

# IMPROVING WASHINGTON'S MENTAL HEALTH SYSTEM



Recommendations to the Governor and  
the Washington State Legislature

Executive Summary

2008 Mental Health Work Group

October 2008

# Executive Summary

The 2008 Mental Health Work Group is seeking to focus immediate government attention on addressing several serious problems confronting our mental health system. We appreciate the noteworthy improvements in mental health funding enacted in the past four years, yet the mental health system in Washington State continues to struggle to meet the needs of citizens living with mental illnesses effectively and efficiently. The statewide Mental Health Work Group was formed earlier this year to develop recommendations to the Governor and the Washington State Legislature that address the most critical challenges facing our mental health system. Participants in the work group (identified in Appendix D) worked for six months to come to a consensus on the three most critical unmet needs currently confronting the state's mental health system. We recommend immediate action on *all* three of the highest priority proposals:

	<b><u>Estimated Two Year Costs</u></b>
<b>1. Restore and expand involuntary treatment inpatient bed capacity</b>	
1.1 Restore bed capacity at Eastern and Western State hospitals	<b>\$37.9 million</b>
1.2 Encourage rapid discharge of RSN patients at state hospitals	<b>No added cost</b>
1.3 Expand certified treatment beds in local communities	<b>Cost to be determined</b>
<b>2. Continue and expand the General Assistance Unemployable (GAU) mental health benefit pilot</b>	
2.1 Continue King and Pierce County GAU mental health pilots	<b>\$ 3.4 million</b>
2.2 Expand the GAU mental health pilot to five more counties	<b>\$ 1.9 million</b>
<b>3. Increase Regional Support Network (RSN) funding to treat high-risk, uninsured, non-Medicaid adults</b>	
3.1 Funding for mental health services for the high-risk population	<b>\$19 million</b>
3.2 Funding for medications for the high-risk population	<b>\$10 million</b>

A brief summary of each proposal is presented below, with details in the body of the report and the appendices. In addition to our leadership on the foregoing three proposals, the Mental Health Work Group also wants to express our support for four related efforts already underway – and championed by others – that also will be of benefit to Washington residents living with mental illnesses. These include initiatives for dangerous mentally ill offenders, children's health coverage (Senate Bill 5093), children's access to mental health services (House Bill 1088), and eligibility for Medicaid categorically needy services (House Bill 6583).

## Proposal 1 – Restore and Expand Involuntary Treatment Inpatient Bed Capacity

This proposal is a two-part strategy designed to relieve overcrowding at the two state mental hospitals and at community hospitals serving patients needing involuntary treatment. The current situation for involuntary treatment patients is grim. In some

urban areas, due to severe crowding, nearly one in four patients is forced to wait – often for extended periods of time – in hospital emergency departments or in beds inappropriate for their treatment. The three-part strategy proposed by the Mental Health Work Group to help alleviate this situation calls for:

- 1.1 - Restoring existing inpatient capacity at the two state hospitals (rather than closing four wards as currently planned);
- 1.2 - Removing RSN financial penalties for exceeding bed caps and better coordination of discharge planning with the RSNs to remove barriers to timely discharge; and
- 1.3 - Encouraging community hospitals to maintain their current involuntary treatment beds and open more evaluation and treatment-certified inpatient beds in local communities to treat involuntary admissions.

The plan to close wards at Eastern and Western State hospitals should be cancelled. The ward at Western State closed in September 2008 should be re-opened as soon as possible. Ward closures scheduled for January 2009 (Eastern), May 2009 (Western), and September 2009 (Western) should be delayed through June 2011. This will require immediate executive action and an additional *\$5.9 million* for the 2009 supplemental budget. To keep these 121 beds open through the end of the 2009-2011 biennium will require roughly an additional *\$32 million* (this amount is about 6.6 percent of the current overall budget for the two state mental hospitals).

Further, the financial penalty now being assessed on RSNs when they exceed their bed allocation should be eliminated, since it reduces the resources RSNs have to treat patients locally. Improved coordination in discharge planning among the RSNs and the two state hospitals is also needed to facilitate earlier discharges. State law preventing external utilization management may need revision to make discharges more timely.

Currently, 637 inpatient mental health beds are available in 23 hospitals to serve our state's mental health population (slightly lower than in 2006) while the population and demand for services continue to grow. Of the available beds, only 361 (57 percent) are in hospitals certified by the state Mental Health Division for involuntary admissions. There are also 186 evaluation and treatment beds in 11 certified residential treatment facilities. Washington has among the fewest psychiatric beds per capita in the nation.

The work group recommends additional funding to maintain the current community hospital inpatient capacity to treat involuntary commitment patients and to increase the number of inpatient beds in other community facilities to treat these patients. There is a clear need for supported residential services (either through the long-term care system, regular public housing, or through the mental health system) to keep individuals with chronic acute mental illnesses stable to prevent further decline and the subsequent need for more expensive mental health services (such as inpatient care).

A system-wide study of involuntary mental health treatment is needed to determine the cost-effective strategy for expanding inpatient bed capacity – whether through funding more evaluation and treatment facilities, funding the creation of enhanced services facilities (authorized but not funded in 2005), and/or funding an increased involuntary treatment per diem at community hospitals – and to estimate the costs of this strategic approach. The cost of this system-wide study is still to be determined.

## Proposal 2 – Continue and Expand the GAU Mental Health Benefit Pilot

Two specific strategies are recommended by the Mental Health Work Group to improve the efficiency and effectiveness of mental health benefits to the GAU population, implemented in a phased approach:

- 2.1 - Continue funding for the King and Pierce Counties mental health benefit pilot project, which is built on the medical managed care pilot with the Community Health Plan (CHP) in partnership with the King County RSN, the University of Washington Department of Psychiatry, Harborview Medical Center, the Washington State Department of Social and Health Services, and community health centers and mental health centers in King and Pierce counties.
- 2.2 - Expand the mental health benefit pilot into Chelan, Cowlitz, Kitsap, Spokane, and Yakima counties as the medical managed care pilot with CHP is expanded into these counties. This expansion is being discussed with the Medicaid program.

The pilots' clinical model provides *integrated* physical health, mental health, and substance abuse services to GAU clients. The earlier mental health treatment is expected to avoid the need for more costly services in the future. Stepped care focuses the most intensive level of services on the neediest individuals. A web-based registry is used by all providers to help CHP, community health centers, community mental health centers, consulting psychiatrists and care coordinators keep track of and care for the client population. The registry also facilitates communication among all providers. Eventually, the goal is to expand this integrated mental health benefit model into all counties.

Continuation of the King and Pierce mental health benefit pilot requires another two year commitment of **\$3.4 million**. Expansion of the pilot into Chelan, Cowlitz, Kitsap, Spokane, and Yakima counties (an estimated average monthly GAU enrollment of about 2,850 adults, with an estimated 1,100 persons needing mental health services) would be just over half the size of the current pilot and therefore require **\$1.9 million** for the first biennium.

## Proposal 3 – Increase RSN Funding to Treat High-Risk, Uninsured, Non-Medicaid Adults

This proposal is for increased funding for mental health coverage by the RSNs to treat uninsured adults with incomes less than 200 percent of the federal poverty level, and

for funding the needed medications for this population. The proposal would initially provide mental health services to an additional 4,800 high-risk individuals in the first two years of the program. Funding for this group assumes a \$2,660 case rate, as is now being paid in King County for the Level 2 GAU clients. This represents about 20 hours of client service per year and requires **\$19 million** for the coming biennium.

Providing access to mental health services for high-risk uninsured adults does not assure access to affordable medications, which are a key component of the services provided. Pharmacy costs are not a part of current RSN funding, nor do RSNs have an infrastructure for managing pharmacy benefits. The Washington State Prescription Drug Consortium, operated by a pharmacy benefit manager, is a cost-effective alternative vehicle to assure access to medications for uninsured individuals receiving mental health services. An additional allocation of **\$10 million** to the consortium over the next two years is estimated as being necessary to cover the costs of medications for these high-risk adults. This is based on an estimate from the *2006 Washington State Mental Health Resource & Needs Assessment Study* that for every one dollar spent on community-based mental health services in fiscal year 2003, roughly 55 cents were spent on psychiatric medications.

The three proposals described above are not presented in any particular priority order, and individual members of the 2008 Mental Health Work Group may differ about which proposal they deem most important from their organization's perspective. ***Nonetheless, we are in complete agreement that all three proposals are critically important and deserve funding in the coming biennium.***

We respectively urge the Governor and the legislature to take timely action on these proposals. In particular, immediate attention is needed to reverse the recent closure of the ward at Western State Hospital and to cancel the closure of the other two wards scheduled for the closing months of this biennium. While executive action is needed immediately to address the ward closure situation, all of these proposals will need to be addressed in the 2009-2011 biennium budget.

Participants in the 2008 Mental Health Work Group include:

Community Health Plan  
Harborview Medical Center  
HealthPoint  
National Alliance on Mental Illness - Washington  
Regional Support Networks  
Sacred Heart Medical Center and Children's Hospital  
Washington Community Mental Health Council  
Washington State Hospital Association

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