

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 22, 2005
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER
SUBJECT: BUDGET MEMO #100 RESIDENTIAL WAITING LIST; DEPARTMENT OF MENTAL HEALTH/MENTAL RETARDATION/SUBSTANCE ABUSE

This memorandum is in response to Councilman Gaines' question about cost per individual for providing residential services to those on the Community Services Board (CSB) waiting list and the total cost to the City to provide housing for all consumers on the CSB waiting list.

The CSB, through the Department of Mental Health, Mental Retardation and Substance Abuse (MHMRSA), provides residential services to persons with mental retardation, mental illness and substance abuse problems. Services are provided at 10 group homes and 53 apartments/condos, located throughout the City. Forty-eight of these residential units are owned by Sheltered Homes of Alexandria (SHA), a not for profit organization, and the City pays rent to SHA. The Department has the capacity to serve a maximum of 174 consumers through its residential programs. Due to turnover, approximately 238 persons were served in FY 2004.

There are currently (week of April 11, 2005) 28 persons on the waiting list for residential services, 11 for group home slots and 17 for supervised apartments. The waiting list is as follows:

- Windsor group home - 1
Seminary or Linden group home - 1
Peacock or Dogwood group home - 1
New Hope group home - 8
MH supervised apartments - 12 (includes one for Aspen house)
MR supervised apartments - 4
SA supervised apartments - 1

It is difficult to determine a "cost per individual" for these residential services. Lease costs vary, as do the levels of supervision required. It is less costly to provide a low-supervised apartment to a highly functioning consumer than to provide intense staffing for low-functioning consumers at a group home that remains staffed during the day. Consequently, annual costs per consumer can vary from \$10,000 per year to more than \$100,000 per year.

It should be noted that the waiting list for New Hope is large enough to establish a new group home. Annual operating costs would be approximately \$345,000 per year, in addition to the initial investment for a large house.

Taking all these factors into account, the Department estimates that to serve all the individuals on the waiting list would cost approximately \$1,553,000 in annual operating costs. If sufficient housing units were available to meet this need, the CSB would also need an additional full-time Assistant Residential Coordinator (\$70,000), additional nursing services (\$50,000), and an additional vehicle (\$25,000) to serve these 28 consumers. This would bring the total cost up to \$1,698,000 annually. This does not include the capital costs of acquiring or maintaining new facilities, which would have to be added to house these 28 consumers.

As stated at the budget worksession, while the state has had historical responsibilities for mental health services, when deinstitutionalization occurred, Virginia (like many states) used it as an opportunity to save money and shift a largely underfunded mandate to localities. Virginia ranks 47th in the nation in Medicaid spending for the aged, blind, and disabled and 38th in the nation in state funding for community mental health programs. In 2003, the Virginia per capita average was \$22.74 while the national per capita average was \$51.50.