Rebuilding Fulton State Hospital

December 9, 2013

Background

Fulton State Hospital (FSH) is the oldest state psychiatric facility west of the Mississippi River. The construction dates of the buildings still in use range from the 1850s to the 1980s. FSH houses the state's only maximum and intermediate security facilities. All other Missouri state psychiatric hospitals serve only minimum security patients.

As recently as 2008, FSH had 471 maximum, intermediate and minimum security psychiatric beds. Due to DMH core budget cuts from 2008-2011, and with an eye toward making a new FSH campus more affordable, DMH moved all minimum security psychiatric beds from FSH to other DMH state psychiatric hospitals, leaving a total of 300 maximum and intermediate security beds.

FSH's Guhleman East facility was emptied and converted for use as a SORTS facility for treatment of sexual predators. At that time, the SORTS facilities at Farmington were full and preliminary designs were being drawn by OA/FMDC to build a new SORTS addition at Farmington at a cost exceeding $70 million to handle that program's population growth. Freeing up Guhleman East for 100 SORTS patients avoided the state spending scarce GR dollars during the recession for a new facility to house sexual predators.

The other Guhleman building on the FSH campus, Guhleman West, currently houses 95 intermediate care psychiatric patients. It is the "step down" facility for the Biggs Center, FSH's maximum security facility. Building a new maximum and intermediate security psychiatric complex at FSH will allow the intermediate psychiatric patients at Guhleman West to move to the new complex and will free Guhleman West to handle future growth of the SORTS program through FY 2022. Otherwise, DMH will run out of space for SORTS patients after FY 2017.

Over the past ten years, DMH and OA/FMDC have deferred $73 million in capital maintenance costs at the FSH campus in anticipation of construction of the new FSH complex. These maintenance projects must be completed if that construction is deferred much longer or abandoned.

Due to the poor design of the Biggs facility, making line-of-sight supervision difficult, and due to the increasingly dangerous behaviors of the psychiatric patients at Biggs and Guhleman, employee overtime at FSH costs $3.7 million annually. FSH Worker Compensation costs are $4.0 million annually and are far and away the highest at any state facility. By that standard, it is far more dangerous to work at FSH than in a DOC Corrections facility. Both overtime and worker compensation costs will decrease in a well-designed, new psychiatric complex.

Recruitment of professional staff has become increasingly difficult at FSH. For example, FSH currently has a 40% vacancy rate in nursing positions due to dangerous working conditions, low pay and a poor working environment. This poses increasing threats to hospital accreditation and certification.

Current Fulton State Hospital Campus Facilities in Use

The FSH Complex is a multipurpose campus housing the following programs:

1. The 200-bed Biggs psychiatric inpatient maximum security complex—the state's only maximum security state psychiatric hospital program;

2. The 100-bed Guhleman East psychiatric inpatient intermediate security building—the state's only intermediate security state psychiatric hospital program;

3. The 100-bed Guhleman West maximum security Sexual Offender Rehabilitation Treatment Services (SORTS) building (75 beds currently utilized and one 25-bed unit open); and

4. A 25-bed dual-diagnosis program for people with developmental disabilities and severe behavior problems now housed in the Hearnes minimum security complex.

See Attachment #1 for the current campus configuration.

The Fulton State Hospital Rebuilding Proposal

The FSH proposal calls for:

1. Building a new maximum and intermediate security complex to house 300 psychiatric patients. The new complex would also consolidate:

   - All administrative and clinical service offices (now in a costly, antiquated building);
   - A food services complex, (now housed in a facility built in the 1930s);
   - Vocational activity space (currently non-existent);
   - Recreational activity space for maximum and intermediate patients (now extremely limited); and
   - Training rooms and an auditorium for staff development.

2. Utilizing both Guhleman buildings (East and West) for housing a 200-bed SORTS program, eliminating the need for new SORTS facility construction.

3. Continuing to utilize the existing Hearnes complex for the dual diagnosis program for DD patients with severe behavioral problems.

4. Demolishing the Biggs complex, administration and food services buildings, and all unutilized buildings on the campus.

5. Replacing the antiquated Central Boiler Plant with modern systems to handle the following heating and cooling needs:

   - The New Maximum/Intermediate Psychiatric Hospital Complex;
   - The Guhleman and Hearnes Complexes;
   - The Department of Corrections Cremer Building Complex; and
   - The Missouri School for the Deaf Education Complex.

See Attachment #2 for the new campus configuration.

Fulton State Hospital Annual Revenue Generation

Fulton State Hospital is a fully accredited complex that currently generates $52.4 million per year in Disproportionate Share Hospital (DSH), Medicare, and other 3rd party sources. The table below shows how much FSH generates by fund source now, what it will generate in FY 2018, and the disposition of those funds:

Table 1: Federal and Other Reimbursements Generated by FSH

FUND SOURCE	FY 13 ACTUAL ANNUAL AMOUNT GENERATED	ANTICIPATED ANNUAL AMOUNT GENERATED IN FIVE YEARS – FY 18	DISPOSITION
Insurance	$10,428	$0	State General Fund
Medicaid	$246,967	$252,000	State General Fund
Medicare (GR)	$236,959	$272,000	State General Fund
Medicare (Federal Earnings)	$1,353,861	$1,173,000	DMH Federal Earnings
Private Pay	$316,300	$220,730	State General Fund
DSH	$50,248,097	$29,497,104	State General Fund
Total Funds	**$52,412,612**	**$31,414,834**	

DSH funding is, by far, the largest reimbursement source generated by FSH, accounting for over $50.2 million of all reimbursements. Because of federal changes, DSH reimbursements are expected to diminish in coming years but will remain substantial.

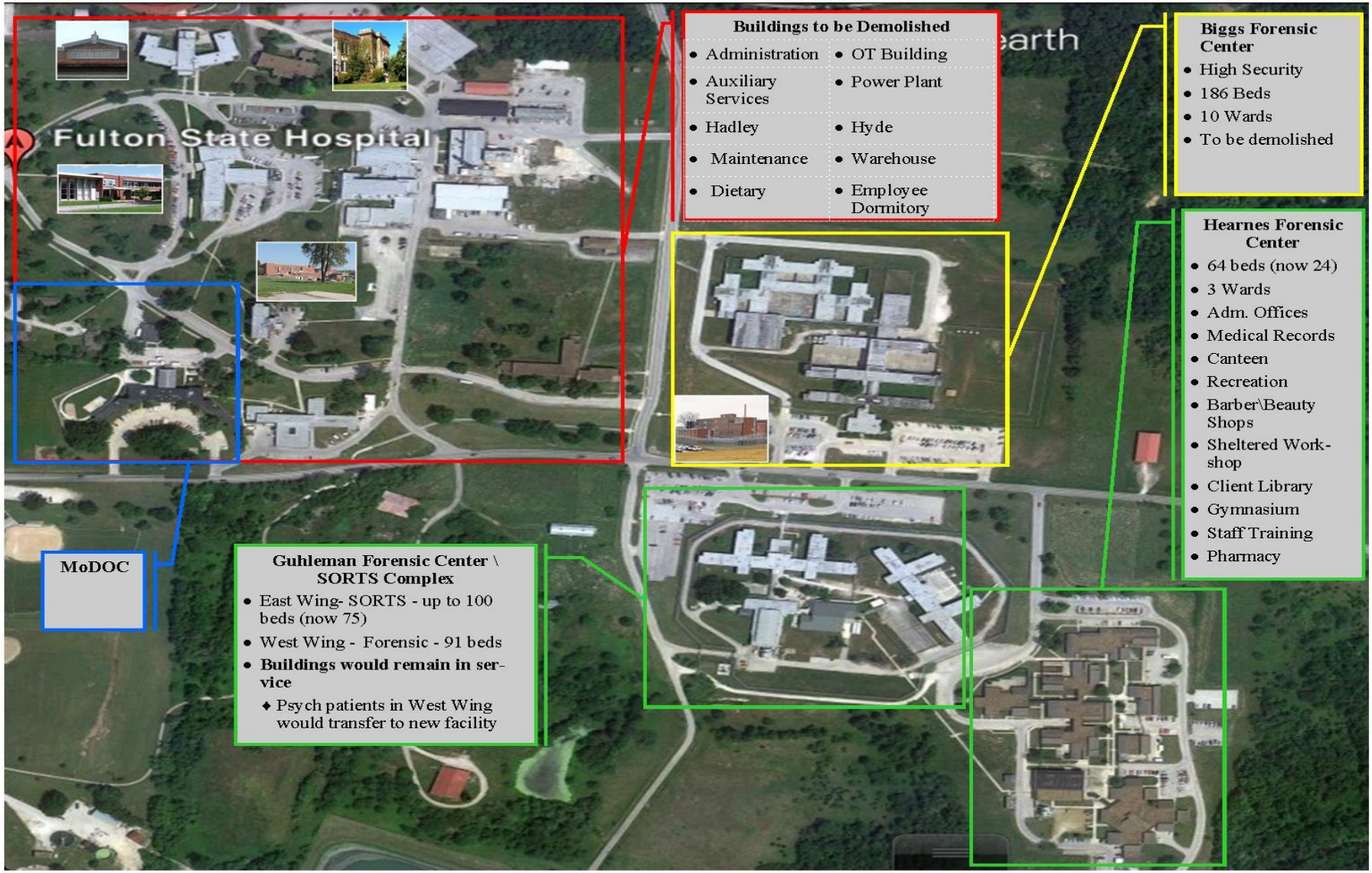
The Costs of the New FSH Design Compared to Recently Built State Psychiatric Facilities

Table 2 shows the ***construction costs*** of five state-operated psychiatric hospitals built since 2005. All are maximum/intermediate security facilities.

Table 2: Cost of Other Recently Built State Psychiatric Facilities

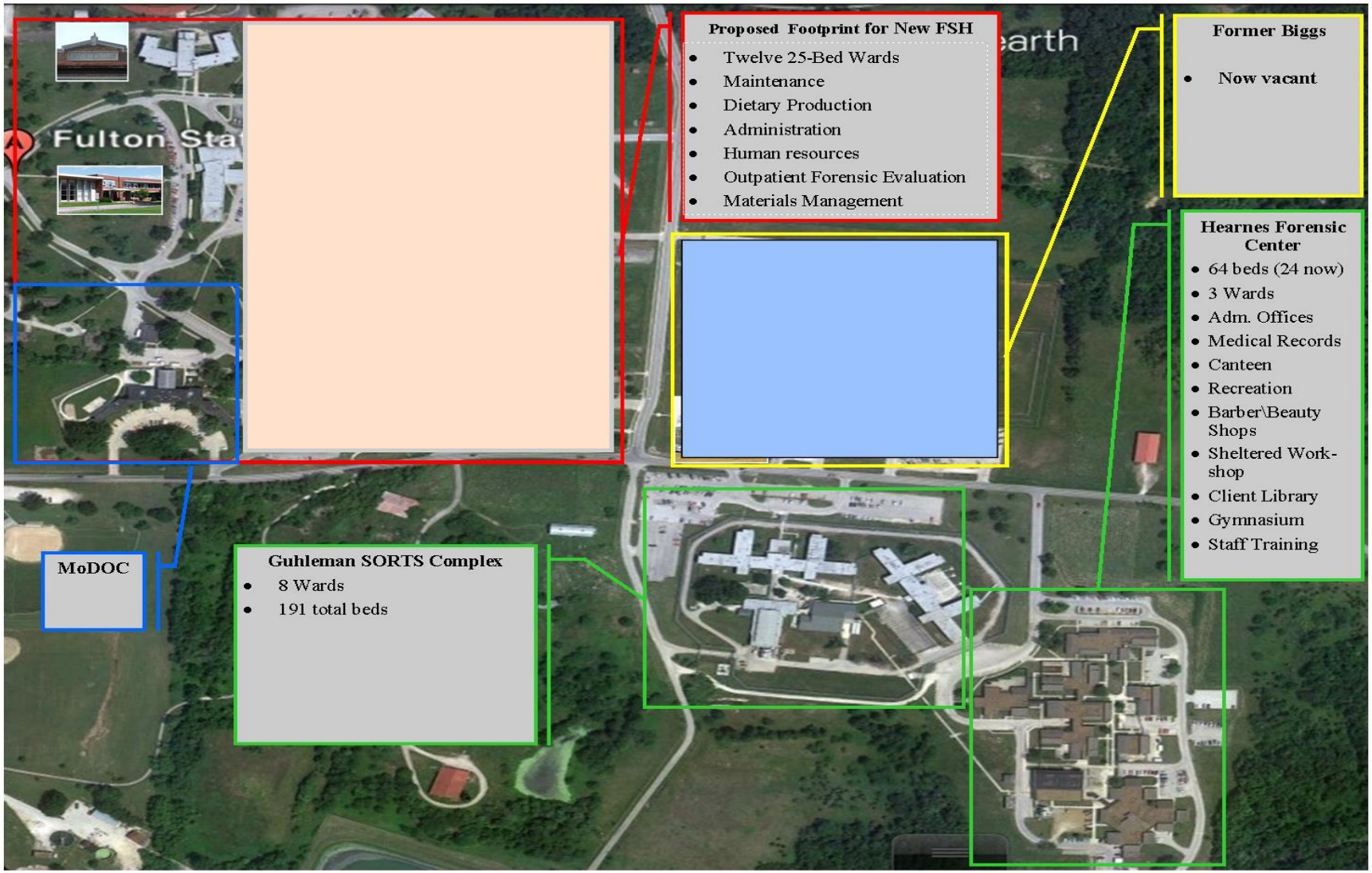
STATE FACILITY	YEAR COMPLETED	NUMBER OF BEDS	SQUARE FEET	COST/SQ. FT.*
Kansas	2005	250	301,000	$234
Colorado	2009	200	195,000	$322
Projected FSH Costs	**2019**	**300**	**517,194**	**$325**
Florida	2008	238	146,760	$339
Michigan	2005	240	333,493	$458
District of Columbia	2010	196	450,000	$472

*Costs based on the equivalent of a 2019 completion date with annual inflation calculated at 3%.



Fulton Today

ATTACHMENT #2



Fulton following construction