

# **JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH AND HUMAN SERVICES**

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## **Behavioral Health Liabilities and Budget Deficit**

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**Jim Slate, Director**

**Division of Budget & Analysis**

**Dale Armstrong, MBA, FACHE, Director**

**Division of State Operated Healthcare Facilities**

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# Total Budget for Facilities



## SFY 14-15 Certified Budget

FACILITY TYPE	TOTAL BUDGET
Hospitals & Schools	\$336,777,604
Neuro-Medical Treatment Centers	110,020,208
Developmental Centers	236,912,515
Alcohol & Drug Abuse Treatment Centers	40,875,972

## Grand Total of All Facilities

**\$724,586,299**

Note 1: Disproportionate Share (DSH) funds are not included

Note 2: For above budget, Receipts = \$432,888,258 and State = \$291,698,041

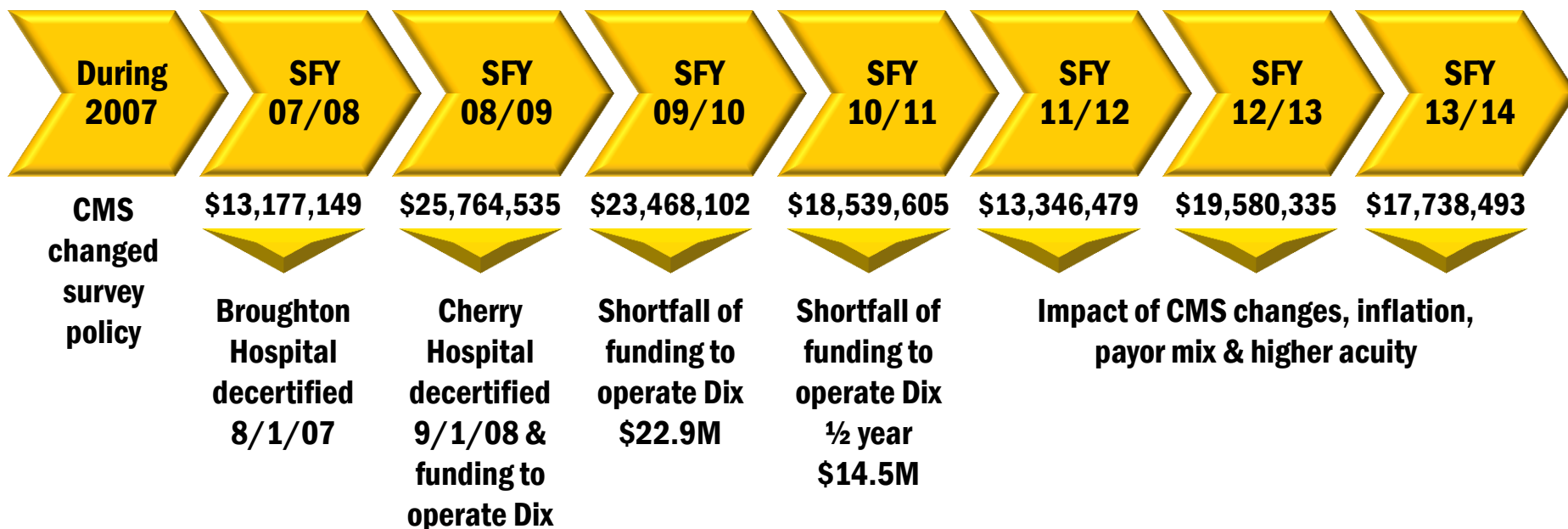
# Contributing Factors



- Changes by CMS on surveying / certification issues
- Closure of Dorothea Dix Hospital
- Patient/resident increased acuity
  - Incapable to Proceed (ITP)
- Inflation
- Changes in payor mix

# Facility Shortfall Timeline

## Not Mental Health Liability



Note: Based on actuals before departmental funds were transferred to minimize impact

# Mental Health Liabilities



State Fiscal Years 2009-2014

STATE FISCAL YEAR	LIABILITY
SFY 08/09	\$16.0M
SFY 09/10	\$17.6M
SFY 10/11	\$37.8M
SFY 11/12	\$35.6M
SFY 12/13	\$21.8M
SFY 13/14	\$13.5M

# Initiatives Completed



INITIATIVE	ANNUAL SAVINGS
Group Purchasing Organization (GPO)	\$2M-\$3M
Lab and transcription consolidation	\$1M
Agency staffing RFP and negotiated rates	\$600K
Pharmacy initiatives	\$10M

**Total Initiative Annual Savings**  
**\$13.6-\$14.6 million**

Note: All savings are based on gross expenditure savings

# Initiatives in Progress



Cumulative targeted savings total  
**\$9.2M annually**  
beginning July 1, 2015

- Automated Timekeeping System
- Financial Management Reporting System (FMRS)
- Labor Standards Study/Workforce Management
- Regionalization of Purchasing
- Reduction in Motor Fleet Vehicles
- Consolidation of Various Services Across Facilities to Achieve Additional Savings

Note: DSOHF has identified additional initiatives for savings. Projects above have the most significant savings.

## DHHS Division of State Operated Healthcare Facilities

**Provide high quality service  
and care every day for  
over 3,000 individuals with  
significant disabilities and  
increasingly high acuity levels**

**Utilize sound business  
model principles to achieve  
cost effective, efficient  
service delivery**