NASMHPD RESEARCH INSTITUTE

State Profile Highlight

New Information from the National Association of State Mental Health Program Directors Research Institute, Inc (NRI)

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Closing and Reorganizing State Psychiatric Hospitals: 2000

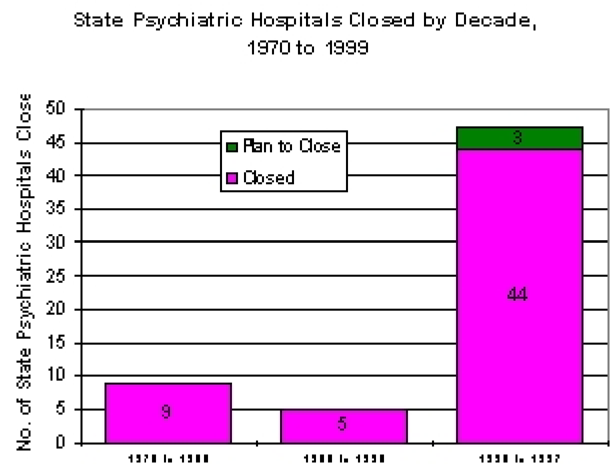
MAJOR FINDINGS

- **More state psychiatric hospitals have been closed in the 1990s than in the 1970s and 1980s combined.**
- **50% of States are currently reorganizing their state hospital systems.**
- **In FY'97, State mental health agency controlled expenditures for community mental health services exceed state psychiatric hospital-inpatient service expenditures by over $2.5 billion.**
- **From FY'93 to FY'97 state psychiatric hospital expenditures decreased by $265 million (4%) and the number of resident patients in state psychiatric hospitals decreased by 18,937 (25%).**

Closings: Due to a steady decrease in the number of state psychiatric hospital beds and the resulting downsizing of facilities, many States have been moving to close state psychiatric hospitals. This recent trend has resulted in more state psychiatric hospitals being closed in the 1990s than in the 1970s and 1980s combined. Using NIMH and CMHS data from the Inventory of Mental Health Organizations (IMHO) from 1970 to 1992 and 1995 SMHA (state mental health agency) Profiles information, the changing size and number of state psychiatric hospitals can be observed. From 1970 to 1990, the total number of State (and county) psychiatric beds decreased nearly 50 percent, from 524,878 to 272,253. However, during this time of major downsizing, relatively few state psychiatric hospitals were closed. In 1970 there were 277 state psychiatric hospitals. By 1990 this number had dropped by 14 to 263 including a number of closures and a few openings.[1] However, from 1990 to 1999, 44 state psychiatric hospitals have been closed and States are planning closures of an additional 3 hospitals. (*See Figure 1*). From 1990 to 1997, the number of residents in state psychiatric hospitals decreased by 37%, with most of this decrease occurring between 1993 and 1997 (25%).[2]

Over the last two years 5 States have closed 7 state psychiatric hospitals (GA, IL, MI (3), NH, and PA). Three (3) States (GA, KS, and NJ) report plans to close three (3) more state psychiatric hospitals over the next two years. Two States (OH, and Texas) both have merged two hospitals into on new hospital over the last two years and additional States are planning to merge two or more state hospitals over the next two years. While state hospital closures increased in the 1990s, the closure of state psychiatric hospitals remains largely a regional phenomenon. As Figure 2 shows, most of the States closing state psychiatric hospitals are located in either the Midwest or Northeast.

Figure 1



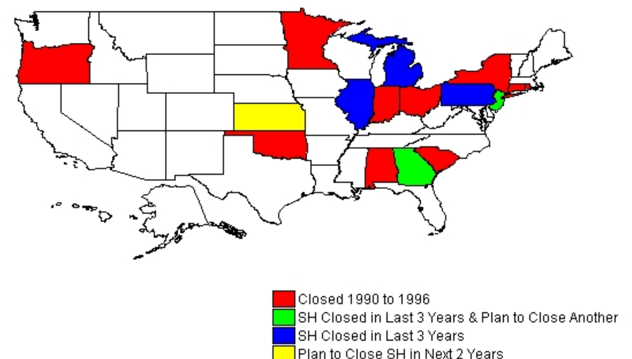
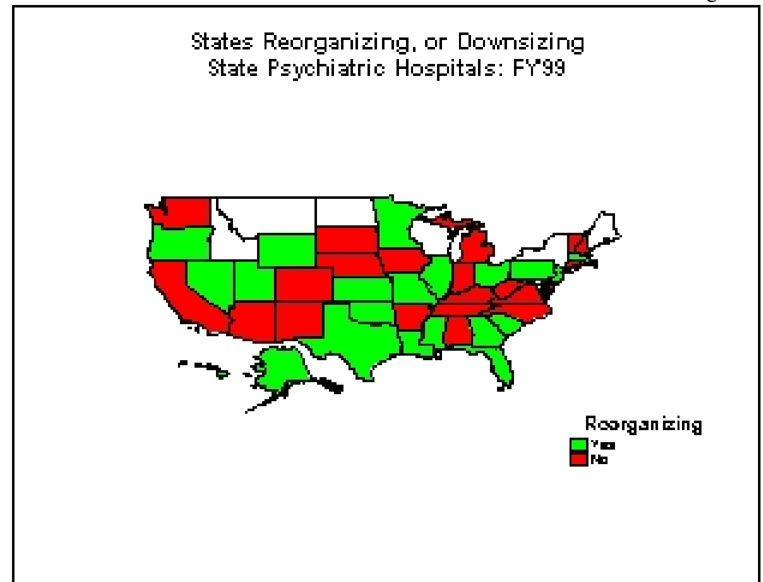


Figure 3

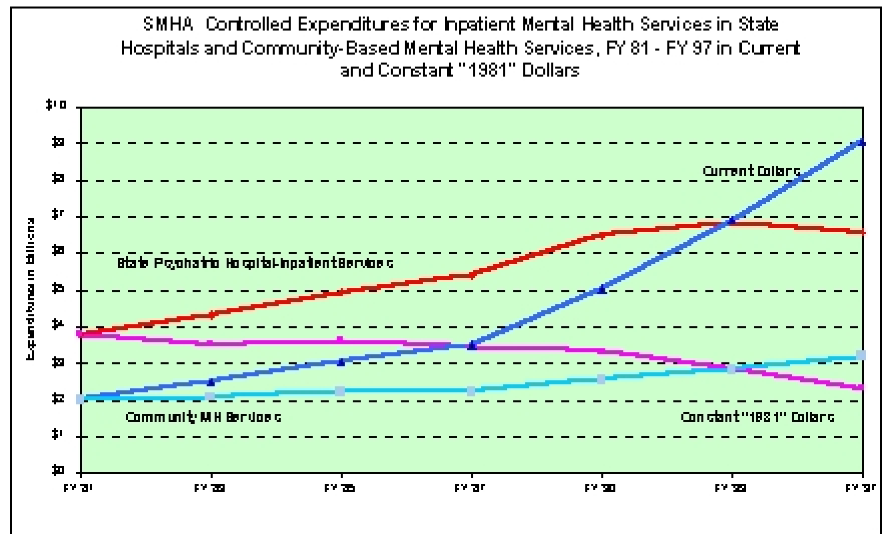


Reorganization: States report that they are continuing to further reorganize and downsize their psychiatric hospital systems. These trends will affect more than 64 state psychiatric hospitals over the next two years and 49 of the hospitals will be downsized or closed. Preliminary 2000 information shows that 50% of the States (22 of 44 reporting) are currently working to reorganize their state psychiatric hospital systems. This is a reduction in reorganization activities since 1996, when 73% of the States reported they were reorganizing their state psychiatric hospital system. The most common activities are downsizing existing hospitals (8 SMHAs), closing wards (7 SMHAs), replacing an old state hospital with a new facility (5 SMHAs), reorganizing or reconfiguring one or more hospitals (5 States), closing state hospitals (3 States), and consolidating state hospitals (3 SMHAs).

Privatization: In addition to efforts to reorganize and downsize state psychiatric hospitals, 10 States are engaged in efforts to "privatize" their systems by contracting out the operation and management of 28 hospitals. Kentucky and Florida have already contracted out of one of their State Psychiatric Hospitals. However, most States have only privatized components of their hospitals. The most common areas for privatization include: "maintenance and support services" (6 SMHAs have contracted), "medical/physician services" (3 SMHAs have contracted and one is planning), and "direct patient care services" (3 SMHAs have contracted and one is planning). In Tennessee, the operation of a state hospital has been contracted to a managed behavioral care organization.

Finance: The increase in the downsizing and closing of state psychiatric hospitals by SMHAs is reflected by the shift of SMHA-controlled fiscal resources from state psychiatric hospitals to the support of community-based mental health services. In FY'97, SMHA-controlled expenditures for community mental health services ($9.1 billion) by far exceeded spending on state psychiatric hospital inpatient services ($6.6 billion). Over the 17 year period between FY'81 and FY'97, state psychiatric hospital expenditures decreased by 42.8% (controlling for inflation) while community mental health spending increased by 58.9%. Over the four year period from FY'93 to FY'97, State psychiatric hospital expenditures decreased 17.5% while community expenditures increased by 31.1%. Overall, SMHA-controlled mental health expenditures were relatively constant throughout this time period (total constant dollar SMHA-controlled expenditures decreased 2.0% from FY'93 to FY'97).

Figure 4



1. This SMHA Profile Highlight is based on information from 44 SMHAs compiled in 2000 that is currently being updated. Counts of State Psychiatric Hospital in 1970, 1980, and 1990 are derived from the CMHS/NIMH Inventory of Mental Health Organizations. Only State Psychiatric Hospitals (county hospitals are not included) are used for these counts of State Psychiatric Hospitals.

2. CMHS: Additions and Resident Patients at End of Year, State and County Mental Hospitals: annual series 1990 to 1997.

The SMHA Profiles System was developed by the NASMHPD Research Institute, Inc., under contract No. 280-96-0003 from the Substance Abuse and Mental Health Services Administration/Center for Mental Health Services (CMHS)/Division of State and Community Systems Development/Survey and Analysis Branch. Cited reproductions, comments and suggestions are encouraged. Please contact Ted Lutterman at ted.lutterman@nasmhpd.org or Robert Shaw at reobert..shaw@nasmhpd.org with any comments or questions.