



STATEMENT OF THE ILLINOIS HOSPITAL ASSOCIATION ON NURSING HOMES AND MENTAL HEALTH SERVICES

November 5, 2009

On behalf of our 200 member hospitals and health systems across the state, the Illinois Hospital Association welcomes the opportunity to present this statement on an issue of critical concern – the impact of the state’s crumbling mental health system on Illinois’ nursing home residents and what can be done to address the problem.

Our Broken Mental Health System

The recent *Chicago Tribune* series about young mentally ill nursing home residents preying upon elderly residents illustrate the lack of a cohesive, coordinated system of mental health services in which a patient/resident receives the appropriate services in the most appropriate setting for his or her condition. Nursing homes are generally not equipped and were never designed to care for young, mentally ill residents. When these residents live in supportive housing in their own communities, and also receive the appropriate type of treatment and other services they need, they will have a much better chance of recovery. Instead, we have failed to adequately fund the availability of acute psychiatric care and outpatient community mental health and substance abuse services. And, we have failed to implement the types of policies that will ensure a person with serious mental illness has the opportunity to live a productive and satisfying life.

Illinois has lost significant acute care capacity in both the public and private systems of mental health care without providing community-based alternatives. In the past, many Illinoisans with mental illnesses now residing in nursing homes would have been treated in a state psychiatric hospital. But over the past several decades, the state’s mental health system has been deteriorating on a massive scale. While Illinois had 2,797 inpatient psychiatric beds in 1990, it now has only 1,400 state-operated psychiatric beds. When state-operated hospitals were closed or reduced in size, the state promised that resources used for these facilities would be transferred to the communities in which the patients resided. This promise has not been kept.

Over the years, the state also has imposed many funding cutbacks on the mental health system. Just recently, one critical source of state funds that was supposed to be moved to the community for inpatient services, the Community Hospital Inpatient Psychiatric Services (CHIPS) program, has been eliminated from this year’s Division of Mental Health budget. This added barrier to care is on top of the already diminished number of acute care options available in the private sector. Private hospital psychiatric beds have decreased from 7,174 in 1991 to the current 3,986, in large part because of inadequate funding, a shortage of psychiatrists, and a complex legal and regulatory environment.

As a direct result of the cutbacks in and fragmentation of the mental health system, nursing homes have become an inappropriate substitute for inpatient and community-based psychiatric care. Because the state lacks sufficient acute inpatient care and community based resources for the mentally ill, the care for these patients has been inappropriately shifted to hospital emergency departments, inpatient medical beds, and nursing facilities.

Aggravating the problem is the fact that the loss of state-operated and private psychiatric beds has been not evenly distributed. Many rural communities simply do not have access to any acute or crisis psychiatric facilities; and people living in rural Illinois must travel great distances to access acute care. Many of our rural hospitals are admitting patients to medical or intensive care beds in order to keep patients safe until a more suitable setting can be identified.

The loss of acute, inpatient services would not be as serious if there were sufficient community services to support a person living in the community. The state's budget for publicly funded mental health services is 10% less this year than last year when a previous round of cuts was imposed. These cuts compound years of flat budgets resulting in crippling financial situations for community agencies. And substance abuse services were cut 20% this year, also on top of previous cuts. In some parts of our state, there simply are no substance abuse services available.

The most telling consequence of the lack of adequate acute resources is the growing number of people with behavioral health disorders presenting in hospital emergency departments. Many patients come to the ED in crisis because treatment was not available to them sooner and in a more appropriate setting. In the first six months of 2009, Illinois hospitals treated 63,449 patients in emergency departments with a primary behavioral health diagnosis, and 233,880 (or more than 11% of all ED patients) patients with behavioral health as a partial diagnosis.

Unfortunately, the lack of acute care resources means these patients wait a very long time for an appropriate and available setting to be identified. Patients needing to be transferred from the ED to a state psychiatric hospital wait longer than any of these patients. In a survey this summer of select Chicago-area hospitals with high volume EDs, patients were waiting between 17 and 22 hours in EDs for admission to a state psychiatric hospital—several more hours than they waited just a few months earlier. And the challenges don't stop at the ED. The lack of community resources means it is very difficult to find appropriate post-discharge services for persons with mental illnesses. The nursing facility by default is filling in some of these services gaps.

Illinois serves as many as 15,000 persons with mental illness in Institution for Mental Disease (IMD) nursing facilities or in traditional nursing facilities. But IMD nursing facilities may not be the most appropriate facilities for persons with mental illness for clinical and financial reasons.

According to the National Alliance on Mental Illness (NAMI), the state spends approximately \$300 million annually for this care, of which \$170 million is spent on IMD care. IMD nursing is funded 100% with state funds because of the federal law prohibiting matching Medicaid funds for a facility of more than 16 persons in which more than 50% of the residents have a primary diagnosis of mental illness. Thus, Illinois is spending at least \$85 million in state funds each year that otherwise could be matched with federal dollars if spent on appropriate mental health services in less expensive community alternatives.

Recommendations – Provide the Right Care at the Right Time in the Right Place

1. **Organize the behavioral health system to focus on patients through an integrated and coordinated system of care that provides the right care, at the right time, in the right place.** Through a task force or appropriate entity, develop a plan and a strategy to rationalize and organize our fragmented, uncoordinated amalgam of agencies and providers. As part of this plan, identify those community-based services that persons with a serious mental illness need, develop cost estimates, and begin the work of finding the resources necessary to implement a “system” of care organized around people not funding streams.
2. **To maintain access to hospital acute psychiatric care formerly supported by the Community Hospital Inpatient Psychiatric Services (CHIPS), restore CHIPS funding and improve inpatient psychiatric rates.**
3. **Develop the supports necessary to enable people to live safely in the community.** A person with mental illness needs all of the services and protections that are afforded by an inpatient facility, but he/she needs them in the community. These include **supportive housing, vocational and**

employment assistance, case management, medication assistance, medical care, and psychiatric/mental health care.

Supportive housing. For those mentally ill nursing home residents who can benefit from housing and other supports, we must accelerate their movement out of nursing homes into more appropriate settings, including **supportive housing**. An April 2009 study by the Illinois Supportive Housing Providers Association (SHPA) demonstrated a 39% cost savings to the state for services from pre- to post-supportive housing, or an average annual savings of \$2,414 per resident. Importantly, residents reported improved quality of life and once in supportive housing, residents were unlikely to return to more restrictive settings such as nursing homes. According to SHPA, there are currently 5,466 units of permanent supportive housing in Illinois but nearly double this amount is needed.

Case management for people with serious mental illness in the community can provide the structure needed to keep a person on track and out of the emergency room or jail.

Medical care: Disease management models offer great promise for people with mental illness. The state should support innovative care models, including those that combine the primary care resources of Federally-Qualified Health Centers with the specialty mental health resources of a community agency or a psychiatrist. To support the integration of primary and specialty behavioral health services, the state should continue to develop a tele-psychiatry network that currently operates in a few rural communities. Many more communities are waiting for the resources to expand access to care through this technology.

Psychiatric care. Advances in pharmacology have enabled persons to live independently. And, psychiatric care is an essential component in the continuum of care that is needed by a person with serious mental illness. Psychiatrists are poorly paid across the board, especially by Medicaid. Also, because of the lack of young doctors going into the psychiatric profession, the state needs to address the workforce issue to ensure the future stability of this group of professionals.

4. **State laws may need to be revised** to ensure patients/residents are treated in the best setting for their condition and that entrance to a nursing facility is closely scrutinized. The state may also need to enact legislation that ensures the behavioral health system in Illinois is appropriately designed, organized and implemented to provide care in the most appropriate setting, at the most appropriate time, for persons with mental and substance use illnesses.
5. For those residents with cognitive and functional deficits requiring care provided in a nursing home, **ensure that the level of care provided is of a quality and intensity that truly meets the residents' needs.** Attention should be paid to strengthening the prescreening performed for every resident of a nursing facility to ensure the placement is necessary.