

**Program Summary
Department of Health Services
Arizona State Hospital**

Program Overview

The Arizona State Hospital (ASH) provides treatment and rehabilitative services to the most severely mentally ill persons in the state. These services can be categorized into 4 distinct treatment areas: Civil, Forensic, Restoration to Competency, and Sexually Violent Persons.

ASH (originally deeded as the Insane Asylum of Arizona in 1885 by the 13th Territorial Legislature) opened in 1887 on the 93-acre campus located at 24th Street and Van Buren in Phoenix. In addition to therapeutic treatment, ASH also provides basic medical and dental care for all patients, including on-site radiology, well-woman exams, and teeth cleanings.

In July 2002, the new inpatient 16-bed adolescent facility opened and in February 2003, the new inpatient 200-bed adult civil facility opened. These 2 buildings are the first new treatment facilities built on the premises since 1952, when the buildings currently occupied by the Restoration to Competency and Sexually Violent Persons Programs and the Forensic Hospital were constructed.

In FY 2008, the overall ASH budget totaled \$75.8 million and the total census was 261 patients. For FY 2009, ASH has a total budget of \$74.8 million.

Civil Facility

The Adult Civil Behavioral Health Facility and the Adolescent Behavioral Health Facility serve the seriously mentally ill adult and adolescent patients who are court-ordered to ASH for treatment. Once minors turn 18 years old, they are transferred from the adolescent facility to the adult unit. In FY 2008 the adult civil census was 112 patients. This represents a decrease of (2.6)% from FY 2007 and a decrease of (21.1)% from FY 2002. During FY 2008 the adolescent civil census was 8 patients. This level represents no change from FY 2007 but a decrease of (33.3)% below FY 2002.

Forensic Facility

The Forensic Hospital houses patients that have been charged with crimes and found not guilty by reason of insanity or guilty but insane. Rather than being sent to prison, these patients are sent to ASH where they receive traditional therapy and medication and may be released if they are deemed no longer a threat to themselves or those around

them. There were 142 forensic patients in FY 2008. This is a 33.6% increase over the number of patients in FY 2007 and a 21% increase above FY 2002.

Restoration to Competency

The Restoration to Competency (RTC) Program provides treatment for patients who have been charged with a crime but found to be unfit to stand trial. These patients receive traditional therapy and medication in addition to information about trial processes and their role in participating in their own defense. Once a patient is deemed competent to stand trial, they are returned to the originating county to proceed with prosecution. There was an average of 21 patients in the RTC Program in FY 2008. This represents a (40)% decrease from FY 2007 and a (25)% decrease from FY 2002.

Sexually Violent Persons

The Sexually Violent Persons (SVP) Program is administered by the Department of Health Services (DHS) and ASH. A SVP is defined as a person that has been found guilty of a sexually violent offense, and has a mental disorder that makes that individual likely to re-offend. Once at the SVP unit, the individual receives an evaluation and a treatment plan is developed. Once a patient is determined to no longer be a risk, they are re-integrated into the community through the use of supervised neighborhood outings and special placement housing. In FY 2008 there were 33 patients that completed the SVP Program. This represents a (59.8)% decrease from FY 2007 and a (72.5)% decrease from FY 2002.

Table 1 contains historical patient census data for each of the treatment areas using data from FY 2002 – FY 2008.

As seen by the chart, the overall ASH patient census has decreased from 404 in FY 2002 to 365 in FY 2008, a (9.8)% decrease. Although certain individual treatment areas have seen modest increases since the last fiscal year, the overall trend for most programs shows a significant decrease since FY 2002, with only one treatment area, the Forensic Hospital, increasing by 21%. During the same time, the Census Bureau estimates that the population of Arizona grew by approximately 13.3%.

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Civil							
Adult	142	150	156	135	108	115	112
Adolescent	12	13	12	6	7	8	8
Forensic	117	94	88	91	102	106	142
RTC	28	55	56	37	30	36	21
SVP	<u>105</u>	<u>143</u>	<u>105</u>	<u>105</u>	<u>120</u>	<u>82</u>	<u>82</u>
Total	404	455	417	374	367	346	365

As a result of the ongoing *Arnold v. Sarn* lawsuit and recent developments in mental health standards of care, DHS has prioritized providing more treatment in community housing settings rather than traditional inpatient institutional care. As an exit stipulation required by the lawsuit, DHS has agreed to provide 300 community living arrangements for non-forensic patients from Maricopa County. These patients are supervised by the Regional Behavioral Health Authorities (RBHAs) and are not reflected in the ASH census. Therefore, this policy shift may explain the overall decreases seen in the civil patient census since FY 2002.

Program Funding

ASH is funded through the General Fund, other appropriated funds, and non-appropriated funds. In FY 2009, ASH will receive \$74.8 million in total funding. This represents a decrease of \$(1) million, or (1.3)%, below FY 2008 levels. Of this amount, \$67.4 million or 90.1% was appropriated from the General Fund. The Arizona State Hospital Fund and the ASH Land Earnings Fund provided \$7.2 million and the remaining \$202,700 was non-appropriated funding.

Table 2 displays historical funding information for ASH using data from FY 2005 – FY 2009.

Each year ASH receives Disproportionate Share Hospital (DSH) Payments from the Arizona Health Care Cost Containment System (AHCCCS) to offset the cost of serving a disproportionate share of low-income and Medicaid patients. In FY 2009, ASH will receive DSH Payments totaling \$28.6 million. This amount represents an increase of

\$139,400 above FY 2008. Although DSH Payments are deposited into the ASH Fund, only a portion of the Fund's balance is appropriated for use each year.

There was a change in the DSH funding methodology beginning in FY 2008. Previously, ASH returned both the state and federal portion of its DSH allocation in the form of a transfer to the General Fund (\$28.5 million in FY 2007). Through a new agreement with the federal Centers for Medicare and Medicaid Services, publicly operated hospitals will now be required to document uncompensated care costs directly to the federal government through a certified public expenditure (CPE) process. The CPE will now serve as the state match for DSH and there will be no separate state DSH appropriation (a savings of \$9.7 million). As a result, ASH will now return only the federal portion of its DSH allocation to the General Fund (\$18.9 million).

Since FY 2002, all counties were required to share part of the cost of the RTC Program and this revenue provided income for the ASH Fund. While Maricopa and Pima counties continue to pay 86% of their RTC costs, beginning in FY 2007 all other counties were exempted from this cost-sharing. In FY 2006, the rural counties had paid 50% of these costs. Prior to FY 2002, the State paid the majority of the cost of the RTC program. The FY 2007 budget provided an increase of \$1.6 million from the General Fund and a \$(1.6) million decrease from the ASH Fund to address the decreasing ASH Fund revenues. Prior to FY 2002, the State paid the majority of the cost of the RTC program.

<u>Fund</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
GF	\$51,274,200	\$55,014,000	\$64,636,800	\$69,234,300	\$67,448,200
ASH ^{1/}	9,138,900	11,164,600	7,964,600	6,032,600	6,032,600
Land Earnings	177,500	350,000	350,000	350,000	1,150,000
Non-Appropriated	<u>973,700</u>	<u>831,300</u>	<u>819,100</u>	<u>202,700</u>	<u>202,700</u>
Total	\$61,564,300	\$67,359,900	\$73,770,500	\$75,819,600	\$74,833,500

^{1/} Includes payments received from the counties for cost-sharing of the RTC Program.

Additionally, due to the implementation of a separate Maricopa County RTC program in FY 2004, ASH has seen a lower RTC census and a corresponding decrease in receipts from Maricopa County. As can be seen in *Table 3*, between FY 2004 and FY 2005 RTC patient days from Maricopa County decreased from 12,720 to 2,242, an (82.4)% decrease in one year. This is especially important considering that patients from Maricopa County accounted for 62.3% of all RTC patient days in FY 2004. Maricopa RTC patient days dropped again in FY 2007 from 1,003 to 83, a (92)% decrease. In FY 2008, Maricopa RTC patient days dropped from 83 to 0, a (100)% decrease. From FY 2007 to FY 2008, County RTC patient days decreased by 3,711, or (32.4)%. Rural counties, which no longer pay RTC costs, decreased by 400 patient days, or (6.5)%.

The FY 2009 budget included an \$800,000 increase from the ASH Land Earnings Fund and an \$(800,000) decrease from the General Fund to reflect additional monies in the ASH Land Earnings Fund. This fund shift left the overall operating budget unchanged from FY 2008.

Funding for the SVP Program is provided through a Special Line Item in the DHS budget. Of the total \$75 million appropriated for ASH, the SVP Program received \$10.6 million in FY 2009. This represents an (8.6)% decrease below the FY 2008 level and accounts for 14.2% of total FY 2009 ASH appropriated funding. The SVP Program

patients accounted for 23.7% of all patients at ASH in FY 2007.

Performance Measures

Although ASH has only one performance measure in the General Appropriation Act, numerous measures were included in the Master List of State Government Programs. *Table 4* displays some these measures.

The majority of the performance measures tracked by ASH represent a count of the agency’s outputs, such as patient days and the year-end census. To more precisely measure program effectiveness, the following additional measures which focus more on outcomes could be adopted:

- Re-offender rates for the SVP Program
- Re-institutionalization rates for the Adolescent Behavioral Health Facility (as well as how many adolescents are later readmitted as adults)
- Number of patients currently placed in community treatment programs and daily per patient costs of such programs (paid by the RBHAs under contract with DHS)
- Average lengths of stay at ASH or in community based housing for each of the treatment areas
- Average cost per individual discharged from ASH (either back into the community or to the proper law enforcement authority) for each treatment area calculated by the average length of stay times the daily cost of treatment
- Occurrence of patient complaints

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Apache	0	25	127	187	0	165	89
Cochise	23	195	368	439	420	566	620
Coconino	102	501	87	274	267	500	697
Gila	218	180	30	221	99	489	511
Graham	0	27	0	255	28	92	283
Greenlee	34	52	33	130	0	0	0
LaPaz	14	216	0	14	129	161	443
Maricopa	7,166	13,767	12,720	2,242	1,003	83	0
Mohave	85	133	641	414	421	340	684
Navajo	236	7	95	455	42	421	270
Pima	694	2,891	4,105	5,625	3,915	5,221	1,993
Pinal	233	805	725	1,826	2,337	1,288	622
Santa Cruz	261	51	465	43	40	364	172
Yavapai	330	741	673	603	1,680	1,174	935
Yuma	<u>312</u>	<u>300</u>	<u>344</u>	<u>554</u>	<u>441</u>	<u>587</u>	<u>421</u>
Total	9,708	19,891	20,413	13,282	10,822	11,451	7,740

Table 4

**Arizona State Hospital
Performance Measures**

<u>Performance Measure</u>	<u>FY 2006 Actual</u>	<u>FY 2007 Actual</u>	<u>FY 2009 Estimate</u>
<u>Clinical Support Services</u>			
Percent of staff turnover during the first 12 months of employment	11	3	6
Registered nurse vacancy rate	31	8.2	15
<u>Clinical and Program Services</u>			
Percent of Restoration to Competency adults discharged within 90 days of admission	65	66	65
Seclusion incidents per 1,000 patient days	1.9	1.1	1.0
Restraint incidents per 1,000 patient days	5.4	6.5	5.0
Percent of adult civil clients successfully placed in the community who return for another stay within one year of discharge ^{1/}	4.3	8.0	6.0

^{1/} Included in the General Appropriation Act.