

CSHB 86

"AN ACT RELATING TO A STATE-OWNED INPATIENT MENTAL
HEALTH TREATMENT HOSPITAL; AND PROVIDING FOR AN
EFFECTIVE DATE."

What is the Alaska Psychiatric Institute :

- Alaska Psychiatric Institute (API) is a facility in Anchorage, AK. that provides emergency and court-ordered inpatient psychiatric services. API is the only public psychiatric hospital in the State of Alaska and serves the entire state
- The facility also serves adults with developmental disabilities as well as those with Alzheimer's and dementia. Additionally the hospital serves Title 47 patients (involuntary commitment) and Title 12 patients (criminal/forensic patients awaiting court ordered examinations)
- The hospital has three adult wings, one adolescent wing and one adult forensic unit
 - Although API has 80 beds, only 40 of them are available for adult civil acute psychiatric care.

API: Background

- Opened in 1962 as part of Alaska Mental Health Enabling Act of 1956
- Opened in 1962 with 50 beds but grew to 225 beds in 1965. In 1993, the legislature appropriated enough funds for 80 beds
- Hospital originally provided complete medical care, including surgical, obstetrics, dental and ex-ray departments. The hospital also had public school classrooms with two-full-time teaching positions
- During the mid-1970s and early 1980s, as Alaska's population grew, API continually operated at or above capacity
- From 1990-2015 the number of yearly admissions have doubled while the number of beds have been cut in half
- In Step, Alaska's 5-year mental health plan for 2001-2006, produced by Department of Health and Social Services, traced the path between lack of capacity to treat those with mental illness in the community to growing number entering the corrections system

What Alaskans Are Saying:

'My job is not for sale': Opponents of API privatization rally against no-bid contract

Madeline McGee

| Alaska News | March 23, 2019

Time to end no-bid API contract, examine long-term
alternatives for hospital

Private company hired to run Alaska Psychiatric Institute has a mixed record

Michelle Theriault Boots

| Alaska News | February 17, 2019

Union sues to block privatization of Alaska Psychiatric Institute

James Brooks

| Alaska News | April 15, 2019

Opinion: Privatizing Alaska Psychiatric Institute is a mistake

Alaska has a history of selling its psychiatric patients to the lowest bidder.

Alaska's only psychiatric emergency room is overflowing. It's a sign of a system breaking down.

✍ Author: Devin Kelly ⓘ Updated: May 13, 2018 📅 Published May 11, 2018

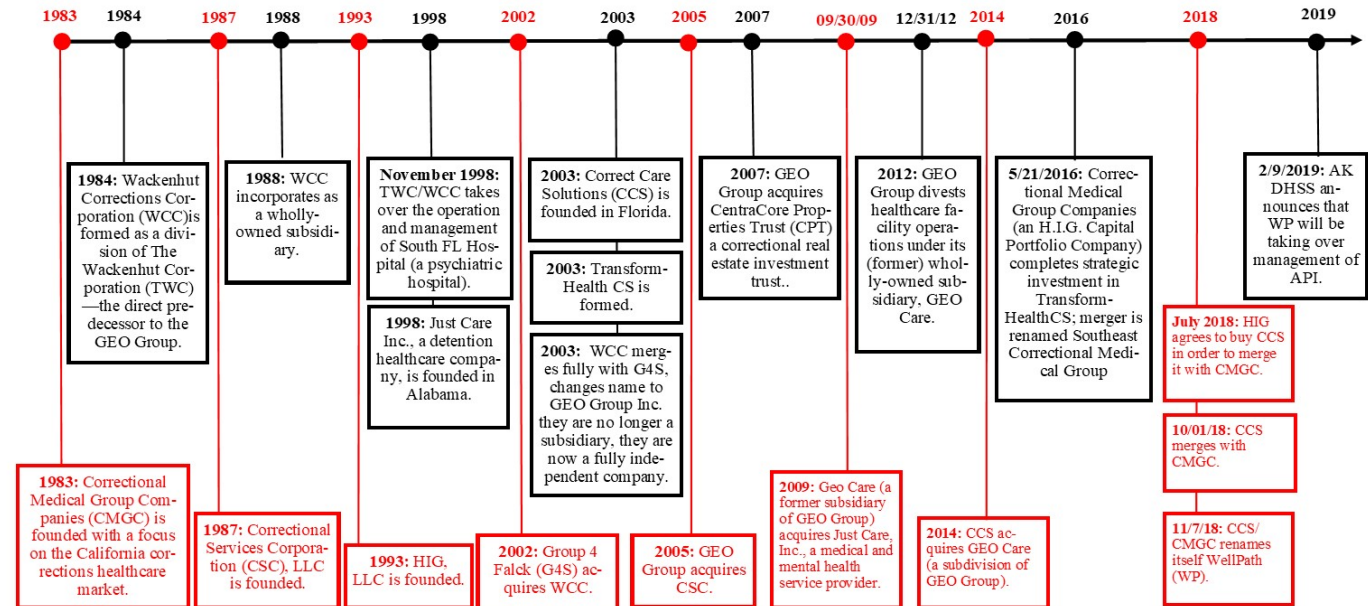
- The patients and employees of API deserve more than privatization
- The process in which the state tried to privatize Alaska Psychiatric Institute was not right- Alaskans called for the termination of the no-bid API contract

Wellpath Corporate History

- Founded in 2018
- Predecessors, Correct Care Solutions and Correctional Medical Group Companies, have troubled legal past:
 - “...A highly medicated Luis Santana, 42, died in a scalding bathtub on July 6, 2011, at South Florida State Hospital in Pembroke Pines. When hospital workers found him, they noticed his skin was “sloughing” off his face, chest, abdomen, back, arms and legs.” (Tampabay.com, Oct 29 2015)
 - “Santana, a paranoid schizophrenic who was taking five psychiatric medications, had tried to injure himself before, so he was supposed to be checked every 15 minutes. Mental health technician Patricia Bush missed one of the required checks and returned to find Santana floating beneath the running faucet with his mouth open, according to a police report. The water temperature was 118 degrees, leaving second-degree burns all over his body.”(Tampabay.com, Oct 29 2015)
- Correct Care Solutions has been sued more than 1,395 times since 2003
- Claims include wrongful death, inadequate care, malpractice

Timeline of Key Dates

A Brief Timeline of the GEO Group, Correct Care Solutions, and Wellpath



Wellpath has “no plan”

- High turnover of psychiatrists under Wellpath
- Staff overwhelmingly support public mission, public management
- Watchdogs have criticized Wellpaths’ lack of staffing guarantees or other oversight to ensure quality
- Flat budget + private management = worse care, danger for all involved



Alaska News

The last three psychiatrists working at API are resigning

✍ Author: Michelle Theriault Boots 🕒 Updated: March 21 📅 Published March 20

Alaska Psychiatric Institute's three remaining psychiatrists have all put in notice to quit, one of the doctors testified at a court hearing in Anchorage on Wednesday.

Dr. Deborah Guris testified that after the beginning of April, she will be the last psychiatrist on staff at the troubled public psychiatric hospital, which the [state moved to privatize](#) in February. Wellpath, the company the state gave the contract to, is supposed to take over full operation of the facility on July 1.

Guris then said her own last day will be May 3.

"I don't want to abandon my patients, but I also do not want to work somewhere that I can't ethically care for my patients," she said.

DEATH ON THE WARDS

14 people who didn't have to die in
Florida's mental hospitals

Portsmouth city jail, medical provider pay \$375K to settle wrongful death lawsuit

Inmates with Hepatitis C claim Florida denying medical treatment

Jeffrey Schweers, Tallahassee Democrat Published 6:01 p.m. ET Dec. 18, 2018 | Updated 8:49 p.m. ET Dec. 20, 2018

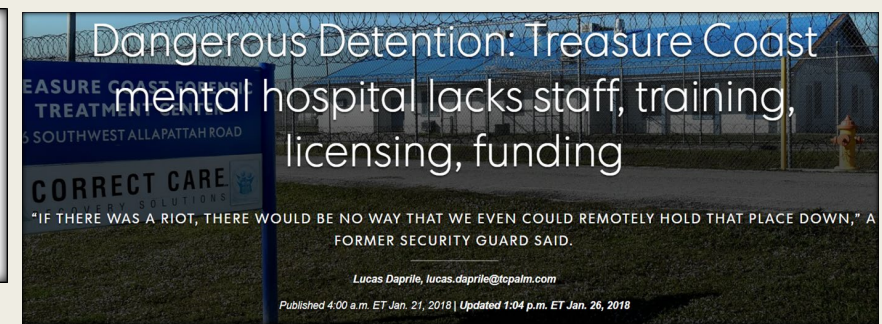
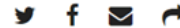
Prison Health Care Provider Sued 140 Times Now Blamed for at Least Six Deaths

Winfred Lawrence's family alleges Correct Care Solutions ignored his pneumonia until it killed him. Even a jail blames the company for several deaths.

Joanna Purpich 11.22.17 5:00 AM ET

California for-profit company faces allegations of inadequate inmate care

1015 12:04 AM



A1 TOP STORY, BROWARD SHERIFF'S OFFICE, GOVERNMENT CONTRACTORS, LOBBYISTS / JUNE 25, 2018 / AUTHOR: DAN CHRISTENSEN / 4310 SEEN / [READ 3 COMMENTS](#)

New Broward jail healthcare provider has grim history of lawsuits, deaths



Share:

U.S. NEWS 10/29/2018 03:25 pm ET

Leading For-Profit Prison And Immigration Detention Medical Company Sued At Least 1,395 Times

The complaints allege a range of charges, including wrongful death, malpractice and inadequate medical care.

YAHOO! | Ken Silverstein

Dozens of Lawsuits Against Correct Care Solutions for Sometimes Fatal Denial of Medical Treatment

Loaded on SEPT. 3, 2018 by [Matthew Clarke](#) published in Prison Legal News September, 2018, page 32

Filed under: [Correct Care Solutions](#), [Systemic Medical Neglect](#). Location: [United States of America](#).

by Matthew Clarke

From 2014 through July 2018, at least 52 lawsuits were filed in federal court against Correct Care Solutions (CCS) – a private medical contractor based in Nashville, Tennessee – alleging failure to provide adequate

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What the 2017 Legislative Study Said:

- Conclusion: Continue state management to attain cost savings while preserving services
- Cost benefit analysis showed that full privatization carried risks of decreased quality of services, higher cost over 5-year contract period
- Recommended state management with outsourcing of none-core services such as communications center
- CSHB 86 follows this guidance

Feasibility Study for the Privatization of Alaska Psychiatric Institute

January 25th, 2017

Privatization Option	Feasibility	Findings and Recommendations
1: Full Privatization		Cost-benefit analysis revealed that, even after significant staff reduction, when all transition costs, contract monitoring costs, and provider margins are considered, this option proves to be more expensive to the state over a likely 5-year contract period. The additional staff reductions needed for budget neutrality would likely diminish the quality of service delivery.
2: Joint Operating Agreement		As a variation of full privatization, this option failed to generate cost savings for the same reasons.
3: State Management		Cost-benefit analysis showed that implementing greater efficiencies in administrative functions and nursing staffing patterns could deliver the greatest amount of cost savings of all the options.

Putting Alaskans First

Opinions

State shouldn't outsource Alaska Psychiatric Institute management to global private equity firm

✍ Author: Jeremy Mohler | Opinion 🕒 Updated: March 18 📅 Published March 18



The Alaska Psychiatric Institute, photographed Wednesday, Jan. 30, 2019. (Loren Holmes / ADN)

[Buy This Photo](#)

PROFIT AND MARGINS

In all scenarios related to full or partial privatization, it is assumed that the incoming contractor would expect to make a profit in addition to having its costs covered. Therefore, PCG found it necessary to predict the expected profit margin the State would be responsible for paying. In doing so, PCG estimated margins based on two organization types: a for-profit provider and a not-for-profit provider. This provides the State with a series of options to weigh when determining a vendor, as well as creating parameters for estimating likely expenditures related to profit.

The expected margin for a for-profit contractor is eight percent (8%). This estimate is based on reporting from South Florida State Hospital, a privatized state hospital, as well as annual financial statements from another for-profit hospital provider, Universal Health Systems. These profit expectations are also commonly found in Request for Proposal responses to similar privatization efforts in other states.

The expected margin for an incoming not-for-profit contract would be four percent (4%), based on hospital benchmarks created by Becker's Hospital Review. To estimate costs related to margin for both organizational types, PCG applied the expected margin to the total estimated cost of services being contracted.

Source: Feasibility Study for the Privatization of API, Jan 25th 2017

Arguments Against Privatization

- Privatization means that private companies make profits by cutting corners and underinvesting in those they serve
- Profits made by the company must be paid to shareholders. This doesn't allow for investment in better services
- Private companies are not accountable to you and I
- Privatization leads to:
 - loss of management control by the public sector

CS HB86

- Adjusted terminology in bill
- Allows for emergency, single source contracting for activities related to maintenance, operation of mental health hospital
- Competitive bid processing is available for all processes except ownership, management of state-owned mental health hospital
 - Still allows for contracts for services: from care specialists to laundry and security, on several contractual options
- CS HB 86 provides for state ownership and management of inpatient mental health treatment hospital

Thank You