New Hampshire Department of Health and Human Services Report
Pursuant to Chapter Law 249, 2013 Session

Report to Fiscal Committee of the General Court As To Most Appropriate, Cost Effective, Long and Short-Term Uses of the Sununu Youth Services Center

January 2014

Executive Summary

The New Hampshire Department of Health and Human Services was directed by 2013 Chapter Law 249 to conduct an assessment of the Sununu Youth Services Center (SYSC) to determine advantages and disadvantages of the current facility use, potential alternative uses, the viability of using another facility instead, and ways that current cost could be reduced.

The report that follows reflects the Agency's work over the past five months to engage with stakeholders, advocates and providers to determine the most cost-effective and appropriate programmatic approach to serving youth currently at SYSC.

In order to assess the most appropriate programming for this population, the Department sought technical assistance from the federal Office of Juvenile Justice and Delinquency Prevention (OJJDP) to conduct an evaluation of current services. Legal considerations regarding the current property were also explored. The Department further considered the fiscal implications of several scenarios, including the use of another facility to provide the current programming, and the possibility of contracting with a private provider to provide these services either at the current facility or elsewhere.

Analysis of these reviews indicates that the Department should continue to operate SYSC at the current Manchester site. However, these reviews and input from stakeholders also concluded that there may be fiscal value in exploring contracting with a private provider or decreasing costs for some specific targeted services currently provided by the state at SYSC.

Given the above conclusion, the Department further explored efforts to decrease overall operating costs, and modify or expand the current services at SYSC to better meet the needs of youth, their families and communities. Consistent with national trends, majorities of the youth currently served at SYSC struggle with mental and behavioral health issues and receive treatment for these concerns at SYSC. Additionally, a number of discussions with stakeholders identified secure treatment in these two areas as primary unmet needs for children and youth in New Hampshire. Therefore, the Department has identified both short and long-term options to explore in an effort to reduce costs at SYSC and expand the use of the facility to further meet these needs.

Short-Term Option

The Department will explore with New Hampshire Hospital the possibility of operating a separate unit at SYSC that could provide secure mental and behavioral health treatment to youth who need crisis stabilization or transitional care prior to returning safely to their community. This would potentially expand the service continuum available for these youth, more fully utilize the existing SYSC facility and infrastructure, and reduce SYSC operating costs by generating reimbursement for these services through youth's insurance coverage.

Long-Term Option

The Department will explore steps to become eligible for Medicaid reimbursement for treatment services provided to the current population served at SYSC. As a correctional facility, SYSC is not currently eligible to receive any Medicaid payments for those services. However, the potential exists to transition the facility into a secure psychiatric treatment facility, eligible for Medicaid payments. Many of the structures and practices of such a facility are already in place at SYSC in response to the needs of current population, and any additional necessary changes will be explored.

Introduction:

Over the last three years, SYSC has been engaged in a transformation aimed at enhancing capacity for mental health and substance abuse treatment. The primary role of the Sununu Center has shifted from secure "detention" to the secure "treatment" and detention of youth. In part because of these program improvements, the Department believes and this report identifies the value in continuing to serve this population at the existing SYSC facility in Manchester. However, also in part due to these changes to a more treatment oriented program, the facility is ripe with opportunities to obtain alternative funding to ultimately decrease the general fund costs associated with serving this population of youth.

The Agency's evaluation and planning activities have identified a realistic direction that could align SYSC's current treatment model with the federal definition of a "medical institution." This report outlines short and long- term options for continuing to serve the treatment needs of these youth in a secure and locked setting while pursuing the Department's ability to draw other funds on their behalf.

From the outside looking in there would not be noticeable changes to the facility, in that security procedures would remain the same. However, there could be a significant change in how services are funded at the facility. The Department could proceed in a specific direction that would allow for the enrollment of SYSC as a residential treatment facility, which would ultimately strengthen the ability to be an insurance and/or Medicaid billable program.

This clinical direction is consistent with the direction many juvenile justice programs around the country are taking, and necessary in light of the needs of the current population. It is therefore both programmatically appropriate and more cost effective to pursue other sources of revenue that support the treatment services already in place at the facility. If and when additional funding streams become available, the facility could also enhance the services available to transition youth safely back into the community. These options could also serve to meet some existing service gaps for youth without increasing costs.

It is also critical that the local community/neighborhood be engaged throughout this process so as to clarify or address any concerns that may arise. The SYSC grounds are embedded into a neighborhood, and it is imperative that open communication be maintained so the neighborhood is assured that any operational changes made at the facility will not impact their sense of safety. Should at any time in this process an additional program or program changes occur, the local community will be informed and made a part of that change.

Background:

The Department of Health and Human Services was directed in House Bill 260 (2013 Laws Chapter 249) to assess and report its recommendations to the fiscal committee of the general court as to the most appropriate, cost effective, long and short-term uses of the Sununu Youth Services Center (SYSC). The Department's assessment is required to include an analysis of:

(1) The advantages and disadvantages of the current use of the facility;
(2) Potential alternative uses for the facility;
(3) The viability of using another facility to provide secure detention/committed services given the declining census at the center; and
(4) Ways that the current costs to run the facility could be reduced.

In conducting its assessment, the Department is required to consult with the community, child welfare, court, and juvenile justice stakeholders to solicit their input as to the most appropriate and fiscally responsible options for addressing the needs of committed and detained youth.

In response to this requirement, the Department explored the advantages and disadvantages of this type of facility for this population, both at SYSC and in other states, legal and fiscal implications regarding use of the current facility or another facility, alternative or additional uses of the current facility, and possible opportunities to reduce operating costs. This process included the formation of an Executive Team comprised of a wide range of community partners, who participated in formulating possible options to meet the legislative objectives above. Input regarding the above questions and possible options was sought from members of the judiciary, law enforcement, community providers, advocates, legislators, juvenile parole board members, and local Manchester leadership. Overall there were more than 45 individuals involved through interviews, focus groups or team meetings, including the New Hampshire Juvenile Justice Advisory Group and the DCYF State Advisory Board. Others were invited but could not or chose not to participate.

The following is a summary of the findings of this process.

Current Program:

The Sununu Youth Services Center (SYSC) is a 144-bed facility located on River Road in Manchester New Hampshire. It provides an architecturally secure treatment program for committed juveniles and for New Hampshire youth involved in the court system prior to their adjudication.

SYSC is comprised of two major programs, as established in statute: the Youth Development Center (RSA 621) and the Youth Services Center (RSA 621-A).

The Youth Development Center

The Youth Development Center provides services to youth adjudicated in court as having committed delinquency offenses and who are in need of secure treatment. Juveniles placed in the Sununu Youth Services Center (SYSC) range in age from 11 to 17 years old. When a youth is committed to SYSC, a systematic process is used to classify and assign them to a secure residential unit where they participate in a prescribed behavioral program. These are adjudicated youth with severe substance abuse and/or severe behavioral challenges or co-occurring mental health conditions that require and would benefit from secure treatment or stabilization in

preparation for returning to their community and reunification with family. The Youth Development Center served a total unduplicated count of 122 committed youth in State Fiscal Year 2012.

The Youth Services Center

The Youth Services Center provides detention services in a unit within the Sununu Youth Services Center. A juvenile may be committed for placement at the Youth Services Center following an arrest for a delinquent offense and the issuance of a NH Circuit Court order.

The Detention Unit is a 24-bed co-educational secure detention center that houses youth who have allegedly committed delinquent offenses and are awaiting disposition of their cases by the courts. It also detains youth wanted in other states in accordance with the provisions of the Interstate Compact. Most youth are detained for less than 48 hours, but others may remain longer awaiting court dispositions, placements and release to their home state or adult certification. Residential staff provides for secure care and respond to youths' recreational needs. All detained youth are provided with close supervision for the duration of their stay. The Youth Services Center served a total unduplicated count of 197 detained youth during State Fiscal Year 2012.

Population

The daily census at SYSC over the past several years has ranged between 58-70 youth at any given time, with additional youth on administrative release or furlough. The youth have a wide range of mental health and behavior disorders and the clinical team is experienced in treating adolescents with challenges including but not limited to:

- Conduct Disorder
- Oppositional Defiant Disorder
- Attention-Deficit Disorder
- Impulse Control Disorder
- Disruptive Behavior Disorders
- Reactive Attachment Disorder
- Depressive Disorders
- Substance Abuse Disorders
- Bipolar or Mood Disorders
- Post-Traumatic Stress Disorders
- Anxiety/Adjustment Disorders

SYSC offers an array of services that address the medical and mental health needs of youth for whom less intensive, community-based services have not produced the outcomes necessary to keep the youth or community safe. SYSC also serves as its own School Administrative Unit (SAU), and as such provides comprehensive and individualized education services to all youth residents. Additionally, as a result of its central location in the state, SYSC is able to serve all youth throughout New Hampshire who require secure treatment.

Assessment of Current Programming Appropriateness:

In order to assess the appropriateness of programming for these youth using the current facility, the Department requested technical assistance from the Office of Juvenile Justice and Delinquency Prevention (OJJDP) National Training and Technical Assistance Center to

determine what practice approaches achieve positive outcomes with this population, and in what type of settings. They were asked to review the Sununu Youth Services Center's (SYSC) use of Evidence-based Programs (EBP), what funding sources are available for programming and what other states provide for services/programming at their respective state centers.

On May 17, 2013, the National Training and Technical Assistance Center transferred the technical assistance project to the National Center for Youth in Custody (NC4YC). The Co-Director Ned Loughran then followed up with DCYF staff who further refined the scope of the technical assistance request and initiated their review.

Mr. Loughran and another NC4YC member, David Crowley, conducted a comprehensive site visit to the facility from June 24, 2013 - June 27, 2013. During the visit, Mr. Loughran and Mr. Crowley toured the facility, observed programming and operations, interviewed administrators, staff and youth residents, and reviewed documents and youth records.

The technical assistance identified the following in regard to the current programming at SYSC, in light of national best practices:

Changing Profile of the Population

- Like most youth corrections facilities throughout the country, SYSC has experienced an influx of youths with serious emotional and mental health problems
- Many of these youths also have a co-occurring disorder of substance and/or alcohol abuse. These high needs youth tend to do better in specialized units with adequately trained staff similar to the H 1 Crisis Management Unit at SYSC
- A large percentage of youth are diagnosed with trauma related issues (female residents with higher rates)
- SYSC offers a comprehensive and effective array of treatment programs (Honest Minds, Restorative Circles, Family Therapy, Emotional Empathy, Compassion, Pet Therapy, AA, NA, etc.)
- Programs are targeted toward this challenging, high needs, resident population

Family Engagement

- SYSC is beginning to explore ways to involve families in their children's treatment plans and reintegration planning
- Family engagement strategies could be increased

Education Program

- SYSC offers a comprehensive school program that includes guidance counseling, special education services, and apprenticeship/vocational opportunities (e.g., automotive, culinary arts, wood working and gardening)
- Teacher to youth ratio is 1:2 (30 certified teachers for 61 youths)
- Youths receive individual credit recovery assistance
- Some residents complete college level work

Residential Program

- Training curriculum for new staff includes topics required for work on a secure-care unit
- Facility is inadequately staffed at times
- Many staff and youth residents noted staff shortages
- Staff desire additional training

Overall, the evaluation identified that SYSC is in the process of movement away from a correctional model to a rehabilitative one, and that this shift is consistent with the direction many juvenile justice programs around the country are taking, and necessary in light of the needs of the current population. The use of evidence-based treatment interventions such as Dialectical Behavior treatment, Trauma Informed Treatment, Aggression Replacement Training, along with family therapy and substance abuse treatment have enriched the treatment program for youths at SYSC. The evaluation confirmed that many of these programs have proven results in addressing the complex needs of adolescent offenders, such as the serious mental health issues that result from early exposure to trauma, substance abuse and family related problems.

According to the evaluator, SYSC's routine use of outcome data to identify issues, implement changes and monitor performance further contributes to the overall safety, health and quality of life for staff and youths in the program.

The evaluator also found that the facility itself creates an environment that is conducive to its primary purpose, the rehabilitation of adolescent offenders. The campus and building has the feel of a high school rather than a secure facility. The exterior design of the building provides a perimeter security, instead of fencing topped with barbed wire or razor ribbon, as is often the case in most secure facilities for young offenders throughout the country.

Among other recommendations related to specific programming, training or policies, key recommendations from this report include:

- Increase staffing levels and optimize staff allocation
- Continue to convert as many half time positions to full time for consistency in operational management
- Utilize supervisors and any available facility support staff for unit shortages
- To relieve staff when counseling youths in Crisis Services Unit, for outside coverage activities, and for additional security on trust level activities
- Continue quality assurance strategies
- Increase staff training (e.g., skill and team building)
- Recognize and reward staff accomplishments

Many of the recommendations were already in progress and/or have since been acted upon. Although there are always opportunities for improvement, as a whole, the technical assistance provider found that the current programming and facility at SYSC is aligned nationally with best practices and treatment of this population.

Assessment of Legal and Fiscal Implications:

Legal Considerations

As part of its assessment the Department also looked at whether there were any deed restrictions, easements or other federal requirements that could potentially limit alternative uses of the facility and found the following:

- A title search completed for the property prior to construction of the facility concluded that there are no encumbrances on the property that would restrict its use for other purposes.

- While certain "contributing buildings" on the SYSC campus may be subject to restrictions or to a preservation easement pursuant to a memorandum of understanding

between the Department of Health and Human Services and the New Hampshire Division of Historical Resources, the new facility is not covered by this memorandum and accordingly the memorandum should have no effect on any proposed changes for the use of the facility.

- The facility was built in large part with the use of federal Violent Offender Incarceration and Truth in Sentencing (VOI/TIS) grant funds. As a condition of funding, the state is required to operate the facility as a correctional facility or jail. The duration of the state's obligation, however, is not specified and federal guidance on the issue provides that grantees are required to use the facility for the originally authorized purpose for as long as they are needed for that purpose. Thus the need for the facility dictates the length of the federal requirement for its continued use.

- As a further condition of funding, however, the state was required to provide assurances that it would not dispose of, modify the use of or change the terms of title to the property without the permission and instructions from the Office of Justice Programs, U.S. Department of Justice (DOJ). Accordingly, any proposed change in the use of the facility would require the approval of the DOJ. The DOJ's Bureau of Justice Assistance which now administers the VOI/TIS grants has stated that it has a general policy of granting all reasonable facility use requests provided that the alternative use of the facility serves a criminal justice purpose, as a general matter, and that the facility must be made available for the originally authorized purpose if the need should arise again.

Fiscal Considerations

Fiscal considerations regarding potential use of another facility to provide secure treatment for this population include the fact that the state owns the Manchester property and buildings, and would continue to incur a cost to at least minimally maintain those facilities should the SYSC program relocate elsewhere. There is the potential requirement as noted above that a portion of the VOI/TIS grant monies awarded to build the current facility would need to be paid back if the facility is no longer in use for that purpose. Additionally, the cost to rent or purchase and renovate a different facility to provide secure treatment would need to be considered. Given these factors, use of a different facility to provide these services, despite the lower census at the center, is not a cost effective option. Please see Appendix A for details on this option.

Private Contracting Considerations

Consideration was also given to the possibility of contracting existing services out to a private provider in the current or a different location, and the programming, legal and fiscal implications of that option. In regards to programming, given the evaluation results above, it is apparent that the current programming at the facility is ideally suited to this population and aligned with best practices nationally. Given this, there is no basis to consider privatization for programming reasons.

As the possibility of contracting services relates to legal and philosophical considerations, this question is closely linked to the issue of statutory authority. It is raised on the basis of the "propriety" of such action rather than with respect to "legality". It is an ideological question that many people feel strongly about. In fact, many staff and stakeholders interviewed believe that the responsibility for secure treatment is and should continue to be the role of the state. They argue that some functions are the “responsibility” of government and cannot or should not be delegated; among these functions are all legislative and judicial activities involved in all stages of the juvenile and criminal justice process. In the instance of privatization, the state would retain legal and ethical responsibility for this critical function, while surrendering direct control of these services to a private party. Others argue that there is a legitimate and necessary role for private

enterprise in the management of juvenile corrections, which in no way constitutes an abrogation of the essential role of government in formulating policy.

The desire to decrease cost of a service that is currently publicly provided is often a significant reason for contracting that service to the private sector. At times, the private sector has a greater potential for innovation and efficiency due to its ability to be more flexible than government regarding personnel and resources. It is critical to note that, while the state agency could relinquish responsibility for performing a service by contracting it out, it in no way relinquishes responsibility for monitoring the private providers. The state remains accountable, through detailed monitoring procedures, for all contracted services. The shift from operating public services to monitoring the provision of public services must include the state's ability to oversee and evaluate performance.

There is also a statutory challenge regarding the authority of private providers as compared to the public sector. Currently the employees of a private provider are not authorized by state law to take and hold juveniles in their care, as current state statutes did not envision private juvenile corrections providers.

In regards to the fiscal considerations of contracting these services to a private provider in a different location, given the costs that would be associated with maintaining the current land and buildings, payment to a provider for the services (which would require renovation of any existing facility in the state to provide adequate security), and costs of the necessary quality monitoring that would still be the responsibility of the state, contracting these services to a private provider would not be a cost effective option. Additionally, as noted above, there is the potential requirement that a portion of the grant monies awarded to build the current facility would need to be paid back if the facility is no longer in use for that purpose, further reducing the fiscal viability of this plan.

The viability of contracting these services to a private provider using the current facility is rife with programming, legal and philosophical concerns, and would still incur some of the same costs noted above. The Department began exploration of this possibility by issuing an RFI (Request for Information) in 2012. Only two responses were received, only one of which was from a provider with a demonstrated history of providing similar residential services, so options for appropriate private providers could be limited for this somewhat unique service. Additionally, the RFI did not require that proposals include budget information, so the responses did not confirm that costs would be reduced through a private contract.

However, there may be fiscal value in exploring contracting with a private provider for some specific targeted services currently provided by the state at SYSC. Education, maintenance or food services could be such examples. In addition, several focus group conversations and interviews clearly identified that there may be room to decrease staffing costs in educational services, given the teacher to student ratios noted earlier. This will continue to be an area for potential reduction of costs depending on the outcome of the short and long term options described below. Please see Appendix B for the current State Fiscal Year budget for Education, Maintenance and Food Services at SYSC.

Findings and Conclusions

Analysis of the information gathered above indicates that **the Department should continue to operate the Sununu Youth Services Center at the Manchester site,** and should turn its attention toward efforts to modify and expand its service continuum to better meet the needs of

the youth, families and community, and toward decreasing overall operating costs. These two goals may in fact be closely connected to one another.

As noted earlier, a significant portion of the youth served at SYSC require and receive treatment for mental and behavioral health issues. Additionally, a number of discussions with stakeholders identified secure treatment in these two areas as primary unmet needs for children and youth in New Hampshire. These discussions indicated that there is often a waiting list for children to receive acute psychiatric services at New Hampshire Hospital, and there are limited secure options for families when children are discharged from the hospital. These children may wait in local hospital emergency rooms for extended periods, where they cannot be provided with the crisis stabilization and treatment they need. Additionally, the hospital is meant to provide time-limited acute care, however in situations where longer secure services are needed; there are few transitional options that allow youth to fully solidify their treatment gains before returning to their community. Lastly, there are inadequate numbers of inpatient resources for youth struggling with substance addictions in our state. Some of the youth facing these challenges enter SYSC currently as a result of a delinquent act, some do not, however the treatment needs and safety concerns regarding youth in both circumstances are very similar.

As a result, the review has identified both short and long-term options for the Department to explore in an effort to reduce costs at SYSC and expand the uses of the facility to meet the needs of children and youth.

Short-term Options

New Hampshire Hospital (NHH) currently provides acute psychiatric treatment services for children, adolescents, adults and elders with severe mental illness. The Department should explore, in conjunction with NHH, the viability of dedicating a unit at SYSC to the hospital for the transition of children and adolescents who need crisis stabilization but not acute psychiatric services, or no longer require acute care but need secure transitional care in order to return safely and permanently to their home and community. New Hampshire Hospital is a certified secure medical treatment facility, and the feasibility of NHH opening a unit at SYSC for children and youth should be investigated.

In addition, a floor separate from other detained or adjudicated youth within SYSC could potentially be designated to provide secure inpatient services for adolescents with substances abuse needs. The program could provide:

- Acute, inpatient medical detoxification
- Safe medical withdrawal
- Inpatient Chemical Dependency Detoxification
- Group therapy, including coping skills, relapse prevention, and alcohol/drug education
- Educational groups
- Transitional Services

Expanded mental health and substance abuse treatment services for children and youth are both potential additional uses of the current facility that would enhance the existing service array available to meet these critical needs, and reduce overall costs as well. Costs could be reduced as a result of income generated through payment from insurance providers for these services. This income could be maximized through the use of existing infrastructure (building, food service, maintenance, recreational, medical facilities, etc.) resulting in decreased overhead costs to provide these services. Further exploration is needed to determine requirements for certification, staffing and billing procedures, among other areas, to confirm the feasibility of these options.

However, as a currently under-utilized asset in the state for the secure treatment of youth who require this level of care, SYSC could offer a fiscally sound addition for these critical services.

Long-term Options

A more long-term solution for reducing costs and enhancing services at the Sununu Youth Services Center could involve the ability to draw federal Medicaid dollars for services provided at SYSC. Review and consultation with individuals from the State of Vermont regarding recent changes at their juvenile correction facility, Woodside, indicates that the services provided to the youth currently served at SYSC may be able to become eligible for Medicaid payments.

Like New Hampshire and most states, Vermont has experienced the same changes in the population at their youth correctional facility, in that most youth are presenting with greater mental health and substance abuse needs that require treatment. Vermont saw the role of Woodside shifting in response from a secure detention facility to a medical/psychiatric treatment facility, so they embarked upon a series of legal and practice changes to reflect that shift. The result of these changes has been to allow the Woodside Center to receive Medicaid payments for all services provided at the facility except education services for those youth insured by Medicaid.

Evaluation of Federal Medicaid Laws and Policies

The discussion below represents Vermont's findings and recommendations for accessing Medicaid funding for services, which would apply to SYSC as well.

Inmate of a Public Institution Exception

Federal Medicaid funds are not available for care or services provided to any individual who is an "inmate of a public institution (except as a patient in a medical institution)." A "public institution" is defined as an institution that is the responsibility of or is administratively controlled by a government unit. However, the term "public institution" excludes medical institutions, intermediate care facilities, publicly operated community residences that serve no more than 16 residents, and child-care institutions."

On the other hand, federal regulations define a "medical institution" as an institution that:

a. Is organized to provide medical care, including nursing and convalescent care;
b. Has the necessary professional personnel, equipment, and facilities to manage the medical, nursing, and other health needs of patients on a continuing basis in accordance with accepted standards;
c. Is authorized under State law to provide medical care; and
d. Is staffed by professional personnel who are responsible to the institution for professional medical and nursing services.

The services must include adequate and continual medical care and supervision by a physician; registered nurse or licensed practical nurse supervision and services and nurses' aid services, sufficient to meet nursing care needs; and a physician's guidance on the professional aspects of operating the institution.

Institutions for Mental Disease (IMD) Exclusion

Federal law defines an Institution for Mental Disease (IMD) as a hospital, nursing facility or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment or care to persons with mental diseases, including medical attention, nursing care, and related services.

Medicaid funding is not available for IMD services, except for inpatient psychiatric services provided to individuals under the age of 21. This exception for individuals under age 21 has been interpreted inconsistently. One interpretation is that inpatient psychiatric services must meet the narrow, institutional definition of inpatient psychiatric services (described in the next section). Another interpretation is that the IMD rules do not apply to individuals under age 21.

Medicaid Reimbursement for Psychiatric Residential Treatment Facilities (PRTF)

Federal Medicaid law recognizes a limited number of institutional settings for which room and board costs may be reimbursed. These settings include hospitals, nursing facilities, intermediate care facilities for the mentally retarded (ICF/MR), and inpatient psychiatric services for children under age 21. Psychiatric services for children may be provided by a psychiatric hospital, psychiatric unit of a general hospital or psychiatric residential treatment facility (PRTF).

Under Centers for Medicare and Medicaid Services (CMS) regulations, a PRTF is a non-hospital facility that delivers inpatient psychiatric services to Medicaid enrolled individuals under age 21. The facility is required to be accredited by the Joint Commission (known as JCAHO) or other accrediting entity, such as the Commission on Accreditation of Rehabilitation Facilities (CARF). The facility also must comply with federal regulations concerning the use of seclusion and restraints.

Findings and Recommendations Regarding Federal Medicaid Laws and Policies

The Department believes that the Sununu Youth Services Center could, as a long-range plan, potentially meet the federal definition of a "medical institution," subject to modification of New Hampshire law to recognize SYSC as a medical provider. The agency also believes that enrollment of Sununu Youth Services Center as a psychiatric residential treatment facility would strengthen the Medicaid program's authority to cover SYSC for three reasons:

1. Recognition of SYSC as a *Psychiatric Residential Treatment Facilities (PRTF)* could enable the New Hampshire Medicaid program to cover services offered by SYSC under traditional Medicaid laws.
2. The federal definition of a "medical institution" has not been consistently interpreted and applied, but enrollment of SYSC as a PRTF would meet the narrowly constructed definition of a medical institution.
3. Federal law exempts "inpatient psychiatric services for children under age 21" from the prohibition on Medicaid funding for services. The definition of "inpatient psychiatric services" could be narrowly interpreted to include only traditional Medicaid providers (e.g., hospitals and PRTFs). Enrollment of SYSC as a PRTF could meet the narrow definition of "inpatient psychiatric services for children under age 21."

Both the designation as a "medical institution" and enrollment as a PRTF would require statutory and process changes, as well as accreditation by an accrediting entity. While it is believed that the

facility, services, staffing and programming currently in place at SYSC would largely meet accreditation requirements, specific analysis will be necessary to determine if additional changes are needed. However, as was true in Vermont, it is anticipated that a large majority of youth presently served at SYSC have treatment needs that would clinically require secure treatment, thereby allowing all costs for their treatment at SYSC except education costs to be covered by Medicaid payments to the state. It is important to note that the Woodside facility continues to provide services to a small number of youth (less than 5-10%) that do not have clinical needs that require secure treatment, but nonetheless require secure placement to ensure community safety. They continue to utilize state general funds to serve this population.

Programmatically, the Woodside Center made a number of changes aligned with the shift to a more treatment-focused approach to these services. New Hampshire is already in the process of making many of these changes as they are recognized as best practice for youth and their families, such as infusing Restorative Practices into the facility, expanding family engagement in treatment, and individualizing youth's programs based on treatment needs. Additional changes made in Vermont that warrant exploration include initial review of all admissions by a clinical team to determine need for secure care, with transition supports to a lower level of care if appropriate. It is also worth considering eliminating the separation of youth based on legal status (detained vs. committed), that would allow for unit assignment of all youth based on treatment need and services, and discharge planning that begins immediately upon admission for all youth.

Given the above information, the Department should explore the feasibility and appropriateness of the identification of the Sununu Youth Services Center as a psychiatric residential treatment facility. This should include, if appropriate, any statutory changes that would be necessary to meet this recommendation. This exploration should include an analysis of any outcome data available regarding the Woodside program or other similar models, and a plan for evaluation of any recommended changes at SYSC. Additionally, the success of a secure treatment model such as the one described here is intricately tied to the availability of adequate community treatment services to support successful discharge from secure treatment. As a result, the Department would propose that a portion of any savings realized through these modifications be allocated to support such community treatment programs.

It should be noted that neither the short nor long term possibilities described above are anticipated to result an increase in daily census at the facility beyond its capacity. The youth currently served at SYSC and New Hampshire Hospital typically struggle with very similar challenges and require similar services in terms of mental health and substance abuse treatment, with the primary differentiation being that youth currently at SYSC have been charged with committing a delinquent act. It is hoped that by making this level of treatment more available to youth who need it before a delinquent act occurs, the youth, their families, and the community will be better and more safely served.

Final Summary:

Short-Term Options

1. The Department will continue to operate the Sununu Youth Services Center at the current Manchester facility.
2. The Department will explore the possibility for SYSC to house an extension of New Hampshire Hospital services for psychiatric and substance abuse care.
3. The Department will explore the programmatic and fiscal impact of contracting specific targeted services provided at SYSC to a private provider.

Long-term Options

1. The Department will explore the feasibility and appropriateness of identifying the SYSC as a Psychiatric Residential Treatment Facility (PRTF) to secure Medicaid funding for services, including any necessary program or statutory changes, and fiscal impact.

General Recommendations

1. The Department will continue to invite stakeholders' participation in exploring the above options.
2. The Manchester neighborhood residents should specifically be involved in the exploration of these possibilities.

The Department worked with community stakeholders and providers to create this report and wants to recognize the time and effort of many in contributing to the creation of this document and the plan going forward. There were focus groups and interviews from which information was gathered and there was a standing executive group that listened to and considered the information in an effort to look at as many options as possible.

The following individuals were part of the Executive Team that met over the past five months.

Executive Team Members - Stakeholder Members

Amy Kennedy, Office of Governor Margaret Wood Hassan
Mayor Theodore Gatsas, Mayor, City of Manchester
Joyce Craig, Alderman, Ward I, City of Manchester
Maria Gagnon, CEO, Child & Family Services
Monica Zulauf, President/CEO of YWCA, NH
Patricia Dowling, Chair, Governor's State Advisory Group on Juvenile Justice
Ellen Feinberg, Executive Director of N.H. Kids Count
Ron Adams, Governor's State Advisory Group on Juvenile Justice
Michael Adamkowski, Chair, DCYF Advisory Board
Amy Pepin, Governor's State Advisory Group on Juvenile Justice
Marty Boldin, Director Office of Youth Services
Michael Sielicki, NH Chiefs of Police Association
Joseph Diament, Director Division of Community Corrections

Appendix A

	Budget Impact - General Funds			
	SFY14	SFY15	TOTAL	
Total SYSC Budget	-	(15,182,997)	(15,182,997)	
General Fund Portion of SYSC Budget		(14,255,656)	(14,255,656)	
Est. cost to send residents to another program		11,315,000	11,315,000	*
Est. cost to administer placement contract	-	1,357,800	1,357,800	**
Est. cost to maintain buildings/campus after closure	-	900,355	900,355	***
Potential General Funds Savings[1]			(682,501)	

[1]Note: There are two unknown costs:
1) Requirement to pay back VOI/TIS grant
2) Costs associated with renovating a non-secure facility into an architecturally secure facility

DETAIL

Estimated cost to send residents to another program:

Average Census # per Day	62	
Assuming an average daily rate of:	$500	
x365 days year	365	
	$11,315,000	*
Estimated cost to administer Contract @ 12%	**$1,357,800**	**
	$12,672,800	

MAINTENANCE/SECURITY BUDGET	SFY 2014 Budget	Program Costs	Facility Costs After Closure	
PERSONAL SERVICES PERM CLASS	$ 469,451	$ 134,405	$ 335,046	
OVERTIME	$ 16,314		$ 16,314	
HOLIDAY PAY	$ 2,330		$ 2,330	
CURRENT EXPENSES	$ 78,440	$ 39,220	$ 39,220	
HEAT ELECTRICITY WATER	$ 845,284	$ 591,699	$ 253,585	
MAINT OTHER THAN BUILD-GRN	$ 2,275		$ 2,275	
EQUIPMENT NEW REPLACEMENT	$ 40,000	$ 20,000	$ 20,000	
TELECOMMUNICATIONS	$ 4,975		$ 4,975	
OWN FORCES MAINT BUILD-GRN	$ 6,970		$ 6,970	
CONTRACTUAL MAINT BUILD-GRN	$ 52,349		$ 52,349	
PERSONAL SERVICE TEMP APPOIN	$ 21,195	$ 21,195		
BENEFITS	$ 265,711	$ 98,920	$ 166,791	
EMPLOYEE TRAINING	$ 1,260	$ 1,260		
IN STATE TRAVEL REIMBURSEMEN	$ 5,325	$ 4,825	$ 500	
OUT OF STATE TRAVEL REIMB	$ 1	$ 1		
	$ 1,811,880	$ 911,525	**$ 900,355**	***

Appendix B			
Description	ORG	CLASS	SFY 2014 Budget
MATERIAL MGT & FOOD PREP			
PERSONAL SERVICES PERM CLASS	7913	10	242,008
OVERTIME	7913	18	16,984
HOLIDAY PAY	7913	19	8,010
CURRENT EXPENSES	7913	20	95,640
FOOD INSTITUTIONS	7913	21	289,051
RENTS-LEASES OTHER THAN STAT	7913	22	292
EQUIPMENT NEW REPLACEMENT	7913	30	1,358
TELECOMMUNICATIONS	7913	39	2,800
PERSONAL SERVICE TEMP APPOIN	7913	50	13,385
BENEFITS	7913	60	168,365
EMPLOYEE TRAINING	7913	66	629
IN STATE TRAVEL REIMBURSEMEN	7913	70	467
GENERAL FUNDS			838,989
MAINTENANCE/SECURITY			
PERSONAL SERVICES PERM CLASS	7914	10	469,451
OVERTIME	7914	18	16,314
HOLIDAY PAY	7914	19	2,330
CURRENT EXPENSES	7914	20	78,440
HEAT ELECTRICITY WATER	7914	23	845,284
MAINT OTHER THAN BUILD-GRN	7914	24	2,275
EQUIPMENT NEW REPLACEMENT	7914	30	40,000
TELECOMMUNICATIONS	7914	39	4,975
OWN FORCES MAINT BUILD-GRN	7914	47	6,970
CONTRACTUAL MAINT BUILD-GRN	7914	48	52,349
PERSONAL SERVICE TEMP APPOIN	7914	50	21,195
BENEFITS	7914	60	265,711
EMPLOYEE TRAINING	7914	66	1,260
IN STATE TRAVEL REIMBURSEMEN	7914	70	5,325
OUT OF STATE TRAVEL REIMB	7914	80	1
GENERAL FUNDS			1,811,880
EDUCATION			
PERSONAL SERVICES PERM CLASS	7917	10	2,272,512
OVERTIME	7917	18	4,663
CURRENT EXPENSES	7917	20	20,930
RENTS-LEASES OTHER THAN STAT	7917	22	3,887
ORGANIZATIONAL DUES	7917	26	247
TELECOMMUNICATIONS	7917	39	1,820
AUDIT FUND SET ASIDE	7917	41	0
PERSONAL SERVICE TEMP APPOIN	7917	50	15,685
BENEFITS	7917	60	1,113,920
WORKERS COMPENSATION	7917	62	0
EMPLOYEE TRAINING	7917	66	1,104
IN STATE TRAVEL REIMBURSEMEN	7917	70	284
GRANTS NON FEDERAL	7917	73	1
OUT OF STATE TRAVEL REIMB	7917	80	1
EDUCATIONAL SUPPLIES	7917	537	25,163
			3,460,217
OTHER FUNDS (Agency Income)			-710,205
GENERAL FUNDS			2,750,012