

## **South Central Regional Psychiatric Hospital Advisory Panel**

### **Agenda**

**July 19, 2024 1:00-3:00 PM**

**6<sup>th</sup> Floor Conference Room,  
Sedgwick County Offices 100 N. Broadway, Suite 630**

<https://www.youtube.com/@ksdept.foragingdisabilitys6122/streams>

**I. Call to Order**

Scott Brunner, Deputy Secretary, Kansas Department for Aging and Disability Services

**II. Approval of Minutes from June 20, 2024**

Scott Brunner

**III. Project Updates**

Scott Brunner and Tania Cole, Assistant County Manager, Sedgwick County.

**IV. Privatization—Request for Information Review**

Scott Brunner

**V. Final Panel Report—Discuss preliminary recommendations**

**Catchment Area recommendation**

**VI. Adjourn**

## **South Central Regional Psychiatric Hospital Advisory Panel**

### **Minutes**

June 21, 2024 1:00-3:00 PM

6th Floor Conference Room

Sedgwick County Offices 100 N. Broadway, Suite 630

#### **Panel Members attending:**

Scott Brunner, Deputy Secretary of Hospitals and Facilities, KDADS

Sarah Lopez, Sedgwick County Commissioner, 2<sup>nd</sup> District

Claudio Ferraro, President, Ascension Via Christi St. Joseph

Jason Gregory, InSite Real Estate Group

Joan Tammany, Executive Director, COMCARE

Mary Jones, President/CEO, Mental Health Association of South Central Kansas

Tom Stolz, County Manager, Sedgwick County

Representative Henry Helgersen, 83<sup>rd</sup> District

Representative Will Carpenter, 75<sup>th</sup> District

#### **Not in attendance:**

Jeff Easter, Sheriff, Sedgwick County

LaTasha St. Arnault, Principle Consultant, LS Nonprofit Solutions

Marc Bennett, District Attorney, Sedgwick County

Representative KC Ohaebosim, 89<sup>th</sup> District

Senator Usha Reddi, 22<sup>nd</sup> District

#### **I. Call to Order**

Chairperson Brunner called the meeting to order at 1:13 PM.

#### **II. Approval of Minutes from May 17, 2024**

There were no corrections to the minutes as distributed. A motion was made by Representative Helgersen, and Jones seconded. Motion carried.

#### **III. Project Updates**

Tania Cole, Assistant County Manager, Sedgwick County, provided a brief update on the project and shared a site design video. The land agreement should go to the Commission in July. Staff is working with Lange Real Estate to complete environmental studies. The design process is on schedule. The Panel asked questions and had some discussion following the update.

Chairperson Brunner provided an update on the design process led by state staff. KDADS will follow typical procedures and submit a capital improvement budget as part of the state budgeting process. Representative Helgersen asked about the expansion funding and if 104 beds is the maximum for the site. He also asked about the plan for Larned State Hospital once new hospital is available.

Chairperson Brunner reported the approved legislative budget from May 2024. KDADS was given the authority to award bonuses to staff working in the state hospitals. These bonuses are above the state's cap of \$3500/employee with an allowance of up to \$10,000/employee per year. Bonuses can be given for sign-in, referral, retention, and working hard to staff shifts. As this project rolls out, considerations for the new hospital will be reviewed.

#### **IV. Privatization—Request for Information Development (RFI)**

Chairperson Brunner provided a handout to the Panel entitled [Development of Privatization Request for Information](#) (attached to the minutes).

A discussion followed regarding the process of acquiring information from potential hospital staffing providers. As part of the charge of the Panel, information was gathered from state and national experts on the topic, and this step will allow for information responses from potential partners. Brunner requested that the Panel review the document and offer suggestions or changes. Brunner plans to issue the RFI in August, with responses due by the end of September. The draft will be reviewed in July. The Governor will have an option to review privatization discussion during the budget process, while the Legislature can consider next Session.

#### **V. Catchment Discussion**

Joan Tammany, Executive Director of COMCARE, provided background information on the geographic make up of the Community Mental Health Center network. Discussion followed regarding the alignment of the catchment area with these networks and other essential partners. The Panel was generally supportive of a regional, contiguous approach for catchment area. Member Gregory mentioned the 1 hour drive approach. There are 7 contiguous counties plus 2 more going north. Member Tammany covered the existing Crisis catchment area of Sedgwick, Sumner, Butler, and Cowley counties. While no decision was made, the Panel discussed the logistics of admissions, the need for data review once the hospital is opened, and the balance of admissions with the other state hospitals. The area will be discussed again in the future.

#### **VI. Final Panel Report**

The final Panel report is due in September. At each meeting, an opportunity for potential recommendations will be set aside. At this meeting, no specific recommendations were made.

#### **VII. Adjourn**

Chairman Brunner announced there will be a Town Hall meeting located near the site of the new hospital, set for early August. The Panel will hear from the Center of Excellence at its August meeting.

Motion to adjourn by Representative Helgerson, seconded by Mr. Gregory. The meeting ended at 2:03

## **Development of Privatization Request for Information**

[Executive Order 23-05](#) tasked the South Central Regional State Psychiatric Hospital Advisory Panel with making a recommendation on the operation of the proposed psychiatric hospital. The Executive Order asks that Panel to make “recommendations about the operating model for a regional psychiatric hospital to the Governor regarding integration with existing mental health services in Sedgwick County, the other state hospitals, and acute health care services.” In exploring operating models, it is important to be able to assess the range of state-operated and contracted services, ranging from full state operations with state employees to a full privatized model to something in between.

**KDADS is developing a Request for Information (RFI) to explore options for contracting out operations for the new state hospital, with recommendation from the Advisory Panel.** The new state hospital will operate as 104-bed facility, with 52 beds for competency evaluation and restoration of forensic patients and the other 52 beds for acute care and treatment of patients with persistent and severe mental illness.

Key points to consider in the development of the RFP are privatized services at existing State Hospitals, the statutory limitation on privatization of state hospital services, and Background information including previous state privatization efforts and the March 22 Privatization Discussion by the Advisory Panel. The RFI will provide additional information to further assess whether and to what extent to privatize any operations of the new facility.

### **1. Privatization of Services at Existing State Hospitals**

Certain services are already contracted out at the state’s four hospitals. At the state psychiatric hospitals at Larned and Osawatomie, food service for patients, some laboratory services, a significant portion of the nursing staff, and temporary physician coverage are provided through contracts with private companies. At the state hospitals for people with Intellectual and Developmental Disabilities pharmacy services and medication supplies also are contracted out. All 4 hospitals use outside medical and dental providers for specialized services that cannot be delivered by on staff medical providers or for more acute medical services through inpatient hospitals.

### **2. Statutory Limitation on Future Privatization of Services**

As a result of decertification at the Osawatomie State Hospital (OSH), KDADS pursued a request for proposals to privatize the operation of the hospital. That effort was included in legislative

discussions about privatizing the hospital to gain staffing efficiencies during the 2016 Session and subsequent interim.

The 2016 Legislature's intent not to privatize OSH or Larned State Hospital (LSH) was made into(?) law ([KSA 75-3373](#)): *Notwithstanding any other provision of law, the Kansas department for aging and disability services, solely or in consultation or cooperation with any other state agency, shall not enter into any agreement or take any action to outsource or privatize any operations or facilities of the Larned state hospital or Osawatomie state hospital without prior specific authorization by an act of the legislature or an appropriation act of the legislature.*

While the law does not anticipate a new state psychiatric hospital, the intent clearly indicates the Legislature would want to have some input on an agency or administration decision to privatize part or all of the operation of a state hospital. The Panel may want to recommend reconsideration of this statute or request the explicit authorization for KDADS to pursue privatization of some of the functions of the South Central Psychiatric Hospital.

### **3. March 22<sup>nd</sup> Privatization Presentation to the Advisory Panel**

Policy experts from the National Association of State Mental Health Program Directors provided an overview of privatization, including best practices in other states. Dr. Brian Hepburn, Executive Director, noted the first priority for the operations of a state hospital is making sure needs of communities are met. He indicated that using certain technology can help decrease workforce need. He described advantages of public-private partnerships, noting an underutilization of private sector beds and state's interest in maximizing Federal funds for the cost of patient care.

Ted Lutterman, Senior Director of Government & Commercial Research with NASMHPD-NRI, provided an overview of a study for the state of Alaska. Mr. Lutterman interviewed officials from other states to identify lessons learned from state experiences with privatizing state hospital operations. Lutterman provided examples of privatization efforts in Florida, Kentucky, and Washington State. If Kansas develops a request for proposals, key considerations are competitiveness of the workforce and ownership of patient records.

Wendy Morris, Senior Behavioral Health Advisor, NASMHPD, detailed her experience as Commissioner in Kentucky. She advised that in privatization, state needs to control admissions and help keep individuals close to their community. The state should ensure there are processes to screen patients for appropriate community services to prevent them from being unnecessarily treated in a state hospitals. Both Morris and Dr. Hepburn spoke about workforce opportunities with university affiliations.

Former KDADS Secretary Tim Keck shared experiences from the discussion about privatization of Osawatomie State Hospital. Kansas and KDADS considered privatization to provide flexibility for staffing. Low pay was an issue and private sector operators were thought to have more flexibility and could make faster changes than state government.

#### **4. Considerations/Decision Points for a Request for Information**

KDADS is proposing issuing a Request for information to gather information from vendors about options for partial or full private operation of the South Central Psychiatric Hospital. This request would gather proposals from companies with experience or interest in operating all or part of the state hospital. We propose allowing vendors to respond with information about four options for privatizing operations:

- Privatize all operations excluding Admission/Triage and Legal services.
- Privatize only operational support and ancillary services (includes Environmental Services, Food service, Laundry, Security and Maintenance, Health Information Management, Revenue Cycle Management, and Human Resources).
- Privatize only clinical operations (includes Psychiatry, General Medicine, Nursing care, Pharmacy, Laboratory, Therapy, Psychology and other healthcare service lines)
- Privatize the operations of the forensic competency side of the hospital, the acute inpatient side, or both.

KDADS would require proposals to provide:

- A cost analysis of overall expense and possible efficiencies, including technologies that could reduce staff needs.
- Demonstrate understanding of the available and projected workforce in South Central Kansas and the mental health service system in Kansas.
- Approaches to recruit and retain staff, including experience with training or educational programs to build workforce capacity such as clinical training sites, residency slots, or supporting Graduate Medical Education training.
- Experience working as a state contractor operating secure health care facilities or within a secure health care facility.
- Experience working as a state contractor or directly operating acute psychiatric inpatient facilities serving involuntarily committed patients while maintaining CMS certification.
- Experience working as a state contractor or directly operating a facility providing competency evaluation and restoration services and serving the mental health needs of forensic patients.
- Proposed length of contract term and performance requirements within contracts to ensure program outcomes.
- Technological approaches to improve service delivery or reduce reliance on staffing.
- Experience implementing trauma informed care, peer support services, person directed treatment planning, and customizing treatment and discharge plans for adults in mental health crisis.

Other specific deliverables include:

- The organization's accreditation status with the Joint Commission or other accrediting bodies.
- Approaches to meeting daily needs of patients including personal clothing, appropriate furniture, personal hygiene items (e.g., toothbrushes, deodorant, toothpaste, hair care items, soap, shampooed.), personal hygiene services (e.g., barber, cosmetology, etc.), and transportation to and from medical and dental appointments, treatment and programming, court appearances, special activities, planned events, and other activities.
- The vendor's experience in providing information to other states/government entities (i.e. expenditures, policies) and approach to reporting on performance.
- Experience with the healthcare and/or corrections industry.
- Experience working with community providers and mental or behavioral health providers.
- Clinical program outline and experience providing forensic competency services and active treatment for adults in mental health crisis supported by patient outcome data.
- Proposed admissions and discharge practices to coordinate with existing state processes.
- Approach to ensure compliance with Quality Management and Performance Improvement plans, Risk Management, and performance improvement.
- History of fines, penalties, legal settlements, liquidated damages, or regulatory actions in other states or with other facilities operated by the vendor.

Vendors will be provided the following information to help craft their proposal:

- Handouts from the March 22, 2024 Advisory Panel meeting. The recording of the meeting can be found at <https://www.youtube.com/live/js025DrNAns?si=iKnbSTW2WpBiWDUz>
- [Final Report](#) of the Special Committee on Mental Health Beds to the 2023 Kansas Legislature
- Mental Health Task Force [Report](#)

#### **For the Advisory Panel:**

Are there other items to include in vendor requirements?

Is there additional information that KDADS should provide to vendors?

- Reach out to the NASMHPD for contact information for states who have previously written privatization