



MENTAL HEALTH AND SUBSTANCE ABUSE

Perhaps no state government function has experienced such a profound change in its mission over the past 40 years than the mental health system. As late as the 1960s, long-term institutionalization was the main service available to mentally ill Oklahomans. Civil commitment laws of the day did not guarantee patients due process. From its crude beginnings, the state mental health system has shifted paradigms. Hospitalization is now considered a temporary solution for all but a few clients. Most mental health services are now provided in the community.

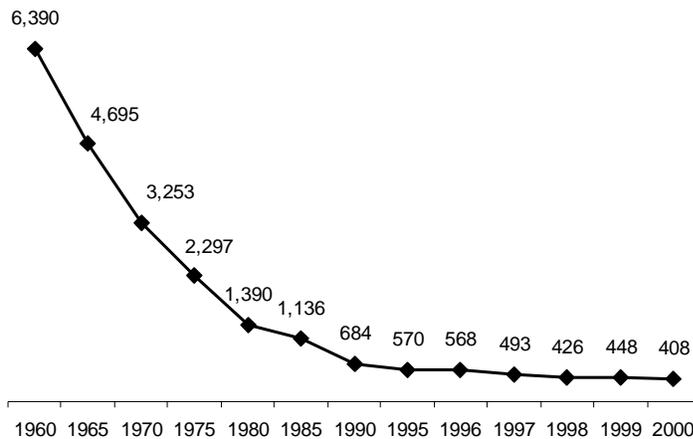
Also, the state mental health agency has broadened its scope beyond those with clinical mental illnesses. The Department of Mental Health and Substance Abuse Services (DMHSAS) now also focuses on addiction services, as well as domestic violence and sexual assault.

BACKGROUND ON MENTAL HEALTH CHANGES

While the federal government takes the national lead in providing physical health care to poor Americans, services for the mentally ill have historically been a state responsibility.

Until the mid-1960s, most mentally ill adults who could not function in society were committed to custodial care in large state hospitals, many of which housed 3,000 or more patients. But in the mid-1970s, the concept of "deinstitutionalization" led states to begin freeing mentally ill clients from the confines of institutions and treating them on an outpatient basis at Community Mental Health Centers (CMHCs). On an average day in 1960, nearly 6,400 Oklahomans were in the state's mental hospitals; in FY'00, the hospital census averaged 408, a decrease of 94%. An even more dramatic figure is that in 1960 about 3 out of every 1,000 Oklahomans were living in mental hospitals; now that number is less than 0.2 out of 1,000 Oklahomans.

Average Daily Census
State Mental Hospitals
(1960 through 2000)



Three major developments changed the direction of mental health services in the United States:

- discovery of psychotropic medications that alleviate many of the disabling symptoms of psychotic disorders such as schizophrenia, and affective (mood) disorders such as severe depression and bipolar disorder;
- passage of the federal Community Mental Health Centers Construction Act in 1963; and
- landmark court rulings on the rights of people with mental illness to due process in commitment hearings and the right to treatment in the least restrictive setting.

DMHSAS OVERVIEW

DMHSAS is responsible for providing services to people who are affected by mental illness, substance abuse, domestic violence, and/or sexual assault. During FY'99 over 100,000 people received services from the agency.

The state subsidizes services for clients with incomes below 200% of the federal poverty level. DMHSAS receives reimbursement for some services to clients served under the Medicaid program (see chapter on Medicaid).

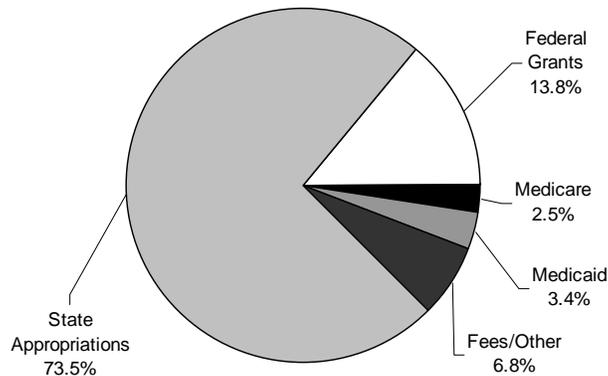
Funding Sources

Oklahoma's mental health system is centralized and primarily state funded (73.5% in FY'01). Oklahoma differs from many states in that no local funds are required to match state funds for community programs.

Federal funding provides one-quarter of DMHSAS' budget. While federal funding for Medicare and CMHCs has been decreasing over recent years, funding for substance abuse treatment and drug courts has been increasing.

Due to federal Medicare cost-cutting policies, Medicare revenue has decreased by 50% since FY'94. In FY'01 Medicare comprises 2% of the agency's total budget. Despite this decrease, increases in funding for substance abuse and increased Medicaid revenue have resulted in a net increase in federal funding as a percentage of the agency's budget.

DMHSAS Budget by Source, FY'01
Total = \$187,112,332



Services Provided

DMHSAS provides the following inpatient and community-based services in state administered or contracted programs:

- regional adult psychiatric hospital (Griffin Memorial Hospital);

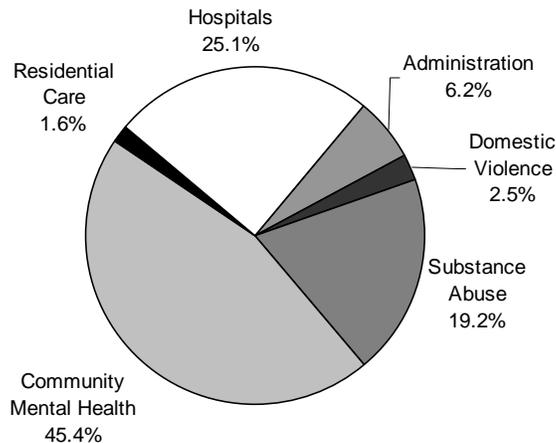
- child psychiatric hospital (Oklahoma Youth Center);
- Community Mental Health Centers or CMHCs (5 state-operated and 13 private non-profit) that provide outpatient counseling and, in some cases, short-term hospitalization;
- state-administered alcohol and drug treatment residential centers;
- privately operated alcohol and drug prevention and treatment programs (65 contract providers);
- domestic violence programs (27 contract providers); and
- residential care home programs (32 contracted homes).

Program Budgets

State hospital operations account for 25.1% of the agency's FY'01 budget, down from 43.4% in FY'92. Hospitals serve only 3.4% of the agency's total clients. Behavioral health community-based programs will utilize 45.4% of the budget and serve 55.9% of the clients in FY'01. Substance abuse programs account for 19.8% of the budget and 23.8% of the clients. Domestic Violence utilizes 2.5% of the budget but serves 14.6% of the agency's clients. Central administration accounts for 6.16% of the budget.

DMHSAS Budget by Program, FY'01

Total = \$187,112,332



Program Overview

DMHSAS provides a myriad of programs. Several of these services have recent initiatives that have been presented to the Legislature as ways to improve mental health services and control costs.

Eastern State Hospital Transition

During the 1999 session, the Legislature approved landmark legislation to downsize Eastern State Hospital (ESH) in Vinita and transfer all clinical responsibility for clients to seven Community Mental Health Centers (CMHCs) that serve the northeast region. The CMHCs had previously referred most of their clients who needed long-term treatment to ESH, which then assumed the cost of their care. As of July 1, 2000, however, the CMHCs were required to serve all clients' needs in the community, and the civil unit at ESH was closed. The transition occurred in phases:

- **Phase I:** Beginning January 1, 2000, three of the seven CMHCs began delivering all services, including hospitalization, in their communities. For a six-month period, until July 1, 2000, the three CMHCs could send a client to ESH if they paid a per diem to hospital.
- **Phase II:** Effective July 1, 2000, the civil unit at ESH was closed. The four remaining CMHCs had to begin accommodating all their clients' clinical needs within the community. Two of the seven CMHCs have inpatient beds available on their sites. The other five must lease beds via contract, usually with community general hospitals.

Griffin Memorial Hospital, the only remaining state-operated psychiatric hospital, is ultimately the safety valve for the ESH CMHCs if they can't find an available inpatient bed. All seven CMHCs are expected to provide appropriate levels of outpatient services, including medication management, with the goal of decreasing the need for inpatient services. SB 149 (2000 session) also requires DMHSAS to establish a 44-bed enhanced residential treatment facility at the ESH site.

CMHCs

One of the major challenges currently facing DMHSAS is that of equitable per capita funding for community mental health centers. There are 18 community mental health centers operating in Oklahoma (five state-operated, 13 private non-profit). State funding for those centers ranges from \$11.63 to \$29.78 per capita (the latter figure excludes Western State

Psychiatric Center, formerly Western State Hospital, which operates as a state CMHC; including it would increase the high-end range to \$117.18). A 1997 comparison indicates that the national average per capita funding level of \$27.58 is 25% higher than Oklahoma's FY'01 state average of \$20.72. Without equitable per capita funding, the level and quality of mental health services delivered across the state vary dramatically. For FY'01, DMHSAS adopted a fee-for-service reimbursement system for CMHCs, creating uniform rates for services.

Medications

The advent of more effective psychotropic medications for people suffering from schizophrenia, severe depression, and bipolar disorder has enabled many more clients to lead normal, healthy lives in their communities. These "new generation" medications have improved quality of life for many people and have the potential to decrease hospitalization costs for states. Budget constraints hamper the state's ability to provide appropriate medications on a consistent basis for all clients. Thus the "revolving door" syndrome continues in Oklahoma: mentally ill patients are stabilized in hospitals with medications, discharged, then either cannot or will not continue to take prescribed medications. Their condition deteriorates until law enforcement or loved-ones intervene, then they are re-admitted to a hospital.

Forensic Services

DMHSAS is responsible for providing several forensic services: evaluating all people charged with a crime who are believed to suffer from mental illness, treating defendants waiting for trial, and housing persons adjudicated as Not Guilty by Reason of Sanity (NGRI). The forensic population, housed at Eastern State Hospital, is on the increase. In July 2000, there were 132 forensic patients at ESH. By November 2000, the census was up to 160 patients – above the unit's capacity of 151. DMHSAS has requested \$17 million in capital bond funds to build a new, 225-bed forensic unit. With expanded capacity, the agency proposes it could also treat mentally ill inmates who are crowding state prisons.

Substance Abuse Services

Like many states, Oklahoma has been experiencing an increase in the demand for substance abuse treatment programs. A recent needs assessment by DMHSAS indicates the agency has enough resources to serve only one-fourth of the indigent persons who need substance abuse treatment. Significant waiting lists result.

Adolescent residential substance abuse treatment programs are in especially high demand. Currently, only two private, non-profit centers

provide such programs for adolescents. There are no residential treatment services in the northwestern or northeastern parts of the state.

Substance abuse in youth and adults is associated with domestic violence, child abuse and crime. National studies conclude:

- 15% to 35% of adults receiving the Temporary Assistance for Needy Families Block Grant have an alcohol/substance abuse problem.
- More than 66% of inmates report some type of alcohol/substance abuse problem.
- In 70% of child welfare cases investigated by the Department of Human Services, alcohol/substance problems play a role.

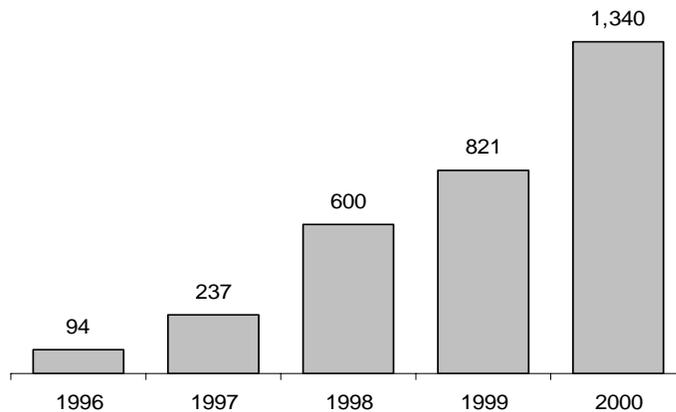
Drug Courts

Drug Courts are being developed across Oklahoma as a means of controlling alcohol and drug abuse and related criminal activity. Drug Courts, operated by district judges in county courthouses, are designed as a cost-effective means of addressing criminal activity through rehabilitation rather than incarceration. In FY'01 there were 27 Drug Courts operating in Oklahoma; they serve adults, juveniles and/or families as a whole. Of those, 13 receive funding from DMHSAS to pay for offenders' treatment. The rest are self-funded (offenders pay fees) or receive federal criminal justice grants.

Drug Court participants are offenders who plead guilty to a suspended sentence and agree to follow program rules. They can be incarcerated if they do not participate and complete their rehabilitation program. Drug Courts serve low-risk, drug-dependent offenders with several programs, including:

- judicial supervision;
- frequent drug testing;
- drug counseling;
- treatment for substance abuse/addiction;
- educational opportunities;
- employment services; and
- sanctions and incentives.

Drug Court Participants FY'96-FY'00



The programs are supervised by a team that is headed by the judge. The multidisciplinary teams include drug treatment providers, counselors, law enforcement officers and district attorney staff.

Domestic Violence

DMHSAS provides services to adults and children who have been affected by domestic violence or sexual assault, as well as perpetrators of the violence when appropriate. Services include:

- crisis intervention;
- safe shelter;
- help in obtaining legal assistance;
- victim/survivor support and advocacy;
- referral services; and
- education and training.

In FY'00, domestic violence services were provided to more than 15,000 individuals, 18% of whom were children. DMHSAS expenditures for domestic violence totaled \$4.5 million. For every state dollar spent, domestic violence and sexual assault programs contribute an average of \$3 in other resources.

Medicaid for Mental Health Providers

In recent years the Medicaid program has become a significant revenue source for mental health providers. Much of this increase has come about because CMHCs are assuming more responsibility for patients discharged from state hospitals. Many CMHC services are Medicaid reimbursable, while state psychiatric hospitals are considered institutions and are, therefore, ineligible for Medicaid.

Managed Care for Behavioral Health

Under state law, most Medicaid-funded mental health services are delivered under a managed care environment, because of legislative changes enacted in 1999. Medicaid clients receiving mental health services under the Supplemental Security Income (SSI) program began receiving behavioral managed care services beginning July 1, 1999. This transition has raised concerns from consumers, providers and legislators.