



Addendum: A

Comprehensive Plan

for State-Funded

Inpatient Mental

Health Services

**In Response to S.B. 1, 85th Legislature,
Regular Session, 2017 (Article II, Health
and Human Services Commission, Rider
147)**

Health and Human Services

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Executive Summary

As a result of the 2018-19 General Appropriations Act, [S.B. 1, 85th Legislature, Regular Session, 2017 \(Article II, Health and Human Services Commission, Rider 147\)](#), the Texas Health and Human Services Commission (HHSC) is in the middle of various projects to expand, renovate, and transform the state hospital system. This work includes a combination of construction/renovation projects to address state hospital infrastructure needs and improvements to the continuum of care.¹

Ongoing construction/renovation work includes:

- Construction of new hospitals on the campuses of Austin and San Antonio state hospitals to replace existing structures.
- Construction of the new UTHealth Behavioral Sciences Center in Houston, adjacent to the current Harris County Psychiatric Center.
- Renovation of existing buildings at Kerrville and San Antonio state hospitals to add capacity.
- Construction of new units at Rusk State Hospital to partially replace current capacity and increase maximum security capacity.

At the direction of the Legislature, HHSC proposed these and other projects to replace and expand state-funded inpatient psychiatric capacity over three biennia in [A Comprehensive Plan for State-Funded Inpatient Mental Health Services](#) (Comprehensive Plan). The report that follows is the second addendum to the Comprehensive Plan. It details the work performed between the close of the 86th Legislature and January 2021 and includes a summary of remaining recommendations and resources needed to achieve all the goals proposed in the Comprehensive Plan.

¹ The continuum of care refers to the spectrum of integrated and complementary services for individuals with severe mental illness.

1. Introduction

In 2014, CannonDesign, an independent architecture and engineering design firm, found that Texas needed to wholly replace five aging state hospitals and add 1,100 inpatient psychiatric beds over the next 10 years.

In recognition of this need, in 2017, the 85th Legislature directed HHSC to develop a plan to replace hospitals and expand capacity over three biennia. Further, the Legislature appropriated \$300 million to begin this initiative. [S.B. 1, 85th Legislature, Regular Session, 2017 \(Article II, Health and Human Services Commission, Rider 147\)](#) outlined the Legislature's intent to implement a three-phased approach to expand, renovate, and transform the state hospital system.

As directed by the rider, HHSC proposed 12 projects to replace hospitals and add more than 600 beds to the system, at a cost of more than \$2 billion. [A Comprehensive Plan for State-Funded Inpatient Mental Health Services](#) (Comprehensive Plan), submitted to the governor and the Legislature on August 23, 2017, outlines HHSC's strategy to:

- Enhance safety, quality of care, and access to treatment.
- Expand capacity and reduce waiting lists for inpatient psychiatric treatment, particularly in maximum-security units.
- Increase collaboration with potential partners, such as higher education and health-related institutions.

Following submission of the Comprehensive Plan, HHSC received approval to begin six projects, at Austin, Kerrville, Rusk, and San Antonio state hospitals, and in Houston.

The information contained in the following report serves as an addendum to the Comprehensive Plan, providing an update on these approved projects.

2. Detailed Project Updates

Austin State Hospital

Replacement of existing hospital

Total Estimated Cost: \$304.6 million

Funds Appropriated to Date: \$180.5 million

Project Completion: 14.41 percent

Anticipated Opening: June 2023

Partner: Dell Medical School at The University of Texas at Austin

Major Updates

- The maintenance department, temporary kitchen and laundry have been relocated to renovated buildings on campus, and demolition of vacant buildings is now complete.
- The new warehouse building is complete and operational.
- Construction of the warm shell and core of new hospital has started. This will be the final product with current funds.
 - Site grading and utility work is in progress.
 - Building pad excavation and pier drilling for the new building footprint is progressing as scheduled.
- Historical preservation activities include:
 - Extensive archeological excavations throughout site.
 - Archeological surveys progressing, and reports being submitted to Texas Historical Commission (THC).
 - Development of a webpage reviewing the history of the hospital and outlining archeological findings.
- The steering committee and HHSC have determined that any available land and vacant building space could be used to support the larger continuum of care and are working to bring functions such as crisis services, academic research, long-term care facilities, supported housing, etc., to campus once the hospital is open.

Issues of Note

- The 86th Legislature appropriated initial funds for construction; however, completion of the project will require ~\$124.1 million from the 87th Legislature.
- Without remaining funds, the warm shell and core will sit unfinished and vacant on the property, and the cost to finish the project will increase.

Kerrville State Hospital

Renovation of buildings to add maximum security capacity

Cost: \$30.5 million

Project Completion: 17.05 percent

Opens: November 2021

Major Updates

- Abatement and demolition work are complete.
- Site work and utilities work are underway.
- Exterior improvements such as replacing windows, structural steel reinforcement, foundation repairs, and new foundation work are progressing.
- Interior wall framing is almost complete. Mechanical, electrical, and plumbing work is in progress.

Issues of Note

- Initial bids exceeded the project budget. HHSC adjusted the scope and re-bid; however, this caused a delay in the start of construction.
- Construction activities began July 2020.
- Changes in scope include: only two buildings will be renovated instead of the original plans for four (bids for four buildings were ~26 percent over the allowed budget). Patient areas were not impacted. Rather, to adjust, the project no longer includes office space. Building 602 will include office areas and will be renovated as a separate project.
- Move-in was originally scheduled for June 2021; the updated move-in date is November 2021.

Rusk State Hospital

Construction of new patient units

Cost: \$ 188.9 million

Project Completion: 4 percent

Opens: February 2023

Major Updates

- Foundation work is underway for the new 200-bed patient unit.
- Other demolition is complete and site utility construction for patient units is in progress.
- Historical preservation activities include:
 - Extensive archeological excavations throughout the site,
 - Archeological monitoring of construction activity,
 - Investigation of historical artifacts discovered, and
 - Documentation of buildings that were demolished.

Issues of Note

- This biennium, HHSC changed the approach to construction of the patient units. Originally, the 100-bed maximum security unit was scheduled to open earlier, while construction of the non-maximum security unit continued. Final designs made this plan suboptimal.
- HHSC used a portion of unallocated funds to address storm water drainage issues and needed IT infrastructure. HHSC directed an additional \$2.8M toward these efforts, \$2.3M of which went to the storm water drainage project.
- Current plans call for simultaneous patient move-in of both units, which maximizes space and funding.
- In addition to the construction of new patient units, construction of a new administration building is underway due to significant safety concerns with the original structure.
- The administration building project uses funds appropriated outside of those requested through the comprehensive plan for state-funded inpatient mental health facilities.

San Antonio State Hospital

Renovation to expand capacity

Cost: \$11.5 million

Project Completion: 90 percent

Opens: March 2021

Major Updates

- All exterior work is completed.

- Building interior is 95 percent complete.
- Final painting, trim work and flooring installation are in progress.
- Furniture and equipment installation is in progress.
- HHSC has posted for new positions to staff the unit.

Issues of Note

- Unforeseen conditions required additional site utility work; however, cost was absorbed within the budgeted amount.

Replacement of existing hospital

Estimated Cost: \$ 357.2 million

Funds Appropriated to Date: \$204.8 million

Project Completion: 11.78 percent

Anticipated Opening: January 2024

Partner: University of Texas Health Science Center at San Antonio

Major Updates

- Construction of warm shell is in progress. This is the final product with existing funds.
- All drilled piers have been completed.
- Construction continues for on-site utilities, mud slabs, concrete placement for floor decks, grade beams and concrete columns.
- The vertical construction of decks and elevator shafts can be seen now.
- HHSC is working with the THC to ensure compliance with historical preservation requirements.
- The steering committee and HHSC have determined that any available land and vacant building space could be used to support the larger continuum of care and are working to bring functions such as crisis services, academic research, long-term care facilities, supported housing, etc., to campus once the hospital is open.

Issues of Note

- The 86th Legislature partially funded this project, with remaining needs to be considered by the 87th Legislature. Completion of this project requires the remaining ~\$152.4 million.
- Without these funds, the warm shell and core will sit unfinished and vacant on the property, and the cost to finish the project will increase.

UTHealth Behavioral Sciences Center

New hospital construction

Cost: \$ 126.5 million

Construction Completion: 60 percent

Opens: February 2022

Partner: UTHealth Houston

Major Updates

- Exterior shell construction of the building is in progress. All exterior wall material and glazing installation is in progress.
- All major mechanical and electrical equipment has been installed.
- Interior work such as walls, ceilings, mechanical, electrical, and plumbing work in the south and north towers is in progress.
- Elevator installation is in progress.

Issues of Note

- The official name of the new hospital will be *UT Health Behavioral Sciences Center*.
- The north tower showed signs of settling unevenly, differently than designed.
- UT and HHSC engaged a third party to review and recommend a solution. The remediation solution was proposed by the design team and mitigation work for settlement has been completed.
- Change in scope: The fourth-floor core and shell of the south tower was added to the project. Interior work on the south tower fourth floor is on hold until the settlement issue is resolved. This space could add 24 patient beds and therapy space.
- State operational funds will be needed for most beds. UTHealth will use some capacity for third-party reimbursable beds. This revenue will support on-going maintenance and a reduced daily rate for the state.

3. Remaining Projects

As detailed, HHSC proposed a dozen projects and, to date, has received approval to move forward with six of them. Several projects remain viable options to meet CannonDesign's 2014 recommendations to replace state hospital infrastructure and add inpatient psychiatric capacity to the state.

Replace Existing Hospitals

In addition to Austin, Rusk, and San Antonio state hospitals, Terrell State Hospital and North Texas State Hospital – Wichita Falls were recommended for total replacement. Replacing Terrell and Wichita Falls is more cost-effective than attempting to keep them open with costly repairs that require prolonged periods of decreased census to bring the buildings up to the modern standard of care. This means the hospitals will be more conducive not only for modern psychiatric care, but also in reducing the spread of infectious disease, like COVID-19. To move forward with the replacement of these facilities, HHSC needs planning funds to contract with an architecture and engineering design firm. If HHSC is unable to address the needs of these hospitals, the agency risks total failure of the infrastructure.

Expanded Capacity

On July 16, 2018, HHSC submitted a funding request to the Legislative Budget Board and Governor's Office. If approved, the funding would allow HHSC to partner with two additional academic institutions to begin pre-planning for the construction of new psychiatric hospitals in areas of the state that do not have a state hospital and have been identified as potential areas for capacity expansion. The Comprehensive Plan proposed new hospitals in the Dallas-Fort Worth Metroplex and the Panhandle region.

HHSC received proposals from The University of Texas – Southwestern and Texas Tech University Health Science Center, for various partnership arrangements to add state hospital capacity in the Metroplex and Panhandle, respectively.

To move forward with any of these projects, HHSC would need funds for pre-planning and planning. Funds and authority for land acquisition may also be needed.

4. Conclusion

HHSC continues to implement operational and policy initiatives to maximize the use of beds in the system; however, to fully achieve gains, HHSC will need remaining funds to complete projects and operationalize them. Estimated needs include:

- \$276.5 million to complete the construction of the Austin and San Antonio state hospitals.
- \$98.11 million to fund operations of additional beds at the Kerrville and San Antonio state hospitals and the UTHealth Behavioral Sciences Center.

Further, without investments in the pre-planning and planning for the remaining projects contemplated in the Comprehensive Plan, including the replacement of Terrell and Wichita Falls state hospitals and new hospitals in areas such as Dallas/Fort Worth and the Panhandle, HHSC will fall short of meeting the recommended goals established by CannonDesign in 2014.

More information can be found at <https://hhs.texas.gov/about-hhs/process-improvement/improving-services-texans/changes-state-hospital-system>.