



**Report on Transition
Planning for
Contracted Operations
of Austin State Hospital**

**As Required by
S.B. 2111, 86th Legislature,
Regular Session, 2019**

Health and Human Services

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TEXAS
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Table of Contents

1. Introduction	1
2. Background	2
Current State Hospital System	2
Changing Roles of the State Hospital System	2
State Hospital Partnerships with Institutions of Higher Education.....	4
3. Transition Plan	6
Consulting with Public Institutions of Higher Education	6
Policies and Procedures to Maintain Quality of Care.....	6
Obtaining and Maintaining Information	7
4. Recommendations	9
5. Conclusion	10
List of Acronyms	11
Appendix A.....	12
Letter to HHSC from Senator Watson Related to S.B. 2111	12
Appendix B.....	14
Creation of a demonstration project for S.B. 2111	14

1. Introduction

As required by Senate Bill (S.B.) 2111, 86th Legislature, Regular Session, 2019, HHSC is required to establish a transition plan under which HHSC may contract with a local public institution of higher education to provide the operations of Austin State Hospital (ASH). HHSC is required to:

- consult with local public institutions of higher education in developing the plan;
- establish procedures and policies to ensure that a local public institution of higher education that contracts with HHSC to operate Austin State Hospital operates the hospital at a quality level at least equal to that achieved by the commission; and
- establish procedures and policies to monitor the care of ASH patients.

Through the established policies and procedures, HHSC must be able to obtain and maintain information on activities carried out under the contract without violating privacy or confidentiality rules, including maintaining information on:

- patient outcomes;
- individual and average lengths of stay;
- the number of incidents in which patients were restrained or secluded;
- the number of incidents of serious assaults in the hospital setting; and
- the number of occurrences in the hospital setting involving contacts with law enforcement.

S.B. 2111 directed HHSC to submit a report to the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, and the Legislature that contains the plan and any recommendations for legislation or other actions necessary no later than September 1, 2020.

2. Background

Current State Hospital System

As part of the continuum of care for Texans with mental illness, HHSC operates a network of state-funded inpatient psychiatric hospitals, which includes nine state psychiatric hospitals and a youth residential treatment center. Each state hospital serves adults, and four provide child or adolescent services, or both.

Over the last three biennia, enhancing the mental health continuum of care has been a considerable focus for HHSC and the Legislature. The Legislature has appropriated significant resources to develop and implement an array of programs and supports for persons with mental illness. Some of these initiatives focus on alternatives to inpatient treatment, while others focus on community-based services like prevention and early identification.

The commitment made by the Legislature to improve the state hospital system includes a three-phased approach to support the repair and new construction of the state hospital infrastructure and expand inpatient mental health capacity, including the construction of a new hospital on the ASH campus, to replace existing and outdated structures. The 2018-19 General Appropriations Act, S.B. 1, 85th Legislature, Regular Session, 2017 (Article II, HHSC, Rider 147) required HHSC to develop a comprehensive plan to address these goals.¹ One of the primary objectives of the comprehensive plan was to expand or establish partnerships with health-related, state-sponsored institutions of higher education and other healthcare entities to educate and grow the state's mental health workforce and improve state hospital system and inpatient forensic service delivery and access.

Changing Role of the State Hospital System

As additional resources have been allocated to the behavioral health care system, many of the new and expanded resources over the last several biennia have been directed toward providing services in the community, as well as the development of

¹ Health and Human Services Commission, A Comprehensive Plan for State-Funded Inpatient Mental Health Services.

<https://hhs.texas.gov/sites/default/files/documents/about-hhs/process-improvement/plan-state-funded-inpatient-mhs-aug-2017.pdf>

state hospital infrastructure. This has included investing in a network of crisis alternatives and community inpatient psychiatric hospital beds. This approach is aimed at moving shorter-term civil capacity to local community resources, keeping individuals closer to home and their support system, and reducing the burden on law enforcement and families. This approach has also led to changing the role the state hospital system plays in the delivery of inpatient mental health services.

With the diversion of short-term civil and crisis care to local communities, the state hospital system's role has changed to providing more tertiary care for civil patients in need of longer-term or more complex care. This has allowed the state hospital system to better optimize its resources to serve an increasing population of individuals who are forensically committed after being determined incompetent to stand trial² and not guilty by reason of insanity³.

Since fiscal year 2010, the state hospital system forensic population has essentially doubled, increasing from approximately 34 percent in fiscal year 2010 to nearly 67 percent as of the end of the third quarter in fiscal year 2020. The changes in population required the system to change certain services, as well as the stakeholders the hospitals interact with related to inpatient forensic services. The state hospital system has initiated efforts to standardize and streamline the delivery of inpatient forensic treatment; however, the state hospital system must rely on collaboration with district court judges, district attorneys, defense attorneys, sheriff departments and county jails to effectively address timely access to services and psychiatric treatment for justice-involved individuals by partnering with pre-trial diversion programs, post-commitment interventions, and improving access to state hospital system forensic service delivery.

The shift in providing treatment to individuals who are forensically committed to the state hospital also provides a unique learning and training opportunity for clinicians and students.

² Texas Code of Criminal Procedures, Article 46B.

³ Texas Code of Criminal Procedures, Article 46C.

State Hospital Partnerships with Institutions of Higher Education

The past several legislative sessions have also focused on enhancing partnerships between the state hospital system and institutions of higher education. The state hospital system and medical institutions of higher education can work together to leverage their unique strengths and resources to provide an expert workforce and high-quality care, while improving the mental health service delivery system.

Examples of existing higher education and state hospital partnerships include:

- **Unit for state psychiatric patients in an academic hospital.** HHSC contracts with the University of Texas Health Science Center at Tyler to operate a 30-bed long term psychiatric unit for civil state hospital patients.
- **State hospital staffing.** Faculty and residents from the Texas Tech Health Science Center at El Paso provide almost all medical and psychiatric services at El Paso Psychiatric Center. The state hospital system has also contracted with the University of Texas Health Sciences Center at Houston to provide telepsychiatry services at several state hospitals where recruiting for psychiatrists has been challenging.
- **Local inpatient psychiatric facility.** The Harris County Psychiatric Center is an example of a partnership between state and local government and an academic institution that included not only the construction of the facility, but an ongoing commitment by HHSC to support and fund the operations provided by the University of Texas Health Science Center at Houston.
- **Psychiatric Residency Programs.** Several state hospitals support psychiatric residency programs. Rusk and Terrell state hospitals support the psychiatric residency program at the University of Texas Health Science Center at Tyler, and Big Spring State Hospital supports a residency training program for Texas Tech University Health Science Center Permian Basin.
- **State Hospital Academic Unit:** HHSC is currently working with Dell Medical School at the University of Texas at Austin (Dell Medical School) to develop plans for establishing an academic psychiatry unit that supports training of clinicians, designing and testing new models of care, and creating opportunities for clinical trials.

This report builds off these partnership models to allow for another unique opportunity to improve the state hospital system. The following sections describe a transition plan to prepare for a potential transfer of some or all operations of ASH

to a local public institution of higher education and provide recommendations for legislative, policy, or programmatic considerations.

3. Transition Plan

This transition plan contains elements required by S.B. 2111, including certain operational policies and procedures that would need to continue to be implemented and care-related measures that must continue to be measured and monitored, should operations wholly or partially transfer to a local public institution of higher education.

Consulting with Public Institutions of Higher Education

HHSC established a partnership with Dell Medical School to help lead the ASH redesign project. This project focused on the design and construction of the new ASH campus and identifying opportunities to improve access to state hospital services. A significant portion of this work has included Dell Medical School partnering with HHSC to lead discussions with ASH staff, patients, families and stakeholders to understand current operations and how those can be improved through the design of a new hospital. In addition, Dell Medical School has been coordinating stakeholder meetings through the ASH Redesign Steering Committee, many of which have focused on identifying ways to improve the delivery of care and efficient use of state hospital capacity. For this reason, Dell Medical School was an appropriate public institution of higher education for HHSC to consult, as required by S.B. 2111.

While Dell Medical School has indicated it does not intend to pursue a contract to fully operate ASH in the foreseeable future, the following policies and procedures would still need to be in place if an institution of higher education were to provide certain operational supports to the hospital, such as operating a specific academic training unit.

Policies and Procedures to Maintain Quality of Care

All hospitals in the state hospital system, including ASH have continued to maintain Joint Commission Accreditation and certification through the Centers for Medicare and Medicaid Services (CMS). These are the primary entities that ensure the state hospitals are providing quality care and safe environments by meeting standards in areas such as life safety, infection control, patient care, treatment and services.

Any agreement to transfer operations of ASH would require the operator to maintain this accreditation and certification. This is consistent with existing contracts for other entities that operate inpatient psychiatric services on behalf of HHSC, including the University of Texas Health Science Center at Tyler.

The state hospital system has implemented other quality measures and procedures to ensure these requirements are met, and that patients are served in high quality, safe environments.

If HHSC were to transfer full or partial operations of ASH, the following is a non-exhaustive list of requirements to ensure the hospital operates at a quality level equal to that of the hospital today and to monitor the care of the patients at ASH.

- Obtain and maintain Joint Commission accreditation and CMS certification.
- Obtain and maintain other certifications for operations such as laboratory, pharmacy, or food service.
- Participate in Joint Commission mock surveys conducted by the state hospital system to ensure ongoing compliance with accreditation and certification standards.
- Be subject to and cooperate with inspections by HHSC, Office of the Inspector General, the State Auditor's Office and other oversight entities.
- Require a Patient Rights Officer to receive and investigate complaints related to violations of patient rights, including coordination with the HHS Ombudsman for Behavioral Health, as requested.
- Participate in the state hospital system's Quality Systems Oversight program to improve the quality of documentation through qualitative and quantitative reviews, and ensure quality standards are met on topics such as administrative policies, patient rights, nursing documentation, person-centered recovery planning, psychoactive medications and restraint seclusion.

Obtaining and Maintaining Information

HHSC must be able to obtain and maintain information on activities carried out under an operational contract without violating privacy or confidentiality rules, including, but not limited to, maintaining information on:

- patient outcomes;
- individual and average lengths of stay;
- the number of incidents in which patients were restrained or secluded;

- the number of incidents of serious assaults in the hospital setting; and
- the number of occurrences in the hospital setting involving contacts with law enforcement.

HHSC would require that confidential information received through the performance of the contract be maintained in accordance with applicable federal and state laws, and HHSC rules and policies. The contract would include a provision that specifically allows for the receipt and disclosure of identifiable protected health information to carry out the duties of the treatment, payment or healthcare operations as defined by federal law and as required under the contract. Specific requirements would also include how a breach of confidential information would be addressed. The contract, however, would require specific and timely access to patient level information so quality indicators, performance measures, and other patient related treatment and care measures can be monitored routinely.

The HHSC state hospital system is required by Joint Commission to have a Governing Body that approves policies, procedures and data as part of a continuous quality improvement process. A contracted entity would be included as a non-voting member of the governing body structure and required to provide information to assist in quality improvement processes. The Governing Body includes a Quality Management committee, which is responsible for conducting routine reviews of data specific to various patient outcomes, length of stay, and patient restraints and seclusion. This committee is responsible for monitoring performance improvement plans implemented at each hospital to address certain quality of care measures that may require attention.

Additionally, patient and staff safety on campus is a top priority of the state hospital system. A contracted operator would be required to investigate and monitor occurrences of and report to HHSC any incidents regarding law enforcement encounters and serious assaults that occur on campus. It may also be required to conduct root cause analyses, investigations or other reviews to identify opportunities for policy changes, training or retraining of staff, or other actions to prevent future events. Corrective action plans would be required and, depending on the terms of the final contract, those plans may need to be developed with input from the HHSC state hospital system.

4. Recommendations

HHSC has experience contracting with institutions of higher education to provide certain operations or functions in the state hospital system. Current contracts with those entities apply most, if not all, of the same requirements and standards the state hospital system is held to for providing high-quality patient care in a safe environment.

Previous experience contracting with institutions of higher education suggest that a greater level of funding for operations of the hospital may be needed due to the funding structures used by the university systems. Specific costs for varying levels of operations would need to be reviewed in greater detail to determine any additional funding needs.

The opportunity provided by Rider 147 to partner with Dell Medical School for the ASH redesign has resulted in the opportunity to develop a new approach to the state hospital and inpatient forensic service delivery and access. S.B. 2111 contemplated the full transfer of operations, including maintenance and financial oversight, from HHSC to Dell Medical School. However, after exploring various options for improving care in ASH and discussing these options with the bill's author, HHSC, Dell Medical School and Senator Watson determined that a full transfer of operations may not accomplish the intended goal. These determinations, as well as other details of legislative intent, were outlined in a letter from Senator Watson to HHSC dated February 24, 2020. (See Appendix A.) HHSC, in coordination with Dell Medical School, is recommending the establishment of a demonstration project that aligns with S.B. 2111. Appendix B outlines the details of a proposed demonstration project that would optimize the new hospital investment, support the goals from other legislative initiatives and strengthen the delivery of services, including inpatient forensic services, at ASH. The demonstration project would require legislative direction and likely funding to support the administration and implementation of the project.

5. Conclusion

HHSC has experience contracting with institutions of higher education to provide operational support in a variety of ways, and already has established policies and procedures in place for overseeing contracted hospital operations. However, the opportunities that currently exist to optimize the legislature's investment in state hospital infrastructure through enhanced partnerships with institutions of higher education provide HHSC a unique opportunity to work with those institutions to improve access to the state hospital system and its service delivery. These efforts are also consistent with the Statewide Behavioral Health Strategic Plan.

List of Acronyms

Acronym	Full Name
ASH	Austin State Hospital
CMS	Centers for Medicare and Medicaid Services
Dell Medical School	Dell Medical School at the University of Texas at Austin
FY	Fiscal Year
HHSC	Health and Human Services Commission
S.B.	Senate Bill

Appendix A.

Letter of Legislative Intent to HHSC from S.B. 2111 Bill Author



KIRK WATSON
STATE SENATOR • DISTRICT 14

NOMINATIONS - VICE CHAIR
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February 24, 2020

Dr. Courtney N. Phillips
Executive Commissioner, Texas Health and Human Services Commission
4900 North Lamar Blvd.
Austin, Texas 78751

Dear Commissioner Phillips,

Congratulations on your next position. As you and I both transition out of our current roles in Texas government, I wanted to provide your staff and your successor context for SB 2111 and the ongoing discussions between HHSC and Dell Medical School at the University of Texas at Austin to develop the plan required by the legislation.

The 85th Legislature in 2017 built on the momentum of multiple biennia in which the Legislature invested in community based brain health care and treatment. It also continued to demonstrate its very strong legislative desire to leverage academic expertise in this area. The Legislature provided \$300 million for new construction, repairs and planning for state hospitals and called for the engagement of academic partners for state hospital redesign to advance our thinking about how to build, protect and enhance these investments. Accordingly, HHSC contracted with Dell Medical School to lead the Austin State Hospital Brain Health System Redesign (ASH Redesign).

Throughout the subsequent detailed ASH Redesign process, the broad-based, inclusive Steering Committee, HHSC and Dell Medical School were committed to not simply replacing a hospital, but optimizing the building design and the hospital's use within the overall mental health system. There is a commitment to not just a new hospital building that functions and serves better as a hospital, but also a system that works better so that it supports the new hospital building and enhances its better service. Without this, any new facility will suffer the fate of current facilities—they will be backed up with patients who are ready for, need and deserve discharge to the community or, in some cases, back to the judicial system, among other problems.

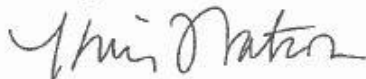
The ASH Redesign report to the Legislature included many recommendations. I introduced SB 2111 to facilitate further vetting of the recommendation calling for "developing a plan to move the management of ASH and ultimately the ASH campus to an academic partner". Fundamentally and at its core, this recommendation was about furthering the partnership between the state and academic medical partners to receive the best outcomes for mental health and in support of the hospital. To that end, the goal of SB 2111 was to ask Dell Medical School to continue to lead changes in the mental health care continuum to create optimal hospital use. This leadership is expected to both occur directly in the hospital, through program design, support and/or management as it makes sense between HHSC and Dell Medical School (for example, creating a complex patient care teaching unit staffed by Dell Medical

School) and indirectly by leading the design and implementation of the care continuum connected to ASH (in its catchment area) to optimize its use and the best care of Texans served. Ideally, this design work would be supported by and integrated to the larger statewide goals of SB 633.

While the report required by SB 2111 is specific to a particular model of implementation, it would not be in the best interest of the state nor consistent with the goals of the Legislature and the ASH System Redesign to produce such a report without regard to the legislative intent that led to the ASH Redesign report, SB 2111, SB 633 and other Legislative action. If Dell Medical School and HHSC believe that a structure other than that specifically envisioned in SB 2111 would best meet the goals of the Legislature and the overall ASH Redesign, I think the Legislature would appreciate, if not expect, that HHSC and Dell Medical School will reflect that advice in the SB 2111 report. I strongly urge HHSC and Dell Medical School to maintain this broader context in drafting recommendations within the report as called for in Sec. 552.153.

Please feel free to contact me with any questions or to discuss this further.

Sincerely,



Kirk Watson

cc: Mike Maples, *Deputy Executive Commissioner for the Health and Specialty Care System, HHSC*
Stephen Strakowski, M.D., *Vice Dean of Research, Associate Vice President for Regional Mental Health, Dell Medical School*

Appendix B.

Creation of a demonstration project for S.B. 2111

The *ASH Brain Health System Redesign Report*⁴ by Dell Med School describes several gaps in the state hospital service delivery model for the ASH service area, including access to appropriate services, coordination across state agencies, access to timely treatment, implementation of evidence-based practices, a behavioral health workforce shortage, and shared and usable data. An academic partner like Dell Medical School could provide expertise in health services, population health analytics and data management to address these gaps and provide a comprehensive assessment of new models for state hospital and inpatient forensic services.

An effective state hospital system requires strong collaboration and coordination among stakeholders and providers of all levels of service. Health systems that provide this type of population health care are integrated to incentivize placing people needing care in the most appropriate services within the system. The investment made to rebuild the hospital infrastructure offers a unique opportunity to address operational gaps at ASH based on S.B. 2111 measures and metrics.

To create the best state hospital system, and to optimize investments being made in Texas' psychiatric hospitals, the state could explore alternative approaches in organizational structure, state hospital service delivery models and operations. To accomplish this goal, HHSC could contract with an institution of higher education to develop an operating model for the rebuilt ASH to further enhance patient outcomes and operational efficiencies by developing metrics that assess outcomes for persons receiving services at ASH, including outcomes associated with treatment and interventions provided to individuals who are forensically committed to the state hospital system.

The goals of the partnership could include:

1. Develop and measure performance metrics and outcomes.

⁴ Dell Medical School at the University of Texas at Austin (2018). *ASH Brain Health System Redesign Report: Reimagining Mental Health*. (accessed August 3, 2020 from: www.ashredesign.org).

2. Develop a service model that improves the baseline patient level outcomes in ASH.
3. Identify gaps in the successful, seamless and timely transition of care to the community or other appropriate setting.
4. Develop incentives for stakeholder collaboration to achieve improved patient level outcomes.
5. Develop a structure for continued and focused input from invested stakeholders to make state hospital and inpatient forensic system improvements based on performance metrics.

Implementation

To successfully implement the proposed demonstration project, legislative direction would be required to provide direction on the entity or entities that would be responsible for the administrative and fiscal oversight of the project and related reporting structures. It is anticipated that there would be costs associated with the administration and implementation of the project by providing dedicated resources to the project to ensure its success. The agency would also need legislative direction for any reporting requirements that the legislature deems necessary.

Building a System of Care

The four-phase approach detailed below seeks to build a system of care in the ASH service area for improving state hospital and inpatient forensic services over a six-year demonstration period. The initial planning phase will involve the creation of a steering committee, followed by three phases of implementation.

Phase I

A steering committee, comprised of critical regional stakeholders committed to improving state hospital and inpatient forensic services, including members of the ASH redesign steering committee, will make funding and policy recommendations, working closely with HHSC, for each of the legislative sessions during the demonstration project. HHSC and an institution of higher education will work together to develop an operating structure, establish steering committee membership, and create subcommittees as necessary to carry out the goals of the hospital system of care.

The steering committee will have an operational budget to support its functions that will be funded through HHSC by contract with an institution of higher education.

Phase II

The second phase of the demonstration will focus on developing a baseline assessment of the hospital's clinical, administrative and financial functions, to identify opportunities for improvements to state hospital and inpatient forensic services. For example, a reviewing state hospital clinical process, procedure and timeline associated with certain types of patient care such as competency restoration. A model will need to be developed for data collection and analysis.

Phase III

Phase III will build on the data and information gathered in Phase II. Recommendations will be made for potential changes to the state hospital and inpatient forensic services models. Identification, definition and tracking mechanisms of performance metrics, and patient outcome measures will be made. Approved changes to the state hospital and inpatient forensic services models will be implemented through a defined change management process. Throughout the implementation of certain changes, an analysis of programmatic gaps and resource needs will be conducted.

Phase IV

Phase IV will focus on evaluating and standardizing the recommended state hospital and inpatient forensic services models. External experts will assist in the independent evaluation of the models and in developing a report with final recommendations for changes to statute; clinical, administrative, or financial policies; or other programmatic changes for state hospital and inpatient forensic services.