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December 19, 2008

VIA FAX: 217-782-3513

Senator Jeffery Schoenberg and Representative Richard Myers, Co-Chairs
Commission on Government Forecasting and Accountability
703 Stratton Office Building
Springfield, IL 62706

Dear Co-Chairs Schoenberg and Myers:

AFSCME Council 31 objects in the strongest possible terms to the recommendations submitted to COGFA aimed at closing Howe Developmental Center and Tinley Park Mental Health Center. Simply stated, the plans to shutter these facilities put money before people—indeed some of our state's most vulnerable people. These closures would harm not just the 1,000 workers employed at the Centers or the regional economy; more importantly they remove from the Southland two centers that provide a desperately needed resource for those whose severe disabilities make it difficult to impossible for them to rely solely on the community-based service system.

Then last May DHS again announced it would build a new hospital, but in the interim Tinley Park would be downsized to 30 to 40 beds. Again this plan met with opposition. The failure of the recent attempt to redirect patients from the Southland for admission to Madden MHC in the western suburbs and Read MHC on Chicago's North side confirmed the need for 75-100 beds at Tinley. Connecting patients to the community care necessary to prevent hospital readmission is much more difficult when those patients are at a physical remove. And fewer inpatient beds at Tinley meant longer waits for admissions at all three Chicago area hospitals, resulting in backups in private hospital emergency rooms.

DHS has now revised its proposed closure scheme. Instead of calling for an interim downsizing, the department plans to continue operations at the TPMHC while a new facility is built, though all services will be consolidated in the Maple building. However, in public testimony DHS Director Jones did reserve the right to shift patients from Tinley Park to Madden and Read as the need arose, and mental health advocates questioned whether Maple is sufficient to house all necessary services to support even the 75 beds currently open at Tinley. So while a downsizing is not in the formal plan submitted to COGFA, clearly an interim downsizing is still very likely.

Although four years ago, the stakeholder Task Force explicitly called for a *public* hospital, today DHS asserts that any new hospital will be privately operated. Yet private hospitals in the area have said consistently that they are neither prepared to, nor capable of, serving the very acutely ill patients now sent to Tinley. It is not clear that there will be any local private operators willing to take on this role.

- MH privatization in UT also appears to have its flaws. From the Salt Lake Tribune (7/14/08), "Davis County's sole provider of mental health services to low-income residents wasted $850,000 to create new corporations that didn't help patients, according to a state audit released Thursday. ...Billed as a way to provide better services in the wake of new Medicaid restrictions, the reorganization was approved by Davis County Commission, which 'may not have understood the issues,' according to the audit."

Our greatest concern is whether – if COGFA permits Tinley's closure – a new hospital will ever be built. It is curious that DHS is seeking leave to close Tinley now, before a new hospital has been constructed and before a location or a contractor has been identified. AFSCME does not oppose the construction of a 100 bed public hospital, as was envisioned by the Task Force four years ago. But given the many past attempts by the Blagojevich administration to downsize and close this facility over community opposition, COGFA should not give DHS authority to close at this time. To do so would remove legislative oversight of a still controversial project.

Specific Concerns Regarding Howe DC Recommendation

DHS says Howe is closing because its decertification means the state is unable to claim federal Medicaid matching funds. This is costing the state some $30 million per year. Yet since at least May, 2008, DHS has made no attempt to certify even one unit at Howe, despite pleas from family members and offers of assistance from our union to do

community-based agencies. Furthermore, the state owes these agencies millions of dollars in late payments stacked up for months, and the banking crisis means they cannot easily borrow to sustain their cash flow. Howe residents present among the most challenging cases – which means they require the most expensive care. That means Howe residents are the least likely to be accepted for services by reputable providers struggling for financial survival.

At the same time, state developmental centers too are impacted by budget constraints on top of years of inadequate staffing by the Blagojevich administration. There are three facilities listed as placements in the Howe closure plan. DHS says it will send 50 residents to nearby Ludeman and 100 to Shapiro in Kankakee. But neither of these facilities currently has that number of certified beds available. And that is still only 150 possible placements for the 240 (or more) residents who are slated for state center placement. That's why the plan calls for 70 residents to go to Murray Center in Centralia – 250 miles away. Will this really provide a better quality of life for Howe residents? Obviously not.

And while two-thirds of the Howe residents will move to other state centers, the state plans on moving far less staffing capacity to these centers. A total of 370 staff positions will be added to the three facilities above, while Howe employs 800. So these three facilities will be expected to care for two-thirds of the Howe residents with less than half of the staff. These state centers, already understaffed, are now also being set up to fail by this irresponsible administration. And by short staffing more state centers, they will cost Illinois taxpayers millions more in lost Medicaid funding.

community. And the Howe campus, with its small cottages (akin to group homes) provides its own community for residents—long-term staff who know well and care greatly for the individuals they serve, a wide variety of group activities, such as sports, games, movies, etc., and strong bonds among the individuals themselves.

Larger impacts of the closures

While the welfare of the residents at Howe and the patients who need Tinley Park must be every stakeholder's primary concern, the economic loss to the Southland if both facilities close should also raise concerns. The economic impact studies submitted by DHS understate the devastation of 1,000 job losses in the current economic climate.

DHS provides a very thin economic impact study. The authors are fairly forthright in that they say they can't predict much of the impact because the plan is not yet clear. But what is clear that over 1,000 jobs that provide a living wage, with good benefits, are being eliminated. On page 8 of the study the authors indicate that only 12-20% of these employees are expected to be transferred to other facilities in the greater Chicago region. They state a direct loss of over $35 million in employee salaries to Cook County alone. They estimate a total labor income impact of over $90 million dollars. If this were a corporation shutting down, state government would be working to prevent these job losses. In the current economy, for state government to be cutting jobs at this rate – especially when vulnerable people are being hurt by the closure at the same time – is highly irresponsible.

CAMPAIGN TO SAVE
HOWE DEVELOPMENTAL CENTER - TINLEY PARK MENTAL HEALTH CENTER
935 West 175th Street - Homewood, IL 60430

Statement of Purpose

The undersigned organizations hereby state their opposition to the closure of Howe Developmental Center and Tinley Park Mental Health Center, and urge Governor Blagojevich to reconsider his proposal to close the facilities.

Endorsers

Howe Families and Friends Association

Illinois League of Advocates for the Developmentally Disabled

Lansing Assembly of God

St. Julie Billiart Church

St. Gregorios Cathedral Church

Trinity All Nations Church

Brookfield Kiwanis Club

Joliet Area Community Hospice

American Federation of State, County and Municipal Employees, Council 31

Mayor Eric J. Kellogg and the City of Harvey City Council

Mayor Robert B. Donaldson and the Village of Hazel Crest Board of Trustees

President Richard A. Hofeld of Homewood

Mayor David Webb Jr. and the Markham City Council

President Andre B. Ashmore and the Village of Matteson Board of Trustees

Mayor Timothy A. Baldermann of New Lenox

President Linzey D. Jones and the Village of Olympia Fields Board of Trustees

President Terry Wells and the Village of Phoenix Board of Trustees

President Donald W. Schupek and the Village of Posen Board of Trustees

President Richard P. Reinbold, Village of Richton Park

President Zenobia Evans and the Village of Riverdale Board of Trustees

President David L. Owen and the Village of South Chicago Heights Board of Trustees

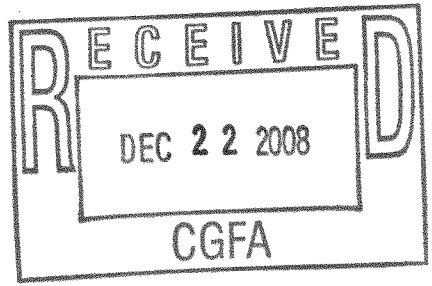
President Don A. DeGraff and the Village of South Holland Board of Trustees

President Edward S. Guzdziol and the Village of Worth

Lawrence M. Walsh, Will County Executive

U.S. Representative Jesse Jackson, Jr., 2nd District

Illinois Hospital Association



December 16, 2008

Commission on Government Forecasting and Accountability
703 Stratton Office Building
Springfield, Illinois 62706

Subject: Testimony of the Illinois Hospital Association Regarding the Proposed Restructuring of the Tinley Park Mental Health Center

Dear Madams and Sirs:

The Illinois Hospital Association represents approximately 200 hospitals and health systems in the State of Illinois. As community resources for persons with a variety of heath care needs

Illinois has closed and reduced in capacity many state-operated hospitals over the past decade. Unfortunately, the resources dedicated to these facilities have not shifted to the community, either to private hospitals with psychiatric services or to community mental health centers. As a consequence, many persons with serious mental illnesses are going without care or are obtaining it when they are in a crisis. A recent IHA survey of hospital emergency departments attests to a growing number of persons with mental illness seeking care in the ED. We estimate as many as 300,000 persons with mental illness were treated in our EDs in 2007. And, when there, persons with mental illness wait hours for an inpatient bed—primarily because there are not enough inpatient psychiatric beds to meet demand. National data demonstrate similar trends.

We believe that any restructuring or closure of a state-funded facility must be made according to principles and a plan that assures those for whom the state has served as a safety net remains protected. Our Behavioral Health Steering Committee, a statewide, interdisciplinary group of mental health and substance abuse care experts, developed a set of principles and recommendations for the restructuring of the Tinley Park Mental Health Center in 2004. These principles and recommendations remain relevant today and offer guidance for a restructuring of a state-operated hospital. They are attached.

Thank you for the opportunity to present these comments.

Respectfully,

Position of the Illinois Hospital Association Behavioral Health Steering Committee Regarding the Closure or Other Restructuring of the Tinley Park Mental Health Center Facility

Based on principles adopted in 1997 by the IHA Behavioral Health Steering Committee (Steering Committee) and Board regarding the privatization of state-operated mental health facilities (SOF), the Steering Committee on February 22, 2005 identified the following issues as relevant to the decisions related to whether or how the Tinley Park Mental Health Center facility should be restructured. It was their recommendation that these issues must be addressed to ensure access to an appropriate level of care for persons with mental illness:

- **The State must clearly state its vision regarding mental health services for Illinois citizens and define, publicly, its intent with regard to the role and relationship of its facilities and community resources.** The failure to define the role of the SOF in terms of its mission for the citizens of the State and relationship to community hospitals and other community providers strains the relationship between the parties, interjects ambiguity where there should be clarity, and, more importantly, does not put patients, families, and all Illinois citizens first.

Patients with co-occurring disorders are caught between narrowly construed regulatory and public financing schemes that do not support access to appropriate services. For example, the state SOFs reluctantly accept patients with a primary diagnosis of substance abuse; Medicaid does not reimburse a private hospital for substance abuse treatment or rehabilitation, but only detoxification services, leaving the addicted person no access to treatment for their addiction in an acute care setting. The Illinois Department of Alcoholism and Substance Abuse licenses and pays for "sub-acute" Medicaid services, not acute services such as those needed by a substance abuse patient who has attempted suicide or has a psychiatric condition. Thus, the State financing of behavioral services lacks a comprehensive and coordinated rehabilitative focus, and thus leaves gaps that perpetuate expensive relapse and readmission.

Patients with developmental disabilities with mental illness also have few options for acute treatment available to them today. Given that the private sector cannot generally treat these individuals on an acute basis, they pose a natural population of citizens for which the State should assume responsibility. At a minimum, the State must fund, either directly or by arrangement, services that effectively meet the complex needs of these individuals.

- **Ensure patients in the private sector have community access to the same resources as are afforded patients in the SOF.** A patient upon discharge from a SOF has a firm referral to a community mental health provider. The patient being

received from DHS, following a cumbersome administrative process, and following a lengthy period of time. Few, if any, hospitals can knowingly adopt a business model that requires them to seek out less reimbursement for services first.

Therefore, in order to ensure the private sector is able to care for the patient with mental illness:

- Medicaid rates for inpatient hospital psychiatric services must be improved. The State should at a minimum be willing to pay the private hospital with which it contracts the same per diem as it paid itself under Medicaid.
- Medicaid rates should never be less than the rate DHS pays. Ideally, both rates should be comparable and adequate to cover reasonable costs.
- The burdens associated with completing MANG applications should be shared by the State. For example, the State should provide staff support to the hospital that must complete lengthy applications. Moreover, the hospital should not be penalized if a physician does not believe a patient is disabled.

- **Make the courts more user-friendly and accessible to the private sector.** Many patients who refuse medication or admission require involvement with the judicial system. Courts are not easily accessible; there are numerous continuances; psychiatrists and staff must accompany the patient to court. There is no compensation for this. The courts must be more patient and user friendly to support the needs of patients, families and providers in the communities who must negotiate with this system. Necessary legal hearings could be conducted more

- **Formally evaluate effects of reducing or eliminating SOF capacity against program goals.** Perform a formal evaluation of any program of SOF reduction or deinstitutionalization to determine whether the program's goals are truly being met, the effect of the program on all of the parties involved (community hospitals, community behavioral health providers, consumers, and Illinois citizens). Make this evaluation public and available for comment.

Written Testimony of Linda Bennett
Legislative Affairs Specialist for Medicaid and Medicare Issues
American Federation of State, County and Municipal Employees (AFSCME)
Washington, DC

Before the
Illinois Commission on Government Forecasting and Accountability
on the Proposed Closure of
Howe Developmental Center and Tinley Park Mental Health Center

Because the proposals to close the Howe Developmental Center and Tinley Park Mental Health Center are controversial it may be useful for us all to step back and consider some fundamentals that most of us would agree should underpin a state system to serve individuals with disabilities.

Foremost -- value the individual.

This requires that we recognize that individuals with disabilities are unique and require different levels of supports, services and care. This may seem obvious but it can help us avoid the false "either/or" paradigm that pits public congregate residences, like Howe Developmental Center, against expanding services elsewhere in the community. Both are needed. When we focus on the different needs of individuals as well as their changing

receive the appropriate care and services in the new setting. We oppose shifting populations to meet an arbitrary quota or for budgetary concerns. Such sweeping movement of individuals is a recipe for disaster, especially when it is not predicated on the type of individualized planning necessary to make such a move successful.

Even the language frequently used to describe such movement can often be misleading and distort the reality for individuals with developmental disabilities. To say that a resident who is moving from Howe to a smaller setting is moving "into the community" unfairly ignores the reality for many residents and staff that you have heard described by family members today. Particularly for residents who have lived for many years at Howe – it is truly their community and staff is in many ways part of their family. And as the Howe families say, it is the staff that makes Howe a home.

Illinois state-operated developmental centers, as acknowledged in the filing before this Commission, already strive to place residents into community settings, and have transitioned over 300 individuals in the last two years. By the state's own assessment, however, the majority of current residents at Howe will find community setting services and supports inadequate to meet their needs. The state's working estimate is that roughly 243 of the 318 current Howe residents will continue to rely upon services offered in a state-operated congregate center. The State's goal is for 75 individuals to move into smaller settings.

Closing Howe represents a loss of services for the majority of its residents with medical issues, who rely upon access to 24/7 medical care which is unavailable consistently and reliably in a smaller setting.

In 2004, in Illinois the turnover rate for direct support staff at state-operated developmental centers was 11 percent. The turnover rate of similar staff in vocational, residential and in-home support settings was 36 percent. The fiscal costs of turnover are significant but are slight in comparison to the emotional toll and the impact on the quality of life for individuals who depend on daily support. Research shows high turnover is a predictor of more injury-related secondary conditions, higher rates of health care utilization and poorer health outcomes.

There are significant costs to closing Howe and other state-operated developmental centers.

When state facilities close, the public investment in experienced staff is lost.

Once sold, the investment in the public assets of the building and valuable property are lost and hard to replace or restore in the foreseeable future. I have seen even the best intentions to build new and improved public facilities lay fallow over years because the promised funds never can be found.

Closing Howe forecloses opportunities for innovative models of delivery and synergies with community services and other populations. For example, keeping Howe open would allow for opportunities to expand dental and medical clinic services, physical therapy, recreational and wheel chair repair services to meet the unmet needs of individuals with developmental disabilities residing close in the catchment area. We would welcome the opportunity to work with the State to develop such innovative and enhanced uses of services at Howe.

The Government Accountability Office, Congress' investigatory agency, has raised concerns with the failure of states to investigate the deaths of individuals with developmental disabilities residing in community settings.

The death of any individual whose care has been entrusted to the State -- whether the individual resides at a congregate setting or in a facility in the community -- is a tragic loss. It should prompt a thorough review to root out any systemic failures or vulnerabilities in the delivery of care that must be corrected and addressed to prevent any similar adverse events and deaths. The fact that the State claims it has systemic failures at Howe that is refuses to redress through re-certification under Medicaid is deeply troubling. It reflects a lack of commitment to address vulnerabilities in the delivery of care or desire to identify systemic weaknesses that need correcting to prevent problems in care.

Much has been made of Illinois' low ranking in providing services and supports in smaller settings as compared to other states. But the ranking does not tell the full story. In 1991, the District of Columbia was the first jurisdiction to transform its system to be entirely based on community services – not a single institution. An advocacy-based lawsuit prompted the closure of Forest Haven and led to the dispersal of its 1,100 residences to a new community-based system that would provide more individualized care in homelike settings. The lawsuit is still ongoing and the reform is widely regarded as an abject failure. I have previously submitted to COGFA a news series reported in the *Washington Post* that describes the chilling cases of deaths, abuse, neglect and molestation or stealing in the group homes and day programs perpetrated on the residents of the promised homelike care.

Instead of closing Howe to quickly facilitate a land sale that given the fiscal problems in the state may not benefit individuals with developmental disabilities, I urge you to reject the closure proposal and support a planning process that looks at the current and long-term needs of residents of state operated centers, the role of the centers, and opportunities for enhanced and expanded services. Until that process is undertaken, closing Howe presents too much risk.

I have devoted most of my remarks to Howe Center, but I want to address one aspect of the plan to close Tinley Park Mental Health Center. The Tinley plan calls for privatized management of the facility by July 1, 2009, and likely a fully privatized facility when newly constructed. This is not a national trend, it is very uncommon nationally. The recent announcement by Georgia that it intends to privatize its system was met with skepticism by advocates and community providers. I have previously submitted an article from the Atlanta State Journal Constitution that notes such privatization is rare in other states and has met with mixed results.

I understand that the State seems to have little sense of what they want out of such a system. My experience with the VA and the Federal Government is that at best you get what you ask for with a private contractor. If you don't have clear standards of performance and measureable, meaningful quality outcomes you will not get them.

When the government privatizes services it loses control over the delivery of care and staff. There is a reduced, diverted and tangential accountability for quality and costs. Unfortunately, when problems do occur in the public's mind it isn't the contractor's fault but the state agency who relinquished its control over staff, costs and quality but not