

## EXECUTIVE SUMMARY OF RECOMMENDATIONS

3 Recommendation 1: **The mayor and city council should support the**  
4 **closure of Lakeshore Mental Health Institute (LMHI) but only if**  
5 **coupled with the guaranteed investment of the resulting budgetary**  
6 **savings in community-based services for the region.**

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8 Recommendation 2: **The City of Knoxville should do its own resource**  
9 **analysis of the potential costs of the Lakeshore closure in terms of**  
10 **city services to determine exactly how the closure will affect city**  
11 **residents.**

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13 Recommendation 3: **The mayor and city council should call for the**  
14 **creation of a working group with the state that is empowered to**  
15 **develop a concrete, phased plan for transition from LMHI services to**  
16 **community-based services.** (See details below.)

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18 Recommendation 4: **The working group should become the nucleus for**  
19 **a collaborative approach involving the city, county, and state in**  
20 **systematically developing and encouraging a repertoire of resources**  
21 **for community-based mental health treatment.**

### 24 **Introduction**

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26 On November 11, 2011, the state of Tennessee made public its intention to  
27 close Lakeshore Mental Health Institute in Knoxville. The historic institution,  
28 created in 1886 to serve the needs of East Tennessee for a residential  
29 mental-health hospital, has seen declines in both its residential population  
30 and the services it provides over the last half century as strategies in mental  
31 health treatment have moved toward community-based services.

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33 The current proposal to close Lakeshore touches on the needs of people with  
34 serious mental health issues and their personal communities. It directly  
35 affects the quality of life in Knoxville, which is the "capital" of the state's  
36 ridge-and-valley region and is one of the largest metropolitan areas between  
37 Atlanta and Washington, DC. The city draws on the resources of a large  
38 segment of Appalachia and also serves the economic, higher educational,  
39 medical, and mental health needs of the region. Closing LMHI affects not only  
40 residents of the city but all those regional interests which look to Knoxville  
41 for mental health services.

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43 The Mayor's Council on Disability Issues (CODI) is made up of advocates for  
44 people with a wide array of disabilities, including a number of persons with  
45 significant roles in mental health advocacy. CODI is charged with advising  
46 the Knoxville mayor and city council on all issues that affect the well-being of  
47 Knoxville citizens with disabilities and the wider Knoxville community in  
48 which they live. This white paper is intended to focus attention on the mental

health issues that are crucial for the community and the clients of Lakeshore services.

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### **Lakeshore Regional Mental Health Institute**

54 Lakeshore Mental Health Institute is a facility for people with mental illness  
who require inpatient care because of the general lack of outpatient services,  
57 such as intensive supported residential housing, crisis detoxification, and  
crisis stabilization services. The institute provides an average of 2,200 bed-  
60 days a year to mental health clients, but just 10 percent of those bed-days  
are used by long-term or moderate long-term clients. Only 52 residents have  
63 been there for a year or more, and only two residents have lived at the  
institute for more than 24 years. The bulk of Lakeshore's bed census is short-  
term inpatient care for indigent citizens, some 30 percent of whom are  
Knoxville residents. Some 70 percent of clients reside there for six days or  
less and fully 90 percent are residents for 10 days or less.

66 According to figures compiled by the Mental Health Association of East  
Tennessee (MHAET), the per-day cost of residency at LMHI is \$901. In Fiscal  
69 Year 2011-2012, the budget for the institute is expected to total some \$27.5  
million, with \$7 million generated by fees from TennCare, Medicare,  
insurance payments, and private pay patients. The remaining \$20.5 million  
72 is funded by general funds from the state budget. Currently, some 350  
employees staff the institute.

75 MHAET reports that the average per-day cost of residency in private facilities  
is \$450 and estimates that using the current \$20.5 million in state funds for  
community-based and private-provider services could extend the reach of  
78 mental health services and at the same time build greater capacity for  
mental health treatment in the region.

### **81 The Knox County Environment**

84 The provision of adequate mental health services to the populace is crucial to  
the city and to Knox County. Basing its figures on estimates from the  
National Institute for Mental Health, MHAET estimates that some 114,100 of  
87 Knox County's population of 435,000 citizens have some form of mental  
illness, and approximately 76,000 of those will not receive treatment for their  
illnesses in any given year. The totals include people with primary physical  
ailments (cancer, heart disease, etc.,) who also experience depression or  
90 related mental illnesses. Not included in those totals are about 29,000  
children with mental illness.

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Almost 12 percent of the Knox County workforce is affected by substance  
abuse, and alcohol abuse or dependence is the most prevalent mental

96 disorder affecting workers. Over the first decade of the 21st century, suicides  
in Knox County have doubled, from approximately 45 to approximately 85.

99 These statistics, which do not include totals from surrounding counties,  
underscore the importance of mental health services to the city of Knoxville.

102 At the same time, there are pronounced deficits in the very community-  
based and private-sector services that are necessary if Lakeshore is to close.  
105 Community resources that are needed include: a mental-health court that  
will divert people with mental illness to treatment options and away from  
criminal incarceration, the creation of intensive outpatient residential options,  
and adequate crisis care and crisis detoxification services.

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### **The Closure of Lakeshore Mental Health Institute**

111 The precipitous decision to close LMHI by the end of fiscal 2012 (June 30,  
2012) raises several serious questions that need concrete answers before the  
closure can proceed:

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How will long-term residents of the institute -- people who because of  
multiple psychological, physiological, and intellectual issues cannot be  
117 released to public -- be served? Will the need for continuing connections to  
their family networks be met if they are relocated to another region of the  
state?

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For clients needing monitored residential care, crisis stabilization, crisis  
detoxification, and other shorter-term services, are the existing community-  
123 based services adequate? How long will it take for existing programs to ramp  
up operations and staff to serve additional clients?

126 How will the closure affect the city of Knoxville, other local governments, and  
various institutions which serve people with mental illness, including police,  
homeless programs, hospital emergency rooms, and social service agencies?

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NOTE: While a Department of Mental Health document (Appendix C, #6)  
averts that the closure will create "no fiscal impact on local governments," it  
offers no evidence and is not in a position to make that assertion on behalf of  
132 Knoxville governments and organizations.

135 What are the implications for Knoxvillians who may lose their jobs in the  
closure?

138 What concrete steps are planned to implement a phased transition from  
Lakeshore services to community-based services?

141 The final question is especially important. Given the state's long history of  
failing to provide community-based services after previous downsizings and  
closures, it is crucial that the Department of Mental Health provide  
systematic evidence that inclusive mental health programming will follow the

144 closure. Advocates on mental health issues are largely willing to see LMHI  
close, but they need a level of comfort and assurance that no person with  
147 mental illness will go unserved or underserved after the transition.

147 The state Department of Mental Health has not provided a systematic, well-  
articulated plan for the transition. The documents cite nonexistent or  
150 unprepared mental health programs and lack concrete details. Existing  
documents shared with Knoxville stakeholders are neither systematic nor  
well-expressed and do not give confidence that this closure and transition  
153 has been given the detailed attention it demands.

## 156 **CODI Conclusions**

159 Conclusion 1: The \$20.5 million now used to operate LMHI can be more  
profitably used to provide services to Lakeshore clients and residents by  
developing community-based services or purchasing those services from  
private mental-healthcare providers. Knoxville's mayor and council can  
162 support the proposed closure of Lakeshore provided it comes with guarantees  
of reinvestments in community-based services.

165 Conclusion2: The documents thus far presented by the state Department of  
Mental Health do NOT adequately present a plan for an orderly transition  
from LMHI-provided services to services purchased from community-based  
168 providers. Such a plan must set out in concrete detail what private and  
community-based agencies will be engaged in providing services to fill the  
gaps created by the closure of the institute.

171 Conclusion 3: Given the location and availability of existing private health-  
care facilities, the City of Knoxville and other local governments may face  
174 increased costs and difficulties in linking citizens to the appropriate mental  
health services. Any state transition plan MUST take into account these costs  
and difficulties.

177 Conclusion 4: Considerations for seeking private providers CANNOT include  
reliance on speculations about the future building plans of private agencies.  
180 For more than three decades, the history of de-institutionalization of mental  
health clients has been marked by a failure to create the community-based  
services promised to fill in the service gaps brought on by downsizings and  
183 closures.

## **CODI Recommendations**

186 Recommendation 1: **The mayor and city council should support the  
closure of LMHI but only if coupled with the guaranteed investment  
189 of the resulting budgetary savings in community-based services for  
the region.**

192 Recommendation 2: **The City of Knoxville should do its own resource**  
195 **analysis of the potential costs of the Lakeshore closure in terms of**  
**city services** (police, homelessness, hospital emergency room visits, and  
other elements of the city infrastructure) **to determine exactly how the**  
**closure will affect city residents.**

198 Recommendation 3: **The mayor and city council should call for the**  
**creation of a working group with the state that is empowered to**  
201 **develop a concrete, phased plan for transition from LMHI services to**  
**community-based services.**

--The group should create a publicly articulated plan with benchmarks that  
can be monitored and evaluated by the citizens of the city and region, and  
204 the Department of Mental Health must be accountable for actualizing the  
plan.

--The group's membership should include representatives of the City of  
207 Knoxville and other local governments, as well as local and regional  
advocates for people with mental illness.

--The timeline for the transition should be built on meeting the needs of the  
210 client base and the community, not the budgetary needs of the state  
administration.

213 Recommendation 4: **The working group should become the nucleus for**  
**a collaborative approach involving the city, county, and state in**  
216 **systematically developing and encouraging a repertoire of resources**  
**for community-based mental health treatment.**

#### **Additional Note**

219 The disposition of the valuable property on which the institute is located is an  
ancillary issue that is significantly important to the citizens of the city. While  
222 sale of the property can make an important contribution to the region's  
mental health resources, that issue is ancillary to the central issue of  
providing adequate services to the mental health community during the  
225 closure of LMHI.

#### **REFERENCES**

228 This paper relies to one degree or another on four sources:

- 231 1. Event reporting by the Knoxville News Sentinel
2. The expertise of CODI members who have formal roles in advocacy on  
mental health and mental illness issues
- 234 3. The observations of CODI members who have attended one or more  
events involving the closure of LMHI
4. The following documents:
  - 237 (a) Attachment A – Proposed Closure Plan, Lakeshore Mental Health  
Institute
  - (b) Attachment B – Lakeshore Employment Fact Sheet

- 240 (c) Attachment C – Proposed Closure of Lakeshore, Answers to  
Questions for the Commissioner
- 243 (d) Final Report: RMHI/Delivery Systems Task Group of the Tennessee  
Department of Mental Health and Developmental Disabilities Planning  
and Policy Council (June 26, 2007)
- 246 (e) Knox County Mental Health Profile, compiled by the Mental Health  
Association of East Tennessee
- (f) Lakeshore Facts, a fact sheet annotated by the Mental Health  
Association of East Tennessee
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