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OUR MISSION

is to educate members and all South Carolinians about state and local public policy based on the traditional South Carolina values of individual liberty and responsibility, free enterprise and limited government.

Dose of Healthy Competition Wakes Up Department of Mental Health

Edward T. McMullen, President, South Carolina Policy Council

Recent efforts to trim the fat off the sacred cow of state government has produced a strong whiplash by the defiant Department of Mental Health. In the last quarter of 1997, it was rumored that the cost to care for a consumer in our state hospital ran more than \$300.00 per day. Upon hearing of this information, the South Carolina Policy Council requested information from DMH pursuant to our State's Freedom of Information Act. Unfortunately, DMH has arrogantly withheld information which might encourage a constructive debate on the most cost efficient and preferred least restrictive means of caring for our mentally ill patients or "consumers" of mental health services. To date, our four month old request has gone unanswered. This seems to be this agency's standard operating procedure as they were one of only three state agencies that originally refused to comply with the performance audit committee's request for a fifty-fifty budget agreement to fund an audit. For informational purposes it should be noted that the audit committee is headed by our Lieutenant Governor and charged with the mission and objective of identifying cost excesses in state government.

While our state's leaders continue to search for more efficient means of spending citizen's tax dollars, DMH continues to dig in to protect their turf. Recently, Representative Roland Smith, a Baptist Minister noted for his concern of challenged South Carolinians, proposed putting out for bid only 80 beds of the population remaining at State Hospital. DMH came up with a laundry list of reasons why such an idea was inappropriate. Representative Smith proposed requesting bids for a per diem of no greater than \$149.00 less than half of the rate originally stated for the State Hospital. The proviso also provided that "Quality assurance efforts shall be made to ensure that the bidder has prior experience dealing with this population of persons with mental illness in South Carolina." Furthermore, the proviso mandated that the award decision would be reviewed by a Blue Ribbon Task Force which included among others, the Commissioner of DMH.

When pressed, however, as to why DMH should not consider placing a percentage of the State Hospital population in a less restrictive, yet safe, and more cost efficient milieu, low and behold DMH proposed their own community program. Stubbornly, however, they mandate that only their centers can house the consumers. The per diem for state hospitalization is still a whopping \$279.00 per day for this population but amazingly when challenged, they insist they can now provide care for 75 consumers at \$86.00 per day. "Notably" their request remarks "the total cost of (the DMH) initiative is 31 percent of the annual State Hospital inpatient rate of \$279.00 per day or \$101,835



annually. The cost to provide services to 75 consumers at the State Hospital is \$7,637,625 annually.” Who says competition from the private sector does not encourage cost savings?

We commend Reverend Smith for his privatization initiative and for the savings it will give our tax payers. We believe, however, that he should amend his proposal to cap the rate at \$86.00 per day and see if qualified private providers can not provide an even better rate for a better service than government. Our guess is that they can.

Unfortunately, the story does not stop there. Just when you think you have heard all of the pork barreling and money hiding by a state agency, here is one to top all. In a recent Ways and Means Subcommittee hearing, it was discovered by vigilant members, led by Representative John Felder, that DMH was caring for only 37 consumers/patients at the Byrns Hospital for an annual appropriations of \$10 million dollars. When pressed on this subject, the DMH Commissioner could only ask the Committee to give him until June to come up with the justification. The Subcommittee gave him until this week.

The Byrns Hospital episode is just another example of sloppy spending in state government. While we are sure that the bureaucrats will come up with many good reasons for this obvious gaff, we believe this is another opportunity for privatization. Surely, a qualified provider can care for this population for less than \$740 a day.

All of these concerns, and more, beg the question as to how such a state agency was able to avoid state government restructuring. Maybe it is time to revisit that issue too.

Edward T. McMullen, Jr., is the President of the South Carolina Policy Council Educational Foundation and serves as a member of the State Performance Audit Committee.

