



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #830

Mental Health Services at the Veterans Home at King (DVA -- Health Facilities)

[LFB 2009-11 Budget Summary: Page 676, #7]

CURRENT LAW

The Veterans Home at King currently employs 3.0 nurse practitioner positions and one limited nurse practitioner, one for each of the four licensed nursing facilities, and contracts with a consulting psychiatrist for the provision of all mental health services at the Home. The nurse practitioners currently work under the supervision and guidance of the contracted psychiatrist. The total estimated cost of providing mental health services to residents of the Veterans Home at King, including staff costs and contracted psychiatry services, was approximately \$496,800 in state fiscal year 2007-08.

GOVERNOR

Provide \$282,400 PR in 2009-10 and \$275,900 PR in 2010-11 and 2.0 PR clinical social worker positions, beginning in 2009-10, to provide additional mental health services at the Veterans Home at King. In addition to support for 2.0 positions, the bill would increase funding for contracted psychiatric services by \$150,000 per year.

DISCUSSION POINTS

1. The Veterans Home at King includes 721 licensed beds located in four separately licensed nursing facilities: Ainsworth Hall (205 beds), MacArthur Hall (116 beds), Olson Hall (200 beds), and Stordock Hall (200 beds). Currently, there are 681 veterans and their dependents residing in these skilled nursing facilities (94.5% occupancy). Occupancy rates at King have historically remained at nearly 100%.

2. The primary method of treatment for mental health issues currently available to residents at the Veterans Home at King has been medication. The addition of two clinical social worker positions would allow staff to provide additional treatment options for residents of the Home and improve the quality of treatment residents receive. While the addition of two clinical social workers is not expected to reduce medication costs, the Department indicates that the funding provided in this item would allow the Veterans Home at King to provide more comprehensive mental health treatment for residents.

3. This item would provide funding for two clinical social worker positions. The responsibilities of a clinical social worker include: (a) diagnosis and assessment of mental and emotional disorders; (b) provision of psychotherapeutic activities, which include psychosocial evaluation, individual and group therapy, and family therapy; (c) provision of prevention activities to educate staff in appropriate measures when dealing with behaviors associated with mental and emotional disorders; (d) function as liaison with the resident, the treatment team, and family members; (e) evaluate data to effectively monitor treatment plans; and (f) participate in evaluation of members at risk or in need of psychiatric inpatient hospitalization. Clinical social workers are required to have a masters or doctorate degree in social work with an emphasis on clinical experience.

4. In addition to providing funding for two clinical social workers, part of the funding provided in this bill would be used to bring in a contracted psychiatrist one additional day per week to consult with mental health service staff and to deal with more difficult treatment cases. The cost of this contract is estimated to be \$150,000 annually. If this item is approved, the contracted psychiatrist would provide services at the Home two days per week.

5. DVA indicates that the number of residents in need of mental health services has continued to increase over time. The two primary diagnoses for residents at the Veterans Home at King are anxiety disorders, which include post-traumatic stress disorder, generalized stress disorder, obsessive compulsive disorder, panic disorder and social phobia, and dementia. In addition, many of these residents are now being diagnosed with more than one mental health condition. The following table summarizes of the various mental health diagnoses currently being treated at the Veterans Home at King.

Residents with Mental Health Issues at King

<u>Diagnosis</u>	<u>No. of Residents</u>
Anxiety Disorder	264
Mood Disorder	75
Psychotic Disorder	75
Substance Abuse Disorder	20
Dementia	377

6. The cost of providing additional mental health services at the Veterans Home at

King would largely be funded through increases in the rates charged to private pay residents of the Home. It is projected that, due to the provision of additional mental health services, private pay rates would increase by approximately \$1 per day. For calendar year 2009, the private pay rate for skilled nursing care at the Veterans Home at King, after accounting for the federal VA offset, is \$185.58 per day.

7. The Committee may wish to consider several options with respect to this item. First, the Committee could approve the Governor's recommendation. However, a reestimate of the funding needed to support the 2.0 positions recommended by the Governor suggests that funding in the bill should be decreased by \$10,000 PR in 2009-10 and increased by \$20,000 PR in 2010-11.

8. If the Committee wished to fully fund the costs of the 2.0 positions recommended by the Governor but did not want to increase funding in the bill to reflect a reestimate of the costs of these positions, it could reduce funding for contracted psychiatric services by \$10,000 PR in 2008-09 so that \$140,000, rather than \$150,000 would be provided for these services in 2009-10 and \$150,000 would be provided for contracted psychiatric services in 2010-11. Under this alternative, funding in the bill would be decreased by \$20,000 PR in 2009-10 and increased by \$20,000 PR in 2010-11, for a net biennial change of \$0.

9. In light of funding and position reductions recommended elsewhere in AB 75, the Committee could modify the Governor's recommendation to provide 1.0, rather than 2.0 clinical social worker positions, and reduce funding for contracted psychiatric services so that an additional \$75,000 would be provided annually for these services. Under this alternative, staffing for mental health services would increase from the current 4.0 positions to 5.0 positions (25%), and the amount of contracted psychiatric services would increase by 50%, so that \$225,000 PR would be budgeted annually for these services. This funding level would be sufficient to have contracted psychiatric staff at the Home for 1.5 days per week, compared to 1.0 day per week under the Home's current budget.

10. Finally, the Committee could delete the additional funding and staff recommended by the Governor. Under this alternative, DVA would be required to prioritize mental health services to residents at the Home, or reallocate base funding and positions if it wishes to increase services to address residents' mental health needs.

ALTERNATIVES

1. Approve the Governor's recommendations. In addition, reduce funding by \$10,000 in 2009-10 and increase funding by \$20,000 to reflect a reestimate of costs of 2.0 clinical social worker positions.

ALT 1	Change to Bill Funding
PR	\$10,000

2. Modify the Governor's provision by: (a) reestimating the costs of 2.0 clinical social worker positions; and (b) reducing funding for contracted psychiatry services by \$10,000 so that funding would be increased for these services by \$140,000, rather than \$150,000 in 2009-10, as recommended by the Governor. Reduce funding by \$20,000 in 2009-10 and increase funding by \$20,000 in 2010-11 to reflect these changes.

3. Modify the Governor's provision by reducing funding by \$146,100 in 2009-10 and by \$128,000 in 2010-11 and delete 1.0 position. Under this alternative, DVA would be provided 1.0 additional clinical social worker position and funding for contracted psychiatric services at King would increase by \$75,000 annually.

ALT 3	Change to Bill	
	Funding	Positions
PR	-\$274,100	- 1.00

4. Delete provision.

ALT 4	Change to Bill	
	Funding	Positions
PR	-\$558,300	- 2.00

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