

**House Bill 1012 – Department of Human Services
Senate Appropriations Committee
Senator Holmberg, Chairman
March 4, 2009**

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 of the Department of Human Services (One Center). I am here today to provide you with an overview of the North Dakota State Hospital and North Dakota Developmental Center of the Department of Human Services.

North Dakota State Hospital Programs:

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

The State Hospital 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 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.

The Hospital provides psychiatric, medical and x-ray services under an agreement with the James River Correctional Center.

North Dakota State Hospital Census:

The State Hospital operates 307 beds.

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

The Hospital utilizes one hundred thirty-two (132) beds for inpatient and residential psychiatric services where the Hospital treats adults, children and adolescents with serious and persistent mental illness, serious emotional disorders and chemical addiction. Inpatient and residential services have been highly occupied for the past three years, with occupancy often running between 95% - 100% and occasionally exceeding 100%. The Hospital increased the capacity of inpatient and residential services by eight (8) beds in the 05 – 07 biennium to deal with the increased occupancy. In addition, the Hospital increased capacity by four (4) beds in the current biennium to meet the increased demand. The Hospital during the past biennium was staffed for 85% occupancy in the nursing department.

The major reasons for the high occupancy are the admission of first time patients, increased acuity from community admissions, chronic patients awaiting referral to residential settings and the increased need for treatment of patients with complex medical and psychiatric issues.

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 census year of July 1st to June 30th.

The Hospital operates 85 beds for sexually dangerous individuals, and at the end of 2008 we had an occupancy of 59 patients. The Hospital also operates a Transitional Living Home on the campus for two sexually dangerous individuals in the late stages of their commitment to the program.

The census data for the sexually dangerous individuals population is outlined in Attachment B.

In summary, the Executive Budget recommendation for the North Dakota State Hospital is for a total capacity of 307 patients. The breakdown by program includes; 90 beds in the Tompkins Rehabilitation and Corrections Center with 60 men and 30 women, 85 beds in the Secure Services Unit and 132 beds for inpatient psychiatric services.

Major Program Changes/Trends:

- The Hospital is experiencing high occupancy and higher acuity in the traditional services program for adults for the past three years.

- The Hospital transitioned 16 serious and persistent mentally ill patients to a residential long-term care program at the Sheyenne Care Center in Valley City to best meet their needs and increase capacity at the State Hospital.
- During the current biennium the Hospital opened a fourth sex offender unit with an additional 20 beds and 17 FTEs. The Sex Offender Program should be able to meet capacity needs for the foreseeable future with the current 85 beds and the Transitional Living Program.
- The Hospital did not follow through with the construction of a building addition (the fifth unit) to the GM Building for the sex offender program as authorized during the 2007 legislative session. The additional space was not needed because of the slowing of referrals, the emergence of the outpatient sex offender treatment program and discharges from the inpatient program.

Overview of Budget Changes in Traditional Services:

Description	2007 – 2009 Budget	Increase/ Decrease	2009 – 2011 Budget	House Changes	To Senate
Institutions	52,235,044	7,361,583	59,596,627	(3,089,601)	56,507,026
General Funds	36,423,429	3,642,903	40,066,332	(2,037,161)	38,029,171
Federal Funds	4,467,669	(73,366)	4,394,303	(231,311)	4,162,992
Other Funds	11,343,946	3,792,046	15,135,992	(821,129)	14,314,863
Total	52,235,044	7,361,583	59,596,627	(3,089,601)	56,507,026
FTE	381.06	6.00	387.06	(6.00)	381.06

Budget Changes from Current Budget to Executive Budget:

- The increase in General Funds is the result of the Executive Budget recommendation for the state employee's salaries and benefit package.
- Federal Funds decrease by \$73,366 because of the reduction in Federal Participation.
- Other Funds increase by \$3,792,046 because of increased Medicare payments in Pharmacy Part D and Inpatient Part A.
- Salary and benefit increase of \$4,306,134 total funds, with general funds increase of \$3,333,913, federal funds increase of \$419,419 and other funds increase of \$552,802 to cover the Executive Budget recommendation for employee salary increase of 5% and 5% and benefit increases (increase in health insurance).
- The cost to continue year two of the 2007-2009 biennium salary increases into the 2009-2011 biennium is \$657,917 with General Funds of \$599,752.
- The Executive Budget recommendation contains an under funding of salaries of \$988,683 and a decrease of \$82,141 in other salaries because of decreased utilization of shift differential.

- Operating costs increase of \$1,995,383 is due to high patient occupancy and acuity and increased utilization of medications and medical services/supplies. In addition the Hospital is experiencing cost increases in medications, medical services/supplies and utilities.
- The extraordinary repairs increase includes; major extraordinary repairs of \$320,000 for resurfacing campus streets and parking lots, \$75,000 for campus flooring replacement, \$75,000 for asbestos abatement, \$106,000 to replace siding and windows in the Transitional Living Houses, \$1,146,500 for plumbing work, \$360,000 for electrical service work, \$95,000 for roofing repair, \$25,000 for ADA improvements, and \$1,028,517 for heating and cooling upgrades for a total of \$3,231,017. The net increase in the Executive Budget recommendation for extraordinary repairs is \$1,897,517.
- Equipment over \$5,000 in the Executive Budget recommendation is \$246,220. The net increase for equipment over \$5,000 in the Executive Budget recommendation is \$123,720.
- Bond payment of \$437,729 and this is the final bond payment for the North Dakota State Hospital. The net decrease for bond payments in the Executive Budget recommendation is \$28,662.
- The 2009 - 2011 Executive Budget recommendation contains a request for 6 FTEs. These FTEs are for the Inpatient Psychiatric Unit where we are experiencing higher occupancy and higher acuity.

House Changes:

The House underfunding of salaries for anticipated savings from vacant positions and employee turnover for this area of the budget is \$1,556,650, with \$511,140 in general funds, \$231,282 in federal funds and \$814,228 in other funds. This is in addition to the underfund contained in the Executive Budget of \$988,683.

The House reduced 50% of the department-wide travel increase. The North Dakota State Hospital's Traditional Services share of this decrease is \$16,136, with \$9,206 in general funds, \$29 in federal funds and \$6,901 in other funds.

The House reduced the State Hospital's extraordinary repairs by \$1,000,000 – all general funds.

The House removed 6 FTEs from the executive budget that were added because of capacity issues at the State Hospital. The Hospital made a request during House testimony to remove one of these six FTEs. Reduction of \$516,815 – all general funds.

Overview of Budget Changes in Secure Services:

Description	2007 - 2009 Budget	Increase/ Decrease	2009 – 2011 Budget	House Changes	To Senate
Institutions	14,491,287	(4,086,387)	10,404,900	-	10,404,900
General Funds	14,331,656	(3,960,055)	10,371,601	-	10,371,601
Federal Funds	-	-	-	-	-
Other Funds	159,631	(126,332)	33,299		33,299
Total	14,491,287	(4,086,387)	10,404,900	-	10,404,900
FTE	85.45	-	85.45	-	85.45

Budget Changes from Current Budget to Executive Budget:

- The decrease in general funds in the Executive Budget recommendation for secure services is primarily the result of not building the fifth unit and the completion of the safety and security upgrades.
- Other funds decrease of \$126,332 is the result of a smaller number of patients having third party payers or private funds for payment.
- Salary and benefit increase of \$838,694 total funds, with general funds increase of \$837,522 and other funds of \$1,172 to cover the Executive Budget recommendation for the employee salary increase of 5% and 5% and benefit increases (increase in health insurance).

- The cost to continue year two of the 2007-2009 biennium salary increase into the 2009-2011 biennium is \$123,486, with General Funds of \$122,726.
- The Executive Budget recommendation contains a salary underfunding of \$368,091.
- Operating costs increase in the Executive Budget recommendation by \$258,493 because of medication, medical services and utilities increases.
- The Executive Budget recommendation contains a decrease in capital improvements of \$3,100,000 as the fifth unit was not built.
- The Executive Budget recommendation contains a decrease of \$1,820,303 in extraordinary repairs for the completion of safety and security upgrades in the sex offender unit during the current biennium.
- Total FTEs remain the same in the Executive Budget recommendation as the Current Budget.

North Dakota Developmental Center Programs:

The Developmental Center provides services for individuals with developmental disabilities. The program includes residential services, work and day activity services, clinical and medical services and evaluation and consultation services.

Residential Services at the Developmental Center includes:

- Secure Services Program – this unit is for individuals with developmentally 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.
- Medical Program – for individuals with developmental 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 mental retardation and dual sensory disabilities (vision and hearing). These individuals require long-term care.
- Behavioral Care Program – these individuals with developmental 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 is placing and supporting with staff three individuals with sexual health issues in a transitional living facility on the campus to prepare them for community living. They will be discharged from the Developmental Center when they make the transition.
- The Developmental Center continues its efforts on an outreach program to assist the community with Consultation, Assistance, Resources, Evaluations and Services (CARES Team) 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 2008. The Executive Budget recommendation is built for a census of 115 individuals at the Center.

Major Program Changes/Trends:

- The One Center (NDSH/NDDC) shares ten (10) senior and middle management positions.
- The Community Transition task force is working on reducing the population of the Developmental Center with appropriate placements into community settings.
- The Center has added two transitional programs (one for youth and one for adults) to assist in the transition of individuals to community settings.
- In addition, the CARES function has been enhanced to support people in community settings and to prevent admissions and readmissions to the Center. The Center is adding (4) four behavioral analysts to carry out the statewide duties. The addition of the two transitional programs, the enhancement of the CARES function and adding of the behavioral analysts is being absorbed in the current budget and no request for additional dollars is in the Executive Budget recommendation.

Overview of Budget Changes – North Developmental Center:

Description	2007 – 2009 Budget	Increase/ Decrease	2009 – 2011 Budget	House Changes	To Senate
Institutions	48,221,619	5,793,646	54,015,265	(1,025,546)	52,989,719
General Funds	14,840,379	2,014,214	16,854,593	(437,518)	16,417,075
Federal Funds	29,378,634	3,624,925	33,003,559	(531,518)	32,472,041
Other Funds	4,002,606	154,507	4,157,113	(56,510)	4,100,603
Total	48,221,619	5,793,646	54,015,265	(1,025,546)	52,989,719
FTE	445.54	-	445.54	-	445.54

Budget Changes from Current Budget to Executive Budget:

- The increase in General Funds is for the Executive Budget recommendation for the state employee's salary and benefit package.
- The Federal Funds increase is for the state employee's salary and benefit package and a Medicaid settlement.
- The Other Funds increase is for the state employee's salary and benefit package.

- Salary and benefit increase of \$4,450,939 total funds, with general funds increase of \$1,544,418, federal funds increase of \$2,752,054, and other funds increase of \$154,467 to cover the Executive Budget recommendation for the employee salary increase of 5% and 5% and benefit increases (increase in health insurance).
- The cost to continue year two of the 2007-2009 biennium salary increase into the 2009-2011 biennium is \$606,365 with General Funds of \$228,054.
- The Executive Budget recommendation contains a decrease of \$46,040 in temporary salaries because of the reduction of one FTE in the dietary department.
- Operating costs increase of \$16,127 is due to increases in medications and utilities, but mitigated by decreases in other areas of the operating budget.
- The Executive Budget recommendation for extraordinary repairs at the Center is for \$712,675, which is a decrease of \$185,525 from the current budget. Extraordinary repairs include; roofing repairs of \$215,000, Powerhouse repairs and upgrades of \$364,100, flooring and counter top replacement of \$65,575, sidewalks and parking lots repairs of \$20,000, campus door replacement of \$36,000 and painting projects of \$12,000.

- Equipment over \$5,000 in the Executive Budget recommendation is \$75,000. This is a net decrease of \$17,640 from the current budget.
- Bond payment of \$501,657 and this is the final bond payment for the North Dakota Developmental Center. The net decrease for bond payments in the Executive Budget recommendation is \$32,848.
- The total Executive Budget recommendation for extraordinary repairs, bond payments and equipment at the Center is \$1,289,332.
- No increase in FTEs at the Developmental Center for this biennial period.

House Changes:

The House underfunding of salaries for anticipated savings from vacant positions and employee turnover for this area of the budget is \$875,170, with \$287,370 in general funds, \$531,385 in federal funds and \$56,415 in other funds.

The House reduced 50% of the department-wide travel increase. The North Dakota Developmental Center's share of this decrease is \$376, with \$148 in general funds, \$133 in federal funds and \$95 in other funds.

The House in addition reduced the executive budget request for extraordinary repairs at the North Developmental Center by \$150,000.

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.