

# Criteria for a Healthcare Capital Expenditures

The State Fiscal Recovery Fund (SFRF) of the American Rescue Plan Act (ARPA) states that expenses incurred for public health needs arising out of the pandemic are eligible for coverage under the SFRF.

Eligible expenses public health expenses must:

- Identify a need or negative impact of the COVID-19 pandemic;
- Identify how the program, service, or other intervention addresses the identified need or impact; and
- Be a cost is incurred between March 3, 2020, and December 31, 2024.
  - Note, a cost incurred means that the costs paid for using SFRF are incurred after March 3, 2021 (note, it is acceptable for the project to have been planned before this date) and the funds are obligated by December 31, 2024. The period of performance, however, extends until December 31, 2026.

# Criteria for a Healthcare Capital Expenditures

Applying the criteria to healthcare capital expense could include expenses that:

- Address areas of public health negatively impacted by COVID-19 pandemic including mental health, substance abuse, domestic violence, and decline in preventative health measures. For instance, guidance states that “new or enhanced government services may be needed to meet behavioral health needs exacerbated by the pandemic and respond to other public health impacts.
- Address disparities in public health outcomes along racial, ethnic, and socioeconomic lines.
- Provide services “to facilitate access to resources that improve health outcomes, including services that connect residents with health care resources and public assistance programs and build healthier environments” in populations in qualified census tracts or other communities that are evidenced to have been disproportionately impacted by the pandemic.



# New DIDD Regional Office Buildings

- Proposal is to build three new regional offices for DIDD in Nashville, Greeneville, and Arlington, which would include delivering health care services to thousands of adults and children with disabilities.
- \$180,600,000 total, utilizing existing DIDD-owned property
- Estimated completion: 2025
- Would house the three Seating and Positioning Clinics which provide direct services to children and adults with severe physical complexities, nursing and behavioral services, and services to improve the health outcomes of children and adults.

# New DIDD Regional Office Buildings

- Adults and children with intellectual and developmental disabilities have been significantly impacted by the public health emergency—people with disabilities have a 3.5 times higher death rate from COVID-19 than the overall TN population.
- DIDD's Regional Offices provide access to needed health and behavioral services by those who specialize in support for people with intellectual and developmental disabilities including:
  - Seating and Positioning Services
  - Nursing services including COVID testing, vaccination and contact tracing
  - Direct crisis intervention for persons with mental health concerns
  - Therapeutic services



# Moccasin Bend Mental Health Institute (MBMHI) Re-Build

- Built in 1961, MBMHI serves patients not served by the private sector and for whom there is no other inpatient treatment option available. COVID-19 significantly impacted MBMHI's ability to serve this population due to the limitations of MBMHI's aging physical plant.
- **Total Cost: \$276,520,000** (Based on estimate provided in April 2021).
- TDMHSAS anticipates that design and pre-planning will occur in Year One (FY22-23) and construction will begin in Year Two (FY 23-24) continuing into Year Three (FY24-25)
- Temporary # of employees: N/A



# Moccasin Bend Mental Health Institute (MBMHI) Re-Build

- MBMHI provides the most intensive care and treatment in an inpatient hospital setting. MBMHI is the Department's East Tennessee Regional Mental Health Institute (RMHI) serving 52 counties. In FY21, there were 2,424 admissions.
- MBMHI is located on 107.09 acres on the Tennessee River in Chattanooga. It operates 165 beds.
- The physical plant at MBMHI is original to the building. Since 2016, the Department has spent approximately \$11,000,000 million on major maintenance and capital maintenance projects at MBMHI.
- Operating a new, more modern mental health institute would enable MBMHI to:
  - Implement more modern treatment methods;
  - Offer more space for both patients and staff to safely socially-distance infectious patients while reducing anxiety and tension caused by such close quarters;
  - Keep patients and staff safe by offering more interior space as well as more frequent access to outdoor areas;
  - Effectively protect patient confidentiality by removing visitor rooms from each treatment unit;
  - Operating a facility built under the most current healthcare facility design and construction guidelines.



# Substance Use Residential Treatment Enhancement

- The COVID-19 pandemic has worsened the fatal and non-fatal overdose epidemic in Tennessee. As a result, the demand for residential substance use treatment services has revealed capacity limitations of the state's public system. Funds will support additional infrastructure for residential beds which will respond to pandemic-related substance use disorders.
- **Cost: \$26,520,000** (estimated 4 facilities @ \$6,630,000 each)
- Length of project: FY22/23 – FY24/25
- Temporary # of employees: NA



# Substance Use Residential Treatment Enhancement

- This request will fund the renovation and/or construction of substance use residential treatment facilities, which will add approximately 200-300 new residential treatment beds across the state. The populations of focus include pregnant women and women with dependent children and Tennesseans who are indigent and have been assessed for residential substance use disorder treatment services.
- Due to the ongoing stress of COVID-19, misuse and abuse of opioids and stimulants increased as a coping mechanism of the pandemic which has resulted in a higher acuity level of those persons presenting for help. Hence, the need for additional residential beds has become more prevalent.
- Residential treatment services, for individuals with more severe or long-term addiction, may be more impactful than outpatient programming.
- TDMHSAS would release an announcement of funding to procure services from the agencies that would oversee the daily operation of activities at each residential substance use treatment facility. This process has been used historically and it has yielded favorable outcomes.

# Middle Tennessee Mental Health Institute: Mechanical System Upgrades - Phase I

- This capital project will include mechanical equipment upgrades at the main hospital and forensic buildings. Work will include replacement and upgrades to existing air handling units, mechanized exhaust relief air dampers, relief fans, unit heaters, control valves, associated electrical connections, and all required related work.
- **Cost: \$11,000,000**
- Length of project: 12-24 months
- Temporary # of employees: N/A



# Middle Tennessee Mental Health Institute: Mechanical System Upgrades - Phase 2

- The second phase of the mechanical system upgrade project includes replacement of the existing 25-year-old mechanical equipment at the main hospital and forensic buildings, including replacement and upgrade of existing VAV (Variable Air Volume) boxes, existing kitchen exhaust hoods and make-up air unit, split system units serving computers and data center, and all required related work.
- **Cost: \$9,910,000**
- Length of project: 12-24 months
- Temporary # of employees: N/A

# Middle Tennessee Mental Health Institute: Mechanical System Upgrades

- The existing mechanical system is approximately 25 years old and in poor condition. The anticipated service life for the mechanical equipment is approximately 25 years. Given the condition of the system, additional repairs will not significantly extend the service life of the equipment. Therefore, replacement is the appropriate course of action.
- This project will be completed in two phases to ensure no disruption to hospital operations, which must continue to be available 24/7/365 during construction.





# New John S. Wilder Youth Development Center

- Wilder Youth Development Center is the only state operated Level 4 Hardware Secure juvenile justice facility in the state. There are currently 68 youth between the ages of 16 – 18. Several youth are certified members of various violent street gangs. All youth have been adjudicated for multiple convictions for violent criminal offenses.
- Cost: \$195,210,000
- Length of project: TBD
- Temporary number of employees: 0

# New John S. Wilder Youth Development Center

- Goals for new center include
  - 144 beds
  - Improve ability of state to respond to pandemic-related health needs (quarantine, isolation) and delivery of educational and rehabilitative services to at-risk congregate population.
  - Improve facility's security - 26 incidents at Wilder Youth Development Center over past 12 months.