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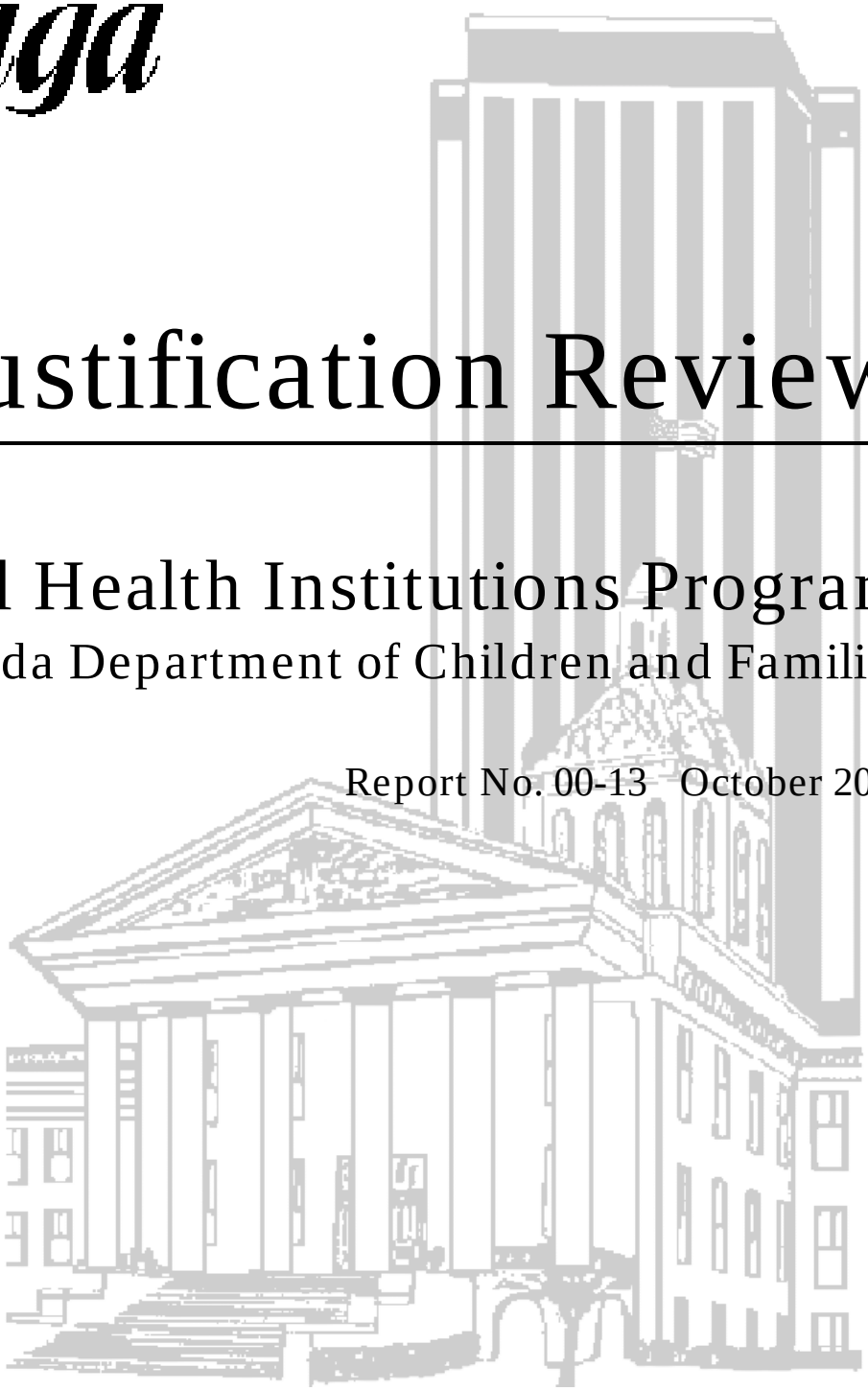

Justification Review

Mental Health Institutions Program

Florida Department of Children and Families

Report No. 00-13 October 2000

Office of Program Policy Analysis and Government Accountability

an office of the Florida Legislature

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John W. Turcotte, OPPAGA Director

The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY

John W. Turcotte, Director

October 2000

The President of the Senate,
the Speaker of the House of Representatives,
and the Joint Legislative Auditing Committee

I have directed that a program evaluation and justification review be made of the Mental Health Institutions Program administered by the Florida Department of Children and Families. The results of this review are presented to you in this report. This review was made as a part of a series of justification reviews to be conducted by OPPAGA under the Government Performance and Accountability Act of 1994. This review was conducted by Steve Harkreader, Jennifer Johnson, and Jim Russell under the supervision of Frank Alvarez.

We wish to express our appreciation to the staff of the Florida Department of Children and Families for their assistance.

Sincerely,

John W. Turcotte
Director

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Executive Summary

Justification Review of the Mental Health Institutions Program

Purpose

This report presents the results of OPPAGA's program evaluation and justification review of the Department of Children and Families' Mental Health Institutions Program. The 1994 Government Performance and Accountability Act directs OPPAGA to conduct justification reviews of each program during its second year of operation under a performance-based budget. OPPAGA is to review agency performance measures, evaluate program performance, and identify policy alternatives for improving services and reducing costs.

Background

The Mental Health Institutions Program provides inpatient hospital treatment to adults with severe and persistent mental illness. The program comprises two subprograms, civil institutions and forensic hospitals. The civil institutions provide treatment to enable residents to manage their psychiatric symptoms so that they can return to the community. Forensic hospitals are to restore the legal competency of adults who have been charged with a felony so that they can proceed through the judicial system. During the 1998-99 fiscal year, the Mental Health Institutions Program served 4,305 clients.

Program Benefit, Placement, and Performance

The program is a benefit to Florida citizens and should be continued

The Mental Health Institutions Program provides beneficial services to clients as well as a public safety benefit to Florida's citizens. The program serves clients who are institutionalized because they are incapable of taking care of themselves and have symptoms that are so severe that they pose a danger to themselves or others. The program also serves

individuals who have been charged with committing felonies but are mentally incompetent to stand trial due to a mental illness so that they cannot continue with the criminal process. It would be inappropriate to treat many of the currently institutionalized clients in the community due to the severity of their mental illness or because a judge orders them into an institution.

The program should remain within the Department of Children and Families

There is no compelling reason to transfer the Mental Health Institutions Program to another state agency. This program is logically placed in the Department of Children and Families because this is the agency that is responsible for the Alcohol, Drug Abuse and Mental Health (ADM) Program, which provides community-based mental health treatment. Through an integrated system administered by a single agency, institutions are able to release clients into the community more quickly, thus providing for a more efficient and effective service delivery system.

Two hospitals are fully privatized

Two of the seven mental health hospitals are fully privatized, South Florida State Hospital and West Florida Community Care Center. The two perceived benefits to fully privatizing hospitals are less cost to the state and better client outcomes. However, review of cost and performance data for South Florida State Hospital indicate no significant differences from the other civil institutions. Hospital administrators at the remaining state hospitals have proceeded with privatization when it was cost-effective, contracting with some private companies for non-treatment services.

The program is generally effective in achieving its goals

Data for Fiscal Year 1998-99 indicate that the Mental Health Institutions Program is generally effective in providing inpatient hospital treatment to adults with severe and persistent mental illness. Both the civil institutions and the forensic hospitals met their performance standard for improving mental health, indicating that treatment had a positive impact on reducing the severity of their psychiatric symptoms. While the civil institutions did not meet the standard for discharge rate into the community, we believe this standard was not based on reliable data and was set too high. The forensic hospitals demonstrate a high level of performance for restoring clients' mental competencies and returning them to the courts.

Options for Improvement

The program should release some institution clients to less costly community treatment programs

Over 300 clients residing in civil institutions could be served in less restrictive and less costly community treatment programs if these were available. Some clients await discharge from an institution because appropriate treatment placements in their home communities are not available. Needed community treatment alternatives include short-term psychiatric hospitals, residential treatment facilities, and assertive

community treatment services. Some clients who have not been diagnosed with a major mental disorder are in need of nursing home care given their complex medical conditions. Delays in discharging civil clients represent an inefficient use of the state's resources.

Discharge delays for forensic clients impede program effectiveness.

Some program clients remain in forensic hospitals after their mental competencies have been restored given limited community treatment alternatives or a lack of mental health services in jails. Some of these discharge delays can be avoided given better program coordination and communication between forensics hospitals staff and community jails, judicial staff, and department forensic staff in the service districts. Further, with more community treatment programs, the department could discharge forensic clients more quickly while serving these clients in less costly community settings. Community treatment for forensic clients is also less expensive than treatment at forensic hospitals ($115 versus $285 a day). At present, 11% of the clients who are discharge ready in forensic hospitals wait an average of 127 days longer for placement into these facilities than forensic clients discharged to civil mental institutions.

The state should fund priority capital improvement projects

The state's seven mental institutions are large facilities and have ongoing maintenance and capital improvement needs. While we are recommending closure of the G. Pierce Wood Memorial Hospital, we recommend that the Legislature provide for identified, critical capital infrastructure projects needed at some institutions in order to avoid more costly maintenance of these facilities in future years. The department should also prioritize funding for capital improvement projects for forensic hospitals given the increasing demand for these beds and to maintain these relatively newer facilities in good operating condition.

Agency Response

The Secretary of the Department of Children and Families provided a written response to our preliminary and tentative findings and recommendations. She generally agreed with our findings and recommendations and outlined actions that the department plans to take to improve the program. (See Appendix C, page 53, for her response.)

Chapter 1

Introduction

Purpose

This report presents the results of OPPAGA's program evaluation and justification review of the Department of Children and Families' Mental Health Institutions Program. The 1994 Government Performance and Accountability Act directs OPPAGA to conduct justification reviews of each program during its second year of operation under a performance-based budget. OPPAGA is to review agency performance measures, evaluate program performance, and identify policy alternatives for improving services and reducing costs.

This report analyzes policy alternatives for improving program services and reducing costs of the Mental Health Institutions Program. Appendix A is a summary of our conclusions regarding the nine issue areas the law requires OPPAGA to consider in a program evaluation and justification review.

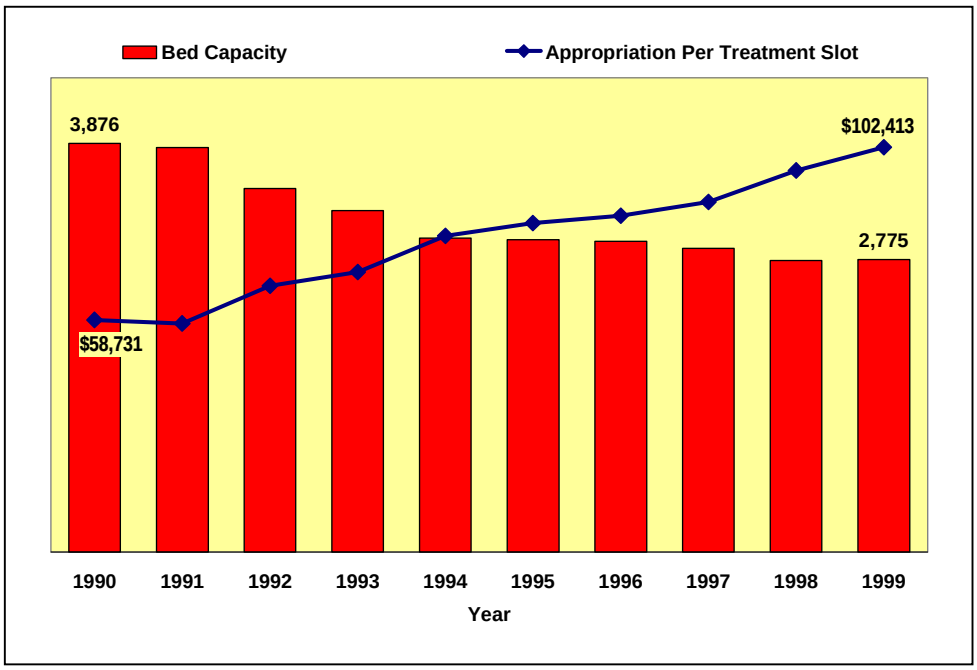
Background

The Mental Health Institutions Program provides inpatient hospital treatment to adults with severe and persistent mental illness. Program clients are institutionalized due to the severity of their mental illness and because they are at risk of harming themselves or others or have been charged with committing a felony. Most of the program clients have psychotic disorders, primarily schizophrenia. Other common disorders are mood disorders, such as bipolar disorders and major depression.

Since 1979, it has been the intent of Florida law to treat adults with mental illness in the least restrictive, most appropriate treatment settings within available resources. Mental health institutions are to prepare clients to return to the community as soon as possible for continued treatment and integration back into the community. The 1979 change in statute reflected medical advances in the treatment of mental illness and a philosophical shift from institutional care to less restrictive community-based care. Because of these changes the number of beds in state mental institutions has declined.

Institutional care is becoming more expensive. Despite declining bed capacity, program appropriations have risen 25% since 1990, from $227.6 million to $284.2 million. Appropriations per institutional bed have increased an average of 8% per year (see Exhibit 1). The primary reasons for increased program operating costs are reduced economies of scale within institutions, inflationary cost increases in medical supplies, and changing treatment methods.

Exhibit 1
Despite Declining Institutional Bed Capacity
Costs for Institutional Care Have Continued to Increase



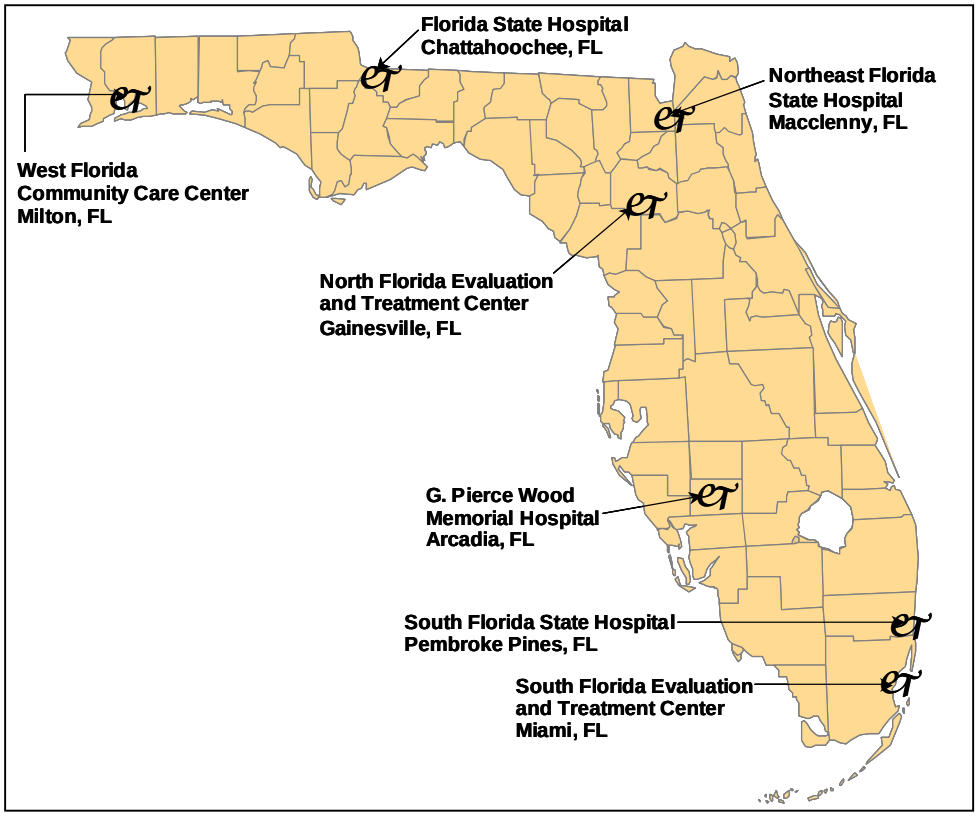
[1] Includes civil institutions, West Florida Community Care Center, and forensic hospitals. Excludes the Mentally Retarded Defendant Program at Florida State Hospital.

Source: OPPAGA analysis of information provided by the Department of Children and Families.

Program mission

The Mental Health Institutions Program comprises two subprograms, civil institutions and forensic hospitals. The program operates three civil institutions, one short-term psychiatric hospital that serves civil clients, two forensic hospitals, and one institution serving civil and forensic clients.

Exhibit 2
The Mental Health Institutions Program Operates Seven Facilities



Source: The Department of Children and Families.

Civil institutions provide treatment to enable mentally ill adults to return to community

The civil institutions are Northeast Florida State Hospital, G. Pierce Wood Memorial Hospital, South Florida State Hospital, and Florida State Hospital. [1] Civil institutions primarily admit adults who the courts have involuntarily committed under Ch. 394, *F.S.* (the Baker Act). Civil institutions are to provide treatment to

- enable residents to manage their psychiatric symptoms and
- acquire and use skills and supports necessary to return to the community.

In addition to psychiatric treatment, civil institutions provide residential and basic care, rehabilitation services, and a range of non-psychiatric medical care. These facilities are equipped to treat mentally ill adults that have specialized needs, including the elderly and residents with medical complications or developmental disabilities.

In contrast with these civil institutions that serve clients needing long-term care, the West Florida Community Care Center is a short-term

[1] Florida State Hospital is unique in that it serves civil and forensic clients. This hospital is the largest institution.

psychiatric community hospital. Its primary mission is to divert potential clients from being admitted to Florida State Hospital and treat their mental illness in a less expensive setting that is more closely integrated with local community mental health services.

Forensic hospitals treat patients to enable them to proceed with judicial process

Forensic hospitals provide treatment in secure facilities for adults with mental illness who have been charged with a felony. Adults who are admitted to a forensic hospital through a court order are either mentally incompetent to continue with criminal proceedings or are adjudicated not guilty by reason of insanity due to a mental illness and are a danger to themselves or others. Forensic hospitals are to

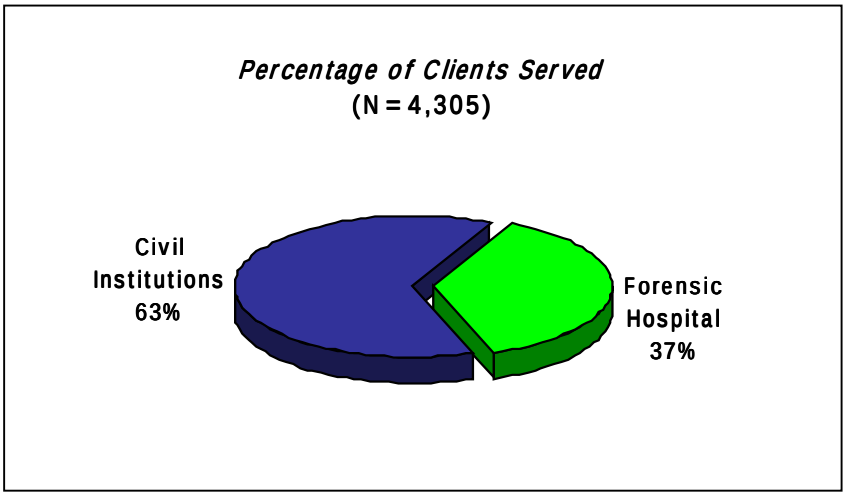
- promptly restore the legal competency of adults determined incompetent to proceed to trial due to a mental illness so the judicial process can continue and
- treat residents' mental illness enabling their release to less secure treatment settings, such as civil mental health hospitals or community mental health programs.

Forensic hospitals provide a range of psychiatric, non-psychiatric medical, rehabilitation, residential, and basic care services similar to those services offered at civil institutions, except that forensic hospitals have an added emphasis on security.

Clients served

The Mental Health Institutions Program served 4,305 clients during the 1998-99 fiscal year, mostly in civil institutions. (See Exhibit 3.) As indicated in Exhibit 4, the clients served by the different types of mental health facilities have different characteristics that affect the services provided. In contrast with the patients at civil institutions, the patients at West Florida Community Care Center generally are younger and have shorter stays in the hospital. Typical patients at forensic hospitals tend to be younger males who also have shorter stays in the hospital than civil institution patients do.

Exhibit 3
The Program Served Mostly Civil Clients in Fiscal Year 1998-99



Source: Department of Children and Families.

Exhibit 4
The Different Mental Health Hospitals Tend to Serve Different Types of Patients

Patient Characteristics	Civil Institutions	West Florida Community Care Center	Forensic Institutions
Number of clients served [1]	2,401[2]	299	1,605
Percentage of men [3]	64.1%	48.7%	87.9%
Percentage non-white [3]	33.2%	23.1%	52.4%
Percentage 65 or older [3]	16.2%	5.0%	4.1%
Median age [3]	47 years	40 years	42 years
Percentage in hospital more than one year [4]	39.8%	1.4%	22.4%
Median length of hospital stay [4]	252 days	84 days	158 days

[1] Based on the 4,305 clients served in Fiscal Year 1998-99.
[2] Excludes West Florida Community Care Center.
[3] Based on the 2,558 residents as of July 1, 1999.
[4] Fiscal Year 1998-99 discharges.

Source: OPPAGA analysis of Department of Children and Families' data.

Client services

The Mental Health Institutions Program provides a variety of services.

- **Intake and assessment services** identify clients' needs when they are admitted to a state mental institution and develop a treatment plan designed to stabilize the clients' psychiatric symptoms and return them to the community.
- **Psychiatric treatment and therapeutic services** diagnose and stabilize a client's psychiatric symptoms and include services such as psychotherapy, treatment planning, and administration of psychotropic medications.
- **Health care services** include routine health assessments, services for acute illnesses and injuries, and services for managing chronic conditions.
- **Residential and basic care services** provide food, shelter, clothing, and other amenities for clients allowing them to achieve a successful quality of life.
- **Enrichment services** help clients achieve and maintain a satisfactory quality of life and help them to support themselves when they return to the community. These services include vocational, educational, and supported employment opportunities for clients.
- **Discharge planning and community transition services** prepare clients to return to the community. Hospital case managers, district case managers, and community mental health provider staff determine community care arrangements for clients for when they leave the hospital.

Program organization

The Department of Children and Families administers the program through

- a central program office in Tallahassee,
- 15 district Alcohol, Drug Abuse and Mental Health offices, and
- an Institutional Management Group.

The central program office handles administrative and policy development functions, such as planning, budgeting, quality assurance, data collection, and contract management for the privately run South Florida State Hospital. Except for South Florida State Hospital, hospital administrators report to the district administrator of the district in which the hospital is located. [2] Through case managers, all of the district offices

[2] South Florida State Hospital reports to central program office and on-site contract monitors.

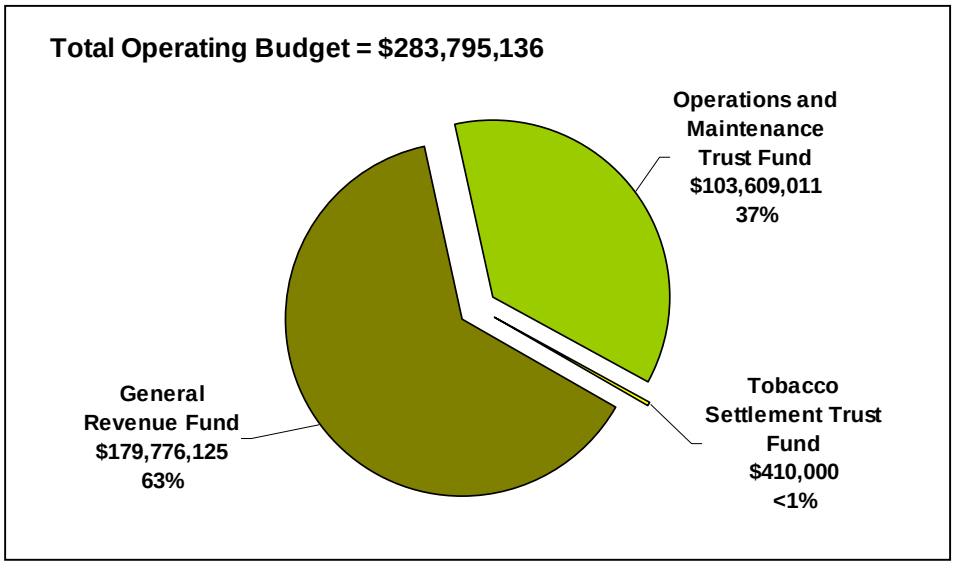
coordinate community and institutional care. The Institutional Management Group, composed of the seven hospital administrators, representatives of the host districts, and a representative from the central program office, meets at least quarterly to discuss budget and policy issues.

Civil institutions generally admit patients who come from their immediate geographic area. These geographic areas are based on the department's district boundaries. Forensic hospitals can admit patients from anywhere in the state. Using a patient's sex, availability of treatment slots, and location of court proceedings, the state's central forensic coordinator decides in which forensic hospital to place a patient.

Program resources

For Fiscal Year 1999-2000, the Mental Health Institutions Program had a total operating budget of $283.8 million. Program funding came from two primary sources, general revenue and the Operations and Maintenance Trust Fund (most of which consists of federal Medicaid dollars). Also, less than 1% of the program's operating budget comes from the Tobacco Settlement Trust Fund. Exhibit 5 reflects resources by source for the 1999-2000 fiscal year.

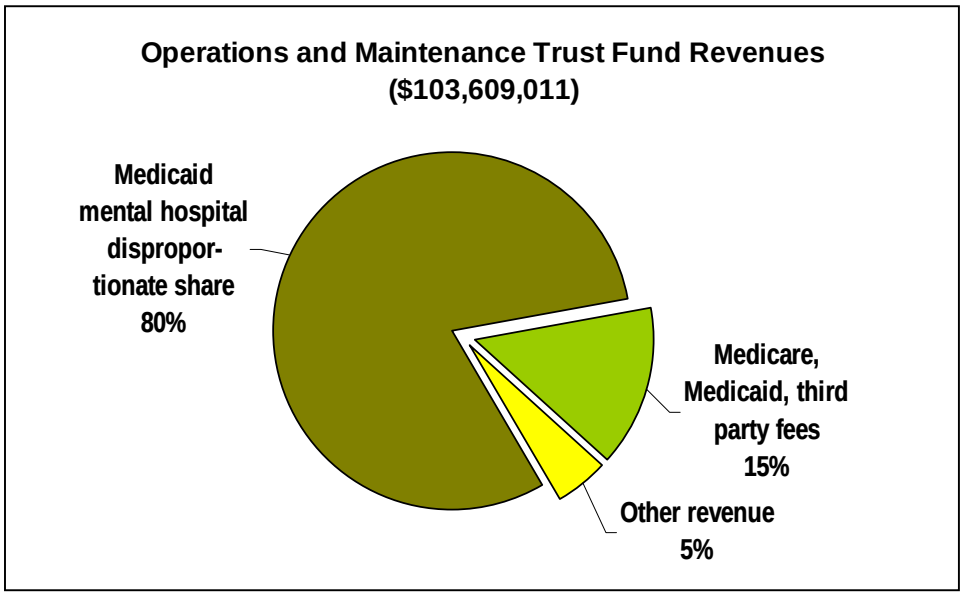
Exhibit 5
General Revenue Funds Account for 63% of the Mental Health Institutions Program's Fiscal Year 1999-2000 Operating Budget



Source: Department of Children and Families.

As shown in Exhibit 6, the total amount of the Operations and Maintenance Trust Fund is $103.6 million. The major source of revenue for the Operations and Maintenance Trust Fund is federal funding, with $83.4 million (80%) coming from the Medicaid Mental Hospital Disproportionate Share Program.[3] The Operations and Maintenance Trust Fund also receives significant revenues from Medicare, Medicaid, and third-party fees.

Exhibit 6
Federal Funds from the Medicaid Mental Hospital Disproportionate Share Program Account for 80% of Revenues to the Operations and Maintenance Trust Fund



Source: Department of Children and Families.

In Fiscal Year 1998-99, expenditures for the Mental Health Institution Program totaled $267 million, of which $198 million (or 74%) was for salaries and benefits for 6,304 full-time equivalent (FTE) positions. The average daily cost to serve each program client was $295. (See Exhibit 7.)

[3] As part of the Omnibus Budget Reconciliation Acts of 1980 and 1981, the Disproportionate Share Hospital Program provides supplemental payments to cover costs for indigent patients at the four state civil institutions.

Exhibit 7
Program Expenditures for Fiscal Year 1998-99 Were $267 Million

Mental Health Institution	FY1998-99 Expenditures	Bed Capacity	Expenditures Per Patient Day
Florida State Hospital [1]	$ 98,159,682	1,000	$301
Northeast Florida State Hospital	52,631,972	593	260
G. Pierce Wood Memorial Hospital	43,807,613	382	338
South Florida State Hospital	29,739,697	350	290
South Florida Evaluation and Treatment	19,857,150	200	292
North Florida Evaluation and Treatment	18,261,372	216	252
West Florida Community Care Center [2]	4,346,858	90	190
Miscellaneous contracted services	255,132	----	----
Total	**$267,059,476**	**2,831**	**$295**

[1] Includes 70 beds for the Mentally Retarded Defendants Program.
[2] Expenditures per patient day is based on total operating expenditures for 90 beds, $5,006,679, of which $4,346,858 is paid by the Mental Health Institutions Program to support 80 beds.

Source: Department of Children and Families and West Florida Community Care Center.

Chapter 2

General Conclusions and Recommendations

Introduction

The Department of Children and Families established its Mental Health Institutions Program under performance-based program budgeting in Fiscal Year 1998-99. The program provides inpatient hospital treatment to adults with severe and persistent mental illness. The program also serves individuals charged with felonies and determined by courts to be incompetent to proceed through the judicial process or who are not guilty by reason of insanity due to a mental illness.

Program Need

The program is beneficial and should be continued

The Mental Health Institutions Program provides beneficial services to clients as well as a public safety benefit to Florida's citizens. The program serves clients who are institutionalized because they are incapable of taking care of themselves and have symptoms that are so severe that they pose a danger to themselves or others. The program also serves individuals who have been charged with committing felonies but are mentally incompetent to stand trial due to a mental illness or not guilty by reason of insanity due to a mental illness so that they cannot continue with the criminal process. Although community treatment may be a more cost-effective alternative to institutionalizing some mentally ill clients, it would be inappropriate to treat many of the currently institutionalized clients in the community due to the severity of their mental illness or because a judge orders them into an institution. Therefore, discontinuing this program would not be desirable because it might pose a public safety threat.

The program is appropriately administered by the Department of Children and Families

There are no compelling reasons to transfer the Mental Health Institutions Program to another state agency. This program is logically placed in the Department of Children and Families because this is the agency that is responsible for the Alcohol, Drug Abuse and Mental Health (ADM) Program, which provides community-based mental health treatment. In OPPAGA Report No. 99-09, we concluded that the ADM program was appropriately administered by the Department of Children and Families and that it would not be beneficial to transfer the program to any other state agency. An integrated system administered by a single agency is beneficial because it enables institutions to release clients into the community more quickly, thus providing for a more efficient and effective service delivery system. Therefore, it makes sense to keep the Mental Health Institutions Program within the Department of Children and Families.

Although some persons advocate transferring the Mental Health Institutions Program to the Department of Health, we do not believe this change is needed. Proponents believe that the primary advantage to making this change would be to encourage the public to view mental illness as a health problem rather than as a problem requiring social services. Opponents counter with the argument that service delivery for this program has been traditionally based in the Department of Children and Families because it offers a broader spectrum of care than the Department of Health. Opponents have concerns that transferring the program to the Department of Health would shift attention away from the counseling aspects of treatment and would emphasize the use of drugs to treat mental illness problems. In addition, the administrative structure within the Department of Children and Families provides for a more efficient and effective service delivery system than the county-based administrative structure of the Department of Health. Therefore, we believe there are no compelling reasons for transferring this program.

Potential for Privatization

As of June 2000, the program operated seven mental health hospitals, two of which were fully privatized. South Florida State Hospital, a civil institution located in Pembroke Pines, is run by Atlantic Shores Healthcare, Inc., a subsidiary of Wackenhut Corrections Corporation.

As authorized by the 1997 Legislature, the department contracted with this private company to provide all program services at South Florida State Hospital, and it began operating the hospital in November 1998.

West Florida Community Care Center, a short-term psychiatric hospital located in Milton, is run by Lakeview Center, Inc., which began operating this facility in 1990.

Privatization provides greater flexibility in decision making

Administrators at these two hospitals told us that the primary benefit of privatization was an improved ability to be more responsive to client needs due to greater flexibility in making decisions and the backing of the private corporation's financial resources. For example, in response to a problem involving furniture and housing accommodations for geriatric patients, South Florida State Hospital was able to quickly allocate $160,000 to resolve the problem. Hospital administrators told us that it would have taken much more time to resolve this problem under the state-run system due to the restrictive nature of state budgeting and purchasing rules. Another example involves West Florida Community Care Center responding quickly to create more crisis stabilization beds when the local county hospital closed a number of beds that had been used for psychiatric patients.

The remaining state-run hospitals also contract for some non-treatment services from private companies, including facilities maintenance and food services management. For example, Florida State Hospital contracts with Facilities Resource Management, Inc., for facilities management work. Hospital administrators have proceeded with privatization when it was cost-effective, or when they believed they could achieve cost savings and obtain a greater level of expertise.

Privatizing South Florida State Hospital has not resulted in cost savings or improved client outcomes

There are two perceived benefits to fully privatizing hospitals: they can be less costly to the state and produce better client outcomes. However, our review of cost and performance data for Fiscal Year 1998-99 for South Florida State Hospital and three state-run civil institutions indicates no significant differences in total operating costs or in client outcomes. For example, the daily cost of treating a patient at South Florida State Hospital was $314 compared to the average per patient day cost of $294 for the three state-run civil institutions.[4] In addition, preliminary performance data for Fiscal Year 1998-99 indicate that client outcomes for South Florida State Hospital clients were comparable to outcomes for clients of state-run hospitals.

[4] This figure excludes costs for patients at West Florida Community Care Center because this facility provides less intensive and less costly services than are provided at the state-run civil institutions.

Ways to Improve the Program

Although the Mental Health Institutions Program has been reasonably successful (see Chapter 3), we identified improvements the department could make that would likely result in cost savings to the state and improved client outcomes. These improvements involve modifying practices at the program's civil institutions and forensic hospitals. Issues and recommendations for improving the civil institutions are discussed in detail in Chapter 4 and for improving forensic hospitals in Chapter 5.

Chapter 3

Program Generally Effective in Achieving Goals; Performance in Civil Institutions Could Improve

Introduction

The primary mission of the Mental Health Institutions Program is to provide inpatient hospital treatment to adults with severe and persistent mental illness. To assess program performance, we analyzed Fiscal Year 1998-99 performance-based program budgeting data and other relevant performance information. As discussed in Chapter 7 of this report, we concluded that these data were generally reliable.

Our analysis of the performance of civil institutions was hindered by two factors. First, historical data were unavailable for civil institutions, thus limiting our ability to compare performance over time. Second, the department did not report data for Fiscal Year 1998-99 on four of eight outcome measures for civil institutions. [5] However, the department did report data for the three most important outcome measures needed to assess program effectiveness.

In addition to these three measures, the institutions collect data on other performance indicators. Chapter 7 discusses how the individual institutions use this information to manage their operations. Our conclusions about the program's success in meeting its goals are presented below.

Civil institutions

A primary goal of civil institutions is to treat clients' mental health symptoms so that they can be returned to the community as quickly as possible. Two other important goals are providing a safe and secure environment for clients while they are institutionalized and improving

[5] Prior to Fiscal Year 1998-99, the department had not developed standardized instruments to assess patients' ability to live in the community and to assess the satisfaction with program services of community stakeholders, which relate to these four outcome measures.

the client's mental health. The program's outcome measures for civil institutions include the percentage of residents showing an improvement in their mental health status, the number of harmful incidents involving residents that result in physical injury or death, and the resident discharge rate for civil institutions.

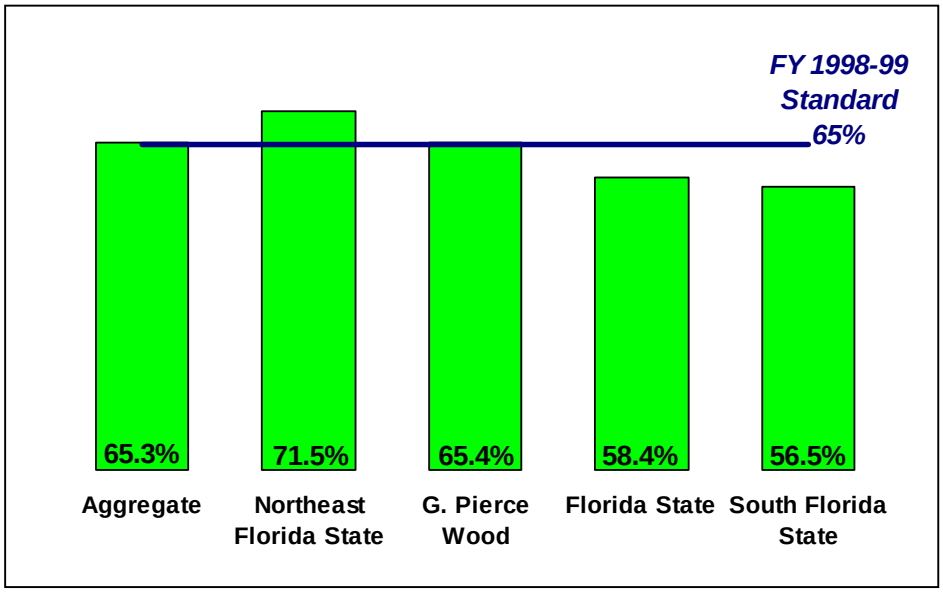
Civil institutions are generally effective at improving clients' mental health

Improvement in Mental Health Status. The department tracks improvement in residents' mental health by using a standardized instrument that assesses the severity of clients' psychiatric symptoms, such as depression, hallucinations, and confusion about their surroundings.[6] Trained psychologists, psychiatrists, nurses, and clinical social workers administer the instrument to clients at the time of admission to and discharge from the institution and at six-month intervals.

For Fiscal Year 1998-99, 65.3% of clients served in civil institutions had shown improvements in their mental health status, which meets the legislative performance standard of 65%. This indicates that the treatment clients received had a positive impact on reducing the severity of their psychiatric symptoms and helped to prepare them for return to the community. As shown in Exhibit 8, performance varied by institution, from a low of 56.5% of clients showing improvement at South Florida State Hospital to a high of 71.5% of clients at G. Pierce Wood Memorial Hospital. Two civil institutions—Florida State Hospital and South Florida State Hospital—did not meet the legislative standard. It is not clear why these differences in client outcome exist among the hospitals. While program officials do not believe that these two institutions have a more severely ill patient population, they could not explain why G. Pierce Wood and Northeast Florida State Hospital had better performance. The department has established a process to review hospital practices in order to improve performance and client outcomes.

[6] The department uses the Positive and Negative Symptoms Scale (PANSS) to evaluate patients' mental health status.

Exhibit 8
While Most Civil Institution Clients Had Improved Mental Health Functioning, Performance Varies Among Institutions



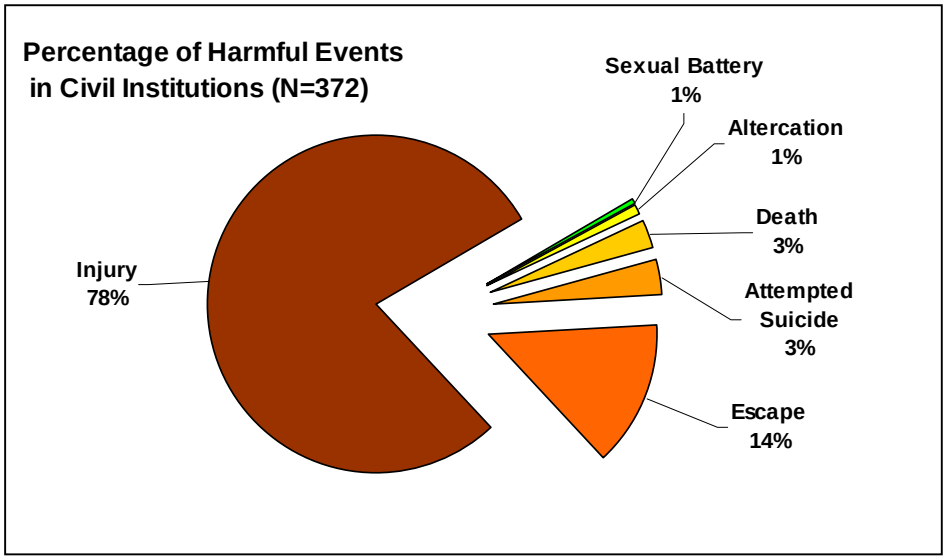
Source: OPPAGA analysis of Fiscal Year 1998-99 performance data.

Resident safety could be improved at two civil institutions

Resident Safety. Another primary goal of civil institutions is to provide treatment to clients in environments that keep them safe from abuse, neglect, and physical danger. Because treatment effectiveness can be diminished or even negated for clients who are physically or emotionally harmed, the department seeks to minimize the number of incidents involving injury to clients. Florida law requires institutions to report to the department every incident that results in a harmful experience to a client. Major reporting categories include clients who sustain physical injuries or inflict injuries on others, clients who escape from an institution and are absent for more than two hours, clients who attempt suicide, and clients who die as a result of accidents or a homicide. The department tracks and annually reports the number of harmful incidents involving clients.

For Fiscal Year 1998-99, the department reported 372 harmful incidents involving 272 residents (11%) of the total patients served in civil institutions. More than three-fourths of the reported harmful incidents involved physical injuries to clients. (See Exhibit 9.) Injuries result from self-abuse, accidents, and altercations with other residents. They range from clients requiring minor medical attention such as stitches or bandaging to clients requiring hospitalization due to more critical injuries. Ten clients died while residing in civil institutions in Fiscal Year 1998-99; one client committed suicide, two clients had accidental deaths, and the remaining seven clients died as a result of natural causes.

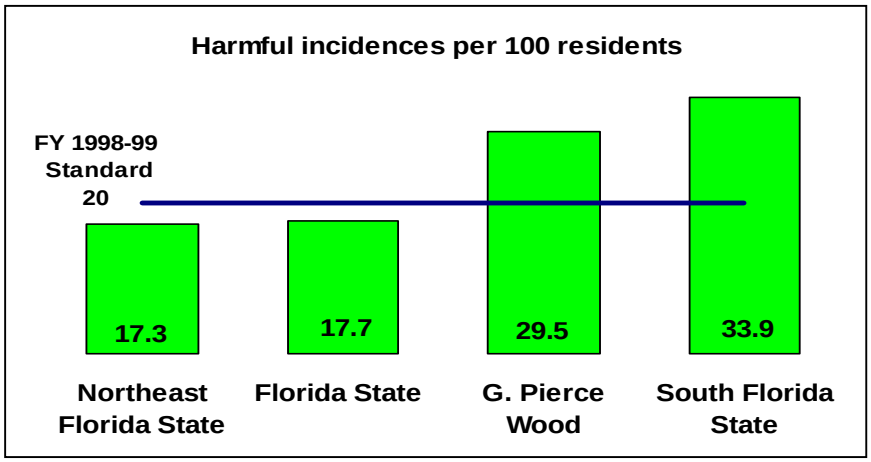
Exhibit 9
Most Harmful Incidents Involve Physical Injury to Civil Institution Clients



Source: OPPAGA analysis of Fiscal Year 1998-99 performance data.

The 1998 Legislature established a performance standard of no more than 20 harmful incidents per 100 residents at each institution. For the 1998-99 fiscal year, two civil institutions (Florida State Hospital and Northeast Florida State Hospital) reported having fewer than 20 harmful incidents per 100 residents. However, the other two institutions (G. Pierce Wood Hospital and South Florida State Hospital) had significantly higher numbers of harmful incidents per 100 residents. (See Exhibit 10.)

Exhibit 10
Two of Four Civil Institutions Did Not Meet 1998-99 Performance Standard of No More Than 20 Harmful Incidents Per 100 Clients Served



Source: OPPAGA analysis of Fiscal Year 1998-99 performance data,

Two civil institutions have worse performance due to higher rates of injuries and escapes

Two primary factors appear to account for the disparity between the two institutions that met the standard and the two institutions that did not. First, the rate of injuries for residents at G. Pierce Wood Memorial Hospital and South Florida State Hospital was 61% higher in Fiscal Year 1998-99 than the injury rate for the other two institutions that had fewer overall harmful incidents. Second, the number of escapes in the 1998-99 fiscal year for South Florida State Hospital was more than three times higher than the number of escapes at Florida State Hospital and Northeast Florida State Hospital.

Higher injury rate may be due to reduced use of physical restraints on clients

Administrators at the two institutions with a higher injury rate indicated that they had placed greater emphasis on reducing the use of physical restraints on clients at their institutions. G. Pierce Wood implemented a program designed to reduce restraints because the institution had an above average incidents of restraint use. To decrease restraint use when patients act out, staff at these facilities try to use behavioral measures rather than physical restraints to help the patients regain self-control.

The use of behavioral measures rather than physical restraints is responsive to current attitudes among mental health experts nationwide to cut down on the use of physical restraints for reasons that it violates patients' rights. In addition, it helps patients gain the necessary skills to deal with situations that may cause anger or frustration.

However, the practice of reducing physical restraints may result in more harmful incidents because the patients have more ability to interact with other clients. According to program office staff, in order for this practice to be effective without increasing injuries to residents, institution staff need to receive proper training in the alternative behavioral methods.

Escapes from South Florida State Hospital occur more frequently than other civil institutions

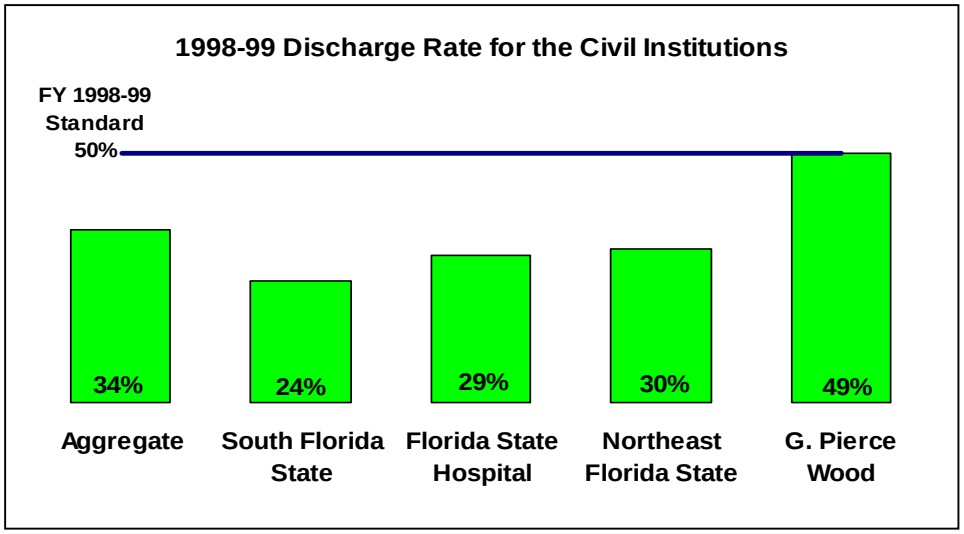
Another factor contributing to the relatively high number of reported harmful incidents at South Florida State Hospital is that this institution had 28 escapes during Fiscal Year 1998-99, compared to fewer than 10 escapes at each of the other three civil institutions. If patients leave the institution grounds, it is only considered an escape or elopement if they are missing for more than two hours. Unlike other civil institutions located in rural areas of the state, South Florida State Hospital is located in an urban area where transportation is more available. Thus, patients have more opportunities to actually leave the grounds of South Florida State Hospital for extended periods of time than they would at other institutions. Department staff told us that administrators at South Florida State Hospital are working to reduce unauthorized absences and have revised their freedom of movement policy, thus making it more difficult for clients to leave the institution grounds.

Civil institutions could discharge patients in a more timely manner if appropriate community resources were available

Timely Discharges. Because Florida law requires the department to serve clients in the least restrictive setting, civil institutions need to treat clients to prepare them for discharge to the community as quickly as possible. For Fiscal Year 1998-99, of the total number of patients served, 34% were discharged from the civil institutions, which was substantially below the performance standard of 50%. (See Exhibit 11.) The standard was not based on reliable baseline data and was set at too high a level.

As reported in OPPAGA Report No. 99-23, achieving this level of performance is dependent on the civil institutions' ability to mitigate residents' psychiatric symptoms and improve their skills for functioning in the community. It also depends on the availability of community mental health services.

Exhibit 11
None of the Civil Institutions Met the 1998-99 Performance Standard of a 50% Discharge Rate



Source: OPPAGA analysis of Fiscal Year 1998-99 performance data.

The primary impediment to the department's ability to discharge current institutional clients to the community is a lack of appropriate, available community treatment alternatives. G. Pierce Wood is the only institution that came close to meeting the performance standard, with a 48% discharge rate. This level of performance may be a result of the court decree mandating that G. Pierce Wood build up community resources and release patients into the community. Hospital administrators told us that they have discharge waiting lists of patients who are ready to leave the institution but are unable to because appropriate community settings are not available. For further discussion of the limited availability of community services, see Chapter 4 of this report.

Department should more closely monitor lagging performance at South Florida State Hospital

For Fiscal Year 1998-99, South Florida State Hospital did not meet the standard for any of the three performance measures. Department staff responsible for monitoring this institution provided two plausible explanations. First, South Florida State Hospital experienced a transition from being a state-run institution to being taken over by a private company in November 1998. Second, administrators at this institution focused efforts on obtaining accreditation during its first full year of operation.[7] Program monitoring staff said that hospital administrators and staff could now focus their efforts on improving performance with the transition period and accreditation effort behind them.

Forensic hospitals

The primary goal of forensic hospitals is to treat clients who are determined by the courts to be either mentally incompetent to stand trial due to a mental illness or are adjudicated not guilty by reason of insanity due to a mental illness and are a danger to themselves or others. Outcome measures for forensic hospitals include the timeliness with which clients' mental competencies are restored, the percentage of residents showing an improvement in their mental health status, and the number of harmful incidents involving residents that result in physical injury or death.

Forensic hospitals are reasonably effective in restoring clients' legal competency so that they can proceed with the judicial process in a timely manner

Restoring Patients' Mental Health. Forensic hospitals must treat clients in order to restore their mental competencies so that they can proceed with the judicial process and stand trial for criminal charges. To be declared competent, clients must demonstrate that they are able to provide relevant testimony and pertinent facts and behave appropriately in the courtroom. They must also show that they understand charges being brought against them, possible penalties, and the adversarial nature of the legal system. Restoring competency as quickly as possible shortens the time the clients spend in forensic hospitals. Clients can return to the county jail, which costs less per day than treatment at a forensic hospital is less costly to the state. For example, the average daily cost to treat patients in a forensic facility is $285 while the cost per day in a county jail is $45.

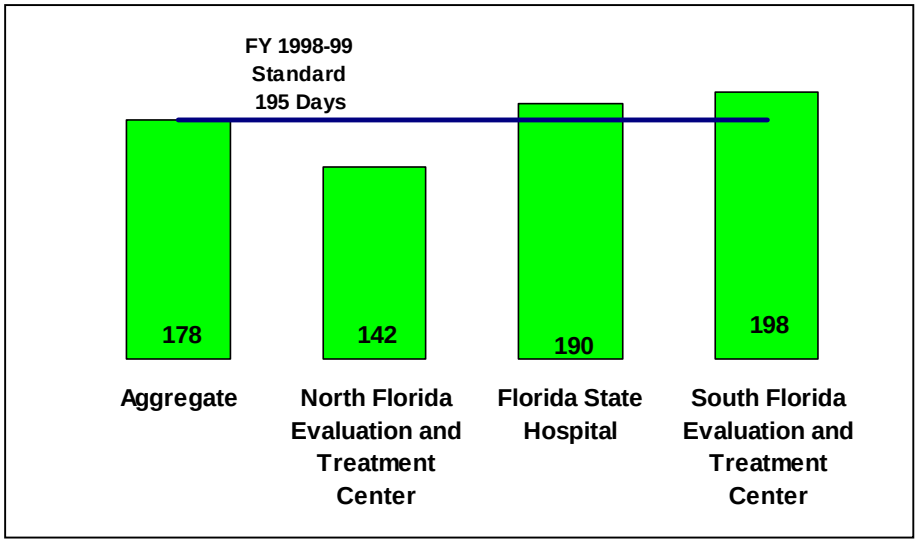
For Fiscal Year 1998-99, forensic hospitals took an average of 178 days to restore clients' mental competencies and return them to the courts. This performance exceeded the 1998-99 standard of an average of 195 days. Data also suggests that the forensic facilities can achieve the 1999-2000

[7] The Joint Commission for Accreditation of Healthcare Organizations (JCAHO) is a nationally recognized accrediting body. South Florida State Hospital was successful in obtaining full accreditation in July 1999 even though the contract specified that provisional accreditation was sufficient.

standard of 167 days because they restored competency for 73% of the clients within this time frame. [8]

Performance varied by institution. (See Exhibit 12.) North Florida Evaluation and Treatment Center had a much lower average number of days to restore competency than the rate at the other two facilities. This center was originally designed for evaluation and treatment of mentally disordered sex offenders and staffed with specifically trained, high-level professionals. Program officials told us that when North Florida Evaluation and Treatment Center became a forensic facility in 1986, the facility was able to retain many of its clinical staff, and this factor may help explain the relative better performance.

Exhibit 12
The Average Number of Days to Restore the Legal competency of Patients Varies Slightly Among Forensic Facilities



Source: OPPAGA analysis of Fiscal Year 1988-99 performance data.

A plausible reason why South Florida Treatment and Evaluation Center reported a higher average number of days to restore competency is that it has a relatively larger percentage of non-English speaking patients than do other facilities. Program officials told us that the language barrier could make it more difficult for clinical staff to treat patients and restore their competencies.

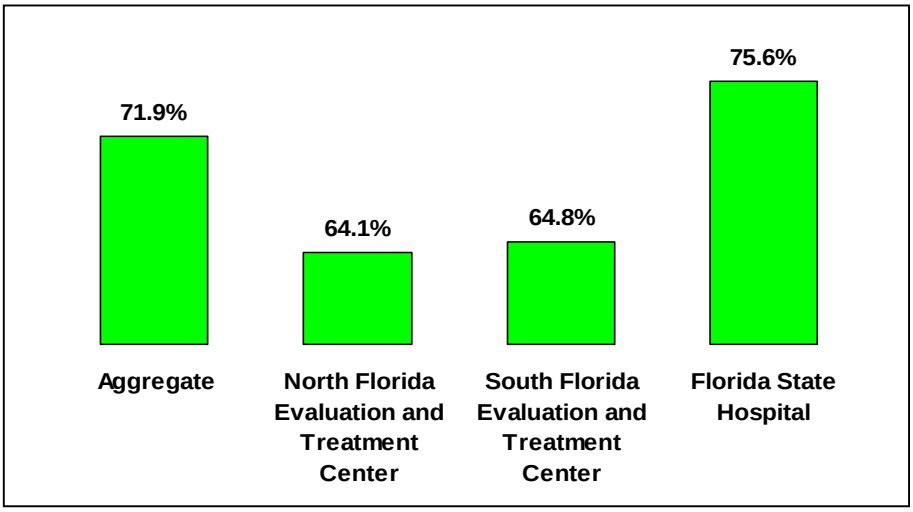
[8] Using median days rather than average days is a better measure. Performance for median days to restore competency also improved, going from 126 days in Fiscal Year 1996-97 to 106 days in Fiscal Year 1998-99.

Forensic hospitals are effective at improving residents' mental health

Improving Mental Health. To accomplish the goal of restoring clients' mental competencies so that they can be returned to the courts, forensic hospitals provide treatment aimed at improving residents' mental health. The department uses the same standardized instrument used by civil institutions to track improvement in forensic clients' mental health. The instrument is administered in the same manner and follows the same time frame.

For Fiscal Year 1998-99, 72% of forensic clients showed improvement in their mental health status. (See Exhibit 13.) This level of performance almost met the 1999-2000 standard of 77%. [9] This indicates that the treatment forensic clients received had a positive impact on reducing the severity of their psychiatric symptoms and helped to prepare them for return to the courts. A higher percentage of forensic clients showed improvements in their mental competencies than civil clients because forensic clients tend to be less severely mentally ill than clients served in civil institutions. A comparison of scores on the standardized instrument used to assess mental status (PANSS) indicates that forensic clients exhibit less severe psychiatric symptoms than civil clients. For Fiscal Year 1998-99, forensic clients had an average score of 41.6 on the PANSS compared to the average score of 45.5 for civil clients, which is a statistically significant difference.

Exhibit 13
The Forensic Institutions Do a Reasonably Good Job of Improving Residents' Mental Health Status



Source: OPPAGA analysis of Fiscal Year 1989-99 performance data.

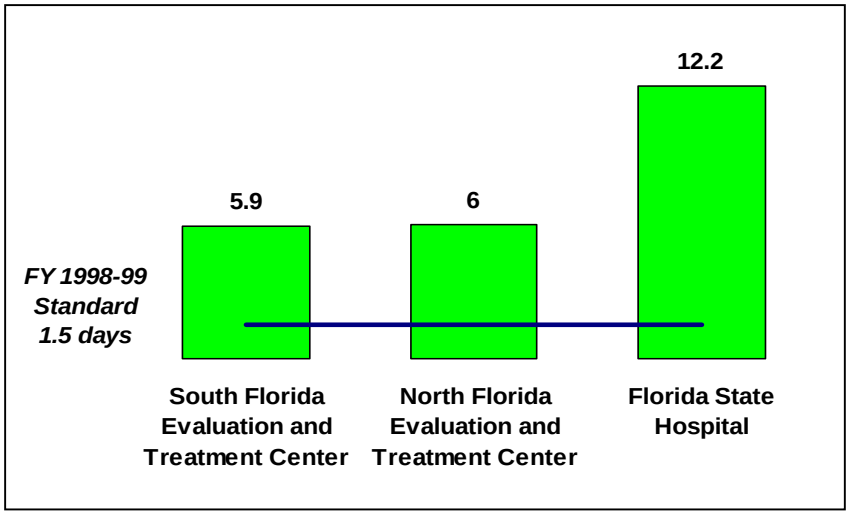
[9] The 1998-99 General Appropriations Act did not include a standard for this measure.

Forensic hospitals provide a safe and secure environment to treat clients

Client Safety. Forensic hospitals must also provide care in a non-threatening environment where residents are free from physical and emotional harm and are able to focus on improving the status of their mental health. As with civil institutions, Florida law requires forensic hospitals to report to the department harmful incidents that occur to clients. The department tracks and annually reports the number of harmful incidents involving forensic clients.

For Fiscal Year 1998-99, forensic hospitals reported 72 harmful incidents involving 3.9% of the residents served for a total of 9.1 harmful incidents per 100 residents. The number of harmful incidents at each individual forensic hospital did not meet the 1998-99 standard of 1.5 harmful incidents per 100 residents. (See Exhibit 14.) However, this standard was not based on historical data and was set at too high a level. The Fiscal Year 1998-99 performance on this measure did represent a slight improvement over the prior year, as Fiscal Year 1997-98 data indicated there were 9.3 harmful incidents per 100 residents reported for forensic facilities. All of the forensic hospitals had fewer harmful incidents per 100 residents than the civil institutions. The total number of harmful incidents per 100 residents at the civil institutions was 21.98 compared to 9.1 for the forensic facilities. A plausible explanation for the better performance among forensic hospitals than at civil institutions is that forensic hospitals have increased security that may help to reduce the number of incidents.

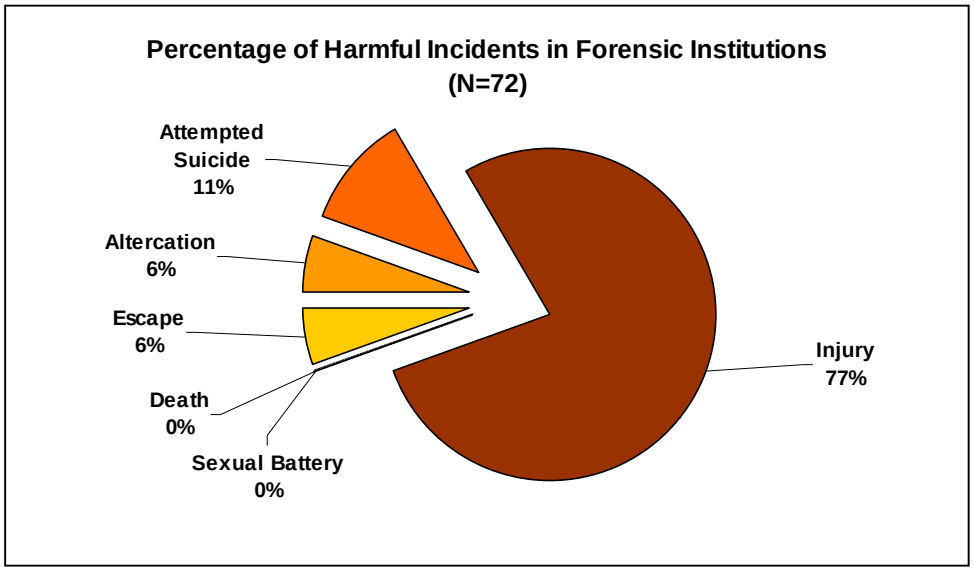
Exhibit 14
Forensic Facilities Do a Reasonably Good Job of Providing a Safe and Secure Treatment Environment



Source: OPPAGA analysis of Fiscal Year 1998-99 performance data.

As shown in Exhibit 15, forensic hospitals did not have any reported deaths or incidents of sexual battery in Fiscal Year 1998-99.

Exhibit 15
Forensic Hospitals Did Not Have Any Deaths or Sexual Batteries in Fiscal Year 1998-99



Source: OPPAGA analysis of Fiscal Year 1998-99 performance data.

Chapter 4

Plan to Close a Civil Institution Will Address Fiscal Shortfall

The Mental Health Institutions Program is facing a severe financial problem. Beginning in Fiscal Year 2001-02, state mental institutions will lose funds they currently receive from the federal Medicaid Disproportionate Share Program. [10] By Fiscal Year 2002-03, these cuts will be $29.6 million, or almost 11% of the state's budget for mental institutions. If the state cannot find a way to cut program costs, it will have to supplant this decreased federal funding with general revenue.

The department's proposal to close one of the civil mental health institutions, G. Pierce Wood Memorial Hospital, appears to be the most feasible way to cut program costs. The number of clients needing to be institutionalized has declined steadily over the past 20 years due to improvements in therapy and medications and increased community mental health programs. Closing G. Pierce Wood will produce long-term cost savings, but would require additional investments to increase the capacity of community mental health programs. Successfully closing G. Pierce Wood would also provide a blueprint for replacing remaining institutional bed capacity with less expensive and restrictive community-based services.

Department's plan to close G. Pierce Wood Memorial Hospital is reasonable

To offset the loss of $29.6 million in federal funds, the department proposes to close G. Pierce Wood Memorial Hospital by Fiscal Year 2002-03. The department's proposal is reasonable for three reasons.

- The department estimates that closing G. Pierce Wood and moving clients into community treatment programs or other institutions would cost $21.8 million in Fiscal Year 2002-03, which is less than half the $45.2 million it would cost to continue to serve these clients at G. Pierce Wood. Thus, this action would help to offset the $29.6 million reduction in federal funding.

[10] As part of the Omnibus Budget Reconciliation Acts of 1980 and 1981, the Disproportionate Share Hospital Program provides supplemental payments to cover costs for indigent patients at the four state civil institutions. The Balanced Budget Act of 1997 reduced federal dollars for this program.

- An alternative option to achieve a $29.6 million reduction by cutting 500 beds across existing institutions may not be feasible because it would reduce overall system bed capacity at each institution by 18.2%, which would decrease each institution's operating efficiency by losing economies of scale.
- There is sufficient bed capacity at the remaining institutions to serve the client population that would need to stay in civil institutions because they are not well enough to be placed in community treatment settings. Department officials estimate that 120 clients at G. Pierce Wood would need continued institutional care. For Fiscal Year 1999-2000 the average daily census for South Florida State Hospital was 79% and for Florida State Hospital it was 80%. Hence, there are enough beds to serve the G. Pierce Wood clients that would need continued institutional placement. Serving these clients in these two hospitals would also enable the institutions to increase their bed usage rates and improve their cost efficiency. Increasing bed usage at the privatized South Florida State Hospital would be highly cost-effective because the state is currently paying for beds that are not utilized. The department's current contract with the private company running South Florida State Hospital (in effect through June 30, 2003) specifies reimbursement based on full capacity rather than daily usage rates. In negotiating a new contract, the department should make provisions to reimburse the private company for actual daily bed usage. In its first year of operations, if the private company had been reimbursed for actual occupancy, then the state would have paid the company $17.1 million rather than $21 million, for a cost savings of $3.9 million.

To effectively implement its closure plan, the department needs

- to identify the number of institutional clients statewide that could be transferred to other facilities, such as nursing homes and intermediate care facilities, and those clients who would be more appropriately served in community mental health treatment settings and
- to develop strategies to mitigate the adverse economic impact the closure of G. Pierce Wood would have on DeSoto County.

Community-based services are less restrictive and more economical than mental health institutions

Community-based treatment is preferred to institutional care

Legislative intent is that, when possible, individuals with mental illnesses are to be cared for in community settings. Community-based care is considered to be preferable to institutional care because it provides individuals with greater freedom and is less expensive. Most mental health institutions are remote and removed from communities. This limits the potential for their clients to interact with friends or family or to participate in community activities.

Mental health institutions are more expensive than community alternatives

In addition, mental health institutions cost more than community services. In Fiscal Year 1998-99 the average annual cost to serve individuals with mental illnesses in Florida's state mental institution was $72,000 per client. In contrast, although costs for community placements vary depending on the type of program, the department's highest estimated cost of serving individuals with mental illnesses in community settings is $44,000 per person per year. Much of the higher cost of serving individuals in mental health institutions is due to the high fixed costs for large facility operations and maintenance.

Bed capacity of mental health institutions can be reduced

The state can reduce the need for civil institutions and enable it to close G. Pierce Wood by pursing two initiatives:

- transferring geriatric clients or those without a primary diagnosis of mental illness to community placements or institutions better suited to care for them and
- investing more in community-based services to prevent individuals from being admitted to or facilitate their discharge from state mental institutions.

Many institutionalized clients would be more appropriately served in alternative community facilities

Transferring to more appropriate facilities. Some clients currently residing in civil mental institutions could be more appropriately placed in community settings or other institutions. According to department staff, more than 300 clients in the civil mental health institutions are geriatric or do not have a primary diagnosis of mental illness. These clients are frail or have medically complex conditions such as Alzheimer's disease, developmental disabilities, or closed head injuries. They were placed in civil mental institutions because alternative care was not available at the time of their placement.

However, community facilities such as assisted living facilities, nursing homes, and intermediate care facilities for individuals with developmental disabilities now exist to serve clients with similar conditions. Furthermore, unlike civil mental institutions, these other placement options are less expensive than institutional care or are still eligible for Medicaid funding. Therefore, transferring geriatric clients or those without primary diagnoses of mental illness to these other types of placement options could be cost-effective for the state.

Investing in community-based services is needed to reduce institutional bed capacity

Expanding community treatment programs. Other mentally ill clients served in civil mental institutions either could be diverted from institutional care or discharged more quickly if more community-based resources were available. Department staff believe that with the proper mix of community-based services, the department could cut institutional capacity and costs.

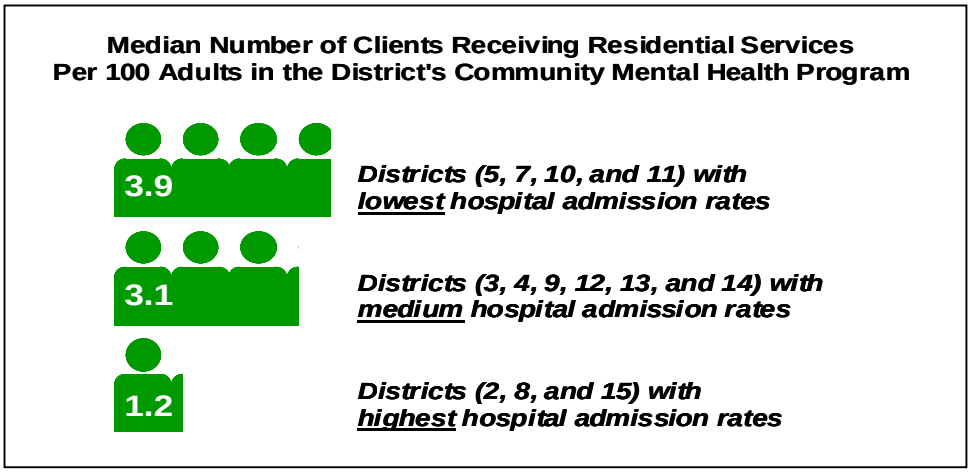
Three community-based services appear to be effective in reducing the capacity and costs of state mental institutions: residential treatment services, short-term psychiatric hospitals, and assertive community treatment (ACT) teams.

First, residential treatment services offer a range of assessment, support, and therapeutic services in non-hospital settings. They provide varying levels of support, with Level 1 residential services providing 24-hour supervision and Level 4 services providing limited supervision. The average daily cost for the most expensive Level 1 residential treatment services bed is $153 per day, which is substantially less than the $294 average daily cost of a bed in a civil institution.

Community residential treatment facilities help to divert clients from institutions

The availability of residential treatment facilities can decrease usage of state mental institutions by enabling institutions to more quickly discharge clients and by enabling the department to serve clients in community settings and divert them from institutional care. Department service districts that use more community treatment services tend to have lower utilization of civil institution beds than the districts that lack these alternative placements. As shown in Exhibit 16, districts that make greater use of residential treatment facilities tend to admit fewer of their clients to state mental institutions.

Exhibit 16
Districts With a Higher Proportion of Adult Mental Health Clients Receiving Community-Based Residential Services Generally Have Lower Admission Rates to the Civil Mental Health Hospitals



Notes: District 1 is excluded due to West Florida Community Care Center being the primary reason for lower hospital admissions, not residential services. District 6 is excluded due to data reporting problems.

The relationship between availability of community services and civil hospital admissions is statistically significant.

Source: OPPAGA analysis of Fiscal 1998-99 hospital admission and community service data.

Short-term psychiatric hospitals are a less expensive treatment alternative than state mental health institutions

Second, the short-term psychiatric hospital, West Florida Community Care Center, provides services such as intensive therapeutic care, crisis support, and medication management that is comparable to those provided by state mental institutions. Care in this psychiatric hospital costs less than care in a mental institution. The average cost per patient day at this hospital is $190, while the average cost per patient day is $301 at Florida State Hospital, which is the institution that would serve some of these clients if the short-term psychiatric hospital did not exist.

The short-term psychiatric hospital helps to divert clients from civil institutions

The short-term psychiatric hospital appears to reduce admissions to state mental institutions and reduce patient days spent in hospitals. For example, Districts 1 and 2 are similarly sized districts that send clients to Florida State Hospital. However, District 1 has the West Florida Community Care Center and more residential treatment centers than District 2. As a result, the rate of admissions to Florida State Hospital from District 1 was 70% lower than District 2 in Fiscal Year 1998-99, and patients from District 1 spent 28% fewer days in Florida State Hospital or West Florida Community Care Center than District 2 patients spent at Florida State Hospital. According to mental health staff, at least part of this reduction in the use of institutional care is due to West Florida Community Care Center's proximity to community providers, which

makes it easier for the hospital to coordinate services with these providers and return clients to the community.

Assertive community treatment teams can reduce the need for state mental health institution beds

Third, assertive community treatment (ACT) teams are teams of 10 to 12 professionals including psychiatrists or psychologists, nurses, and social workers who provide services to clients in the community. These teams typically serve caseloads of about 100 clients and provide them more intensive crisis support counseling, medication management, supported employment, and other community-based services than are typically provided to most clients of community mental health providers. ACT teams may not be appropriate for institutional patients with the most severe illnesses who require 24-hour-a-day, 7-day-a-week residential treatment but can be appropriate for other patients in the community who otherwise would need to be sent to a civil institution. The estimated average cost of providing community care using ACT teams is about $48 per patient day. The estimate includes a $200 monthly housing allowance.

As of January 2000 the department had established ACT teams in 8 of its 15 service districts. For Fiscal Year 2000-01, the Legislature appropriated funds to establish 13 additional ACT teams to cover every service district in the state. Department staff indicate that 5 of the 13 new ACT teams will be located in the G. Pierce Wood catchment area to serve clients being discharged from that civil institution. Although the department has not developed sufficient data to estimate the effect of ACT teams on use of mental institutions, mental health experts believe that their use has a positive effect in keeping clients out of institutions. Mental health experts indicated several states have used ACT teams to de-populate institutions including Rhode Island, Michigan, Delaware, Vermont, and Ohio.

Mitigating the effects of closing G. Pierce Wood

The primary drawback to closing G. Pierce Wood is the adverse impact the closing would have on the economy of DeSoto County. G. Pierce Wood is located in a rural area of Southwest Florida and hospital employees represent a significant percentage of the total workforce and personal income in DeSoto County. As of May 2000, G. Pierce Wood has 979 employees, which represent 10.8% of the workforce and 5.6% of the personal income in DeSoto County.

The state could take several steps to mitigate the effects of closing G. Pierce Wood, which is to occur over a two-year period, from Fiscal Year 2000-01 to Fiscal Year 2001-02. The state could give priority to affected employees for other state jobs that will be created in the region. The 2000 Legislature appropriated $11 million in state funds that would create 280 new jobs in DeSoto County and neighboring Charlotte County (see Exhibit 17). These jobs will be created in other institutions that are to be

operational by Fiscal Year 2001-02 and should help to mitigate the loss of jobs at G. Pierce Wood. If G. Pierce Wood employees were given priority for these jobs, almost one-third of the displaced staff could be employed.

Exhibit 17
The 2000 Legislature Funded New Programs in DeSoto County and Surrounding Areas That Will Provide 280 New Jobs by Fiscal Year 2001-02

Agency	Facility or Service	Legislative Appropriation	Potential FTEs
Department of Juvenile Justice	New Mental Health Treatment Program to be located on grounds of G. Pierce Wood	$ 7,000,000	130
Department of Children and Families	New ACT Teams to be located near DeSoto County	2,000,000 [1]	20
Department of Veteran's Affairs	Veteran's Nursing Home in Charlotte County to be constructed by 2002	11,000,000	130
Total FTEs			**280**

[1] This is part of $12.1 million in state and federal dollars to be used for community mental health services.

Source: OPPAGA analysis of the Department of Children and Families plan to create jobs given the closure of G. Pierce Wood Memorial Hospital.

The Department of Children and Families, Department of Corrections, and Department of Juvenile Justice have plans to create other new facilities and services over the next two years in DeSoto and surrounding counties that would create more jobs than would be needed to fully offset the loss of jobs at G. Pierce Wood. As shown in Exhibit 18, 1,150 new jobs would be created if the Legislature were to fund these agencies' requests for a new facility for sexually violent offenders, the expansion of a short-term residential treatment program, and new juvenile justice programs.

Exhibit 18
If the 2001-02 and 2002-03 Legislatures Fund These Programs an Additional 1,150 New Jobs Will Be Created in DeSoto County and Surrounding Areas

Agency	Facility or Service	Potential FTEs
Department of Corrections	New Facility for Sexually Violent Offenders to be located at DeSoto Corrections Institute	350
Department of Children and Families	New Short Term Residential Treatment Facility to be located in G. Pierce Wood Catchment Area	180
Department of Juvenile Justice	New Residential Treatment Facility for Delinquent Youth to be located in Charlotte County (FY 2001-02)	300
Department of Juvenile Justice	Further Expansion of Mental Health Treatment Facility at G. Pierce Wood site (FY 2001-02)	160
Department of Juvenile Justice	Further Expansion of Mental Health Treatment Facility at G. Pierce Wood site (FY 2002-03)	160
Total FTEs		**1,150**

Source: Department of Children and Families, Mental Health Program Office.

The state could also provide retraining to enable the current employees of G. Pierce Wood to meet the requirements of the new jobs. The new institutions, which will provide custodial care to inmates and patients, will likely require the same types of institutional care skills that the current employees already have. However, these staff may need training in specific procedures or knowledge areas to qualify for the new jobs. The state could arrange to provide such retraining through its new Workforce Florida initiative. If needed, Workforce Florida could also provide other types of retraining to enable the affected employees to qualify for other types of non-state jobs in the area.

Finally, the state could offer early retirement benefits to affected employees who were nearing their regular retirement age. These benefits typically include paying for health insurance and removing early retirement penalties. Depending on the benefits provided, the cost of these types of packages could range from one-fourth of a year's salary to a compensation package that includes one full year's salary, health insurance, and payment of annual and sick leave. If the state gave early retirement benefits to the 133 G. Pierce Wood employees who are within 5 years of 30 years service, the cost would likely range from $1.6 million to $6.2 million.

Recommendations

We believe the department's proposal to close G. Pierce Wood Memorial Hospital in response to reductions in federal Medicaid funding is reasonable and support the Legislature's approval of this initiative. Under the department's plan, the hospital would be phased out over a two-year period ending in Fiscal Year 2001-02. The plan specifies the Legislature would need to invest $20.4 million for Fiscal Year 2001-02 to pay for closure expenses, the development of additional community resources, and decreased federal funding. [11] By April 2002, when the department anticipates that G. Pierce Wood will be closed completely, the savings from the closure would help offset the $29.6 million reduction in federal funding as well as pay for the ongoing community services needed to divert clients from institutions.

The success of the department's plan depends on its ability to expand community-based mental health services and to place geriatric institutional clients in more appropriate settings; these actions will reduce the department's needs for mental institution beds enough to close a facility. The 2000 Legislature began this process by appropriating $12.1 million to create new community treatment services.

However, the department needs to develop more detailed plans in order to make the transition to community placements successful. Specifically, we recommend that the department

- assess the alternative placement options for each client who is currently placed in a civil mental health institution, particularly those clients who have been placed in an institution for an extended period of time, and determine whether each client could be served in a community or alternative placement;
- identify the type and number of community services that currently exist within each district and the number and type of services that will be needed to support more clients in community or alternative placements; and
- develop specific strategies to facilitate the transition of institutional clients into more appropriate alternative placements. These strategies should be presented to the Legislature as part of future agency budget requests.

We also recommend that the department work with the agencies that are now developing, or are planning to develop, other state facilities in the DeSoto County area to mitigate the adverse effects the closure of G. Pierce Wood will have on the economy of DeSoto County. The department should consider the mitigation options of giving affected employees

[11] The department did not include the costs of providing early retirement benefits in its cost estimates.

priority for new jobs created by new state services and facilities being created in the region, providing job retraining through the Workforce Florida Initiative to affected employees who need assistance in obtaining new jobs, and providing early retirement benefits to employees who are close to retirement age. As necessary, these plans should be reviewed and approved by the Executive Office of the Governor and the Legislature.

In addition, we recommend that the department study the effect of the closure of G. Pierce Wood. If the department determines it is cost-effective to reduce the statewide civil institution bed capacity by further increasing community-based mental health services in the state, we recommend that the Legislature direct the department to develop plans for reducing capacity by either closing another civil institution or building a smaller hospital, such as South Florida State Hospital, on the grounds of Florida State Hospital or North East Florida State Hospital. The department should include a detailed plan for further reductions in bed capacity in its legislative budget request for Fiscal Year 2002-03.

Chapter 5

Forensic Hospitals Experience Admission and Discharge Delays

Forensic hospitals provide treatment in secure facilities for adults with mental illness who have been charged with committing a felony, have been determined by the courts to be a danger to others or themselves, and have been adjudicated either mentally incompetent to continue with criminal proceedings or not guilty by reason of insanity due to a mental illness. The goal of treatment at forensic hospitals is to enable mentally incompetent adults to understand the seriousness of the charges made against them and possible penalties associated with those charges. Treatment should enable these individuals to be able to disclose pertinent facts, provide relevant testimony, and behave appropriately in the courtroom. An additional goal of treatment is to enable these adults and those who are determined to be not guilty by reason of insanity due to a mental illness to manage their psychiatric symptoms and learn daily living skills so less restrictive treatment settings may become appropriate.

To accomplish their goal of helping clients regain their mental competencies and continue with criminal proceedings or to be released to less secure treatment settings, forensic hospitals seek to promptly admit, treat, and discharge patients. Prompt admissions are important because a person's mental condition can worsen without treatment. As expressed in s. 916.107(1)(a), *F.S.,* the department is required to admit a forensic patient within 15 days of receiving their commitment order. Timely discharges are important because it is costly to keep patients in forensic hospitals longer than necessary and state law requires patients to be treated in the least restrictive appropriate setting.

As discussed in Chapter 3, forensic hospitals have been reasonably effective at improving clients' mental health and restoring their mental competencies in a timely manner. However, the hospitals experience delays, as noted below, in admitting some patients who receive a commitment order and in releasing patients once their legal competency is restored.

- While the hospitals have improved their timeliness in admitting patients in recent years, some patients, primarily women, are not admitted within the 15-day statutory time period due to the limited number of available beds.

- Many patients (over one-third) remain in forensic hospitals for over a month after regaining their competencies while awaiting further court action on their cases or placement in alternative settings.

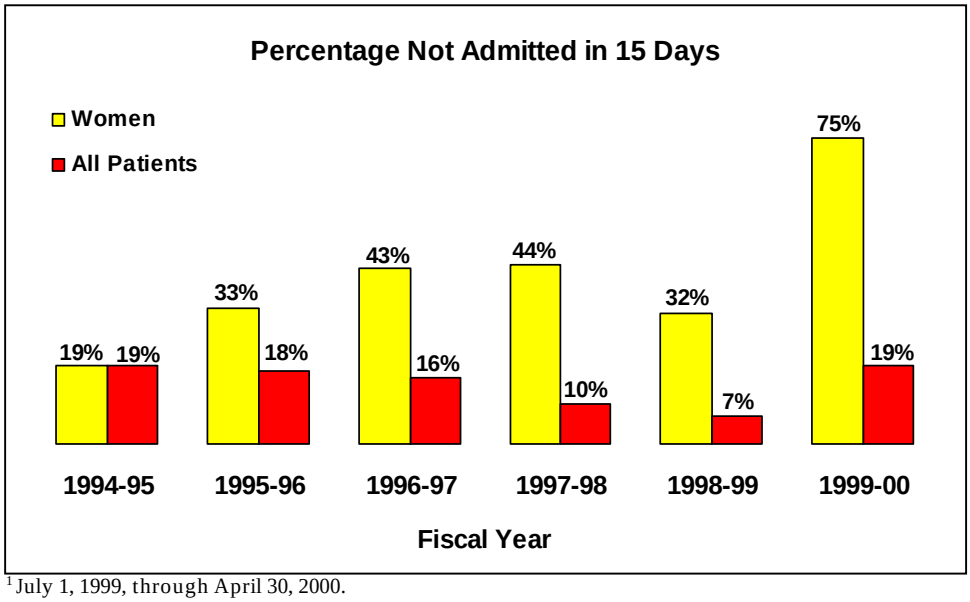
Admission delays put forensic patients at risk of their mental conditions deteriorating while waiting in county jails and the department at risk of legal action from judges whose commitment orders are not being executed in a timely manner. Discharge delays increase costs to the state, as treatment in a forensic hospital can be substantially higher than placement in alternative settings.

Although hospitals admit most patients on time, admission delays for women persist

Until recently, the hospitals had made progress in admitting patients on time

Until recently, the program had made progress in admitting patients in a timely manner. As shown in Exhibit 19, all but 7% of admissions to forensic hospitals during Fiscal Year 1998-99 were within 15 days of the patients' commitment orders, as required by Florida law. This is an improvement over prior years when from 10% to 19% of patients were not admitted within 15 days. However, a 23% increase in admissions in the first 10 months of Fiscal Year 1999-2000 substantially increased admission delays. Admission delays primarily affect women.

Exhibit 19
Admission Delays for Women Persist



[1] July 1, 1999, through April 30, 2000.

Source: OPPAGA analysis of admission data.

Admission delays increased in Fiscal Year 1999-2000

The length of delays for patients not admitted within 15 days increased in the first 10 months of Fiscal Year 1999-2000. In most cases the admission delays in Fiscal Year 1998-99 were relatively short (5 days or less), and the longest delay was 19 days. Delays increased to a typical delay of 7 days, and the longest delay being 54 days. Patients typically remain in a county jail until a forensic hospital admits them.

Admissions delay problems can be attributed primarily to an insufficient number of female beds

The primary cause of admissions delays is an insufficient number of beds reserved for women. [12] Despite the department recently adding beds for women there are not enough beds to meet the demand. Currently hospitals have 105 female beds (12% of total bed capacity); however, female admissions account for 15% of all admissions. The disparity between male and female beds has existed since the 1994-95 fiscal year.

The trend in the number of forensic admissions affects the viability of options to address the delays in admissions. Given a decrease in admissions from the 1999-2000 fiscal year, the first two options presented below are preferred because they require minimal or no additional resources to implement. If admissions continue at Fiscal Year 1999-2000 levels or increase, the Legislature can consider the third option of additional resources to expand forensic hospital capacity.

Option 1. The department should monitor the number of admissions and length of admission delays to the forensic hospitals through the first half of the 2000-01 fiscal year. Prior to the 1999-2000 fiscal year, forensic hospital admissions were declining. If admissions began to decline again the admission delays should not worsen.

Option 2. A cost-effective option to improve admission times would be to convert existing beds for men to beds for women. This option is viable only if the number of men admitted declines; otherwise, converting beds will address delays for women but will increase the wait time for men. This can be accomplished with minimal renovation costs by converting a treatment ward for men at Florida State Hospital or South Florida Evaluation and Treatment Center. Operating costs for the hospitals would not be affected by the conversion because the same number of patients would be served.

Option 3. If admissions and admission delays continue to increase in Fiscal Year 2000-01, an option for the Legislature to consider is adding new forensic beds for women at Florida State Hospital. According to the department, the most cost-effective option is to move the 70 beds of the Mentally Retarded Defendants Program into unused Department of Corrections' Correctional Mental Health Institution facility. The move will

[12] Historical trends indicate that the usage of forensic beds for women has remained high, above 95% since the 1993-94 fiscal year as measured on July 1 of each fiscal year. The median time for forensic hospitals to restore the competency of women in Fiscal Year 1998-99 was 100 days, the second lowest since the 1990-91 fiscal year. Consequently, it is unlikely that the hospitals could materially reduce the admission delays for women by increasing their capacity usage rate or reducing treatment time.

provide a secure building requiring minimal renovation to house up to 40 beds for forensic women with mental illness. The department estimates that it would require $3.5 million for minimal renovations, staffing, medical costs, and expenses for 40 beds for the first year of operation. Besides appropriations, this option depends on the Department of Corrections and the Department of Children and Families reaching agreement on the use of the Correctional Mental Health Institution facility.

Timeliness of discharges can be improved

Discharge delays increase costs to the state as treatment in a forensic hospital can be substantially higher than placement in an alternative setting. Discharge delays affect a larger number of forensic patients than admission delays. Most patients (80%) who regain their mental competencies are discharged to the courts to proceed with the judicial process, while 11% are discharged to the community, and 6% are discharged to civil mental health institutions (based on Fiscal Year 1998-99 data).

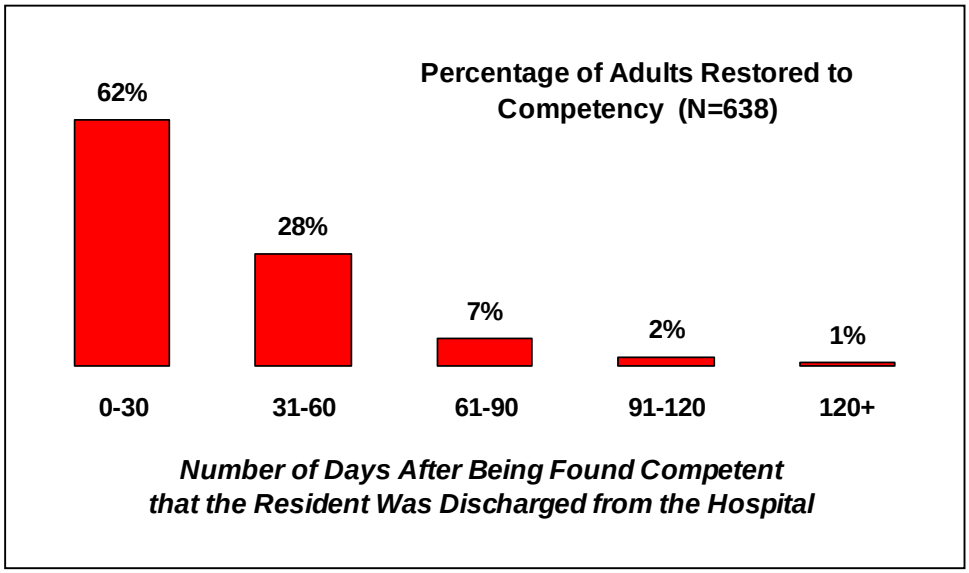
Over one-third of patients are not discharged in a timely manner

As shown in Exhibit 20, 38% of patients discharged in Fiscal Year 1998-99 remained hospitalized for more than 30 days after they were restored to competency, and 10% remained hospitalized for more than two months after regaining their mental competencies.

Some judges are reluctant to discharge patients to county jails to await competency hearings

Hospital administrators and judges we interviewed indicated that judges can be reluctant to order patients to be discharged to county jails because of concerns that patients' mental health status may deteriorate before their criminal cases can be resumed. In some judicial circuits it is the court's policy to have court experts confirm the hospitals' clinical findings of competency and to transport the patient to the county jail within a few days of the patients' schedule hearing, minimizing time the patients stay in jail. These practices increase the length of time that the patients stay in forensic hospitals before being discharged.

Exhibit 20
Many Patients Remain in Forensic Hospitals
After Their Mental Competencies Are Restored



Source: OPPAGA analysis of Fiscal Year 1998-99 discharge data.

To reduce discharge delays, the department can increase its coordination efforts with the court

The department can address these discharge delays by continuing its efforts to coordinate with the judiciary on the release of patients who are returned to the court to proceed with criminal cases. Timely communication and follow-up is important. To the extent practical, forensic hospitals should provide judges and the department's district forensic coordinators with anticipated discharge dates for patients who are approaching competency. District forensic coordinators can follow up with the judges, public defenders, and state's attorneys in scheduling hearings for patients soon to be discharged.

Patients are not discharged to community treatment programs in a timely manner

Discharge delays also occur for forensic patients who are discharged to community treatment programs. These patients comprised 11% of discharges in Fiscal Year 1998-99. Documentation provided by one of the forensic hospitals indicated that patients waiting for a slot in a community program typically waited for 127 days, almost two months longer than those waiting to be placed in a civil mental health institution.

Forensic-only residential community treatment programs can help to reduce discharge delays

Few community programs exist for forensic patients. Most community mental health programs primarily serve civil clients and are not designed for forensic hospital patients who have committed felonies. Two forensic-only residential community treatment programs operate in the state, Tampa Crossroads with 15 treatment slots and Passageways in Miami-Dade with 38 treatment slots.

Based on Fiscal Year 1998-99 discharges, five additional department districts (Districts 2, 4, 6, 7, and 10) had as many discharges from forensic hospitals as the district supporting Tampa Crossroads, the smaller of the two forensic programs. The five other districts should be able to support at least a 15-bed forensic-only treatment facility.

These facilities can be more cost-effective than continued placement in forensic hospitals, as they have per diem rates of $90 to $115 compared to $285 for the forensic hospitals.

Recommendations

We believe that it would be cost-effective for the state to address the discharge delays of patients from the forensic hospitals.

We recommend that the program increase its efforts to coordinate with the judiciary on the release of patients who will be returned to the court to proceed with criminal cases. To the extent practical, the forensic hospitals should provide judges early notification of patients approaching competency and their anticipated discharge dates. Early notification will help the courts schedule hearings for these patients soon after their anticipated release date. District forensic coordinators should follow up with the judges, public defenders, and states' attorneys and closely monitor the time it takes from when patients' mental competencies are restored to when patients' court hearings are set.

We recommend that the department solicit proposals from community providers to establish additional forensic-only residential community programs. Based on Fiscal Year 1998-99 data, it appears that at least five additional community forensic programs could be established within department service districts. We estimate it would cost between $2.5 and $3.1 million to establish 15-bed programs in these five districts. The department needs to assess the number of beds each district could support, the costs for these beds, local judges' support for such programs, and options for making corresponding reductions in forensic hospital capacity, which would be needed to achieve cost savings through this approach.

Expediting the discharge of forensic patients will help reduce the admission delays that have been aggravated by a recent increase in admissions to forensic hospitals. Regarding the problem of delayed admissions, we recommend that the department closely monitor the number of admissions and the length of admission delays. If overall admissions decline from Fiscal Year 1999-2000 levels, further action may not be necessary.

If the number of men admitted declines from Fiscal Year 1999-2000 levels, we recommend that the department convert a treatment ward for men to a ward for women to address the lack of beds for women. This option requires minimal renovation expenses, no increases in operating expenses, and would have little adverse effects on men's admission times.

If admissions continue to increase, we recommend that the department include in their Fiscal Year 2001-02 budget request a proposal for adding forensic hospital beds. A cost-effective way to implement this option is to move the residents of the Mentally Retarded Defendants Program at Florida State Hospital into the unused Department of Corrections' Correctional Mental Health Institution facility. The move will provide a secure building for up to 40 forensic beds for women. The department estimates that it would require $3.5 million for minimal renovations, staffing, medical costs, and expenses for 40 beds for the first year of operation. To reduce initial operating costs, the department can phase in the 40 beds as needed.

Chapter 6

Funding Priority Capital Improvement Projects Would Be Prudent Use of State Resources

The state's seven mental health institutions are large facilities that have ongoing maintenance and capital improvement needs. Also, all of the civil institutions, except South Florida State Hospital, are relatively old and have periodic needs for renovation. Maintaining the facilities in good operating condition is important to ensure patient safety, promote good clinical outcomes, and to avoid more costly repairs that could be needed if buildings are allowed to deteriorate. [13] However, given the state's limited fiscal resources, it is also important to have reasonable priorities for considering and funding capital outlay budget requests.

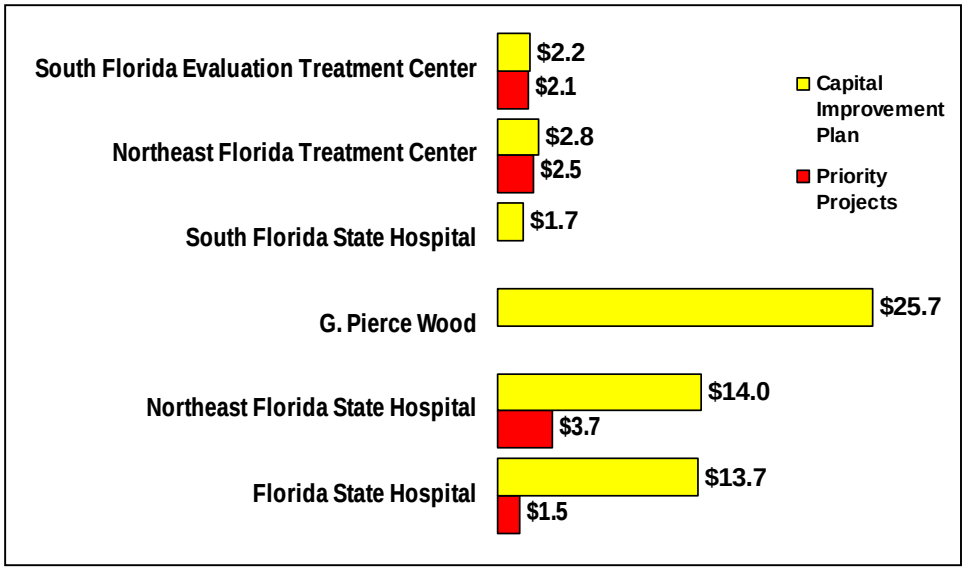
The department's five-year capital improvement plan for the mental health facilities identified $60.1 million in fixed capital outlay funding requests for the Fiscal Year 2000-01 through 2004-05 period. The plan includes projects such as installing fire alarm systems, replacing roofs, and renovating resident living quarters. (See Appendix B for itemized list of proposed capital improvement projects by facility.)

To help optimize use of limited state resources, we worked with department officials to prioritize the capital improvement projects based on three criteria—correcting violations of state building codes; achieving compliance with the Americans with Disabilities Act; repairing the most critical physical problems at the facilities, such as plumbing, roofs, and exterior wall repairs. We excluded all fixed capital outlay projects for G. Pierce Wood Hospital because of plans to close that hospital in Fiscal Year 2001-02 (see Chapter 4). We also excluded projects for the South Florida State Hospital because it is moving into a newly constructed campus.

[13] During the late 1980s, class action lawsuits were filed against the state by mental health institution patients alleging inhumane, unsafe, and unsanitary conditions at two of the facilities. In response to these lawsuits, the Legislature appropriated $11.5 million in Fiscal Years 1992-93 and 1993-94 to make capital improvements at these facilities and generally improve resident living conditions.

Based on these criteria, we identified $9.8 million in priority capital improvement projects, which represents about one-sixth (16.3%) of the department's capital improvement plan (see Exhibit 21).

Exhibit 21
Funding the Highest Priority Capital Improvement Projects for the Mental Health Institutions Would Require $9.8 Million



Source: Department of Children and Families.

The 2000 Legislature appropriated $2.7 million in fixed capital outlays for the 2000-01 fiscal year. This would reduce the amount needed to fund the most critical capital improvement projects to $7.1 million.

Recommendations

We recommend that the department prioritize its request for fixed capital outlay funding in the legislative budget request for Fiscal Year 2001-02. We also recommend that the Legislature consider funding the high priority capital improvement projects as this will help avoid future costs of deferred maintenance and help safeguard patient safety and security.

Chapter 7

Program Accountability

Introduction

A key factor in performance-based program budgeting is that agencies need to develop strong accountability systems that enable managers, the Legislature and the public to assess program performance. An effective accountability system depends on the development of valid performance measures, a process for validating data reliability, and adequate dissemination and uses of data by program management to modify practices and improve client outcomes.

The department has developed a reasonable set of performance measures and has collected reliable data that can be used to assess the performance of the Mental Health Institutions Program. The department also regularly reports on program performance and department managers use performance information to manage the program.

Performance measures

Agency accountability systems should include two levels of performance measures. First, they should include policy-level outcome and output measures that help the Legislature assess program effectiveness and make budget decisions. These measures should be included in agencies' legislative budget requests and appropriations legislation. Second, agencies should maintain supplemental program-level measures that provide more detailed information about interim outcome measures that can be tied more closely to program operations. Agencies should inform the Legislature about the internal measures they are keeping and make data for the measures available for legislative review as needed.

The performance-based program budgeting measures included in previous years' appropriations legislation can be reduced to a concise list of reasonable measures. Exhibit 22 lists our recommendations for policy-level outcome and output measures to be included in the 2001-02 General Appropriations Act. [14] These indicators provide information on how effective institutions have been in achieving their mission of enabling civil

[14] These recommendations are included in OPPAGA Report No. 99-23, published in January 2000, and made available to the Legislature prior to the 2000 session.

residents to move to community settings, restoring forensic residents to competency, and providing safe treatment settings.

Exhibit 22
OPPAGA Recommends Five Measures for Inclusion in Appropriations Legislation

Program Goals	Recommended Measures
Discharging residents	Percentage of civil residents served discharged to the community
Restoring competency	Average number of days to restore the competency of forensic residents
Providing a safe treatment setting	Annual number of harmful events per 100 residents at each mental health institution
Serving the mentally ill	Number of persons served
Operating an efficient program	Annual cost per person served

Source: OPPAGA analysis.

One policy-level measure, the percentage of persons served discharged to the community, is affected by the services provided by the Adult Community Mental Health Program as well as the Mental Health Institutions Program. As such, it measures the overall policy goal of discharging patients to a less restrictive treatment setting, but does not indicate how well the institutions are doing in preparing patients to be discharged. To monitor the performance of institutions in preparing residents to return to the community, we recommend the department track information on additional measures of program activities (see Exhibit 23). These additional measures provide information on improving residents' psychiatric symptoms and skills for living in the community, on discharging long-term residents, and on using inpatient mental health facilities shortly after discharge.

Exhibit 23
The Department Needs to Maintain Additional Program-Level Performance Indicators

Program Goals	Program-Level Measures
Preparing residents for discharge	▪ Percentage of residents whose mental health improves (based on the Positive and Negative Syndrome Scale) ▪ Percentage of residents who improve on the community ability / readiness survey (based on the Multnomah Community Ability Survey)
Discharging residents	▪ Median length of stay from admission to discharge ▪ Percentage discharged to the community in 365 days or more ▪ Percentage discharged admitted to an inpatient mental health treatment facility within 14 and 30 days after discharge
Restoring competency	▪ Median time to restore incompetent to proceed to competency ▪ Percentage incompetent to proceed restored to competency in 180 days or more

Source: OPPAGA analysis.

Data reliability

Program data can be used to monitor program performance

In our review of program performance (see Chapters 3, 4, and 5), we found few discrepancies in the Fiscal Year 1998-99 performance measure, admissions, and discharge data. We are confident the data can be used to monitor program performance. The state program office and the mental health institutions have procedures that reasonably ensure the accuracy of program data.

- The mental health institutions have continuous quality improvement processes that rely on mapping core work processes and monitoring data on process indicators. Hospital management regularly reviews data for inaccuracies and uses it to improve work processes.
- Program office and institution staffs regularly conduct quality reviews that include reviewing procedures for collecting performance data and reviewing the records of a random sample of residents for completeness of information.
- The department stores program data in a central data warehouse and has procedures for improving data reliability using automated data checker programs.

Data verification procedures can be improved

We did, however, find minor data inconsistencies created by data entry errors. The department can reduce the number of data entry errors by improving data verification procedures. The department needs to regularly verify the accuracy of performance measure, admission, and discharge data using statistically valid samples. The sample sizes currently used during quality reviews are not sufficient to estimate the extent of data errors.

Reporting information and use by management

The department does a good job of reporting program information and using the information to manage the program. The department reports program performance information in the legislative budget request, quarterly performance reports, and the department's strategic plan. These documents are available to the public from the department's website. In addition, the department produces regular quality reviews of each hospital and has recently published an informative report providing pertinent information regarding trends and services within the hospitals.

Program managers use a variety of performance and process information to direct program activities. The central data warehouse provides program management quick access to information on resident admissions, discharges, demographic characteristics, hospital performance, and other administrative information. The mental health institutions use continuous quality improvement processes that rely on mapping core work processes and monitoring data on process indicators. The Institutional Management Group meets regularly to review budgets and performance and discuss policy direction for the institutions. Program office and district contract management staff closely monitor performance and process indicators for the two privatized hospitals, South Florida State Hospital and West Florida Community Care Center.

Hospital administrators use performance-based program budgeting and continuous quality improvement process indicators to direct activities. Monitoring key performance-based program budgeting and core work processes indicators enables hospital managers to track and diagnose declines in performance and modify practices to improve performance.

For example, in March and April 1998, Florida State Hospital managers noticed a significant increase in the average number of days to restore patients' competencies, a key performance indicator. A detailed analysis revealed that the increase was due to discharges during these months of a greater number of more severe long-term patients, which is a positive result. This analysis enabled managers to identify specific practices used by hospital units and service teams to improve the time to restore the

legal competency of patients, including patients with more severe psychiatric symptoms.

Another example of hospital managers using performance indicators to modify practices in order to achieve better client outcomes is the use of the standardized instrument used to assess mental status (PANSS). Using the PANSS to guide therapy for residents of its Walden Village unit, Northeast Florida State Hospital staff were able to

- improve the negative psychiatric symptoms of 85% of the residents and
- reduce by 30% the negative symptoms for those clients who showed improvements in their psychiatric symptoms.

Appendix A

Statutory Requirements for Program Evaluation and Justification Review

Section 11.513(3), *F.S.,* provides that OPPAGA Program Evaluation and Justification Reviews shall address nine issue areas. Our conclusions on these issues as they relate to the Department of Children and Families' Mental Health Institution Program are summarized in Table A-1.

Table A-1

Summary of the Program Evaluation and Justification Review of the Mental Health Institutions Program

Issue	OPPAGA Conclusions
The identifiable cost of the program	In Fiscal Year 1998-99, the Mental Health Institutions Program expended $267.1 million. General revenue is the primary funding source for the program, composing 63.3% of the Fiscal Year 1999-2000 budget. The Medicaid Mental Hospital Disproportionate Share Program is the other major source of revenue, composing 29.4% of the Fiscal Year 1999-2000 budget.
The specific purpose of the program, as well as the specific public benefit derived therefrom	The program is designed to provide intensive treatment to the state's most severely mentally ill individuals who are deemed to have become a danger to themselves or others and who have not been successfully treated in community settings. Treatment must facilitate, whenever possible, that individual's return to the community for continued treatment as soon as possible in a less restrictive treatment setting.
Progress towards achieving the outputs and outcomes associated with the program	Civil institutions can improve their performance. Due to the lack of community mental health services, the Fiscal Year 1998-99 discharge rate for civil institutions is 35%, substantially under the performance standard of 50%. Two of four hospitals did not meet performance standards for annual number of harmful events per 100 residents (20) and the percentage of residents improving psychiatric symptoms (65%). The forensic mental health hospitals are reasonably effective in meeting program goals.
An explanation of circumstances contributing to the state agency's ability to achieve, not achieve, or exceed its projected outputs and outcomes, as defined in s. 216.011, *F.S.,* associated with the program	A shortage of community treatment facilities in certain regions of the state causes some institutions to have greater difficulty achieving prescribed discharge rates. For example, discharge rates for the Florida State Hospital and Northeast Florida State Hospital were 25% and 29%, respectively, given a shortage of appropriate and available community treatment alternatives in the districts of these two hospitals' catchment areas.
Alternative courses of action that would result in administering the program more efficiently and effectively	**Civil Institutions.** Over 300 clients residing in civil institutions could be served in less restrictive and less costly community treatment programs if these were available. Some clients await discharge from an institution because appropriate treatment placements in their home communities are not available. Needed community treatment alternatives include short-term psychiatric hospitals, residential treatment facilities, and assertive community treatment services. Some clients, who have not been diagnosed with a major mental disorder, are in need of nursing home care given their complex medical conditions. Delays in discharging civil clients represent an inefficient use of the state's resources. **Forensic Hospitals.** Some program clients remain in forensic hospitals after their mental competencies have been restored given limited community treatment alternatives or a lack of mental health services in jails. Some of these discharge delays can be avoided given better program coordination and communication between forensic hospitals staff and community jails, judicial staff, and department forensic staff in the service districts. Further, with more

Issue	OPPAGA Conclusions
	community treatment programs, the department could discharge forensic clients more quickly while serving these clients in less costly community settings. Community treatment for forensic clients is also less expensive than treatment at forensic hospitals ($115 versus $285 a day). At present, 11% of the clients who are ready for discharge in forensic hospitals wait an average of 127 days longer for placement into these facilities than forensic clients discharged to civil mental institutions **Fixed Capital Outlay.** The state's seven mental institutions are large facilities and have ongoing maintenance and capital improvement needs. While we are recommending closure of the G. Pierce Wood Memorial Hospital, we recommend that the Legislature provide for identified, critical capital infrastructure projects needed at some institutions in order to avoid more costly maintenance of these facilities in future years. The department should also prioritize funding or capital improvement projects for forensic hospitals given the increasing demand for these beds and to maintain these relatively newer facilities in good operating condition.
The consequences of discontinuing the program	Eliminating civil institutions and forensic hospitals would result in more of Florida's most severely mentally ill being treated in community settings. This may put particularly vulnerable or psychotic clients at a greater risk of becoming homeless, hospitalized in the community, or incarcerated. While many states have reduced the capacity of mental health institutions, there has been a corresponding increase in the mentally ill appearing in community jails and other corrections facilities. Any reduction in institutional capacity would require a corresponding increase in the availability of community treatment alternatives such as short-term community hospitals, residential treatment facilities or more intensive case management services. Some post-institutional clients would be treated in more restrictive community treatment settings given the nature of their illness and the need for constant supervision. This would also increase the overall costs of community care to include expanded capacity for crisis stabilization units or inpatient psychiatric units.
Determination as to public policy; which may include recommendations as to whether it would be sound public policy to continue or discontinue funding the program, either in whole or in part	The department, with the Legislature's approval, is currently planning to close one of its four civil institutions, G. Pierce Wood Memorial Hospital. We concur with this decision. The department estimates that necessary appropriations for expanding community treatment programs, given the closure of G. Pierce Wood, would cost $29 million per year. The operating budget of G. Pierce Wood is currently $45.2 million. Hence, annual savings of $16 million per year could be realized by the time this institution has been completely closed. The department should also consider whether future reductions in institutional facilities in favor of community treatment alternatives could take place. The department should base this evaluation, in part, on its experience with the planned phase-out of G. Pierce Wood Memorial Hospital in Arcadia and with respect to the privatization of the South Florida State Hospital in Pembroke Pines.
Whether the information reported pursuant to s. 216.03(5), *F.S.,* has relevance and utility for the evaluation of the program	The department reports information on five appropriate policy-level outcomes and outputs. These indicators provide information on how effective institutions have been in enabling civil residents to move to community settings, restoring the competency of forensic residents, and providing safe treatment settings. In addition, the department tracks information on indicators of improving residents' psychiatric symptoms, skills for living in the community, discharging long and short-term residents, and using inpatient mental health facilities shortly after discharge. (See Appendix B for discussion on measures.)
Whether state agency management has established control systems sufficient to ensure that performance data are maintained and supported by state agency records and accurately presented in state agency performance reports	The department has established sufficient procedures that reasonably ensure that performance data are accurate. ▪ Data are regularly reviewed and used by hospital management in continuous quality improvement efforts. ▪ Random samples of resident files are reviewed as part of regular quality reviews. ▪ Data are centrally maintained and checked for discrepancies.

Appendix B

Current Department Plans Specify Need for $60.1 Million in Fixed Capital Outlay Funding Through Fiscal Year 2004-05

Department Plans Specify Requests for Capital Improvement Projects of $53.8 Million for Civil Institutions Through Fiscal Year 2004-05

Civil Institution	Year Facility Was Built	Grounds	Planned Fixed Capital Outlay Requests for FY 2000-01 through FY 2004-05	Examples of Capital Improvement Projects
Florida State Hospital (civil)	1834-1998	620 acres 226 buildings	$12.4 million	ADA compliance; asbestos removal; building renovations; plumbing and steam piping; JCAHO certification survey; roof replacement; fire alarm codes
Northeast Florida State Hospital	1959	310 acres 55 buildings	$14.0 million	Life safety and ADA compliance; ground H_2O storage tank replacement; asbestos removal; asphalt resurfacing; window replacement
G. Pierce Wood Memorial Hospital	1947	250 acres 103 buildings	$25.7 million	ADA compliance; Suicide Precaution Project; building renovation/ demolition; replace roof; waste-water treatment plant; sewage system renovations; central AC
South Florida State Hospital	1953	287 acres	$1.7 million	Roof replacement; asbestos removal; chilled water cooling tower replacement;

Department Plans Specify Requests of $6.3 Million for Capital Improvement Projects for Forensic Hospitals Through Fiscal Year 2004-05

Forensic Hospital	Year Facility Was Built	Grounds	Planned Fixed Capital Outlay Requests for FY 2000-01 through FY 2004-05	Examples of Capital Improvement Projects
Florida State Hospital (forensic)	1961-1991	15 buildings	$1.3 million	Renovate buildings; replace plumbing
North Florida Evaluation and Treatment Center	1976	55 acres 28 buildings	$2.8 million	Repair control rooms; renovate patient living area; replace resident building roofs; renovate seclusion rooms
South Florida Evaluation and Treatment Center	1986	7 acres 1 building	$2.2 million	Replace roofs; replace chiller/ cooler tower; install evacuation equipment; replace air handler; repair building exterior

Appendix C

Response from the Department of Children and Families

In accordance with the provisions of s. 11.45(7)(d), *F.S.*, a draft of our report was submitted to the secretary of the Department of Children and Families for her review.

The department's written response is reprinted herein beginning on page 53.

FLORIDA DEPARTMENT OF
Children & Families

Jeb Bush
Governor

Kathleen A. Kearney
Secretary

September 25, 2000

Mr. John W. Turcotte, Director
Office of Program Policy Analysis and Government Accountability
Post Office Box 1735
Tallahassee, Florida 32302

Dear Mr. Turcotte:

Thank you for your September 7 letter enclosing the preliminary findings and recommendations of your review of the "Florida Department of Children and Families Mental Health Institutions Program."

Enclosed are responses to the discussion and recommendations found in your review. I trust this information will assist in finalizing your report. If I may be of further assistance, please let me know.

Very truly yours,

/s/
Judge Kathleen A. Kearney
Secretary

Enclosure

RESPONSE TO OPPAGA'S REVIEW OF THE FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES MENTAL HEALTH INSTITUTIONS PROGRAM

The Department concurs with the findings and recommendations identified in the OPPAGA review. This response includes corrective actions completed or a status report of progress that addresses the areas of concern.

Chapter 3, p. 14.

Although reported by OPPAGA as generally reliable, performance-based program budgeting data was found for only four of eight measures for civil institutions for Fiscal Year 1998-99.

The ability for the mental health facilities and the Mental Health Program Office (PDMH) to gather, assimilate, and report the data for the individual performance measures was phased-in based on priorities. The state facilities were phased-in beginning in 1997, one year after the community sector. The four outcome measures included in the report were the initial priority measures identified for measurement.

The PDMH Office has made substantial gains in its ability to implement data collection systems and assimilate accurate data for the performance-based outcome measures mandated by the Legislature. Data is now available on all eight measures, however, we are still working on reliability issues.

Chapter 4, p. 25.

Due to the loss of $29.6 million from the federa1 Medicaid Disproportionate Share Program, the primary funding concern cited in the OPPAGA report, which affects all state mental health facilities, is the fiscal shortfall.

The PDMH Office agrees that the method for addressing the Medicaid funding shortfall through the closure of G. Pierce Wood Memorial Hospital (GPW) is feasible and will result in long-term cost savings without adversely affecting the operations and delivery of services in the remaining facilities. The PDMH Office has developed a plan to meet the Legislature's mandate to close GPW by April 2002.

Chapter 4, p. 26-32.

Recommendations in the report indicate effective implementation of the Department's plan to close GPW. There are two areas of focus: the plan must include identification and subsequent transfer of individuals residing in state mental health facilities that would be more appropriately served at other types of facilities or in community mental health treatment settings; and, the plan must

RESPONSE TO OPPAGA'S REVIEW OF
THE FLORIDA DEPARTMENT OF CHILDREN AND FAMILIES
MENTAL HEALTH INSTITUTIONS PROGRAM

include strategies to mitigate the adverse economic impact of the closure of GPW on DeSoto County.

The PDMH Office has coordinated the development and implementation of a comprehensive plan that addresses the aforementioned issues as well as others pertaining to the closure of GPW and the statewide impact. The plan was developed in partnership with departmental staff, community providers, consumer advocates and other stakeholders. The closure plan, referred to as the Mental Health System Improvement Plan, focuses on three major areas:

1) **Facility Utilization** - The primary purpose is to define the mission and role of state civil facilities to include the clarification of the most appropriate populations we serve. This includes ad ions to redistribute bed capacity at the mental health facilities, to accommodate the loss of beds at GPW, and to better serve individuals requiring continued hospitalization. Plans to address assessment and transfer of geriatric individuals, without a primary diagnosis of mental illness, from all civil state mental health facilities to the community have been developed.
2) **Community Development** - The purpose is to plan for community services and supports that can meet the needs of consumers in the GPW catchment area. These services and supports include acute/sub-acute care, medical services, day treatment based on a recovery model, drop in centers, ACT teams, supported apartments, group homes, housing subsidies, and other supports to meet special needs.
3) **GPW Closure -** The purpose is to promote a safe transition of residents into the community by the closure date. The closure plan addresses the assessment of GPW residents, the development of an appropriate discharge plan process, the identification of community needs of residents, the transition of staff, and the implementation of closure activities.

PDMH Office staff support the activities of these groups with oversight from an upper management oversight team. Based on preliminary requests from the team, and an analysis of needs, legislative budget requests were developed to fund recommended services.

Recommendations, p. 33.

The PDMH Office agrees with the three recommendations provided in the OPPAGA report and is taking action to address each one.