

Department of Mental Health

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- Access to Better Care (ABC) initiative seeks to improve children's behavioral health services – focus is on state and local collaboration
- Increase in Community Medication Subsidy line item will provide indigent medication for Disability Medical Assistance Program

OVERVIEW

The Ohio Department of Mental Health (ODMH) is a cabinet level agency that is responsible for ensuring that quality mental health services are available in all communities in Ohio. The Department employs about 2,760 personnel. Since the passage of the Mental Health Act of 1988, Ohio has successfully transitioned to a state managed, locally administered mental health system.

Duties and Responsibilities

The Mental Health Act of 1988 created a paradigm shift in how public mental health services are funded, planned, and provided. It also changed the nature of the relationships between the Department, its state-operated hospitals, community mental health boards, and community service providers. Since the enactment of the Mental Health Act of 1988 several state hospitals have closed. The average daily resident population at state psychiatric hospitals decreased from 3,147 in FY 1990 to 1,707 in FY 1995, and to 1,040 in FY 2004. Since 1990, ODMH has reduced its hospital workforce by more than 3,000 positions and consolidated its nine inpatient facilities under the management of five Integrated Behavioral Healthcare Organizations (BHOs), or state hospitals.

The Department works with local mental health boards to ensure the provision of mental health services. Ohio has 43 community Alcohol, Drug Addiction, and Mental Health Services boards (ADAMHS) and 7 Community Mental Health Services (CMH) boards covering all 88 counties. The boards are responsible for planning, funding, monitoring, and evaluating the service delivery system within their geographic areas. The community mental health boards contract with local service providers to deliver mental health services in the community.

In the last five years, the profile of patients served has changed significantly. Public bed capacity and the average daily population have increased 13% since FY 1999 and the number of admissions is up 7%. The Department's hospital admission rate has increased to around 500 per month over the past biennium. A unit in a hospital has between 23 and 26 beds. On an average day, the occupancy rate is approximately 89% with three hospitals at 98% more than half of the year. Around 75% of hospital admissions are for short-term stabilization (less than 10 days) for acute mental illnesses. In addition, civil needs have shifted from long-term services toward short term, more acute, more intensive care. The median length of stay for civil patients is now 11 days. The forensic population, which has increased by 3% since FY 1999, is now 46% of all patients served. As a result, an additional unit at Twin Valley Behavioral Healthcare's maximum-security site will be opened in FY 2005. Staffing for forensic patients includes both additional security staff as well as more intensely structured clinical services.

Staffing costs are one of the primary factors affecting hospital costs. The cost to maintain qualified staff has continued to rise. One such cost is reflected in the ability to recruit and retain Registered Nurses in a competitive environment.

Most of the hospital operating expenditures are paid for out of the Department's General Revenue Fund (GRF) line item 334-408, Hospital and Community Mental Health Services. This line item supports the nine inpatient facilities and community-based services at seven of the sites. In addition, the line item supports the 50 ADAMHS/CMH boards. The enacted budget maintains current inpatient capacity at nine hospital sites with 49 inpatient treatment units and provides essential community mental health services. There is no general increase in community mental health funding, however, Safety Net Emergency Funds totaling \$5 million for FY 2006 and \$10 million for FY 2007 are added to ALI 335-505 (Local Mental Health Systems of Care). These funds will be made available to county boards by application based on financial hardship. Although these increases do not fully address long term funding challenges in the mental health system, they allow ODMH to maintain current low levels of institutional capacity and patch holes in community care.

Access to Better Care (ABC) Project

In October 2003, Governor Taft met with the Family and Children First Cabinet Council and directed that detailed planning be carried out as the Access to Better Care (ABC) project "to improve children's behavioral health services." Participants in the plan include the affected state agencies (Department of Youth Services, Department of Job & Family Services, Department of Alcohol & Drug Addiction Services, and the Department of Education), local representatives, and parents. Using existing funds, the Department is adding a new mental health service, Intensive Home Based Service (IHBS), to the state Medicaid plan. This program will combine current services (counseling, case management, day treatment) into a single team-based approach for children who do not require institutional care. The IHBS program will utilize current resources, since its services will be delivered as a "package."

The most urgent and complicated task of the ABC initiative is the treatment for multineed children, adolescents, and families. Beginning in the FY 2006-2007 biennium, and stretching across multiple budget cycles, key components of the strategy will include family-driven and participative service plans and "wrap-around" service models that seek to eliminate or reduce custody relinquishment, and rely on local collaboration to meet family needs. The proposed new funding for this priority in the Department's budget includes approximately \$8.3 million in FY 2006 (\$6.0 million in newly created appropriation item 335-404, Behavioral Health Services – Children, and \$2.3 million in newly created appropriation item 335-405, Family and Children First) and approximately \$9.3 million in FY 2007 (\$7.0 million in 335-404 and \$2.3 million in 335-405). Most funds will be disbursed by local ADAMHS/CMH/ADAS boards based on a plan developed by the local interagency Family and Children First Council. The funding will provide treatment services and other necessary supports to families who might otherwise have to relinquish custody of their children to obtain needed behavioral health services. In addition to this increased funding, the ABC Initiative includes a dozen other projects supported by federal or reallocated funds to improve prevention, early intervention, and treatment services for children and families.

Family and Children First Cabinet Council Transfer

The enacted budget calls for a transfer of Ohio Family and Children First resources (funds to local councils, and for statewide and regional coordinators) from the Department of Mental Retardation and Developmental Disabilities (ODMRDD) to ODMH. Temporary language transfers the duties and responsibilities, staff, and the cash to ODMH. Therefore, the fiscal effect to the General Services Fund will most likely be revenue neutral.

Community Medication Program

The 335-419 Community Subsidy Medication line item is increased by \$4.3 million in FY 2006 over FY 2005, and by \$5.7 million in FY 2007. This increase is related to the phasing out of the Disability Medical Assistance Program (DMA). This funding will provide an indigent medication subsidy for individuals who would have previously been eligible for DMA.

Vetoed Provisions

There were no vetoed provisions in the enacted budget that affect the Department of Mental Health.

Agency in Brief

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2006	2007	2006	2007	
3,063	\$1.00 billion	\$1.04 billion	\$561.01 million	\$578.78 million	Am. Sub. H.B. 66

* Employee count obtained from the Department of Administrative Services (DAS) payroll reports as of June 2005.

ANALYSIS OF THE ENACTED BUDGET

Program Series 1

Hospital and Community Services

Purpose: To support hospital and community services systems linked in providing a complete continuum of care for persons with severe and persistent mental illness.

The following table shows the line items that are used to fund the Hospital and Community Services, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	334-408	Community & Hospital MH Services	\$390,424,545	\$400,324,545
GRF	334-506	Court Cases	\$976,652	\$976,652
GRF	335-404	Behavioral Health Services - Children	\$5,865,265	\$6,865,265
GRF	335-405	Family & Children First	\$2,260,000	\$2,260,000
GRF	335-505	Local MH Systems of Care	\$94,687,868	\$99,687,868
GRF	335-419	Community Medication Subsidy	\$12,292,848	\$13,626,748
GRF	332-401	Forensic Services	\$4,338,858	\$4,338,858
General Revenue Fund Subtotal			\$510,846,036	\$528,079,936
State Special Revenue Fund				
485	334-632	Mental Health Operating	\$2,476,297	\$2,476,297
632	335-616	Community Capital Replacement	\$350,000	\$350,000
692	334-636	Community MH Board Risk Fund	\$80,000	\$80,000
State Special Revenue Fund Subtotal			\$2,906,297	\$2,906,297
General Services Fund				
149	334-609	Hospital Rotary – Operating Expenses	\$24,408,053	\$24,408,053
150	334-620	Special Education	\$120,930	\$120,930
4P9	335-604	Community Mental Health Projects	\$250,000	\$250,000
General Services Fund Subtotal			\$24,778,983	\$24,778,983
Federal Special Revenue Fund				
3A6	334-608	Federal Letter of Credit	\$586,224	\$586,224
3A8	334-613	Federal Letter of Credit for Human Services	\$200,000	\$200,000
3B0	334-617	Elementary and Secondary Education	\$171,930	\$178,807
3B1	334-635	Hospital Medicaid Expansion	\$2,000,000	\$2,000,000
324	334-605	Medicaid/Medicare	\$11,764,280	\$11,873,408
3A6	335-608	Federal Miscellaneous	\$1,089,699	\$678,699
3A7	335-612	Social Services Block Grant	\$8,657,288	\$8,657,288
3A8	335-613	Fed Grant – Community MH Subsidy	\$2,407,040	\$2,407,040
3A9	335-614	Mental Health Block Grant	\$14,969,400	\$14,969,400
3B1	335-635	Community Medicaid Expansion	\$264,088,404	\$282,807,902
Federal Special Revenue Fund Subtotal			\$305,934,265	\$324,358,768
Total Funding: Hospital and Community Services			\$844,465,581	\$880,123,984

This analysis includes the following specific programs within the Hospital and Community program series:

- **408 Hospital and Community**
- **Community (excluding ALI 334-408) Behavioral Healthcare for Children**
- **Community Medication Program**
- **Community Medicaid Program**
- **Forensic Services**

408 Hospital & Community

Program Description: The 334-408 line item supports two systems that are inextricably linked in providing a continuum of care for persons with mental illness. The Department operates five Integrated Behavioral Health Care Organizations (IBHOs) (formerly known as state psychiatric hospitals) at nine inpatient sites located throughout the state.

Implication of the Enacted Budget: The 334-408, Hospital & Community Services, line item totals \$390 million for FY 2006 and \$400 million for FY 2007 and will allow the Department to maintain current capacity and safety of patients and sufficient staffing to operate 49 hospital units for the inpatient system. The Department requested and received an additional \$4.8 million for FY 2006 and \$14.7 million for FY 2007 in 334-408 to maintain inpatient services at current levels. There is no general increase in community mental health funding. However, Safety Net Emergency Funds totaling \$5.0 million for FY 2006 and \$10.0 million for FY 2007 are added to ALI 335-505 (Local Mental Health Systems of Care). These funds will be made available to county boards by application based on financial hardship. According to the Department, although these increases do not fully address long term funding challenges in the mental health system, they allow ODMH to maintain current low levels of institutional capacity and patch holes in community care.

Community (excluding ALI 334-408) Behavioral Healthcare for Children

Program Description: The funds for this program include all community funds, excluding line item 334 408 (captured under Program Series 1). The largest line item in this program, 335-505, Local Mental Health Systems of Care, is distributed by the Department to the ADAMHS/CMH boards to provide an integrated system of mental health care that meets locally determined mental health needs. Boards spend 335-505 funding for operating and services expenditures consistent with their Community Plan/Mutual System Performance Agreement approved by the Department. The basic services supported include: crisis intervention/hospital prescreening, counseling-psychotherapy, community support program services, diagnostic assessment, consultation and education, and residential-housing. In addition, 335-505 also supports "special" categories, which support systemic improvements. Current initiatives include: Ohio Department of Development Trust Fund, Early Childhood Mental Health, Alternative Education, SED Deaf/HOH, PASRR Evaluations, Family/Consumer Education, Toll-Free Consumer Support, Consumer Quality Review Team, and Ohio Family & Children First Council.

The Social Services Block Grant funds, 3A7 335-612, contain Title XX grants that support social service programs. These dollars are disbursed to ADAMHS/CMH boards via an annual subgrant. The boards, in turn, distribute funds to local agencies to provide services to persons suffering from mental illness.

The Mental Health Block Grant, 3A9 335-614, is used to support community mental health centers.

The Probate Court Costs line item 334-506 is a reimbursement program whereby the Department reimburses certain county probate court costs in accordance with section 5122.43 of the Revised Code for commitment hearings for persons that are mentally ill. Reimbursable court costs include fees or expenses for police, sheriff, physician, witnesses, transportation, conveyance assistants, attorneys, referees, reporters, and court costs.

Implication of the Enacted Budget: In general, the enacted budget levels for community services will maintain current capacity. The new GRF line item 335-404, Behavioral Health Services – Children, will be used for funding of the ABC initiative, managed through the Office of Family and Children First (OFCF). Temporary law creates a State and Local Stakeholders Team, appointed by the OFCF cabinet council by July 1, 2005. This team has at least 12 members, and may appoint more as appropriate. The purpose of the team is to approve the use of the ABC funds as developed through a behavioral health transformation plan.

The newly created 335-405, Family & Children First, authorizes the fiscal transfer of OFCF leftover funds from ODMRDD to ODMH, which will take over as fiscal agent for the OFCF. Cluster and intersystem services for children's funding, which was previously located in the departments of Education and Mental Retardation, has been transferred to ODMH to be used for the ABC initiative. Any remaining funds will be transferred to ODMH as soon as current obligations are fulfilled.

At the enacted level of funding, the Department plans to create a safety net of emergency funds using the increases to GRF line item 335-505, Local Mental Health Systems of Care, of \$5 million in FY 2006 and \$10 million in FY 2007. This level of funding will provide emergency relief to communities in local crises with needs including, but not limited to, medication treatment, temporary housing, consumer-to-consumer supports, and emergency outpatient care. Local ADAMHS/CMH boards will develop a plan for how best to utilize the dollars and submit their proposal to the Department. These resources will not replace the \$50 million in community funding lost to inflation since FY 1998, or the additional \$60-plus million diverted to cover Medicaid requirements over that time. Rather, the proposed funding is a management strategy designed to address the worst-case local crises.

Community Medication Program

Program Description: Central Pharmacy Outpatient supplies psychotropic medications for mental illnesses to persons who meet certain diagnostic and financial eligibility criteria. Patients are treated through contracted community mental health centers or inmates in county detention facilities. Central Pharmacy operates as a mail order style pharmacy with the goal of getting the right medication to the right patient at the right time and price. The local boards receive some state subsidy support for the Central Pharmacy program. However, the funding is limited and if exceeded, ODMH is reimbursed the costs of the medications by the local board.

Implication of the Enacted Budget: The 335-419, Community Subsidy Medication, line item is increased by \$4.3 million in FY 2006 over FY 2005, and by \$5.7 million in FY 2007. This increase is related to the phasing out of the Disability Medical Assistance Program (DMA). This funding will provide indigent medication subsidy for individuals who would have previously been eligible for DMA.

Community Medicaid Program

Program Description: These funds reflect the federal participation for the community Medicaid program. Covered community Medicaid services include: diagnostic assessment, partial hospitalization,

crisis intervention, counseling and psychotherapy, medication somatic services, and the community support program.

Implication of the Enacted Budget: The 335-635, Community Medicaid Expansion, line item is the Federal Financial Participation (FFP) amount. Community Medicaid is paid for with local resources, namely a mix of GRF and local levy dollars, but varies by board area.

Forensic Services

Program Description: The Forensic Services program provides the following services.

- Forensic/Second Opinion Evaluation (Community Forensic Psychiatry Centers) – the Department is required to fund evaluations for those persons who are pending adjudication, to determine their competency to stand trial and/or to determine sanity. Historically, those services were originally provided at Oakwood State Hospital, but the responsibility was moved to regional Community Forensic Psychiatry Centers.
- Mental Health Diversion/Reentry Alternatives to Jails and Prisons – these community-based programs at the local level are aimed at serving mentally ill and mentally ill/substance abusing persons involved in the criminal justice system through the provision of diversion alternatives and programs geared at successful reentry into the community.
- Community Forensic Monitoring – the Department, in conjunction with the Community Mental Health boards, is required to operate a uniform tracking and monitoring program to serve persons on conditional release found Not Guilty by Reason of Insanity and Incompetent to Stand Trial-Unrestorable held under criminal court jurisdiction.
- Forensic Fellowship Program – Training for two forensic psychiatrists is funded at the University of Cincinnati and Case Western Reserve University.

Implication of the Enacted Budget: In FYs 2006 and 2007, forensic services received flat funding, which will continue current services as mentioned above.

Program Series 2**Office of Support Services**

Purpose: To provide ancillary services to state facilities, as well as community agencies.

The following table shows the line items that are used to fund the Office of Support Services, as well as the funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Services Fund				
151	235-601	Office of Support Services	\$89,614,180	\$93,898,713
General Services Fund Subtotal			\$89,614,180	\$93,898,713
Total Funding: Office of Support Services			\$89,614,180	\$93,898,713

Office of Support Services

Program Description: The Office of Support Services is a not-for-profit, non-GRF section of ODMH that provides auxiliary services to state facilities and select community agencies. Services provided include wholesale food, processed food, pharmaceuticals and pharmacy dispensing, and transportation services to 13 state agencies, 92 state institutions, 50 community mental health boards, 10 county alcohol and drug addiction boards, 39 county health departments, and 186 county mental health clinics. By buying in volume, with a customer base in excess of 50,000, OSS is generally able to purchase and sell its services below the current market rate. Program operations are totally self-supporting and are funded out of a rotary account (line item 235-601). The Office of Support Services "earns" its income by billing state departments and agencies for its services.

Over the past five years, OSS has seen its sales grow from \$76 million to over \$85 million. This is primarily due to an increase in the use of new drugs, cost increases for older drugs, and the appeal of the purchasing power of OSS to other eligible nonprofit state and community agencies.

Implication of the Enacted Budget: The enacted budget matches the Department's request for spending authority for the Office of Support Services.

Program Series 3**Oversight and Quality**

Purpose: To provide oversight and quality controls for the Integrated Behavioral Healthcare System (IBHS) including hospital chief clinical officers, as well as program and policy development for 50 community mental health boards.

The following table shows the line items that are used to fund the Oversight and Quality program series, as well as the funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	333-321	Central Administration	\$4,562,381	\$4,633,486
GRF	333-402	Resident Trainees	\$1,364,919	\$1,364,919
General Revenue Fund Subtotal			\$5,927,300	\$5,998,405
General Services Fund				
149	333-609	Central Office Rotary - Operating	\$115,947	\$120,560
General Services Fund Subtotal			\$115,947	\$120,560
Federal Special Revenue Fund				
3A6	333-608	Community & Hospital Services	\$65,000	\$0
3A8	333-613	Federal Grant – Administration	\$562,417	\$512,417
3B1	333-635	Community Medicaid Expansion	\$105,406	\$109,599
3A9	333-614	Mental Health Block Grant	\$230,597	\$230,250
Federal Special Revenue Subtotal			\$963,420	\$852,266
Total Funding: Oversight and Quality			\$7,006,667	\$6,971,231

This analysis focuses on the following specific programs within the program series:

- **Medical Director & Quality Assurance**
- **Integrated Behavioral Healthcare System**
- **Program & Policy Development**

Medical Director & Quality Assurance

Program Description: The Medical Director exercises clinical supervision of the hospital chief clinical officers; provides clinical oversight of ODMH policies, procedures, guidelines, and research projects; and provides oversight of the ODMH Residency program and Best Practice Initiatives. In addition, the Medical Director is responsible for the clinical aspects of the ODMH Licensure and Certification process for community mental health centers.

Implication of the Enacted Budget: The funding levels for this program will maintain current services including clinical supervision of hospital clinical staff and oversight of departmental policies and research projects, Ohio colleges and universities to educate mental health professionals, and continued quality improvement practices evidenced by improved reporting mechanisms through the Mental Health Board Clinical Leadership Group.

Integrated Behavioral Healthcare System (IBHS)

Program Description: The IBHS is composed of a network of five Behavioral Healthcare Organizations having nine inpatient locations and over 50 community-based programs throughout the state. This program develops, administers, and oversees the administration, budget, and services of the Behavioral Healthcare Organizations (BHOs). The IBHS is organized into four Product Lines consisting of: Intensive and Specialized Services; Community Support Network; Forensic; and Culture, Family and Community Services. The program provides support to BHOs through the Product Line structure to ensure compliance with federal, state, and Joint Commission on Accreditation of Healthcare Organizations (JCAHO) mandates and other accrediting standards.

Implication of the Enacted Budget: The funding levels for this program will maintain current services including staff to support the oversight of inpatient BHOs, JCAHO accreditation and Medicare certification of state psychiatric hospitals, and quality standards of clinical priorities of patient care.

Program & Policy Development

Program Description: This program provides overall management of the 50 community mental health boards and promotes the local development of a comprehensive community support system of mental health services. Currently, five area directors act as liaisons to coordinate the Department's relationship with the boards in five regions within the state. This program is also responsible for Systems Development, Children's Services and Prevention, and Consumer Services.

Implication of the Enacted Budget: The funding levels for this program will maintain current services including staff and operational needs for the Division of Program and Policy Development, Office of Systems Development, Office of Children's Services and Prevention, and the Office of Consumer Services. In addition, the recommended funding will continue to cover overall management of the 50 community mental health boards.

Program Series 4**Program Management**

Purpose: To provide targeted technical assistance, program development, and clinical expertise in state hospital and community settings.

The following table shows the line items that are used to fund the Program Management program series, as well as the funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	333-321	Central Administration	\$19,291,288	\$19,220,183
GRF	333-403	Pre-Admission Screening Expenses	\$650,135	\$650,135
GRF	333-415	Lease Rental Payments	\$23,296,200	\$23,833,600
GRF	333-416	Research Program Evaluation	\$1,001,551	\$1,001,551
General Revenue Fund Subtotal			\$44,239,174	\$44,705,469
State Special Revenue Fund				
4X5	333-607	Behavioral Health Medicaid Services	\$3,000,634	\$3,000,634
485	333-632	Mental Health Operating	\$134,233	\$134,233
State Special Revenue Fund Subtotal			\$3,134,867	\$3,134,867
General Services Fund				
149	333-609	Central Office Rotary – Operating	\$767,826	\$773,226
General Services Fund Subtotal			\$767,826	\$773,226
Federal Special Revenue Fund				
3A9	333-614	Mental Health Block Grant	\$518,143	\$518,220
3B1	333-635	Community Medicaid Expansion	\$3,566,131	\$3,582,084
324	333-605	Medicaid/Medicare	\$150,000	\$150,000
Federal Special Revenue Fund			\$4,234,274	\$4,250,304
Total Funding: Program Management			\$52,376,141	\$52,863,866

This analysis focuses on the following specific programs within the program series:

- **Program Management**
- **Debt Service**

Program Management

Program Description: This program includes central office staff members who provide technical assistance and support for all components of the mental health system such as boards, agencies, family groups, consumer groups, and state and private hospitals, as well as oversight of the day-to-day operation of the Department. Offices or subprograms under the areas of central office administration include: the Director's Office, Human Resources, Fiscal Administration, Office of Information Services, Legal Services, Consumer Services, Licensure and Certification, Capital Development, Program Evaluation and Research, and Office of Forensic Services.

Implication of the Enacted Budget: The funding levels for this program will maintain current services including staff and operational requirements of the central office needed for budget control and coordination, human resources administration, oversight of Medicaid mental health services, research and program evaluation, facility planning and management, information systems, and legal/regulatory services. The total impact of flat funding for central office across programs 3.1 Medical Director and Quality Assurance, 3.2 Integrated Behavioral Healthcare System, 3.3 Program and Policy Development, and 4.1 Program Management would be a loss of approximately 4 FTEs in FY 2006 and 14 in FY 2007. The allocation of FTE reductions across individual offices will be determined at a later point in FY 2006.

Debt Service

Program Description: This program area reflects payments made by the Department for debt service retirement to the Ohio Public Facilities Commission for mental health facilities.

Implication of the Enacted Budget: The enacted budget fully funds debt service payments for mental health facilities.