



February 6, 2010 (CHICAGO) -- Illinois taxpayers spend more than \$122 million a year to care for the mentally ill in privately run, for-profit nursing homes -- a system largely rejected elsewhere over costs, concerns about residents' rights and quality of care.

And because the federal government won't match state payments to such facilities, Illinois pays twice as much as it would if the residents lived in other types of housing, such as group homes or apartments, that get federal matching money, according to federal figures obtained by The Associated Press.

Critics say so-called "institutions for mental disease," which can house up to 400 people, are scarcely more than human warehouses and should be closed. But so far, efforts to change the system in Illinois -- which relies more than any other state on nursing homes to house young and middle-aged adults with mental illness -- have gained little traction.

"IMDs do not serve a useful function in our system of care for people with serious mental illnesses," said Mark Heyrman of Mental Health America of Illinois. "Almost everyone in IMDs could be getting better care at the same or less cost in the community."

Nearly 5,000 mentally ill people live in Illinois IMD nursing homes and more than 13,000 live in more traditional nursing homes, where they're mixed with frail elderly patients. Most mentally ill residents receive Medicaid.

So far, concerns about assaults, rapes and murders committed by the mentally ill against the elderly in those traditional nursing homes have overshadowed concerns about the high costs of IMDs. An Illinois task force on nursing homes is now investigating safety issues and is expected to release its final report to Gov. Pat Quinn in a matter of days.

Advocates for the mentally ill say the timing couldn't be better to consider phasing out the for-profit mental institutions.

"I think it's a once-in-a-lifetime opportunity," said Janet Hasz, executive director of the Supportive Housing Providers Association, representing nonprofit groups that could benefit from a policy switch.

IMDs have come under increasing scrutiny because of safety, as well as cost. Somerset Place in Chicago, which houses more than 300 residents and received nearly \$15 million in Illinois taxpayer money last year, may lose its state license over resident assaults, lack of treatment and failure to supervise a female resident who sometimes left the facility to solicit sex and was found slain in a nearby motel.

Somerset's attorneys have asked for a hearing on the possible license revocation.

The American Civil Liberties Union also has filed a class-action lawsuit against Illinois, claiming the state is violating the residents' civil rights by housing them in institutions. The suit is based on a 1999 landmark ruling by the U.S. Supreme Court, which found that the Americans with Disabilities Act requires community placement of the mentally disabled whenever appropriate, and that segregating the mentally ill amounted to "unjustified isolation."

The AP requested an interview with IMD owners, but an industry group instead issued a statement defending the institutions, saying they "play a critical role" in care of Illinois residents with mental illness.

"The vast majority of residents at our facilities thrive because of the critical support services, psychiatric-rehab programming, medication management and other vital treatment programs they are provided," said Ron Nunziato, spokesman for Alliance for the Living.

But the state already has taken steps to ensure no more nursing homes become IMDs, because of the costs, said Theresa Eagleson, administrator of the medical programs division of the state Department of Healthcare and Family Services. Seven nursing homes are on a "watch list," meaning they're close to having a majority of residents with a primary diagnosis of mental illness.

Federal rules bar states from claiming federal Medicaid matching dollars for the care of mentally ill people ages 22 to 64 who live in IMDs, because the government did not want to take on states' responsibilities for paying for mental institutions. The government also has discouraged nursing homes from providing specialized mental health services because research has shown the homes aren't equipped to provide treatment and Medicaid funding is insufficient to pay for trained mental health providers.

Illinois spent \$122 million on care for younger residents of IMDs last fiscal year, federal Centers for Medicare & Medicaid Services spokeswoman Elizabeth Surgener told the AP. If the state were able to claim federal matching money, it would cut that cost by at least half.

The federal government doesn't track those numbers for other states. It does for Illinois because of past problems with the state claiming federal money for facilities that should have been classified IMDs. Officials in Pennsylvania, Ohio and Michigan -- three states with populations near that of Illinois -- said they have no IMD nursing homes.

Illinois has shut down seven mental hospitals since 1980, and nursing homes took up most of the slack. The state now has 26 IMDs, most in Chicago but also in Decatur and Peoria. All are owned by corporations or limited liability companies, and none is nonprofit.

Critics claim that campaign contributions from facility owners make it politically difficult to shake them loose from Illinois -- even with a state budget deficit climbing toward \$13 billion.

The IMD owners' political action committee gave campaign contributions totaling \$147,970 from 2007-2009, including \$70,000 to House Speaker Michael Madigan and \$15,000 to Senate President John Cullerton.

But there are other reasons that the state hasn't moved more quickly to close mental institutions, said State Rep. Sara Feigenholtz, D-Chicago, who chairs the House panel on human services spending and received \$1,000 from the IMD owners PAC.

"Simply stated, not enough community alternatives actually exist or they are inadequately funded," she said, adding that Illinois budgeted more than \$21 million for supportive housing last fiscal year, including nearly \$18 million specifically for supportive housing for the mentally ill.

"If we start shuttering IMDs and nursing homes haphazardly we risk having a lot of homeless people on the street and big hospital emergency room bills," Feigenholtz said. "We have to do it right or we risk failure."

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