Senate Public Health and Welfare Committee

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Testimony on SB 407

Presented by:

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Chair Suellentrop and Members of the Committee, thank you for allowing me the opportunity to address the committee. I'm testifying today to provide information about Senate Bill 407. Senate Bill 407 requires the Kansas Department for Aging and Disability Services to operate acute psychiatric inpatient hospitals for children in Hays and Garden City areas utilizing current resources. At KDADS, the Children's Psychiatric System of Care is one of our more adaptive challenges in behavioral health services, and we recognize the need for these services to be provided as close to home as possible. Even now as I am providing testimony on the bill KDADS Deputy Secretaries DeBoer and Bruner are following up on possible locations and partnerships in Hays today. I'd like to provide the committee with contextual information impacting the bill through a description of our Children's System of Care, the recent history of acute care services for children in western Kansas, and KDADS' current efforts in addressing this complex challenge.

Children's System of Care

Kansas has approximately 720,000 children under the age of 18, and around 290,000 children live in households that are below 200% of the federal poverty guideline. Approximately 250,000 children are enrolled in Medicaid (KanCare) each month, and nearly 75,000 children are in enrolled in the Children's Health Insurance Program. According to the National Health Interview Survey the percentage of children with serious emotional or behavioral difficulties (SED) is twice as high for children in families below the poverty line as it is for children in families, at 7%. That means that not only does Kansas have many children living in or near poverty, but that areas of the state with higher rates of poverty will have higher rates of SED among their children. 10% of the children (6th, 8th, 10th and 12th graders) responding to the Kansas Communities That Care survey last year in 2019, self-reported a prior suicide attempt. In the four years that the KDADS has been collecting responses to this question the percentage has increased 8% to 10%. In short, our children's system of care may need to be designed to serve up to 36,000 children with SED in a single year.

The good news is that most of those children do not need psychiatric residential care or hospitalization. They can benefit from services in their community through our Community Mental Health Centers, Public Schools, and other community service providers. Our children's system of care is based on a continuum of services that focus on prevention, treatment, and recovery. The SED waiver allows CMHCs to provide additional services to children approved for the waiver, that are designed to support families and prevent the need for inpatient treatment. Services like attendant care and respite care are the tops of the list of services parents feel are most beneficial to their

family. Parents and advocates report that access to these services can often be difficult to obtain or are limited in ways that impact their effectiveness. Contributing to these issues are problems with workforce shortages, high turnover rates, access to training, low reimbursement for services, distance to services, and hours of availability. These issues are often exacerbated in rural and frontier areas around the state. When these local services are not able to meet the needs of children, their need for psychiatric care increases.

KVC Hospitals and Hays

KDADS has historically contracted with KVC Hospitals to provide inpatient psychiatric services for individuals under 21 through a program called High Acuity Psychiatric Hospitalization for Youth (HAPHY) since the State Psychiatric Hospitals stopped providing those services. Admissions to HAPHY beds are both for the uninsured and those youth with very high acuity who cannot be served in another facility. Each KanCare MCO and private insurance company has a provider network of private psychiatric hospitals and PRTFs that provide inpatient psychiatric services to individuals under 21.

When KVC Hospitals began operating the facility in Hays it was licensed by the state as a PRTF II which made it a no eject, no reject PRTF facility and HAPHY eligible children from western Kansas were admitted and treated side by side with PRTF eligible children. This allowed the facility to operate at full to nearly full census with shared staffing and sleeping areas for youth. When the ability to continue this practice ceased, KVC and KDADS worked to find alternatives but ultimately were not able to make a 12-bed hospital license in the Hays facility work.

KVC Hospitals opened a new 50 bed hospital in Wichita and closed the 12 hospital beds in Hays to convert them to PRTF beds this past summer. This created a situation where children that would meet criteria for the HAPHY program have to travel to Wichita or Kansas City instead of to Hays or Kansas City. SB 407 requires KDADS to open and operate acute psychiatric inpatient beds for children in Hays and Garden City areas to reduce the travel time needed for this level of care.

Addressing the Need for Acute Care and Crisis Services in Western Kansas

Addressing the needs for acute and crisis services in Western Kansas, particularly in rural areas will require new approaches and new partnerships. To facilitate our work towards resolution, KDADS has collaborated with the United Methodist Health Ministry Fund for a series of convenings in Western Kansas. The report from WSU is attached for your reference as part of the testimony.

The purpose of the sessions was to engage and convene stakeholders in western Kansas to help develop recommendations for pursuing innovative and integrated

solutions to increase access to children's acute behavioral health services in rural western Kansas. KDADS leadership and staff are currently engaged in discussions with providers and investigating leads on properties that were produced during the project.

Meetings were held in earlier this year in the following dates and locations:

January 29th – Hays, KS

January 30th – Goodland, KS

February 3rd – Garden City

February 4th – Dodge City

February 12th – Webinar to present combined results and help prioritize leads.

The meetings were well-attended and participants were heavily involved in a process designed to gather their input and prioritize their recommendations.

If we are successful in identifying viable locations and partnerships in western Kansas that would allow for the opening of a new facility or a creating a wing on an existing facility, the community and the providers would likely need state funding for at least a portion of the associated start-up costs, remodeling, staff recruitment, as well as ongoing operational subsidies to sustain the hospital in the future. An executive summary from these meetings is included as an attachment to this testimony.

SB 407

SB 407 would require the Kansas Department for Aging and Disability Services to operate not less than 12 acute inpatient psychiatric care beds for children each in Hays and Garden City, Kansas or surrounding communities. A map of current acute inpatient psychiatric care beds and PRTFs has been attached to this testimony. As Secretary, I have several specific areas of SB 407 that I wish to address: the licensed capacity of the facilities in the bill, clarity on the agency's ability to contract these services, the immediacy of the bill, and the lack of resources to accomplish the objectives of the bill.

SB 407 as written requires the addition of 2 hospitals with 12-beds each in western Kansas. Over the last decade the average daily census in the HAPHY program at KVC Hospitals Hays facility has been about 5 youth and that includes almost 30% of admitted youth coming from South Central Kansas and the Wichita area which now has a KVC hospital licensed for 54-beds. In the decade before that at Larned State Hospital the average daily census was 6 youth from their catchment area, which is everything west of Salina and Wichita. Currently there is no waiting list for children's acute inpatient

psychiatric hospital admissions in Kansas and most hospitals operate with a daily census below the licensed number of beds.

Recruitment and retention of qualified staff in these communities creates a challenge due to mental health workforce shortages both across the state and the nation. Staffing two separate facilities will nearly double the overhead costs and staffing challenges presented in operating a single hospital. Once the facilities are opened it can still take significant time to fully staff them to be able to operate at a full census near their licensed capacity. The KVC Hospitals Wichita facility has been operating approximately 20 patients below its full license since opening. KDADS anticipates that it would take approximately a year to fully staff the two new hospitals, and even once that occurs it's not clear that there would be enough demand for the services to fill the hospitals.

This low demand for services means daily operation of these two 12-bed hospital facilities will need to be significantly subsidized for their empty beds to pay for the staff to maintain their license. The overhead and redundancy of staffing two separate hospitals could be reduced by operating a single hospital, while at the same time increasing the average daily census or occupancy rate.

As written, the bill requires KDADS to operate two facilities. Our approach as an agency has been to identify partners to contract with for this service. By contracting the operations of the hospitals, an operator would be able to more efficiently balance the census of the hospitals with HAPHY, Medicaid, and Private Insurance as well as the overhead associated with their management. This would also prevent the state from entering in to competition with current hospital operators for staff and patients.

This bill currently has a sense of immediacy that is unrealistic in terms of the length of time it would take to build, renovate, staff and open a fully functional hospital. Additionally, SB 407 requires KDADS to use existing financial resources to operate these hospitals. The only way KDADS would be able to do this is to reallocate millions of dollars of SGF funding from other programs. In many cases these would be the same programs that are designed to serve the families in the community and prevent hospitalizations would be at risk. KDADS would respectfully request that before a mandate is placed upon the agency to operate these hospitals, we be given time to pursue options for addressing the need in western Kansas. We are currently engaged in the research and coalition-building needed to really address this challenge in a thoughtful and meaningful way with the stakeholders in these communities. We feel this process is more likely to result in sustainable local solutions to this issue.

Thank you for allowing us to provide testimony on SB 407.