also operate regional forensic psychiatric units offering specialized psychiatric treatment for mentally ill adult offenders and defendants. These units assess whether an individual is mentally able to stand trial and treat convicted individuals whose illness cannot be managed in a county prison. In January 2017, the department announced its plan to close the civil section of Norristown and repurpose those beds for forensic treatment services; closure of Norristown's civil unit is expected to be completed in 2019. Additionally, Torrance provides mental health and sex offense specific treatment for adults who have been adjudicated of certain sex-related crimes.

As of July 2019, the population in the state hospital system totaled 1,496 residents. This included 960 people in the civil units of the six state hospitals, 340 in the forensic units at Torrance State Hospital and Norristown State Hospital, 60 in the sexual responsibility and treatment program at Torrance, and 136 in long-term care at South Mountain Restoration Center.

Over time, DHS has increasingly shifted to community-based services as an alternative to institutionalization. This is in keeping with recognized best practices and with the Olmstead Supreme Court decision, which required states to offer community-based services to individuals with mental illness or intellectual disabilities. The result has been an overall decline in the resident population at state hospitals and has necessitated the closure of two hospitals in the last 10 years and the closure of individual units in some of the remaining hospitals. In 1966, the total state hospital population stood at approximately 35,000, but dropped to fewer than 1,500 by July 2018.

State Hospitals	July 2008			July 2018		
	Population	Capacity	Occupancy Rate	Population	Capacity	Occupancy Rate
Allentown *	172	210	82%			
Clarks Summit	221	265	83%	176	200	88%
Danville	158	170	93%	160	160	100%
Mayview *	174	398	44%			
Norristown	365	454	80%	285	287	99%
South Mountain	133	159	84%	140	159	88%
Torrance	219	270	81%	312	361	86%
Warren	195	250	78%	139	152	91%
Wernersville	206	240	86%	252	266	95%
TOTAL	**1,843**	**2,416**	**76%**	**1,464**	**1,585**	**92%**

** Allentown State Hospital closed December 2010 and Mayview State Hospital closed December 2008.*

The majority of funding for state hospitals – 55 percent – comes from General Fund state appropriations. Federal appropriations account for 43 percent of funding, while the remaining 2 percent is derived from other hospital collections.

Funding for the state hospital system pays the staff, operating expenses and fixed assets (i.e. maintenance equipment) needed by the department to effectively run the hospitals. Personnel are the most expensive component, accounting for about 80 percent of state hospital expenditures. Costs to operate the facilities make up 19 percent of expenditures and fixed assets are 1 percent.

The Olmstead Supreme Court Decision and the Benjamin Settlement Agreement

In 1999, the U.S. Supreme Court's landmark decision in Olmstead v L.C. found that the unjustified institutionalization of people with disabilities is a form of discrimination under the Americans with Disabilities Act. The Olmstead ruling confirmed that states must ensure Medicaid-eligible people do not experience discrimination by being institutionalized when they could be served in a more integrated, community-based setting.

The court said states must provide community-based services when:

a) *The state's treatment professionals reasonably determine community placement is appropriate;*
b) *The person does not oppose such placement; and*
c) *The state has the available resources to provide the placement.*

Additionally, the court indicated each state should develop an Olmstead plan to demonstrate efforts to comply with the ruling. The Olmstead decision applies to people in institutions and those who are at risk of institutionalization.

In response to the Olmstead decision, the Office of Mental Health and Substance Abuse Services (OHMSAS) developed an Olmstead Plan for Pennsylvania state mental hospitals. The plan, approved in 2011, committed OHMSAS to the following steps to return individuals in state hospitals to their communities:

- *OHMSAS will reduce the capacity of state hospitals by 90 beds each fiscal year by discharging residents;*
- *As state hospital units close, the funds used to support them will be redirected to counties to develop and support community mental health services;*
- *The community support planning process will be used to assess the needs of state hospital residents to develop individual community support plans (CSPs). Upon completion of CSP, individuals will be considered for discharge; and,*
- *Counties will be responsible for providing services to discharged individuals consistent with their CSP.*

Community Mental Health Services

County Mental Health/Intellectual Disability (MH/ID) offices administer community mental health programs. Pennsylvania has 48 single and multi-county MH/ID offices that serve the 67 counties. The county offices determine a person's eligibility for service funding, assess the need for treatment or other services, and make referrals to appropriate programs.

State law requires county governments to provide a variety of community mental health services, including unified intake, community consultation, family support, and community residential programs. These programs and services are directed to adults with serious mental illnesses and children suffering from or at risk of serious emotional disturbances.

These services can be delivered by individual counties, multi-county collaboratives, or contracted non-profit organizations. Funding comes mostly from state and federal appropriations with some matching funds from counties. As the policy of serving individuals in the community has progressed, the number of individuals served through community mental services has grown apace. In 2017/18, 172,200 individuals around the commonwealth received community health services.

Grants to counties for community mental health services cover administrative services, community services, outpatient care, residential treatment, case management, family support, and social rehabilitation. Counties are required to contribute 10 percent toward the cost of these services. Community mental health services are predominately funded by state appropriations, which comprise 86.1 percent of total funding. Federal funds (9.3 percent) and intergovernmental transfers (4.6 percent) make up the balance of funding.

County allocations are based on prior year funding plus any adjustments to maintain current service levels and to implement or expand programs. For example, allocations are adjusted to fully fund CHIP slots in specific counties and to pay costs associated with litigation (such as the recent ACLU legal settlement regarding forensic services).

Community Hospital Integration Projects Program

The Community Hospital Integration Projects Program (CHIPP) began in 1991/92 and connected county-operated community programs with state mental hospitals by transferring individuals and associated funds and resources from state hospitals to the community. However, community services developed through CHIPP are also available to others in the county with mental illness who would otherwise require hospitalization.

The expansion of CHIPP has greatly increased capacity for community mental health services and improved process of discharging individuals from state hospitals while easing the long-term planning around future closures of those facilities.

Human Services Block Grant

The human services block grant (HSBG) was established by Act 80 of 2012 to provide more flexibility to local governments. Beginning in 2012/13, the grants allocated to counties for community mental health programs are eligible for inclusion in the HSGB program. Participating counties may use block grant funds for human services other than those directly specified in appropriations, including programs for those with intellectual disabilities, child welfare services, behavioral health services, drug and alcohol treatment, or homeless assistance. Thirty-eight counties are participating in HSBG.

Substance Abuse Services

While the Department of Drug and Alcohol Programs is the primary provider of services to individuals suffering from substance abuse disorders, some county programs are also funded through the Office of Mental Health and Substance Abuse Services. These services are funded through the Behavioral Health Services appropriation with funding primarily distributed to counties through the human services block grant program.