COMMISSION ON ENHANCING AGENCY OUTCOMES
SUMMARY SHEET

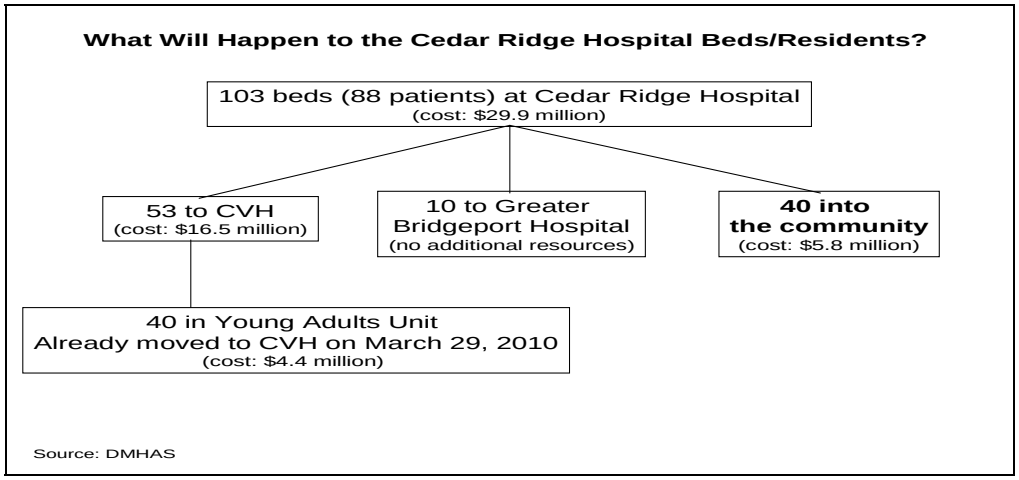
Update on Proposal to Close Cedar Ridge Hospital (Part of Proposal #1)

Background: Cedar Ridge Hospital, the psychiatric division of Cedarcrest Hospital,[1] is a 103 bed inpatient facility located in Newington and operated by the Connecticut Department of Mental Health and Addiction Services (DMHAS).[2] The hospital serves persons with severe and persistent psychiatric and/or substance abuse disorders, who have experienced prior hospitalizations and/or support and treatment in the community for an extended period of time.

The majority of clients are admitted from general hospital psychiatric units or emergency departments. In addition to 72 general psychiatry beds and 15 Young Adult Program beds,[3] there are also 16 residential step-down, transitional beds.[4] During SFYs 2007 through 2009, the average daily census for the general psychiatric beds was 87, and the average length of stay 300 days (10 months). (The average length of stay for the 16 individuals in residential step-down beds was 338 days (11 months)).

The annual cost to operate Cedar Ridge Hospital is $29.9 million ($290,291 per patient), 87 percent of which is for salaries ($25.9 million). Other costs include medication ($1.4 million), contracted professional medical services ($600,000), and food, heat, clothing, etc. ($2 million).

Closure Cedar Ridge Hospital: On December 14, 2009, DMHAS filed a certificate of need application with the Office of Health Care Access (OHCA) to terminate acute care psychiatric and residential step-down services at Cedar Ridge Hospital. Following a public hearing in January, OHCA issued an agreed settlement regarding the closure of Cedar Ridge by June 30, 2010, requiring DMHAS to establish sufficient resources to accommodate individuals being discharged from psychiatric hospitals into the community. There are currently no patients at Cedar Ridge.



[1] There is also a substance abuse division, Blue Hills, which is located in Hartford, and provides detoxification and rehabilitation services.

[2] DMHAS also operates four other inpatient facilities: Connecticut Valley Hospital (Middletown); Greater Bridgeport Mental Health Center; Connecticut Mental Health Center (New Haven); and Capitol Region Mental Health Center (Hartford).

[3] Provide age-specific psychiatric treatment services to 18 to 25 year olds previously committed to DCF, with an average of 7-10 out-of-home placements.

[4] Is an unlocked unit that provides community reintegration skills for persons waiting for community placement and/or facing barriers to community re-entry.

What are the Advantages and Drawbacks of the Closure?

Advantages: more resources available at CVH (e.g., physical therapists, speech pathologists, monolingual specialty services) * facility in better physical condition * frees up resources to move more clients from inpatient hospitalization to lower levels of care (i.e., more group homes, enhanced crisis supports, 1-1 supervision, homemakers)

Drawbacks: insufficient community resources for an increasing client population leading to re-institutionalization in prisons and nursing homes * concern about feasibility of new community services being implemented and available prior to the proposed termination date of June 30, 2010 * some think DMHAS lacks a system to monitor, measure need, and systematically plan for increased community-based services

What are the Actual Savings Generated?

- **$2 million** in non salary expenses
- *Potential additional reduction in expenses* for:
    - **Medication costs (-$30,800)** by prescribing generics/increasing individuals to entitlements where possible (see table below)
    - **Non-Salary Costs** (Professional Services and Medication) pro-rated at 53 percent vs. 61 percent **(-$280,000)**
- **No personnel savings** as SEBAC agreement requires transfer of 263 existing Cedar Ridge staff ($25.9 million) into other positions (no layoffs)
    - Personnel expenses are 87 percent of cost to operate Cedar Ridge
- Settlement Agreement with OHCA requires DMHAS to **develop more community resources** for de-institutionalized individuals (**$5.8 million** set aside for this purpose)

Expenses Pre- and Post-Cedar Ridge Closure		
Expense:	**Cost (in millions)**	
	Pre-Cedar Ridge Closure	**Post-Cedar Ridge Closure**
Personnel[1]	$25.9	$25.9
Non Salary Expenses		
Professional Services	$0.6	$0.4
Medications	$1.4	$0.9
Other	$2.0	$0.7
Additional Community Resources		$5.8
Maintenance of vacant campus		$0.35
Total	**$29.9**	**$34.05**
[1] Expense for all 263 personnel remains as SEBAC agreement does not permit layoffs through FY 11. Source: DMHAS Cedar Ridge Closure Expenditure Flow Chart		

Summary: There are **savings of approximately $2 million** in non salary expenses. None of the personnel expenses, however, which account for 87 percent of the cost to operate Cedar Ridge, may be eliminated due to the "no layoff" SEBAC agreement. There are 109 former Cedar Ridge staff who will be filling DMHAS vacancies in areas unrelated to the 103 beds at Cedar Ridge (and not counted as part of the 83 approved refills from the 2009 retirement incentive program). Further, while community care is estimated to be half as expensive as inpatient hospitalization ($397 per day vs. $795 per day), *the 40 new community slots will* **result in an overall additional expense to DMHAS of $4.15 million after Cedar Ridge is closed**.