

# Updated Report of the Special Committee on Mental Health Beds to the State Finance Council

**CHAIRPERSON:** Senator Carolyn McGinn

**VICE-CHAIRPERSON:** Representative Brenda Landwehr

**OTHER MEMBERS:** Senators Rick Billinger, J.R. Claeys, and Tom Hawk; and Representatives Barbara Ballard, Will Carpenter, Henry Helgerson, Kyle Hoffman, and Troy Waymaster

## STUDY TOPIC

The Committee is directed to:

- Review the need for inpatient psychiatric hospital beds and develop a long-term plan to address mental health needs;
- Review the regional bed expansion plan and how the beds would be constructed;
- Review best practice for providing the operation and oversight of the expanded beds;
- Review the long-term fiscal impact of the additional beds; and
- Study and develop a plan for providing a 50-bed facility with acute inpatient psychiatric beds and adult forensic beds in the Sedgwick County regional area. [*Note:* Provisions in 2022 HB 2510 [Section 8(b)] directed the Legislature to create an interim study committee on Sedgwick County regional mental health bed expansion and prescribed committee membership requirements.]



# Special Committee on Mental Health Beds

UPDATED REPORT AS OF DECEMBER 15, 2022

(*Note:* This report is supplemental to the initial report submitted to the State Finance Council in October 2022. This report reflects action of the Committee as of the November 28, 2022 meeting. A final report incorporating a scheduled roundtable discussion will be published later in December 2022.)

## Conclusions and Recommendations

The Special Committee on Mental Health Beds (Committee) recognizes the need for additional beds and services for individuals who require inpatient care to treat mental illness. The Committee recognizes that there is a current shortage of appropriate services for this population, which places stress on the staff and budgets of other community institutions, such as hospitals, jails, and community mental health systems. In addition to addressing the need for more inpatient beds, the Committee recognizes the need to consistently staff these beds.

The Committee recommends:

- The State Finance Council release the \$15.0 million appropriated to the Kansas Department for Aging and Disability Services (KDADS) for the purpose of opening a new state hospital. The funds should be utilized to develop a specific plan for the construction and operation of a new state hospital, including the issuance of a request for proposal.
- KDADS work with Sedgwick County to open a facility in the Sedgwick County regional area with a capacity of up to 50 state institution beds. The facility should be located in an area with room for expansion to ensure additional beds can be added if needed. The project should begin within calendar year 2023. In addition, KDADS and Sedgwick County should consider whether the facility should be publicly or privately operated.
- The State Finance Council allocate \$40.0 million from federal American Rescue Plan Act (ARPA) funds to open the 50-bed facility, as requested by Sedgwick County through the Strengthening People and Revitalizing Kansas (SPARK) Task Force.
- The Committee hold a meeting with the Board of Nursing, Behavioral Sciences Regulatory Board, Kansas Board of Regents, universities, community and technical colleges, state agencies, private colleges, and other stakeholders to discuss the following topics:
  - Increasing the accessibility and transferability of certifications such as the Licensed Mental Health Technician, Mental Health Developmental Disability Technician, and other mental health certificates used in state hospital settings;
  - Creating outreach and incentive programs to expand the mental health workforce pipeline, such as the creation of scholarships and public-private partnerships;

- Reducing barriers that prevent workers from rejoining the workforce once they have retired;
- Developing a method to track the use of programs designed to promote the mental health workforce and continually evaluate their effectiveness; and
- Addressing wage disparities among mental health providers and other similar jobs.
- The Legislature appropriate up to \$5.0 million to KDADS for each fiscal year to begin a two-year pilot program to reimburse hospitals for the supervision and transfer of individuals who are waiting for a state hospital bed. KDADS should then provide the Legislature with an annual report on how the funds are being used.
- The Legislature, KDADS, and the Kansas Department of Health and Environment investigate available waiver and reimbursement options that can be used to pull down additional federal funds to reimburse providers of mental health services.
- The Legislature and KDADS research how technology, such as apps, can be used to reach those facing mental health challenges and investigate current practices being used to reach individuals in crisis via technology.

***Proposed Legislation:*** None

## **BACKGROUND**

The Special Committee on Mental Health Beds (Committee) was established by provisions in 2022 HB 2510, the omnibus appropriations bill, in section 8(b). The Legislative Coordinating Council (LCC) later affirmed its establishment and granted the Committee five meeting days. The stated purpose of the Committee is to develop a plan for providing a facility with acute inpatient psychiatric adult beds and adult forensic beds in the Sedgwick County regional area and report any recommendations regarding such facility to the State Finance Council. (*Note:* An additional meeting is scheduled for December 21, 2022, which will address the behavioral health workforce.)

## **COMMITTEE ACTIVITY**

The Committee met on August 23, September 29, October 27, and November 28, 2022, to hear information on mental health topics, including those provided in this report. The Committee meeting on September 29, 2022, was held at Wichita State University.

## **Overview of Authorizing Legislation**

An Assistant Revisor from the Office of Revisor of Statutes provided an overview of the legislation that authorizes the Committee. A proviso in 2022 HB 2510 Sec. 8(b) created an interim study committee on Sedgwick County regional mental health bed expansion to develop a plan for providing a facility with acute inpatient psychiatric adult beds and adult forensic beds in the Sedgwick County regional area. The Committee is further directed to report any recommendations to the State Finance Council by October 1, 2022. In addition, 2022 HB 2510 Sec. 28(c) appropriates \$15.0 million to the Kansas Department for Aging and Disabilities (KDADS) for the purpose of expanding mental health bed access in the Sedgwick County regional area.

The expenditure of these funds is subject to the approval of the State Finance Council. Following the 2022 Legislative Session, the LCC further directed the Committee to assess mental health bed capacity statewide.

## **History of Mental Health Services**

Analysts from the Kansas Legislative Research Department (KLRD) reviewed several

research documents relevant to mental health services in Kansas, including a history of mental health hospitals and services in Kansas; a document outlining pertinent recommendations made by past legislative committees and task forces; and an overview of inpatient bed numbers and funding in surrounding states. In addition, an analyst from KLRD reviewed a funding chart with information on state mental health funding from FY 2013 to FY 2022 and a chart of bed capacity and admissions at Osawatomie State Hospital (OSH) and Larned State Hospital (LSH) over the past ten years.

The Secretary for Aging and Disability Services, KDADS, provided the Committee with historical information on behavioral health reform initiatives beginning with the Kansas Mental Health Reform Act of 1991 and continuing through the 2017 Mental Health Modernization and Reform Committee. The Secretary outlined a continuum of adult behavioral health care that includes state psychiatric hospitals, community inpatient care, structured care environments, community clinical services, and services dealing with prevention, assessment, and early intervention. The Secretary offered key modernization elements for the Committee's consideration, including the expansion of crisis stabilization services, State Institution Alternative (SIA) beds, and mobile competency services.

A representative of the Kansas Mental Health Coalition (KMHC), provided an overview of the 2018 and 2019 Mental Health Task Force reports and recommendations. The representative of KMHC noted that KDADS has convened many workgroups over the years to address the Kansas mental health inpatient capacity crisis, which was compounded by the June 2015 moratorium on admissions at OSH. The representative outlined some of the legislative actions that have come out of the task force reports, including the creation and funding of Health Homes, Juvenile Crisis Centers, and the K-12 Mental Health Pilot Program.

### **State Institution Alternative Beds**

The Deputy Secretary of Hospitals and Facilities, KDADS, provided an overview of SIAs, which were created in response to the moratorium at OSH. SIAs expand the number of regional psychiatric hospital beds available to serve

individuals who would be eligible for admission to a state hospital. The representative of KDADS noted that the 8 regional SIA facilities authorized in the past year have served 479 adults and 699 children, and the agency continues to search for other facilities that might qualify to provide SIA services.

### **National Trends in Psychiatric Bed Capacity**

The Senior Director of Government and Commercial Research for the National Association of State Mental Health Program Directors Research Institute (NRI), and the Executive Director, National Association of State Mental Health Program Directors, presented information regarding trends in psychiatric bed capacity. The representative of NRI summarized findings that, between 2010 and 2018, there was a 17.2 percent increase in the number of mental health beds due to the expansion of private psychiatric hospital beds and specialty-unit hospital beds. At this same time, the number of state psychiatric hospital patients decreased by 18.5 percent.

The representative of NRI noted that state policies addressing bed limits have shifted from a focus on reopening closed state hospitals to expanding services in community-based programs. This resulted in state hospitals primarily being used to treat severe psychiatric issues other than organic brain disease, intellectual disabilities, and substance abuse. Both representatives also noted that tracking of mental health beds is often incomplete because no single source tracks all psychiatric bed capacity.

### **Stakeholder Perspectives**

#### ***Hospitals***

The President of Ascension Via Christi St. Joseph (Via Christi) reviewed the need for mental health beds in south-central Kansas. The representative of Via Christi commented that the Via Christi emergency department cares for approximately 600 behavioral health patients each month and said that when Via Christi's inpatient behavioral health beds are full, patients often have to stay two days before they can be moved to a facility with the appropriate level of care. The representative noted the increasing pressure to find beds to accommodate inmates needing mental

health evaluations and individuals needing treatment at OSH who are instead directed to Via Christi due to a lack of bed availability at OSH. The representative of Via Christi offered recommendations for adding mental health bed capacity, including adding inpatient behavioral-health beds at OSH and addressing workforce shortages.

The Vice President for Government Relations, Kansas Hospital Association (KHA), discussed the fiscal pressures faced by hospitals when they are required to provide accommodations for individuals in need of inpatient mental health treatment when an inpatient bed is not available. The representative of KHA noted that hospitals must often provide one-on-one observation and transportation of individuals who are waiting for a bed to become available at an inpatient facility, and hospitals do not receive reimbursement for these services.

The President and Chief Executive Officer (CEO) of NMC Health and the CEO of Kingman Healthcare Center also noted the challenges that hospitals face in providing observation and transportation services that are not reimbursed. The representatives noted that the wait time for many of the patients waiting for an inpatient bed is days, rather than hours.

The Associate Director of the Association of Community Mental Health Centers (CMHCs) said that CMHCs face similar challenges in requiring staff to address mental health needs of individuals as they await the availability of an inpatient bed. The representative offered recommendations to the Committee, including increasing state hospital capacity and building career pathways to enhance workforce development.

### ***Kansas Counties***

A representative of the Kansas Association of Counties (KAC) and a County Commissioner for Finney County testified that long wait times for beds in inpatient facilities impact the budgets of counties by increasing the funding needs for law enforcement and community mental health facilities. The KAC representative noted that this is particularly problematic for smaller communities.

### ***Sedgwick County***

Several individuals provided testimony specific to the needs of Sedgwick County, including the Chairman of the Sedgwick County Board of County Commissioners, the Sedgwick County District Attorney, and the County Manager and Deputy County Manager for Sedgwick County. All individuals spoke to the ways their respective agencies are impacted by the current shortage of beds. The representative of the Board of County Commissioners noted that the county has been working on a plan to address mental health needs for several years and noted the current proposed project to build a Health Science Center located in downtown Wichita that will house COMCARE, the community's crisis center, and offer professional training for health providers.

### ***Law Enforcement***

A representative speaking on behalf of the Kansas Association of Chiefs of Police, Kansas Peace Officers Association, and Kansas Sheriffs Association and a representative of the Sedgwick County Sheriff's Department also noted the costs in staff time and in non-reimbursed services that are provided to individuals who are waiting for an inpatient mental health bed. The representative of the Kansas Association of Chiefs of Police recommended establishing a fund to reimburse agencies (such as law enforcement, hospitals, and community health centers) for costs incurred providing observation and transportation for individuals who are waiting for an inpatient bed.

### ***Workforce Challenges***

#### ***Sedgwick County***

The Workforce Development Committee Chair for the Sedgwick County Mental Health and Substance Abuse Coalition (Coalition) presented on the recommendations the Coalition has made to reduce barriers in recruiting and retaining staff. Recommendations shared include allowing reciprocity for out-of-state licensing, attracting students through professional workshops, offering incentives to bring retired professionals back to the workforce, granting emergency licenses for certain services, and increasing the use of paraprofessionals. The representative also addressed the mental and emotional toll that direct

service work can have on individuals and noted that staff supports such as counseling services may help increase retention by preventing staff from becoming burned out.

### ***State Hospitals***

The Superintendent of LSH and the Acting Superintendent of OSH presented information about the efforts OSH and LSH are taking to address the current workforce shortage. Efforts discussed included working with the University of Kansas and other state universities to provide practicum courses for master's level students and psychiatric rotations for nursing students. The representative from LSH also noted that the hospital maintains a relationship with the Fort Hays State University counseling program; offers paid practicums for students seeking applicable degrees; and helps foster relationships between students and workers to promote retention. The representative from LSH noted that the main challenge LSH faces is the distance between the LSH campus and the universities and housing availability near the LSH campus.

The Deputy Secretary of Hospitals and Facilities, KDADS, provided an overview of the direct-care staff at the two state hospitals, including vacancy rates, starting pay, and the use of contract companies to fill vacant positions. The representative noted that the cost to fill a vacant position with contract staff can cost the hospital three times the listed salary for the position.

The Commissioner of State Hospitals, KDADS, provided information on the training that is provided to staff at LSH and OSH. The Commissioner outlined the positions that receive specialized training and noted that the Mental Health Developmental Disability Technician (MHDDT) position, an entry level position at LSH and OSH, has all its training provided by the state hospitals. It was noted that there is not a certificate for the MHDDT trainings that can be transferred outside the state hospitals.

### ***Community Mental Health Centers***

Representatives from three CMHCs shared the challenges they have in staffing their centers. The Committee heard from representatives of Pawnee Mental Health Services, The Center for

Counseling and Consultation (The Center), and High Plains Mental Health Center. Each of the representatives reported that staffing challenges have intensified recently, especially due to attrition as staff leave for private practices. The representatives noted that the transition of CMHCs to Certified Community Behavioral Health Clinics (CCBHCs) may help them pay higher wages and attract staff but also noted that the increased funding has not kept up with inflation. The representative from The Center reported that a lack of housing and day care in their community contribute to workforce shortages at both The Center and LSH.

The CMHC representatives shared recruitment methods they have tried, such as offering fellowship programs, attending job fairs, and talking with high school students about career options in mental health. When asked for ways to improve workforce challenges being faced by CMHCs, the representative from High Plains Mental Health Center recommended creating a scholarship pool for students pursuing degrees above the level of a bachelor's degree and creating an expedited licensing and credentialing process to accelerate recruitment.

### **Mental Health Workforce Pipeline**

#### ***Universities***

A representative from the Kansas Board of Regents outlined the role universities play in the health care workforce. He noted that enrollment in social work and health professional programs is declining overall; however, enrollment in psychology programs is increasing. The representative referenced some of the financial incentives that encourage students to pursue careers in health care, such as federal Perkins funds and the Nursing Initiative, which provides competitive grants to public and private nursing programs. The representative also offered suggestions for the Legislature, such as reviewing the appropriation to the Nursing Initiative and comparing salary information for health care professionals in other states.

The Executive Dean of the University of Kansas School of Medicine (Dean) reviewed the medical school pathway for an individual to become a psychiatrist, which includes a four-year

medical program, a four-year psychiatry residency, and a one-to-two-year post-residency specialty fellowship. The number of psychiatric residents has continued to climb nationally, but rural areas are having difficulty attracting students to apply for residencies in their areas. The Dean recommended expanding the Rural Scholars program and starting a child-adolescent psychiatry program in Wichita to facilitate more psychiatry students and doctors in rural areas.

### ***Community Colleges***

The Executive Director of the Kansas Association of Community College Trustees (Director) reviewed the programs offered by community colleges that contribute to the mental health workforce. The Director referenced the Kansas Promise Scholarship as a channel for increasing the health care workforce, noting that 51 percent of the scholarship funds are awarded to individuals pursuing health care careers. The Director outlined a list of areas for exploration (e.g., allowing KDADS employees to receive college credit for their mental health training) and changes to avoid (e.g., decreasing the per-credit-hour reimbursement rate for health care programs).

### ***Technical Colleges***

A representative of the Kansas Association for Career and Technical Education noted that although none of the technical colleges offer specific curricula related to mental health, seven of the Kansas technical colleges address a variety of basic health care services (e.g., health care administration, registered nurses, home health) that can serve as entry into the mental health field. The representative also noted that over 80 percent of the students who graduate from these programs continue to live and work in Kansas upon completing the program.

### ***Board of Nursing***

The Executive Administrator of the Board of Nursing provided an overview of the educational and training requirements for the various levels of nursing. The representative noted that having several levels of nursing certifications allows individuals to obtain the level that works for them at that time, with the option to return and continue

working toward a higher level. The representative recommended that faculty and clinical sites for nursing students be increased so instructors can effectively teach more students.

### **How Other States are Addressing Workforce Challenges**

Representatives from the Center for Health and Research Transformation presented highlights from their report titled *The Behavioral Health Workforce in Rural America: Developing a National Recruitment Strategy*. This study includes interviews with subject matter experts in 47 states with the intent to learn successful recruitment and retention strategies for the behavioral health workforce. The representatives reported on key findings, including which types of recruitment and retention programs are most effective. They also found that most experts agreed that an increase in Medicaid reimbursement rates and higher wages will have a positive impact on the workforce, and that an investment in programs such as loan repayment, scholarships, and increasing residency slots may help support recruitment in rural areas. Other topics they addressed included changing certification requirements to encourage earlier entry into practice and adjustments to improve work life balance.

### **Hospital Funding**

Two individuals provided information on the differences between publicly funded hospitals and privately funded hospitals. The first individual, a retired hospital administrator, noted that staff recruitment in rural areas is difficult and should be considered when deciding where to place a hospital. The Lobbyist/Coordinator for the Kansas Mental Health Coalition offered several recommendations to consider when planning for inpatient hospital treatment, including investing in the current state hospitals, accelerating certification for Crisis Intervention Centers, and pursuing a complex, balanced program that will bring a wide range of resources and viewpoints.

### **Insurance Reimbursement for Services Provided**

#### ***The Medicaid Institution for Mental Disease Exclusion***

The Commissioner of Behavioral Health Services, KDADS, reviewed the Medicaid



Institution for Mental Disease (IMD) exclusion that prevents facilities that have more than 16 beds and are primarily serving individuals diagnosed with mental disease or substance use disorders (SUD) from receiving Medicaid reimbursement for their services for individuals between the ages of 21 and 65 years of age. KDADS and the Kansas Department of Health and Environment have successfully sought an exception for patients in SUD facilities but are still developing the implementation and evaluation plans needed to submit for a similar exemption for IMD patients.

### ***Reimbursement for Mental Health Services***

The President of Via Christi provided information on the reimbursement rates of Medicaid, Medicare, and private pay insurance companies for inpatient mental health services. The representative noted that reimbursement rates for Medicaid do not cover the costs for providing the services and, while private insurance companies often pay higher rates, they have not been increased for several years, even as the cost of care has risen. The representative requested the Committee consider a 10.0 percent increase in Medicaid reimbursement rates for inpatient and outpatient mental health services.

The Executive Director of COMCARE provided testimony on insurance reimbursement for outpatient mental health services. The representative noted the time-consuming nature of paperwork required for Medicare and Medicaid, as well as the challenge that Medicare reimburses only for services provided by the highest level of degree. COMCARE is now reimbursed under a new CCBHC encounter rate but still relies on Medicaid rates for services not included in the encounter rate. The COMCARE official noted that Medicaid has the lowest reimbursement rates for services.

### **Committee Discussion on the Mental Health Workforce Pipeline**

The Chairperson invited members to discuss the information provided by the conferees speaking about the workforce pipeline during the October 27 meeting. The Committee noted the different approaches needed when recruiting staff in rural areas versus urban areas, and a suggestion was made that the new 50-bed hospital be located

in an urban area to help ensure staffing availability.

The importance of efforts to enhance the workforce pipeline was noted; however, the results of those efforts may be several years out, creating a need for additional resources to recruit and retain staff in the present and immediate future. It was noted that both current and newly created programs require oversight and should be consistently reviewed to ensure they are being utilized and are effective. Developing a model to evaluate programs would help determine the effectiveness of present programs as well as provide parameters for redesigning ones that are ineffective.

The Committee expressed interest in supporting workforce programs in the community where the new hospital will be located to recruit local community members to remain in the area to work. Programs such as scholarships and grants were mentioned as important to workforce development, as well as reaching students when they are in junior high and high school. It was also recommended that information be sought to learn what other states are doing to meet mental health workforce needs.

The Committee also referenced testimony on the increasing needs for mental health beds and questioned whether a 50-bed unit will be enough to meet the ongoing needs of the state. The Committee discussed the importance of choosing a location that leaves room for growth to ensure that the hospital can be expanded to hold more than 50 beds in the future.

## **CONCLUSIONS AND RECOMMENDATIONS AS OF NOVEMBER 28, 2022 MEETING**

Following discussion, the Committee recommended:

- The State Finance Council release the \$15.0 million appropriated to KDADS for the purpose of opening a new state hospital. The funds should be utilized to develop a specific plan for the construction and operation of a new state hospital, including the issuance of a request for proposal.

- KDADS work with Sedgwick County to open a facility in the Sedgwick County regional area with a capacity of up to 50 state institution beds. The facility should be located in an area with room for expansion to ensure additional beds can be added if needed. The project should begin within calendar year 2023. In addition, KDADS and Sedgwick County should consider whether the facility should be publicly or privately operated.
- The State Finance Council allocate \$40.0 million from federal American Rescue Plan Act (ARPA) funds to open the 50-bed facility, as requested by Sedgwick County through the SPARK Task Force.
- The Committee hold a meeting with the Board of Nursing, Behavioral Sciences Regulatory Board, Kansas Board of Regents, universities, community and technical colleges, state agencies, private colleges, and other stakeholders to discuss the following topics:
  - Increasing the accessibility and transferability of certifications such as the Licensed Mental Health Technician, Mental Health Developmental Disability Technician, and other mental health certificates used in state hospital settings;
  - Creating outreach and incentive programs to expand the mental health workforce pipeline, such as the creation of scholarships and public-private partnerships;
- Reducing barriers that prevent workers from rejoining the workforce once they've retired;
- Developing a method to track the use of programs designed to promote the mental health workforce and continually evaluate their effectiveness; and
- Addressing wage disparities between mental health providers and other similar jobs.
- The Legislature appropriate up to \$5.0 million to KDADS for each fiscal year to begin a two-year pilot program to reimburse hospitals for the supervision and transfer of individuals who are waiting for a state hospital bed. KDADS should then provide the Legislature with an annual report on how the funds are being used.
- The Legislature, KDADS, and the Kansas Department of Health and Environment investigate available waiver and reimbursement options that can be used to pull down additional federal funds to reimburse providers of mental health services.
- The Legislature and KDADS research how technology, such as apps, can be used to reach those facing mental health challenges and investigate current practices being used to reach individuals in crisis via technology.