The South Carolina Department of Mental Health

Institute of Medicine

Considerations on the Department’s Budget

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Presented by John H. Magill, State Director
South Carolina Department of Mental Health
SCDMH Today

The Department has 17 Community Mental Health Centers and 44 Mental Health Clinics divided into four regions.
The Department has 4 Hospitals, 4 Nursing Homes, and 2 Inpatient Forensics Programs situated across the State of South Carolina.
The Department’s service composition has shifted significantly throughout the years.

Since 1850, the first year with reasonable records, to 2013, the South Carolina Department of Mental Health has served approximately 3,903,000 people.

<table>
<thead>
<tr>
<th>Historical Comparison to Current Scope</th>
<th>FY1967</th>
<th>FY2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Daily Census</td>
<td>6,000</td>
<td>1,384</td>
</tr>
<tr>
<td>Outpatients</td>
<td>9,000</td>
<td>89,510</td>
</tr>
<tr>
<td>Supported Living Environments</td>
<td>NA</td>
<td>3,500</td>
</tr>
<tr>
<td>Additional Contacts</td>
<td>NDA</td>
<td>50,000</td>
</tr>
</tbody>
</table>

NA= Not Applicable
NDA = No Data Available

- With over 700 functional beds in 4 nursing homes, SCDMH is one of the largest nursing home providers in SC.
- SCDMH is the only State Mental Health Agency in the country that operates State Veterans nursing homes.
SCDMH Today

SCDMH is one of only a few integrated Public Mental Health Systems in the country, providing both inpatient and outpatient mental health services.

- SCDMH hospitals have access to SCDMH community mental health records;
- Upon discharge, a follow-up visit has already been arranged with a Community Mental Health Center in the client’s domicile county;
- In a single Community Mental Health Center, a patient can receive services from a psychiatrist and a therapist;
- The Department coordinates the patient’s care with community resources, to ensure that the supports patients need for recovery are in place, including primary health care, housing and vocational assistance.
Current and Projected Service Volumes

Number Served

Number Served
Community Mental Health Centers with Actual and Projected Number Served

<table>
<thead>
<tr>
<th>Year</th>
<th>Number Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2008</td>
<td>90,000</td>
</tr>
<tr>
<td>FY2009</td>
<td>85,000</td>
</tr>
<tr>
<td>FY2010</td>
<td>80,000</td>
</tr>
<tr>
<td>FY2011</td>
<td>75,000</td>
</tr>
<tr>
<td>FY2012</td>
<td>80,000</td>
</tr>
<tr>
<td>FY2013</td>
<td>85,000</td>
</tr>
<tr>
<td>FY2014</td>
<td>90,000</td>
</tr>
<tr>
<td>FY2015</td>
<td>95,000</td>
</tr>
</tbody>
</table>
SCDMH Today

The Challenges

- The decline in State appropriations and Medicaid revenue has been partially offset by a substantial increase in non-recurring funds;
- FY2012 State appropriations approximated the SCDMH 1987 State appropriations (Since 1987, the Consumer Price Index has increased 98%)

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>FY 2008</th>
<th>% to Total</th>
<th>FY 2014</th>
<th>% to Total</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>$ 220,228,567</td>
<td>57.5%</td>
<td>$ 176,463,720</td>
<td>48.3%</td>
<td>-19.9%</td>
</tr>
<tr>
<td>One-Time State Appropriations</td>
<td>$ 400,000</td>
<td>0.1%</td>
<td>-</td>
<td>0.0%</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Non-Recurring Funding</td>
<td>$ 4,987,622</td>
<td>1.3%</td>
<td>$ 21,126,077</td>
<td>5.8%</td>
<td>323.6%</td>
</tr>
<tr>
<td>Medicaid Revenue</td>
<td>$ 77,395,972</td>
<td>20.2%</td>
<td>$ 73,646,452</td>
<td>20.2%</td>
<td>-4.8%</td>
</tr>
<tr>
<td>Disproportionate Share</td>
<td>$ 27,984,693</td>
<td>7.3%</td>
<td>$ 35,690,365</td>
<td>9.8%</td>
<td>27.5%</td>
</tr>
<tr>
<td>All Other</td>
<td>$ 52,105,532</td>
<td>13.6%</td>
<td>$ 58,156,358</td>
<td>15.9%</td>
<td>11.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 383,102,386</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$ 365,082,972</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>-4.7%</strong></td>
</tr>
</tbody>
</table>
Projected Expenditures FY2014
All Services

DMH Projected Expenditures - FY 2014

- Inpatient Services: 48.6%
- Clinical Support Services: 6.4%
- Telepsychiatry: 0.8%
- Central Office Administration: 4.0%
- Community Mental Health Centers: 40.2%
Represented the distribution of expenditures after removal of non-behavioral health services. Clinical Support Services is allocated between Community Mental Health Centers and Inpatient Services.
Sustainability of Mental Health Services
Replacement of Non-Recurring Funds

SCDMH - Sources of Revenue - FY 2008
- State Appropriations: 58%
- Non-Recurring Funding: 1%
- Medicaid Revenue: 20%
- Disproportionate Share: 7%
- All Other: 14%

SCDMH - Sources of Revenue - FY 2012
- State Appropriations: 40%
- Non-Recurring Funding: 12%
- Medicaid Revenue: 18%
- Disproportionate Share: 12%
- All Other: 18%

SCDMH - Sources of Revenue - FY 2013
- State Appropriations: 46%
- Non-Recurring Funding: 7%
- Medicaid Revenue: 19%
- Disproportionate Share: 10%
- All Other: 18%
In FY2008, the Department received $220,228,567 in State Appropriations.

By FY2012, the Department had sustained reductions in State Appropriations that totaled $93,216,181, a 42.3% reduction.

Since FY2012, the Department has received $44,867,043 in additional State Appropriations (Chart 1).

However, only $15,256,120 of the $44,867,043 in additional State Appropriations was appropriated for the replenishment of prior year’s reductions. That amounts to 34% of the $44.9 million received, but is only a small percent (16.4%) when applied to the total reduction of $93.2 million (Chart 2).
Even while SCDMH has experienced significant declinations in state appropriations, certain programs have been held harmless. These mandated programs consume an increasing percentage of SCDMH’s budget. The programs include Forensics, the Sexually Violent Predator Program, Campbell Veterans Nursing Home, and Veterans Victory House.
The South Carolina Department of Mental Health

Key Agency Representatives

John H. Magill, State Director
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