

DIVISION OF MENTAL HEALTH (DMH)

FY'12 Enacted Budget: Impact to State Operated Hospitals

September 8, 2011

FY'12 Enacted Budget: Impact to State Operated Hospitals

- FY'12 Hospital Operations budget cut **\$58 million** or approximately **25%**
- The impact of this reduction will be:
 - DMH must completely re-structure its state-operated hospital system;
 - DMH will close three hospitals in FY12;
 - DMH will become a predominantly forensic hospital system with limited capacity for civil, acute and extended care.

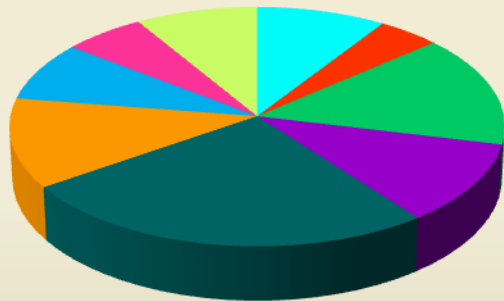
BUDGET OVERVIEW

DMH Hospitals

Operational Costs in FY2011

Projected Costs in FY2012

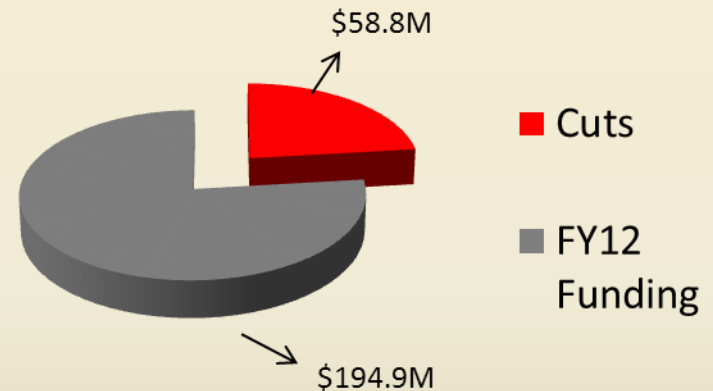
FY11 Actual Spending



- Alton (\$21M)
- Choate (\$10M)
- Chester (\$35M)
- Chi Read (\$25M)
- Elgin (\$59M)
- Madden (\$28M)
- McFarland (\$19M)
- Singer (\$13.4M)
- Tinley Park (\$20M)

FY11 Total : \$229.3 Million

Current FY12 Budget



FY12 Requested: **\$253.7 million**
 Funding Received: **\$194.9 million**

DMH Hospital System Restructuring

DMH Hospitals Closing

- Chester
- Singer
- Tinley Park

DMH Hospitals Restructuring

- Alton (all maximum security and small extended care)
- Elgin (add medium security forensic and civil extended care; no civil acute care)
- McFarland (medium security forensic and civil extended care; no civil acute care)
- Chicago Read (all civil extended care; no acute admissions)
- Choate (no change)
- Madden (no change)

FY'12 Enacted Budget Considerations in Decisions

Things considered

- Geographic location
- Other community resources to augment care
- Physical plant considerations
- Recruitment considerations

Things Not considered

- Relative value of one hospital versus another
- Hospital or staff performance

FY'12 Enacted Budget: Initial Service Delivery Steps

- Establish timeline for closing admissions at impacted hospitals.
- Develop plan for retention of capacity to provide statutorily mandated, forensic care.
- Complete clinical review of all extended care consumers, retaining limited capacity in the system .
- DMH Region staff collaborate with hospital staff in safely transitioning consumers to the community.

The Changing Landscape of Healthcare

- Healthcare reform (ACA) will increase the number of people eligible for Medicaid.
- New law that requires that 50% of State Medicaid recipients are enrolled in managed care by 2013.
- These and other changes would require us to right-size the state-operated hospital system over the next several years.
- This restructuring represents a major change to our system.
- With collaboration and strong partnerships this restructuring can result in improvements to our system.

DIVISION OF MENTAL HEALTH PLEDGE:

Despite these changes, our core values remain:

- Our caring and compassion for those we serve.
- Our commitment and support to our staff.
- Our responsibility and accountability to our community.