

VISITORS' REGISTER

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE

BILL NO. _____

DATE February 11, 1985

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
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Virginia Kenyon	Helena		
Nancy Chambers, NOWA Chambers	Anaconda		
Keith Wilson	Montana State Hospital		
JANE EDWARDS	MONTANA STATE HOSPITAL		
Tom Sellan	Montana State Hospital		
Carroll South	D of I		
GEORGE FARRIS	CEPP		
RAY LAPPIN	Deer Lodge		
JIM DEMING	ANACONDA		
Eileen Robbins	HELENA (MNA)		

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MINUTES OF THE MEETING
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
49TH LEGISLATIVE SESSION
February 11, 1985

Tape 32, Side A

The meeting of the Institutions and Cultural Education Subcommittee was called to order by Chairman Steve Waldron on February 11, 1985, at 8:10 a.m. in Room 129 of the Capitol.

ROLL CALL: All members were present. Also present were Keith Wolcott of the Legislative Fiscal Analyst's Office (LFA), George Harris of the Office of Budget and Program Planning (OBPP), Carroll South, Director of the Department of Institutions, Tom Sellers, Chief Executive Officer of Montana State Hospital (MSH), Jane Edwards, Acting Director of Treatment and Residential Services, Tom McCarthy, Maintenance Director, and Keith Wilson, Business Manager.

MONTANA STATE HOSPITAL

Mr. South gave an overview of MSH which consists of two campuses four miles apart. Warm Springs treats emotionally disturbed patients and Galen treats patients for alcohol and drug abuse. Galen also has a nursing home for emotionally disturbed geriatric patients.

WARM SPRINGS: (035)

Mr. South noted that Warm Springs is a very complex campus that deals primarily with court ordered commitments. The Mental Health Commitment Act, Title 53, enacted by the 1975 legislature, dramatically tightened up admissions to MSH. Under Title 53, there are three ways a person can be admitted to MSH:

1. Voluntary Commitment.
2. Civil Involuntary which means the court will put you away whether you want to go or not.
3. Emergency Detention which allows a sheriff, for example, to bring someone that is acting out with a potential serious mental problem to MSH for evaluation. This procedure is used mostly by the counties adjacent to Warm Springs.

The other component to MSH which we hear about the most is under Title 46, Criminal Procedures Act. Under this act, there are also three ways an individual can be committed to MSH:

1. 60-day evaluation to determine whether someone who has committed a felony is competent to stand trial and can understand the proceedings against him.
2. The individual who has gone through the 60-day evaluation and is found not competent will go back to court and the court will usually commit that individual to MSH until he is competent to stand trial.
3. Time Sentence, which is relatively new, is when a person commits a felony and is competent to stand trial but there is a question as to his mental state at the time the crime was committed.

GALEN: (073)

Galen primarily serves as an intermediate care facility for former Warm Springs geriatric patients. It has 305 beds, 185 of which are intermediate nursing beds in which there are 55-60 geriatric patients who, at one time, were housed at Warm Springs.

Galen also houses a substance abuse program for alcohol with 72 beds and a drug program with 15 beds. There is a 33 bed acute care licensed hospital which is used for detoxification and treatment of patients from other institutions, including Warm Springs.

After the Childrens' Unit is moved to Billings, Warm Springs will have a capacity of 377 beds. Mr. South said the consolidation has saved money and has made the Hospital a more efficient operation.

(096) The 1983 Legislature consolidated the food service for these two institutions. The bulk of the food for both facilities is prepared at Warm Springs and delivered to Galen by a specially equipped van. Mr. McCarthy said there had been a brake problem with the van and it was inoperable for two weeks but the manufacturer has corrected that problem. There is no back-up vehicle so a laundry truck is scrubbed down to be used to transport food. The food is left in the steamers a little longer once the food reaches Galen to get it hot again. (There is no way to keep the food hot in the laundry truck.)

(238) Mr. Wolcott went over the budget issues for this agency (Exhibit 1). There are seven programs in this budget: Lighthouse (drug abuse program), alcohol, canteen, administration, support, treatment, and direct care.

Because of the closure of the Childrens' Unit, there would be a reduction in 43 FTE, including a teacher. A .6 cook in the canteen can be deleted from the proprietary account. The canteen proprietary account cannot afford to pay for the .6 FTE cook and, Chairman Waldron noted, all of the other institution's canteens are general fund funded.

Funds for legal fees were deleted because of a transfer of a lawyer to the Governor's Office budget for the Board of Visitors. The LFA included money in the equipment budget for the purchase of a garbage truck. Having the institution handle their own garbage will save money in the utilities portion of the budget.

(467) The major issues which this committee needs to address are:

1. Authorization to spend donated funds.
2. Switchboard operators.
3. Canteen Manager.
4. Alcohol Earmarked funds.

Regarding the switchboard operators, the MSH recently got a new communications system. The new system is more efficient but costs the same as the old one. Now, there is only one switchboard, which is located at Warm Springs. Consequently, there are 5 switchboard operators who could be deleted from the budget.

The attorney position is still located at Warm Springs but is now funded from the Board of Visitors' budget. Mr. South explained that patients frequently sue the department and, until this transfer, the department had to provide both the patients' attorney and the department's attorney. Mr. South said this was a conflict of interest problem.

It was noted that garbage service is currently costing \$25,000 per year. The agency can recoup the cost of the garbage truck within two years. Garbage has to be collected six days a week. Mr. McCarthy said the present staff could handle garbage collection without requiring additional FTE. The actual work only takes four hours.

Side B

Mr. Sellers addressed the issue of deleting the switchboard operators. He noted that, with the previous system, the operators not only handled the switchboard but also did reception work. Mr. Sellers outlined what he would like done with the 5 switchboard operator positions:

1. 1.5 FTE would remain and handle reception and clerical duties for Galen.
2. 1 FTE would be a relief person for the Warm Springs switchboard.
3. 2 FTE would be used to relieve shortages in staff in other areas; one as a second mechanic and one as a groundsman.

The groundsman supervises resident employees who are paid minimum wage to clean up the grounds. (Salaries for resident employees starts at minimum wage but is decreased according to productivity or lack thereof.) Mr. Sellers noted that there are 380 acres to maintain.

The second mechanic is necessary, said Mr. Sellers, because there are 69 vehicles at the institution and many of them have over 100,000 miles. Consequently, there is always a lot of work to be done on vehicles.

Chairman Waldron noted that none of these proposals are direct care staff. Ms. Edwards responded that, no, they aren't direct care but the 1.5 FTE who would handle the reception duties would take this burden off of the direct care staff who would have to perform these duties otherwise.

(087) Mr. Harris responded to the LFA's budget proposal and presented the OBPPs budget request (Exhibit 2). The OBPP made an error in taking travel money out of the budget. It was meant to be out-of-state travel but they cut funds for patient travel. The OBPP kept the contracted services for garbage pick-up in the utilities budget. They also included \$11,883 in each year of donated funds.

There was some discussion regarding the Youth Treatment Center in Billings. There will be the same positions in Billings but few of the Warm Springs employees have expressed a desire to move. Sen. Aklestad was upset because this fragmentation (having adult mentally ill patients on one side of the state and children on the other) has increased general fund costs instead of saving money. Mr. South said the figures for the Youth Treatment Center budget do not reflect money which will be generated through reimbursement. The present facility for children is not Medicaid reimburseable. He noted that the only program at MSH that qualifies for Medicaid reimbursement is the geriatric unit. Mr. South said the cost savings for the Youth Treatment Center was not only the ability to get Medicaid reimbursement but also the increased number of beds. As it is now, there are a lot of children on the waiting list to get into the Childrens' Center and many are sent out of

state which is very expensive. Also, the out-of-state facilities get any Medicaid reimbursement for housing the children there. The out-of-state institutions cost 100% general fund.

Rep. Menahan was upset because of the FTE requested. He did not feel it was adequate. He said the people at MSH work very hard. Mr. South responded that, as the director of the department, he felt the requested level of FTE was adequate. He noted that what we'd like to have and what we can afford is always in conflict. He agreed that it would be nice if there was enough money for increased staffing but he did not feel this institution is understaffed.

There was some discussion regarding the canteen position. Mr. South said they used a vacant general fund position to fund the canteen worker position. If that position has to be funded with proprietary fund money, the canteen will go broke. The canteen is open 8-4, seven days a week.

(371) Chairman Waldron asked Rep. Nancy Keenan, House District #66 in Anaconda, to join the subcommittee. Rep. Keenan said there is a need not only for the .6 FTE canteen cook but also an additional FTE so the canteen can be kept open more often. She said the canteen worker has to work 8-4 but the canteen isn't actually open that long.

There was some discussion regarding vacancy savings. There is a certain amount of natural vacancy savings in every state agency. Natural vacancy savings is realized when an employee who has been with the state for and has accumulated a number of steps, quits. The person who fills that position will come in at a step 1 so there will be a savings there. Also, some positions take time to fill, thus saving the institution more money.

The legislature a few years ago decided to use vacancy savings as a means of saving state money and they forced vacancy savings. Rep. Keenan illustrated this with a poster of a wedge of cheese being the budget and a mouse being the vacancy savings. Vacancy savings keeps eating away at the budget until the budget is eaten down to nothing. She said the 4% vacancy savings applied to this institution every two years is doing great damage to the budget, to say nothing about the quality of care.

Sen. Bengtson repoded that the MSH has a 1:1 direct care ratio. She agreed that this was not fat but she did feel it was adequate. Chairman Waldron assured Rep. Keenan that

this legislature is not deleting positions this time to realize vacancy savings.

Mr. South said the department will provide a posting breakdown for this institution as it has done for previous budgets to replace ratios. The LFA vacancy savings is not applied to longevity, differential pay, or overtime but the OBPP is.

Tape 33, Side A

Mr. South addressed another issue facing this institution. The price of drugs has increased 20-300% per year. The institution contracts with the state Purchasing Division to purchase specialty drugs. Mr. Sellers theorized the reason for this drastic increase was that pharmaceutical costs have not increased with medical expenses and they are trying to catch up fast.

(052) There was some discussion regarding the number of patients who are permanent residents. Mr. Sellers said there is a 60 bed long-term care unit which is full most of the time. The extended treatment unit also has long-term care patients. Pintljar Lodge has some long-term patients. Also, the nursing home at Galen is all long-term.

It was noted that the population at MSH is getting younger. The largest age group is the 21-30. In 1984, almost 40% of admissions were in this age group. The second largest age group is 31-40.

Sen. Himsel asked about the treatment programs and whether it was necessary to have vocational and educational programs for some of these patients who will probably never leave the institution. Ms. Edwards responded that there are treatment programs at Warm Springs for every patient, regardless of chronicity of their illness. The intensity of the program differs with the kind of patients. Even long-term geriatric patients are provided with programs such as reality orientation, remotivation groups, activities of daily living, etc. The intensity increases as a patient is more acutely ill and shorter termed. By law, the institution has to provide treatment for all patients.

Chairman Waldron noted that a number of patients are not necessarily "cured" when they leave and they are expected to get treatment when they are released, usually from the community health centers.

Mr. South noted that the department does bill for services provided.

(150) Mr. South outlined the commitment process. There was more discussion regarding how many patients are short-term, revolving door (in and out), and long-term. It was noted that there are about as many patients admitted as there are patients discharged. Otherwise the population would be increasing dramatically.

PUBLIC TESTIMONY: (285)

Ray Lappin, Director of Pre-release at Warm Springs, spoke as a private citizen on this budget. He said, last year, they released approximately 500 patients which do not include the forensic unit nor the Childrens' Unit. He said the majority of the patients are chronic schizophrenics and, at present, there is no cure for schizophrenia. The younger population is mobile. They move from state to state, county to county, and they move in and out of the state hospital.

Mr. Lappin said one of his major concerns is the 4% vacancy savings rate. He said there is no excess at Warm Springs so vacancy savings would only cause layoffs, which would jeopardize safety and cause overcrowding. He felt there would be a lack of quality of care and we would go back to warehousing patients. He said he started in Warm Springs in 1964 as a psychiatric aide when nothing was done to treat patients; they just sat around doing nothing. Now, Mr. Lappin said, the patients are receiving treatment.

Mr. Lappin summed up that it costs a lot of money to run a badly administered state hospital.

(357) Jim Deming, psychologist at Warm Springs/Galen, voiced his concern for the 4% vacancy savings factor. He said, if you take even one staff member out of direct care, the institution would be in imminent and immediate danger. He related an instance three days before the hearing when a 310 lb. male patient attacked two female staff members. That man was subdued by the two female staff members and one other patient because there was no one else around. He said the figures are important but not when we look back in retrospect.

Mr. Deming said his staffing is currently at minimum levels. There is litigation in the process now for a murder in the building he works in. He said it isn't safe at Warm Springs.

Another issue which concerns Mr. Deming is the criminal court orders. He told the committee of an individual who had been convicted of rape and sentenced to 20 years. That individual worked in the bakery at the institution. One day, he decided he wanted to leave so he got a knife and lay in wait for a young female staff member. Mr. Deming said the patient, in his testimony to the psychologist, said he was going to rape her, dismember her, and escape. Mr. Deming stressed that these patients are an immediate danger to the staff and other patients.

Mr. Deming said there are no jobs in Anaconda so these women (staff at MSH) have to work here as the sole supporters of their families. They have to live in fear because this is the only job they can get in the valley. He noted that only the lowest paid individuals leave their jobs at MSH.

Chairman Waldron asked why such a dangerous man was put in the kitchen where he could get a knife. Mr. Deming said they (the institution) have to provide treatment. He said the patients do not have access to knives but that one happened to be there and the patient took it.

Mr. Deming said the staff doesn't have any choice regarding the patients placed in their care. He said, if the court indicates that the patient can be out of the security unit or out of the Prison in a less restrictive environment, they have no choice but to comply.

There was some discussion regarding the women staff members. It was noted that it would be safer to have more men staff members on each shift but the staff with the most seniority can choose whichever shift they want. Usually, women have the most seniority and they generally choose the day shift.

Mr. Sellers outlined the method used for housing patients according to their level of security required. The patients who are an imminent danger are kept in the forensic unit. He said it is impossible to predict a patient's behavior.

Side B

Sen. Himsl asked why the patient with the knife was not kept in a more secure environment. Mr. Deming testified that, if the court so stipulates, the institution has to put a patient in a less restrictive environment. Mr. Sellers said all criminal court ordered evaluations are done in the forensic unit. Otherwise, the institution evaluates each incoming patient and determines which ward that person should be placed in.

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Ms. Edwards said the determination for a patient to move from one level of security to another is made by a review panel at MSH which is composed of two psychiatrists, two unit supervisors, and Ms. Edwards. Mr. Sellers also attends these reviews. This panel can recommend movement of a patient from one unit to another but the movement cannot occur without approval by the court.

Sen. Aklestad asked if this is what happened in the case of the patient with the knife. Ms. Edwards said, yes, the review committee did recommend that sex offender to be moved to a less restrictive environment.

Mr. Deming said one reason why patients are moved around is an inadequate number of beds. In his ward, there is a higher direct care nursing formula for the protection of staff and patients. He said the beds are generally full 100% of the time.

Chairman Waldron agreed there is definitely a need for a new forensic unit with more beds and that issue is being addressed this session.

(070) Mike Dahlem, Field Representative for the Montana Federation of Teachers, works with the staff at the MSH and he outlined the concerns he had with the institution.

Mr. Dahlem said the problem he sees is an inadequate number of direct care staff. This is the cause of industrial accidents and the murder which occurred on one of the wards. He felt there is a need for 25 to 30 additional positions at MSH. He recommended that no vacancy savings be applied to direct care staff because vacancy savings translates into layoffs.

Mr. Dahlem mentioned that the condition of the buildings is deplorable and it takes more routine maintenance and house-keeping just to keep it up.

There was some discussion regarding collective bargaining. Chairman Waldron noted that some of the complaints heard often by this committee in past years is the problem of not having enough men on staff. He felt this was a bargainable issue. Mr. Dahlem said most of the men with seniority bid out of the wards and into better positions.

(178) Eileen Robbins, Montana Nurses Association, represented the nurses at MSH. She said she supports the current budget but suggested no vacancy savings be applied.

Ms. Robbins said the staffing pattern should be looked at and she was concerned about safety for the registered nurses. Prisoners are sent to the hospital and no one is sent along to guard them. The nurses have to do that. She also noted that there is no shift differential for other shifts so there is no incentive to work one shift over another.

It was noted that one reason there are not more male nurses at MSH is the low wages paid. MSH pays at least \$1 less per hour than other hospitals.

(290) Nona Chambers, social worker at the geriatric unit, voiced her concerns for that ward. She works with families and often they are usually there at hours when the canteen is closed. She supported the use of general fund for canteen operations. She also reiterated past testimony that not enough money is offered for positions at MSH so it is hard to recruit.

Ms. Chambers' major concern was the requirement that patients have to pay for their care, noting that some families have to pay \$100 per day. She said, just because these people are mentally ill doesn't mean they don't deserve quality care.

Mr. South responded that patients are billed on an ability to pay basis and their ability to pay is based solely on their cash flow, not their assets. Also, that unit is Medicaid eligible and does receive reimbursement from insurance companies.

(412) Rep. Nancy Keenan summed up the testimony that, if we are going to treat these patients, we should include enough money to treat them properly. If we aren't, we should not pretend. She noted that treatment is required because of the Wyatt vs. Stickney, 1971, decision.

Rep. Keenan said morale needs to be addressed also. She said, there are no workshops at present, no money for professional journals and books, and no behavioral control staffing. Rep. Keenan worked her way through college at Warm Springs and now, as a legislator, she spends a lot of time there.

Mr. Sellers responded that the staff is provided with time off with pay for training. Sometimes they have to pay their travel expenses, meals, etc., but there is training offered. Also, the department has used grant money to send people to workshops but that money is limited.

Tape 34, Side A

Rep. Keenan mentioned that the institution was advertising for an assistant administrator with a \$40,000 per year salary. She said this is bad for the morale of the other staff who are working so hard for so little pay. Sen. Aklestad asked why they needed this position. Mr. South responded that Mr. Sellers is responsible for anything that goes on in the institution and this position would be used as relief for Mr. Sellers.

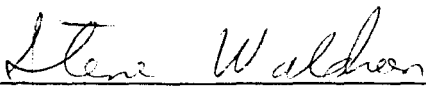
Sen. Aklestad asked why there are 40.1 FTE administrative positions. He said this is an expensive program and he thought it was little too top heavy. Mr. South explained that, because of the need for direct care staff, administrative positions are always prime targets for vacancy savings. It was also noted that secretaries are included as administrative positions.

There was some discussion regarding reimbursement and how much this institution has changed in the past.

There were no opponents to this budget. Being no more public testimony, the hearing was closed to further testimony.

Being no further business to come before this committee, the hearing was adjourned at 11:41 a.m.

Respectfully Submitted:



Steve Waldron, Chairman

SW/lt

MONTANA STATE HOSPITAL

	FTE FY '87	- - - - 1987 Biennium - - - - General Fund	Total Funds
Executive Budget	703.60	\$35,631,539	\$39,052,593
LFA Current Level	<u>702.30</u>	<u>36,253,847</u>	<u>39,639,100</u>
Executive Over (Under) LFA	<u><u>1.30</u></u>	<u><u>\$ (622,308)</u></u>	<u><u>\$ (586,507)</u></u>

The executive budget is \$586,507 under the LFA current level due primarily to inflation factors, equipment, and the FTE difference. The executive budget used \$86,343 more of alcohol tax funds and included \$23,766 of donated funds which are an issue in the current level analysis.

Issue 1: FTE Changes

The executive budget deletes 3.6 FTE vacant positions including a psychologist, executive chef, a dietician, and a cook. The LFA current level analysis reduces 4.9 FTE--3.9 direct care due to the direct care ratio and a store manager position in the canteen. The executive deletions save \$194,341, while the current level analysis saves \$98,084.

Issue 2: Inflation

The executive budget uses an inflation rate lower than that of the current level analysis amounting to approximately \$470,209.

MONTANA STATE HOSPITAL

<u>Budget Item</u>	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.F.	755.60	707.20	702.30	702.30	(4.0)
Personal Service	\$16,493,283	\$16,055,885	\$16,397,711	\$16,458,892	0.9
Operating Expense	3,047,541	3,478,775	2,990,674	2,969,102	(8.6)
Equipment	24,062	26,479	154,165	18,086	241.2
Inflation	-0-	-0-	240,401	410,269	--
Total Expenditures	<u>\$19,564,886</u>	<u>\$19,561,139</u>	<u>\$19,782,751</u>	<u>\$19,856,349</u>	<u>1.3</u>
<u>Fund Sources</u>					
General Fund	\$17,876,128	\$17,838,961	\$18,096,109	\$18,157,738	1.5
State Special	1,634,829	1,704,281	1,681,539	1,693,508	1.0
Federal Revenue	<u>53,929</u>	<u>17,897</u>	<u>5,103</u>	<u>5,103</u>	<u>(85.7)</u>
Total Funds	<u>\$19,564,886</u>	<u>\$19,561,139</u>	<u>\$19,782,751</u>	<u>\$19,856,349</u>	<u>1.3</u>

Montana State Hospital provides evaluation and psychiatric treatment on the Warm Springs campus for adults who are mentally ill. Inpatient alcohol and drug treatment programs are offered at the Galen campus as well as acute and intermediate care medical services for the mentally ill.

The Warm Springs campus had an average daily population of 341 during fiscal 1984 while the Galen campus served an average daily population of 105 acute and intermediate care patients, 64 alcohol patients, and 11 drug patients. The Children's Treatment Unit is expected to close in March 1985, transferring 27 adolescents to the Montana Youth Treatment Center in Billings. The staff and operating costs of the Children's Unit have been reduced from the current level budget. Table 1 shows the total staff changes including the Children's Unit.

Table 1
Montana State Hospital Staff Changes

<u>Position</u>	<u>FTE</u>	
Chapter I Teacher		1.0
Food Service Workers		4.4
Children's Unit		
Unit Supervisor	1.0	
Unit Clerk	1.0	
Psychologists	2.0	
Social Workers	2.0	
Recreation Therapist	2.0	
Music Therapist	1.0	
Rehabilitation Counselor	1.0	
Teacher Aide	2.0	
Teacher	1.0	
Registered Nurses	3.0	
Licensed Practical Nurses	8.0	
Aides	<u>19.0</u>	
Children's Unit Changes		43.0
Store Manager (Canteen)		1.0
Direct Care Adjustment:		
Add: Registered Nurses	1.5	
Delete: Licensed Practical Nurse	2.6	
Aides	<u>2.8</u>	
Direct Care Changes		<u>3.9</u>
Total Deletions		<u><u>53.3</u></u>

Expenditures increased 1.3 percent from the 1985 to the 1987 biennium. Montana State Hospital is funded primarily by general fund which increased 1.5 percent while alcohol earmarked funds for the Alcohol Program at Galen decreased .7 percent and canteen proprietary funds increased 13.6 percent. The decrease in federal funds reflects the loss of ECIA Chapter I and school lunch funds for the Children's Unit. A small amount of school lunch funds are included for patients between the ages of 18 and 21 who remain at the hospital.

Fiscal 1984: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1984 actual expenditures and funding to allocations as anticipated by the 1983 legislature.

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<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E.	754.6	754.6	0.00
Personal Service	\$16,774,397	\$16,467,347	\$307,050
Operating Expenses	3,454,958	3,043,614	411,344
Equipment	183,976	14,378	169,598
Total Expenditures	<u>\$20,413,331</u>	<u>\$19,525,339</u>	<u>\$887,992</u>
<u>Funding</u>			
General Fund	\$18,725,270	\$17,876,128	\$849,142
State Special-Alcohol	1,535,148	1,519,449	15,699
State Special-Canteen	118,275	105,414	12,861
Federal Revenue	33,531	23,241	10,290
Other, Interest & Income	1,107	1,107	-0-
Total Funds	<u>\$20,413,331</u>	<u>\$19,525,339</u>	<u>\$887,992</u>
<u>Additions:</u>			
Budget Amendments	-0-	\$ 39,547	\$(39,547)

The hospital had personal services savings of \$307,050 in fiscal 1984 amounting to 1.8 percent of budgeted due to normal position vacancies and turnover. The canteen store manager costing \$21,011 was funded out of general fund during fiscal 1984 when no general fund was appropriated for the canteen position. Among the vacancies were 1.89 FTE psychiatrists and 1 FTE physician.

The hospital experienced operating savings in all expense categories except travel, repairs and maintenance, and other expenses. Savings were realized in supplies and utilities of \$88,623 and \$394,291, respectively. The hospital spent \$14,378 of the \$183,976 authorized for equipment. Included in the amount spent was a \$10,000 accrual for a personal computer/word processor as part of the department's purchase plan.

Funding

Montana State Hospital is funded with general fund, alcohol state special revenue, the canteen state special revenue, federal school lunch, and interest and income from land leases and mineral royalties. The hospital spent \$849,142 less of the general fund than anticipated and all but \$15,699 of the alcohol earmarked revenue which partially funds the Alcohol Treatment Center at Galen.

The hospital received authority through a budget amendment to spend ECIA Chapter I and II funds of \$30,553 and insurance proceeds of \$11,453. The hospital actually spent \$29,582 of ECIA funds and \$9,965 of insurance proceeds in

fiscal 1984. The insurance proceeds resulted from fire damage to the receiving hospital and the laundry.

The hospital has been divided into seven programs: Drug, Canteen, Alcohol, Administration, Support, Treatment, and Direct Care Programs. These programs will be discussed individually in the narrative that follows.

DRUG PROGRAM

<u>Budget Item</u>	Actual	Appropriated	---Current Level---		% Change
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	1985-87 Biennium
F.T.E	7.75	7.75	7.75	7.75	(0.0)
Personal Service	\$234,162	\$234,393	\$182,099	\$182,767	(22.1)
Operating Expense	23,331	26,449	23,317	23,337	(6.2)
Inflation	<u>-0-</u>	<u>-0-</u>	<u>1,916</u>	<u>3,383</u>	<u>--</u>
Total Expenditures	<u>\$257,493</u>	<u>\$260,842</u>	<u>\$207,332</u>	<u>\$209,487</u>	<u>(19.5)</u>
<u>Fund Sources</u>					
General Fund	<u>\$257,493</u>	<u>\$260,842</u>	<u>\$207,332</u>	<u>\$209,487</u>	<u>(19.5)</u>

The Drug Program located on the Galen campus provides treatment to individuals who are drug dependent. The program serves males and females over the age of 18 and the largest age group are those between 21 and 30. Lighthouse has a capacity for 15 clients, but has served an average daily population of 11 for fiscal years 1982 through 1984, with each client staying an average of seven months.

Current Level Adjustments

Personal services are \$52,063 less in fiscal 1986 and \$51,395 less in fiscal 1987 than in fiscal 1984. This reduction reflects costs allocated to the program in fiscal 1984 that are not allocated in this budget, but left in those programs where the costs are incurred.

Operating expenses decrease \$14 in fiscal 1987 and increase \$6 in fiscal 1987. Insurance fees charged by the Department of Administration increased \$240 in fiscal 1986 to \$590 and an additional \$20 in fiscal 1987. Telephone costs increased \$37 to \$384 due to the installation of a new system in fiscal 1985. Garbage and trash removal has been decreased \$291 reflecting a change from a local hauling service to the institution's hauling its own garbage.

CANTEEN

<u>Budget Item</u>	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	2.00	2.00	1.60	1.60	(20.0)
Personal Service	\$ 21,011	\$ 38,533	\$ 28,466	\$ 28,478	(4.3)
Operating Expense	105,214	81,361	105,929	105,929	13.5
Equipment	200	-0-	-0-	-0-	(100.0)
Inflation	-0-	-0-	9,066	14,745	--
Total Expenditures	<u>\$126,425</u>	<u>\$119,894</u>	<u>\$143,461</u>	<u>\$149,152</u>	<u>18.7</u>
<u>Fund Sources</u>					
General Fund	\$ 21,011	\$ -0-	\$ -0-	\$ -0-	(100.0)
State Special	<u>105,414</u>	<u>119,894</u>	<u>143,461</u>	<u>149,152</u>	<u>29.9</u>
Total Funds	<u>\$126,425</u>	<u>\$119,894</u>	<u>\$143,461</u>	<u>\$149,152</u>	<u>18.7</u>

The Montana State Hospital Canteen provides a snack bar where patients can purchase sandwiches, pop, candy, cigarettes, and certain personal items. The canteen is self-sufficient with the exception of the store manager position which is general funded. The other position, a cook, was vacant all of fiscal 1984 and remains vacant in fiscal 1985 due to the lack of revenue within the canteen account to fund the position.

Current Level Adjustments

The cook position has been decreased to a .6 FTE. Personal services increase \$7,467 over fiscal 1984 after applying a 4 percent vacancy savings. Goods purchased for resale have been increased \$715.

ALCOHOL PROGRAM

Budget Item	Actual	Appropriated	---Current Level---		% Change
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	1985-87 Biennium
F.T.E	20.50	20.50	20.50	20.50	(0.0)
Personal Service	\$1,456,692	\$1,544,595	\$486,193	\$487,679	(67.5)
Operating Expense	219,952	296,775	219,307	219,387	(15.1)
Inflation	-0-	-0-	18,502	31,717	--
Total Expenditures	<u>\$1,676,644</u>	<u>\$1,841,370</u>	<u>\$724,002</u>	<u>\$738,783</u>	<u>(58.4)</u>
Fund Sources					
General Fund	\$ 157,195	\$ 256,983	\$ -0-	\$ -0-	(100.0)
State Special	<u>1,519,449</u>	<u>1,584,387</u>	<u>724,002</u>	<u>738,783</u>	<u>(52.8)</u>
Total Funds	<u>\$1,676,644</u>	<u>\$1,841,370</u>	<u>\$724,002</u>	<u>\$738,783</u>	<u>(58.4)</u>

The Alcohol Program, on the Galen campus, provides a 28-day intensive alcoholic treatment program. The program serves alcoholics over the age of 18, the largest age group served is the 31 to 44 year olds. The program served an average daily population of 63 during fiscal 1984, 65 during fiscal 1983, and 62 during fiscal 1982. With a capacity for 72, the program has been averaging 88 percent occupancy over the last three fiscal years.

The program uses the general hospital at Galen for detoxification of alcoholic patients. The general hospital had an average daily population of 24 alcoholic patients in fiscal 1984.

Current Level Adjustments

The current level budget does not include the allocated personal services costs of the other hospital programs as reflected in the fiscal 1984 actual or the fiscal 1985 appropriated. Therefore, personal services decreased \$970,499 to the level of the direct cost of the FTE in the program. The allocated costs remain in the programs where the costs are incurred.

Operating expenses decreased \$645 overall. Insurance fees charged by the Department of Administration increased \$961 to \$3,217 in fiscal 1986 and an additional \$80 in fiscal 1987. Telephone service costs increased \$349 as a result of the new phone system installed in fiscal 1985. Due to the institution's request for a garbage truck to do its own trash removal, the contract for these services has been eliminated. The savings to the Alcohol Program is \$1,835. Other minor reductions amounted to \$120.

ADMINISTRATION

Budget Item	Actual	Appropriated	---Current Level---		% Change
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	1985-87 Biennium
F.T.E	40.10	40.10	40.10	40.10	(0.0)
Personal Service	\$ 910,508	\$ 835,642	\$ 958,998	\$ 961,818	10.0
Operating Expense	273,106	305,636	286,973	263,350	(4.9)
Equipment	19,259	-0-	-0-	-0-	(100.0)
Inflation	-0-	-0-	16,355	26,282	--
Total Expenditures	<u>\$1,202,873</u>	<u>\$1,141,278</u>	<u>\$1,262,326</u>	<u>\$1,251,450</u>	<u>7.2</u>
<u>Fund Sources</u>					
General Fund	\$1,192,907	\$1,141,278	\$1,226,425	\$1,215,924	4.6
State Special	<u>9,966</u>	<u>-0-</u>	<u>35,901</u>	<u>35,526</u>	<u>616.7</u>
Total Funds	<u>\$1,202,873</u>	<u>\$1,141,278</u>	<u>\$1,262,326</u>	<u>\$1,251,450</u>	<u>7.2</u>

ISSUE: Cost (Savings)	-----Fiscal 1986-----		-----Fiscal 1987-----	
	General Fund	Other Funds	General Fund	Other Funds
1. Donations	-0-	\$11,883	-0-	\$11,883
2. Switchboard Operators	\$(85,024)	-0-	\$(85,162)	-0-

This program includes the functions of payroll, personnel, accounting, purchasing, mail processing, telephone switchboard and the chief executive officer. This program performs the consolidated functions for both Galen and the Warm Springs campuses.

Current Level Adjustments

Personnel costs increased \$48,490 over fiscal 1984. The increase is due primarily to maintaining the total costs in the program rather than allocating a portion to the Drug and Alcohol Programs. A proportionate share of the alcohol funds have been included in the funding for this program.

Operating expenses increase \$13,867 from fiscal 1984 to fiscal 1986 and decrease \$23,623 in fiscal 1987. Audit fees charged by the Legislative Auditor increased \$17,867 to \$23,623 for fiscal 1986 only. Legal service fees of \$29,082 paid to Montana Legal Services have been deleted. These services have been transferred to the Governor's Board of Visitors.

Supplies have been reduced \$493 as a result of the Children's Unit moving to the new facility in Billings. Communications cost increase \$25,900 as a result of two factors: a new system was installed in fiscal 1985 and state tie-line costs

increased after converting to a metered rate rather than a flat rate charge. Data processing rental fees have decreased \$2,273 to \$1,302 for an IBM card sorter. Other minor adjustments combined for an increase of less than 1 percent.

Funding

Current level includes alcohol earmarked funding of \$35,901 in fiscal 1986 and \$35,526 in fiscal 1987. This reflects the proportionate share of services that are provided by this program to the Alcohol Program. The remainder of the funding is general fund.

Issue 1: Donations

The agency has submitted a request to appropriate donated funds as a result of Opinion 36 of the Attorney General's Office. Opinion 36 considers funds donated to a state institution to be spent at the discretion of the institution for the benefit of its residents as a state fund requiring an appropriation. Montana State Hospital is requesting authority for \$10,828 of donations in each year of the 1987 biennium and \$955 for pop machine royalties and \$100 for miscellaneous receipts. These funds will be spent for the benefit of residents on items such as Christmas gifts, special olympics, annual patient carnival, patient parties, and ward outings.

Option a: Grant the authority to spend donated funds, pop machine royalties, and miscellaneous receipts. The total request is \$11,883 in each year of the biennium.

Option b: Decide that these funds are appropriately placed in the agency fund which does not require an appropriation.

Issue 2: Switchboard Operators

Montana State Hospital is installing a new telephone system during fiscal 1985. The system will replace the existing switchboards, one at Galen and one at Warm Springs, with a single unit at the Warm Springs campus. Currently, the switchboards are staffed with four operators at Warm Springs and five at Galen. With one switchboard at Warm Springs, the five operator positions at Galen are no longer needed. The deletion of the five positions at Galen will save \$85,024 in fiscal 1986 and \$85,162 in fiscal 1987. Based on allocations in this current level budget, general fund savings would be \$81,767 in fiscal 1986 and \$81,943 in fiscal 1987 while alcohol earmarked fund savings are \$3,257 and \$3,219, respectively.

Option a: Delete the five Galen switchboard operators for a total savings of \$85,024 in fiscal 1986 and \$85,162 in fiscal 1987.

Option b: Delete five switchboard operators from the nine total based on seniority or a bid system. The savings should amount to approximately the same as Option a.

SUPPORT

<u>Budget Item</u>	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	195.70	192.10	191.50	191.50	(1.2)
Personal Service	\$3,752,418	\$3,664,453	\$4,148,938	\$4,162,424	12.1
Operating Expense	1,983,743	2,343,715	1,925,448	1,927,399	(10.9)
Equipment	4,157	26,479	53,634	18,086	134.1
Inflation	-0-	-0-	157,591	274,010	--
Total Expenditures	<u>\$5,740,318</u>	<u>\$6,034,647</u>	<u>\$6,285,611</u>	<u>\$6,381,919</u>	<u>7.6</u>
<u>Fund Sources</u>					
General Fund	\$5,715,970	\$6,016,750	\$6,043,368	\$6,142,153	3.9
State Special	-0-	-0-	237,140	234,663	100.0
Federal Revenue	<u>24,348</u>	<u>17,897</u>	<u>5,103</u>	<u>5,103</u>	<u>(75.8)</u>
Total Funds	<u>\$5,740,318</u>	<u>\$6,034,647</u>	<u>\$6,285,611</u>	<u>\$6,381,919</u>	<u>7.6</u>

This program includes all the support services for both campuses. These include food services, laundry, housekeeping, groundskeepers, maintenance, warehouse, barbers and cosmetologists, and the crafts.

Current Level Adjustments

This program deleted 4.4 food service workers as a result of the food service consolidation approved by the 1983 legislature. The program has transferred .2 FTE of authority from another program to increase an existing food service position to full-time.

The increase in personal service costs of \$396,520 results from retaining the total staff costs in the program, rather than allocating portions to the Alcohol Program and the Drug Program.

Operating costs decrease \$58,295 overall as a result of the Children's Unit move and the deletion of the garbage removal contract. Supplies, utilities, and repairs have been reduced a total of \$56,766 due to the transfer of the Children's Unit to Billings. Insurance fees charged by the Department of Administration have increased \$22,819 over the fiscal 1984 amount of \$51,306 and an additional

\$1,951 for fiscal 1987. The garbage removal service has been reduced \$24,380 from \$24,840 in fiscal 1984. This reduction is based on the institution's request to purchase a garbage truck for \$38,000 which is included in current level. The total biennium savings is expected to be \$15,008.

Other equipment includes a magnetic compensator switch to replace the switch for the deep water well at Galen, a water softener and brine tank to replace the Galen unit, bread racks to replace those cited by the department of health as unsanitary due to rusting, and firefighting equipment to replace and update existing equipment for the Montana State Hospital Volunteer Fire Department. The total included is \$53,634 in fiscal 1987 and \$18,086 in fiscal 1987.

Funding

Funding for this program includes general fund and alcohol earmarked funds of \$237,140 in fiscal 1986 and \$234,663 in fiscal 1987. Also included are funds from the rental of Galen land holdings of \$1,131 each year of the biennium and \$3,972 of school lunch money for patients between the ages of 18 and 21. The school lunch is based on actual meals served to this population in fiscal 1984.

TREATMENT

<u>Budget Item</u>	Actual	Appropriated	---Current Level---		% Change
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	1985-87 Biennium
F.T.E	130.95	117.35	117.35	117.35	(5.4)
Personal Service	\$3,280,182	\$3,229,339	\$3,655,898	\$3,664,538	12.4
Operating Expense	442,195	424,839	429,700	429,700	(0.8)
Equipment	446	-0-	100,331	-0-	22,395.7
Inflation	-0-	-0-	36,971	60,132	--
Total Expenditures	<u>\$3,722,823</u>	<u>\$3,654,178</u>	<u>\$4,222,900</u>	<u>\$4,154,370</u>	<u>13.5</u>
<u>Fund Sources</u>					
General Fund	\$3,693,242	\$3,654,178	\$3,981,282	\$3,915,276	7.4
State Special	-0-	-0-	241,618	239,094	--
Federal Revenue	29,581	-0-	-0-	-0-	(100.0)
Total Funds	<u>\$3,722,823</u>	<u>\$3,654,178</u>	<u>\$4,222,900</u>	<u>\$4,154,370</u>	<u>13.5</u>

The Treatment Program includes the medical, educational, and professional staff who provide the various treatment services at Montana State Hospital.

Services provided are psychological, medical, dental, pharmacy, laboratory, x-ray, occupational and recreation therapy, medical records, social services, and education. Funding for this program in fiscal 1984 was primarily general fund with a small amount of ECIA Chapter I and II funds that were added by budget amendment.

Current Level Adjustments

The deletion of 13.6 FTE results from the Children's Unit's move to Billings (see Table 1, page 2) and the transfer of .6 FTE to provide needed position authority in the canteen. Personal services costs increased primarily as a result of maintaining actual costs in the program rather than allocating portions to the Drug Program and the Alcohol Program.

Operating costs decreased \$12,495 as a result of the Children's Unit's moving to Billings. Supply costs decreased \$8,443, travel decreased \$558, and repairs declined \$295.

Equipment included in the budget is a refurbished radiographic/fluoroscopic unit costing \$88,331 to replace the 32 year-old unit currently in use; an auto radiographic film processor costing \$10,800 to replace the current unit which required three repairs in fiscal 1984 at a cost of \$1,200; and a Parko hydromixer costing \$1,700 to increase the efficiency of mixing x-ray chemicals. The total equipment included in fiscal 1986 is \$100,331.

Alcohol earmarked funding of \$241,618 in fiscal 1986 and \$239,094 in fiscal 1987 have been included with general fund to fund this program.

DIRECT CARE

<u>Budget Item</u>	Actual	Appropriated	---Current Level---		% Change 1985-87 Biennium
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	
F.T.E	357.60	327.40	323.50	323.50	(5.5)
Personal Service	<u>\$6,838,310</u>	<u>\$6,508,930</u>	<u>\$6,937,119</u>	<u>\$6,971,188</u>	<u>4.2</u>
<u>Fund Sources</u>					
General Fund	\$6,838,310	\$6,408,930	\$6,637,702	\$6,674,898	0.4
State Special	<u>-0-</u>	<u>-0-</u>	<u>299,417</u>	<u>296,290</u>	<u>--</u>
Total Funds	<u>\$6,838,310</u>	<u>\$6,508,930</u>	<u>\$6,937,119</u>	<u>\$6,971,188</u>	<u>4.2</u>

This program consists of the direct care staff serving the seven treatment units of the Warm Springs campus and the acute and intermediate care units at

Galen. Direct care staff is comprised of psychiatric (registered) nurses, licensed practical nurses, nurse aides, psychiatric aides, and special duty aides.

The 1981 legislature established direct care ratios of one registered nurse for 11 patients, one licensed practical nurse for 6.4 patients, and one aide for 1.9 patients. The current level budget maintains these ratios.

Current Level Adjustments

The direct care staff decreased 34.1 FTE from fiscal 1984 to fiscal 1986. Thirty of these FTE are deleted from the Montana State Hospital budget as a result of the Children's Unit's moving to the new facility in Billings. The staff deleted are three registered nurses (RN), eight licensed practical nurses (LPN), and 19 psychiatric aides. A .20 FTE of an aide position was reduced from this program by the agency to increase support staff by .20 FTE. Additional adjustments have been made to current level to conform to the established direct care ratios. RN's have been increased 1.5 FTE, LPN's decrease 2.6 FTE, and aides decrease 2.8 FTE for anticipated average daily populations of 313 at Warm Springs and 105 acute and intermediate care at Galen. Table 1 shows the staff to patient ratios as established by the legislature and the required staff to serve the anticipated populations.

Table 1
Montana State Hospital Estimated 1987 Biennium
Population and Direct Care Staffing Needs Based on Direct Care Ratios

	<u>RN</u>	<u>LPN</u>	<u>Aide</u>	<u>Total</u>
Direct Care Ratio	1:11	1:6.4	1:1.9	N/A
Staffing at 418 ADP	38.00	65.50	220.00	323.50
Current Level Staffing	<u>36.50</u>	<u>68.10</u>	<u>222.80</u>	<u>327.40</u>
Staff Changes Over (Under)	<u><u>1.50</u></u>	<u><u>(2.60)</u></u>	<u><u>(2.80)</u></u>	<u><u>(3.90)</u></u>

Personal service costs as reflected in the main table increase even though 34.1 FTE are deleted. This results from maintaining total costs within this program and allocating the alcohol earmarked revenue to the Direct Care Staff Program, rather than allocating portions to the Alcohol and Drug Programs.

MONTANA STATE HOSPITAL

AGENCY SUMMARY	Actual	Budgeted	Recommendation	
BUDGET DETAIL SUMMARY	FY 1984	FY 1985	FY 1986	FY 1987
Full Time Equivalent Employees	755.60	707.20	703.60	703.60
Personal Services	16,494,531.70	16,055,885	16,393,068	16,452,979
Operating Expenses	3,046,313.17	3,478,775	3,089,705	3,074,298
Equipment	24,040.33	26,479	33,257	9,286
Total Agency Costs	\$19,564,885.20	\$19,561,139	\$19,516,030	\$19,536,563
General Fund	17,876,122.74	17,838,961	17,805,503	17,826,036
State Special Revenue Fund	1,634,833.27	1,704,281	1,705,424	1,705,424
Federal & Other Spec Rev Fund	53,929.19	17,897	5,103	5,103
Total Funding Costs	\$19,564,885.20	\$19,561,139	\$19,516,030	\$19,536,563
Current Level Services	19,525,339.47	19,561,139	19,504,147	19,524,680
Modified Level Services	39,545.73	0	11,883	11,883
Total Service Costs	\$19,564,885.20	\$19,561,139	\$19,516,030	\$19,536,563

Agency Description

The Montana State Hospital performs three treatment functions: 1) psychiatric care and treatment on the Warm Springs campus, 2) medical care on the Galen campus and 3) chemical dependency rehabilitative care on the Galen campus. The psychiatric program serves mentally ill persons who cannot be appropriately treated in community programs. The medical care unit provides hospital and long term care for Montana State Hospital patients who have serious medical conditions and also provides detoxification for chemically dependent admissions. The chemical dependency unit provides a 28-day alcoholism rehabilitation program and a long term program for individuals with other drug dependencies.

Budget Issues

The Children's Unit at the Montana State Hospital will be discontinued by FY86. As a result, 42.00 FTE have been deleted from this budget. Also, various operational costs associated with the Children's Unit were eliminated from this recommendation.

The thirty residents of the Children's Unit will be transferred to the Montana Youth Treatment Center in Billings when that facility is completed in the later part of FY85.

The Montana State Hospital includes both the Warm Springs and the Galen campuses. This budget was built from the FY84 actual base.

Position reductions. Four positions (4.00 FTE) were vacant throughout FY84 and have been eliminated from this budget recommendation. These positions include a Psychologist, an Executive Chef, a Dietician and a Cook.

Modification Requests

MONTANA STATE HOSPITAL

AGENCY SUMMARY	Actual	Budgeted	Recommendation	
BUDGET DETAIL SUMMARY	FY 1984	FY 1985	FY 1986	FY 1987
Full Time Equivalent Employees	755.60	707.20	703.60	703.60

Expanded Service

Donated funds. The Office of The Legislative Auditor recommends placing donated funds in the State Special Revenue account instead of the Agency Fund account. It is necessary to place language in the appropriations bill to allow authority to expend these funds. These funds are used for various activities, Christmas gifts and other items for the residents.

Cost: FY 1986 - \$ 11,883 FY 1987 - \$ 11,883