



State of Missouri 2011 Governor's Award for Quality and Productivity Executive Summary

Team Name: Department of Mental Health Inpatient Redesign Team

Nominator: Keith Schafer

Nominating Department: Department of Mental Health (DMH)

Category: Innovation

DMH has taken over \$50 million in GR core cuts between FY 2010-2012 with \$23.6 million achieved by redesigning DMH's state operated psychiatric inpatient hospitals. The Inpatient Redesign Team reduced costs while simultaneously improving the lives of the DMH patients affected, through four major initiatives:

Closing state operated acute inpatient services: Federal Medicaid regulations prohibit reimbursement for state-operated psychiatric inpatient services for Medicaid-eligible persons, ages 22 through 64. Community hospitals can be reimbursed for these services if more than 50% of their beds provide inpatient medical care. The Inpatient Redesign Team closed four state-operated emergency rooms and 223 acute psychiatric beds and eliminated over 750 FTE from the DMH budget. To offset the loss, the Team successfully encouraged and supported community hospitals in Kansas City, Columbia and Southeast Missouri to open new psychiatric emergency rooms and acute inpatient units and provided funding to strengthen community outpatient services.

Downsizing Fulton State Hospital (FSH): FSH is the oldest state psychiatric hospital west of the Mississippi, serving Missouri's most difficult and dangerous mentally ill patients. FSH buildings are costly to operate and lack appropriate treatment space, resulting in high overtime costs and dangerous work environments. All other DMH psychiatric hospitals were rebuilt between 1985-1995 and have far fewer staff injuries and lower overtime rates. The Team realized that the state could not afford to rebuild the FSH campus at its current census level of 471 patients, but rebuilding might be feasible if capacity was reduced to 300 psychiatric beds. When emergency rooms and acute inpatient units were closed in DMH's newer psychiatric hospitals, the Team moved 217 minimum security FSH patients to these units, greatly improving patient treatment settings, and lowering FSH census to 292 psychiatric patients.

Enhancing Community Services: Prior to Inpatient Redesign, community services funding did not adequately meet the intensive needs of many long term care patients in state psychiatric hospitals. The Team set aside part of the savings achieved through downsizing to provide intensive support services to enable patients to leave state hospitals and live successfully in the community. The State also receives Medicaid reimbursement for patients in these specially designed community treatment programs. To date, 65 patients have transitioned to enhanced community services and only 3 have experienced problems significant enough to require their return to inpatient settings.

Avoiding New Facility Construction: Since state statutory enactment in 1999, an annual average of 20 former Corrections inmates are committed by courts to DMH's Sexual Offender Rehabilitation and Treatment Center (SORTS) at Farmington. These patients must be housed and treated separately from DMH's psychiatric patients. DMH received limited funding to create treatment space for SORTS patients with available beds projected to reach full capacity in FY 2012. Expected growth of patients over the next 10 years would have

required building a new facility at a cost of over \$70 million. The Team converted vacated maximum security space at FSH to create a SORTS satellite program, allowing the \$70 million to be redirected to future needs, such as rebuilding FSH. The first 25-bed SORTS satellite unit at FSH opened in November 2010 with capacity to ultimately house 100 patients.

The Inpatient Redesign Team made dramatic improvements while saving the state over \$23 million annually. They could be nominated in several categories and fully deserve the 2011 Governor's Award for Quality and Productivity.



State of Missouri
2011 Governor's Award for Quality and Productivity

NOMINATION FORM

I. GENERAL INFORMATION

Department: Department of Mental Health

1. Project or team name. Psychiatric Inpatient Redesign

2. List the name of all team members, job titles, state agency department, and/or community organization. [please list alphabetically by last name]

- Carson, Rebecca; Psychiatric Services Coordinator, Division of Comprehensive Psychiatric Services
- Gowdy, Rick, PhD, Director of Forensic Services, Division of Comprehensive Psychiatric Services
- Gregory, Dick; Northwest Region Executive Officer, Division of Comprehensive Psychiatric Services
- Heckemeyer, Jan; Deputy Department Director
- Inman, Julie; Southeast Region Executive Officer, Division of Comprehensive Psychiatric Services
- Javois, Laurent; Eastern Region Executive Officer, Division of Comprehensive Psychiatric Services
- Martin-Forman, Marty, Chief Operating Officer, Fulton State Hospital.
- McGinty, Brent; Deputy Director of Administration
- Murphy, Patrick, Director of Human Resources
- Norbury, Denise; Southwest Region Executive Officer, Division of Comprehensive Psychiatric Services
- Parks, Joseph; MD, Chief Clinical Officer
- Reeves, Steve; Deputy Director, Divisions of Alcohol & Drug Abuse and Comprehensive Psychiatric Services
- Reitz, Robert; Central Region Executive Officer, Division of Comprehensive Psychiatric Services
- Vincenz, Felix, PhD, COO, Division of Comprehensive Psychiatric Services
- Wright, Rikki; General Counsel

3. Describe the project (200 words or less)

The Psychiatric Inpatient Hospital Redesign team planned and executed a transformation of the state's psychiatric hospital system that saved taxpayers over \$23 million while improving the lives of people with mental illness. This transformation included closing state-operated acute care wards and emergency departments that could better be provided by community hospitals; downsizing the aging Fulton State Hospital (FSH); enhancing community services so that more people with serious mental illness could live in the community instead of institutions; and maximizing state-owned hospital space to avoid construction of a new, costly, high-security facility for sexually violent predators.

4. Nomination category.

(Check only one)

- | | |
|---|---|
| <input checked="" type="checkbox"/> INNOVATION | <input type="checkbox"/> CUSTOMER SERVICE |
| <input type="checkbox"/> EFFICIENCY / PROCESS IMPROVEMENT | <input type="checkbox"/> TECHNOLOGY IN GOVERNMENT |

5. Describe why you selected this nomination category.

Psychiatric Inpatient Redesign dramatically changed how people with mental illness are provided care and treatment in Missouri.

II. BACKGROUND

1. When did the team begin its work?

Psychiatric Inpatient Redesign was started in state fiscal year 2006, with the final acute care ward closing near the end of fiscal year 2011.

2. When did the team implement this project?

The project was initiated in state fiscal year 2006 and is ongoing. All of the state's acute-care hospital services have been closed, while community hospitals have stepped forward to assume that responsibility. Thanks to the new community services that have been created—with more in development—people with serious mental illness that have lived in institutions for many years are now living safely in communities.

3. How long has the project been implemented?

- ☐ 0 - 3 Months ☐ 4 - 6 Months ☐ 7 - 9 Months
☐ 10 - 12 Months ☐ 12 or more ☒ On-going Project

III. RESULTS/ACCOMPLISHMENT

1. What did the team accomplish? (150 words or less)

The first step was closing state-operated acute care services. Unlike state facilities, community hospitals providing acute psychiatric care are able to receive federal reimbursement for their services and are therefore able to recruit and retain staff, offer nicer—and safer—facilities, and achieve better integration with physical medicine. For both clinical and financial reasons, then, the Inpatient Redesign team orchestrated the closure of state run acute-care services while simultaneously enhancing both long-term care and community services.

Overall, specific Inpatient Redesign team accomplishments include:

- Closing 223 acute psychiatric beds and eliminating 753 FTE.
- Saving over \$23 million for Missouri taxpayers.
- Reducing FSH from 471 to 292 psychiatric patients.
- Moving 296 individuals to other state facilities to ensure the most efficient use of state-owned hospital space, including moving 217 minimum security FSH patients to better treatment settings.
- Moving 98 people with mental illness from institutions to communities.
- Avoiding \$70 million in construction costs for a new sexually violent predator treatment facility.

2. Which of the following describes the benefits of the accomplishment? (Check all that apply and provide an explanation)

- ☒ cost reduction ☐ time savings
☒ improved process ☒ other: describe Improved lives of Missourians with mental illness

3. Explain how the accomplishments of the team are beyond regular duties and responsibilities (150 words or less).

Each of the team members have full-time responsibilities as administrative or clinical leaders in the Department of Mental Health, which serves over 150,000 Missourians each year. The team planned and executed Psychiatric Inpatient Hospital Redesign while ensuring that all programs and services ran smoothly during the system transformation.

This initiative impacted the operations and employees of all eight DMH adult psychiatric hospitals, as well as family members and guardians of patients. The Inpatient Redesign Team carefully planned, coordinated and implemented the closure and transition of acute care services to minimize disruptions and mitigate concerns of patients and their families/guardians. The Team also helped employees of closed units find other employment. In the end, only 54 employees were laid off, some declining options to transfer to another position within DMH or to the local community hospital.

IV. MEASUREMENT/EVALUATION

1. Describe how the success of the project was measured and what outcomes were achieved. (description should not exceed 300-500 words)

The success of Psychiatric Inpatient Redesign is measured in the improved quality of life for people with serious mental illness and the number of taxpayer dollars saved through smarter government. The outcomes are clear:

- Closed 223 acute psychiatric beds and eliminated 753 FTE, saving over \$23 million for Missouri taxpayers.
- Reduced FSH from 471 to 292 psychiatric beds.
- Moved 98 people with mental illness from institutions to communities, including 65 who are being provided enriched services and residential supports without which community reintegration would have been impossible.
- Avoided \$70 million in construction costs for a new sexually violent predator treatment facility.

A key measure of success in the long run will be whether Inpatient Redesign leads to construction of a new, modern, and safer Fulton State Hospital. Reducing the size of Fulton State Hospital now means lower construction costs for a new facility.

2. Are the benefits derived from this project: (Check only one.)

☒ Recurring

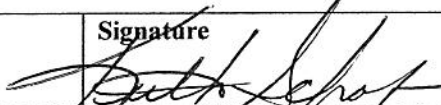
☐ One-time

V. RECOGNITION/AWARDS

1. Has this project ever been nominated for the Governor's Award for Quality and Productivity? If yes, when?
No.
2. If yes, for which category was it nominated?
3. Has this project received any other awards or recognition in the past? If yes, describe.
No.

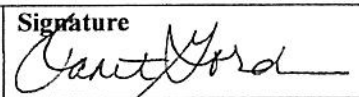
VI. NOMINATOR'S INFORMATION

NOMINATING DEPARTMENT

Name	Signature	Telephone Number	E-Mail Address
Keith Schafer		751-4970	Keith.Schafer@dmh.mo.gov

VII. DEPARTMENT COORDINATOR INFORMATION

DEPARTMENT

Name	Signature	Telephone Number	E-Mail Address
Janet Gordon		751-8067	Janet.Gordon@dmh.mo.gov

VIII. DEPARTMENT DIRECTOR APPROVAL

DEPARTMENT DIRECTOR'S NAME	DEPARTMENT DIRECTOR'S SIGNATURE*
Keith Schafer	

Nomination must be signed ONLY by the Department Director to be eligible for consideration. Nominations not signed by the Department Director will be returned to the agency coordinator.