

## CAPITAL PLANNING ADVISORY BOARD

### 2022-2028 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 become a recognized national leader in state-level health and human services through continuous quality improvement and accountability by:

- Improving the delivery of health and family services through quality customer service,
- Promoting individual self-sufficiency and community sustainability for the betterment of the vulnerable population,
- Fostering higher health awareness through education that engages all individuals and communities,
- Enhancing the use of technology to increase service efficiency and effectiveness, and
- Educating, empowering, and deploying a highly skilled workforce.

CHFS operates and maintains over 3.9 million square feet, including 14 state-owned properties, 177 state-owned buildings, and 168 leased buildings. To continue providing these valuable services to the citizens of the Commonwealth, state-of-the-art facilities, infrastructures, and equipment are necessary.

For almost 200 years, Kentucky has operated facilities providing assessment, treatment, and rehabilitation services for individuals with behavioral health, developmental and intellectual disabilities, and substance abuse problems. CHFS has an enormous impact throughout the state, providing those services (both directly and indirectly) in facilities 24 hours a day to approximately 800 residents/patients a day and over 7,100 clients a year. Unfortunately, the lack of resources has caused many facilities to fail or barely meet minimum licensure and industry standards.

Information technology has a crucial role in the delivery of services to clients/patients across the state. Out-of-date IT infrastructures must be replaced or modernized to protect the more vulnerable populations. These replacements and modernizations ensure higher quality mandated services and improves economic-effectiveness.

CHFS requires funding for line-item projects and maintenance pools to achieve higher quality treatment, services/programs, and facilities. The Commonwealth and its citizens deserve a lot better than scarcely meeting licensure and industry standards. CHFS humbly submits the following capital plan for consideration.

**PROPOSED PROJECTS – Funding Summary**

<b>By Fund Source</b>	<b><u>2022-2024</u></b>	<b><u>2024-2026</u></b>	<b><u>2026-2028</u></b>	<b><u>Total</u></b>
General Funds	\$107,809,000	\$41,812,000	\$26,967,000	\$176,588,000
Restricted Funds	10,200,000	10,000,000		20,200,000
Federal Funds	<u>32,126,000</u>	<u>0</u>	<u>0</u>	<u>32,126,000</u>
Total	\$150,135,000	\$51,812,000	\$26,967,000	\$228,914,000

<b>Funding by Agency</b>	<b><u>2022-2024</u></b>	<b><u>2024-2026</u></b>	<b><u>2026-2028</u></b>	<b><u>Total</u></b>
DBHDID	\$67,091,000	\$28,816,000	\$15,406,000	\$111,313,000
DCBS	28,993,000	10,000,000	0	38,993,000
DAIL	1,008,000	0	0	1,008,000
DIM	1,000,000	0	0	1,000,000
DIS	33,000,000	0	0	33,000,000
GAPS	<u>19,043,000</u>	<u>12,996,000</u>	<u>11,561,000</u>	<u>43,600,000</u>
Total	\$150,135,000	\$51,812,000	\$26,967,000	\$228,914,000

**Abbreviations**

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

*DCBS – Department for Community Based Services*

*DAIL – Department of Aging and Independent Living*

*DIM – Department for Medicaid Services*

*DIS – Department of Income Support*

*DPH – Department for Public Health*

*GAPS – General Administration and Program Support*

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

**2022-2024**

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

**1. Maintenance Pool** **\$19,043,000**

KRS 210.040 provides certain requirements for the custody, maintenance, care and medical/psychiatric treatment of residents of facilities operated by the cabinet. It is the ongoing policy of CHFS to maintain facilities which are safe, comfortable, and adequate to meet programmatic needs and standards. Projects included in the funding of this pool request will include interim and emergency maintenance and energy saving projects falling below the \$1M capital construction threshold. Projects of these types have been identified by the facilities with certain projects occurring on a routine basis. (C-PI). GAPS Priority #1 (C-PI)

CPAB Staff Notes

- *Additional general funds of \$12,996,000 and \$11,561,000 are requested in 2024-26 and 2026-28.*
- *The 2020-2022 Executive Budget authorized a \$10,000,000 bond-funded maintenance pool for CHFS. This represents an approximate 110 percent increase over the 2018-2020 authorization of \$4,750,000.*
- *If fully funded, in addition to several small projects under the \$1 million capital project threshold, this pool will fund the following capital projects: Kentucky Correctional Psychiatric Center, LaGrange Kentucky Upgrade Critical Facility Security, \$2,645,000; Oakwood Roof Replace Phase 3, \$4,718,000; Outwood Updates and Repairs, \$2,445,000; and Western State Hospital and Western State Nursing Facility Various HVAC, Plumbing, and Roof Replacements, \$3,715,250.*

**2. Kentucky Child Support Enforcement System (KASES III)** **\$33,000,000**

CHFS has a critical need to upgrade KASES III through the use of web technology. The legacy application uses obsolete technology, resulting in a critical shortage of available skilled resources and significant risk in providing ongoing support of the system. A modernized system will allow for greater ease of maintenance and will position the Commonwealth to implement efficiencies, reduce waste and fraud, and improve data accuracy in meeting federal administrative and reporting requirements. DIS Priority #1 (IT)

CPAB Staff Notes

- *The project scope includes \$21,780,000 federal funds.*
- *The annual cost of software maintenance and support is estimated at about \$4.4 million.*
- *This project will replace the existing KASES child support system, which was implemented in 1991. KASES supports over 725 full-time child support staff, and as of state fiscal year 2018, approximately 240,936 child support payments were processed monthly. This system processes over 1.5 million child support transactions.*

**3. Western State Nursing Facility Renovations** **\$6,336,000**

This project will allow for the replacement of the existing HVAC system and other facility renovations at Western State Nursing Facility. The last upgrade to the HVAC system occurred in 1978 and the system is in dire need of total replacement. The existing two-pipe system, which supplies hot and cold water to the HVAC loop, has deteriorated due to the age of the facility (built in 1952). Associated equipment has exceeded its expected life cycle. DBHDID Priority #3 (C-PI)

CPAB Staff Notes

- *The project would also address numerous electrical upgrades necessary to bring the facility into compliance with licensure and regulatory code requirements, such as the addition of electrical outlets, individual circuits, and independent grounds.*
- *The project has been included in previous capital budget requests dating back to 2012-2014, however, it has not received authorization in a state executive budget.*

**4. Kentucky Correctional Psychiatric Center (KCPC) - Construct Forensic Hospital** **\$50,757,000**

A replacement facility is needed due a significant increase in the number of individuals with severe mental disorders incarcerated within Kentucky's correctional system. This component of the population will likely require assessment for competency and responsibility, restoration of competency, and further

inpatient treatment upon release from a correctional facility. The state psychiatric hospitals are not designed to safely maintain such individuals who are at high risk of elopement and may be harmful to self and others. DBHDID Priority #1 (C-O)

CPAB Staff Notes

- The replacement facility would consist of approximately 120,000 square feet and would be constructed to serve 150 patients.
- This project was included in the agency's last capital plan at a scope of \$44,400,000. Projected cost adjusted due to inflation and the increased cost of construction materials.
- KCPC is currently located on the grounds of Luther Lockett Correctional Complex in LaGrange, Kentucky. If approved, all programs and administrative offices would be relocated to the newly constructed forensic psychiatric hospital. The Department of Corrections has agreed previously to provide land on the grounds of the Luther Lockett Correctional Complex for the construction of the new facility in exchange for the space KCPC currently occupies. The Department of Corrections would resume ownership of the space to create additional prison beds to reduce overcrowding.

**5. Social Assistance Management System Modernization (SAMS) \$1,008,000**

Funding will be used for upgrades to the department's IT technology and application modernizations which are outdated. Application development and software technology lifecycles run three to five years. Upgrades and modernization efforts are key to maintaining services to field workers and the citizens of the Commonwealth of Kentucky. DAIL Priority #1 (IT)

CPAB Staff Notes

- The project scope includes federal funds of \$50,000.
- Annual costs associated with this project include \$50,000 for hardware maintenance, and \$50,000 for software support.

**6. The Workers Information System (TWIST) Modernization \$18,993,000**

The Department for Community Based Services currently uses TWIST to operate its adoption and foster care programs. Congress passed The Family First Prevention Services Act of 2018 in February 2018, which took effect in October 2019, and is leading to an overhaul of the state's child welfare system. This act requires each state to update its IT to meet the criteria of a comprehensive child welfare information system. The department is working to update its system to meet these criteria. DCBS Priority #1 (IT)

CPAB Staff Notes

- The project scope includes federal funds of \$9,496,000.
- This project will directly affect over 9,600 children that are in out of home care, over 9,200 children that have been adopted over the last 10 years, and over 2,000 frontline social service workers across Kentucky.

**7. Oakwood-Renovate/Replace Cottages, Phase 3 \$9,998,000**

Oakwood serves clients with moderate to profound intellectual disabilities, accompanied by severe behavioral problems, requiring a high degree of care 24-hours a day. This project will allow for the renovation and/or replacement of residential cottages at Oakwood to comply with licensure and code requirements. Bedrooms currently 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, renovation is essential for providing continuous, appropriate care in a home-like environment. DBHDID Priority #2 (C-PI)

**2024-2026**

Hazelwood-Renovate Resident Units	\$5,075,000
Maintenance Pool	12,996,000
Oakwood-Renovate/Replace Cottages, Phase 4	10,606,000
Oakwood-Replace Water Lines	3,582,000
Western State Hospital HVAC Piping	9,553,000

**2026-2028**

Maintenance Pool	\$11,561,000
Oakwood-Renovate/Replace Cottages, Phase 5	8,439,000
Western State Hospital Replace Windows and Doors	3,800,000
Western State Hospital Upgrade Mechanical Lines	3,167,000

**CABINET FOR HEALTH AND FAMILY SERVICES**  
**Proposed Projects involving restricted and/or federal funds**

**2022-2024**

**Renovate CHR Complex Sixth Floor**

**\$1,000,000 RF/FF**

The Department for Medicaid Services would like to use federal grant funds, along with agency fund revenues to completely remodel the sixth floor of the CHR complex. Due to the age and deterioration of the building, the department would like to replace all carpet, cubical walls, furniture, paint, and update restrooms. The 6th floor is approximately 52,600 gross square feet of office space and restrooms. (C-PI)

**TWIST Case File Digitization**

**\$10,000,000 RF**

The Department for Community Based Services currently uses The Workers Information System (TWIST) in the operation of its adoption and foster care programs. However, the Division of Protection and Permanency is still maintaining hard copy case files outside of the TWIST system. This project would update TWIST in such a way that all case files will be maintained electronically. The digitization of case files would allow for greater efficiency, improved record keeping, search functions, and improving staff's ability to work from remote locations. (IT)

**2024-2026**

TWIST Case File Digitization

\$10,000,000 RF

**CABINET FOR HEALTH AND FAMILY SERVICES**  
**2020-2022 Maintenance Pool Allocations**  
(Total = \$10,000,000 Bond Funds)

<b><u>Project</u></b>	<b><u>Cost</u></b>	<b><u>Status</u></b>
Central State Hospital - Replace Phone System	\$150,000	Underway
Western State Hospital - Chiller Repair	60,298	Underway
 <b><u>Eastern State Hospital</u></b>		
Dish Machine Replacement	75,000	Underway
Replace Nurse Call System	125,000	Underway
Second Floor Renovations	125,000	Underway
 <b><u>Glasgow State Nursing Facility</u></b>		
Replace Nurse Call System	200,000	Underway
Exterior Repairs	75,000	Underway
 <b><u>Hazelwood Center</u></b>		
Exterior Concrete Repairs	100,000	Underway
Replace Phone System	150,000	Underway
Replace Pool Dehumidifier	40,000	Underway
 <b><u>Oakwood Intermediate Care Facility</u></b>		
Replace Phone System	150,000	Underway
Roof Replacement, Phase 2	414,400	Underway
 <b><u>Outwood Intermediate Care Facility</u></b>		
Repair/Replace Water Tower	850,000	Underway
Replace Phone System	150,000	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

### **Two Residential Treatment Facilities for Pregnant / Parenting Women**

- Women's Renaissance Center (Shelbyville, KY)
- Serenity House (Inez, KY)

### **Three Personal Care Homes for Persons with Behavioral Health Needs**

- Central Kentucky Recovery Center - Located on the grounds of Eastern State Hospital (Lexington)

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.

### **Kentucky Correctional Psychiatric Center**

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**  
**Quarterly Status Report – Current Capital Projects**

<b>Project Title</b>	<b>County</b>	<b>Authorization</b>	<b>Status</b>	<b>Percentage Complete</b>
Budget, Accounting and Reporting System	Multi	2018-2020	Initiation Phase	42%
Electrical & Telecom Upgrade-Western State Hospital Phase 2	Christian	2018-2020	Design/Phase B	
Electronic Health Record System	Multi	2018-2020	Planning Phase	9%
HVAC System Replacement - Hazelwood	Jefferson	2018-2020	In Construction	74%
KASPER	Multi	2020-2022	Execution & Control Phase	
Oakwood Renovate/Replace Cottages - Phase 2	Pulaski	2020-2022	A/E Selection	
Renovate/Replace Cottages - Oakwood, Phase 1	Pulaski	2018-2020	In Construction	25%
Scan and Image Historical Records	Multi	2018-2020	Planning Phase	53%
Vital Statistics Digitized System	Multi	2018-2020	Planning Phase	5%
Western State Hospital-Electrical Upgrade – Phase 3	Christian	2020-2022	Design/Phase A	

**Project Status** is identified as one of the following:

- Planning - in house activity prior to A/E selection. For projects financed from restricted, federal, or "other" funds, this category is not to be used until those funds have been awarded or received.
- A/E Selection - between A/E solicitation and finalization of A/E contract award.
- Design/Phase A - schematic design.
- Design/Phase B - design development.
- In Construction - between construction contract award and substantial completion.

In addition to the Awaiting Initiation by Agency, Closeout, and Other categories as above; **IT project phases** are follows:

- Initiation – definition of a new project or a new phase of existing project.
- Planning – establishment of project scope, objectives, and course of action.
- Execution and Control – activities to fulfill project specifications.