

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Health and Social Services  
Alaska Psychiatric Institute  
Component

## **Component: Alaska Psychiatric Institute**

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### **Component Mission**

The mission of the Division is to plan with and provide appropriate prevention, treatment and support for families impacted by mental disorders or developmental disabilities, while maximizing self-determination.

The mission of Alaska Psychiatric Institute (API) is to provide an appropriate array of quality, in-patient psychiatric services for the treatment of Alaskans with psychiatric disorders who meet admission criteria.

### **Component Services Provided**

Alaska Psychiatric Institute (API) provides seven day a week, twenty-four hour inpatient treatment for Alaskans with severe and persistent psychiatric disorders or serious maladaptive behaviors. Approximately 85% of API's clients are indigent, with no third party resources (including Medicaid) to pay for services. Clients are admitted either voluntarily or involuntarily through a Police Officer Application or Ex Parte Commitment from a judge or magistrate, a mental health professional, or a community mental health center (CMHC). API provides outreach, consultation, and training to mental health service providers, CMHCs, and Pioneer Homes. API is presently budgeted, staffed and configured for 74 beds; however, as API may not turn away involuntary patients, we are often at risk of exceeding bed capacity (e.g., in FY00 our highest daily census was 80).

API provides diagnosis, evaluation and treatment services in accordance with its statutory mandates and the strict health care industry standards and requirements set by the Joint Commission on Accreditation of Healthcare Organizations, Health Care Financing Administration (HCFA), and Alaska's Certification and Licensure section. Services include screening and referral; medication stabilization; psychosocial rehabilitation services, multidisciplinary assessments, individualized and group therapy and counseling; patient and family education; and inpatient psychiatric treatment services for adolescents, court-ordered persons accused of criminal activity or found not guilty by reason of insanity, and adults with severe and persistent mental illnesses who need longer term care. In addition, API serves as a backup to the community mental health centers, coordinating transitions from outpatient care to hospitalization and, alternatively, providing follow-up services to patients at mental health centers upon release from API.

### **Component Goals and Strategies**

- 1) ENSURE ABILITY TO HIRE AND RETAIN COMPETENT, QUALIFIED STAFF AT API BY WORKING TO MAINTAIN THE SALARIES OF API POSITIONS COMPETITIVE WITH PRIVATE SECTOR HEALTHCARE SALARIES (E.G., R.N. AND PHYSICIAN ASSISTANT SALARIES)
- 2) CONTINUE TO IMPROVE PATIENT CARE
  - Utilizing established multi-disciplinary teams, continue API's focus on its hospital-wide quality improvement program [API's teams are organized around the Joint Commission on Accreditation of Healthcare Organizations' (JCAHO's) functional standards]
  - Continue to train all API clinical staff in the role recovery approach to patient care and treatment
  - Continue to improve API's therapeutic environment by improving the milieu of each patient unit and patient care areas
- 3) OPERATE AN ACUTE ADMITTING UNIT FOR ADULTS
- 4) REPLACE THE CURRENT 74 BED API FACILITY WITH A DOWNSIZED 54 BED FACILITY, AND FULLY IMPLEMENT THE COMMUNITY SERVICES PLAN DESIGNED TO REPLACE A PORTION OF API'S HOSPITAL-BASED SERVICES

5) CONTINUE TO ADDRESS STAFF COMPETENCE, SAFETY, SECURITY, AND RELATED CLIENT-MANAGEMENT TRAINING CONCERNS

- Maintain an adequate staff-to-patient ratio on all units
- Routinely provide initial and on-going client management/safety training to appropriate API staff
- Continue to work to keep staff injuries down, reducing State workers' compensation expenditures

6) IMPLEMENT A REQUIRED PERFORMANCE MEASUREMENT SYSTEM

Continue to implement and participate in the "ORYX" performance measurement system (PMS), a hospital-based PMS created to meet the requirements of the JCAHO, and managed by the National Association of Mental Health Program Directors' Research Institute (NRI). NRI is collecting data on a variety of performance measures from over 200 public psychiatric hospitals across the nation, and reporting that data to JCAHO. API presently collects data on the following performance measures: rates of medication errors, patient injuries, patient elopements, and patient re-admits within 30 days. Beginning in January of 2001, API will also begin reporting on its rates of seclusion and restraint usage.

7) INCREASE THE AMOUNT OF FAMILY, HOSPITAL AND COMMUNITY INTERACTION

- Work to maximize family and friend involvement in patient treatment
- As a part of normalizing the hospital environment, continue to make the present facility available for recreational, educational, and business purposes

### Key Component Issues for FY2001 – 2002

- Retain API's JCAHO accreditation during JCAHO's survey of the hospital in December of 2000
- Resolution of the API 2000 Project goal: find a replacement facility solution for Old API by focusing on the original option of building a new replacement facility on the present API site
- Find a solution to API's use of mandatory overtime in the Nursing Department in order to adequately staff hospital patient units at a safe and therapeutic level; API management believes it is vitally necessary to greatly reduce or eliminate the use of mandatory overtime because of staff burnout and safety concerns
- In the face of both significant cost increases within the healthcare industry and a 56% increase in admissions since FY95, work to be able to continue to provide quality inpatient services within the present inadequate budget and staffing levels
- Work to hire and retain competent clinical healthcare staff at API, in the face of significantly higher wages in the private sector
- Coordinate closely with the Community Mental Health/API 2000 Project in implementation of the new and enhanced community-based mental health services for the community of Anchorage, to assist in attempting to reduce the bed demand at API
- API's ability to maintain an aging facility functional and safe for its mission of providing inpatient psychiatric care

### Major Component Accomplishments for FY2000

- Maintained an increase in the quality of services while facing at 10% increase in patient admission during FY00
- Reduced API's patient elopement (a/k/a AWOL) rate by 79.9% in just one year
- Reduced the use rate of hours in seclusion by 50% in one year
- Completed implementation of a hospital-wide performance improvement system using teams made up of staff from all departments and all levels within the hospital
- Substantially rewrote the bylaws of the API Governing Body, and added additional consumer representation to the Governing Body

### Statutory and Regulatory Authority

Statutes and Regulations

AS 12.47.010-130      Insanity and Competency to Stand Trial  
AS 47.30.655-915      State Mental Health Policy (Hospitalization of Clients)  
AS 18.20.010-390      Hospital (Regulations)  
AS 08.86.010-230      Psychologists and Psychological Associates  
AS 18.70.010-900      Fire Protection  
AS 08.68.010-410      Nursing  
AS 08.64.010-380      State Medical Board  
AS 08.95.010-990      Clinical Social Workers  
AS 08.84.010-190      Physical Therapists and Occupational Therapists

**Alaska Psychiatric Institute**  
**Component Financial Summary**

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	13,193.0	13,942.0	14,329.3
72000 Travel	51.1	50.8	50.8
73000 Contractual	1,030.9	983.9	1,086.1
74000 Supplies	1,157.1	1,102.3	1,050.1
75000 Equipment	355.4	97.0	97.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	122.4	70.2	70.2
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>15,909.9</b>	<b>16,246.2</b>	<b>16,683.5</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	0.0	4.1	0.0
1005 General Fund/Program Receipts	1,763.2	0.0	0.0
1007 Inter-Agency Receipts	13,739.2	8,068.4	7,376.3
1037 General Fund / Mental Health	260.3	4,435.7	6,325.8
1061 Capital Improvement Project Receipts	147.2	150.7	227.0
1092 Mental Health Trust Authority Authorized Receipts	0.0	1,326.3	491.5
1108 Statutory Designated Program Receipts	0.0	2,261.0	2,262.9
<b>Funding Totals</b>	<b>15,909.9</b>	<b>16,246.2</b>	<b>16,683.5</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Interagency Receipts	51015	13,739.2	8,068.4	8,675.6	7,376.3	5,906.4
General Fund Program Receipts	51060	1,763.2	0.0	0.0	0.0	0.0
Statutory Designated Program Receipts	51063	0.0	2,261.0	2,200.0	2,262.9	2,200.0
Capital Improvement Project Receipts	51200	147.2	150.7	147.2	227.0	147.2
Mental Health Trust Authority Auth.Rec.	51410	0.0	1,326.3	1,326.3	491.5	0.0
<b>Restricted Total</b>		<b>15,649.6</b>	<b>11,806.4</b>	<b>12,349.1</b>	<b>10,357.7</b>	<b>8,253.6</b>
<b>Total Estimated Revenues</b>		<b>15,649.6</b>	<b>11,806.4</b>	<b>12,349.1</b>	<b>10,357.7</b>	<b>8,253.6</b>

## Alaska Psychiatric Institute

### Proposed Changes in Levels of Service for FY2002

In FY 1994 the Administration and the Legislature agreed to have the Alaska Psychiatric Institute participate in a federal Medicaid program called "Medicaid Disproportionate Share" (DSH). Under the normal Medicaid program, API can only collect Medicaid for children (up to age 21) and elderly (over 65). The DSH program allowed the federal Medicaid program to make payments to API because the hospital served a disproportionate share of low-income patients (85%).

The new revenue stream supported a great portion of API's operating budget, and allowed the legislature to cut \$7.0 Million in general funds from API on an annual basis starting in FY 1994. From FY 1994 to FY 2000, the State of Alaska has saved \$49 million in general funds with API's participation in the DSH program.

However, in 1997 Congress passed legislation to change the DSH program gradually across FY 2001 - FY 2003, reducing the federal government's participation by a total of 66%.

The Department of Health and Social Services has worked with the Alaska Mental Health Trust Authority over the last several years to develop a budget plan that would minimize the impact on API and the State general fund as the disproportionate share payment interagency revenue stream decreases. There are several adjustments in API's FY2002 budget which allow API to maintain services without substantially increasing the drain on the state general fund.

#### Increased Admissions Contrasted with Reduced Bed Capacity

The treatment services that API provides are invaluable to the State. In FY00, 50% of the patients admitted to API were admitted for the first time, while the total admissions increased to 1,480 (as compared with 975 admitted in FY95). The length of stay (LOS) at API has been dramatically impacted by this increase in the number of admissions when compared to the number of beds available.

In order for API staff to meet the challenge of an increased admission rate and a static or reduced number of beds, it must work to treat patients quickly and effectively. To do otherwise would mean that API would quickly exceed its bed capacity on a regular basis. Therefore, in FY00, 25% of all admissions were discharged within 24 hours, while another 22% were discharged within two or three days, meaning that 47% of all persons admitted to API were discharged within 3 days of admission. However, this remarkable figure is of concern to API clinicians and community mental providers, as well, as API treatment teams increasingly hear from providers and family members that they believe that patients are often discharged too soon from our hospital. API will continue to struggle with this issue, as we work to be able to serve the numbers admitted as our bed capacity is reduced. The tension between these two factors will only increase.

### Summary of Component Budget Changes

#### From FY2001 Authorized to FY2002 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	<b>4,439.8</b>	<b>0.0</b>	<b>11,806.4</b>	<b>16,246.2</b>
<b>Adjustments which will continue current level of service:</b>				
-Return of DSH Match from DMA	532.5	0.0	0.0	532.5
-Transfer from MH/DD Administration for Personal Service's Needs	74.2	0.0	0.0	74.2
-Year 2 Labor Costs - Net Change	30.1	0.0	-11.6	18.5

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
from FY2001				
<b>Proposed budget decreases:</b>				
-DSH Loss, Pharm RSA & Med Direct Billing Increases	0.0	0.0	-686.8	-686.8
<b>Proposed budget increases:</b>				
-Offsetting DSH Revenue Loss	1,249.2	0.0	-825.3	423.9
-Increased Nursing Capacity and Support Staff	0.0	0.0	75.0	75.0
<b>FY2002 Governor</b>	<b>6,325.8</b>	<b>0.0</b>	<b>10,357.7</b>	<b>16,683.5</b>

**Alaska Psychiatric Institute**  
**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	236	242	Annual Salaries	10,495,678
Part-time	2	2	COLA	163,532
Nonpermanent	8	20	Premium Pay	840,899
			Annual Benefits	3,907,730
			<i>Less 7.00% Vacancy Factor</i>	<i>(1,078,549)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>246</b>	<b>264</b>	<b>Total Personal Services</b>	<b>14,329,290</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant IV	1	0	0	0	1
Accounting Clerk II	3	0	0	0	3
Accounting Spvr II	1	0	0	0	1
Accounting Tech II	1	0	0	0	1
Administrative Assistant	1	0	0	0	1
Administrative Clerk II	11	0	0	0	11
Administrative Clerk III	6	0	0	0	6
Analyst/Programmer IV	1	0	0	0	1
Analyst/Programmer V	1	0	0	0	1
Assistant Medical Director	1	0	0	0	1
Asst Nurse Director	1	0	0	0	1
Chaplain	1	0	0	0	1
Correspondence Sec III	6	0	0	0	6
Custodial Services Spvr	1	0	0	0	1
Director Of API	1	0	0	0	1
Enviro Services Journey I	7	0	0	0	7
Enviro Services Journey II	8	0	0	0	8
Facilities Manager I	1	0	0	0	1
Food Service Journey	2	0	0	0	2
Food Service Lead	3	0	0	0	3
Food Service Sub Journey	7	0	0	0	7
Food Service Supervisor	1	0	0	0	1
Health Practiitioner I	1	0	0	0	1
Health Practitioner I	1	0	0	0	1
Maint Gen Journey	2	0	0	0	2
Maint Gen Sub - Journey II	1	0	0	0	1
Maint Spec Bfc Journey I	2	0	0	0	2
Maint Spec Bfc Jrny II/Lead	1	0	0	0	1
Maint Spec Etrician Journey II	1	0	0	0	1
Maint Spec Plumb Jrny II	1	0	0	0	1
Medical Assist Admin I	1	0	0	0	1
Medical Officer	1	0	0	0	1
Medical Record Admin	1	0	0	0	1
Micro/Network Spec I	1	0	0	0	1
Micro/Network Spec II	1	0	0	0	1
Mntl Hlth Clinician II	5	0	0	0	5
Mntl Hlth Clinician III	5	0	0	0	5
Mntl Hlth Clinician IV	2	0	0	0	2
Nurse I	4	0	0	0	4

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Nurse II (Psych)	34	0	0	0	34
Nurse III (Psych)	10	0	0	0	10
Nurse IV (Psych)	2	0	0	0	2
Nursing Director	1	0	0	0	1
Occ Therapist I	2	0	0	0	2
Occ Therapist II	1	0	0	0	1
Personnel Asst I	1	0	0	0	1
Pharmacist	1	0	0	0	1
Pharmacy Assistant	1	0	0	0	1
Procurement Spec II	1	0	0	0	1
Psych Nurse Asst I	1	0	0	0	1
Psych Nurse Asst I	20	0	0	0	20
Psych Nurse Asst II	6	0	0	0	6
Psych Nurse Asst III	56	0	0	0	56
Psych Nurse Asst IV	8	0	0	0	8
Public Health Spec I	1	0	0	0	1
Public Health Spec II	1	0	0	0	1
Recreation Therapist I	3	0	0	0	3
Recreational Therapist II	1	0	0	0	1
Rehab Therapy Coordinator	1	0	0	0	1
Secretary	1	0	0	0	1
Security Guard I	3	0	0	0	3
Staff Psychiatrist	7	0	0	0	7
Stock & Parts Svcs Sub Journey	2	0	0	0	2
Supply Technician II	1	0	0	0	1
Word Proc Cen Spvr	1	0	0	0	1
<b>Totals</b>	<b>264</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>264</b>