STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

August 9, 2016

Honorable Robert Bentley, Governor
State of Alabama
State Capitol
Montgomery, Alabama 36130

Dear Governor Bentley:

At the August 5, 2016 meeting of the Statewide Health Coordinating Council (SHCC), the SHCC adopted the attached adjustment to Section 410-2-4-.10(4) of the *2014-2017 Alabama State Health Plan*. This proposed adjustment allows for the addition of eight (8) child and adolescent psychiatric care beds to serve patients 18 years of age and younger in Houston County.

This rule was processed in accordance with the *State Health Plan* and the Alabama Administrative Procedure Act. Rule 410-2-5-.04(4)(d) of the *State Health Plan* provides that a plan adjustment shall be deemed disapproved by the Governor if not acted upon within fifteen (15) days. Upon your approval, the adjustment will be added to Section 410-2-4-.10(4) of the *2014-2017 Alabama State Health Plan*.

You have the approval/disapproval authority for the *Alabama State Health Plan* and all amendments/adjustments thereto. I recommend your approval.

Call me at 242-4103 if you have questions about this proposed adjustment.

Sincerely,

Alva M. Lambert

Alva M. Lambert
Executive Director

Attachment: as stated

APPROVED: Robert Bentley Date 8/16/2016
Gov. Robert Bentley

DISAPPROVED: _____ Date _____
Gov. Robert Bentley

MAILING ADDRESS: P.O. BOX 303025, MONTGOMERY, ALABAMA 36130-3025
PHONE: (334) 242-4103 FAX: (334) 242-4113

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410-2-4-.10 **Psychiatric Care**

(1) Background

(a) Since 1970, the total number of inpatient psychiatric beds per capita in the United States has declined dramatically (62%). Over this same period, state and county psychiatric hospital beds per capita have decreased even more precipitously (89%). It is noteworthy that no national data are available as yet on non-traditional acute care settings such as crisis residential programs for adults or crisis family care or treatment foster care for children. What seems clear from the national data is that there has been a decline in the supply of most types of beds for short-term inpatient psychiatric care with the most severe drops in publicly operated services. It is widely known that the share of health care expenditures allocated to mental health and substance abuse treatment declined from 1987 to 1997. In addition, analysis by the same researchers on a sample of the employer-based private insurance market found a decrease in the mental health and substance abuse spending share that they attribute to a lower probability of admission to inpatient care and shorter lengths of inpatient stay.

While each community experiences differences in mental health resources, there are some common themes that appear to have contributed to the changes in patterns of care. Changes in payment mechanisms (such as prospective payment), the emergence of managed care, and newer utilization guidelines that limit lengths of inpatient stays are some of the factors that account for these changes. Some communities have also been successful at building and maintaining robust outpatient treatment systems and community based acute and longer-term services that may reduce the need for short-term inpatient care and the misuse of emergency rooms. (President's New Freedom Commission on Mental Health Report – 2003)

(b) In looking at psychiatric acute care beds in Alabama, the numbers have also declined significantly. In 1969, the state of Alabama operated a total of 7,699 psychiatric beds, which has since been reduced to 1,232 by the year 2003. While much of the downsizing of beds was related to a court settlement, the actions are reflective of the national trend to decrease acute care beds.

(2) Methodology

(a) In the early 90s, the Alabama Department of Mental Health and Mental Retardation developed a psychiatric bed need methodology based on research of other methodologies used across the country. This methodology was also revisited by the state, along with private providers, in 2003 and found to be still relevant when compared to other states and current practice.

(b) Basically, the methodology adds the number of beds for private psychiatric hospitals (17.3/100,000) population and for non-federal general hospitals (19.8/100,000) population with separate inpatient psychiatric services to determine a total number of 37.1 beds per 100,000 population for private psychiatric inpatient care.

(c) The number of beds per 100,000 population is then multiplied by the population (ages 5 and over) for the state to arrive at a total number of beds needed.

(d) The number of existing beds, as documented by the official inventory of psychiatric beds authorized, is subtracted from the total number of beds calculated in (c) above. This gives a final number as to the net need which is interpreted as either a need for additional beds or an excess of beds in the state.

PSYCHIATRIC BED NEED FOR ALABAMA

Population 2005 (5 years & over)	Total beds needed (37.1/100,000 population)	Existing Beds	Net Need/Excess
4,338,379	1,610	1,232	378

(3) Planning Policies

(a) Planning Policy

Conversion of existing hospital beds to psychiatric beds should be given priority over new construction when the conversion is significantly less costly and the existing structure can be adopted economically to meet licensure and certification requirements.

(b) Planning Policy

In certificate of need decisions concerning psychiatric services, the extent to which an applicant proposes to serve all patients in an area should be considered. The problem of indigent care should be addressed by certificate of need applicants.

(4) Plan Adjustments

The psychiatric bed need, as determined by the methodology, is subject to adjustments by the SHCC. The psychiatric bed need may be adjusted by the SHCC if an applicant can prove that the identified needs of a target population are not being met by the current bed need methodology. On August 5, 2016, the SHCC approved an adjustment adding eight (8) child and adolescent psychiatric care beds in Houston County due to the identified need for inpatient psychiatric care beds to serve patients 18 years of age and younger in this county of the State.

Author: Statewide Health Coordinating Council (SHCC).
Statutory Authority: § 22-21-260(4), Code of Alabama, 1975.
History: Effective November 22, 2004