

**Testimony**  
**Senate Bill 2012 – Department of Human Services**  
**Senate Appropriations**  
**Senator Holmberg, Chairman**  
**January 19<sup>th</sup>, 2011**

Chairman Holmberg, members of the Senate Appropriations Committee, I am Alex C. Schweitzer, Superintendent of the North Dakota State Hospital and North Dakota Developmental Center (One Center) of the Department of Human Services. I am here today to provide you with an overview of the One Center for the Department of Human Services.

**North Dakota State Hospital Programs:**

The North Dakota State Hospital provides short-term inpatient and long-term residential psychiatric, chemical addiction, and forensic services for adults. Within this group of adult patients are offenders referred to the Tompkins Rehabilitation and Corrections Center by the Department of Corrections and Rehabilitation for residential addiction services.

The State Hospital also provides inpatient services for children and adolescents with serious emotional disorders and substance abuse problems. The Jamestown Public School System provides educational services to the child and adolescent population in a school located on the grounds of the State Hospital.

The above-mentioned patients are considered to be the traditional patient population of the Hospital.

The Hospital also provides inpatient evaluation and treatment services for sexually dangerous individuals. This group of patients are housed and treated in the secure services unit of the Hospital.

### **North Dakota State Hospital Census:**

The State Hospital operates 307 beds.

The Hospital utilizes ninety (90) of these beds to provide addiction services to offenders in the Tompkins Rehabilitation and Corrections Center, comprised of 60 male and 30 female offenders.

The Hospital utilizes one hundred thirty-two (132) beds for inpatient and residential psychiatric services for the treatment of adults, children and adolescents with serious and persistent mental illness, serious emotional disorders and chemical addiction. Inpatient and residential services were highly occupied from 2006 through 2008, with occupancy often running between 95% - 100% and occasionally exceeding 100%. The major reasons for this high occupancy were the admission of first time patients, chronic patients awaiting referral to residential settings and the increased need for treatment of patients with complex medical and psychiatric issues.

The inpatient psychiatric service during the past two years (2009 – 2010) saw an increase in total admissions and a decrease in average daily census. Average occupancy was 86% during the past year and this better aligns with the ratio of staff to patient as the Hospital staffs patient units for 85% occupancy.

The decrease in occupancy can be attributed to increased community service options, treatment in local psychiatric inpatient facilities and discharge options for chronic patients.

The Tompkins Rehabilitation and Corrections Center and the Inpatient Psychiatric Service admissions and average daily census data is outlined in Attachments A (1) & (2) based on a calendar year.

The Hospital operates 76 beds in the sex offender unit, and at the end of 2010 we had occupancy of 59 patients. The Hospital also operates a Transitional Living Home on the campus for one sex offender in the late stages of their commitment to the program.

The census data on the sex offender population is outlined in Attachment B.

In summary, the Executive Budget recommendation for the North Dakota State Hospital is for a total capacity of 298 patients. The breakdown by program includes; 90 beds in the Tompkins Rehabilitation and Corrections Center, 76 beds in the Secure Services Unit (sex offender program) and 132 beds for inpatient psychiatric services.

**Major Program Changes/Trends:**

- The North Dakota State Hospital is providing more residential services for individuals with dual diagnosis, mental illness, chronic recidivistic alcoholics and individuals with intellectual disabilities that present with chronic medical and behavioral issues.

- After years of dramatic decline, because of the increased availability of community-based services, the State Hospital's patient census grew modestly after 2003. The growth was attributed to sex offenders, the Tompkins Program and first time admissions.
- The North Dakota State Hospital had pending waiting lists in the years 2006, 2007 and 2008. The Hospital adapted with the addition of more hospital beds. This moderated in 2009 and 2010 – frequently the Hospital was at 85% occupancy. The need for more inpatient beds was removed from the 2011 budget request and instead internal reorganization is meeting our patient needs.
- Individuals admitted to the North Dakota State Hospital have higher acuity levels than in the past.
- Secure Services had its first discharge in 2008 and we have discharged 16 individuals from the sex offender program to date. (Two returned to prison).

**Overview of Budget Changes in Traditional Services:**

Description	2009 – 2011 Budget	2011 – 2013 Budget	Increase/ Decrease
Capital Construction Carryover	1,179,625		(1,179,625)
Institutions	58,870,713	62,208,285	3,337,572
General Funds	40,114,197	42,061,882	1,947,685
Federal Funds	4,803,599	2,609,783	(2,193,816)
Other Funds	15,132,542	17,536,620	2,404,078
Total	60,050,338	62,208,285	2,157,947
FTE	380.96	381.45	.49

**Budget Changes from Current Budget to Executive Budget:**

The Overall Budget increase of \$2,157,947 can be explained as follows:

- \$2,558,189 in general fund needed to fund the Governor’s salary package for state employees.
- \$936,178 in total funds of which \$882,686 in general fund and \$53,492 in federal funds needed to fund the second year employee increase for 24 months versus 12 months that are contained in the current budget.

- An increase of \$1,346,480 to cover an underfunding of salaries from the 2009 – 2011 budget.
- The 2011 – 2013 Executive Budget recommendation has a salary underfund of \$796,986 for traditional services.
- The Executive Budget recommendation includes \$222,970 to hire a pharmacist to provide telepharmacy services to the eight (8) regional human service centers.
- A decrease of \$282,860 in temporary salaries as the 11 – 13 request splits the cost of patient employment between the traditional budget and secure services budget.
- The remaining decrease of \$30,597 is a combination of increases and decreases needed to sustain the salary of the 381.45 FTE in this area of the budget.
- A increase in operating costs of \$535,514, which includes; an increase in travel costs, educational supply costs, chemical supply costs, office supply costs, furniture replacement, insurance costs, a pharmacy bar code system for the pharmacy and increased stipend and professional development costs.
- The Executive Budget recommendation for major extraordinary repairs at the Hospital is for \$733,650, which is a decrease of \$2,267,367 from the current budget;

Major extraordinary repairs include; \$220,000 for replacing the LaHaug sanitary sewer system, \$50,000 for siding and windows for transitional living houses, \$20,000 for overhauling chillers, \$75,150 for asbestos and lead based paint abatement, \$25,000 for the LaHaug fire alarm system upgrade, \$15,000 for replacing the windows in the south end of the Chapel, \$25,000 for roof repairs, \$25,000 for new security lights, \$25,000 for one unisex handicapped accessible bathroom in the Chapel, \$30,000 for water supply repairs, \$25,000 for coal handling equipment, \$18,000 for boiler repairs, \$33,500 for fuel oil pump, \$27,000 for heating coils, \$20,000 for handicapped accessible doors and \$100,000 to upgrade the elevators in the LaHaug building.

- Other capital payments decreased by \$437,729 as bond payments were paid off for the North Dakota State Hospital in 2010.
- Land and Buildings increase in the Executive Budget of \$1,800,000 to include; \$1,500,000 for Joint Commission accreditation items, the cost of replacing the emergency generator \$1,300,000 and testing of fire/smoke dampers \$200,000, and \$300,000 for the rewiring and updating of electrical equipment in the New Horizons building.
- Equipment over \$5,000 in the Executive Budget recommendation shows a decrease of \$246,220.
- Capital Construction Carryover - Extraordinary Repairs also decreased by \$1,179,625, which was a carryover of funds from the 2007 – 2009 biennium for capital projects in progress on July 1, 2009.

- The 2011 - 2013 Executive Budget recommendation contains an increase of .49 FTE. This includes the one (1) FTE for the telepharmacy position and a reduction of .51 FTE because of a transfer to secure services.
- The increase in General Fund is the result of the Executive Budget recommendation for the state employee's salary package and the one-time expense of capital projects.
- Federal Funds decrease by \$2,193,816 because of the reduction in Federal Participation and fewer patients covered by Medicaid.
- Other Funds increase by \$2,404,078 because of increased payments for Medicare Pharmacy Part D, Medicare Inpatient Part A and contract payments for Tompkins Rehabilitation Center patients.



**Overview of Budget Changes in Secure Services:**

Description	2009 – 2011 Budget	2011 – 2013 Budget	Increase/ Decrease
Institutions	10,480,123	11,264,915	784,792
General Funds	10,429,000	11,264,915	835,915
Federal Funds	17,824	-	(17,824)
Other Funds	33,299	-	(33,299)
Total	10,480,123	11,264,915	784,792
FTE	85.55	86.06	.51

**Budget Changes from Current Budget to Executive Budget:**

The Overall Budget increase of \$784,792 can be explained as follows:

- The salary increase is \$553,837 in general fund needed to fund the Governor’s salary package for state employees.
- \$282,242 in total funds of which \$282,078 is general fund and \$164 in federal funds needed to fund the second year employee increase for 24 months versus 12 months that are contained in the current budget.
- The 2011 – 2013 Executive Budget recommendation has a salary underfund of \$900,000 for secure services.

- The 2011 – 2013 Executive Budget recommendation has an increase of \$368,091 to cover underfunding from the 2009 – 2011 budget.
- An increase of \$187,432 in temporary salaries as the 11 – 13 request splits the cost of patient employment between the traditional budget and secure services budget.
- The remaining increase of \$183,727 is a combination of increases and decreases needed to sustain the salary of the 86.06 FTE in this area of the budget.
- Operating costs increase by \$109,463, with the primary increases in educational supplies, health supplies, office supplies, flooring costs, estimated building repairs, added cost of psychological evaluations, stipends and professional development costs.
- Total FTEs increase by .51 because of the transfer of a RN II and Forensic Psychologist from the traditional services budget to the secure services budget.
- The increase in general fund in the Executive Budget recommendation for secure services is the result of Governor's salary package.
- Federal Funds decrease by \$17,824, as we were unable to collect any federal dollars for the secure services unit.
- Other funds decrease of \$33,299 is the result of patients not having private funds or third party payers for payment.

## **North Dakota Developmental Center Programs:**

The North Dakota Developmental Center provides services for individuals with intellectual disabilities. The Center provides residential services, work and day activity services, medical services, clinical services and evaluation and consultation services.

Residential Services at the Developmental Center include:

- Secure Services Program – this unit is for individuals with intellectual disabilities who have sex offending behaviors and for other individuals from the campus that require a more secure living environment. These individuals require long-term care.
- Health Services Program – for individuals with intellectual disabilities who are totally dependent on staff to complete daily cares and have medical concerns that require nursing staff accessibility 24 hours per day. Also, in this area are a small number of individuals diagnosed with profound intellectual disability and dual sensory disabilities (vision and hearing). These individuals require long-term care.
- Behavioral Care Program – these individuals with intellectual disabilities present with psychiatric diagnoses and significant challenging behaviors. Some of these individuals may also have less severe medical needs.

- Youth Services Program - these young people between the ages of 16 - 25 have difficulty finding housing and services in the community. The Center provides short-term services to these individuals until a community placement can be found.
- Independent Supported Living Arrangement Program - the Developmental Center has three individuals with sexual health issues living in campus housing. The Center provides staffing to support these individuals in this independent living arrangement.
- Outreach Program – the Center provides outreach services for the community. The Consultation, Assistance, Resource, Evaluation and Service (CARES) team provides these services in order to prevent admissions, readmissions and also assist in transitioning people from the Developmental Center. In 2008 the CARES Team went statewide.

### **North Dakota Developmental Center (NDDC) Census:**

See Attachment C, for the census data at the Center for the period of 1997 through 2010.

### **Major Program Changes/Trends:**

- Census at the Developmental Center was steady for a number of years at an average of 143 individuals until the transition to community initiative started in 2005. The current budget request is based on 95 individuals. The goal is for 67 individuals to be residing at the Center by July of 2013.

- The Developmental Center transformation initiative is preparing the facility for a smaller population and the elements of this initiative include; decentralized dining, reorganized work and activity programming, the addition of transitional programs for adults and youth, preparing staff for transition, closing and reorganizing units, suites and buildings, and renting or selling underutilized buildings and land.
- The CARES function has been enhanced to support people in community settings and to prevent admissions and readmissions to the Center. The addition of the transitional programs, the enhancement of the CARES function and the addition of behavioral analysts are the primary drivers in managing admissions and readmissions. No additional dollars are requested for these enhancements.
- The Developmental Center has vacant space because of the transition of individuals from the Center to the community.
- The Developmental Center has higher acuity levels with the population that is remaining at the facility.

**Overview of Budget Changes – North Dakota Developmental Center:**

Description	2009 – 2011 Budget	2011 – 2103 Budget	Increase/ Decrease
Capital Construction Carryover	20,100		(20,100)
Institutions	54,082,240	51,809,247	(2,272,993)
General Funds	14,595,729	20,417,430	5,821,701
Federal Funds	35,363,271	27,823,460	(7,539,811)
Other Funds	4,143,340	3,568,357	(574,983)
Total	54,102,340	51,809,247	(2,293,093)
FTE	441.29	400.76	(40.53)

**Budget Changes from Current Budget to Executive Budget:**

The Overall Budget decrease of \$2,293,093 can be explained as follows:

- The salary increase is \$2,277,341 in total funds of which \$1,060,331 is general fund, \$1,217,009 in federal funds and \$1 in other funds needed to fund the Governor’s salary package for state employees.

- \$700,042 in total funds of which \$367,331 is general fund and \$332,711 in federal funds needed to fund the second year employee increase for 24 months versus the 12 months that are contained in the current budget.
- An increase of \$201,159 to cover an underfunding of salaries from the 2009 – 2011 budget.
- The 2011 – 2013 Executive Budget recommendation has a salary underfund of \$738,694 for the Developmental Center.
- Other salary changes include; a decrease of \$323,601 because of retirements and a decrease of \$3,536,968 as a result of reduced client population.
- The remaining decrease of \$162,509 is a combination of increases and decreases needed to sustain the salary of the 400.76 FTE in this area of the budget.
- Operating Fees and Services increase \$433,134 due to increased provider assessment costs.
- Other Operating costs decrease by \$413,034 due to reduced resident population, with decreases in flex training costs, supply costs, professional fees, and medical, dental and optical costs.

- The Executive Budget recommendation for extraordinary repairs at the Center is for \$579,469, which is a decrease of \$133,206 from the current budget. Extraordinary repairs include; \$199,100 for sprinkler system upgrade for the residential buildings, \$203,747 for flooring, \$50,000 for replacement of piping for the steam distribution system, \$10,000 for campus concrete projects, \$25,000 for door and hardware replacement, \$50,000 for repairs to the chill water piping system, \$18,000 for pool patio covers and \$23,622 for ceiling upgrades in the food service area.
- Equipment over \$5,000 in the Executive Budget recommendation is a decrease of \$75,000 from the current budget because of reduced population.
- Decrease of \$501,657 for the final bond payment made in 2010.
- Capital Construction Carryover - Extraordinary Repairs also decreased by \$20,100, which was a result of carryover funds from the 2007 – 2009 biennium for capital projects in progress on July 1, 2009.
- The net decrease of 40.53 FTEs at the Developmental Center because of reduced resident population.
- The increase in General Fund is for the Executive Budget recommendation for the state employee's salary package and to cover the reduction in the federal match.



- The Federal Funds decrease is because of the reduction in the federal match and decrease in resident population.
- The Other Funds decrease because of a reduction in recipient liability and Medicare Part D payments because of the decrease in resident population at the Center.

Thank you. I would be happy to answer any questions about the budget request for the North Dakota State Hospital and North Dakota Developmental Center (One Center).

