



# MDHHS: FY23 Budget Executive Recommendation

## State Hospital Administration

March 9, 2022

**George Mellos, MD**, Senior Deputy Director, State Hospital Administration

**Farah A. Hanley**, Senior Deputy Director, Financial Operations Administration

# Michigan's Public State Hospitals

## Caro Center

- CY 2021 average census: 102 patients
- Serves adult patients residing in the Upper Peninsula and northeast Lower Peninsula.

## Kalamazoo Psychiatric Hospital

- CY 2021 average census: 155 patients
- Serves adult patients in western and the central Lower Peninsula.

## Walter Reuther Psychiatric Hospital (Westland)

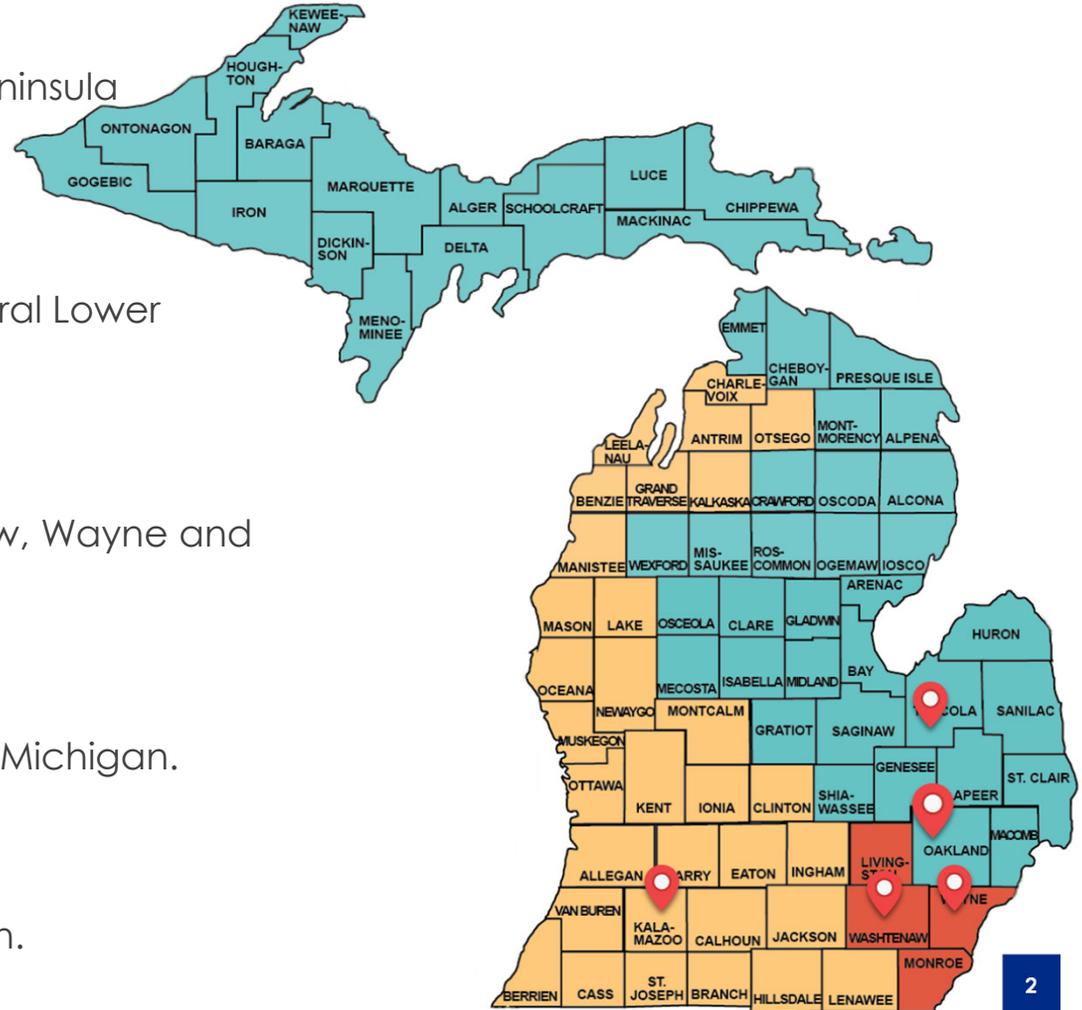
- CY 2021 average census: 168 patients
- Serves adult patients in Livingston, Washtenaw, Wayne and Monroe counties.

## Hawthorn Center (Northville)

- CY 2021 average census: 49 patients
- Serves children & adolescent patients across Michigan.

## Center for Forensic Psychiatry (Saline)

- CY 2021 average census: 224 patients
- Serves adult forensic patients across Michigan.





**FY 2022**

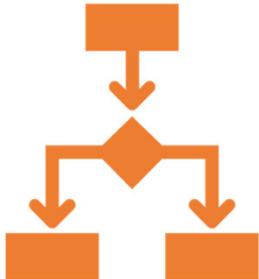
**State Hospital  
Administration**  
*Accomplishments,  
Progress, and  
Challenges*

# FY 2022 Strategic Accomplishments



Development and implementation of a **community transition program** for adults consistent with Section 962 of Public Act 67 (2019)

Expansion of **higher educational opportunities** and relationships in state hospitals.



State Hospital Administration **Throughput Outcomes.**

# FY 2022 Progress: Caro Center

- September 2020 - **site work commenced.**
- December 2021 - **building enclosure.**
- Project on pace for **spring 2023** opening.
- Patient capacity - **100 beds.**
- Approximately **114,000 square feet.**
- Physical plant encompassing **27 acres.**
- Construction/design team has been successful in **forecasting supply chain issues** and **remains on schedule and under budget.**

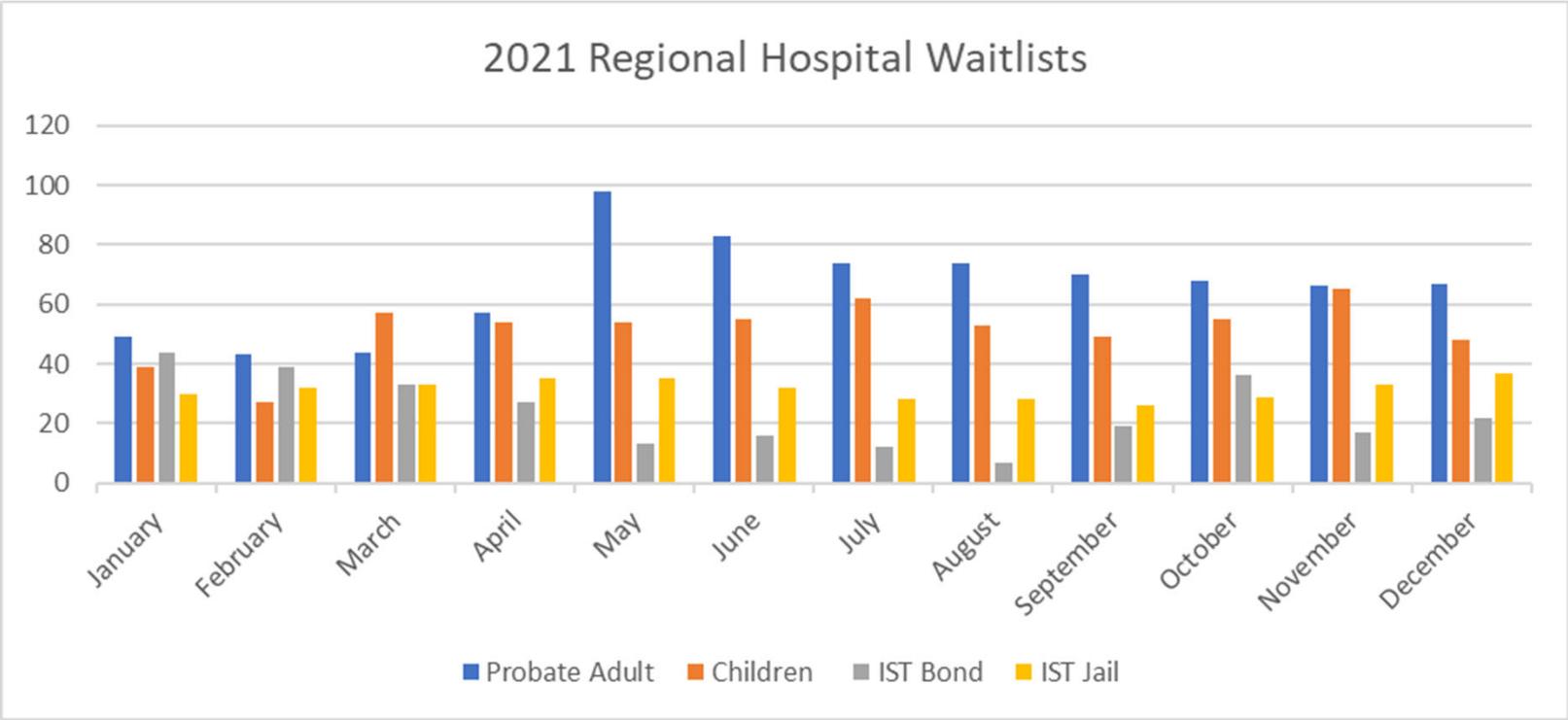




## **FY 2022 Progress:** Psychiatric Residential Treatment Facilities

- Public Act 285 (2020).
- Provider of **inpatient psychiatric treatment services** to Medicaid-eligible individuals under the age of 21.
  - 42 CFR 441.151 through 441.182 & 483.350 through 483.376
- Must be accredited by **The Joint Commission**, or any other state-approved accrediting organization.
- Anticipated implementation **spring 2023**.

# FY 2022 Challenges: State Hospital Waitlists



A blue pen with a silver tip is positioned diagonally across the top left of the page. The background is a light blue document with a grid pattern and several blue bars of varying heights, resembling a bar chart. The text is centered over the document.

# Governor Whitmer's Executive Budget Recommendation

FY 2023

# Build a New Combined Psychiatric Hospital

## Context

---

- **Excessive demand** and **persistent waitlists** for inpatient psychiatric services at state operated hospitals.
- **Aging physical plant infrastructure** at both **Walter Reuther Psychiatric Hospital** and **Hawthorn Center** has necessitated significant short-term investments to maintain necessary safety standards.
- Discontinuity in both hospitals' **physical plants do not reconcile** with current behavior health standards.
- **Significant future investments** to infrastructure will be needed in the coming years to maintain status quo.

## Response

---

- Design and construct a **modern facility** that reconciles with current behavioral health standards.
- Keeping populations separate.
- Make **treatment and living spaces** contiguous.

## Expected impact

---

- **Operational efficiencies are gained** by combining two facilities into one.
- Provision of treatment in a **modern setting**.
- Contiguous living spaces will **maximize therapeutic and staffing efficiencies** as well as **improve patient and staff safety**.

# Behavioral Health Capacity and Access

## Context

---

- **Excessive demand** and **persistent waitlists** for inpatient psychiatric services at state operated hospitals.
- **Lack of community-based psychiatric beds** or facilities to immediately respond to patients transitioning out of state psychiatric hospitals.
- Long **admission delays** resulting in patients waiting in emergency rooms pending placement in a state facility.
- Michigan ranks **third in the nation** with the highest **shortages** of mental health professionals.

## Response

---

- Expand **behavioral health inpatient community-based** treatment programs.
- Extend **behavioral health and opioid health homes** to additional counties.
- Fund staff and operational costs for two new units at the **Hawthorn Center**.
- Fund staff and operational costs for a new **Center for Forensic Psychiatry** satellite facility.

## Expected impact

---

- **Increased access** to and **quality** of behavioral health services.
- **Improved patient outcomes**.

# Occupational Health Clinics

## Context

---

- The State of Michigan hospitals do not have an **occupational health clinic**.
- The COVID-19 pandemic exacerbated compliance issues with **occupational health and infection control requirements**, e.g., data entry, reporting, inventory, and surveillance, as well as flu vaccine and tuberculosis test administration.

## Response

---

- Establish an occupational health clinic in the **five state psychiatric hospitals**.

## Expected impact

---

- An occupational health clinic in each hospital will **operationalize** workplace safety, infection control, and medical and behavioral training and **improve health metrics** for all through quality control.

# Centralized Administrative Support for State Psychiatric Hospital Activities

## Context

---

- DHHS manages statutorily supported programs that **facilitate placement** of patients into **community settings** when community mental health cannot readily find placement.
- Additional FTEs are needed to **manage, monitor, and oversee** Careflow, MDHHS Community Transition Program (MCTP), and psychiatric residential treatment facilities (PRTF).

## Response

---

Expand staffing infrastructure and supervision within the department.

## Expected impact

---

- Admissions, discharges, and placement efforts will increase.
- Better utilization of limited state hospital beds and resources.



## Wrap Up

---

Completion of **Caro Center** project.

---

**Increase throughput.**

---

Expansion of **education opportunities** Kalamazoo Psychiatric Hospital, Walter Reuther Psychiatric Hospital, and Caro Center.

---

**Ongoing assessment** of system-wide administrative and clinical processes.

---

Establishment of **Psychiatric Residential Treatment Facilities.**

---

Formal review of hospital operations for **forecasting trends** in physical plant management, bed capacity, and facility safety.



**Contact: Chardae Burton**  
**Phone: (517) 243-3221**  
**Website: [www.michigan.gov/mdhhs](http://www.michigan.gov/mdhhs)**