

2. RESIDENT/PATIENTS

In some ways the state hospitals are providers of "last resort." The care required for the resident/patients at state hospitals is intensive due to mutiplicity of problems.

3. BUILDING CONDITION

The following is a list in order of BEST to WORST in terms of how the condition of their buildings is rated:

Moose Lake	0% of buildings are rated fair to fair-poor
Brainerd	10%
Willmar	20%
St. Peter	25%
Faribault	35%
Fergus Falls	40%
Cambridge	45%
Anoka	47%

Buildings denoted as poor to fair to poor are determined to require extensive capital investment to meet current building standards.

Recommendations: The Department of Human Services should install a system-wide capital improvement plan and project capital cost of improvements to meet standards and develop plans to meet expected resident/patient projections.

There are currently buildings at each hospital which are vacant or nearly vacant. An aggressive policy should be pursued to declare vacated buildings surplus.

Review current state disposition laws to permit aggressive marketing of surplus property.

Minnesota has been fortunate to have the Federal Bureau of Prisons assume Rochester. Although they are interested in Moose Lake, it would be very difficult to dispose of the other property in a manner which might fill the economic and employment void. Anoka, because of its Twin City location is the only possible exception.

4. ENERGY

Energy costs represent 3.7% of the total operating cost of the hospitals. There are many ways to determine the energy efficiency at the hospitals. The following example shows the order of the hospitals' yearly cost-per-resident for energy:

1. Willmar	\$ 742
2. Fergus Falls	\$ 746
3. Moose Lake	\$1057
4. Cambridge	\$1083
5. St. Peter	\$1126
6. Anoka	\$1185
7. Faribault	\$1365
8. Brainerd	\$1378

The shared savings contract with Honeywell, Inc. should reduce Brainerd's cost-per-resident.

Regardless of the wide increase in cost-per-residents, the cost of energy alone should not determine the future of a particular hospital, because energy improvements can be made to narrow the extreme cost between the least and most expensive per-resident energy costs.

5. EMPLOYEES

The state hospitals are a labor-intensive industry. Personnel costs represent about 90% of total operating costs. Sixty-five percent of the workers at state hospitals are female.

The staff-to-patient ratios are usually more than 1-to-1 because of the round-the-clock care required for many of the patient/residents and the Welsh Decree which stipulates staff/resident ratios for mentally retarded people.

6. POTENTIAL FOR REEMPLOYMENT WITHIN STATE GOVERNMENT

Conclusion: Because of Anoka's proximity to the St. Paul Capital complex, the availability of jobs opening up over a 12-month period make it possible for all employees to obtain employment in the same job clusters. These openings include all state agencies, not just DHS.

Twenty percent of the employees at Faribault could be employed within state government if they would consider the positions open within Hennepin County which is beyond the 35-mile limit.

DOER estimated that there are over 700 people eligible for the Rule of 85. The principal REASON that many of the eligible people are not taking advantage of the Rule of 85 is the high cost of medical insurance which would have to be borne by the employees until Social Security kicks in. DOER estimates the cost to the state for paying the health insurance costs for employees until they reach the age of 65 is about \$7,500 per person.

7.7
~~\$250,000~~

7. HOSPITAL EMPLOYEES AS PERCENT OF AREA LABOR FORCE

Conclusion: The Moose Lake area is more dependent upon the hospital for its economic activity than any other hospital.

The following depicts the percentage of hospital jobs compared to the total number of jobs within the areas of residents for the employees:

1. Moose Lake	19% of all jobs in the area are at the state hospital.
2. Faribault	10%
3. Cambridge	10%
4. St. Peter	9%
5. Fergus Falls	7%
6. Brainerd	5%
7. Willmar	4%
8. Anoka	1%

8. SPENDING AND CENSUS OF STATE HOSPITALS 1974 - 1983

Conclusion: The hospitals were designed to serve large populations; as the population decreases, the cost per resident will rise. Although staff costs are 90% of operating costs, they are only 57% of all costs which includes capital costs, depreciation, etc.

Increases in spending are due to increased fixed costs, no staff reductions because of the Welsh Decree, inflation, and salary increases.

9. PUBLIC INPUT

Conclusion: As can be seen by the large public response, interest in the future of state hospitals is extremely high. The political stakes are equally high. The SPA Report must be sensitive to the potential response it could provoke, thus killing any long-term proposals which could be created to meet the different community, employee, and patient/resident needs.

Don't lock up
people - Get jobs -
Get a lot of people out -
Norman
Carlson
Fed prisons → Make

They were
tough.

Business returned. Bring him in
take a look
Reflected ~~Business~~ Get moving on it
wont Stand up to them -
they are nobody

I. The resolution to the issue regarding the future of state hospitals is extremely sensitive and volatile. The SPA final report should not become the focal point of debate, therefore the final report will provide policy options and alternative approaches for resolving the issue.

The solution to the issues will require more time than one legislative session; the SPA goal is to provide flexibility and guidance toward the future of the hospitals.

Alt Econ. Dev. - very limited
help put \$ in

As are
closing
Range of options
M.E. - leave something
for treating

Don't lock up people - Jobs
R&S, Transfer

Bizarre to listen
hack them up

II. The SPA Final Report

The final report will summarize the findings for each of the legislatively-mandated study areas and provide three basic options and outline the probable effects under each option:

OPTION A: Maintain all 8 state hospitals.

Phase-down or downsize of operations, permit natural attrition to occur, declare vacant buildings surplus. The study will outline the effects on employees, resident/patients, communities, cost of service, and disposition of buildings.

OPTION B Decentralize residential treatment of resident/patients.

The eight campuses would remain open, but reduce their operations while expanding various community residential programs.

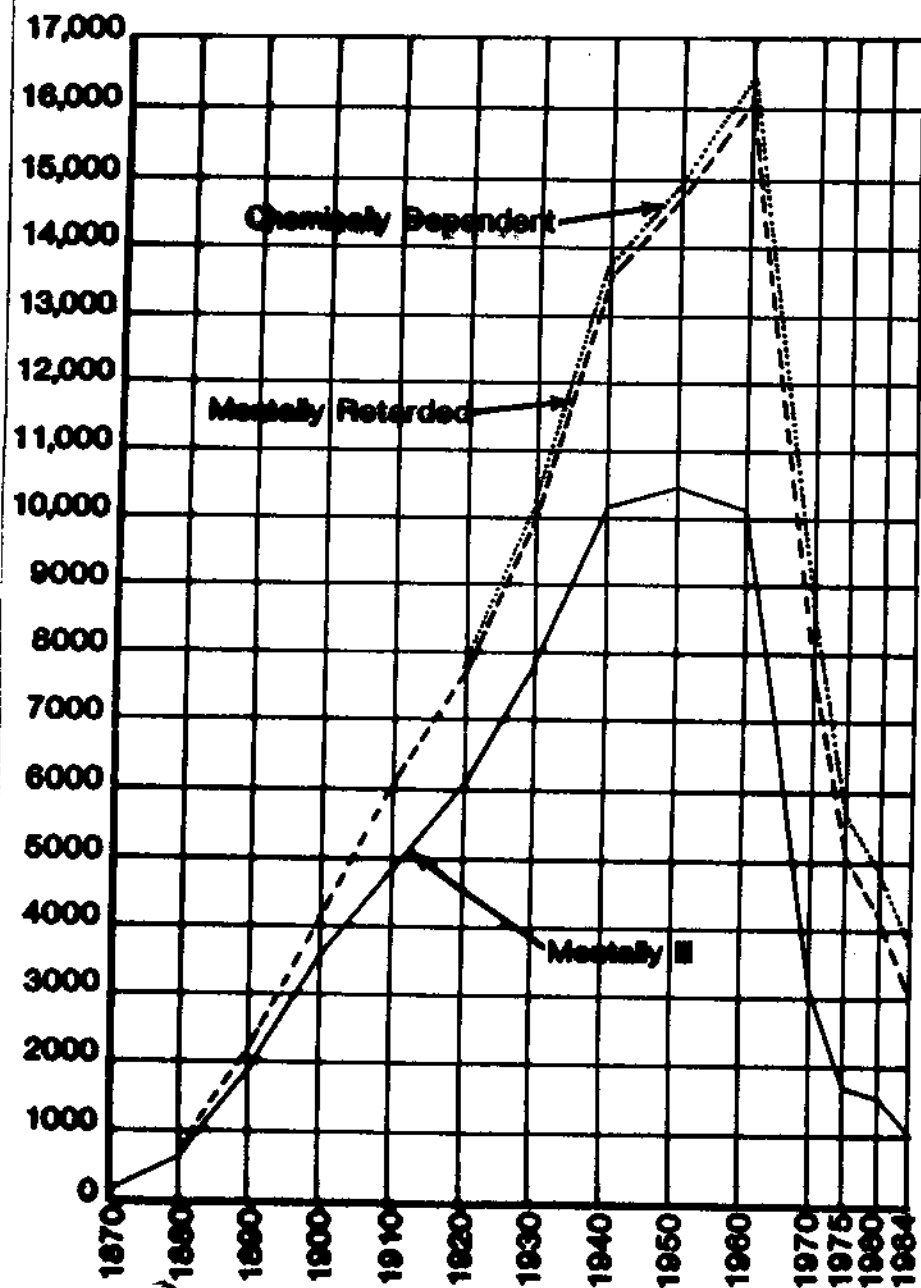
The community residential program would employ a variety of treatment and development approaches, depending upon the needs of the resident/patient. The state hospitals would serve as an administrative and special treatment centers, and provide emergency services, but the major direct care would occur in the community settings. As in options A & C, the final report would outline the effects on the: employees, resident/patients, communities, cost of service, and disposition of buildings.

OPTION C: Close one or more state hospital.

The report will outline the effects of this option upon the: employees, resident/patients, communities, cost of service, and - disposition of buildings.

III. The decentralized scenario has the potential of providing the flexibility and time needed to work out long-term solutions, and could have the least negative effects on all areas under study.

IV. The legislature was specific in its direction to the SPA in terms of what areas to study e.g. buildings, economic impact, effect on employees etc. If one were to look at the preliminary findings presented today, Anoka State Hospital would be the logical hospital to close because its buildings are in bad condition, requiring a large amount of capital investment; the effect on the employees is minimal in that they would not have serious difficulty in finding alternative employment; the economy of the area is not dependent upon the hospital; and, its property has the greatest potential for redevelopment. However, there are other factors which must be considered: Hennepin and Ramsey counties are the largest users of the state hospitals, the proximity to the resident/patients homes is important. There is a bonafide waiting list. At all times SPA must have a balanced approach in discussing these issues.



STATE HOSPITAL STUDY

State Hospital Resident Population* 1870-1984

*D.H.S. data

end of fiscal	MI	MR	CD
1870	206		
1880	673	21	
1890	1951	301	
1900	3589	721	
1910	4861	1231	
1920	6090	1742	2
1930	7800	2306	16
1940	10174	3623	62
1950	10464	4412	101
1960	10093	6008	254
1970	3124	4589	412
1975	1735	3517	489
1980	1520	2692	637
1984	1015	2142	595

SUBJECT NO.

3M

CATALOG NO. 15-
3M CENTER, ST. PAUL

STATE HOSPITAL STUDY

Residents / Patients

**The Residents / Patients of state hospitals
are usually more dependent,
more handicapped, more chronic
than persons in community settings**

STATE HOSPITAL STUDY

Public Input

The overwhelming public response (town meetings-4000+, phone calls-200+, letters- 150+, resolutions) is to continue state hospitals.

Concerns:

Access for all people

Skilled care

Not rejected by state hospital

Quality in community needs improvement

Specialized programs

STATE HOSPITAL STUDY

Building Condition

Best physical condition*

Brainerd
Moose Lake
St. Peter
Willmar

Worst physical condition*

Anoka
Cambridge
Fergus Falls

*As determined by Dept. of Administration survey

STATE HOSPITAL STUDY

Energy

Most efficient, lowest operating cost*

**Fergus Falls
Willmar**

Least efficient, highest operating cost*

**Brainerd (contract with Honeywell will improve efficiency)
Faribault**

***Regardless of technique used to measure energy efficiency**

STATE HOSPITAL STUDY

Employees - Residents / Patients***
(1984)

	Employees*	Residents / Patients**	Employee / Resident Ratio
Anoka	378	316	1.2
Brainerd	686	449	1.5
Cambridge	796	483	1.6
Faribault	1093	709	1.5
Fergus Falls	622	469	1.3
Moose Lake	512	435	1.2
St. Peter	712	590	1.2
Willmar	643	554	1.2
Total	5442	4005	1.36

STATE HOSPITAL STUDY

Potential for Reemployment within State Govt.*

All employees could be reemployed within state govt.

Anoka

20% of employees could be reemployed within state govt.

Faribault

Few, if any, could be reemployed within state govt.

All others

***Within 35 miles of hospital**

STATE HOSPITAL STUDY

Employee Injury & Accidents*

(Jan. - June 1983 Jan. - June 1984)

Most reports of injury

Brainerd (1 per 4 employees)

Fairbault (1 per 6.5 employees)

Least reports of injury

Fergus Falls (1 per 19 employees)

Average

All others (range from 1 per 12 to 1 per 8)

*D.H.S. data

SUBJECT
NO.

3M

CATALOG NO. 15
3M CENTER, ST. PAUL
MADE IN U. S. A.

STATE HOSPITAL STUDY

Hospital Employees as Percent of Area Labor Force

Hospital employees highest percent of area labor force

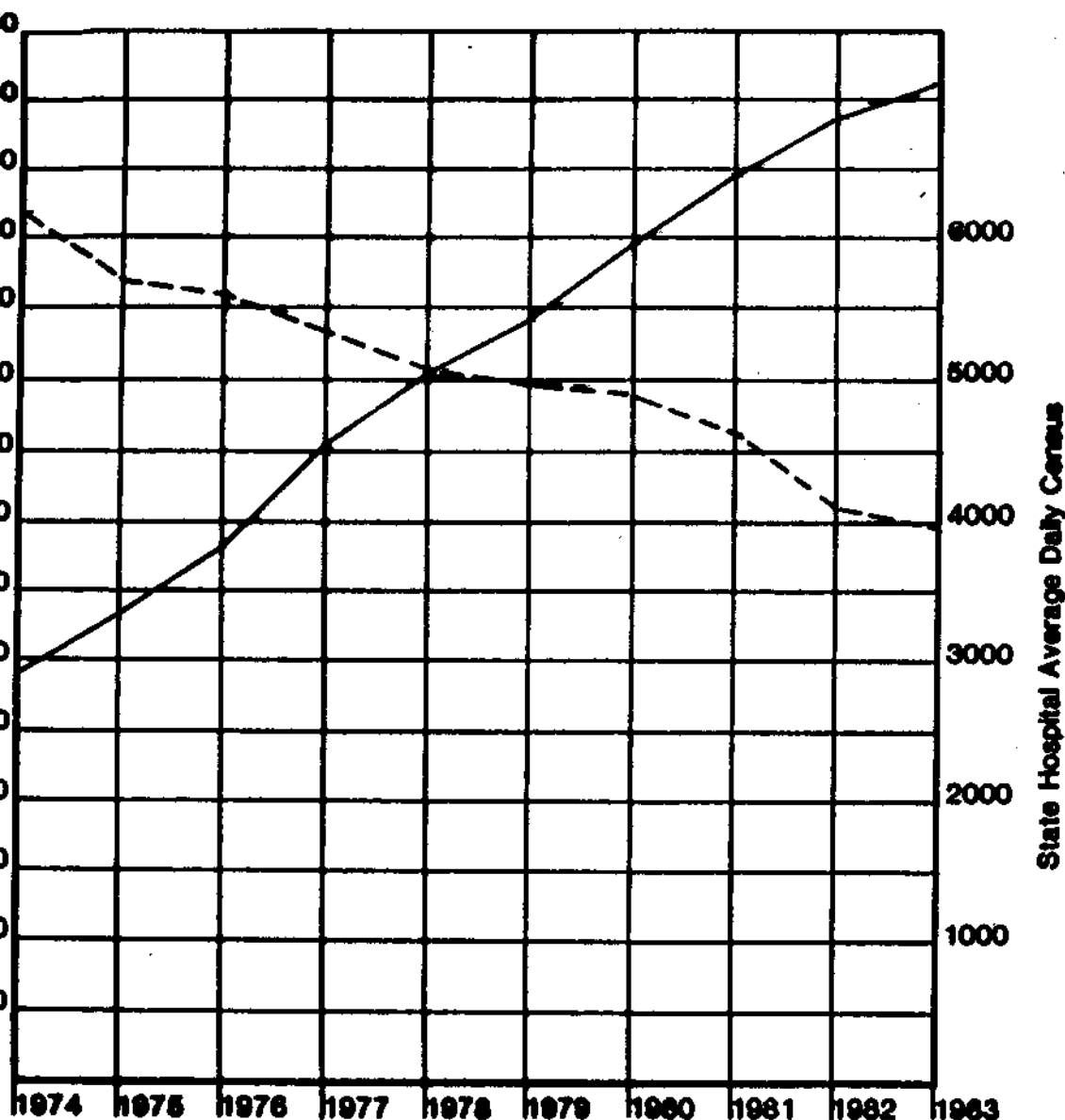
Cambridge
Faribault
Moose Lake

Hospital employees lowest percent of area labor force

Anoka
Willmar

STATE HOSPITAL STUDY

Spending & Census of State Hospitals 1974-1983



Spending

1974	\$58,832,858
1975	\$66,936,845
1976	\$76,760,324
1977	\$90,686,591
1978	\$100,840,477
1979	\$106,332,341
1980	\$119,092,258
1981	\$129,355,392
1982	\$137,245,625
1983	\$142,662,865

Census

1974	6192
1975	5741
1976	5604
1977	—
1978	5076
1979	4995
1980	4849
1981	4651
1982	4153
1983	3967