

The Department of State Hospitals (DSH) budget for Fiscal Year (FY) 2020-21 totals \$2.09 billion, an increase of \$113 million from the Budget Act of 2019, with a decrease of 214.4 positions.

Budget Act 2019 vs. Budget Act 2020
(Dollars in Thousands)

FUNDING SOURCE	BUDGET ACT 2019	BUDGET ACT 2020	DIFFERENCE	% Change
General Fund (0001)	\$1,810,439	\$1,917,967	\$107,528	6%
Lease Revenue Bond (Ref 003)	\$40,475	\$40,618	\$143	0%
State Hospitals	\$40,475	\$40,618	\$143	0%
Support Funds (Ref 011)	\$1,767,599	\$1,874,927	\$107,328	6%
Administration	\$151,764	\$197,606	\$45,842	30%
State Hospitals	\$1,472,923	\$1,513,419	\$40,496	3%
CONREP	\$42,955	\$51,118	\$8,163	19%
Contracted Patient Services	\$77,089	\$89,369	\$12,280	16%
Evaluation & Forensic Services	\$22,868	\$23,415	\$547	2%
Support HIPAA (Ref 017)	\$1,265	\$1,322	\$57	5%
Administration	\$1,265	\$1,322	\$57	5%
Non- Budget Act (Ref 502)	\$1,100	\$1,100	\$0	0%
Medicare- State Hospital	\$1,100	\$1,100	\$0	0%
Lottery Fund (0814)	\$29	\$42	\$13	45%
State Hospitals	\$29	\$42	\$13	45%
Reimbursements (Ref 511)	\$170,433	\$175,582	\$5,149	3%
Administration	\$66	\$3,412	\$3,346	5070%
State Hospitals	\$170,367	\$172,170	\$1,803	1%
TOTALS	\$1,980,901	\$2,093,591	\$112,690	5.69%

FUNDING SOURCE	BUDGET ACT 2019	BUDGET ACT 2020	DIFFERENCE	% Change
General Fund (0001)	\$13,437	\$9,657	(\$3,780)	-28%
Capital Outlay	\$13,437	\$9,657	(\$3,780)	-28%
Public Bldgs Construction (0660)	\$0	\$0	\$0	-
Capital Outlay	\$0	\$0	\$0	-
TOTALS	\$13,437	\$9,657	(\$3,780)	-28%

SUPPORT BUDGET

The Budget Act of 2020 reflects a net increase of \$113 million from the General Fund (GF) and a decrease of 214.4 positions. In addition, DSH will reflect an increase in Reimbursement Authority of \$5.1 million. The following provides specific detail of budget adjustments from the Budget Act of 2019:

BUDGET CHANGE PROPOSALS

California, our nation, and the world have been impacted by the COVID-19 pandemic. In response to COVID-19, DSH has prioritized its efforts towards preparation and response to the pandemic. This pandemic has not only affected many lives but has had serious economic impacts across California. As a result, California is facing a significant General Fund deficit. As such, DSH's budget proposals were adjusted to aide in closing the gap.

Budget Change Proposals (\$44.4 million GF and 22.5 Positions)

- *Electronic Health Record (EHR) with Clinical Assessments, Reports and Evaluation System-Phase 2 (\$2.4 million and 4.0 positions GF in 2020-21 and ongoing)*

DSH received \$2.4 million and 4.0 positions in FY 2020-21, \$3.2 million and 8.0 positions in FY 2021-22, and \$6.1 million and 18.0 positions in FY 2023-24 and \$3.5 million and 18.0 positions in FY 2024-25 and ongoing to continue planning and procurement of the EHR component of DSH's "Continuum" health care product. Continuum is the product which encompasses the major DSH patient care components, including patient primary care, forensic behavioral health, laboratory services, pharmaceuticals, radiology and dental care. This funding supports the completion of activities required by the State's Project Approval Lifecycle (PAL) Stage Gates 3 and 4, which includes procurement of the solution. The estimated timeline for full implementation of this project is September 2026.

- *Pharmacy Modernization – Phase 2 (\$928,000 GF in 2020-21 and ongoing)*

DSH received \$928,000 in FY 2020-21, \$5.6 million in FY 2021-22, and \$1.2 million in FY 2022-23 and \$823,000 ongoing to support the pharmacy modernization implementation at the state hospitals. This funding will be used for consulting staff, software and equipment required to implement the Pharmacy Modernization project with the first hospital implementation estimated to begin in October 2020 and the last hospital estimated for completion in FY 2022-23. Pharmacy Modernization consists of an inventory control system, unit dose repackaging equipment, automated drug dispensing equipment, controlled medication security equipment, standardized patient specific medication billing and data integration. In addition, the project will rearchitect the existing pharmacy application environment to accommodate the new pharmacy systems.

- *Statewide Roof Repairs and Replacement (\$26.7 million and 1.0 position GF in 2020-21 and \$129,000 and 1.0 position ongoing)*

DSH received \$26.7 million and 1.0 position in FY 2020-21 and \$129,000 and 1.0 position ongoing. This funding will be used to replace the three most critical roofs that have well exceeded their useful life expectancy including one roof replacement project at DSH-Metropolitan, one at DSH-Napa, and one at DSH-Patton. The 1.0 Associate Governmental Program Analyst (AGPA) will provide project management oversight, including ongoing monitoring, tracking and reporting on the statewide roofing funding and ongoing maintenance program.



- *Mission-Based Review–Staffing Study Proposal (\$5 million and 12.5 positions GF in 2020-21 and \$10 million and 30.0 positions GF in 2021-22 and ongoing)*

DSH received \$5 million and 12.5 positions in FY 2020-21 and \$10 million and 30.0 positions in FY 2021-22 and ongoing. Due to the economic impacts of COVID-19, this represents minimal funding to support implementation of a small portion of the Treatment Team and Protective Services staffing studies. While not fully funded at this time, the methodologies that were presented in these two staffing studies have been approved by the Legislature. The Treatment Team staffing study used data-informed methodologies for standardizing caseload for DSH's interdisciplinary treatment team and primary care. The Protective Services staffing study presented the first phase of a staffing standard to support protective services functions at DSH. The standard identifies protective services posts and establishes workload-driven staffing methodologies to allocate adequate resources for essential police functions and reduce overtime usage. These two proposals will move into the Estimate, Caseload and Population (ECP) process in the Fall of FY 2020-21 and updates will be provided bi-annually.

- *Statewide Ligature Risk Special Repair Funding (\$5.3 million GF in 2020-21 and ongoing)*

DSH received \$5.3 million in FY 2020-21 and FY 2021-22, \$8.4 million in FY 2022-23 and FY 2023-24, and \$15.4 million in FY 2024-25 through FY 2026-27 to mitigate ligature risks within four of The Joint Commission (TJC) accredited state hospitals. This is necessary to meet standards for acute psychiatric hospitals required by the Centers for Medicaid and Medicare Services (CMS), and to maintain TJC accreditation at these four state hospitals. This request is prioritized to focus on the high-risk ligature areas in the first five years and defer lower risk areas to later years.

- *Relocation to the Clifford L. Allenby Building – Phase 2 (\$3.3 million GF in 2020-21)*

DSH received \$3.3 million in FY 2020-21 to provide the services and equipment necessary for occupancy of the new Clifford L. Allenby building that are not funded through the capital outlay project through the Department of General Services. This is a joint proposal with the California Health and Human Services Agency (CHHS), Department of Developmental Services (DDS) and DSH. This funding is for move activities such as standing up a shared network infrastructure and includes costs to relocate staff and operations to the new Clifford L. Allenby Building located at 1215 O Street in Sacramento in January 2021.

- *Post-Incident Debriefing and Support (\$831,000 and 5.0 positions GF in 2020-21 and ongoing)*

DSH received \$831,000 and 5.0 positions FY 2020-21 and ongoing. This funding will be used to establish a statewide Employee Post-Incident Debriefing and Support Services program. This program will address the psychological trauma of patient assaults on employees and other traumatic workplace incidents. The 5.0 permanent Staff Services Manager I (Specialist) positions will be placed at each hospital to coordinate and provide support services to employees who have been assaulted or traumatized in the hospital work environment.

ENROLLMENT, CASELOAD AND POPULATION

DSH continues to seek solutions to address the significant growth in its patient population. As of June 15, 2020 DSH, has a total of 1,511 patients pending placement, of which 1,185 are Incompetent to Stand Trial (IST). DSH continues to explore alternatives to address the waitlist. Additionally, due to the economic impacts of COVID-19 on

California's General Fund, and DSH's focus on COVID-19 response, the enrollment, caseload and population estimates have either been revised or withdrawn accordingly. Significant adjustments for state hospitals include:



State Hospital Estimate (-\$31.7 million GF; -231.4 positions and \$5.8 million reimbursement authority)

- *Lanterman-Petris-Short (LPS) Population Services Adjustment (\$5.8 million reimbursement authority ongoing)*

Due to the increasing LPS population, DSH's reimbursement authority has not been sufficient for the services provided to counties. In the Budget Act of 2019 DSH included a request of an additional reimbursement authority of \$6.8 million beginning in FY 2020-21 to increase its total reimbursement authority to the expected amount to be collected. However, in FY 2020-21, LPS collections are projected to decrease by \$1.03 million and consequently, DSH adjusted the reimbursement authority to only be an additional \$5.8 million.

- *Enhanced Treatment Program (one-time -\$994,000 GF and -9.9 positions)*

The Enhanced Treatment Program (ETP) is a new enhanced level of care designed to treat patients who are at the highest risk of dangerous behavior and who cannot be safely treated in a standard treatment environment. These units will provide improved treatment with a heightened secure setting to patients with a demonstrated and sustained risk of aggressive, violent behavior toward other patients and staff. DSH-Atascadero ETP construction at Unit 29 was delayed due to existing site conditions, code issues and resulting changes required by the State Fire Marshal. Unforeseen conditions such as unknown regular and low voltage electrical conduits, materials damage and unexpected ductwork also contributed to delays. DSH-Patton ETP construction at Unit U-06 was delayed due to an extended regulatory review process and an unsuccessful initial bid process. DSH anticipates one-time savings of \$994,00 and a reduction of 9.9 positions in FY 2020-21.

- *DSH- Patton Over-Bedding (No funding requested)*

Budget act trailer bill AB 80, Committee on Budget, Chapter 12, Statutes of 2020 included language to extend the upcoming sunset date from September 2020 to September 2030 to continue the operation of 1,530 beds at DSH-Patton.

- *DSH-Metropolitan Increase Secured Bed Capacity (one-time -\$6.5 million GF and -41.7 positions)*

To provide additional capacity to address the ongoing system-wide forensic waitlist with a particular focus on the continuing IST waitlist, this expansion at DSH-Metropolitan is the final phase of a project started in the Budget Act of 2016. However, due to minor construction postponements, delays in activations of five-units, and COVID-19 impacts resulted in a one-time savings of \$6.5 million and 41.7 positions in FY 2020-21.

- *Mission Based Review- Court Evaluations and Reports (one-time -\$3.3 million GF and -17.7 positions)*

During the spring of 2020, resources have been shifted to manage the COVID-19 pandemic impacts on DSH's operations. As a result, the positions and associated funding will be shifted based on need and phased in across a four-year period. The new phase-ins will result in a cost savings of \$3.3 million in 2020-21.

- *Mission Based Review- Direct Care Nursing (one-time-\$21 million GF and -162.1 positions)*

During the spring of 2020, DSH's priorities had shifted to its preparedness and response efforts to the COVID-19 pandemic. Due to these priorities and the economic challenges and resulting General Fund deficits California faces, DSH altered to phase the implementation of these resources across a total of five years. The new phase-ins will result in cost savings of \$21 million in 2020-21.

Conditional Release Program (CONREP) Estimate (\$2.2 million GF)

- *CONREP Non-SVP: Community Program Director (\$ 2.2 million GF and ongoing)*

The CONREP Community Program Director, with the Court's approval (or in the case of Offender with a Mental Health Disorder, the Board of Parole Hearings' approval), assesses and makes the recommendation for individuals' placement in CONREP. CONREP delivers an array of mental health services to individuals during their period of outpatient treatment. In conjunction with the court-approved treatment plan, contractors coordinate and provide a wide array of services needed to support community reintegration, including forensic mental health treatment through individual and group therapy settings, life skills training, residential placement, collateral contacts (e.g., other individuals/agencies), home visits, substance abuse screenings, psychiatric services, case management, court reports, and psychological assessments. DSH will receive \$2.2 million in contract funding to support the increase in placement evaluations.

Contracted Patient Services Estimate (\$5.5 million GF)

- *Jail-Based Competency Treatment (JBCT) Existing Programs (-\$1.6 million GF and ongoing)*

Several existing JBCT programs have identified a decreased cost in providing restoration of competency services for DSH due to unforeseen program activation delays. DSH has a reduction of \$1.6 million in funding for existing JBCT programs.

- *Jail-Based Competency Treatment (JBCT) New Programs (\$6.1 million GF and ongoing)*

DSH will receive a total increase of \$6.1 million to expand the JBCT program with new programs in new locations. This funding will provide DSH the ability to provide restoration of competency services to a wider geographic range of patients.

- *Incompetent to Stand Trial (IST) "Off-Ramp" Services (\$1 million GF and ongoing)*

DSH has continued to expand bed capacity and its program options to serve the felony IST population. The Budget Act of 2019 included funding for an "IST Off-Ramp" team in Los Angeles (LA) County to assess felony ISTs committed by LA County in the jail for restoration of competency prior to placement in a DSH program. DSH will receive \$1.0 million to support a total of 8.0 contracted positions with interested counties. These programs would deploy forensically trained psychologists in contracted positions to each region to monitor felony IST defendants for restoration of competency, while incarcerated in a jail pending placement to a DSH IST treatment program. The contracted psychologists will coordinate medication and treatment protocols with existing jail mental health staff; perform evaluations and court reports; and provide court testimony.

CAPITAL OUTLAY

The Budget Act of 2020 includes continued re-appropriations and funding for continued authorized projects to address facility infrastructure needs.

State Hospital	Project Description	Project Phase	Amount
DSH-Atascadero	Potable Water Booster Pump	Working Drawings	\$229,000
DSH- Metropolitan	Fire Alarm Update	Construction- Extension of liquidation	\$0
DSH-Patton	Fire Alarm Update	Construction- Re-appropriation	\$9,428,000

STATE HOSPITAL POPULATION

DSH is responsible for the daily care and treatment to over 7,000 patients with an estimated caseload, by the end of 2020-21, totaling 6,270 across the state hospitals, 491 in contracted programs, and 713 in its CONREP non-SVP and CONREP SVP programs in the community. Over the last decade, the population demographic has shifted from primarily civil court commitments to a forensic population committed through the criminal court system. Approximately 91% of the patient population is forensic. The remaining 9% are patients admitted in accordance with the Lanterman-Petris-Short (LPS) Act. DSH is primarily funded through the State General Fund and reimbursements collected from counties for the care of LPS patients. The table below displays patient caseload by commitment type and contract location.



2020-21 May Revision	
Estimated Caseload	
Location	Estimated Census on June 30,2021
<i>Population by Commitment Type – Hospitals</i>	
IST—PC 1370	1,658
NGI—PC 1026	1,396
OMD	1,326
SVP	961
LPS/PC 2974	742
PC 2684 (<i>Coleman</i>)	187
WIC 1756 (DJJ)	0
Subtotal	6,270
<i>Contracted Programs</i>	
Kern AES Center	90
Regional JBCT	266
Single County JBCT	135
Subtotal	491
<i>CONREP Programs</i>	
CONREP Non-SVP ¹	692
CONREP SVP	21
Subtotal	713
GRAND TOTAL	7,474

¹The CONREP Non-SVP caseload number includes STRP beds.