

**SOUTH CAROLINA MENTAL HEALTH COMMISSION  
MEETING/RETREAT  
Friday, January 23, 2009  
10:00 a.m.**

The South Carolina Mental Health Commission met for a retreat/meeting on Friday, January 23, 2009, at the home of Alison Y. Evans, PsyD, Chair, 44 Pelican Reach, Isle of Palms, SC. In attendance were the following:

Commission Members

Alison Y. Evans, Psy.D, Chair  
Jane Jones  
Everard (Tod) Rutledge, PhD

Joan Moore, Vice Chair  
J. Buxton Terry

DMH Staff

John H. Magill, State Director  
Brenda Hart, Deputy Director-Administrative Services  
Connie Mancari, Recording Secretary

Mr. Magill said the agenda is more formal than he had intended. He'd like to conduct this meeting as a discussion rather than a meeting. He also said that a few of the areas that were discussed are downsizing and other cuts that the Department will have to take in order to meet the major budget reduction.

**The following items were discussed:**

● **Department of Justice (DOJ) Lawsuit** – Mr. Magill said that DMH now has a signed settlement with Justice. The Department was trying to reach a settlement that was the least costly to the agency. The agency issued a 35page item-by-item response to the lawsuit. The settlement removes the Director, the Commission Chair and the Governor from the lawsuit, and does not put a specific burden on the Department except that DMH is expected to operate the nursing home under established guidelines for nursing homes. DOJ wanted to send a team to Columbia on a monthly basis to monitor the running of Tucker Center. They also wanted to put DMH in a five year period where the suit was in abeyance while it was being settled. This five year period was reduced to two years, and DMH will now have a total of 3-4 visits from Justice. Mr. Magill said this has been a very long process that will come to a very satisfactory solution.

Since there was a new commission member present (Dr. Rutledge), Mr. Magill explained that the Department of Mental Health has the responsibility for running three nursing homes. He also said it is very difficult to run a nursing home as large as Tucker. Tucker Center has approx. 500 licensed beds. Dr. Evans said that DMH is statutorily mandated to run nursing homes, although it currently treats about 370 residents.

It was explained that a percentage of the residents at Tucker have a mental illness. Two of the nursing homes – Campbell Nursing Home in Anderson and Victory House – are devoted to the care of the states veterans. One pavilion at Tucker, Stone Pavilion, houses veterans.

● **Sexually Violent Predator (SVP) Program** – Mr. Magill explained to Dr. Rutledge the process of how these individuals arrive at DMH. He said that South Carolina is one of 20 states that have a program for treating sexual predators. The program is housed in the old death row

unit at the Department of Corrections. The population keeps growing in the program and, currently, there are 100 residents in the program. Because of the growth in the program and the fact that Corrections will not give DMH more space, the Department has had to double-bunk the residents. It makes providing treatment difficult and the Department is having a difficult time recruiting staff to work there. Mr. Magill said that the decision was made to move some of the more infirm and medically ill residents to the Crafts-Farrow campus into a separate, but secure area where the forensics clients are now housed. The forensic clients will be relocated to the newly renovated Building One.

Brenda Hart said the Department has written a letter to Senator Fair outlining its concerns about the program. Both Ms. Hart and Mr. Magill have spoken to Senator Lourie and Representative Edge about SVP, and a meeting is trying to be scheduled with Senator Jackson to solicit his support. The Attorney General has toured the new location for the SVP residents and feels this is DMH's only recourse.

Mr. Magill mentioned that Corrections is attempting to get more money for the present space that DMH is currently using. The contract is currently under negotiation.

- **Veterans Issues** – Mr. Magill said that South Carolina submitted an application and was selected to be one of ten states to form a collaborative concerning delivery of services to returning veterans from the Iraq/Afghanistan wars. He explained that this group involves many state agencies, as well as the local and Charleston Veterans Affairs (VA) offices, the Columbia Chamber of Commerce, the Comptroller General, and Rep. James Smith. Meetings have been held monthly to develop a coordinated system of care for the veterans and their families. The VA is prepared to do a Request for Proposal (RFP) for outpatient care with another agency. This could become a revenue-producing item.

- **Medicaid** – Ms. Hart said that the Department of Health & Human Services (HHS) and the Center for Medicaid/Medicare Services (CMS) were forced into doing a rehabilitative waiver. This waiver will take effect on July 1, 2009. The new rates under the waiver have yet to be determined. Since the new rates have not been established, this may not be good for DMH. Bundled services will now have to be de-bundled. More emphasis is being placed on licensed counselors. If a service requires multiple clinicians, we have been told we can only bill for the lowest ranking staff person. It is felt that CMS is placing a burden on the systems delivering the services. South Carolina is not alone in this; other states are also involved.

- **Bull Street** – Mr. Magill said that NAI Avant has created a website exclusively for the Bull Street property. Avant has requested that “for sale” signs be placed on the property. Mr. Magill said that a confidential appraisal has been completed on the property on approx. 163 acres, which does not include Hall Institute. Hall Institute encompasses approximately 16-17 acres. The Commission has said they may need to reconsider their original plan of constructing a new Hall Institute in view of the increased construction costs and the budget.

Mr. Magill explained that many of the buildings on the Bull Street campus may need to be demolished. The Babcock Building, opened in 1858, is on the National Register until 2013. It hasn't been occupied in many years and is in a terrible condition. The entire building is 215,000 sq.ft. It is also a safety issue. Evidence of vandalism has been noticed. Mr. Magill said that he has met again with Physical Plant and Public Safety in order to try to further secure the building. Public Safety will begin making regular patrols around Babcock in order to make it more secure.

● **Budget** – Ms. Hart conducted a very lengthy discussion regarding the state of the agency’s budget as it is currently, and what DMH will have to do when the new fiscal year begins in July. She began by giving the Commission a break down of the Department’s budget and the cuts sustained thus far.

June 30, 2008	\$220,228,567
Base Budget Reduction	( 2,336,201)
1% pay raise	1,464,019
Budget as of July 1, 2008	\$219,356,385
3% cut	( 6,580,692)
7.8% cut	( 17,022,055)
7% cut	( 13,702,755)
	\$182,050,883

Ms. Hart said that the Department will have had approximately \$40 million in cuts since last year. Because of some one time money received in cost settlements in the amount of \$20 million, the agency’s leadership has been able to offset some of these cuts. When DMH begins a new fiscal year on July 1, there will be no one time money available. It was mentioned that when DMH makes cuts to its operations, the impact is felt throughout the system as patients will begin to back up in the emergency rooms.

Ms. Hart said that when the Governor wrote his executive budget, he included the third reduction of \$13.7 million, plus included an additional cut of \$14.8 million. DMH has its presentation to the House Ways and Means sub-committee next week. It is unclear as to what the General Assembly will do with our budget at this time. The BEA will meet again on February 9 and issue a new revenue projection. The agency believes that it will incur a total reduction on July 1, 2009 of \$55 million, which is the \$14.8 million plus the original \$40 million. The Department had to consider the following when it had to come up with the cuts:

- What services does DMH do well?
- What services are the agency’s core services?
- What services allow the agency to break even, or come close to breaking even?

Ms. Hart said that in addition to the cuts to services, beds and staff, a mandatory five day furlough for all employees has been in effect. This agency-wide five day furlough could realize approximately \$2.5 million in savings. Also, travel has been drastically reduced, as well as employees’ use of a personal vehicle. Videoconferencing and teleconferencing are widely used. Budget reduction suggestions have been solicited and have been received from employees throughout our system.

The Commission discussed the budget reductions in detail are expressed their support to Mr. Magill and the agency leadership during this difficult time.

● **Other** – The Commission discussed the topic of restructuring and the fact that the Governor has proposed the creation of a cabinet agency called the Department of Health Services. Included in this new agency are the Divisions of Mental Health, Health & Environmental Control, Alcohol and Drug and Disabilities and Special Needs. Also, other legislation has been introduced by Rep.

Harrison that is the same as last year's legislation that would create a Department of Behavioral Health, and DMH and DAODAS would be divisions under this Department.

Several other topics were briefly discussed. Ms. Hart also mentioned that DMH recently lost its Reimbursement Director. The lady who replaced the Reimbursement Director has made great strides in the area of patient collections.

The retreat concluded at 3:10 p.m.

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Alison Y. Evans, Psy.D., Chair

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Connie Mancari, Recording Secretary