



Leon County

Board of County Commissioners

301 South Monroe Street, Tallahassee, Florida 32301
(850) 606-5302 www.leoncountyfl.gov

Attachment # 5
Page 1 of 9

Commissioners

BILL PROCTOR
District 1

November 8, 2007

JANE G. SAULS
District 2

Mr. Ronald P. Kirkland
Chief Executive Officer
Apalachee Center, Inc.
2634 Capital Circle NE
Tallahassee, FL 32308

JOHN DAILEY
District 3

BRYAN DESLOGE
District 4

Dear Mr. Kirkland,

BOB RACKLEFF
District 5

The Leon County Financial Advisory Committee convened November 8, 2007 to review your application for conduit financing with Leon County.

CLIFF THAELL
At-Large

It has come to the Committee's attention (see enclosure) that Tallahassee Memorial Healthcare (TMH) is in the process of reactivating 16 acute care psychiatric beds. In light of this information, the Committee has the following questions:

ED DePUY
At-Large

PARWEZ ALAM
County Administrator

1. Is the feasibility analysis of your project still valid?
2. Is your letter of commitment from BB&T (#8) included in your submission still valid?

HERBERT W.A. THIELE
County Attorney

The Committee would like a response from you, as well as, a response from your lender addressing the proposed additional beds from TMH. Given the time constraints of the County's meeting schedule, we need this information not later than November 16, 2007.

Please do not hesitate to contact me at 606-5300, if you should have any questions or concerns.

Sincerely,


Alan Rosenzweig
Assistant County Administrator

cc: Financial Advisory Committee

Enc. TMH Correspondence

From: Alan Rosenzweig
To: Rosenzweig, Alan
Subject: Fwd: FW: FW: Letter of support

>>> "Mahler, Carl" <Carl.Mahler@tmh.org> 11/6/2007 11:27 AM >>>

Commissioner Desloge:

Evan Dillard, COO at TMH asked that I communicate with you about our opposition to supporting this request. First, TMH is about to reactivate 16 acute care psychiatric beds in the Behavioral Health Center to address community capacity issues. This should occur within the next three months. This action alone should go far in addressing community capacity issues. Second, TMH has supported Apalachee in its efforts to seek General Revenue funding for re-activation of its Short Term Residential Program. This program targets a less acute population who are generally discharged from acute care settings, thus increasing capacity for the acute care beds being vacated by the population transferred to the Short Term Residential Program beds. Factors one and two are significant in determining community capacity and we oppose supporting the addition of 24 "private" beds at Apalachee as we believe solutions are at hand without the proposed solution of Apalachee.

Thank you

Carl Mahler, Service Line Administrator

Tallahassee Memorial Behavioral Health Center

From: Dillard, Evan
Sent: Monday, November 05, 2007 1:28 PM
To: Mahler, Carl
Subject: FW: Letter of support

your thoughts? ED

From: Jay Reeve [<mailto:jayr@apalacheecenter.org>]
Sent: Monday, November 05, 2007 12:18 PM
To: Dillard, Evan
Cc: ronk@apalacheecenter.org
Subject: FW: Letter of support

Good afternoon, Mr. Dillard,

After speaking to your secretary it seemed as if e-mail might be the easiest way to get in touch.

My name is Jay Reeve, and I am the Chief Clinical and Managed Care Officer at Apalachee Center. We met briefly at TMH/Apalachee meetings in the last several months, and I have a favor to ask. Apalachee Center is in the process of securing funding for a significant bed expansion (from 24 to 46 beds) and renovation of our Eastside psychiatric hospital, crisis stabilization unit, and admissions unit, in an effort to alleviate the psychiatric bed "crunch" in the Tallahassee region. We have lending institutions on-board, but are looking to finance through a low-interest County bond which, while not paid by the county commission, must be approved by them. I'd like to ask for your support in this endeavor. I've attached a "To Whom It May Concern" letter of support, and would ask you to review and sign if possible. I'd be more than happy to meet and discuss the issues (or do so via e-mail), and the positive impact for TMH and the health care system in Tallahassee in the event that we are able to create, at no cost to the taxpayers, county, or community, significantly increased psychiatric bed capacity. We believe that this will dramatically relieve the pressure on local Emergency Rooms, such as the one at TMH, to treat psychiatrically involved clients. Please consider this request, and respond as soon as is convenient (as we are under some time pressure).

Thanks so much for your time,

Jay Reeve, PhD

Chief Clinical and Managed Care Officer

Apalachee Center

2634-J Capital Circle, NE

Tallahassee, FL, 32308

ph: 850-523-3213

Fax: 850-523-3434

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CHIEF EXECUTIVE OFFICER
Ronald P. Kirkland

November 14, 2007

Mr. Alan Rosenzweig
Assistant County Administrator
Leon County Board of County Commissioners
301 South Monroe Street
Tallahassee, FL 32301

Dear Mr. Rosenzweig:

I am in receipt of your letter dated November 8, in which you request clarification on the two points presented below relative to Apalachee Center's application for bond financing with Leon County:

1. **Question:** Is the feasibility analysis of your project still valid?
Answer: Yes, it is.
2. **Question:** Is your letter of commitment from BB&T (#8) included in your submission still valid?
Answer: Yes, it is (see copy of BB&T letter enclosed).

Please let me know if you need any additional information or clarification. Thank you for your continuing assistance in this matter.

Sincerely,

Ronald P. Kirkland
Chief Executive Officer

RPK/ci

cc: Virginia Kelly, Chief Financial Officer
Chris Gosen, Chief Operations Officer

(C:\Z\ARPK\LeonCountyFinancingLetterNov1407)

Kevin McAlpine
BB&T
3233 Thomasville Road
Tallahassee, Florida 32308

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Apalachee Center Inc.

November 14, 2007

Ron Kirkland, Executive Director
Virginia H. Kelly, CPA Chief Financial Officer
2634 Capital Circle NE
Tallahassee, Florida 32308

Dear Ron:

Per our conversation last week regarding the issuance of the Bond Issue for fiscal year 2007. BB&T will extend our commitment to lend Apalachee Center Inc through 12/10/07. Also, BB&T is aware of TMH bringing some additional psychiatric beds online in Leon County. This information reflects that our community needs this type of mental health service and we are committed to increasing the number of beds in Leon County through our commitment to Apalachee Center Inc.

Sincerely,

Kevin McAlpine
Vice President

.....

[Click here and type slogan]

Apalachee Center Hospital Expansion Project - Further Explanation

This response is prepared as an answer to the Leon County Commission Finance Committee's query regarding whether Apalachee Center sees a continued community need for 22 additional psychiatric beds, given Tallahassee Memorial Hospital's recent announcement of their decision to bring 16 new beds on line.

Apalachee Center does feel that the need is clear for Leon County to have access to additional psychiatric beds, even in the event that Tallahassee Memorial Hospital should elect to bring their own beds on-line. In fact, the combination of Apalachee and Tallahassee Memorial Hospital beds should provide considerable relief to the current psychiatric bed crisis in Leon County.

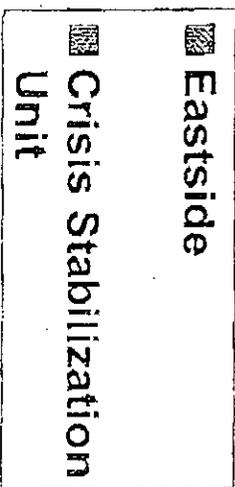
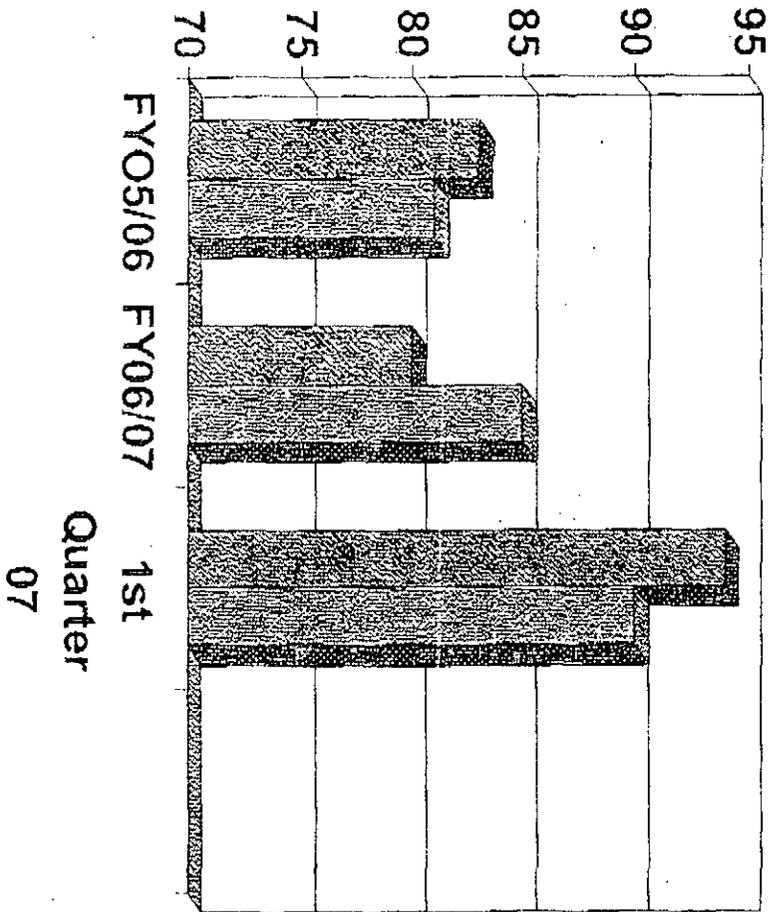
Historically, psychiatric hospital beds have not kept pace with population growth. The combination of Apalachee Center's 18 Crisis Stabilization beds, 24 private beds, and the capacity within the TMH Behavioral Health Center, were not sufficient to avoid significant over-crowding in the TMH Emergency Room. In 2003, following significant joint lobbying by Apalachee Center and Tallahassee Memorial Hospital, the State of Florida funded an additional 10 public beds at Apalachee Center's Crisis Stabilization Unit. While this additional bed capacity helped in the short run, it did not solve the problem.

Apalachee Center internal statistics for the past two years clearly indicate a rising tide of bed utilization. For most psychiatric units, an ongoing occupancy rate of 75% represents a workable level of intake and discharge. In the case of Apalachee Center, and other facilities, this is because double occupancy rooms necessarily create admission limitations (for instance, a male client cannot be housed with female clients). Even more significantly, beds on the Children's Crisis Stabilization Unit cannot be utilized by adults when even one child is on the unit. These typical, "cost-of doing business" issues on inpatient psychiatric units are very workable as long as the ongoing occupancy rate stays around 75%.

In 2005/2006, the inpatient units at Apalachee ran at an average 82% occupancy rate. In 2006/2007, that rate rose to 82.5%. Partly as a response to these rising occupancy rates, and again as a result of a joint lobbying effort by Apalachee Center and TMH, a 16-bed Short-Term Residential Unit was opened in 1/07. Unfortunately, as a result of an increased State emphasis on forensic funding in the aftermath of the forensic wait-list crisis, this unit was not re-funded by the Legislature, and closed on 6/30/07.

The consequence of that closure is evident in the numbers: in the first quarter of 07/08, immediately following the closure of the Short-Term Residential Unit, Apalachee inpatient occupancy rates rose to an average of 91.8% - nearly 10% above the previous annual average, and a clear indicator of the impact of the loss of psychiatric beds on the functioning of the Leon County system. Please see the chart on the following page:

Apalachee Center Bed Utilization Rate - History



Timeline:

1988 - Apalachee Center opens the Eastside Psychiatric Hospital, a 24-bed private psychiatric facility on the same grounds as the 18-bed Crisis Stabilization Unit.

1990-2000 - Leon County population rises by 21% (US Census Bureau data).

2003 - In response to a joint lobbying effort by Tallahassee Memorial Hospital and Apalachee Center, the state funds an additional ten beds in the Crisis Stabilization Unit. Counties are statutorily required to provide 25% matching funds.

2004-2007 - Tallahassee Memorial Hospital notes ongoing difficulties with emergency room capacity due to increasing need for psychiatric beds. Periodically, TMH states that they may give up their Baker Act receiving facility license due to capacity issues.

2006 - Apalachee Center settles a suit, out of court, with a physically disabled former client. As part of the settlement, Apalachee Center agrees to bring inpatient facilities into compliance with Americans with Disabilities Act (ADA) standards by 2009.

June, 2007 - Florida legislators elect not to extend funding for the Short Term Residential Unit at Apalachee Center. This loss of funding removes 16 beds that were used for indigent clients needing intensive, longer term psychiatric care. This unit had been obtained by Apalachee Center as a special appropriation, at no cost to the County. Please note the increase in public efforts to address the psychiatric capacity issue following this closure.

September, 2007 - Tallahassee Memorial Hospital and Apalachee Center staff begin meeting monthly with Department of Children and Families area administrators to arrive at a solution to the increasing bed capacity crisis.

October, 2007 - TMH sponsors meeting with local law enforcement officials, County Commissioner Desloges, the Department of Children and Families, and Apalachee Center to discuss the significant lack of available psychiatric beds in Leon County, and the concomitant and increasing pressure on the Tallahassee Memorial Hospital Emergency Room.

November, 2007 - Apalachee Center secures bank funding for a 22-bed expansion of Eastside Psychiatric Hospital. This expansion allows for significantly increased psychiatric bed capacity, and includes Apalachee's commitment to make a percentage of the expansion available as indigent beds. In addition, the expansion will include the complete renovation of the hospital including updating facilities to ensure Americans with Disabilities Act (ADA), expanding the Evaluations and Admissions operation to allow for 23-Hour stay capacity, thereby further reducing pressure on the TMH Emergency Room. Apalachee proposes that this funding be secured through a low-interest federal bond, approved by the County, but with no direct cost in county or state funds.

In summary, Apalachee Center analysis indicates a more than sufficient market for a 22-bed increase in psychiatric capacity. Historical trendlines clearly indicate increasing bed utilization commensurate with a number of factors, which may include heightened public awareness of psychiatric issues and, particularly, heightened awareness on the part of law enforcement, as well as increasing population growth.

The recently released Leifman report on forensic and community mental health in the State of Florida noted that "the community mental health treatment system was designed around individuals with more moderate treatment needs, not around the needs of individuals who experience acute and chronic mental illnesses" (p.11, Executive Summary, *Mental Health: Transforming Florida's Mental Health System*). Judge Leifman goes on to point out that the increasing awareness and presence of behavioral health and psychiatric difficulties in the criminal justice system has led to an increased burden on the community mental health delivery system. It is likely that a commensurate local increase in awareness and presence may be contributing to the increased utilization of inpatient psychiatric beds – and the clear need for the same.

In addition, the significant leap in bed utilization when psychiatric beds are taken off-line, as was seen in 7/07, should be noted. The creation of new bed capacity in Leon County should significantly decrease pressure on the TMH Emergency Room, as well as the periodic placement difficulties (due to lack of bed availability) experienced by Capital Regional Medical Center. Apalachee Center sees no economic barrier to the successful utilization of these beds to be presented by any bed expansion at Tallahassee Memorial Hospital – in fact, analysis suggests that the community can easily use the increased psychiatric capacity suggested by that possibility.