

CAPITAL PLANNING ADVISORY BOARD

2024-2030 Cabinet Capital Plan

Staff Analysis and Comments

BRANCH:

Executive Branch

CABINET:

Health and Family Services

CABINET MISSION AND PROGRAMS

The Cabinet for Health and Family Services' (CHFS) mission is to promote and protect Kentucky citizens' health and well-being through the delivery of quality health and human services. CHFS encompasses a vast array of programs ranging from prenatal to senior citizen support services and provides a wide variety of public physical, intellectual, and behavioral health programs. These programs meet our citizens' needs by providing services in the home, schools, hospitals, mental health and psychiatric facilities, and the food industry. CHFS operates and maintains over 4.35M (1.97M owned and 2.38M leased) square feet that includes 15 state-owned behavioral health facilities, 181 state-owned buildings, 3 state-owned properties, and 164 leased buildings.

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 CHFS's delivery of services to clients/patients across the state. Out-of-date Information Technology infrastructures must be replaced or modernized to protect the more vulnerable populations.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

By Fund Source	<u>2024-2026</u>	<u>2026-2028</u>	<u>2028-2030</u>	<u>Total</u>
General Fund	<u>\$306,682,600</u>	<u>\$44,209,600</u>	<u>\$28,896,500</u>	<u>\$379,788,700</u>
Total	\$306,682,600	\$44,209,600	\$28,896,500	\$379,788,700

Funding by Agency	<u>2024-2026</u>	<u>2026-2028</u>	<u>2028-2030</u>	<u>Total</u>
DBHDID	\$84,374,600	\$20,931,600	\$17,332,500	\$122,638,700
DAIL	13,000,000	0	0	13,000,000
DMS	0	0	0	0
DPH	185,000,000	0	0	185,000,000
GAPS	<u>24,308,000</u>	<u>23,278,000</u>	<u>11,564,000</u>	<u>59,150,000</u>
Total	\$306,682,600	\$44,209,600	\$28,896,500	\$379,788,700

Abbreviations

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

DAIL – Department of Aging and Independent Living

DMS – Department for Medicaid Services

DPH – Department for Public Health

GAPS – General Administration and Program Support

**2024-2030
PLAN OVERVIEW
FORM SYP-P1**

BRANCH:
CABINET:

Executive Branch
Health and Family Services

The Cabinet for Health and Family Services (CHFS) goal is to be 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 improvement of the vulnerable population,
- Fostering a higher health awareness through education that engages all individuals and communities,
- Enhancing the use of information technology to increase service efficiency and effectiveness, and
- Educating, empowering, and employing a highly skilled workforce.

CHFS operates and maintains over 4.35M square feet that include 181 state-owned buildings, 164 leased buildings, 15 state-owned behavioral health facilities situated on 2,034 acres, and 3 properties, to continue providing these invaluable services to the citizens of the Commonwealth, state-of-the-art facilities, infrastructures, and equipment are vital.

For over 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. The Cabinet for Health and Family Services 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 of our facilities to fail or barely minimum licensure and industry standards.

Information Technology plays a crucial role in CHFS' delivery of services to clients and patients. Outdated Information Technology infrastructures must be replaced and modernized to continue protecting our more vulnerable populations. These replacements and modernizations will ensure a higher quality of mandated services and promote higher economic success.

CHFS requests funding for the enclosed capital line-item projects and maintenance pools to achieve a higher quality of treatment, services/programs, and facilities. The Commonwealth's citizens deserve better than barely meeting licensure and industry standards. CHFS humbly submits the following Capital Plan for your consideration.

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

2024-2026

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

1. Maintenance Pool **\$24,308,000**

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 energy saving, and emergency maintenance 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. This Maintenance Pool supports the operation and maintenance of 15 state-owned behavioral health facilities, 181 state-owned buildings, and 3 state-owned properties ranging in age from 10 to over 200 years old. These facilities serve Kentucky's developmental, behavioral health, intellectually disabled and the mentally ill populations. GAPS Priority #1 (C-PI)

CPAB Staff Notes

- *Additional general fund of \$23,278,000 and \$11,564,000 are requested in 2026-2028 and 2028-2030.*
- *The 2022-2024 Executive Budget authorized a \$19,044,000 general-funded maintenance pool for CHFS. This represents an approximate 90 percent increase over the 2020-2022 authorization of a \$10,000,000 bond-funded maintenance pool.*
- *If fully funded, in addition to several small projects under the \$1 million capital project threshold, this pool will fund the following larger capital projects: Oakwood, Somerset Various Renovations, \$4,718,000; Kentucky Correctional Psychiatric Center, LaGrange Facility Security and Various Upgrades, \$2,645,000; Outwood, Dawson Springs 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. Department for Public Health (DPH) - Central Lab Expansion **\$185,000,000**

Project to construct a 147,678 square foot expansion of the Kentucky Central Lab that would be a state-of-the-art facility for the Kentucky Department for Public Health (KDPH). The 30+ year old lab has numerous serious and unresolved structural, environmental, and capacity deficiencies that put the laboratory at near-term risk for service disruption, loss of mandatory accreditation required to provide essential services, and employee workplace injury. The new addition would meet all of KDPH's square footage needs while maximizing lab efficiency and design, maintaining shared facilities like entrance and receiving, resolving the problem of where the lab would otherwise operate during construction, and have minimal impact on loading docks and service paths. DPH Priority #1 (C-O)

CPAB Staff Notes

- *New Project-has not been listed in the previous capital plan.*
- *General funded project cost estimates include site prep, \$1,665,000; project design, \$34,785,000; construction, \$85,050,000; equipment/furniture, \$13,500,000; and other costs including additional equipment, licenses, accessories, training, etc., \$50,000,000.*
- *This project will address multiple issues with the current facility including outdated infrastructure, obsolete mission-critical equipment, deferred maintenance, and insufficient square footage.*
- *All current operations and employees of the Kentucky Public Health Lab at 100 Sower Boulevard in Frankfort would be relocated to the newly constructed facility. The new addition would allow for the expansion of employee and laboratory workspaces, as well as the addition of new instrumentation as the needs arise. The existing building would have vacant space at the completion of this project. The space available could provide expanded office or lab space for the Kentucky State Police or other tenants in the building or could be leased to new tenants.*

3. Kentucky Correctional Psychiatric Center (KCPC) - Construct Forensic Hospital \$63,863,000

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. The proposed facility is needed due to a significant increase in the number of individuals with serious mental illness and other mental conditions who are ordered to the facility.*
- *This project was included in the agency's last capital plan at a scope of \$50,757,000 and represents a cost increase of 26 percent from 2022-2024 plan submission. 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.*

4. Social Assistance Management System (SAMS) Replacement \$13,000,000

The Social Assistance Management System (SAMS) was developed for the Department for Aging and Independent Living (DAIL) to track all activity for the clients we serve. SAMS is a comprehensive consumer and case management data system that combines electronic client records and a service unit tracking system. SAMS includes current and historical vital information and services received across most of the programs that we provide. Funding will be used to replace the Department for Aging and Independent Living (DAIL) Social Assistance Management Systems (SAMS) information technology (IT) application. The current SAMS IT application is out of compliance with federal reporting requirements for the Older Americans Act, Centers for Medicare and Medicaid Services, Department of Labor, and other federal reporting agencies. Application development and software technology lifecycles run three to five years and modernization efforts are essential to maintaining services to field workers and the most vulnerable citizens of the Commonwealth. DAIL Priority #1 (IT)

CPAB Staff Notes

- *This project was included as a system modernization in the agency's last capital plan at a scope of \$1,008,000 and represents a cost increase of approximately \$12,000,000 from the 2022-2024 plan submission.*
- *The cost increase is due to approaching this project as a replacement versus modernization, which has additional costs of the hardware/software vendors, contract workers, contingency, and added IV&V Implementation Fee costs.*
- *General funded project cost estimates include hardware vendor, \$2,111,000; software vendor, \$5,833,000; Contract Workers, \$2,000,000; and other costs including contingency, \$3,056,000.*
- *SAMS is out of compliance and in need of updates to capture necessary federal reporting requirements for the Older Americans Act, Centers for Medicare and Medicaid Services (CMS), Department of Labor, and other various federal reporting agencies. Data integrity issues have been identified that could also potentially result in a substantial loss in federal funds.*

5. Western State Hospital (WSH) – Replacement of HVAC Piping \$12,019,300

The HVAC system utilized by Western State Hospital (WSH) is well past its lifecycle and in need of replacement. The facility currently operates a two-pipe water loop system, which allows for either heating or cooling, but not both. The piping is continually springing leaks and affecting patient care during outages for repair. Significant leaks have caused damage to medical records, and extensive repair and replacement costs for damaged equipment. This project will replace the current HVAC system at WSH with a four-pipe system, allowing both heating and cooling to be provided simultaneously, as well as replacement of associated pumps, ensuring patient comfort and safety. DBHDID Priority #2 (C-PI)

CPAB Staff Notes

- *The project has been included in the previous capital budget requests dating back to 2014-2016; however, it has not received authorization in a state executive budget.*
- *This project was included in the agency's last capital plan at a scope of \$9,553,000 and represents a cost increase of approximately 25 percent from the 2022-2028 plan submission. Projected cost adjusted due to inflation and the increased cost of construction materials.*

6. Western State Hospital (WSH) – Upgrade Mechanical Lines \$3,984,900

Western State Hospital (WSH) has had several exterior water line breaks in recent years, shutting down patient care areas with little notice. This project will allow for the upgrade of gas, water, and sewer/storm lines that are more than 50 years old. These upgrades will ensure essential services related to patient care are provided without interruption. DBHDID Priority #3 (C-PI)

CPAB Staff Notes

- *The project has been included in the previous capital budget requests dating back to 2014-2016; however, it has not received authorization in a state executive budget.*
- *This project was included in the agency's last capital plan at a scope of \$3,167,000 and represents a cost increase of approximately 25 percent from the 2022-2028 plan submission. Projected cost adjusted due to inflation and the increased cost of construction materials.*

7. Oakwood – Replace Water Lines \$4,507,400

This project will replace existing main and branch water lines that supply all Oakwood campus buildings and provide sectional valves. The current infrastructure is approximately 50 years old and has begun experiencing failures. These failures cause interruption and potential contamination of domestic water supplies. DBHDID Priority #4 (C-PI)

CPAB Staff Notes

- *The project has been included in previous capital budget requests dating back to 2014-2016; however, it has not received authorization in a state executive budget.*
- *This project was included in the agency's last capital plan at a scope of \$3,167,000 and represents a cost increase of approximately 25 percent from the 2022-2028 plan submission. Projected cost adjusted due to inflation and the increased cost of construction materials.*

2026-2028

Maintenance Pool	\$23,278,000
Hazelwood-Renovate 3 Residential Units	\$6,774,300
Oakwood-Renovate/Replace Cottages, Phase 4	\$14,157,300

2028-2030

Maintenance Pool	\$11,564,000
Oakwood-Renovate/Replace Cottages, Phase 5	\$11,950,700
Western State Hospital Replace Windows and Doors	\$5,381,800

CABINET FOR HEALTH AND FAMILY SERVICES

2022-2024 Maintenance Pool Allocations

(Total Authorized = \$19,044,000 General Fund)

Projects	Cost	Status
32 Maintenance Pool funded projects open as of 3/22/2023	\$10,425,154	Underway
15 Maintenance Pool funded projects closed since last plan	\$7,231,866	Completed
Maintenance Pool funds in reserve for future maintenance concerns	\$1,386,980	Reserved

CABINET FOR HEALTH AND FAMILY SERVICES

State-Owned Properties Managed

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 located in Hopkinsville, Kentucky
- Central State Hospital located in Louisville, Kentucky
- Eastern State Hospital 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 located in Glasgow, Kentucky
- Western State Nursing Facility located in Hopkinsville, Kentucky

Intermediate Care Facilities for Persons with Developmental Disabilities

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

CABINET FOR HEALTH AND FAMILY SERVICES
Quarterly Status Report – Current Capital Projects
Reported as of April 11, 2023

Project Title	County	Authorization	Status	Percentage Complete
Budget, Accounting and Reporting System (IT)	Multi	2018-2020	Planning Phase	71%
Electrical & Telecom Upgrade – Western State Hospital Ph. II	Christian	2018-2020	In Construction	25%
HVAC System Replacement – Hazelwood	Jefferson	2018-2020	Construction/Multiple Bid Packs	Bid Pack 2 is 50% complete
Scan and Image Historical Records (IT)	Multi	2018-2020	Execution & Control Phase	75%
Vital Statistics Digitized System (IT)	Multi	2018-2020	Planning Phase	45%
KASPER (IT)	Multi	2020-2022	Execution & Control Phase	99%
Oakwood Renovate/Replace Cottage – Phase II	Pulaski	2020-2022	Design/Phase C	
Western State Hospital – Electrical Upgrade – Phase II	Christian	2020-2022	Design/Phase A	
WIC Modernization (IT)	Multi	2020-2022	Initiation Phase	17%
Kentucky Child Support Enforcement System (KASES III) (IT)	Multi	2022-2024	Execution & Control Phase	0%
Oakwood Renovate/Place Cottages – Phase III	Pulaski	2022-2024	Awaiting Initiation by Agency	0%
Renovate CHR Complex Sixth Floor	Franklin	2022-2024	Planning	
Western State Hospital – HVAC and Electrical Upgrades	Christian	2022-2024	Awaiting Initiation by Agency	0%
The Workers Information System (TWIST) Case File Digitization (IT)	Multi	2022-2024	Execution & Control Phase	39%
The Workers Information System (TWIST) Modernization (IT)	Multi	2022-2024	Execution & Control Phase	92%

Project Status is identified as one of the following:

- Awaiting Initiation by Agency - this project has not yet been started either because the agency for which the project was authorized has not yet contacted the Finance and Administration Cabinet or the HB 622 institution has not yet initiated the project through its internal procedures.
- 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.
- Design/Phase A - schematic design.
- Design/Phase B - design development.
- Design/Phase C - construction document development.
- Construction/Multiple Bid Packs - this category is only for projects that have multiple bid packages. It is to be used only after at least one of the bids has been awarded and construction is underway. After all bid packs have been awarded, the Status should change to "In Construction."
- In Construction - between construction contract award and substantial completion.

IT project phases are as 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.