

**Testimony of Stephen T. Baron, Director, Department of Mental Health  
on the Fiscal Year 2011 Budget Request  
before the  
Committee on Health, David A. Catania, Chair  
April 26, 2010**

Good Morning, Chair Catania, Members of the Council and Committee Staff.

I am Steve Baron, Director of the Department of Mental Health and I am here to present the Department's Fiscal Year 2011 budget request. With me are Michael Neff, Chief Administrative Officer, and Joyce Jeter, Agency Fiscal Officer. Other senior staff are in the audience and are available to answer questions as needed.

Our Fiscal Year 2011 budget request reflects Mayor Fenty's continued investment in the District's public mental health system which serves our most vulnerable residents in need of mental health services.

The Department's proposed FY 11 budget of \$187 million dollars (186,880.724) funds a range of services and supports to residents of all ages. It also supports the operations of Saint Elizabeths Hospital, the District's public psychiatric facility.

The proposed budget allows DMH to:

- Support a projected enrollment increase of individuals to be served in the community;
- Continue important initiatives that expand available services;
- Achieve significant cost savings through consolidating operations at the Hospital and in other areas of the Department;
- Provide high quality services to consumers previously served in government run clinics;
- Strengthen accountability in service delivery, and,
- Meet the requirements of the *Dixon* court order and the Department of Justice Agreement.

I will now discuss our request in more detail. I first want to review several organizational changes reflected in the structure of the budget. We reorganized the Mental Health Authority which is the administrative arm of the agency to separate services provided directly by the Department or through community providers from the Department's monitoring and oversight functions.

This change enhances budget transparency and makes the functions and dollars easier to track. The new division called the Mental Health Services and Support Division is made up of adult services, children's services and government operated services that include Same Day Service; multicultural services for limited or no English speaking individuals; services for the hearing impaired, and the Physicians Practice Group. We continue to operate a pharmacy to provide medication for consumers who cannot afford them and to conduct court-ordered outpatient competency evaluations. Along with the reorganization, we consolidated these services from four sites into two which saved administrative and occupancy costs.

We moved the Comprehensive Psychiatric Emergency Program called CPEP which includes mobile crisis and the homeless outreach program, forensics, the school mental health program, and, the housing program from the Mental Health Authority to this new division. This reorganization places direct services and the funds and positions that support them into one division.

We also organized a number of administrative services in a new Mental Health Financing/Fee for Service Division within the Mental Health Authority. This division manages the budget for community contract providers (both Medicaid and local funding), claims and billings functions, and provider relations.

This new division already is focused on identifying available Medicaid funds for services previously funded by local dollars only and the budget request shows savings in this area. We also tightened up our process to ensure more timely Medicaid reimbursements. Finally, this new division will better support providers by linking provider relations with claims functions.

### **Funding Saint Elizabeths Hospital**

Mr. Catania, we were delighted that you joined the Mayor and the Department when we moved into the new Saint Elizabeths Hospital last Thursday. The new hospital provides a more therapeutic environment for patient care and supports our vision for treatment, recovery and community integration. It also provides a secure, high tech, working environment for patients and staff.

Because of the move to the new hospital, the budget request shows significant fixed costs savings by consolidating operations that previously were spread out over 12 buildings and by modernizing certain support functions within the hospital. The budget request also reflects savings from a reduced census. Since October 1, 2009, there has been a net reduction of 37 people in the Hospital's census and we expect the census to continue to drop.

The budget request of \$80 million dollars supports the necessary direct care and clinical positions, allows the Hospital to continue to recruit high quality clinical staff, and to train staff on best practices in patient care. Resources are targeted at patient care and enabling the Hospital to address issues in the Department of Justice Settlement Agreement.

We also have sufficient funding in our capital budget to complete Phase III of the hospital construction project which is demolishing John Howard and building a new recreation yard for forensic patients.

### **FY 11 Goals and Initiatives**

- Expanding services

Our budget request includes an increase in funding for mental health services performed by our community mental health partners to \$20 million dollars—an increase of almost 15% as voucher funds for the DC CSA transition also were moved to support ongoing services. These local dollars leverage Medicaid funding and supports about \$45 million in services. The budget request also

includes a proposed rate adjustment. While we plan to finalize this with discussion with our community partners, our goal is to create the proper service mix of clinical support and community rehabilitative support by incentivizing certain services.

- Creating more housing opportunities

The budget includes \$5 million dollars in capital funding to continue the Department's development of affordable housing for individuals with a psychiatric illness through a partnership with the Department of Housing and Community Development. These new funds are on top of the funds for the Department's supportive, subsidized housing program which supports more than 750 individuals in the community.

- Monitoring the transition of former DC Community Services Agency consumers to community providers

We completed the transfer of more than 3,000 consumers from government operated clinics to the community provider network ahead of the March 31 deadline. We put a number of supports in place to make the transition as smooth as possible, and we will vigorously monitor the transition over the next year to ensure consumers continue to receive high quality services. The Office of Accountability has set up mechanisms to measure consumer satisfaction and evaluate continuity of care.

As we reported at the oversight hearing, about 82% of consumers reported that they are satisfied with the transition process and with their new providers. The Office of Accountability is now evaluating timely provision of services following transfer, continuation of pre-transfer services and frequency of service provision, and any changes in diagnosis or medications prescribed since transfer. For each consumer in the sample, the first review is conducted 90 days from the date of transfer and again one year from the date of transfer.

The Office also will audit claims submitted for transition funds over the next year to ensure funds were properly spent.

In addition to this focused auditing, next fiscal year, we will post on our website a scorecard that rates each provider on quality of care and services, internal financial controls and compliance with District and federal regulations.

### ***Exiting Dixon***

We believe that an end to the Dixon Court Case is in sight and the proposed budget retains funds that support our compliance efforts. As you are aware, under the terms of a lawsuit dating back to 1974, the Court Monitor evaluates the Department's progress in meeting 19 defined performance measures—called the "Dixon Exit Criteria." Since the March performance oversight hearing, the Court Monitor has moved another two criteria to inactive status—bringing the total to eight. We have the staff and resources in place to address each criterion and we

believe that by the end of the year that we will have made substantial progress in meeting all the Exit Criteria.

We are confident that Mayor Fenty's proposed FY 11 budget targets resources at services to serve more people and moves us closer to building the most responsive public mental health system possible.

This concludes my testimony. We appreciate the consistent support that the Committee has shown the Department, and I am available to answer any questions.

Thank You.