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LEGISLATIVE RESEARCH COMMISSION

State Capitol

700 Capital Avenue

Frankfort KY 40601

502/564-8100

Capitol FAX 502-223-5094

Annex FAX 502-564-6543

lrc.ky.gov

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September 30, 2006

The Honorable Ernie Fletcher, M.D.
Governor of the Commonwealth of Kentucky

Members of the Kentucky General Assembly

Dear Governor Fletcher and Members of the General Assembly;

We are pleased to present you with the 2006 annual report of the Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnosis as required in KRS 210.504(8).

This report highlights the activities over the past year of the Commission. In particular, the report illustrates the Commission's commitment to the collaborative nature of its work and continued efforts to improve the quality, availability and delivery of services to citizens whose lives are affected by mental illness, substance abuse disorders or both.

Your commitment to individuals who are affected by mental illness and substance abuse has allowed our Commonwealth to take some steps forward in planning and implementation, despite times of financial hardship.

We are appreciative of the continued support and leadership we have received from you, Governor, and the members of the Kentucky General Assembly. We are also grateful for the leadership of the Regional Mental Health/Mental Retardation Boards and the participation of hundreds of committed consumers, family members, citizens, advocates, service providers and community leaders across Kentucky who are participating on the Regional Planning Councils.

On behalf of all Commission members and the citizens of the Commonwealth, we ask for your continued support of this important work. If you have questions or would like additional information about the Commission or any of the activities described in the report, please do not hesitate to contact us.

Sincerely,

Secretary Mark Birdwhistell
Co-Chair

Representative Mary Lou Marzian
Co-Chair

**HB 843 COMMISSION ON SERVICES AND SUPPORTS FOR INDIVIDUALS
WITH MENTAL ILLNESS, ALCOHOL AND OTHER DRUG ABUSE DISORDERS
AND DUAL DIAGNOSES
SUMMARY OF COMMISSION DUTIES**

The KY Commission on Services and Supports for Individuals with Mental Illness, Alcohol and other Drug Abuse Disorders and Dual Diagnoses shall **assess**:

- The needs of individuals with Mental Illness, Substance Abuse and dual diagnoses statewide;
- The existing delivery system, gaps in services and adequacy of the safety net system;
- The coordination and collaboration between public and private entities, including the Council on Postsecondary Education on workforce issues, and roles of the DMHMRS and the regional community mental health centers, state hospitals, and other providers;

The commission shall **identify**:

- Funding needs, including Medicaid, limitations under government programs and private insurance, and adequacy of indigent care;

The commission shall **recommend**:

- Programs for providing MH/SA services and preventive education to children and youth;
- Ways to decrease repeated arrests, incarceration, and multiple hospitalizations of individuals with MI, SA and dual diagnoses;
- Quality assurance and consumer satisfaction monitoring programs that include persons with MI, SA and dual diagnoses, family members, providers, and advocates.

The comprehensive state plan developed by the commission shall:

- Provide a template for decision-making regarding program development, funding, and use of state resources for delivery of the most effective continuum of services in integrated statewide settings appropriate to the needs of the individual with mental illness, alcohol and other drug abuse disorders, and dual diagnoses.
- Include strategies for increasing public awareness and reducing stigma.
- Advise the Governor and the General Assembly concerning the needs and whether the recommendations should be by administrative regulations or by legislation.

Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnosis (HB843)

Cabinet for Health Services Secretary	Mark D. Birdwhistell Co-Chair 275 E. Main Street, 5W-C Frankfort, KY 40621	Representative	Mary Lou Marzian, Co-Chair 2007 Tyler Lane Louisville, KY 40205
Justice Cabinet Secretary Teresa Barton (Designee)	Norman E. Arflack 403 Wapping St. Frankfort, KY 40601	Department of Corrections Commissioner Kevin Pangburn (Designee)	John Rees 275 East Main Street, G 41 Frankfort, KY 40602
Department for Medicaid Services - Commissioner Carrie Banahan (Designee)	Glenn Jennings 275 East Main Street, 6 th Floor Frankfort, KY 40621	Department for Mental Health/Mental Retardation Services – Commissioner	John Burt, Ed.D 100 Fair Oaks Lane, 4W-C Frankfort, KY 40621
Department of Juvenile Justice –Commissioner Rodney Young (Designee) Bill Heffron (Designee)	Bridget Brown 1025 Capital Center Drive, 3 rd Floor Frankfort, KY 40601	Department of Education Commissioner Nigel Clayton (Designee)	Kevin Noland Acting Commissioner (11/1) Capital Plaza Tower 500 Mero Street, 3 rd Floor Frankfort, KY 40621
Department for Community Based Svcs-Commissioner Mark Washington (Designee)	Tom Emberton, Jr. 275 E. Main St., 3W-A Frankfort, KY 40621	Office of Public Health Commissioner Germaine O'Connell (Designee)	William Hacker, M.D. 275 East Main Street, HS1GWA Frankfort, KY 40621
Department of Vocational Rehabilitation - Executive Director Robin Ritter (Designee)	Ralph Clark 209 St. Clair Street, 2 nd Floor Frankfort, KY 40601	Office of Family Resource and Youth Services Center - Director	Jane Seltsam 275 East Main Street, 3C-G Frankfort, KY 40621
Division of Protection and Advocacy - Director	Maureen Fitzgerald 100 Fair Oaks Lane, 3 rd Floor Frankfort, KY 40621	Office of Aging Services Executive Director Sandra Brock (Designee)	Bill Cooper 275 East Main Street, 5C-D Frankfort, KY 40621
Office of Transportation Delivery Executive Director Kalem Juett (Designee)	Vickie Bourne 200 Mero Street Frankfort, KY 40622	Kentucky Housing Corporation Chief Executive Officer Davey King (Designee)	Ben Cook 1231 Louisville Road Frankfort, KY 40601
Kentucky Office of Drug Control Policy Executive Director Karyn Hascal (Designee)	Teresa Barton 403 Wapping Street Frankfort, KY 40601	Representative	Bob Damron 231 Fairway West Nicholasville, KY 40356
Administrative Office of the Courts - Director Connie Payne (Designee)	Melinda Wheeler 100 Millcreek Park Frankfort, KY 40601	Senator	Dan Kelly 324 West Main Street Springfield, KY 40069
Senator	Charlie Borders 700 Capitol Avenue Room 257, Capital Annex Frankfort, KY 40601	Senator	Johnny Ray Turner P.O. Box 5 Drift, KY 41619
Representative	Charles Siler 3570 Tackett Creek Road Williamsburg, KY 40769	Criminal Justice Council Executive Director	Ken Schwendeman 125 Holmes St. Frankfort, KY 40601
Regional Planning Council Chair Ralph Lipps (Alternate) 784 Court Rd. London, KY 40741	David Bolt 520 Elizaville Rd. Flemingsburg, KY 41041	Family Member of Adult Charlotte Stogsdill (Alternate) 454 Herrin Lane Somerset, KY 42501	Kelly Gunning 3407 Winthrop Dr. Lexington, KY 40503
Consumer Sheina Murphy (Alternate) 2128 Center St. Paducah, KY 42001	Jennifer Stern 2600 Landor Dr. Louisville, KY 40205		

Executive Summary

HB 843 Commission 2006 Annual Report

The Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnosis (“HB 843 Commission”) continued to focus on bringing about improvements in the systems of care in the Commonwealth of Kentucky. Many concerned citizens throughout the state contributed to the work of the Commission during the course of the year through a variety of activities, including statewide meetings and workgroups, regional planning councils and local workgroups.

The following highlights occurred during the year:

- The state legislature approved a special appropriation of about \$6 million to provide funding to the Regional MH/MR Boards to improve services provided by Crisis Stabilization Units; included was funding for a second Crisis Stabilization Unit in the Louisville area.
- The Cabinet for Health and Family Services carved funds out from budget increases to Western State Hospital to provide for the development of innovative approaches to diversion of individuals into alternative approaches to addressing people in crisis. This program, called the “Diverts” program, is intended to decrease admissions to Western State Hospital, where admissions have been increasing.
- Kentucky received a failing grade from the National Alliance for the Mentally Ill Report Card. The state was ranked 42nd, which coincides exactly with Kentucky’s ranking of 42 in per capita spending on mental health – lack of funding was identified as the primary reason for Kentucky’s failing grade.
- The Commonwealth obtained a grant from the National Association of State Mental Health Program Directors to carry out a Systems Mapping process utilizing the Commission to focus attention on development of strategies to reduce the unnecessary use of hospital emergency rooms for people with mental health crises. This process will be completed during the following year, and is intended to produce a blueprint for cross-systems changes.

The continued goal of the HB 843 Commission is to create an integrated mental health and substance abuse service delivery system that meets the needs of Kentuckians in every region of the state. The on-going work of the Regional Planning Councils and the commitment of its citizen members is critical to maintaining the “bottom-up” planning and implementation process which was the intent of the original HB 843 legislation. There is much work to be done regionally as well as statewide to increase the availability and quality of services and supports for individuals with mental illness, alcohol and other drug abuse disorders and dual diagnosis as illustrated in the National Alliance for the Mentally Ill (NAMI) Report Card.

**HB 843 COMMISSION ON SERVICES AND SUPPORTS FOR INDIVIDUALS
WITH MENTAL ILLNESS, ALCOHOL AND OTHER DRUG ABUSE DISORDERS
AND DUAL DIAGNOSES
Annual Update
October 1, 2006**

The primary vehicle of the Commission’s work is its Plan, “Template for Change,” which is reviewed and updated annually using the reports of the Commission’s Regional Planning Councils and Workgroups. The annual update is sent to the Governor and Members of the General Assembly on October 1st.

Meeting Date & Agenda Topics	Actions
<p>January 9 & 10, 2006</p> <p>Major Topic: Regional Planning Council Presentations</p>	<p>The initial concept of the HB 843 Commission was intended to focus much-needed and long overdue attention to the critical and largely unmet needs of individuals with mental illness, substance abuse and dual diagnosis. It was conceived as a bottom up process which led to the development of the 14 Regional Planning Councils.</p> <p>Brief updates and presentations were made by representatives from each of the 14 Regional Planning Councils. These presentations highlighted what was reported by each Regional Planning Council in the 2005 Template for Change Progress Report (see attached summary).</p> <p>Listed below are a few of the common issues that were heard throughout the regional presentations:</p> <ul style="list-style-type: none"> • Lack of Flexible Funding; • No cost of living increases in funding make it difficult to retain qualified staff; • Need improved transportation options which would improve access to services; • More community based services needed; • Population being served has increased due to lack of health insurance coverage; • Substance abuse is on the rise in many communities. <p>Priority is on reaffirming the commitment of the HB 843 Statewide Commission to move Kentucky from its current national ranking of 44th in General Fund per capita spending on Mental Health & Substance Abuse services to the upper half of states ranking 25th nationally. In order to accomplish this progress and to assure the viability of our community-based mental health system, in June of 2001, the Commission called for an increase in funding of \$25M annually over each of the next ten years for Mental Health & Substance Abuse services through the Department for Mental Health & Mental Retardation. Priority should be on adequate funding for each region to restore the fraying “safety net” assuring the capacity to maintain and deliver essential core services to meet the needs of individuals with mental illness, substance abuse disorders and dual diagnoses. At a minimum, continuation funding should</p>

	<p>include an adjustment to cover inflation and other mandated costs such as a 4% increase in the Kentucky Employment Retirement Systems (KERS).</p> <p>The goal is for Kentucky to again be a national leader in a modernized, recovery-oriented, community-based system of care for person with mental illness, substance abuse disorders and dual diagnoses which is based on best practices, accountability, regional planning, coordination of services and appropriate levels of funding regularly adjusted to meet rising costs and increasing demand for services.</p>
<p>May 25, 2006</p> <p>Major Topic: Medicaid Modernization Update</p> <ul style="list-style-type: none"> • NAMI Report Card • Funding/Budget Update • Review 2006 General Assembly Legislation • Medicaid Modernization Update 	<p>Jim Dailey, Executive Director NAMI-KY, gave an update on the national report that NAMI compiled which rated states and how effectively they deal with mental illness. Kentucky was one of eight states that received an “F” as an overall grade. A key component of why Kentucky received an “F” was due to funding. Ky is currently rated 42nd in per capita spending for serious mental illness. As a result of the report, Commissioner John Burt has agreed to meet with NAMI-KY representatives on a bi-monthly basis to discuss programs that could be improved and/or created to move Kentucky forward.</p> <p>Rob Edwards, CHFS Legislative Liaison gave a brief overview of funding and budget issues. The total appropriation for the Cabinet is \$185M the first year and \$483M in total funds. The Crisis Stabilization Units received an appropriation of \$3M in 2007 and a little over \$3M in 2008. This money was specifically for the Community Mental Health Center to increase the availability of crisis stabilization services across the state.</p> <p>Four bills were passed during the legislative session and signed by the Governor that were related to mental health and substance abuse services:</p> <p>SB 65 – Permits ARNP’s to prescribe controlled substances.</p> <p>HB 67 – Requires state medical examiner to report to the Justice Cabinet deaths with the presence of illegal drugs or poison in the body, number of deaths caused by illegal drugs and deaths caused by prescription drugs when history indicates.</p> <p>HB 181 – Requires health insurance plans to have exceptions policy for advance drug refills, and to inform pharmacists and consumers.</p> <p>HB 572 – Require insurers to give credit on workers compensation premiums for certified drug-free workplace policies implemented by licensees.</p> <p>Debbie Anderson, Office of Health Policy, updated the Commission on the changes occurring in the Medicaid Program. The President’s Deficit Reduction Act (DRA) eliminated the need for Medicaid to pursue an 1115 Waiver. Most of the changes being pursued with a waiver were addressed in the DRA. Ky Health Choices is the new plan for restructuring the current Medicaid system. Medicaid is continuing to pursue a few waivers to better serve specific</p>

<ul style="list-style-type: none"> • National Association of State Mental Health Program Directors (NASMHPD) Site Visit/Retreat • Nomination Process for new Commission members; Consumer, Family Member, Regional Planning Council Chair 	<p>populations. In addition, the Community Mental Health Centers are moving toward a capitated system in order to build a more integrated system of care with regional flexibility. The CMHCs receive approximately \$120M in Medicaid funding and \$119M in general funds, some of which are federal grant funds.</p> <p>NASMHPD will send a representative to facilitate a one-day retreat in September and December to assess the Psychiatric Emergency Response System in Kentucky.</p> <p>Consumer and family advocacy organizations operating in the state will submit a list of up to three names for the new member nominations so appointments can be made by July 1, 2006. KARP will submit up to three names on behalf of the Regional Planning Council's for the RPC Chair member whose term also expires July 1, 2006.</p>
<p>July 12, 2006</p> <p>Major Topic: A Systems Response to Persons in Psychiatric Crisis – Strategic Planning & Systems Mapping Overview</p> <ul style="list-style-type: none"> • History & Introduction 	<p>Presentations were heard by representatives from the following entities regarding the difficulties they encounter when someone experiences a psychiatric crisis:</p> <ul style="list-style-type: none"> • Ky. Hospital Association • Marshall Emergency Services • Western State Hospital • Community Mental Health Center • Consumer <p>The upcoming September 13th retreat facilitated by NASMHPD will be an opportunity for HB 843 Commission members to work collaboratively to address these issues and speak to the revolving door between the hospital and the community for person with mental illness, substance abuse and co-occurring disorders.</p> <p>The NASMHPD facilitator will return December 13, 2006 with a tool developed using input from the September 13th retreat to address solutions to this crisis.</p>
<p>September 13, 2006</p> <p>Major Topic: A Systems Response to Persons in Psychiatric Crisis – Strategic Planning & Systems Mapping Retreat</p>	<p>The focus of the retreat was to develop a tool that can be utilized at the local level which identifies and resolves issues when treating individuals experiencing a psychiatric crisis. Commission members representing various Cabinets participated in the retreat in addition to community representatives who are involved in responding to these individuals experiencing a crisis. Law enforcement, local hospitals, mental health providers as well as judicial representatives were in attendance to provide input and insight into the process. The systems mapping tool is used to enhance efficiency and responses among all systems touched by these crisis.</p> <p>(The NASMHPD facilitator will return in December to do a follow-up retreat presenting solutions developed using the input gathered from the representatives who participated in the September 13th retreat. These solutions and recommendations will assist in better serving this population and help build collaboration among all entities involved.)</p>

- HB 843 Commission Appointments

In accordance with KRS 210.506 the Cabinet for Health and Family Services Secretary made the following appointments to the Commission to represent the Consumer, Family Member and Regional Planning Council and their alternates to serve on the HB 843 Commission for a two year term:

Consumer – Jennifer Stern, Louisville, KY
Alternate - Sheina Murphy, Paducah, KY

Family Member – Kelly Gunning, Lexington, KY
Alternate – Charlotte Stogsdill, Somerset, KY

Regional Planning Council Chairperson – David Bolt, Flemingsburg
Alternate – Ralph Lipps, London, KY

HB 843 REGIONAL PLANNING COUNCILS'
PRIORITY RECOMMENDATIONS
Presented to HB 843 Statewide Commission 2006

Priority on reaffirming the commitment of the HB 843 Statewide Commission to move Kentucky from its current national ranking of 44th in General Fund per capita spending on Mental Health & Substance Abuse (MH/SA) services to the upper half of states – a ranking of 25th nationally. In order to accomplish this progress and to assure the viability of our community-based mental health system, the Commission in June of 2001 called for increased funding (new GF dollars) of \$25M annually over the next ten years for MH/SA services through the Department of MH/MR Services.

Priority on adequate funding for each region to restore the fraying "safety net" assuring the capacity to maintain and deliver essential core services to meet the needs of individuals with mental illness, substance abuse disorders and dual diagnoses. At a minimum, continuation funding should include an adjustment to cover inflation and other mandated costs such as KERS increases.

- Inflation @ 2.91% = \$10.18 Million for the 14 Regional MH/MR Boards
- Employees' retirement (KERS) expense: If mandated increase of 4% in contribution = additional \$8.96 Million; 6.5% = \$14.56 Million; 17.8% (requested by KERS) = \$26 Million

Priority on funding streams having maximum flexibility, rather than categorical constraints, in order to be most effectively utilized, fully responding to the needs identified at the regional level and assuring a seamless continuum of care.

- Assure the adequacy of the Emergency Services programs in each region.
- Reduce repeated institutionalizations by increasing community-based services, crisis stabilization, proactive case management and wrap-around services.
- Initial Crisis Stabilization Units (CSUs) were funded in 1996/98 @ \$275,000; additional units to complete array of 28 (1 for children and 1 for adults in each of the 14 regions) were funded in 2002 @ \$330,000. To bring all 28 CSUs to an operational funding level of \$400,000 each = \$2.2 Million
- Adding additional CSUs in the three largest population areas (2 in Seven Counties Region; 2 in Bluegrass Region; 1 in NorthKey Region) @ \$400,000 = \$2 Million
- Assure the availability in all regions of trained professionals to address mental illness, substance abuse disorders and dual diagnoses.
- Establish an array of suitable housing options and housing supports for consumers with mental illness, substance abuse and dual diagnoses.
- Improve access to MH/SA treatment by increasing available transportation for all persons in need of services.
- Increase the availability of medical and non-medical detoxification services (including social model detox) for consumers with substance abuse disorders.
- Assure availability and appropriate use of all effective medications.
- Develop an accessible continuum of care for children and youth with substance abuse diagnoses, including transitional planning and services for those "aging out".
- Strengthen the collaboration with the criminal justice system in more appropriately and effectively meeting the needs of individuals with MH/SA diagnoses.

The goal is for Kentucky to again be a national leader in a modernized, recovery-oriented, community-based system of care for persons with mental illness, substance abuse disorders and dual diagnoses which is based on best practices, accountability, regional planning, coordination of services and appropriate levels of funding regularly adjusted to meet rising costs and increasing demand for services.