

The Department of State Hospital's (DSH) budget as reflected in the 2021 Budget Act totals \$2.8 billion, an increase of \$686 million and an increase of 171.1 positions from the 2020 Budget Act. The budget includes investments in community-based and jail-based programs to continue DSH's efforts towards meeting the increased demand for services for individuals deemed Incompetent to Stand Trial (IST), improving the departments operations and delivery of services, and state hospital facility repairs and improvements.

SUPPORT COMPARISON

Budget Act 2020 vs. Budget Act 2021

(Dollars in Thousands)

FUNDING SOURCE	2020 BUDGET ACT	2021 BUDGET ACT	DIFFERENCE	% Change
General Fund (0001)	\$1,917,967	\$2,552,291	\$634,324	33%
Lease Revenue Bond (Ref 003)	\$40,618	\$40,631	\$13	0%
State Hospitals	\$40,618	\$40,631	\$13	0%
Support Funds (Ref 011)	\$1,874,927	\$2,439,975	\$565,048	30%
Administration	\$197,606	\$217,227	\$19,621	10%
State Hospitals	\$1,513,419	\$1,669,238	\$155,819	10%
CONREP	\$51,118	\$69,457	\$18,339	36%
Contracted Patient Services	\$89,369	\$448,213	\$358,844	402%
Evaluation & Forensic Services	\$23,415	\$35,840	\$12,425	53%
Support HIPAA (Ref 017)	\$1,322	\$1,377	\$55	4%
Administration	\$1,322	\$1,377	\$55	4%
Support COVID-19 (Ref 021)	\$0	\$69,208	\$69,208	100%
Administration	\$0	\$475	\$475	100%
State Hospitals	\$0	\$68,731	\$68,731	100%
Contracted Patient Services	\$0	\$0	\$0	0%
Evaluation & Forensic Services	\$0	\$2	\$2	100%
Non- Budget Act (Ref 502)	\$1,100	\$1,100	\$0	0%
Medicare- State Hospital	\$1,100	\$1,100	\$0	0%
Lottery Fund (0814)	\$42	\$27	(\$15)	-36%
State Hospitals	\$42	\$27	(\$15)	-36%
Reimbursements (Ref 511)	\$175,582	\$183,684	\$8,102	5%
Administration	\$3,412	\$176	(\$3,236)	-95%
State Hospitals	\$172,170	\$183,508	\$11,338	7%
TOTALS	\$2,093,591	\$2,736,002	\$642,411	30.7%

CAPITAL OUTLAY COMPARISON
Budget Act 2020 vs. Budget Act 2021
(Dollars in Thousands)

FUNDING SOURCE	2020 BUDGET ACT	2021 BUDGET ACT	DIFFERENCE	% Change
General Fund (0001)	\$9,657	\$31,251	\$21,594	224%
Capital Outlay	\$9,657	\$31,251	\$21,594	224%
Public Bldgs Construction (0660)	\$0	\$22,024	\$22,024	100%
Capital Outlay	\$0	\$22,024	\$22,024	100%
TOTALS	\$9,657	\$53,275	\$43,618	452%

TOTAL STATE HOSPITALS
Budget Act 2020 vs. Budget Act 2021
(Dollars in Thousands)

FUNDING SOURCE	2020 BUDGET ACT	2021 BUDGET ACT	DIFFERENCE	% Change
State Operations	\$2,093,813	\$2,736,002	\$642,411	31%
Capital Outlay	\$9,657	\$53,504	\$43,847	454%
TOTALS	\$2,103,470	\$2,789,277	\$686,029	33%

SUPPORT BUDGET

The 2021 Budget Act adds \$632.7 million (\$624.6 million General Fund (GF) and \$8.1 million reimbursement authority) and 171.1 positions in fiscal year (FY) 2021-22 for state operations. This reflects a net increase of \$649 million GF from the 2020 Budget Act. The following provides specific detail of the budget adjustments:

BUDGET CHANGE PROPOSALS AND SPRING FINANCE LETTERS

Budget Change Proposals (\$195,302,000 GF and 32.5 Positions in FY 2021-22)

- *Medical and Pharmaceutical Billing System (\$794,000 and 1.0 position in FY 2021-22)*

DSH received 1.0 position and \$794,000 funding in 2021-22 and 1.0 position and \$774,000 funding ongoing through 2024-25 to enhance system functionality for the Cost Recovery System (CRS). The CRS will capture, bill, and recover eligible patient cost of care reimbursements until DSH has successfully implemented an Electronic Health Record (EHR). CRS is housed within the Department of Developmental Services (DDS) and is the electronic billing system for DDS and DSH that is utilized for tracking, documenting, billing, and recovering funds for patient cost of care. The enhancement of the CRS system will allow DSH to bridge the gap between the current CRS limitations and the implementation



of a full EHR solution, which will include the standard cost recovery functionality, scheduled for implementation in 2025, while allowing for increased revenue collection during this interim period.

- *Skilled Nursing Facility Infection Preventionists (\$350,000 and 2.0 positions in FY 2021-22 and ongoing)*

DSH received 2.0 positions and \$350,000 funding to establish Infection Preventionists at DSH-Metropolitan and DSH-Napa in accordance with requirements set forth in Assembly Bill (AB) 2644 (Wood, Chapter 287, Statute of 2020) and section 1255.9 of the Health and Safety Code.

- *Deferred Maintenance Allocation (\$100 million in FY 2021-22)*

DSH received a one-time allocation of \$100 million in 2021-22 to address critical deferred maintenance, special repairs/replacement, and regulatory compliance projects at DSH's five hospitals.

- *Patient Education (\$352,000 and 3.0 positions in FY 2021-22 and ongoing)*

DSH received 3.0 positions and \$352,000 funding to expand patient education services at DSH-Coalinga. Education and related services are a critical component of inpatient treatment and help patients successfully re-establish life in their community upon hospital discharge.

- *COVID-19 Direct Response Expenditures (\$69.2 million in FY 2021-22)*

DSH received a one-time allocation of \$69.2 million in 2021-22 to continue to respond to the COVID-19 pandemic. COVID-19 has been a rapidly evolving event and DSH has been and continues to actively plan and prepare for COVID-19 across the DSH system, following guidance from the California Department of Public Health (CDPH), the Centers for Disease Control and Prevention (CDC), and other state and local partners. On an ongoing basis, changes are made to the DSH system to be responsive to COVID-19 and overcome challenges that this pandemic presents. Funding provided will be used for personnel expenses, personal protective equipment (PPE), outside medical hospitalizations and testing for patients and staff.

- *Protected Health Information (PHI) Implementation (\$986,000 and 8.0 positions in FY 2021-22)*

DSH received \$986,000 in funding to extend positions originally established in the 2018 Budget Act on a two-year limited term basis beginning in 2021-22 to process invoices and payments from external medical providers containing Protected Health Information (PHI) and 8.0 positions ongoing.

- *Increased Court Appearances and Public Records Act Requests (\$777,000 and 5.5 positions in FY 2021-22)*

DSH received \$777,000 in funding to extend positions originally established in the 2019 Budget Act on a two-year limited term basis beginning in 2021-22 to address an increase in court hearings at which DSH attorneys are required to appear throughout the State related to individuals committed to DSH as an IST and 5.5 positions ongoing. These positions will also address an increase in Public Records Act requests.

- *Statewide Integrated Health Care Provider Network (HCPN) (\$6.3 million and 6.0 3-year limited-term positions in FY 2021-22)*

DSH received 6.0 three-year limited-term positions to develop and implement a contract for a Statewide Integrated Health Care Provider Network. This includes prior authorization and third-party administration services to support continuity of care and to provide stable and timely access to specialty, quality medical services for patients at an affordable cost.



- *COVID-19 Workers' Compensation (SB 1159) (\$16.5 million and 7.0 3-year limited-term positions in FY 2021-22)*

DSH received 7.0 limited-term positions and \$16.5 million in FY 2021-22, \$14.4 million in FY 2022-23, \$14.7 million in FY 2023-24, and \$16.0 million in FY 2024-25 to address the increased volume of workers' compensation claims related to COVID-19. Additionally, these resources will support DSH to meet tighter time constraints required by Chapter 85, Statutes of 2020 (Senate Bill 1159) in processing and evaluating workers' compensation claims and return-to-work activities.

Spring Finance Letters (\$3,632,000 GF and 2.0 Positions in FY 2021-22)

- *Relocation to the Clifford L. Allenby Building – Phase 3 (\$3.3 million and 2.0 positions in FY 2021-22)*

DSH received 2.0 positions (authority only) and \$3.3 million in FY 2021-22 and ongoing to support increased rental costs associated with the relocation of DSH-Sacramento to the Clifford L. Allenby Building. The \$3.3 million supports DSH's portion of the increased rent. The requested staffing will be providing technology support to the California Health and Human Services Agency.

- *Increased Investigation Workload (\$337,000 in FY 2021-22)*

DSH received \$337,000 in FY 2021-22 and \$266,000 ongoing to support the reclassification of 20.0 Hospital Police Officer positions to the Investigator classification. This reclassification supports the need for investigative staff at all five DSH hospitals, given the increase in the patient population, demographics, and gradual increase of DSH employees over the years which has increased the investigative workload.

- *Statewide Ligature Risk Special Repair Funding (No position authority or dollar change)*

Provides budget bill language to extend the encumbrance and expenditure authority for ligature risk special repair funding, originally authorized in the 2020 Budget Act, until June 30, 2024. An extended timeline for expenditure of the authorized funding is required due to challenges in completing the purchase or fabrication of ligature retrofit materials and labor (i.e. low stock of needed items or requirements for custom orders).

ENROLLMENT, CASELOAD AND POPULATION

DSH continues to seek solutions to address the significant demand for treatment. As of July 12, 2021, DSH has a total of 1,804 patients pending placement, of which 1,434 are deemed IST. The enrollment, caseload and population estimates propose new investments in both community-based and jail-based competency restoration treatment for ISTs, along with other adjustments related to serving patients in both the state hospitals and the Conditional Release Program (CONREP).

State Hospital Estimate (\$28.5 million GF, 81.1 positions and \$8.1 million reimbursement authority in FY 2021-22)

- *Lanterman-Petris-Short (LPS) Population Services Adjustment (\$8.1 million Reimbursement Authority in FY 2021-22)*

DSH received reimbursement authority of \$8,102,000 beginning in FY 2021-22 to match the expected amount to be collected from counties for services provided to the LPS population.



In the 2021-22 May Revision, DSH requested to discontinue contracting with counties for the treatment of LPS patients to provide additional state hospital capacity to treat ISTs. DSH proposed collaborating with counties to phase out LPS patients over the course of a three-year period, resulting in a 100 percent reduction of LPS patients by June 30, 2024. As the beds were vacated, DSH would transition the beds to serve IST patients. However, this request was not included in the 2021 Budget Act and DSH will continue to explore options to treat IST and LPS patients above what is included in the 2021 Budget Act.

- *DSH-Metropolitan Increase Secured Bed Capacity (\$17,000 and -1.2 position authority in FY 2021-22)*

The 2020 Budget Act provided funding for DSH to activate the remaining three units of a five-unit secured bed capacity expansion to provide additional bed capacity to treat individuals committed to DSH as IST. Due to COVID-19, DSH is experiencing a two-month delay in the activation of the three remaining units for this purpose. The three remaining units are projected to be activated in September 2021. The Continuing Treatment East Fire Alarm Upgrade installation is projected to be completed in August or September 2021 pending no further delays.

DSH-Metropolitan prioritized using the three inactive units for its COVID-19 response. One unit has been utilized for isolation of patients testing positive for COVID-19 with the other two units being used as Admission Observation Units (AOUs). Additionally, as DSH is finalizing the position phase-in associated with the bed activations, a position authority and funding calculation error was observed. DSH has corrected the position authority and funding calculation error to reflect a permanent reduction of 1.2 position authority and as additional \$17,000 in FY 2021-22 and ongoing.

- *Enhanced Treatment Program (ETP) (-\$1.4 million and -19.8 positions one-time savings in FY 2021-22)*

ETP is an enhanced level of care designed to treat patients who are at the highest risk of violence and who cannot be safely treated in a standard treatment environment. These units will provide improved treatment in a heightened secure setting to patients with a demonstrated and sustained risk of aggressive, violent behavior toward other patients and staff. DSH anticipates additional activation delays in all four units. The continued delays are due to existing site conditions, code issues, unforeseen conditions such as unknown regular and low voltage electrical conduits, materials damage, unexpected ductwork, and uncertainties related to COVID-19. As a result, DSH yields a one-time savings of \$1.4 million and 19.8 positions in FY 2021-22.

- *Vocational Services and Patient Minimum Wage Caseload (No dollar and position change in FY 2021-22)*

Due to COVID-19, DSH patient vocational referrals were lower than previously projected; mostly due to the fact many job sites could not host patient workers because of restrictions on patient movement around the hospital. DSH yielded a one-time savings in FY 2020-21 because of lower participation in the vocational services program due to COVID-19. DSH is projecting the program to resume standard operations as of January 2022.

- *Mission Based Review - Court Evaluations and Reports (\$222,000 in FY 2021-22)*

This staffing standard establishes population-driven methods for calculating staffing needs for the following forensic functions: Evaluations, Court Reports and Testimony, Forensic Case Management and Data Tracking, and Neuropsychological Services (Neuropsychological Assessments and Cognitive Remediation Pilot Program). As of the May Revision, 59.8 positions have been established and 41.0 have been filled. 27.2 positions approved in the 2019 Budget Act are scheduled to be phased in in FY 2021-22. DSH recognized an oversight in the position phase-in process; the positions phased-in during 2021-22 and ongoing were underfunded. DSH requested \$222,000 in FY 2021-22 and ongoing to account for the underfunded phased-in positions.



- *Mission Based Review - Direct Care Nursing (\$434,000 in FY 2021-22)*

This staffing standard examined nurse-to-patient ratios for providing nursing care and the components available to achieve these ratios. This analysis included internal registries, overtime, and position movements among facilities. It also included staffing methodologies for the administration of medication and the afterhours nursing supervisory structure. As of the May Revision, 104.5 positions have been established and 72.3 have been filled. 135.5 positions approved in the 2019 Budget Act are scheduled to be phased-in in FY 2021-22. Additionally, DSH recognized an oversight in the position phase-in process; the positions phased-in during 2021-22 and ongoing were underfunded. DSH requested \$434,000 in FY 2021-22 and ongoing to account for the underfunded phased-in positions.

- *Mission Based Review - Workforce Development (-\$40,000 in FY 2021-22)*

The 2019 Budget Act included resources to support the development and implementation of a Psychiatric Residency Program and expand resources for Nursing Recruitment to meet the mission of providing mental health services to patients and reduce vacancy rates for mental health providers. As of the May Revision, the Psychiatric Residency Program anticipates its first cohort in July 2021. For the Psychiatric Technician Program, DSH-Atascadero and DSH-Napa have expanded their cohorts. DSH-Coalinga is no longer moving forward with the West Hills College contract to expand the Psychiatric Technician Program. As a result, DSH will reclass the Nurse Instructor to an Associate Governmental Program Analyst (AGPA) to work as a Recruitment Outreach Specialist focused on addressing nursing recruitment challenges. Due to ongoing delays in hiring, DSH is reporting a savings of \$40,000 in FY 2021-22 and ongoing.

- *Mission-Based Review - Treatment Team and Primary Care (\$22.8 million and 54.3 positions in 2021-22)*

This staffing standard uses data-informed methodologies for standardizing caseload for DSH's interdisciplinary treatment team and primary care, resulting in an increase in the number of treatment teams and primary care physicians in the state hospitals. This will improve patient outcomes, result in shorter lengths of stay, and reduce patient violence and staff injuries. In the 2021-22 Governor's Budget, DSH requested 10.0 permanent position authority only to permanently backfill behind the positions redirected from the hospitals to create the Clinical Operations Advisory Council (COAC) in the Clinical Operations Division in Sacramento. As of the FY 2021-22 May Revision, DSH requested the funding and position authority for full implementation of the proposal to be phased in over five years in alignment with the methodology previously approved. DSH received \$22.8 million and 54.3 positions in FY 2021-22. Of the \$22.8 million, \$12.2 million is one-time funding related to the implementation of the proposal and shall be expended for Information Technology infrastructure, Facilities, and minor equipment.

- *Mission-Based Review - Protective Services (\$6.5 million and 47.8 positions in 2021-22)*

This staffing standard identifies protective service posts and establishes workload-driven staffing methodologies to allocate adequate resources for essential police functions and reduce overtime usage. In the 2021-22 Governor's Budget, DSH requested 12.0 permanent position authority for off-grounds custody staff. The positions are funded by redirecting dollars currently being used for overtime. As of the 2021-22 May Revision, DSH requested the funding and position authority for full implementation of the proposal to be phased in over two years in alignment with the methodology previously approved. DSH received \$6.5 million and 47.8 positions in FY 2021-22.



- *Telepsychiatry Resources (No dollar and position change in FY 2021-22)*

In the 2019 Budget Act, DSH added clinical oversight and supervision, telepsychiatry coordinators, as well as information technology (IT) equipment and resources to support the Telepsychiatry program. DSH-Atascadero continues to focus on recruitment of on-site providers and has not filled the seven positions originally identified for telepsychiatry services. Due to a continued interest and need in telepsychiatry, these resources will alternatively be utilized by DSH-Coalinga and recruitment and hiring efforts has begun.

Conditional Release Program (CONREP) Estimate (\$17.3 million GF and 2.5 positions in FY 2021-22)

- *CONREP Non-Sexually Violent Predator (SVP): Caseload Update (\$1.2 million in FY 2021-22)*

DSH received \$1.2 million total to address the increased salaries and operating costs for contracted CONREP providers. CONREP county providers are obligated to provide salary increases imposed by the respective union collective bargaining contracts.

- *CONREP Non-SVP: Mobile Forensic Assertive Community Treatment (FACT) Team (\$9.7 million and 2.0 positions in FY 2021-22)*

DSH received \$9.7 million in FY 2021-22 for the CONREP Mobile FACT Team Program. DSH is partnering with CONREP providers to plan an expansion of CONREP services by implementing a mobile treatment team that is based on the FACT model of care. A FACT model of care can be used to place ISTs who may be suitable for outpatient treatment where a community-based restoration program is not available. DSH proposes to contract with a provider to operate 60 beds in Northern California, 60 beds in the Bay Area, and 60 beds in Southern California for a total of 180 new beds. DSH projects to secure a service provider by early fall 2021 to facilitate program activations and patient placements by January 2022. The 2.0 positions will begin implementation activities such as facilitating contract negotiations, identifying immediate housing options, developing admission and discharge protocols, and working with hospital and CONREP teams to identify and assess patients ready for discharge into the community.

- *CONREP SVP: Caseload Update (\$1.8 million in FY 2021-22)*

DSH received \$1.8 million in FY 2021-22 to cover the anticipated costs for an average of 25 SVP clients in CONREP during FY 2021-22. DSH has 18 clients currently admitted to CONREP and another 11 who have an approved court order for release to CONREP but are awaiting placement. In addition, DSH is tracking 14 more SVP clients who have petitioned the courts for release to CONREP and are awaiting approval.

- *CONREP Continuum of Care Expansion (\$4.6 million and 0.5 position in FY 2021-22)*

DSH received \$4.6 million and 0.5 positions in FY 2021-22 to expand the Northern CA Institute for Mental Disease (IMD) contract from a 10-bed program to a 20-bed program and establish a Northern CA Mental Health Rehabilitation Center (MHRC) 5-bed program with the potential for future expansion. Additionally, DSH is expecting program activation for the 78-bed Southern CA IMD to occur by July 2021 following delays in regulatory approvals.

Contracted Patient Services Estimate (\$367.1 million GF and 37.5 positions in FY 2021-22)

- *Jail-Based Competency Treatment (JBCT) Existing Program and Activation Updates (\$6.6 million and 7.0 positions in FY 2021-22)*

DSH continues to partner with various county sheriffs to provide jail-based competency restoration services for individuals deemed IST on felony charges. Significant adjustments in this estimate item includes the conversion of the Mendocino JBCT program from a small county model to a dedicated 6-bed program and the expansion of the Contra Costa JBCT 9-bed program to a 19-bed program. As a result, DSH will increase the bed capacity to 484. DSH received \$6.6 million and 7.0 permanent positions in FY 2021-22 to support the expansion, implementation, and management of both new and existing JBCT programs in FY 2021-22.

- *JBCT New Programs (\$13.1 million in FY 2021-22)*

DSH continues to build out its continuum of care to support IST patients by working with several counties to develop new JBCT programs in their local jails. DSH received \$13.1 million in FY 2021-22 with an anticipated 123 bed capacity increase to support the growing IST patient population and expand to an additional 11 counties.

- *Felony Mental Health Diversion Program (Diversion) Reappropriation and Expansion (\$47.6 million and 3.0 positions in FY 2021-22)*

DSH received \$47.6 million in FY 2021-22. This includes \$1.2 million ongoing funding for support resources, one-time funding of \$29.0 million to expand the existing Diversion program to provide opportunities for new counties to participate, one-time funding of \$17.4 million to expand existing DSH-funded county Diversion programs and reappropriation of the balance of unexpended funds originally allocated to the Diversion program in FY 2018-19 and an additional 12 months for these funds to fully be expended. DSH redirected \$6.6 million of the original funding appropriation to reengage counties to provide additional funding to extend their programs. As of April 2021, 20 counties have activated their felony Diversion programs, and an additional four counties have fully executed contracts with DSH and have activation dates planned.

This proposal has accompanying trailer bill language (TBL) included in the 2021 Budget Act to amend the Welfare and Institutions Code section 4361 (WIC §4361). This TBL allows counties with existing programs to abstain from providing any additional match funding if they expand their program after July 1, 2021. In addition, DSH will require any county expanding their program beyond the initial 30 percent population target to agree to focus diversion efforts on defendants who have been found by a court to be IST.

- *Los Angeles Community-Based Restoration (CBR) Program (\$32.8 million and 5.5 position in FY 2021-22)*

To support the development of a comprehensive continuum of care for felony ISTs, DSH will expand the LA community-based treatment program and establish new programs in additional counties. In conjunction with established Diversion and JBCT programs, this initiative will expand the capacity to treat ISTs in the community by reducing the number of patients pending placement to DSH facilities and support the overall goal of reducing admission times for treatment. DSH plans to establish up to 300 new beds and provide time-limited transitional resources to support the off-ramp of IST defendants to the community who may restore to competency while waiting in jail and anticipates activating all 300 beds by September 2021. DSH will add up to 252 CBR beds in 17 additional counties activated over a three-year period. To support expanding the CBR program, DSH received \$32.8 million and 5.5 positions in FY 2021-22.



- *Statewide Incompetent to Stand Trial Off-Ramp (SISTOR) Program (No position authority or dollar change in FY 2021-22)*

The 2019 Budget Act included \$1 million for an IST Off-Ramp team in Los Angeles County to assess Felony ISTs committed. The 2020 Budget Act included an additional \$1 million in funding to implement four additional Off-Ramp programs. DSH estimates that the final annual cost of the SISTOR contract to be executed will be approximately \$1 million. DSH therefore proposed to redirect the remaining \$1 million of SISTOR funding to support the Re-Evaluation Services for Felony IST proposal in FY 2021-22.

- *Increase Sub-Acute Bed Capacity (\$267.1 million and 22.0 positions in FY 2021-22)*

DSH received \$267.1 million and 22.0 positions in FY 2021-22 to address the significant IST waitlist challenges by contracting with facilities such as IMDs, MHRCs, Skilled Nursing Facilities, or other treatment options. Funding will be made available for potential contracted providers to expand or renovate existing facilities to serve the DSH population who can be safely treated in these settings and support the ongoing operational costs to treat DSH patients. These beds may serve IST, NGI, OMD or LPS patients who can safely be treated in these lower levels of care. The capacity and workforce developed will support the ongoing need for a full community continuum of care that addresses the needs of a forensic behavioral health population. Of the funding received, \$250 million is one-time funding to establish sub-acute capacity to serve one or more DSH commitment types including ISTs and NGI, OMD or LPS patients who can safely be treated in these lower levels of care.

Accompanying TBL is included in the 2021 Budget Act to add Welfare and Institutions Code 4361.5 and 4361.6 to provide DSH with the authority to contract with private or public entities to house and treat individuals committed to DSH.

Evaluation and Forensic Services Estimate (\$12.7 million GF and 15.5 positions in FY 2021-22)

- *Sex Offender Commitment Program (SOCP) and Offender with a Mental Health Disorder (OMD) Pre-Commitment Program: Caseload Update (No position authority or dollar change in FY 2021-22)*

In response to the COVID-19 pandemic, the California Department of Corrections and Rehabilitation (CDCR) reduced its population to reduce the risk of transmission of COVID-19 within its facilities. As a result, CDCR has been pursuing a series of accelerated release efforts and DSH has seen an increase in rush referrals. In coordination with CDCR and the Board of Parole Hearings (BPH), DSH continues to monitor evaluation referrals impacted by the various operational changes implemented in response to the COVID-19 pandemic. DSH anticipates that referrals will steadily increase to pre-pandemic levels.

- *Re-Evaluation Services for Felony ISTs (\$12.7 million and 15.5 positions in FY 2021-22)*

DSH will establish the Re-Evaluation Services for Felony IST program on a four-year limited-term basis beginning in FY 2021-22. This program will allow DSH to re-evaluate individuals deemed IST on a felony charge, who have been waiting in jail for 60 days or more pending transfer to a DSH restoration of competency program. The workload and costs for this proposal fall into three main categories: (1) DSH contracted forensic evaluators and associated travel support when necessary to provide in person services, (2) DSH clinical, administrative, and operational staff to support coordination of service delivery, and (3) Reimbursement of jail IT costs (including laptops and licenses). This provided support will help to facilitate the tele-evaluations and enact a flat reimbursement rate per each IST defendant evaluated available for payment to the County Sheriffs to cover the jail staff time to provide support and escort the patient for the evaluation. Including the redirection of \$1.0 million from the SISTOR program, DSH

received \$12.7 million and 15.5 positions in FY 2021-22 to implement the Re-Evaluation Services program.

Accompanying TBL is included in the 2021 Budget Act to provide DSH the authority to perform IST re-evaluations in county jails in WIC §4335.2 and amend Penal Code (PC) sections 1370, 1370.1 and 1372 for consistency with the new WIC section.

Supplemental Reporting Language (SRL) and Trailer Bill Language (TBL)

- *Department of State Hospitals Cost of Care and Treatment*

TBL is included in the 2021 Budget Act that removes the financial liability of relatives of a DSH patient for care and treatment at a state hospital. The TBL amends WIC §7275, §7276, §7277.1, §7278 and §7282 to remove relative, including spouse, father, mother, or children from financial liability.

DSH will also report via SRL to legislative fiscal committees no later than January 10, 2022 an assessment of existing laws and guidance pertaining to patient financial liability for the care and treatment at a state hospital facility. This assessment will also address the necessity of the aforementioned laws in obtaining Medicare reimbursement, including discussions with Centers for Medicare & Medicaid Services regarding the development of financial assistance policies and their impact on federal reimbursement, recommendations regarding patient relief from financial impact, and financial impact of recommendations.

- *Non-Restorable and Maximum Term IST Defendants Return to County Requirement*

TBL is included in the 2021 Budget Act that authorizes DSH to require that IST defendants for whom DSH has filed a report to the court, pursuant to PC 1370, indicating the individual has no substantial likelihood of regaining mental competence in the foreseeable future or who have reached their maximum commitment term be returned to the county within 10 days and remain in the custody of the county or DSH will charge the county a daily bed rate for the continued treatment. This proposal includes corresponding statutory changes to WIC §17601 to allow DSH to collect reimbursement from counties.

- *Incompetent to Stand Trial Solutions Workgroup*

The 2021 Budget establishes an IST Solutions Workgroup appointed by the Secretary of California Health and Human Services. The workgroup will develop short, medium and long-term solutions to address the IST waitlist to advance alternatives to placements at DSH for ISTs. The Budget includes language authorizing the Department of Finance to augment DSH's budget by \$75 million General Fund in 2021-22 for the purposes of implementing solutions identified by the IST Workgroup to address the IST patient waitlist.

CAPITAL OUTLAY BUDGET

The Budget Act of 2021 includes \$53.3 million (\$31.3 million General Fund, \$22 million Build America Bonds) for Capital Outlay. This reflects a net increase of \$43.8 million from the Budget Act of 2020. The following provides specific detail of budget adjustments:

CAPITAL OUTLAY BUDGET CHANGE PROPOSALS AND SPRING FINANCE LETTERS

Capital Outlay Budget Change Proposals (\$31,251,000 GF and \$22,024,000 Build America Bonds in FY 2021-22)



- *DSH-Metropolitan: Consolidation of Police Operations (\$22.0 million Build America Bonds in FY 2021-22)*

DSH received \$22.0 million in Build America Bonds (BAB) for the construction phase of the DSH-Metropolitan: Consolidation of Police Operations project. The new building will allow for the consolidation of hospital police services into a single location and include the demolition of seismically deficient buildings. Per California Code of Regulations, Title 24, Part 1, Chapter 4, Article 1, this new building will be designated an Essential Services Building, which will be the only building on the DSH-Metropolitan campus meeting the regulatory requirements for Hospital Police buildings. Site work consists of demolition of five existing buildings and associated improvements to include site clearing and grading, paving for roads and parking, retaining walls as required, and site utilities.

- *DSH-Coalinga: Hydronic Loop Replacement (\$27.5 million in FY 2021-22)*

DSH received \$27.5 million from the General Fund for the construction phase of the DSH-Coalinga Hydronic Loop Replacement project. This project replaces the severely corroded and deteriorated below grade hydronic loop piping system with a completely new hydronic loop piping system which will efficiently provide domestic hot water and heating to the facilities including patient occupied buildings. The new hydronic loop will provide a complete distribution loop connecting to six existing buildings and nine below-grade connection points. The work includes demolition, soil compaction, material testing, asphalt, welding, inspections, and various other tasks to complete the project.

- *DSH-Atascadero/Patton: Enhanced Treatment Unit (ETU) (\$3.8 million in FY 2021-22)*

DSH received a supplemental appropriation of \$3.8 million in General Fund to support increased construction costs for the Statewide ETUs at DSH-Atascadero and DSH-Patton. The DSH-Atascadero augmentation is due to a project suspension period of 8 months, Office of the State Fire Marshal revisions, required field changes, design errors and omissions, unforeseen site conditions, and the resulting extended project duration. The DSH-Patton augmentation is due to project suspension costs and COVID-19 impacts and delays. The supplementary funds are necessary to complete construction of the project. Total project costs are estimated at \$22,728,000.

Spring Finance Letters (Re-Appropriation funding)

- *DSH-Atascadero: Potable Water Booster Pump System (Re-Appropriation funding)*

DSH received re-appropriation authority of \$229,000 for Working Drawings of the DSH-Atascadero: Potable Water Booster System. The re-appropriation is necessary to address project delays, such as completing the real estate due diligence during the preliminary plans phase driven by COVID-19. This re-appropriation will allow DSH to complete the working drawings phase of the project and proceed with construction in FY 2022-23. The project includes installing a potable water booster pump system to serve DSH-Atascadero, which will address water line pressure issues supporting the main fire sprinkler system and domestic water operations (i.e. patient showers, sinks, toilets).

STATE HOSPITAL POPULATION

DSH is responsible for the daily care and treatment of over 7,000 patients, with an estimated caseload by the end of FY 2021-22 totaling 5,913 across the state hospitals, 1,176 in contracted programs and 855 in CONREP Non-SVP and CONREP SVP programs. Over the last decade, the population demographic has shifted from primarily civil court commitments to a forensic population committed through the criminal court system. DSH is primarily funded through the State GF and reimbursements collected from counties for the care of LPS patients. The table below displays patient caseload by commitment type and contract location.



2021-22 Budget Act	
Estimated Caseload	
Location	Estimated Census on June 30, 2022
<i>Population by Commitment Type – Hospitals</i>	
IST—PC 1370	1,181
NGI—PC 1026	1,419
OMD	1,316
SVP	942
LPS/PC 2974	775
PC 2684 (<i>Coleman</i>) ¹	280
WIC 1756 (DJJ)	0
Subtotal	5,913
<i>Contracted Programs</i>	
Kern AES Center	90
Regional JBCT	257
Single County JBCT	260
Community Based Restoration (CBR)	569
Subtotal	1,176
<i>CONREP Programs</i>	
CONREP Non-SVP ²	830
CONREP SVP	25
Subtotal	855
GRAND TOTAL	7,944

¹*Coleman* - Reflects census projections based on July 1, 2020 baseline in-patient census; pursuant to *Coleman v. Brown* 336 beds are available to *Coleman* patients.

²The CONREP Non-SVP caseload number includes STRP beds.