

CAPITAL PLANNING ADVISORY BOARD

**2020-2026
Agency Capital Plan**

Staff Analysis and Comments

CABINET:

Cabinet for Health and Family Services

OVERVIEW

The mission of the Cabinet for Health and Family Services (CHFS) is to promote and protect the health and well-being of the citizens of Kentucky through the delivery of quality health and human services. CHFS encompasses a broad array of programs ranging from prenatal to senior citizen support services and provides a broad variety of public, physical, intellectual, and behavioral health programs.

For the 2020-2026 planning period, the following agencies within the Health and Family Services Cabinet report proposed projects:

- Department for Behavioral Health, Developmental, and Intellectual Disabilities
- Department for Public Health
- Department for Community Based Services
- General Administration and Program Support/Office of the Secretary

PROPOSED PROJECTS – Funding Summary

By Fund Source	<u>2020-2022</u>	<u>2022-2024</u>	<u>2024-2026</u>	<u>Total</u>
General Fund	\$121,982,300	\$43,850,000	\$31,400,000	\$197,232,300
Federal Funds	<u>43,969,000</u>	<u>0</u>	<u>0</u>	<u>43,969,000</u>
Total	\$165,951,300	\$43,850,000	\$31,400,000	\$241,201,300

Funding by Agency

GAPS	\$55,108,000	\$12,100,000	\$8,400,000	\$75,608,000
DBHDID	71,071,300	31,750,000	23,000,000	125,821,300
DPH	20,646,000	0	0	20,646,000
DCBS	<u>19,126,000</u>	<u>0</u>	<u>0</u>	<u>19,126,000</u>
Total	\$165,951,300	\$43,850,000	\$31,400,000	\$241,201,300

Abbreviations

DBHDID – Department for Behavioral Health, Developmental, and Intellectual Disabilities

DCBS – Department for Community Based Services

DPH – Department for Public Health

GAPS – General Administration and Program Support

**2020-2026 CAPITAL PLAN
PLAN OVERVIEW
FORM SYP-P1**

Branch:
Cabinet:

Executive Branch
Health and Family Services

The Cabinet for Health and Family Services' (CHFS) vision is to be a leader in state-level health and human services through quality improvement and accountability by:

- improving service delivery through quality customer service,
- promoting individual self-reliance and community sustainability for the betterment of the vulnerable populations,
- fostering a higher health consciousness for individuals and communities through education,
- enhancing information technology systems and equipment to increase service efficiency and effectiveness, and
- educating, vesting, and deploying a highly skilled workforce.

CHFS operates and maintains over 5.5 million square feet that include 18 state-owned properties, 184 state-owned buildings, and 165 leased buildings. In order to continue providing these valuable services to the citizens of the commonwealth, state-of-the-art facilities, infrastructure, and equipment are necessary.

For over 190 years, Kentucky has operated facilities that provide assessment, treatment, and rehabilitation services for individuals with behavioral health, developmental and intellectual disabilities, and substance abuse problems. CHFS has a large impact throughout the state providing those services in facilities (both directly and indirectly) 24 hours a day to approximately 1,200 residents/patients and over 7,100 citizens a year. Unfortunately, due to lack of resources, many of the facilities are only meeting the minimum licensure and industry standards.

Information technology also plays a crucial role in CHFS' delivery of services to our clients/patients and protection of the health and welfare of all Kentuckians. However, in order to have sound information technology infrastructure, excessively outdated technology systems must be replaced and/or modernized to deliver the higher quality services mandated and to ensure business processes operate in the most cost-efficient manner.

It is vital that CHFS be granted funding for the maintenance pools and line-item projects to achieve higher quality treatment, services/programs, and facilities that do more than meet licensure and industry standards. CHFS humbly submits the following capital plan for consideration.

CABINET FOR HEALTH AND FAMILY SERVICES
Proposed Projects Involving the General Fund (cash or bonds)
(amounts in **bold** are the total budget)

2020-2022

(Projects listed by Cabinet priority; descriptions are from the agency submissions)

- 1. Maintenance Pool** **\$16,100,000**

Facility projects included in the funding include deferred and emergency maintenance projects that fall below the \$1 million capital construction threshold. Projects of these types have been identified at the facilities and certain emergency projects occur on a routine basis. KRS 210.040 provides requirements for the custody, maintenance, care and medical/psychiatric treatment of the residents of the facilities operated by the cabinet. It is the ongoing policy of the cabinet to maintain facilities that are safe, comfortable, and adequate to meet programmatic needs and standards. The pool will provide support for approximately 184 buildings, ranging from three to over 190 years old. GAPS Priority #1 (C-PI)

CPAB Staff Notes

 - *Additional GF of \$12,100,000 and \$8,400,000 are requested in 2022-24 and 2024-26.*
 - *The 2018-2020 Executive Budget authorized \$4,750,000 for a bond-funded maintenance pool.*

- 2. Western State Hospital Electrical and Telecom Upgrade Phase 3** **\$3,493,000**

Continuation funding is being requested for the third and final phase of the infrastructure upgrade. Phase 3 work will include repair/replacement of electric distribution equipment and corrections to electrical system code issues and deficiencies. DBHDID Priority #1 (C-PI)

CPAB Staff Notes

 - *The General Assembly appropriated \$4,867,500 bond funds in FY 2016 for Phase 1 and \$3,410,000 in FY 2018 for Phase 2 of the project. Phase 1 replaced overhead electrical and communication distribution systems with underground systems. Phase 2, currently in design, will expand emergency power systems.*

- 3. KASES III** **\$33,000,000**

CHFS has a critical need to upgrade the Kentucky Child Support Enforcement System (KASES) through use of web technology. This project will migrate KASES legacy mainframe processing to a web platform, incorporate new technologies, automate as many manual business processes as possible and provide automated workflow and enforcement capabilities to users. (IT) Office of the Secretary Priority #2

CPAB Staff Notes

 - *The project request includes \$11,220,000 GF and \$21,780,000 FF.*
 - *The aim of the project is to create a system that is web-based, easy to use and maintain, improves access to services, and provides self-service access.*
 - *The project scope has decreased from \$45 million in the last plan to the current request. The original project estimate was based on data obtained from states that replaced Child Support Systems and on CHFS hardware and licensing contract agreements. The current project estimate has been updated based on an evaluation of staff resources, hardware, and software needs to be met through CHFS and COT licensing and contract agreements, as well as comparative information provided by other states that have implemented such projects.*

- 4. TWIST Modernization** **\$19,126,000**

DCBS currently uses The Workers Information System (TWIST) in the operation of its adoption and foster care programs. This project will allow for upgrades to the system to comply with recently passed federal legislation. (IT) DCBS Priority #1

CPAB Staff Notes

 - *Federal funds of \$9,563,000, account for 50 percent of the project scope.*
 - *Operating costs are projected to be about \$1,000,000 annually to maintain and support system hardware and software and for contract workers.*

- 5 DAIL System Modernization** **\$1,008,000**
- This project will support the replacement of outdated technology and application upgrades for the Social Assistance Management System currently used by the Department for Aging and Independent Living (DAIL). Data integrity issues have been identified that could potentially result in tangible losses in federal funding. If these updates are not made to the system, DAIL will have difficulty meeting federal reporting requirements, and filling data requests to various state officials. (IT) GAPS Priority #3
- CPAB Staff Notes
- *The project includes \$50,000 FF and \$958,000 GF.*
 - *Operating costs are projected to be approximately \$1,000,000 per year to maintain and support system hardware and software.*
 - *During the last planning period, the Commonwealth Office of Technology rated this project as "high in value." It has appeared in successive capital plans and state agency budget requests since 2007, however, it has not been authorized in a state budget.*
- 6 KCPC Construct Forensic Hospital Complex** **\$44,400,000**
- The Kentucky Correctional Psychiatric Center (KCPC) is an acute care, forensic psychiatric hospital located inside the perimeter of the Luther Lockett Correctional Complex (LLCC), a medium security correctional facility, operated by the Department of Corrections. This project will replace and expand current operations to address the significant increase in the number of individuals with severe mental disorders being incarcerated within the Kentucky correctional system. (C-O) DBHDID Priority #3
- CPAB Staff Notes
- *The replacement facility would consist of approximately 120,000 square feet and would be constructed to serve 150 patients.*
 - *Additional annual costs of \$14,400,000 for personnel and \$3,600,000 for operating are anticipated due to the increase in the number of clients served, and the additional square footage to be maintained.*
- 7 WSNF Upgrade/Renovate** **\$5,853,300**
- This project will allow for the replacement of the HVAC system at the Western State Nursing Facility (WSNF), electrical upgrades, and other facility renovations. The facility patient rooms need numerous electrical upgrades to bring the facility in compliance with licensure and regulatory code requirements. Additional upgrades/renovations planned include replacement of the plumbing system and the elevator servicing Building 31, to prevent extensive upkeep and maintenance costs. (C-PI) DBHDID Priority #2
- 8 Oakwood Renovate/Replace Cottages Phase 2** **\$15,500,000**
- Oakwood is an intermediate care specialty clinic in Somerset providing health care for people with intellectual and other developmental disabilities living in the facility or community. This project will allow for the renovation and/or replacement of residential cottages to comply with certain licensure and code requirements. Bedrooms do not meet licensure requirements for square footage, nor do the bathrooms meet ADA codes for handicap accessibility. Many of the building systems are from the original construction in 1972, and due to age and severe wear and tear, a renovation is essential for providing continuous, appropriate care in a home-like environment as required. (C-PI) DBHDID Priority #4
- CPAB Staff Notes
- *The cabinet plans to renovate 16 of the 18 cottages. Phase 1 was authorized in the current budget and will include renovation of four cottages. Phases 2 through 4 will include renovations of the remaining 12 cottages (four per biennium).*
 - *Funding for Phases 3 and 4 is requested in 2022-24 and 2024-26 in the amounts of \$15,500,000 and \$16,500,000, respectively.*
 - *As a result of energy savings and reduced maintenance costs, the renovations will result in annual savings of about \$50,000.*

- 9 Oakwood Replace/Upgrade/Enhance Generators** **\$1,825,000**
 This project will provide replacements, upgrades, and enhancements of emergency generators and transfer switch devices in multiple buildings on the Oakwood Campus. (C-PI) DBHDID Priority #5
CPAB Staff Notes
 – *Approval of the three remaining phases of the Replace/Renovate Oakwood Cottages project will eliminate the need for this project. The cottage renovation/replacement project incorporates the replacement of emergency generators, transfer switch devices, and associated electrical upgrades. The need for this project will only be eliminated if all three remaining project phases are approved.*
- 10 Laboratory Equipment Upgrade** **\$650,000**
 The Division of Laboratory Services currently performs over 3.5 million tests per year. This project will upgrade a variety of lab equipment. (EQ) DPH Priority #2
- 11 Energy Management and CEMCS Support** **\$3,000,000**
 The commonwealth has implemented the Commonwealth Energy Management and Control System (CEMCS) to enable monitoring, tracking, and benchmarking, as well as help control utility usage across the state. This project would expand CEMCS to other CHFS properties, including the BHDID facilities Oakwood and Outwood, as well as any additional properties leased or owned for which funding is available. CEMCS is currently implemented at numerous state-owned facilities. These projects have provided significant savings for CHFS, in consumption of energy and corresponding decreases in utility costs in excess of \$600,000. (C-PI) GAPS Priority #4
CPAB Staff Notes
 – *Data from the Finance and Administration Cabinet's CEMCS Pilot Project shows an average cost savings of 15 percent. This project will support energy savings measures for both leased and owned properties as identified by the cabinet's energy management program manager. This project, when implemented, will reduce energy costs by approximately \$150,000, annually, and provide better oversight and control for both leased and owned properties*
- 12 Immunization Information System** **\$9,240,000**
 CHFS is seeking a contractor to provide a configurable software solution that will be hosted on a government cloud platform that the contractor will configure and customize as necessary to meet the requirements, maintain, and operate the solution. CHFS is working to have a sustainable system to support immunization reporting for the foreseeable future. (IT) DPH Priority #1
CPAB Staff Notes
 – *NEW project – has not been listed in a previous capital plan.*
- 13 KASPER** **\$2,000,000**
 CHFS has a critical need to modernize the Kentucky All Schedule Prescription Electronic Reporting (KASPER) system. This system supports over 55,000 prescribers, pharmacists, and associated delegates by providing real-time access to controlled substance prescription data. The legacy application is over 12 years old and has had many features added to it over the years in haphazard manners. This has made the code difficult to support and in many areas and inefficient. (IT) GAPS Priority #5
CPAB Staff Notes
 – *This project includes \$1,820,000 FF and \$180,000 GF.*
 – *Annual maintenance and support costs are about \$328,000.*

2022-2024

Hazelwood Renovate 3 Resident Units	\$4,250,000
Maintenance Pool	12,100,000
Oakwood Renovate/Replace Cottages Phase 3	16,500,000
Oakwood Replace Water Lines	3,000,000
WSH HVAC System/Piping Replacement	8,000,000

2024-2026

Maintenance Pool	\$8,400,000
Oakwood Renovate/Replace Cottages Phase 4	17,500,000
WSH Multi Buildings Replace Windows and Doors	3,000,000
WSH Upgrade Mechanical Lines	2,500,000

CABINET FOR HEALTH AND FAMILY SERVICES
Proposed Projects – Involving the General Fund (Cash or Bonds)
Sorted by Agency

Listed below are projects for each agency (department) within the cabinet. The projects for the first biennium are listed by agency priority number. Projects for the second and third biennium are listed alphabetically.

Department for Behavioral Health, Developmental and Intellectual Disabilities

2020-2022

1	WSH Electrical and Telecom Upgrade Phase 3	\$3,493,000
2	WSNF Upgrade/Renovate	5,853,300
3	KCPC Construct Forensic Hospital Complex	44,400,000
4	Oakwood Renovate/Replace Cottages Phase 2	15,500,000
5	Oakwood Replace/Upgrade/Enhance Generators	1,825,000

2022-2024

	Hazelwood Renovate 3 Resident Units	\$4,250,000
	Oakwood Renovate/Replace Cottages Phase 3	16,500,000
	Oakwood Replace Water Lines	3,000,000
	WSH HVAC System/Piping Replacement	8,000,000

2024-2026

	Oakwood Renovate/Replace Cottages Phase 4	\$17,500,000
	WSH Multi Buildings Replace Windows and Doors	3,000,000
	WSH Upgrade Mechanical Lines	2,500,000

Department for Community Based Services

2020-2022

1	TWIST Modernization	\$19,126,000
---	---------------------	--------------

Department for Public Health

2020-2022

1	Immunization Information System	\$9,240,000
2	Laboratory Equipment Upgrade	650,000

Office of the Secretary

2020-2022

1	Maintenance Pool	\$16,100,000
2	KASES III	33,000,000
3	DAIL System Modernization	1,008,000
4	Energy Management and CEMCS Support	3,000,000
5	KASPER	2,000,000

2022-2024

	CHFS Maintenance Pool	\$12,100,000
--	-----------------------	--------------

2024-2026

	CHFS Maintenance Pool	\$8,400,000
--	-----------------------	-------------

CABINET FOR HEALTH AND FAMILY SERVICES

2018-2020 Maintenance Pool Allocations

(Total = \$4,750,000 Bond Funds)

<u>Project</u>	<u>Cost</u>	<u>Status</u>
Bingham Garden and Lee Specialty Clinic Asphalt	\$12,279	Completed
Hazelwood and Group Home Bathing Renovation	50,000	Underway
Lee Specialty Clinic Dental Clinic Renovation	10,000	Underway
Oakwood - Replace Cottage 111 Generator	2,300	Completed
Outwood Water Tower and Service Lines	10,000	Underway
Western State Nursing Facility - Hydronic Piping Replacement	30,000	Underway
<u>Glasgow State Nursing Facility</u>		
Domestic Hot Water Loops Mods	\$55,000	Underway
Exterior Lighting Repair	13,406	Underway
Lighting Rewire	39,500	Underway
<u>Western State Hospital</u>		
Three Cell Cooling Tower Repair	\$65,000	Underway
HVAC Repairs and Patient Safety Enhance	2,000,000	Proposed
Main Hospital Window Replacements	30,000	Underway

State-Owned Properties Managed by the Cabinet for Health and Family Services

The Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID), Residential Services, operates directly or through contract adult psychiatric hospitals, two nursing facilities serving individuals with severe mental illness, ten facilities serving individuals with developmental disabilities, and one forensic psychiatric facility.

Inpatient Psychiatric Facilities Owned by the Commonwealth

- Western State Hospital is located in Hopkinsville, Kentucky
- Central State Hospital is located in Louisville, Kentucky
- Eastern State Hospital is located in Lexington, Kentucky (the University of Kentucky manages Eastern State Hospital through a contract between DBHDID and UK)

DBHDID also contracts with a private provider, Hazard Appalachian Regional Medical Center in Hazard, Kentucky to provide inpatient psychiatric services for persons requiring inpatient psychiatric services in three community mental health service regions located in southeastern Kentucky.

Nursing Facilities Owned by the Commonwealth

- Glasgow State Nursing Facility is located in Glasgow, Kentucky
- Western State Nursing Facility is located in Hopkinsville, Kentucky

Intermediate Care Facilities for Persons with Developmental Disabilities

- Bingham Gardens ICF/IDD is located in Louisville, Kentucky
- Oakwood Units 1-4 are located in Somerset, Kentucky
- Outwood ICF/IDD is located in Dawson Springs, Kentucky
- Hazelwood Center is located in Louisville, Kentucky
- Del Maria ICF/IDD is located in Fern Creek, Kentucky
- Meadows ICF/IDD is located in Mount Washington, Kentucky
- Windsong ICF/IDD is located in Crestwood, Kentucky

DBHDID currently operates three specialty clinics (Lee Specialty Clinic, Oakwood Specialty Clinic, and the Hazelwood Center Specialty Intermediate Care Clinic) in support of individuals with developmental and intellectual disabilities living in the community, who may have transitioned from an ICF/IDD placement. Moving from an ICF/IDD placement to community placement creates a gap in services that can negatively impact clients and jeopardize a successful placement. These clinics provide a vast array of specialized services including medical, dental and therapeutic services on an outpatient basis, avoiding institutionalization.

The Kentucky Correctional Psychiatric Center (KCPC), operated by the DBHDID, is a medium security facility that provides pre-trial forensic evaluations to determine if persons with behavioral illness are competent to stand trial and also provides inpatient treatment for persons convicted of felony offenses who are transferred from other state correctional facilities.

**HEALTH AND FAMILY SERVICES CABINET/BEHAVIORAL HEALTH
Quarterly Status Report – Current Capital Projects**

Project Title	Authorization	Status	Percentage Complete
Electric and Telecom Upgrade - Western State Hospital Phase 2	2018-2020	Design/Phase A	
Electrical System Upgrade - Western State Hospital - Design	2012-2014	Design/Phase C	
HVAC System Replacement - Hazelwood	2018-2020	Design/Phase A	
Renovate/Replace Cottages - Oakwood, Phase I	2018-2020	A/E Selection	
Replacement of Glasgow State Nursing Facility	2010-2012	Complete/Not Closed Out	100
Western State Hospital - Electrical Upgrade - Phase 1	2016-2018	Complete/Not Closed Out	100