



## **Position of the Illinois Hospital Association Behavioral Health Steering Committee Regarding the Closure or Other Restructuring of the Tinley Park Mental Health Center Facility**

Based on principles adopted in 1997 by the IHA Behavioral Health Steering Committee (Steering Committee) and Board regarding the privatization of state-operated mental health facilities (SOF), the Steering Committee on February 22, 2005 identified the following issues as relevant to the decisions related to whether or how the Tinley Park Mental Health Center facility should be restructured. It was their recommendation that these issues must be addressed to ensure access to an appropriate level of care for persons with mental illness:

- **The State must clearly state its vision regarding mental health services for Illinois citizens and define, publicly, its intent with regard to the role and relationship of its facilities and community resources.** The failure to define the role of the SOF in terms of its mission for the citizens of the State and relationship to community hospitals and other community providers strains the relationship between the parties, interjects ambiguity where there should be clarity, and, more importantly, does not put patients, families, and all Illinois citizens first.
- **Articulate criteria regarding which patients are most appropriate for a private hospital and which are most appropriate for a SOF.** Currently, admission and length of stay criteria are lacking or poorly defined. Admission criteria primarily are about the patient's funding source: If you are a Medicaid patient, you go to a private hospital. If you are uninsured, the SOF may accept you.
  - Clinical criteria are needed to determine before an admission whether the patient would be better served in the SOF or private hospital. Criteria are also needed to determine when a transfer is appropriate and necessary.
  - Criteria are also needed about medical services the DHS views as medically necessary and, therefore, eligible for payment.

We believe that the SOF is appropriate for patients who are not successfully treated in community hospitals. These patients often exhibit the following characteristics: they are treatment resistant and/or have had multiple (three or more) admissions in the previous twelve months, and/or may require a longer length of stay (beyond 10 days). And, they may be unmanageably violent.

Private hospitals are appropriate for patients who present medical complexities that benefit from access to multiple specialties; patients who need to be stabilized and treated within the shortest time frame; and patients who will benefit from the diagnostic and other therapeutic resources of an acute care setting.

Patients with co-occurring disorders are caught between narrowly construed regulatory and public financing schemes that do not support access to appropriate services. For example, the state SOFs reluctantly accept patients with a primary diagnosis of substance abuse; Medicaid does not reimburse a private hospital for substance abuse treatment or rehabilitation, but only detoxification services, leaving the addicted person no access to treatment for their addiction in an acute care setting. The Illinois Department of Alcoholism and Substance Abuse licenses and pays for “sub-acute” Medicaid services, not acute services such as those needed by a substance abuse patient who has attempted suicide or has a psychiatric condition. Thus, the State financing of behavioral services lacks a comprehensive and coordinated rehabilitative focus, and thus leaves gaps that perpetuate expensive relapse and readmission.

Patients with developmental disabilities with mental illness also have few options for acute treatment available to them today. Given that the private sector cannot generally treat these individuals on an acute basis, they pose a natural population of citizens for which the State should assume responsibility. At a minimum, the State must fund, either directly or by arrangement, services that effectively meet the complex needs of these individuals.

- **Ensure patients in the private sector have community access to the same resources as are afforded patients in the SOF.** A patient upon discharge from a SOF has a firm referral to a community mental health provider. The patient being discharged from a private hospital must also have the same assurance he or she will have an appointment within the time frame dictated by his or her condition. Access to medication must also be assured, since failure to adhere to medication regimens often leads to readmission to an acute care setting.
- **Improve Medicaid rates.** Medicaid rates for inpatient psychiatric services are inadequate and vary across the state. The most vulnerable providers often have the lowest rates. Inadequate Medicaid rates coupled with burdensome administrative processes further weaken a fragile private inpatient psychiatric community. Because a large number of SOF patients are presumed to be Medicaid eligible, the adequacy of Medicaid payment is an essential variable in the shift of the locus of care to the private sector. If the private sector is not

financially viable, patients will be at risk of having no options should the SOF also be unavailable.

Moreover, the mechanisms under which the hospital either obtains DHS or Medicaid payment must also support rather than burden the provider. For example, the Community Hospital Inpatient Psychiatric Services (CHIPS) contract, which is the mechanism through which DHS contracts with private hospitals to serve a patient who otherwise may be treated in a SOF, requires a hospital to always attempt to qualify a patient for Medicaid before DHS pays the hospital. This is a costly and burdensome process, causing significant payment delays. For hospitals with low Medicaid rates, they will receive less money than they would have received from DHS, following a cumbersome administrative process, and following a lengthy period of time. Few, if any, hospitals can knowingly adopt a business model that requires them to seek out less reimbursement for services first.

Therefore, in order to ensure the private sector is able to care for the patient with mental illness:

- Medicaid rates for inpatient hospital psychiatric services must be improved. The State should at a minimum be willing to pay the private hospital with which it contracts the same per diem as it paid itself under Medicaid.
  - Medicaid rates should never be less than the rate DHS pays. Ideally, both rates should be comparable and adequate to cover reasonable costs.
  - The burdens associated with completing MANG applications should be shared by the State. For example, the State should provide staff support to the hospital that must complete lengthy applications. Moreover, the hospital should not be penalized if a physician does not believe a patient is disabled.
- **Make the courts more user-friendly and accessible to the private sector.** Many patients who refuse medication or admission require involvement with the judicial system. Courts are not easily accessible; there are numerous continuances; psychiatrists and staff must accompany the patient to court. There is no compensation for this. The courts must be more patient and user friendly to support the needs of patients, families and providers in the communities who must negotiate with this system. Necessary legal hearings could be conducted more creatively and efficiently. For example, a hearing could be held at the hospital, when feasible, or through the use of tele-technology that is transmitted from the courthouse or another central location. This would also assist in obtaining the support of psychiatrists to testify in such hearings.

- **Maintain in the community the funds currently allocated to the state-operated facilities.** Closure of the SOF should not reduce the overall financial support available for mental health services, i.e., there should not be a net loss of funding to the community. There is evidence that fewer funds will be available to the community, including hospitals and community mental health centers, than are currently allocated to Tinley Park SOF.

The closure of other SOFs has resulted in a net loss to the community of mental health funding. If the community alternatives to the SOF are not strong and well financed, patients will need the safety net provided by the SOF. Moreover, the DHS fee-for-service conversion threatens the financial viability of community mental health centers. The system is being tugged at both ends of the continuum. At a minimum, the funds currently allocated to the Tinley Park SOF should continue to be available either for its operations or for a combination of state operated, private operated acute services, and community outpatient services.

- **Formally evaluate effects of reducing or eliminating SOF capacity against program goals.** Perform a formal evaluation of any program of SOF reduction or deinstitutionalization to determine whether the program's goals are truly being met, the effect of the program on all of the parties involved (community hospitals, community behavioral health providers, consumers, and Illinois citizens). Make this evaluation public and available for comment.