

2013-15 Policy Option Package

Agency Name: Oregon Health Authority
Program Area Name: Addictions and Mental Health
Program Name: Oregon State Hospital
Policy Option Package Initiative: Junction City Hospital
Policy Option Package Title: OSH Replacement Project –Next Phase
Policy Option Package Number: 403
Related Legislation:
Program Funding Team: Healthy People

Summary
Statement:

This package will complete the next step in the Legislatively approved implementation of the The Oregon State Hospital Framework Master Plan.

It will allow the hospital to successfully open 125 beds at the Junction City Hospital and adequately fund the staffing and equipment required to care for patients admitted from counties in Southern Oregon.

If this package is not funded, it will not be possible to open the Junction City facility. Additional funding for staff and physical plant modifications will be necessary to keep Portland and BMRC open and reduced lengths of stay will not be achieved.

	General Fund	Other Funds	Federal Funds	Total Funds
Policy Option Package Pricing:	\$3,000,000*	(\$211,432)	(\$38,829)	\$2,749,739

*NOTE: *This amount reflects late changes anticipated for Policy Option Package 403 and therefore does not equal the amount in ORBITS.*

Also, see the accompanying OHA Capital Construction Narrative under the Special Reports Section of this document which outlines the Other Fund request for Construction authority of \$79.4M.

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

Funding for this package will allow the hospital to successfully open 125 beds at the Junction City hospital with all supplies, equipment, and fully trained staff upon completion of construction. Construction is projected to be complete in the third quarter of 2014 with patient occupancy scheduled for the first half of 2015.

Based on our experience with moving into the Salem facility, OSH needs a minimum of six months after the building is turned over to the hospital to prepare the facility for occupancy. Occupancy preparation includes the installation of owner supplied fixtures (such as cubicles) supply stocking, safety and security evaluations, critical systems testing, and life/safety training and building orientation for staff. This will ensure that when we occupy the new facility, all necessary safety and security provisions are in place to care for patients. Funding of this package will allow the Junction City hospital to provide quality care for patients admitted from counties in Southern Oregon and achieve the standard of providing 20 hours of active treatment for each patient each week including education, self-improvement and skill-building activities during evening and weekend hours. Further, this package will provide sufficient staffing for the Junction City hospital to successfully operate three 25-bed hospital licensed units and two 25-bed secure residential treatment units, without significant reliance on overtime or contracted agency nurses, to provide sufficient coverage for positions that require continuous coverage on a 24/7/365 basis.

With the closure of 92 beds at the Portland facility and 60 beds at Blue Mountain Recovery Center, positions from these facilities would be utilized in combination with those provided through this package to provide the necessary resources for the hospital to continue implementing the treatment model at the Junction City hospital with smaller wards, single or double rooms, and centralized treatment services aimed at improving outcomes for patients, decreasing lengths of stay and improving safety for patients and staff. This package phases-in the hiring of positions to allow sufficient time for recruitment, orientation, deployment, and training with new technology and systems necessary for the opening of the new Junction City psychiatric treatment facility, in coordination with the construction schedule and closure of the Portland facility and Blue Mountain Recovery Center in 2015.

This package is essential to continue the development of the centralized delivery of treatment services model in Junction City (“treatment mall”) with the focus on recovery-based individual treatment care plans for each patient. Patients will reside in residential units, but be scheduled to receive treatment, meals and work away from units throughout dedicated common areas.

The service delivery will aid in meeting individualized needs and security of patients and stimulate the motivation to participate in treatment. The staff hired through funding of this package will support the centralized services model for Junction City and will allow OSH to continue to achieve the goal of providing a minimum of 20 hours of active treatment per patient per week, plus other beneficial activities during evening hours and on weekends.

2. WHY DOES OREGON HEALTH AUTHORITY PROPOSE THIS POP?

Oregon Health Authority (OHA) proposes this package in order to successfully open the new Junction City facility with necessary safety equipment and sufficiently trained staff, to continue to increase the number of hours of active psychiatric treatment per patient per week and continue to improve overall safety for patients and staff. OSH’s “treatment mall” approach to treatment and service delivery employs the design of centralized care in which patients’ living areas are connected to a “neighborhood” mall that connects to a

larger “downtown mall”. This affords patients access to at least 20 hours of active treatment services per week and allows more opportunity for healthy socialization and wellness activities.

The Oregon State Hospital Framework Master Plan focused on the physical condition of the Oregon State Hospital’s Salem campus, and also noted that, “Oregon’s system of publicly funded care for adults with severe and persistent mental illness (SPMI) needed significant improvement. . . and clarified the role and size of OSH within an improved community-based system.” Completion and staffing of the Junction City facility is the next step in the implementation of the approved recommendations made in that plan.

In order to transition patients into the new facility, staff must be hired and join the organization with enough lead time in order to be oriented to technology and systems, and to participate in the development of protocols for patient movement and fire/life safety situations prior to the opening of the facility.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS?

A new modern state psychiatric facility will help keep people healthy and safe, support them in treatment and recovery, will improve their ability to live independently, and improve the quality of care.

This package will improve patient care and patient services for patients admitted from Southern Oregon Counties that currently reside at Blue Mountain Recovery Center, Portland OSH, and Salem OSH. This would allow the Junction City facility treatment team to deliver a minimum of 20 hours of active treatment per patient per week for all patients while allowing patients to be closer to their home and family support network. The design of the new hospital facilitates the delivery of centralized active treatment, patient privacy, and patient and staff safety.

This package will assist in restoring patients’ optimal level of functioning by providing a secure place where individuals will have more independence, choices and responsibilities.

4. IS THIS POP TIED TO AN OREGON HEALTH AUTHORITY PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL OREGON HEALTH AUTHORITY MEASURE THE SUCCESS OF THIS POP?

If funded, this proposal is expected to produce the following outcomes, among others:

- a. Increased hours of active treatment per patient per week; 20 hours achieved in the 13-15 biennium
- b. Reduced hours of seclusion and restraint use per 1,000 patient hours
- c. Reduced rate of staff injuries
- d. Increased nursing service hours per patient day
- e. Reduced number of patient falls
- f. Reduced lengths of patient stay
- g. Reduced patient to patient assaults
- h. Reduced overtime
- i. Reduce the reliance and expense of using contracted services

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

The alternative to opening the new Junction City facility is to leave BMRC and Portland open. This would require an additional 128 positions between the two facilities, 84 positions in Portland and 44 positions at BMRC, The additional staff would be required to meet accepted staffing levels at both facilities to deliver 20 hours of active treatment each week for each patient. In addition to the staffing needs, a preliminary estimate of \$24 million in remodel expenses would be required between the two facilities to meet the standards of modern psychiatric hospitals. Portland remodel expenses are estimated at \$13 million and BMRC expenses

are estimated at \$11 million. The current Portland facility lease expires in March of 2015; at this time, Legacy is not willing to extend the lease for more than a month or two.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

If this package is not funded, it will not be possible to open the Junction City facility. Patient and staff safety will be in jeopardy and reduced lengths of stay will not be achieved. Additional funding for staff and physical plant modifications will be necessary to keep Portland and BMRC open. Since the Portland lease is not renewable, it would result in all patients transferring to the Salem campus. The adverse effects of this include; placing OSH Salem well above the 85% recommended occupancy rate, limited bed availability for appropriate admissions from acute care hospitals which could result in longer wait times for admission to OSH, and there would be no additional capacity to accommodate the forecasted future caseload.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

No other agencies will be directly affected by this POP.

9. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

- Operating costs for the Junction City facility will begin in the last quarter of 2014, when the state takes possession of the building. Preparing the facility for occupancy will take up to six months after the building is turned over to the hospital. (See page 2 for details)
- The staff phase in plan is very compressed and assumes patient occupancy in late April of 2015 which will provide barely sufficient time for recruitment, New Employee Orientation, and discipline/department specific training.
- Five 25-bed units in the Junction City facility will be occupied at opening.
- An 85% occupancy rate between the Salem and Junction City facility will allow for fluctuation in admission rates.
- Neuropsychiatric medically infirm, and ‘fitness to proceed’ patients will be housed in Salem.

- The Junction City hospital will provide 20 hours of active treatment per week on each of the two treatment malls.
- The facility will be staffed at levels capable of delivering 20 hours of active treatment each week for each patient.
- The Patient Centered Care treatment model will be used in Junction City, consistent with the model currently in operation at OSH Salem.
- All equipment and supplies from Portland and BMRC in good condition at opening will be transferred to the Junction City facility.
- 75-Beds in Junction City will be CMS certified

Implementation Date(s): _____

End Date (if applicable): _____

a. Will there be new responsibilities for OREGON HEALTH AUTHORITY Specify which Program Area(s) and describe their new responsibilities.

- Shared Services

- Addictions & Mental Health

- b. Will there be new administrative impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected. See Addendum A - Administrative Services Division LC/POP Impact Questionnaire (at the end of this document).**

This package will increase the workload for Human Resources (staff for recruitment and retention) and the Position Management Unit (establish/tracking). An additional 4 positions are required to manage the increased workload.

- 1 Human Resource Analyst 3's, Oregon Health Authority HR
- 1 Accounting Tech 3 position, Payroll, Shared Services
- 1 Human Resource Analyst 2, Classifications Unit, Shared Services
- 1 Human Resource Analyst 1, OFLA/FMLA, Shared Services
- 4

The increased number of staff and technology equipment creates and increased need for Information Services and Security (staff for OIS/Electronic Health Record support, computer/peripherals and security). An additional three positions are necessary for Office of Information Services, Customer Services and Solutions department to manage the increased workload:

- 1 Info Systems Specialist 4, Desktop Support
- 1 Info Systems Specialist 3, Service Desk3
- 2

The increased number of beds and staff at this new facility will increase the need for support from the Office of Investigations & Training. Two additional staff are necessary to manage the increased caseload.

2 Investigator 3
2

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

There are no additional caseload or service changes at this time. Pursuant to the AMH 2010 revised forecast report, the facility capacity is built to accommodate the forecasted caseload growth through 2025.

d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.

An additional 173 full-time equivalents (FTE) will be required for the Junction City facility to open 125-beds and operate safely and to assure that at least 20 hours of active treatment is provided each week.

61 existing positions from Portland and BMRC need modification.

Total Staffing at OSH Facilities

With inclusion of staffing in this Policy Option Package (POP), total staffing for OSH upon completion of the new facility will be 2,382 positions for its Salem and Junction City campuses in 2013-15.

The breakout of the total positions is summarized:

2,240	Positions needed to staff OSH facilities in 2013-15 Policy Option Package (POP)
(1798)	Positions at Salem facility
(105)	Position transfer from the BMRC facility
<u>(164)</u>	<u>Positions transfer from the Portland facility</u>
173	Net need for positions requested in 2013-15 POP
2,128	Total positions for OSH campuses in 2011-13
<u>173</u>	Positions needed for OSH campuses in 2013-15
2,240	Total positions for OSH campuses in 2013-15

Staffing Focus:

August – November 2014:

Administrator hired to lead the effort in staffing the new facility

Nursing managers and supervisors hired to facilitate the hiring, training, and orientation of nursing staff.

Facilities manager hired to facilitate OSH install of owner supplied equipment after construction completion.

December 2014 – January 2015

Housekeeping and facility staff hired to prepare the facility for opening

Clinical positions with extensive orientation needs and the first cohort of nursing positions are phased-in

Nurse and CNA recruitment, hiring, Avatar training, and orientation

February - March 2015:

CNA recruitment, hiring, Avatar training, and orientation

Remaining non-nursing clinical positions phased in to join the treatment teams of the patients who will be transferring to the new facility.

April 2015:

Remaining administrative and security staff phased in.

May 2015:

Orientation and life/safety training for all staff working at Junction City Facility

Closure of Portland and BMRC facilities

Patient and staff occupancy of Junction City facility

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

Operational Capital Outlay	\$ 173,000
Pharmacy Services Medical Supplies	\$ 5,800
Essential Security and communication equipment	\$ 75,242
Recreation and educational supplies for patients	\$ 37,174
General unit supplies	\$ 75,000
Warehouse equipment and storage needs	\$ 10,500
Facility transportation and material movement equipment and supplies	\$ 34,600
Housekeeping supplies and equipment	\$ 25,230
Physical plant, maintenance, and grounds equipment and supplies	\$ 111,200
Kitchen equipment and supplies	\$ 205,000
Vandal resistant patient pay phones and switches	\$ 4,628
Staff equipment and supplies	\$ 101,122
Total	\$ 852,696

f. What are the ongoing costs?

Lease of Pharmaceutical carts (mobile stations with barcode scanners):	\$ 85,800
Shift Differential Pay	\$ 32,023
Other Differential Pay	\$ 88,736
Overtime Payments	\$ 206,085
Total	\$ 412,644

g.

What are the potential savings?

While not entirely quantifiable in the short term, potential savings are expected in several areas when the new facility is complete, OSH campuses approach full staffing levels, and systems are implemented. Assuming the required number of staff is hired, oriented, and trained for OSH campuses, an increase in productivity is expected to translate into streamlined operations, and lower error rates in providing safe patient care without significant reliance on agency staff use and overtime.

Areas generating measurable savings in the long term are expected to result from increased efficiencies resulting from the BHIP hospital management system that includes efficient pharmacy operations, electronic medical records, and automated medication carts with barcode scanners, enhanced dietary delivery systems, and hands-free dictation devices for physicians, and accurate record keeping of treatments and medications provided to OSH patients.

h. Based on these answers, is there a fiscal impact?

Yes

TOTAL FOR THIS PACKAGE

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	2,656,350	(88,154)	(29,343)	2,538,853	286	19.32
Services & Supplies	170,650	(123,278)	(9,486)	37,886		
Capital Outlay	173,000	0	0	173,000		
Special Payments	0	0	0	0		
Other	0	0	0	0		
Total	\$3,000,000*	(\$211,432)	(\$38,829)	\$2,749,739	286	19.32

*NOTE: *This amount reflects late changes anticipated for Policy Option Package 403 and therefore does not equal the amount in ORBITS. Also, see the accompanying OHA Capital Construction Narrative under the Special Reports Section of this document which outlines the Other Fund request for Construction authority of \$79.4M.*

Oregon Health Authority - Fiscal Impact Summary by Program Area:

	Additions & Mental Health	OHA Central & Shared Services	Program Area 3	Program Area 4	Total
General Fund	\$2,933,384	\$66,616	\$0	\$0	\$3,000,000*
Other Fund	(\$456,756)	\$245,324	\$0	\$0	(\$211,432)
Federal Funds- Ltd	(\$38,829)	\$0	\$0	\$0	(\$38,829)
Total Funds	\$2,437,799	\$311,940	\$0	\$0	\$2,749,739
Positions	278	8	0	0	286
FTE	17.17	2.15	0.00	0.00	19.32