



Update on Selected Mental Health Initiatives

Department of State Health Services
David L. Lakey, M.D., Commissioner
September 22, 2011



House Bill 1, Rider 62 and Special Provision 17

- Directs DSHS to maintain current civil and forensic bed levels and generate savings through the following efficiencies:
 - Residential Rehab (Step-Down) Units to save \$3 million each year
 - Units opened on 3/1/11 at Big Spring, Rusk, and San Antonio State Hospitals
 - Medicines at discharge for one week: \$950,000 in savings each year
 - NorthSTAR Billing Change: \$3 million per year
 - Improve management of prescription practices: \$500,0000 per year

House Bill 1, Rider 63

- Directs DSHS to develop a request for proposal to privatize one of the state mental health hospitals by September 2012.
- A Request for Information (RFI) was released on August 26, 2011, to obtain information that will assist DSHS in developing an RFP for privatization. RFI responses are due September 26.
- Approved contract must be for at least four years and must generate at least a 10% savings annually compared to fiscal year 2011 levels.
- Implementation of the privatization of a state hospital is contingent upon the approval of the final privatization contract by the Governor and Legislative Budget Board.
 - Plan to oversee privatization is due November 30, 2011
 - Status reports on implementation are due on January 31, 2012, April 30, 2012, and July 31, 2013.

House Bill 1, Rider 71

- Rider 71 requires DSHS to contract with an independent entity to review the state's public mental health system and make recommendations to improve access, service utilization, patient outcomes, and system efficiencies.
- The study will include a review of current service delivery models, behavioral health data collection, and reporting and assess other states' best practices that may be applicable.
- Public Consulting Group has already begun work.

House Bill 1, Rider 78

- Directs DSHS to allocate \$4,000,000 for Fiscal Year 2012 and \$4,000,000 for the Fiscal Year, 2013, to support outpatient competency restoration pilot programs.
- DSHS is directed to use the money to fund four existing pilot programs in Travis, Bexar, Tarrant, and Dallas Counties and to fund the development of five additional pilot programs.
- \$4,000,000 Funding Breakdown:
 - \$2.16 million will fund existing pilot sites
 - \$1.84 million will fund five new sites
- Timeline:
 - Proposals for funding due in November 2011
 - Initiation of contracts for successful proposals in January 2012
 - New sites operational and serving clients by end of 3rd quarter of FY 2012

Veterans' Mental Health Initiative

- The 82nd Legislature appropriated \$5 million for veterans' mental health projects.
- This continues work begun in 2009
 - LMHAs will be offered contracts that renew their veterans funding minus funds unspent in FY 2010-2011.
 - Under terms of the contract renewal process, all LMHAs will be expected to sustain existing veteran volunteers and to recruit and retain additional volunteers.
 - LMHAs also will be expected to support ways to further enhance and expand the volunteers' opportunities to learn more about community services and to increase their knowledge about peer-to-peer counseling.
 - Working together, all LMHAs will be encouraged to find ways to achieve economies of scale through collaborations
- DSHS is also developing a primary care pilot that will involve one or more LMHAs working with a primary care provider.