

Primer

From the House Appropriations Committee

JOE MARKOSEK, DEMOCRATIC CHAIRMAN

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Department of Public Welfare Mental Health System

The Department of Public Welfare (DPW) oversees and funds Pennsylvania's mental health system, which includes state mental hospitals and community mental health programs. State mental hospitals are operated directly by DPW. Community mental health programs are administered by the counties, which receive funding grants from DPW.

The Mental Health and Intellectual Disability Act of 1966 (MH/ID Act of 1966) establishes responsibilities for state and county government, identifies mandated services, defines eligibility and creates procedures for commitment to state facilities. The Mental Health Procedures Act of 1976 further defines the procedures for voluntary and involuntary treatment in state mental hospitals. The state hospital population has dropped from nearly 35,100 in 1966 to about 1,601 as of July 2012. This deinstitutionalization is the result of changes in commitment laws (which provide strict admission criteria and expedite patient discharges) and the development of community treatment programs (which allow individuals to receive necessary services and avoid hospitalization).

State Mental Hospitals

The state hospital system is currently comprised of seven facilities, which includes six state hospitals and one restoration center. All of the state mental hospitals and the restoration center are certified by Medicaid and Medicare. Consequently, they must meet and maintain federal Medicaid standards related to services, physical environment, and client health and safety.

The six hospitals are located in: Clarks Summit, Danville, Norristown, Torrance, Warren and Wernersville. All state hospitals provide general psychiatric inpatient treatment for adults with serious mental illness who require extended treatment. In addition, two of these hospitals offer specialized treatment programs for mentally ill adult offenders and defendants. Only adults are in the state hospital system; children and adolescents are treated in community-based facilities.

The Restoration Center at South Mountain, Franklin County, provides licensed skilled nursing and intermediate long-term care services to elderly former residents of state hospitals who require nursing home care.

Since 2005, the state has closed three state mental hospitals: Harrisburg, Dauphin County, on Jan. 26, 2006; Mayview, Allegheny County, on Dec. 29, 2008; and Allentown, Lehigh County, on Dec. 31, 2010.

State Hospital	Counties Served	June 2012 Population
Clarks Summit (Lackawanna Co.)	Bradford, Carbon, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Tioga, Wayne, Wyoming	217
Danville (Montour Co.)	Columbia, Centre, Clinton, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lycoming, Mifflin, Montour, Northumberland, Perry, Schuylkill, Snyder, Union	173
Norristown (Montgomery Co.)	Bucks, Chester, Delaware, Montgomery, Philadelphia	307
Torrance (Westmoreland Co.)	Allegheny, Armstrong, Bedford, Blair, Butler, Cambria, Fayette, Indiana, Somerset, Westmoreland	325
Warren (Warren Co.)	Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Mercer, Potter, Venango, Warren	173
Wernersville (Berks Co.)	Adams, Berks, Carbon, Lancaster, Lebanon, Lehigh, Northampton, York	266

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. Most actual services are delivered by local mental health providers under contracts with the counties.

The MH/ID Act requires counties to establish mental health programs with nine mandated services, including: information and referral, unified intake, short-term inpatient treatment, partial hospitalization, outpatient care, 24-hour emergency services, rehabilitation and training, and aftercare services for persons released from state mental hospitals.

Pennsylvania targets community services to adults with serious mental illnesses and children/adolescents with or at-risk of serious emotional disturbances.

- **Inpatient psychiatric care** provides short-term, 24-hour evaluation, care and treatment services to individuals in severe distress. The treatment objective is to stabilize the crisis so that an individual may return safely to the community.
- **Partial hospitalization** services are provided daily to individuals suffering moderate emotional or mental disorders. The individual resides in the community and spends the day at the treatment center. Services include group therapy, individual therapy and medication management.
- **Outpatient psychiatric services** are provided periodically (such as weekly or monthly) to individuals suffering minimal to moderate distress. Services include counseling, therapy, psychiatric evaluation and medication reviews.
- **Emergency and crisis interventions** assure the safety of individuals. Services include telephone counseling for individuals experiencing moderate to severe distress and 24-hour intervention for people experiencing severe emotional distress.

Community mental health services also include: case management to assure individuals receive needed services; employment and training programs for adults; residential living arrangements such as personal care homes, group homes and supervised apartments; and family supports such as respite care and family-based mental health services that enable families to care for their child at home.

Community/Hospital Integration Program Projects (CHIPP)

CHIPP links community programs to the state hospital system. **The objective is to move state hospital patients, who no longer require inpatient psychiatric treatment, into more appropriate community-based programs.** CHIPP is designed to assure that counties have the necessary residential and treatment services to support discharged patients. As patients are discharged from the state mental hospitals, DPW closes hospital beds and transfers state hospital funds to the county programs.

Community services developed with CHIPP funds are not only available to discharged patients, but also to individuals residing in the community who would likely be hospitalized if CHIPP services were not available. Thus, CHIPP creates additional community based service capacity that avoids unnecessary hospital utilization, thereby facilitating more predictable planning for future state hospital needs.

Since CHIPP's inception in 1991/92, DPW reports 3,099 patients have been discharged from the state hospitals through June 30, 2012. As a result of these discharges, CHIPP funding has accumulated \$266 million through 2011/12 and served more than 18,000 individuals – this includes individuals directly receiving CHIPP funds and another 15,100 people receiving diversionary services funded under CHIPP.

In its landmark ***Olmstead v. L.C. decision***, the U.S. Supreme Court ruled that medically unnecessary institutionalization of people with disabilities is a form of discrimination under the American with Disabilities Act (ADA).

The 1999 *Olmstead* decision requires states to eliminate unnecessary segregation of persons with disabilities and to ensure that persons with disabilities receive services in the most integrated setting appropriate to their needs. In an opinion by Justice Ginsburg, the Supreme Court held:

"States are required to provide community based treatment for persons with mental disabilities when the State's treatment professionals determine that such placement is appropriate, the affected persons do not oppose such treatment, and the placement can be reasonably accommodated, taking into account the resources available to the State and the needs of others with mental disabilities." (527 US 581 at 607)

The Supreme Court suggested states could comply with ADA by developing "comprehensive, effective working plans" (Olmstead Plans) to increase community-based services and reduce institutionalization.

In response to the **Olmstead** decision, DPW's Office of Mental Health and Substance Abuse Services (OMHSAS) developed the Olmstead Plan for PA's State Mental Health System.

The plan signed in January 2011, details the specific steps that the commonwealth will take to return individuals residing in state psychiatric hospital units to their communities:

- Beginning in 2010/11, the OMHSAS will request funding to reduce the state hospital capacity by closing at least 90 beds each fiscal year by discharging state hospital residents.
- As state hospital units close, the state funds used to support those units will be provided to the counties to develop and support necessary community services and infrastructure.
- OMHSAS will use the Community Support Planning process to assess the needs of the individuals in the state hospitals and to aid in the development of the person's community support plan (CSP). Once the CSP is complete, the person can be considered for discharge from the hospital.
- The county is then responsible for providing services and supports to discharged individuals consistent with their CSPs.

Funding

Pennsylvania's mental health system is funded through a single appropriation, Mental Health Services. This annual appropriation supports state hospitals and community programs.

State Mental Hospitals

Funds budgeted for the state mental hospital system pay the staff, operating expenses and fixed assets (i.e., maintenance equipment and office equipment) needed by DPW to effectively run the six state hospitals and one restoration center.

Personnel costs are the most expensive component of the state hospital system, accounting for more than 75 percent of the state hospital budget.

State and federal funds are the main revenue sources. Additional revenue is provided through payments that hospitals collect from those patients who have private insurance or have too much income to qualify for financial assistance.

- State General Funds represent about 43 percent of state mental hospital funding.
- Federal funds, primarily federal Medical Assistance reimbursements, represent about 56 percent of funding.
- Other hospital collections represent about 2 percent of funding.

Community Mental Health Services

DPW allocates state and federal funds to counties as direct grants to pay for community programs.

- State General Funds account for about 88 percent of total grants allocated to counties.
- Federal funds account for about 12 percent of county grants. DPW allocates federal funds from several sources, the largest of which is federal Medical Assistance payments - these include the state mental hospitals' Medicaid disproportionate share revenue, which is used to support county programs. DPW also allocates Community Mental Health Services Block Grant funds and Social Services Block Grant funds to the counties.

The county allocations provide funding for basic mental health programs under the MH/ID Act: administrative services, community services, outpatient, administrative case management, emergency, vocational rehabilitation, community, residential, family support and social rehabilitation. These services are supported with state funds (90 percent) and county funds (10 percent). The MH/ID Act also provides 100 percent state funds for new services. These include inpatient treatment, partial hospitalization and intensive case management.

Beginning in 2012/13, the grants allocated to counties for community mental health programs are eligible for inclusion in the Human Services Block Grant Pilot Program established by Act 80 of 2012. Counties that participate in the pilot program (currently limited to 20 counties) have flexibility to spend block granted funds for human services other than those that are supported under the categorical appropriation. That is, a pilot county could, subject to the requirements and restrictions established in Act 80, use a portion of its allocation for community mental health services to support the following human services: intellectual disability community base programs, child welfare services, behavioral health services, homeless assistance, and drug and alcohol treatment and prevention services.

House Appropriations Committee (D)

Miriam A. Fox, Executive Director

Beth Balaban, Senior Budget Analyst

Stephanie Weyant, Communications Director