

**Testimony of Stephen T. Baron, Director, Department of Mental Health
on the Fiscal Year 2009 Budget Request
before the
Committee on Health, David A. Catania, Chair
April 17, 2008**

Good Morning, Chair 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 2009 budget request and to respond to any questions from the Committee. With me are Michael Neff, Chief Administrative Officer, and Joyce Jeter, Agency Fiscal Officer. Other senior staff is in the audience and will come to the witness table as needed.

Our Fiscal Year 2009 budget request reflects Mayor Fenty's ongoing commitment to supporting District residents in need of public mental health services. Our proposed budget is slightly more than \$231 million dollars (231,834,879) with 1,630 full time equivalent positions. The Department's budget funds a range of comprehensive mental health services to residents of all ages and supports the operations of Saint Elizabeths Hospital, our public psychiatric hospital.

The proposed budget will allow DMH to continue our efforts to

- Improve the quality and consistency of mental health services
- Maximize Medicaid dollars
- Strengthen accountability in service delivery
- Improve patient care at Saint Elizabeths Hospital through enhanced operational support
- Stabilize funding for housing subsidies, and
- Expand the range of services.

I will talk later about our Fiscal Year 2009 initiatives, but first I would like to describe in more detail our budget request and the services it supports.

The budget request for the Mental Health Authority, the administrative, monitoring and program development arm of the Department, is over \$27 million dollars (\$27,746,000). In addition to these functions, several direct service programs are managed by the Authority: our emergency services which is called the Comprehensive Psychiatric Emergency Program (CPEP) and will house the new mobile crisis teams and extended observation beds; the school mental health program, housing and homeless outreach services, and our jail diversion initiative.

The budget request for the Saint Elizabeths Hospital program is a little more than \$95 million dollars (\$95,347,000) and includes an additional \$5 million dollars to continue operational improvements begun this fiscal year. The overall budget shows a small decrease of \$1.6 million dollars from this fiscal year due mainly to the elimination of vacant positions. Saint Elizabeths Hospital provides inpatient care to about 400 patients at any one time, about half of whom are forensic patients. Construction of the new hospital building is close to 50% complete, and we are looking forward to patients moving into an environmentally responsible, state-of-the-art Hospital in late 2009.

The budget request for the DC Community Services Agency (DC CSA) is over \$36 million dollars (\$36,596,000). As you know, the DC CSA is the government's direct provider of mental health services and acts as a safety net for uninsured residents. It also operates a pharmacy for consumers in our network who have no pharmacy benefits and are unable to pay for their medications.

The budget request for Community based private providers who are our partners in providing mental health services is nearly \$70 million dollars (\$69,860,963). The private providers provide prevention, treatment and emergency services to children and adults. In addition, this program funds housing for adults with serious mental illness who require 24 hour support.

According to February data that includes both the DC CSA and the private providers, last fiscal year, 12,944 individuals received services—9,843 adults and 3,101 children and youth. This is a small increase from 12,543 in Fiscal Year 2006—of whom 9,735 were adults and 2,808 were children and youth—and, we expect the final numbers to be even higher when we close out Fiscal Year 2007.

The remainder of our proposed budget is agency management administrative support funded at \$17 million dollars (\$17,124,000) which is standard for agencies with performance-based budgeting, and \$1.6 million (\$1,628,000) for financial operations managed by the government's Chief Financial Officer.

Mr. Chairman, our budget request supports our strategic goals and our core services, funds ongoing improvements and allows an expansion of services in critical areas.

Fiscal Year 2009 Goals and Initiatives

Let me talk now about our goals and initiatives for next fiscal year: Our proposed budget allows us to:

- Stabilize funding for housing subsidies for persons with mental illness. Providing affordable housing is a priority of Mayor Fenty, this year's budget includes the funding as part of our core budget. Currently about 700 people with mental illness are subsidized through this program. (\$5,589,288)
- Continue enhanced operational support for Saint Elizabeths Hospital to improve patient care and enable the hospital to be in compliance with issues raised by the Department of Justice. With the Mayor's support and the support of this Committee, we have additional resources to hire more clinical staff, train staff on best practices in patient care, develop individual treatment that moves patients towards their own recovery goals, and address pressing infrastructure needs. We hired a new Director of Medical Affairs, and since October 1, we have hired 83 people, most of whom are in clinical positions. While we have had some separations and retirements, we are making progress in the number of staff on board.
- Expand our school based mental health program to 10 new public schools. Under a proposed new model, we believe we can expand to new schools using our existing resources—without reducing the quality of services. In addition, we have been working closely with the Deputy Mayor for Education, the State Superintendent and the Chancellor to better coordinate our work and maximize our resources in addition to ensuring that we have the best model for delivering integrated services in the public schools.

- Increase community based acute care capacity. The additional \$1.4 million will allow us to purchase at any given time inpatient beds in acute general hospitals for involuntary committed individuals. This is a major part of our strategy to reduce reliance on Saint Elizabeths for acute care and ultimately reduce the Hospital's census.
- Allocate 24 new full time positions to staff the mobile crisis teams funded within our existing resources.
- Stay focused on ensuring timely payment to providers. As you are aware, about six months ago we migrated provider payment to the Medicaid Assistance Administration in the Department of Health to expedite payment and eliminate the lag in recovering Medicaid dollars. We encountered some technical problems which have been resolved.
- Fund negotiated collective bargaining salary adjustments for union employees at a cost of about \$1.4 million dollars.
- Fully implement new initiatives that we started in FY 08, including a consumer focused activity center, mobile crisis teams, and the Urgent Care Clinic at Superior Court.
- Continue operational improvements and increased accountability. We expect to begin to see the benefits from our strengthened Office of Accountability in the areas of stronger auditing and more vigorous oversight.

We are on schedule to meet another four of the Dixon Exit Criteria this fiscal year and another three by the end of the calendar year. As you are aware, under the terms of a lawsuit dating back to 1974, the U.S. Court evaluates our progress in meeting 19 defined performance measures—called the “Dixon Exit Criteria.” We already have achieved two of the Exit Criteria—Number 12, provision of atypical medications to persons with diagnosis of schizophrenia, and Number 19, collection of Medicaid revenue—so this will bring us to a total of nine. Nearly half way there.

Fiscal Year 2009 will be an important year for the Department as we implement the new initiatives described above, examine the governance structure of the DC CSA, and work to meet the Department of Justice requirements for Saint Elizabeths. Our goal is to establish the most responsive public mental health system possible.

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