

**Testimony of Stephen T. Baron, Director, Department of Mental Health
on the FY 2008 Budget Request
before the
Committee on Health, David A. Catania, Chair
April 5, 2007**

Good Morning, Chairperson Catania, Members of the Council and Council Staff. I am Stephen Baron, Director of the Department of Mental Health. I am here to present the Department's Fiscal Year 2008 budget request and to respond to any questions from the Committee.

Our budget request is \$249,047,483 with 1,689 full time equivalent positions. The Department's budget funds services provided through the Mental Health Authority, Saint Elizabeths Hospital, the D.C. Community Services Agency and a network of community-based mental health providers.

The Fiscal Year 2008 budget request reflects Mayor Fenty's commitment to mental health services for District residents as it represents a 12.8 % increase over this year's budget. As the Fiscal Year 2008 budget is currently constructed, it will allow DMH to align our strategic goals with our contracting process and acquisition plan in a timely manner which we were not able to do this fiscal year as the bulk of the non Medicaid dollars were authorized until the second quarter of the year.

The increased funding will support housing subsidies, expand crisis care, improve patient care at Saint Elizabeths Hospital, and support crisis beds and mobile crisis response for children and youth. I will talk more about the Fiscal Year 2008 initiatives, but first I would like to briefly describe the funding request for the four areas that make up the Department.

The budget request for the Mental Health Authority is slightly over \$27 million dollars (\$27,241,794). The Authority performs administrative functions, including but not limited to operating a Mental Health Rehabilitation Services (MHRS) fee for service system which involves claims processing, performing provider monitoring and compliance, contracting for services not covered under the fee for service structure; providing leadership in developing a range of community based services; collaborating with District agencies and others to improve services to individuals with a mental illness; providing technical assistance and conducting oversight of the public mental health system. In addition the following services are operated by the Authority: the Comprehensive Psychiatric Evaluation Program (CPEP), homeless outreach services, the Youth Forensics Program, and the School Mental Health Program.

The budget request for the Saint Elizabeths Hospital program is almost \$97 million dollars (\$96,985,650). Saint Elizabeths Hospital provides inpatient care to about 400

patients at any one time, about half of whom are forensic patients. As you know, the Department broke ground on a new hospital last December and we are looking forward to patients moving into an environmentally responsible, state-of-the-art mental health facility in 2009. The new facility will heighten the quality of patient care, improve the environment for patients and staff, and reduce the District's operating and long term capital costs. More than half of the increase in next year's budget is targeted for Saint Elizabeths Hospital for initiatives to improve patient care which I will discuss in more detail later in my testimony.

The budget request for the DC Community Services Agency (DC CSA) is almost \$35 million dollars (\$34,861,011). It provides a range of direct services to residents with mental illnesses. It serves Medicaid and/or Medicare recipients and, importantly, uninsured residents in community facilities and in their own homes. The Community Service Agency has a special program with public schools to provide on site mental health treatment for students with serious emotional disturbances and special education needs. It provides restoration training for mentally ill defendants charged with a misdemeanor so they can understand and fully participate in Court proceedings. And, the Community Services Agency functions as the safety net provider for psychiatric medications and pharmacy education services for consumers in our network who have no pharmacy benefits and are unable to pay for their medications.

Since our performance hearing in February, the Community Services Agencies held a series of meetings with consumers and mental health advocates and leaders to address issues raised at that time. They talked about ways to strengthen communication. The meetings are ongoing and we think they have been extremely productive as we talk about the future role and structure of the Agency.

The budget request for the Community Contract Providers is almost \$70 million dollars (\$69,860,963). The Core Contract Providers program provides prevention, treatment and emergency services to children and adults. In addition, this program funds housing for adults and residential treatment centers for people younger than 21 years old whose treatment cannot be met through available community-based programs. Within this budget is the MHRS fee for service dollars as well as contract dollars not funded through fee for service.

Data from the MHRS claims indicate that in FY'05 the system provided services to 12,406 individuals. Approximately 81% were adults and 72% were Medicaid recipients. While the final data is still being processed for FY'06 as MHRS claims was not due until March 31, 2007 and we are still processing DC CSA and CPEP claims (for revenue purposes not for payments), it appears that more people will have been served, including more individuals under 18 and more Medicaid users. This is not surprising as there were fewer dollars available for non Medicaid recipients. We

would expect to see in '07 and in '08 more services for non Medicaid individuals as we have targeted funding for individuals with mental illness who are homeless and/or leaving incarceration at the time of enrollment.

The remainder of our budget request provides over \$18 million dollars (\$18,483,629) for agency management administrative support which is standard for all agencies using performance-based budgeting, and \$1.6 million (\$1,614,436) for financial management services.

The Fiscal Year 2008 budget request supports our core services and funds improvements and a modest expansion of services. Let me talk in more detail about our goals and initiatives for next fiscal year: Our proposed budget will allow us to:

- Restore funding for housing subsidies. Providing affordable housing is a priority of Mayor Fenty. I am pleased that this budget recognizes this priority and restores funding for affordable housing subsidies for persons with mental illness to its pre-FY'07 level. (\$5,589,288)
- Move Saint Elizabeths Hospital towards Department of Justice compliance and certification. As I said previously, more than half of the increase in next year's

- Expand community based acute care services. The \$1,230,942 will allow us to establish 72 hour holding and stabilization beds which will provide additional treatment in a non hospital, highly structured environment at CPEP.
- Expand crisis beds and mobile crisis response for children and youth. With the additional \$2.8 million dollars, we will be able to improve access to crisis services consistent with the *LaShawn* implementation plan (\$2,882,161)

- Strengthen psychiatric and psychological assessments for court-involved youth. With the additional \$1.5 million dollars, we can shorten the turn around time for court assessments (\$1,500,000)
- Fund salary adjustments for union and non-union employees. The additional funds continue the pay adjustments made this fiscal year to bring the salaries of our employees in line with the rest of the government. (\$4,974,367)
- Develop a much needed consumer operated center. While this is not a specific budgeted item at this time, we are committed to establishing a peer operated or community run service. The full range of services will include peer support and recovery activities, and a drop in component with a wide array of educational and support activities. Funding will be absorbed within the community contract providers and will be about \$300,000. This initiative will begin to fill the gap of creating consumer lead support activities.
- Continue progress in our billing functions. As you know from the oversight hearing, we have made significant progress in a number of our billing functions. Payments to providers continue to be steady and consistent and we continue to show progress in collecting Medicaid revenues. KPMG is now developing options

This concludes my testimony. Thank you for this opportunity to present the Department's budget and I am available to answer any questions.