

Department of Legislative Services
 Maryland General Assembly
 2013 Session

FISCAL AND POLICY NOTE

House Bill 1120 (Delegate Jacobs, *et al.*)
 Health and Government Operations

**Mental Hygiene Administration - Upper Shore Community Mental Health Center
 - Reopening and Maintenance**

This bill requires the Upper Shore Community Mental Health Center to be maintained under the direction of the Mental Hygiene Administration (MHA) in the Department of Health and Mental Hygiene (DHMH). The bill states that it is the intent of the General Assembly for the State to reopen the health center (which was closed in calendar 2010) and for the facility to be maintained under the direction of MHA in accordance with specified appropriate regulations and provisions of law.

Fiscal Summary

State Effect: State expenditures increase by \$6.9 million (including \$6.6 million in general funds, \$220,000 in special funds, and \$50,000 in reimbursable funds) annually beginning in FY 2014 for the Upper Shore Community Mental Health Center to be maintained under MHA’s direction. Future year expenditures reflect annualization and inflation. Revenues are not affected.

(in dollars)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	6,635,200	9,462,700	9,817,800	10,188,000	10,573,800
SF Expenditure	220,000	222,200	224,400	226,700	228,900
ReimB. Exp.	50,000	50,500	51,000	51,500	52,000
Net Effect	(\$6,905,200)	(\$9,735,400)	(\$10,093,300)	(\$10,466,200)	(\$10,854,700)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: The Upper Shore Community Mental Health Center ceased to be operated by MHA in fiscal 2009. Two other facilities formerly operated under the direction of MHA (Walter P. Carter Community Mental Health Center and Crownsville Hospital Center) have also closed in recent years.

Chapter 395 of 2011 (HB 70, the fiscal 2012 budget bill) included language restricting a total of \$200,000 in the budgets of the State-run psychiatric hospitals for the purpose of conducting an independent analysis of population and placement trends at those hospitals. The report was due to the General Assembly by December 1, 2011. After requesting and being granted an extension, DHMH submitted the report in September 2012.

The report was intended to be a starting point in the assembling of data necessary to properly plan future capacity at the State-run psychiatric hospitals. Legislative interest in this issue stemmed from the knowledge that the physical plant of the current facilities system-wide is inadequate as well as the potential reuse of current State-run psychiatric facility sites. Of the five facilities, the Eastern Shore Hospital Center (built within the past 15 years) is the newest facility. The facility plant at Thomas B. Finan Hospital Center and Clifton T. Perkins Hospital Center, while older, is generally considered adequate; Perkins, in particular, has seen considerable capital improvements in recent years and is scheduled for more in the *Capital Improvement Program*. Springfield Hospital Center and Spring Grove Hospital Center are both facilities set on sprawling campuses that were designed to hold thousands of patients and are now serving just over 600 combined.

In the past several years, operating capacity at, and admissions to, the facilities has fallen significantly. Types of admissions have also changed significantly. For example, nonforensic admissions now form only 20% of total State-run psychiatric facility admissions. However, the average length of stay at the facilities has increased.

State Expenditures: State expenditures increase by \$6.9 million (including \$6.6 million in general funds, approximately \$220,000 in special funds, and approximately \$50,000 in reimbursable funds) annually beginning in fiscal 2014, which accounts for the bill's October 1, 2013 effective date. This estimate is based on the center's actual expenditures in fiscal 2009, adjusted for inflation. It includes the cost of hiring 95 regular full-time equivalent (FTE) employees and 11.67 contractual FTEs for the Upper Shore Community Mental Health Center to be maintained under MHA's direction and ensure the capacity to provide 24/7 care for approximately 40 beds, consistent with historical data. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Future year expenditures reflect full salaries with annual increases as well as annual increases in ongoing operating expenses.

Because the facility has been continuously maintained since the center's closure, it is assumed that only the expenditures specified above are necessary to reopen the center. Further, due to the trend toward community-based (rather than institutionalized) care, it is assumed that State expenditures associated with the provision of community-based mental health services are unchanged by the bill's expansion of bed capacity due to the center's reopening.

Additional Information

Prior Introductions: None.

Cross File: Although not designated as a cross file, SB 972 is identical.

Information Source(s): Kent County, Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader - March 12, 2013
ncs/ljm

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