

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 15, 2014
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Cameron, Vice Chairman Keough, Senators Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey
Chairman Bell, Vice Chairman Bolz, Representatives Eskridge, Thompson, Gibbs, Miller, Stevenson, Youngblood, Ringo, King
ABSENT/ EXCUSED: None
STAFF PRESENT: Tatro
CONVENED: Chairman Cameron convened the meeting at 8:00 a.m.
DEPT. OF HEALTH AND WELFARE PRESENTATION: **Division of Behavioral Health
Mental Health Services
Ross Edmunds, Division Administrator**

To view the presentation, please click the following link [Mental Health Services](#)

Mr. Edmunds discussed the following areas in the Division of Behavioral Health: the FY 2015 Governor's budget recommendation, the Division's structure, adult mental health, children's mental health including a Legislative Audit finding, an update on the Jeff D lawsuit, and follow-up information from the 2013 legislative session.

The FY 2015 recommended budget for the Division of Behavioral Health totals \$86.4 million which represents 3.4% of the entire budget for the Department of Health and Welfare. The Division's budget is broken down into three areas: Mental Health Services makes up 44% or \$38 million; Substance Abuse amounts to 18.7% or \$16.2 million; and Psychiatric Hospitalization amounts to 37.3% or \$32.3 million. The administrative side of the Division includes quality assurance/automation, data, policy and operations and has 39 full-time employees. The regional/hospital portion of the organizational structure has 660 full-time employees and includes State Hospital North (north hub), State Hospital South (east hub), and the southwest hub.

The five priority areas in adult mental health and the number of people in each group in FY 13 were 1) emergency psychiatric services - 5,051 people, 2) committed clients - 1,166 people, 3) court-ordered clients - 1,704, 4) mental health court participants - 227, and 5) eligible clients without benefits 1,272. There is a growing demand for crisis services; protective holds and civil commitments grew from 3,746 in FY 09 to 5,051 in FY 2013. There is a plan to pilot three regional community crisis centers in various parts of the State which would require \$5,160,000 (\$600,000 is one-time federal money). It is anticipated that law enforcement intervention and expensive hospitalization would be reduced. The estimated need is one bed per 10,000 population. If the pilot project is successful the program could be expanded from three to seven centers throughout the State.

The budget for Children's Mental Health (CMH) amounts to \$12.4 million with 63.5% of that amount or \$7.9 million coming from General Funds. The three priority areas for the Children's Mental Health program are: 1) emergency psychiatric services, 2) court-ordered clients, and 3) eligible clients without benefits. Total number of children served in FY 2013 was 2,468 broken down as follows: crisis, 68 children; court ordered, 528 children; and voluntary, 1,874 children.

Mr. Edmunds gave a brief update on the Jeff D lawsuit, which was a 1980 class-action suit filed against the State of Idaho challenging how emotionally and mentally disabled children were treated, claiming substandard mental health care for children. The lawsuit alleged that inadequate care was a violation of the children's constitutional rights. Parties reached agreement to remedy the deficiencies and thereafter some consent agreements were entered into but, subsequently, some appeals were filed. The district court vacated the consent decrees in 2007. In 2011 the appeals court determined the State of Idaho did not provide a standard for determining compliance to the original action plan. Currently, the State is collaborating with the plaintiffs with assistance of a mediator in hopes of establishing a system that is satisfactory to all. The mutual goal is that Idaho meet its legal obligation to provide services to children with serious emotional disturbance.

Legislative audit finding 12F-10 regarding internal controls to ensure compliance with Social Service Block Grant (SSBG) requirements for Children's Mental Health was discussed briefly. The Division is working with the Legislative Audit office to provide further data and demonstrate appropriate controls are in place.

The following information relates to legislation enacted during the 2013 legislative session. The Suicide Prevention Hotline established and funded last year has received 1,077 calls of which 67 are considered "rescue calls." The telephone lines are staffed Monday through Wednesday from 9:00 a.m. to 9:00 p.m. and Thursday and Friday from 9:00 a.m. until 1:00 a.m. Mental Health Services contributes \$50,000 annually for this hotline service. The Suicide Prevention Hotline will be staffed around the clock beginning in November, 2014. Also in the 2013 legislative session \$327,000 was transferred to the Department of Juvenile Corrections for a joint program to maintain clinicians in juvenile detention centers.

Substance Abuse Treatment and Prevention
Ross Edmunds, Administrator, Division of Behavioral Health

To view the presentative, please click on the following link [Substance Abuse Treatment and Prevention](#)

The FY 2015 Governor's budget recommendation for Substance Abuse is \$16.2 million or 18.7% of the Behavioral Health Division budget; 77% of the funding comes from federal funds. The Access to Recovery III Grant for \$7.4 million has served over 4,000 clients. There is the possibility of another ATR grant. Mr. Edmunds supports a one-time transfer of \$704,000 to the courts for domestic violence court and for misdemeanor drug courts. An emerging concept in Idaho is the use of recovery centers. There is a definite distinction between recovery centers and crisis centers. A crisis center is a place to go when a person has a crisis (suicidal, etc.) and a recovery center is a place in the community where a person can go after the crisis is over in order to maintain recovery. A recovery center needs to be community driven and be a place where individuals can go to access workshops, training, and education to enhance their work.

Substance use disorders prevention is required by the federal block grant through a maintenance of effort. Approximately \$1.6 million must be spent on prevention. Mr. Edmunds is very pleased with the interagency transfer to the Office of Drug Policy for administration of the prevention system in Idaho. A data analyst position is being transferred to ODP for required reporting and epidemiology.

As a follow-up note to the 2013 legislative session regarding substance abuse network management and service coordination, a new contract began in September of 2013. It requires all providers to use the same electronic health record. There is increased collaboration.

Psychiatric Hospitalization
Ross Edmunds, Administrator, Division of Behavioral Health

To view the presentation, please click the following link [Psychiatric Hospitalization](#)

Mr. Edmunds discussed the FY 2015 budget recommendations, core functions of state hospitals, information about State Hospital South, State Hospital North, community hospitals, and he gave an update on the workforce.

The Governor's recommended FY 2015 budget for Psychiatric Hospitalization is \$32.3 million which is 37.3% of the Division's budget. General Fund dollars are the main source of funds at \$19.5 million or 61.4% of the budget. State Hospital South receives \$21.2 million or 65.7% of that amount, State Hospital North receives \$8.3 million or 25.6% and Community Hospitalization receives \$2.8 million or 8.6%. Daily psychiatric hospital rates are as follows: community hospitalization, \$760; State Hospital North, \$552; and State Hospital South, \$533.

The core functions of state hospitals are to stabilize the psychiatric condition, reduce self-harm, reduce risk of harm to others, assess, diagnose and treat presenting conditions, restore competency for standing trial, and to coordinate with Regional Mental Health Clinics for transition of patients. He discussed 30- and 180-day readmission graphs; Idaho is far below the national average in both categories. Both of the state hospitals are requesting to spend \$85,000 from endowment funds for a student loan repayment program. The hospitals are having difficulty filling mid-level practitioner and physician positions due to low salary, lack of loan repayment, and hospital location. Repayments for individual physicians will not exceed \$75,000 and loan repayments for mid-level practitioners will not exceed \$50,000. There is also another line item in the budget for \$65,600 to support the ongoing implementation of an electronic records system by allowing both state hospitals to acquire the Release of Information software. It will allow for more accurate, complete, legible, and timely documentation of patient care. The request will be 100% funded from endowment funds. There is also a request for replacement items totaling \$610,500: \$280,700 at State Hospital South and \$329,800 at State Hospital North.

State Hospital South, located in Blackfoot, has been in operation since 1886. It has 90 adult psychiatric and 16 adolescent beds, and 29 psychiatric skilled nursing beds. The hospital is accredited by the Joint Commission. While admissions have risen from 363 in FY 09 to 550 in FY 13, the length of stay during that time has decreased. The Governor has recommended an increase of four FTP which would be 100% funded through increased receipts.

State Hospital North, located in Orofino, is licensed by the State and has been in operation since 1905. There are 60 adult psychiatric beds currently staffed for 55 beds. Admissions at State Hospital North have actually declined because of inability to retain medical help; the length of a hospital stay has trended up but that average is skewed due to the discharge of a long-term patient. The Governor has recommended an increase of one FTP for a Chief of Psychology position to be funded through the endowment fund distribution to SHN. The position would manage the clinical staff at SHN and add necessary forensic expertise to treat mentally ill patients involved in the criminal justice system.

Regarding community hospitalization, there are ten private psychiatric hospitals statewide with central management of contracts. Community hospitals hold those committed until arrangements and space is made for transfer to a state hospital. There is increased demand for crisis services which include protective holds and civil commitments. Holds have continued to increase from 3,746 in FY 2009 to 5,051 in FY 2013.

Mr. Edmunds discussed workforce challenges explaining the difficulty the department has in recruiting psychiatrists at both of the State hospitals. He believes options such as the loan repayment program, recruitment bonuses and salary increases will alleviate these problems.

**DIVISION OF
PUBLIC HEALTH:**

Elke Shaw-Tulloch, Division Administrator, Division of Public Health

To view the presentation, please click on the following link [Division of Public Health](#)

Ms. Shaw-Tulloch discussed general information about Public Health, listed some of the Division's successes and recent reviews/audit, and presented the Governor's FY 2015 budget recommendations. The Division of Public Health Services includes Physical Health Services, Emergency Medical Services, and Laboratory Services.

Some of the successes were the WIC Breastfeeding program that serves over 50% of all infants born in Idaho. Idaho lead the nation for the highest percentage of infants who were breastfed. The Division also successfully transitioned the Boise TB clinic from Central District Health to the Family Medicine Residency of Idaho. The STEVE (State and Territorial Exchange of Vital Events) system was installed which allows Idaho to be rapidly notified when someone born in Idaho has passed away in another state. The Division also convened a workgroup of stakeholders to explore a statewide system of care for trauma, stroke and heart attack.

Ms. Shaw-Tulloch indicated a review of the Division was conducted to address specific legislative intent language included in House Bill 328 from the 2013 legislative session. The intent was to assess spending compliance with appropriations. The Legislative Audit Division of Legislative Services had three findings. The Division also had a performance review by the Office of Performance Evaluation.

The Governor's recommended FY 2015 budget is for \$109.6 million with 213.50 FTP which includes some line items as well as \$364,400 one time for replacement and repair items for Laboratory Services to address safety and security issues. There are five FY 2014 supplemental items including 1) dedicated vaccine fund spending authority increase, 2) TRICARE-insured children vaccine recommendation, 3) state communications workload (receipt authority increase), 4) AIDS Drug Assistance Program receipt authority increase, and 5) federal fund personnel authority increase.

**LSO AUDIT
REPORT ON
PUBLIC HEALTH
DIVISION**

**LSO AUDIT MANAGEMENT REPORT FOR FY 2011 AND 2012
April Renfro, Audit Division Manager, Legislative Services Office**

To view the presentation, please click on the following link [Audit Management Report FY 11 and FY 12](#)

Ms. Renfro indicated the objectives of the audit were to review accounting processes to determine potential changes needed if the Division of Public Health went to a multi-fund process to track general, dedicated and federal spending and to review the Division's compliance with appropriation bills for FY 2011 and FY 2012. The Division receives appropriated authority to spend funds under three programs within six different funds, and through four categories of expenditures. Legislative Audits Division had three findings. Finding 1: over the two-year period, three programs within the Division of Public Health exceeded appropriated amounts by approximately \$67,000. Finding 2: transfers of legislative appropriation between expenditure categories intended to ensure compliance lacked proper approvals. Finding 3: accounting structure and staffing changes necessary to convert to a multi-fund structure. (Such actions may increase transaction costs incurred.) The third finding does not have a recommendation requiring corrective action but identifies potential changes to consider if the accounting structure is modified.

The Public Health Division within the Department of Health and Welfare had the following responses. Regarding the potential accounting structure changes: 1) the Department feels it will work in part but converting to a multi-fund structure would make the allocation of Public Health's administrative costs across multiple grants very difficult, 2) flexibility of a Cooperative Welfare Fund would be lost, 3) the Department would not be able to implement certain legislative intent nor deal with challenges brought by a federal shutdown, 4) the Department agreed to begin documenting and entering necessary transfer and adjusting entries into FISCAL for state FY 2014, and 5) some adjustments will still be reflected on budgetary documents due to timing concerns. Regarding potential staffing changes the Department: 1) was unable to determine the impact on the budget analyst workload but feels it would be more than minimal, 2) agrees additional data entry will be necessary to record transactions, and 3) agrees that additional reconciliation tasks would be assigned to a cash manager, but is unable to determine the exact impact on staff workload.

ADJOURN: Chairman Cameron adjourned the meeting at 10.38 a.m.

Senator Cameron
Chair

Peggy Moyer
Secretary