

The Tuscola County Study:

A RE-EXAMINATION OF THE CARO CENTER AS THE SITE OF A NEW STATE PSYCHIATRIC HOSPITAL

July 26, 2019

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Tuscola County Board of Commissioners

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Thank you, Dr. Canfield, for your intelligence, integrity and tenacity. You are the epitome of CARO-STRONG!

- Tuscola County Study Team
July 26, 2019

EXECUTIVE SUMMARY

State leaders confront a choice of their own making: Continue with a cost-effective, well-planned investment in a new state-run psychiatric hospital on the Caro Center site in Tuscola County or opt for a new, speculative process to identify a new site that offers no guarantees to resolve concerns raised against the Caro location.

Opened in 1914 to care for epileptic patients, the existing cottage-style complex at the Caro Center has housed psychiatric patients over the past four decades. The physical facility there is in a degraded condition. A long-held consensus has identified a new facility as necessary.

Meanwhile, Michigan has a well-documented, severe shortage of public inpatient psychiatric beds. Presented in a hearing on Feb. 8, 2017, before the Joint Capital Outlay Committee, a State Budget Office document on the “Caro Center Replacement” reported: “The waiting list for admittance into the state hospital system is nearly 200 individuals and this level of demand for the state beds has existed for over three years with no easing anticipated.”

In the absence of needed inpatient treatment and care, individuals in acute or chronic disabling psychiatric crisis increasingly are found in hospital emergency rooms, jails and prisons. Approximately 20 percent of inmates in jails and 15 percent of inmates in state prisons have a serious mental illness.

The State had a plan to address these points, breaking ground on a new hospital on the site of the current Caro Center last fall; since, then, approximately \$4 million has been spent for the new facility. But, in March, Gov. Gretchen Whitmer halted construction, so the State could “re-examine” the Caro construction project. The Department of Health and Human Services (DHHS) hired a national consulting firm, Myers and Stauffer, to study these issues, and their report is expected to be released in late July 2019.

This analysis, however, based on policy, engineering and economic reviews from multiple parties, makes clear that Michigan’s wisest course is to resume construction at Caro, plus expedite a separate project to create new inpatient beds at a location in the northern half of Michigan.

Multiple studies have concluded there is a pressing need for long-term, inpatient psychiatric care in Michigan. During the 1990s, two-thirds of the state-operated psychiatric hospitals that served Michigan citizens closed. While the inventory of state psychiatric beds declined nationally by 14 percent between 2005 and 2010, the drop in Michigan was nearly 50 percent in the same period. In the absence of needed inpatient treatment and care, individuals in acute or chronic disabling psychiatric crisis increasingly are found in Michigan hospital emergency rooms, jails and prisons.

Michigan needs updated facilities and more inpatient beds for residents in need of care. The shortest path to those results is replacing the aged 150-bed Caro Center with a single facility with capacity for 200 beds and adding a “Northern Psychiatric Facility” with 50 new beds to serve residents from the Upper Peninsula and northern Lower Peninsula.

By rejecting this approach, the State would yield the following:

- New costs for a project beyond the \$115 million already properly appropriated;
- No certain resolution to the state’s recruitment of psychiatrists and other highly skilled individuals critical to mental health care;
- Almost certain disruption to the economy of Tuscola County, as more than 400 jobs are shifted to another community – a community that may not even want them; and
- Needless delays that only add more woes to overwhelmed medical hospitals and jails in communities around our state.

OUR FINDINGS

1. There is a severe shortage of inpatient psychiatric beds in our state – at any time there are 200 individuals waiting for a bed in an adult state psychiatric facility. Many of these individuals are incarcerated in county and city jails, where local communities bear the cost of their treatment.
2. Between 2012 and 2017, the State Budget Office reports, Michigan saw a 30 percent increase in the number of individuals adjudicated as Incompetent to Stand Trial (ICST) and Not Guilty by Reason of Insanity (NGBRI). At any given time, 50 percent to 80 percent of the patients at Caro Psychiatric hospital are such “forensic” patients.
3. There are only three state adult psychiatric hospitals serving the entire state. It’s ludicrous to talk about “clusters” of individuals needing care in other parts of the state away from Tuscola County when the crisis is statewide. When a bed becomes available, the patient is sent to that facility, regardless of its location as it relates to the patient’s home community.
4. For this reason, the Michigan Sheriffs’ Association and the Michigan Association of Chiefs of Police strongly support immediate resumption of construction of the new hospital on the site of the Caro Center.
5. Some may point to recent approval of additional inpatient psychiatric beds through Michigan’s Certificate of Need program to counter the sense of urgency behind building a new 200-bed hospital. But for many low-income patients, Medicaid is the only path to mental health care, and a provision in the law prevents the federal government from paying for long-term care in an institution. Many private mental health hospitals do not accept insurance and can cost upwards of \$30,000 per month.

“Relying on private and community hospital beds for stays of 3-6 days is a cruel hoax,” stated Mark Reinstein, CEO, Mental Health Association in Michigan, in May 2019 “Letter to Lansing.”

6. Despite having an identical number of beds (150) and nearly the same number of patients per year, Caro patients receive nearly double the number of visitors per patient as the Kalamazoo Psychiatric Hospital patients.
7. “The complaint about Caro being too remote for appropriate family involvement is spurious, given that we only have three state-operated psychiatric hospitals remaining for adults and just one for youth,” Mark Reinstein wrote to state consultants Myers and Stauffer in June.
8. The Caro Center is the second-largest employer in Tuscola County, with more than 400 employees and a total employment impact of more than 747 jobs. The total monetary economic impact of the Caro Center is approximately \$54 million per year. If the center closed (without a replacement facility on site or nearby), the unemployment rate in Tuscola County could soar to 14.7 percent, crushing the local and regional economies.
9. Caro already has the skilled workforce, the state already owns the land there and the infrastructure improvements are well within budget. Most importantly, this region has a 100-year tradition of caring for those most in need of inpatient psychiatric care. The community welcomes the building of a new state hospital and welcomes patients and their families.

These are the findings that persuaded the last administration to support Caro as the site for a new state hospital.

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BACKGROUND

The Caro Center, 2000 Chambers Road in Tuscola County's Indianfields Township, is a regional state psychiatric hospital under the jurisdiction of the Department of Health and Human Services (DHHS) dedicated to the treatment of adults with mental illness. The Caro Center provides psychiatric services for up to 150 patients from all parts of the Upper Peninsula and the eastern half of the Lower Peninsula, including Oakland and Macomb Counties on a continuous, year-round basis. Opened in 1914 to care for epileptic patients, the existing cottage-style complex at the Caro Center was not designed to support rehabilitation of patients with severe mental illness. Nonetheless, the facility has housed psychiatric patients over the past four decades. (Prior to that, the facility largely served individuals with developmental disabilities). The physical facility is badly deteriorated, and there is universal consensus that a new facility must be built to replace the existing buildings.

The Caro Center occupies more than 650 state-owned acres and has approximately 38 buildings, the newest of which is over 60 years old. There has been no major remodeling at the facility since 1979. At the time of the State Budget Office proposal to replace the Caro Center (Feb. 8, 2017), 18 of the buildings were uninhabitable and two buildings had been closed since September 2015 due to poor facility conditions. The patients' living quarters, among other facilities, are not compliant with the requirements of the Americans with Disabilities Act.

Over a roughly five-year period (2012-2017), the State Budget Office reported a 30 percent increase in the number of individuals adjudicated as Incompetent to Stand Trial and Not Guilty by Reason of Insanity. DHHS does not anticipate a drop in demand for state hospital beds. In fact, the waiting list for admittance into the state hospital system is nearly 200 individuals, a level of demand that has stayed constant since 2014.

At any given time, of these 200 individuals, 50 to 140 of them are incarcerated and waiting in jails, where the cities and counties are responsible for their care (and face the same shortage of psychiatrists and other mental health providers as state hospitals).

"DHHS recognizes that the state hospital system is the safety net for Michigan citizens in need of inpatient psychiatric services. Michigan is one of many states facing issues such as: old outdated state hospitals, increased demand for state beds, patients with high acuity needs and behaviors, increases in forensic-related patients, and difficulty placing individuals who may be termed as "state" patients within private hospital space."¹

¹ State Budget Office Proposal, Feb. 8, 2017, "Capital Outlay: DHHS -Caro Center Replacement-New State Psychiatric Hospital")

PART I: CONCERNS

How Caro Was Chosen as Site of New State Psychiatric Hospital: A Timeline

The following timeline is intended to show that the decision to replace the aging Caro Center with a new, 200-bed psychiatric hospital, on the site of the current center, was based upon thorough study and careful consideration and that the proposal is a rational plan supported by facts.

Initial Capital Outlay Plans in FY 16-17 Provide Planning Grant for “Modernization”

The FY 16-17 Omnibus General Government Budget, Public Act 258 of 2016, included a \$500,000 General Fund/General Purpose (GF/GP) preliminary planning grant for “Caro Center Modernization.” Following that appropriation, the Department of Community Health (now the Department of Health and Human Services or “DHHS”) issued its “Capital Outlay Request FY2016 - Five Year Capital Outlay Plans,” including an itemized listing of eight major capital outlay projects by priority.

State Budget Office and DHHS Replace Caro Modernization Project with Caro Replacement Project

On Feb. 8, 2017, the State Budget Office, testifying before the Joint Capital Outlay Committee, indicated that after a “comprehensive evaluation of the state’s five psychiatric facilities and the needs for a new state psychiatric hospital,” it was seeking to change the previously authorized \$500,000 “Caro Center Modernization” project in favor of a “project predicated on replacement of the facility.” The State Budget Office added: “Infrastructure deterioration at the current Caro facility has created an increasingly hazardous environment for patients and staff.” They did not recommend a site for the Caro replacement, stating: “The location and siting of the replacement facility will be determined during the planning process.”

Executive Budget Capital Outlay Proposal for FY 17-18 Revises Scope of Planning Grant to “Replacement”

By February 2017, the Executive Budget recommendation proposed revising the original planning authorization to amend the scope from modernization to “a project predicated on replacement of the facility.” However, the recommendation was not specific about the site of the new psychiatric hospital. The existing funding was to be used to procure professional architecture and engineering services.

House Speaker Leonard Establishes Bipartisan House C.A.R.E.S. Task Force

On July 12, 2017, House Speaker Tom Leonard established the bipartisan House C.A.R.E.S. (Community, Access, Resources, Education and Safety) Task Force to receive input from individuals and professionals on how to improve mental health services in Michigan.

July 2017: DHHS Launches New “MIPAD” Initiative

In July, DHHS launched a new initiative, the Michigan Inpatient Psychiatric Admissions Discussion or “MIPAD.” The initiative is intended to respond to the “crisis” in access to inpatient psychiatric services. MIPAD submitted its final recommendations to DHHS on Oct. 31, 2017.

Omnibus Budget for FY 17-18 Includes \$115 Million for New Facility and Planning for Northern Psychiatric Facility in FY 16-17 Supplemental

In Public Act 107 of 2017, signed July 14, 2017, \$115 million was authorized for the construction of a new “Caro Center Replacement” and planning authorization was included for a “new Northern Satellite Psychiatric Facility” in a supplemental portion of the public act applicable to FY 16-17. In the same public act, under the general omnibus budget for DHHS for the following year (FY 17-18), the Legislature designated in boilerplate section 1061 that the existing site of the Caro Center to be the location of the new \$115 million facility.

Design Firm Selected in December 2017

On Dec. 18, 2017, a DHHS press release announced: “Design Firm Approved to Build New Psychiatric Hospital in Caro.” The proposal from the contractor , Integrated Design Solutions, was selected from 14 firms that submitted proposals. In the release, DHHS Director Nick Lyon is quoted: “The State of Michigan made a commitment to the Caro community that the new psychiatric hospital would remain in the community, and we are keeping that promise.” The release specifically stated that the new facility would “be built as a separate, standalone complex on the existing Caro Center grounds.”

Jan. 17, 2018: House C.A.R.E.S. Report Released

The House C.A.R.E.S. Task Force report calls for 42 different proposals, including increasing the number of psychologists and psychiatrists in Michigan and requiring community mental health agencies to prioritize services based on the most severe forms of mental illness.

Feb. 13, 2018: MIPAD Report Released

In its February 2018 “Final Workgroup Report,” the Michigan Inpatient Psychiatric Admissions Discussion, facilitated by DHHS, describes several strategies pursued by the State of Michigan and the Michigan Legislature to improve the quality of care for individuals who experienced psychiatric crisis, including “approving funds to pursue the building of a new facility to replace the existing Caro Center.” It concludes: “Despite these various efforts, the crisis in access to inpatient psychiatric services has continued unabated.”

In the final report, DHHS identified 19 of the workgroup’s recommendations for short-term action, including “MDHHS should increase the use of creative solutions for addressing the psychiatrist shortage to include loan repayment.”

October 2018: Ceremonial Groundbreaking

On Oct. 19, 2018, Gov. Snyder joined Caro Center administrators, Granger Construction executives and local officials in a ceremonial groundbreaking ceremony on the site of the current Caro Center. Construction on the new, 225,000-square-foot Caro Psychiatric Hospital was scheduled to start in the spring of 2019 and to be completed in 2021, with 200 beds. This would be an increase of 50 beds from the existing facility.

December Supplemental Budget for FY 17-18, 18-19 Addresses Multiple Issues at Caro and Need for Northern Satellite Psychiatric Facility

Public Act 207 of 2018, signed by Gov. Snyder on Dec. 28, 2018, included multiple items addressing the Caro Center:

- One-time funding of \$1 million for “Carol Regional Mental Health Center Improvements”;
- New funding of \$5.91 million to hire 68 new full-time employees at Caro;
- Boilerplate (section 460) addressing staffing shortages at Caro, requiring DHHS to contract with a Michigan-based behavioral health services provider to “improve and maintain sufficient and appropriate staff-to-patient ratios and ensure the health, safety, and well-being of both staff and residents at the hospital”;
- Boilerplate (section 456) providing for the CARES Hotline and new Psych Bed Registry; and
- Boilerplate (section 822o) requiring a status report, including “reasoning why a location has not been identified,” on a new Northern Satellite Psychiatric Facility.

March 13, 2019: Gov. Whitmer Halts Construction

A DHHS press release on March 13, 2019, announced the State was re-examining the Caro Center reconstruction project and hiring an outside consultant (at a cost of \$277,000) to assess state psychiatric facility needs.

The Crisis in Access to State Inpatient Psychiatric Services

The Executive Summary of the recent MDHHS “Final Workgroup Report: Michigan Inpatient Admissions Discussion” (MIPAD) observed accurately that “over the last several decades, individuals with serious mental illness have increasingly been transitioned out of hospitals and into community-based settings. This shift from state to community-based service delivery has resulted in the shuttering of state hospitals across the country without sufficient increase in the availability of specialty, community-based psychiatric beds.”²

² Michigan Department of Health and Human Services. *Michigan Inpatient Psychiatric Admissions Discussion – Final Workgroup Report*. (February 13, 2018).

During the 1990s, two-thirds of the state-operated psychiatric hospitals that served Michigan citizens closed. Nationally, from 2005 to 2010, the number of state psychiatric beds decreased by 14 percent. During that same time, Michigan eliminated just less than 50 percent of its state psychiatric beds.³ Researchers believe the minimum number of public psychiatric beds necessary for acceptable psychiatric care is 50 beds per 100,000 people.⁴ According to the 2001 study “Long-Term Psychiatric Care Service and Coordination Gaps in Michigan’s Publicly Funded Mental Health System,” in 1997, Michigan had 11.4 beds per 100,000 people, and less than half the national average of residents in state-run psychiatric hospitals.⁵ Per the 2012 report titled “No Room at the Inn,” released by the Treatment Advocacy Center, in 2010, Michigan had only 5.4 state provided beds per 100,000 people, a mere 11 percent of the minimum recommended number of beds per 100,000.⁶ At the same time, only three states had lower numbers of beds per capita than Michigan. The current numbers are still dismal, with Michigan currently having between 7 to 9 beds⁷ per 100,000.⁸

The MIPAD report describes one result of this severe shortage: “As the number of inpatient psychiatric beds has decreased, health care providers have increasingly struggled to secure inpatient services for individuals who are in psychiatric crisis. Providers must frequently contact multiple facilities with no guarantee that an appropriate bed may be available.

The lack of psychiatric beds has escalated the pressure on hospital emergency departments, which are called to serve individuals on voluntary and involuntary psychiatric holds while awaiting transfers to psychiatric facilities.”⁹

From 2016 to 2017, Community Mental Health Service Programs in the Mid-State Health Network region reported 31,107 instances of community hospitals denying inpatient treatment, which resulted in 1,676 individuals being denied inpatient services around 18 times each.¹⁰

In Michigan in 2016, there were 52,671 emergency room visits from individuals with prior diagnoses of mental health issues, placing incredible stress on emergency rooms and

³ Torrey, E. Fuller, M.D. et al., No Room at the Inn, Trends and Consequences of Closing Public Psychiatric Hospitals, 2005-2010. *Research from the Treatment Advocacy Center*, (July 19, 2012). 5-6.

⁴ Fuller, et al. No Room at the Inn, 9.

⁵ Reinstein, Mark. “Long-Term Psychiatric Care Service and Coordination Gaps in Michigan’s Publicly Funded Health System.” *Employee Assistance Quarterly* 16 no. 4 (2001). 6.

⁶ Fuller, et al. No Room at the Inn, 9.

⁷ This number is conditional on if the Center for Forensic Psychiatry is counted. Either way, the number is dismally low.

⁸ Reinstein, Mark. “*Historical Trends Applying to Michigan re Incarceration of Mass Illness.*” Presentation. Michigan Partners in Crisis Conference, East Lansing, December 14, 2012.

⁹ Michigan Department of Health and Human Services. *Michigan Inpatient Psychiatric Admissions Discussion – Final Workgroup Report.* (Feb. 13, 2018).

¹⁰ Reinstein, Mark. Long-Term Psychiatric Care Service and Coordination Gaps in Michigan’s Publicly Funded Health System. *Employee Assistance Quarterly* 16 no. 4 (2001). 4.

contributed to the phenomenon of psychiatric patients being “boarded,” or temporarily housed, in hospitals.¹¹

The impact of having limited access to inpatient psychiatric care is also found in criminal justice systems. In 1997, when the closing of 10 state-run hospitals in Michigan was nearly complete, the *Detroit News* reported that the number of inmates who had previously been in a state psychiatric hospital had increased by 25 percent from 1993.¹² A Department of Community Health survey done through Wayne State University around the same time found that in a random sample of inmates held in county jails in Wayne, Clinton and Kent counties, 51 percent of the inmates had mental illness and 34 percent of inmates had either bipolar disorder, major depression, schizophrenia, or “another psychotic disorder.”¹³

More recently, a University of Michigan study of state prison inmates showed that 20 percent of inmates “displayed symptoms of severe mental disability.”¹⁴ Additionally, it is conservatively estimated that more than two-thirds of state beds outside of the Center for Forensic Psychiatry are occupied by so called “forensic cases,” those who are incompetent to stand trial, or those who have been declared not guilty by reason of insanity.¹⁵

While this report does not address homelessness, it is important to note that an estimated one-third of all homeless males and two-thirds of all homeless females suffering from mental illness. On the streets, they are subject to victimization and abuse.¹⁶

Cost Shifting to Local Government

In the absence of needed inpatient treatment and care, individuals in acute or chronic disabling psychiatric crises are increasingly found in hospital emergency rooms, jails and prisons. These systems are straining to cope. Hospital emergency rooms are so overcrowded that some acutely ill patients wait days or even weeks for a psychiatric bed to open so they can be admitted; some eventually are released to the streets without treatment.

Law enforcement agencies find service calls, transportation and hospital security for people in acute psychiatric crisis creating significant, growing demands on their officers and straining public safety resources.

Jails and prisons are increasingly populated by individuals with untreated mental illness, with some facilities reporting one-third or more of their inmates as seriously mentally ill.

¹¹ Michigan Department of Health and Human Services. *Michigan Inpatient Psychiatric Admissions Discussion – Final Workgroup Report*. (Feb. 13, 2018) 4.

¹² Reinstein, Mark. “*Historical Trends Applying to Michigan re Incarceration of Mass Illness.*” Presentation. Michigan Partners in Crisis Conference, East Lansing, Dec. 14, 2012.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Fuller, et al. No Room at the Inn, 15.

The State Budget Office's Feb. 8, 2017, proposal on replacing the Caro Center states: "Due to a 30 percent increase in the number of individuals adjudicated as "Incompetent to Stand Trial" and "Not Guilty by Reason of Insanity" in the last five years, coupled with the challenges of placing individuals in community (non-state) hospitals, DHHS does not anticipate a decrease in the need for state hospital beds. In fact, *the waiting list for admittance to the state hospital system is nearly 200 individuals and this level of demand for state beds has existed for over three years with no easing anticipated.*" (emphasis added)

As of May 1, 2019, there were 50 defendants in local jails awaiting admission for "Incompetent to Stand Trial" treatment, and law enforcement agencies report months where there are more than 100 defendants waiting for a bed in a state psychiatric hospital.

On July 9, 2019, in an email to Jean Doss, Robin R. Risko, associate director of the Michigan House Fiscal Agency, stated: "With regard to your question, the state does not track the costs to counties and cities caring for inmates who are waiting for beds at state psych hospitals. What DHHS can tell us is, right now, there are 138 individuals on a waiting list (waiting for evaluation of competency to stand trial), and there are roughly 2,000 competency evaluations done per year with 22 staff."

The Michigan Sheriffs' Association and the Michigan Association of Chiefs of Police have consistently advocated for an increase in state inpatient psychiatric beds and specifically support the replacement of the current 150-bed Caro Center with a new, 200-bed state psychiatric facility on the location of the current center.

Private and Community Hospitals Cannot Fill the Need

In responding to a bed space shortage for inpatient psychiatric care, some may point to recent approval of additional inpatient psychiatric beds through Michigan's Certificate of Need program. But for many low-income patients, Medicaid is the only path to mental health care, yet a provision in the law prevents the federal government from paying for long-term care in an institution. Many of the private mental health hospitals still in operation do not accept insurance and can cost upwards of \$30,000 per month.

"Relying on private and community hospital beds for stays of 3-6 days is a cruel hoax," stated Mark Reinstein, CEO of the Mental Health Association in Michigan, in his "Letter from Lansing" in May 2019.

While community-based services are the preferred treatment model, when these individuals need inpatient psychiatric care, there are usually no options available except for the state hospital system. Even if they do get admitted to a private, community psychiatric unit, these admissions are viewed as "short term" and the community hospital will seek to move these patients into a longer-term environment, i.e., the state hospital system.

Staffing Challenges

In pausing construction of the new psychiatric hospital on the site of the Caro Center, the governor has expressed concerns with staffing shortages and barriers to recruitment of new staff at a location in Caro. Since last fall, the state has mandated staff from other state hospitals take turns handling one- to two-week assignments at Caro. It is our understanding that, as of the date of this report, given the additional funding the Legislature appropriated at the end of 2018, the department has hired two new psychiatrists and other new staff.

There is a well-documented shortage of psychiatrists across the nation; we think this will be an issue wherever a new state psychiatric hospital is located, especially if the goal is to be more accessible to rural Michigan residents.

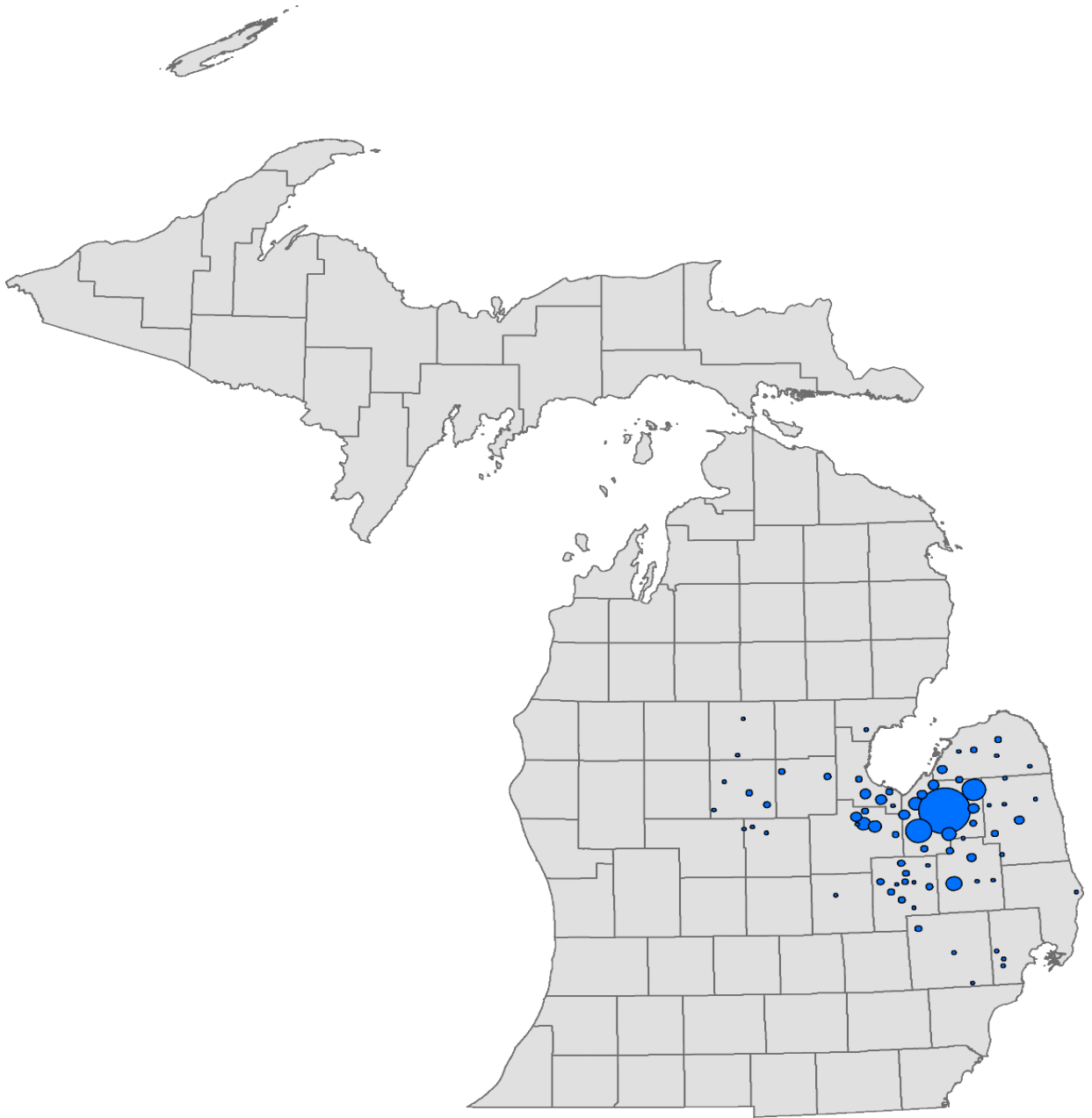
Further, the difficulty in hiring psychiatrists at the Caro Center is exacerbated not by the location of the facility, but by the state's pay scale, which is, at best, 22 percent less, and perhaps as high as 44 percent less, than what psychiatrists in neighboring Bay City are paid, and by the unsafe, aging condition of the facility itself.

Relocation also would threaten the recruitment benefits of the Michigan Loan Reimbursement and Employment Solution (MiLES). MiLES offers \$50,000 in tax-free loan repayment to physician residents during their residency in exchange for a 2-year, post-residency service commitment in a medically underserved area of Michigan. The goal is to match employers with providers who would like to stay in the community beyond their 2-year service commitment.

Another claim is the Caro Center contributes to difficulty in recruiting and retaining other staff. Yet, according to the State's data, provided to then-State Rep. Edward Canfield, D.O., of the 349 people working at the Caro Center, 111, or 32 percent, actually live within the Caro ZIP code.

Dr. Canfield's study, summarized in his presentation "The Caro Center," (last Revised 4/21/2017), shows that up to 70 percent of the people working at the Caro Center actually live within 30 miles of the center. As Dr. Canfield states in this report, "Moving the hospital to a more central location would not only displace the vast majority of the skilled employees who work at the Caro Center, but would actually significantly increase their drive time.

The map (see next page) also gives a clue to the economic devastation that would occur with moving the facility away from the Thumb.



Where Caro Center Employees Live,
as Reported by Caro Center
Employees in 2017

1	
10	
100	

Location

Another stated concern of this administration is Caro is not the appropriate location for a new state hospital in light of unmet need and the accessibility of care. Specifically, “Michigan’s overall state psychiatric hospital census count by county shows significant clusters far from Caro.”

Frankly, we find this statement baffling. After the closure of most of the state psychiatric hospitals in the ‘90s, Caro remained the most northern location for patients needing state-funded inpatient psychiatric care. So, of course, there are significant clusters of patients in our state psychiatric hospitals who originally resided “far from Caro”!

The State *designated* Caro’s service territory as all counties in the Upper Peninsula and the east side of the Lower Peninsula, including Oakland and Macomb counties.

Further, representatives of the State Budget Office, in verbal statements to the Joint Capital Outlay Committee on Feb. 8, 2017, indicated that “while the three regional (adult) psychiatric hospitals are meant to serve specific sections of the state, due to the large waiting list, it has become necessary for all the regional facilities to accept and admit patients from all 83 counties.”

Proximity to Family and Community Services

Concerns have been expressed that the Caro location presents “challenges to family and community engagement,” specifically, the ability for patients’ families to be involved in their treatment.

Using data provided by the State to then-State Representative Edward Canfield, D.O., at a time when the Caro Center had its more typical patient census of 149 patients, it was shown that 123 of those patients came from a county that touched Tuscola County or were south or east of the Caro Center.

This is consistent with information Tuscola County received under a FOIA request showing that in 2018, 76-77% of Caro patients either reside in Tuscola County or a county immediately adjoining Tuscola County, or reside in Southeast Michigan (Macomb, Oakland, Wayne Counties).

Also using the State’s own figures for the most recent year that we have both the annual number of patients and the number of visitors (2017), the number of visitors per patient per year at Caro is nearly double that of the number of visitors per patient per year at the Kalamazoo Psychiatric Hospital (18 visitors per patient per year at Caro vs. 10 visitors per patient per year at Kalamazoo).

The third adult state psychiatric hospital in the state, Walter Reuther Psychiatric Hospital, has a significantly higher number of visitors per patient per year (28 visitors per patient per year, using 2017 data), but that is certainly due to the population density of the region it serves.

Hospital	2015	2016	2017	2018
Caro Center	N/A	N/A	4,673	4,579
Center for Forensic Psychiatry	N/A	4,845	3,807	4,848
Hawthorn Center	N/A	N/A	3,332	4,133
KPH	2,478	2,569	2,882	2,044
WRPH	9,016	8,154	7,608	7,086

DHHS response (dated 6-17-19) visitors per year per state hospital

In summary:

“The complaint about Caro being too remote for appropriate family involvement is spurious, given that we only have three state-operated psychiatric hospitals remaining for adults and just one for youth.”

- Mark Reinstein, president and CEO, Mental Health Association in Michigan, in June 18, 2019, email to consultants Myers and Stauffer

Water

Finding a safe, sustainable water source for the facility, the State reports, has caused a delay in the design of the hospital and could end up costing an additional \$2.4 million beyond the \$115 million budgeted for the project.

But, while there was a change from the original plans for providing water to the new facility, an alternative plan for a safe, sustainable water source was prepared and provided to DTMB for its approval, but DTMB abruptly stopped communications with Tuscola County. Shortly after, the governor announced she was pausing construction of the facility.

The information below and comprehensive engineering study conducted by Schellenbarger Engineering and Surveying, P.C., documents that a safe, sustainable and cost-effective solution to providing the water to the new State Psychiatric Hospital in Caro is ready for immediate implementation. The county will issue bonds to make the needed upgrades to the current on-site water system. It will also own and operate the system. Bond retirement and annual operating costs will be funded by ongoing state water usage payments and will not increase construction costs.

Tuscola County recently sent letters to the directors of DHHS and DTMB to clarify any misunderstanding regarding the ability to supply water from the on-site water system at the Caro Center to meet the needs of the new State Psychiatric Hospital.

PART II: MICHIGAN NEEDS CARO

Additional Issues Relevant to Siting of New State Psychiatric Hospital

Section 53 Educational Services: Tuscola ISD Is a Model for the State

The Tuscola Intermediate School District (ISD) has provided special education services for all eligible patients at the Caro Center for approximately 40 years.

These services at the Caro Center include teachers, paraprofessionals, social workers and psychologists.

Special education staffers at the Caro Center are highly qualified and educated in dealing with severely and chronically ill patients to provide specialized quality services to this unique population. The population at the center requires a special skill set and a thorough understanding of the needs of the patients.

The Tuscola ISD staffers receive extensive professional development to remain current with treatment and educational practices applicable to this population.

Tuscola ISD is knowledgeable regarding Section 53 programs similar to the Caro Center. Tuscola ISD works well with the Michigan Department of Education and other governmental agencies to fulfill all financial and programmatic requirements. These programs provide special education services to specific populations of students who are placed within Tuscola County residential facilities for specific purposes and programs.

Tuscola ISD has 1.5 FTE positions at the Caro Center. With the proposed expansion, Tuscola ISD was anticipating up to four FTE in the future.

Experienced and Skilled Police Protection for the New State Psychiatric Hospital in Caro

It is essential that proficient public protection is provided in communities with a psychiatric hospital. The State Police, sheriff and Caro Police are all located in Caro and have years of proven experience in resolving incidents involving patients at the Caro Center. Skilled and experienced police protection has been, and will continue to be, provided at the center or at successor facilities. All three of these departments are properly staffed and equipped to provide necessary protection.

The fact that all three of these departments are in Caro is a tremendous advantage to providing security because of the depth and number of officers that can be made available. There is full public confidence in the ability of these police agencies to provide protection with the center in the community. The construction of the new "state-of-the-art" Michigan State Police post in Caro in 2000 resulted in all three police agencies being three miles or less from the center, enabling quick response times.

In 2016, the public approved an increased Sheriff Road Patrol millage, which enabled the addition of five road patrol officers. This makes even more officers available if needed to respond to an incident. This millage also provided for the addition of a K9 dog unit, which is extremely helpful for tracking, searching and rescue if a patient walks away from the center.

In addition to the K9 dog unit, the Sheriff has two day drones and will be purchasing a night drone.

Tuscola County has an independent 911 Central Dispatch. The Smart911 system is also in use. Texting to 911 is now available. The Smart911 is regularly promoted to citizens explaining that emergency notifications can be received from dispatch.

Emergency Medical Services Structured to Serve the New State Psychiatric Hospital in Caro

A highly effective and well-established Emergency Medical Services (EMS) system has been in place for many years in Tuscola County. This system provides assurance that the ability to respond to medical incidents at the current Caro Center and new state psychiatric hospital is available. An important component is the Saginaw-Tuscola Medical Control Authority (STMCA). This entity is responsible for EMS oversight in both Saginaw and Tuscola counties. This oversight involves approximately 650 medical first responders, including emergency services technicians and paramedics. These dedicated professionals provide EMS to 250,000 residents.

It is of great significance that Mobile Medical Response (MMR) has a base office in Caro that is only two miles from the center and new state psychiatric hospital site. MMR is highly regarded, boasting national and international accreditation for ambulance service and medical dispatch. It serves 15 counties with a fleet of 100 emergency response vehicles and a staff of 600.

Excellent Fire Protection Available to Serve the New State Psychiatric Hospital in Caro

The City of Caro Fire Department is the primary fire department to respond to a fire at the Caro Regional Center (CRC) and new state hospital. The department has a full-time fire chief and has a roster of 26 on-call firefighters. The ISO rating was recently upgraded.

One of the factors that resulted in an ISO upgrade was equipment purchases and strengthened training programs. The department has a 105-foot aerial truck with a self-contained, 1,250 gallon per minute (GPM) pump. A new custom Rescue Pumper is being built and will have the capacity of pumping 1,500 GPM and will carry life-saving equipment such as the “jaws of life.”

Exceptional Hospitals as Partners to Caro

The Caro Center is fortunate to have several exceptional health care partners in the Caro region. Two such hospitals are committed to providing care to current and future residents of the Caro Center:

Hills and Dales General Hospital

This May, the Hills and Dales General Hospital in Cass City received the Michigan Peer Review Organization's (MPRO) 2019 Governor's Award of Excellence for Outstanding Achievement in Effective Reporting and Measurement (Critical Access Hospital).

Caro Community Hospital

The National Organization of State Offices of Rural Health (NOSOPH) and iVantage Health Analytics recently honored Caro Community Hospital (also known as McLaren Caro Region) for "Excellence in Quality" and "Excellence in Efficiency."

Sewer Infrastructure

The Caro Center has been receiving quality sewer service from the City of Caro for over three decades. The force main sanitary sewer was installed in 1986 and has provided excellent support to the Caro Center. There are approximately two miles of Force Main for the Caro Center Sanitary Sewer. As part of the goal to continue to provide excellent services to the Caro Center, the pumps at the pump station were updated in 2000. The new pumps are Allis Chalmers pumps Model 200. The 2-10 HP pumps are capable of providing 600 gallons a minute per pump. This model was selected to accommodate the particular needs of the Caro Center. These pumps would be able to support all the necessary sewer requirements of the new mental health facility.

Land Acquisition and Community Engagement

The State of Michigan owns the more than 650 acres at the Caro Center. The new 225,000-square-foot hospital requires 70 acres, 34 acres for the built environment. Should the State seek to build at another location, the cost for property Up North (except the Traverse City area) is approximately \$35,000 to \$45,000 per acre.

Even if the property is available to the state at no cost, DHHS would still need to engage local governments and the local community in its planning for a new facility. And the State may be surprised to find that not all communities would welcome a new facility in their region after learning that 50 percent or more of the patients at a proposed state psychiatric hospital are "forensic" patients, that is, patients found "Incompetent to Stand Trial" and "Not Guilty by Reason of Insanity," having allegedly committed felonies that include murder. The Tuscola County and the Caro community are accepting of the unique nature of the Caro Center and its patients. This region has generations of staff members who willingly work with the population at center. The community is likely unique in this aspect.

PART III: THE IMPACT OF CLOSING CARO

It's hard to overstate the impact on the region if the State were to close the Caro Center. The Caro Center is the second-largest employer in Tuscola County, with more than 400 workers. With a total employment impact of more than 740 jobs, the Caro Center's closure (without a replacement facility on site or nearby) could increase the unemployment rate to 14.7 percent in Tuscola County. The monetary economic impact of the Caro Center is approximately \$54 million per year. This, in a region still reeling from the loss of manufacturing jobs during the recession and from the 2012 closure of the Tuscola Residential Re-entry facility, which eliminated 65 jobs (and was the third corrections facility to be closed in Tuscola).

Further Arguments Against This Choice

Unnecessary to Address Staffing Shortfalls: Other than psychiatrists (an issue discussed earlier in this report), the State has been able to quickly hire the additional staff with the funds appropriated for the Caro facility in the FY 18-2019 budget. Finding residential care aides in other areas of the state may be more difficult than in the Tuscola region.

Worse for Staffing in the Short-Term: There is a critical mass of qualified employees within commuting distance of the Caro Center. Other geographic areas are unlikely to have the same concentration of qualified employees available, especially in the current tight labor market. Therefore, moving the hospital is likely to exacerbate staffing shortfalls, at least in the short term.

Expensive and Time-consuming: The State has already expended significant money – approximately \$4 million – on designing the facility to the specifications of the existing site, which the state already owns. Changing locations would result in the State incurring substantial additional costs for land acquisition and new design work. Worse, moving the facility would cause substantial delays in construction and would therefore delay addressing our state's urgent need for additional psychiatric beds.

Detrimental to Patient Recovery: For many patients, treatment includes visits to the community outside the hospital. The Caro community is welcoming to the patients and is a small, manageable environment that is familiar to patients and where residents, businesses and law enforcement are understanding and compassionate to them.

PART IV: RECOMMENDATIONS

1. Inpatient psychiatric beds are needed now! Michigan cannot afford any further delays.

- At any given time, there are 200 individuals on a waiting list for state inpatient psychiatric services. About 50-100 of those individuals are in local jails, where local governments bear the cost of their treatment.
- It takes 2-3 years to complete design and construction of a new state psychiatric facility.
- Any delay in increasing the number of state inpatient psychiatric beds puts individuals in need of inpatient psychiatric services at great risk. These individuals languish in local jails and emergency rooms, and are commonly homeless. Their lives are at risk and their conditions worsen as they wait for appropriate treatment.

2. Resume construction of the 200-bed state psychiatric hospital, to replace the Caro Center, as designed and planned.

- \$115 million was appropriated in July 2017 and \$4 million in has already been spent.
- By most – if not all – objective measures, locating the new facility on the site of the current Caro Center is the best option for quality, accessible services to patients and their families, and offers the best value to the taxpayers of Michigan.

3. The governor and the Michigan Legislature should move swiftly to review recommendations on a northern psychiatric facility, finalize plans and appropriate funds in FY 19-20 Capital Outlay for a new hospital and/or partnership for a 50-bed hospital in the northern Lower Peninsula or the Upper Peninsula.

- Even with a 200-bed inpatient psychiatric hospital replacing the current Caro Center, the state has only achieved a net gain of 50 additional beds.
- Research and waiting lists consistently show the state needs an additional 200 adult inpatient psychiatric beds and 200 child/adolescent inpatient psychiatric beds.

4. Other steps the state should take to address the statewide shortage of psychiatrists and other mental health professionals include:

- Continue to invest in programs such as the MiDocs Consortium. MiDocs is an alternative graduate medical education financing program that expands residency opportunities for primary care training, including psychiatry. The Centers for Medicare & Medicaid Services (CMS) just approved expansion of MiDocs. With continued support from the administration and the Legislature, MiDocs will ensure a pipeline of psychiatrists committed for post-residency service in Michigan.

- Incentivize regional collaborations such as the innovative Great Lakes Bay Region Mental Health Partnership. This partnership, which includes the Great Lakes Bay Regional Alliance, Central Michigan University College of Medicine, Saginaw Valley State University, University of Michigan Depression Center, Dow, and the Chad William Dunn Memorial Fund, has significantly increased the number of psychiatrists in the region, as well as the number of future providers in the pipeline.
- Expand pilots that increase access in rural and other underserved areas to behavioral health services, such as Saginaw Valley State University (SVSU) Substance Use Disorder Project ECHO. Project ECHO is a lifelong learning and guided practice model that revolutionizes medical education and exponentially increase workforce capacity to provide best-practice specialty care and reduce health disparities.
- Support regional assessments of inpatient psychiatric beds. See the “Summary of Psychiatric Bed Shortage in the Great Lakes Bay Region,” provided by the Great Lakes Bay Region Mental Health Partnership.
- Pursue the short-, middle- and long-term recommendations of the Michigan Inpatient Psychiatric Admissions Discussion – MDHHS (MIPAD) Final Workgroup Report (Feb. 13, 2019).