



The Evolving Landscape of State Hospitals in the Public Mental Health System Paper and Dialogue

NASMHPD Annual Meeting

Ted Lutterman

NRI

July 2025

Washington, DC

Disclaimer

The views, opinions, content and positions expressed in this presentation are those of the presenters and do not necessarily represent or reflect the official views, opinions, or policies of any governmental, academic, or other institution with whom the presenters are affiliated; nor does mention of trade names, commercial practices, or organizations imply endorsement by the U.S. government, any state government, academic or other institution.

Agenda

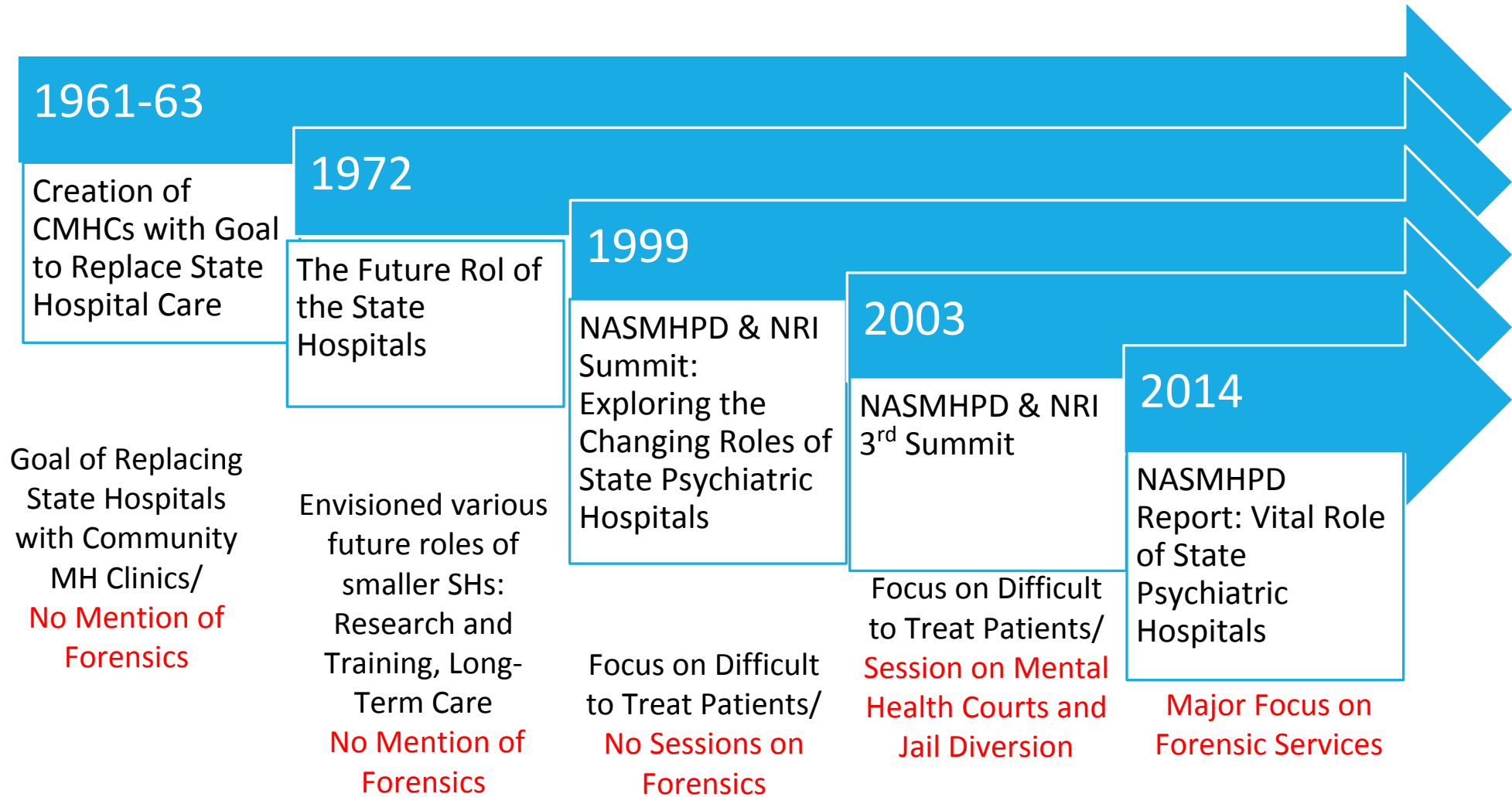
- Historical Trends in State Hospital Utilization
- Psychiatric Bed Shortages
- Use of state psychiatric hospitals
- Recent Changes in State Hospital Patients—increase of Competency Restoration clients and decrease of Civil Legal Status
- Building new state hospitals
- What will be the future role(s) of State Hospitals

State Dialog on Future Role of State Hospitals

- Dallas Earnshaw, Utah, Superintendent, Utah State Hospital
- Drew Adkins, Kansas, Commissioner, KDADS
- Nelson Smith: Virginia, Commissioner, DBHDS
- Wendy Morris: NASMHPD

FOCUS ON ROLE OF STATE HOSPITALS

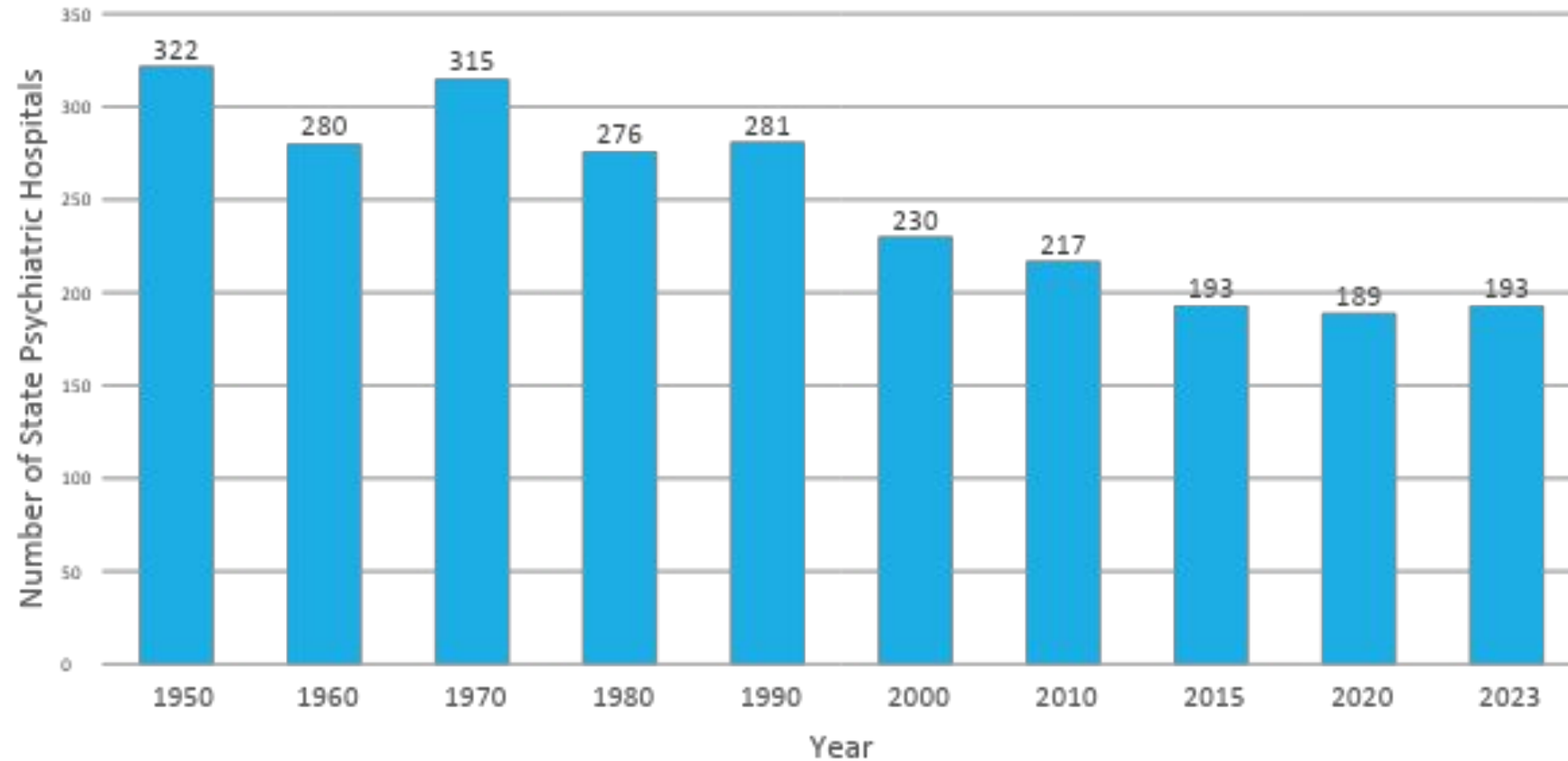
OVER TIME: 1961-2014



Key Take Homes

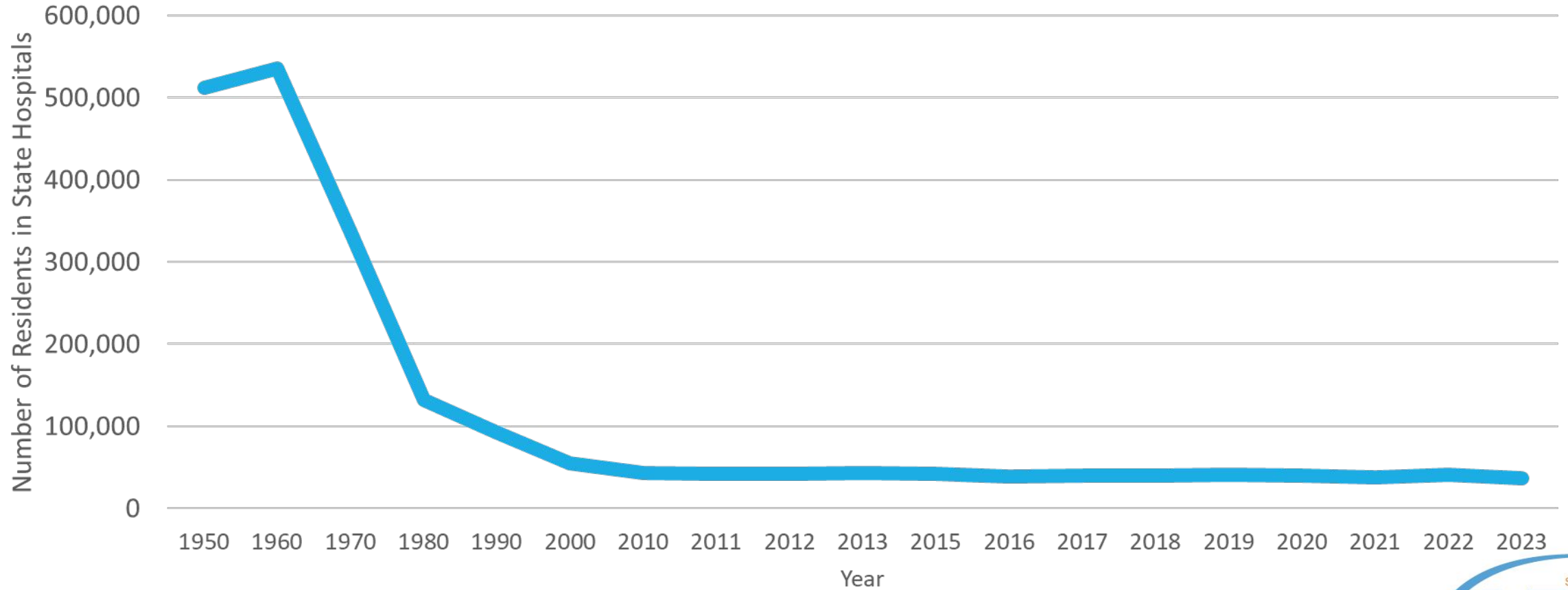
- 76% of State Hospital Beds that have closed were closed by 1980
 - 90% were closed by 2000
- State hospitals are a very expensive service (over \$14 billion or 25% of SMHA Spending), but serve 1.4% of the over 8.4 million individuals served every year
- State hospitals today treat a very different patient population than were in state hospitals in the 1950s and 1960s
 - Before the 1970s, State Hospitals were often treating individuals with IDD, Organic Brain Syndrome/Dementia, and even had special non-MH wards for Tuberculosis or Syphilis units—groups that are now almost always treated outside of state hospitals
- More states are reporting Psychiatric Bed Shortages in 2025 than any prior NRI/NASMHPD Survey
 - After years of closing and downsizing state hospitals, in 2025 25% of states are building new or replacement state hospitals or reopening closed beds
- Many States are experiencing major growth in individuals found Incompetent to Stand Trial being sent to State hospitals for Competency Restoration, while seeing decreases in Civil (voluntary/civil-involuntary status admissions)

Number of State Psychiatric Hospitals: 1950 to 2023

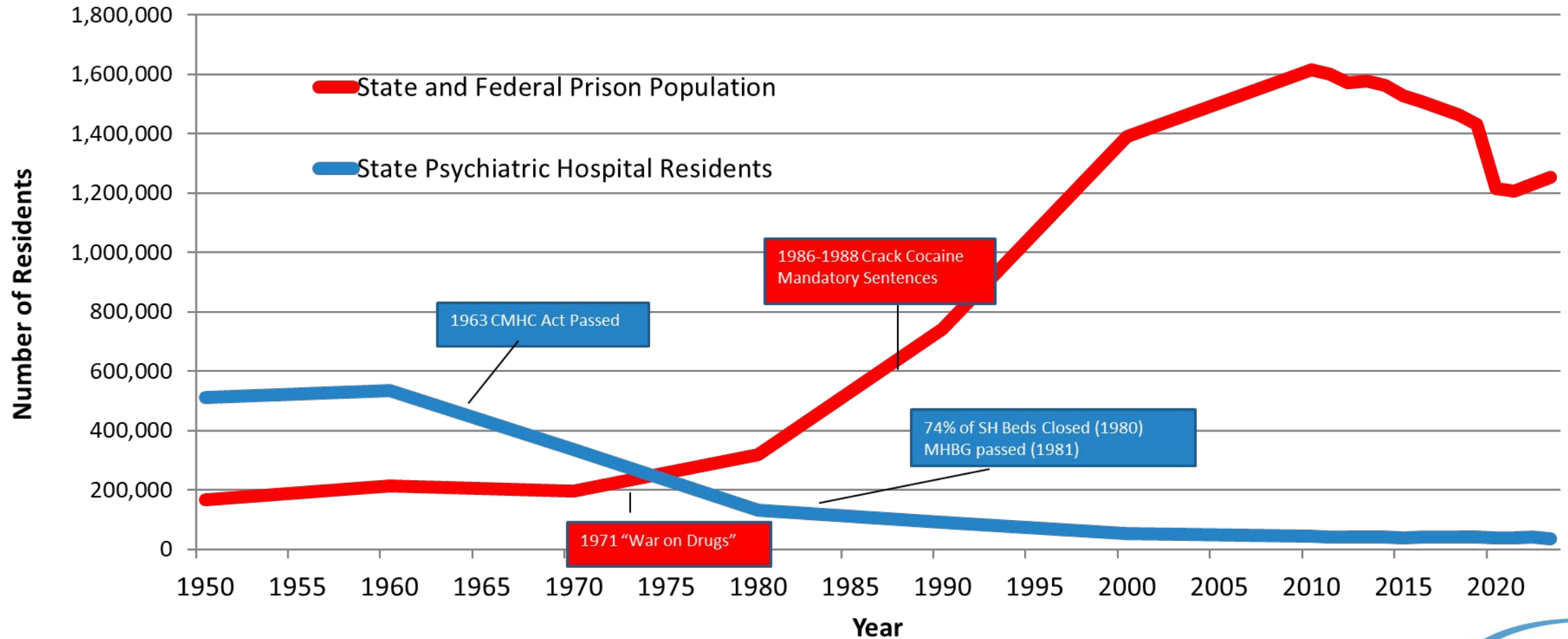


Sources: CMHS Additions and Resident Patients at End of Year, State and County Mental Hospitals, by Age and Diagnosis, by State, United States, 2002, and 2025 State MH Agency Profiles System

Number of Resident Patients In State Psychiatric Hospitals (single day): 1950 to 2023



Residents in State Psychiatric Hospitals, Jails, and Prisons, 1950 to 2023



Sources: State Psychiatric Hospitals from: CMHS Additions and Resident Patients at End of Year, State and County Mental Hospitals, by Age and Diagnosis, by State, United States, 2002, and SAMHSA Uniform Reporting System: 2004 to 2023

State and Federal Prison Population from: Bureau of Justice Statistics, *Prisoners Series*

State Psychiatric Hospitals Treat Very Different Caseloads than 50+ Years Ago

In 1970

29.3% (99,087) Patients were age 65 and Over

24% (81,621) had an Organic Brain Syndrome (Primary Diagnosis)

- (45,811 of whom were Older Adults)

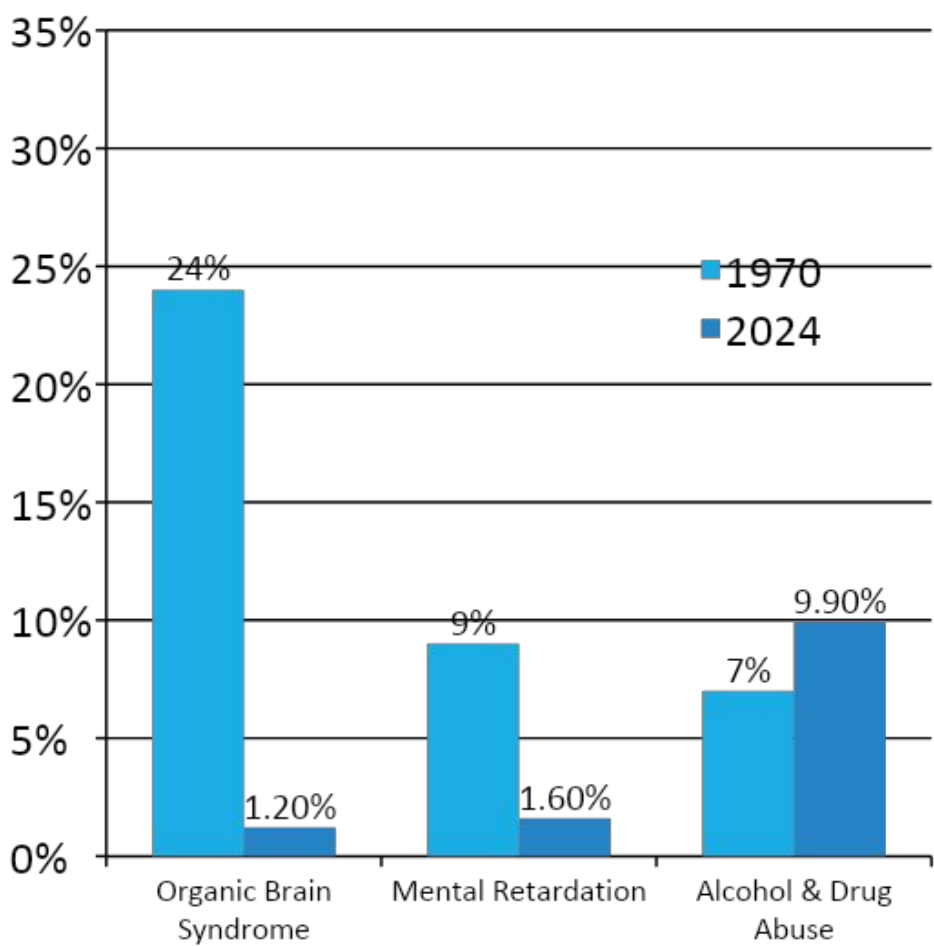
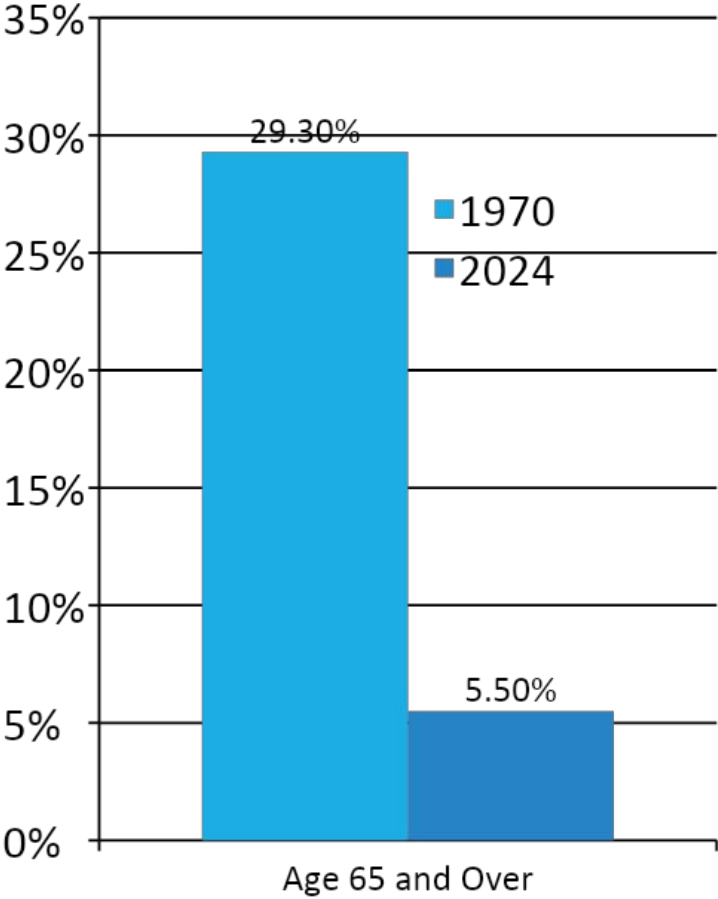
9% (31,884) had a Diagnosis of Intellectual Disability (reported then as “Mental Retardation.”)

7% (18,098) had an Alcohol or Drug Disorder (1973 data)

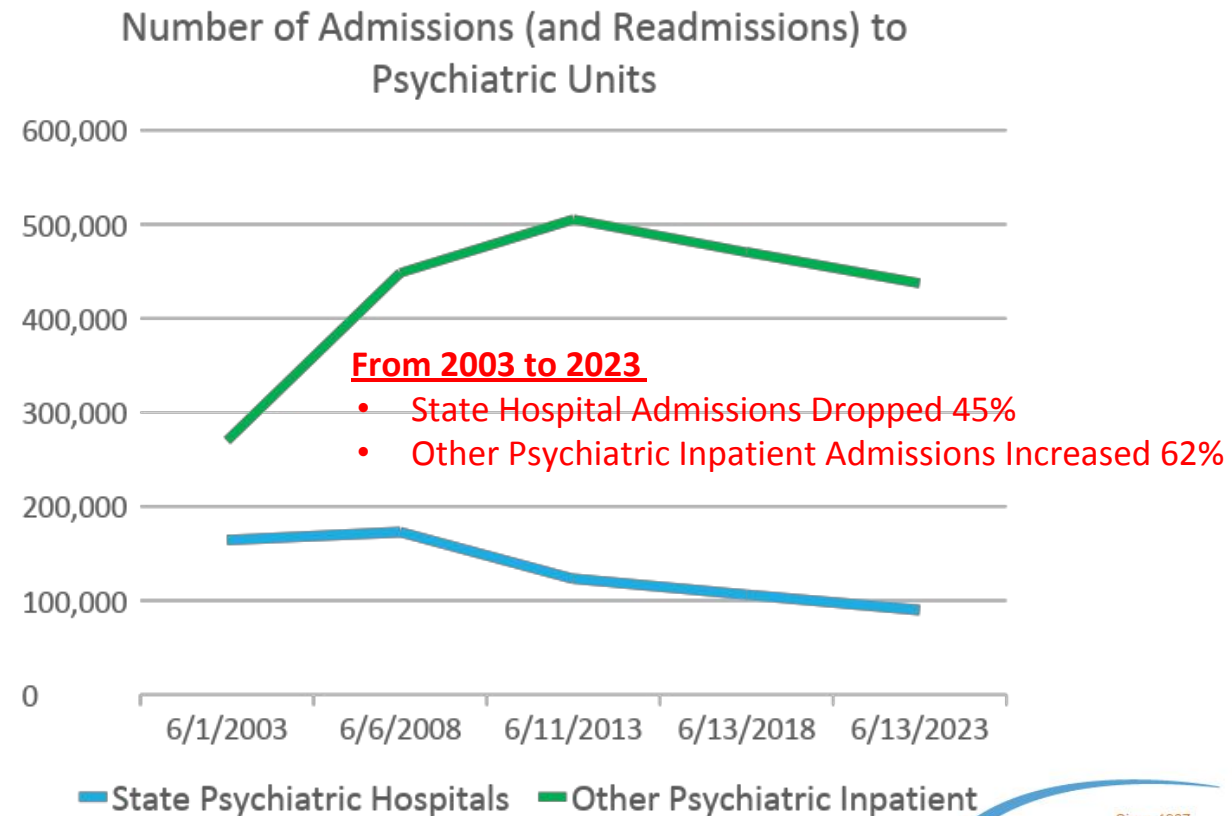
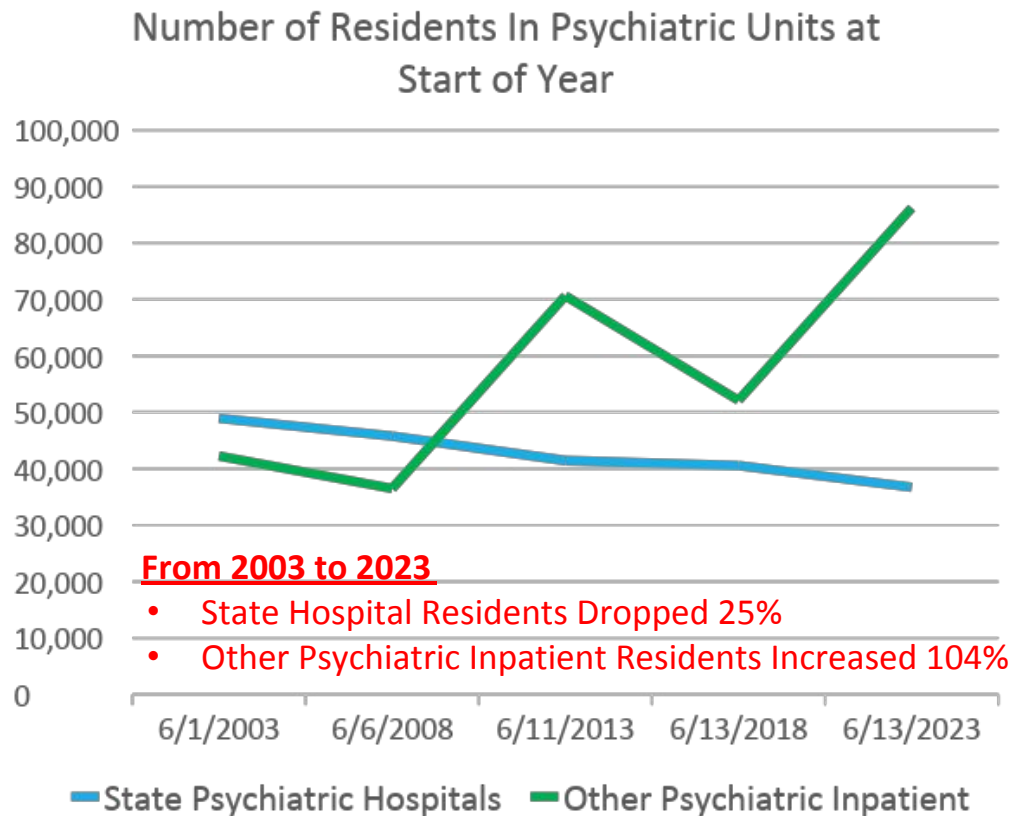
In 2024: (based on 30 state’s BHPMS Data on Primary Diagnosis)

- 5.5% of patients were age 65 and over
- 1.2% had Alzheimer's or Dementia
- 9.9% had a Substance Used Diagnoses

State Psychiatric Hospitals Treat Different Caseloads than 50 Years Ago

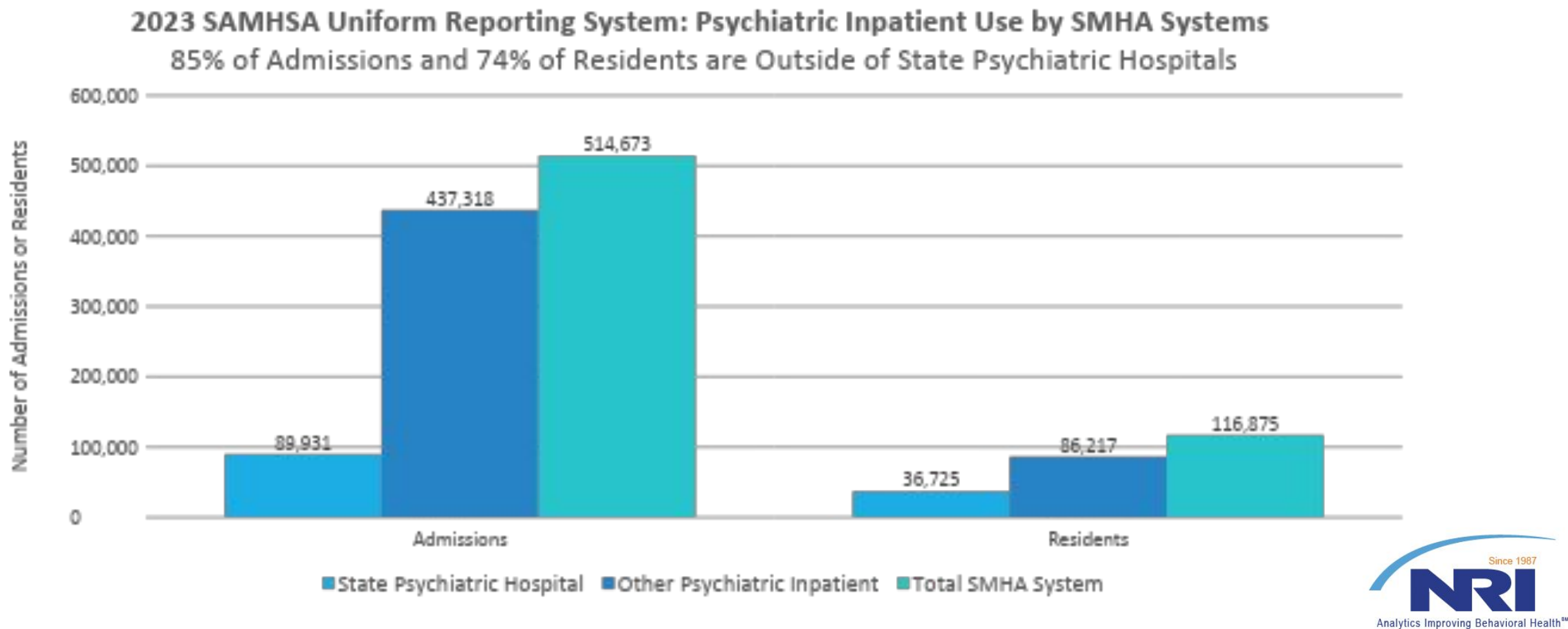


Use of State Psychiatric Hospitals and Other Inpatient Settings: 2003 to 2023

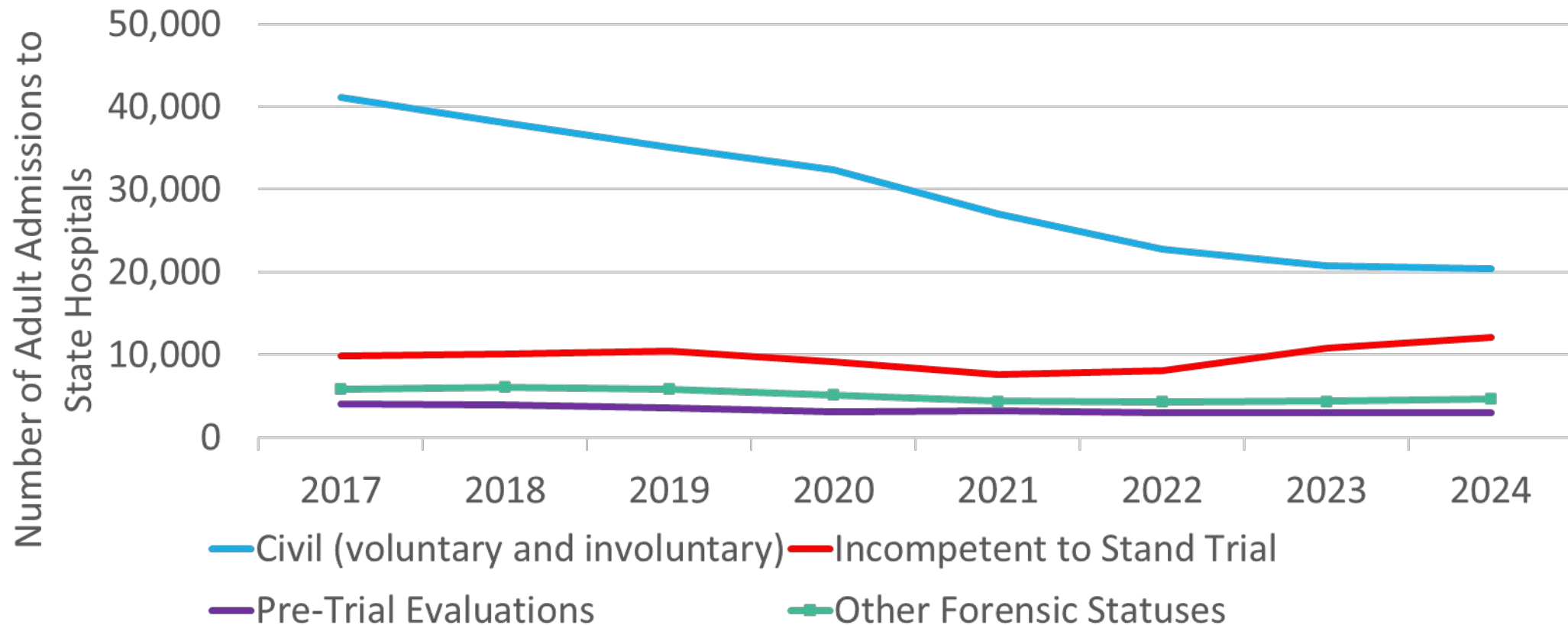


Source: SAMHSA Uniform Reporting System

Many States are now using Other Psychiatric Beds as a Major Part of their SMHA's System of Care

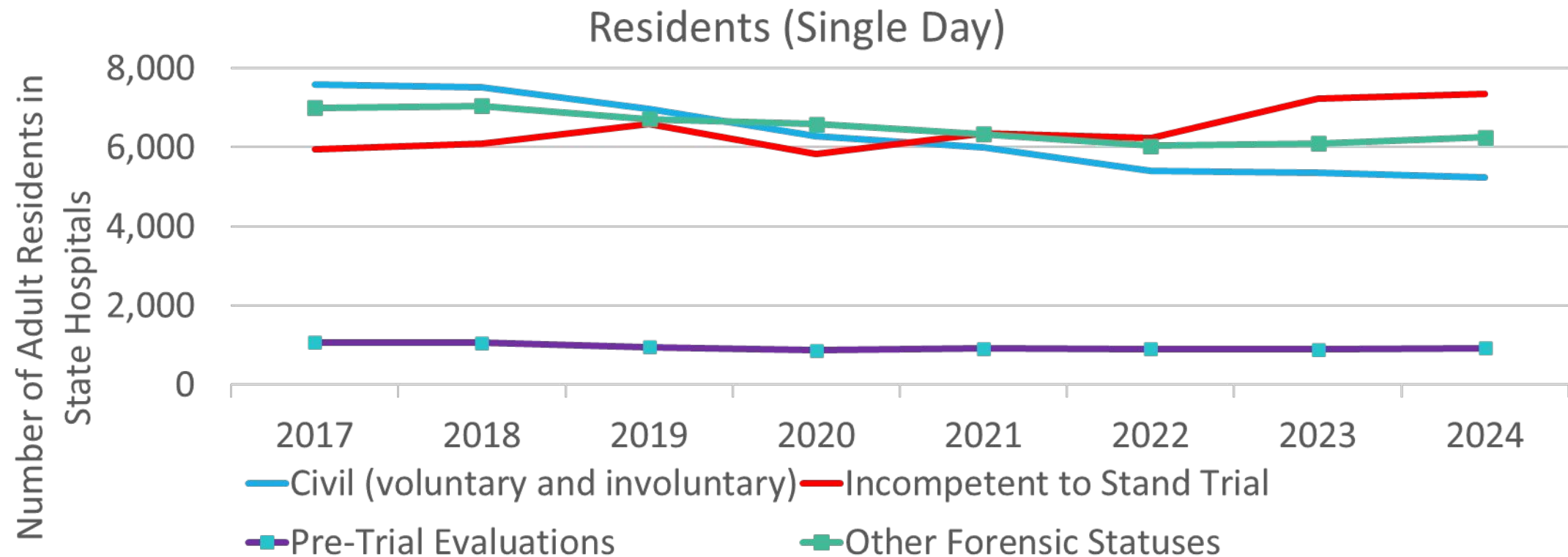


Legal Status of Admissions to State Hospital Inpatient Beds, 2017 to 2024



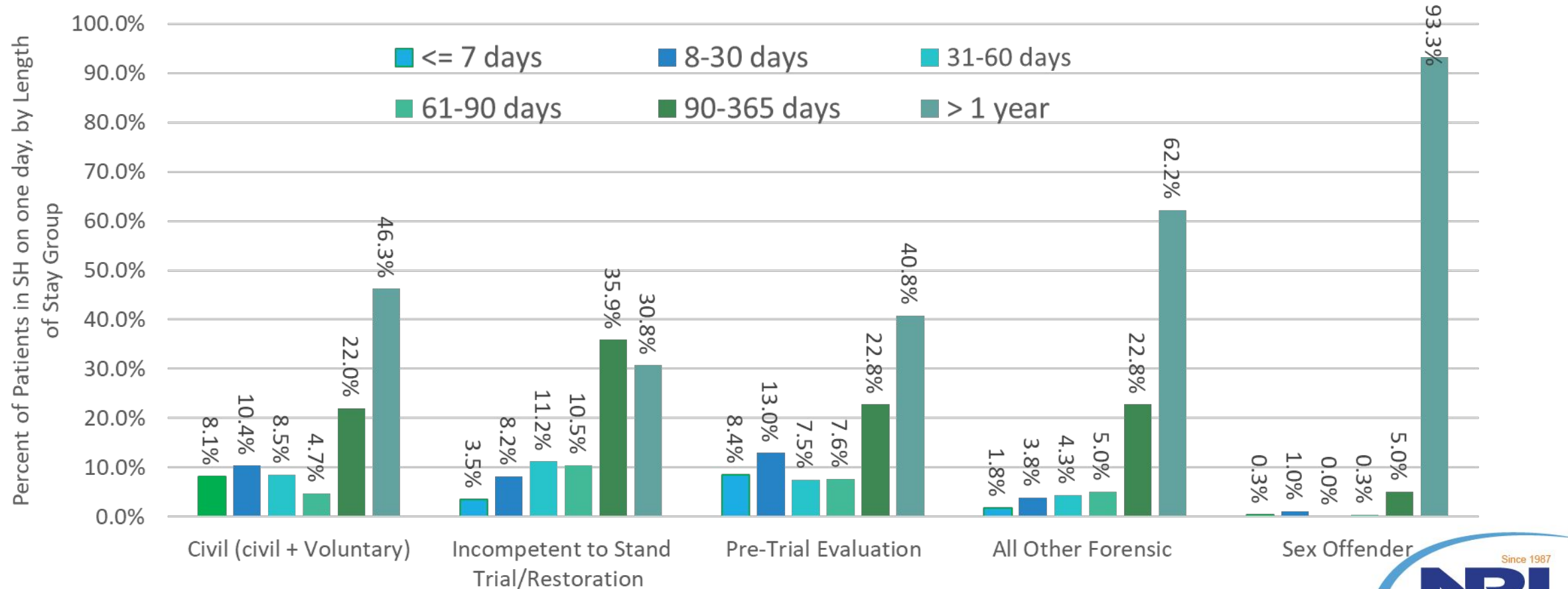
Data on Adult Patients from 30 states participating in NRI's BHPMS

Legal Status of Residents in State Hospitals, 2017 to 2024



Data on Adult Patients from 30 states participating in NRI's BHPMS

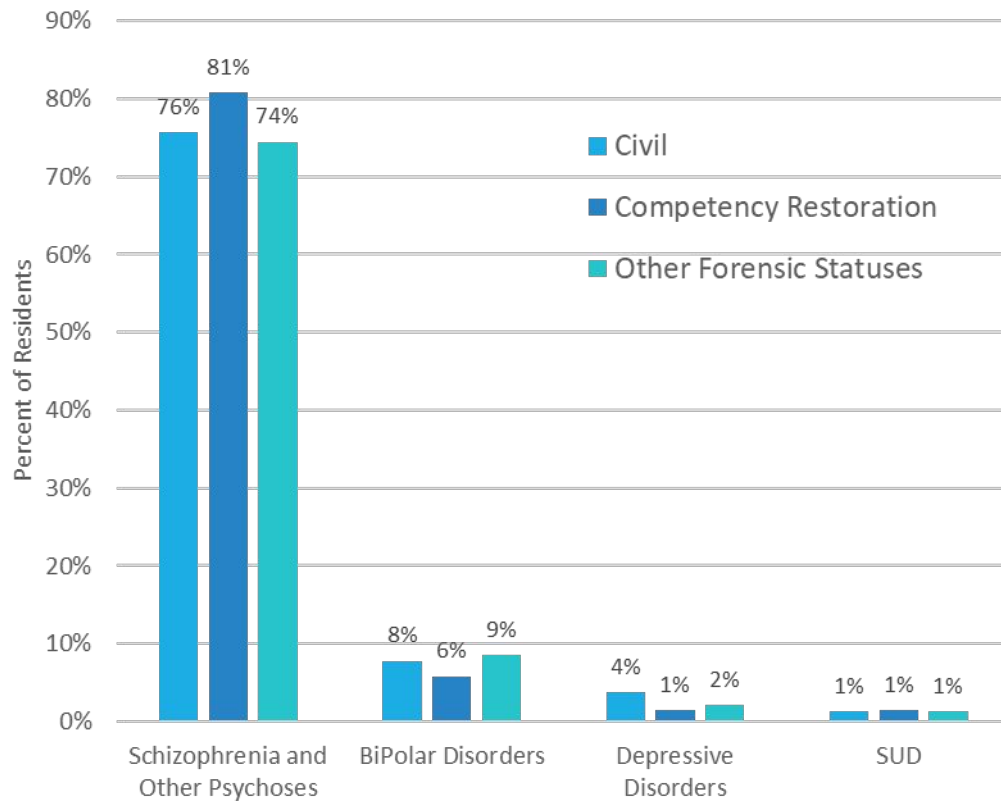
Length of Stay of State Hospital Patients, by Legal Status, 2024



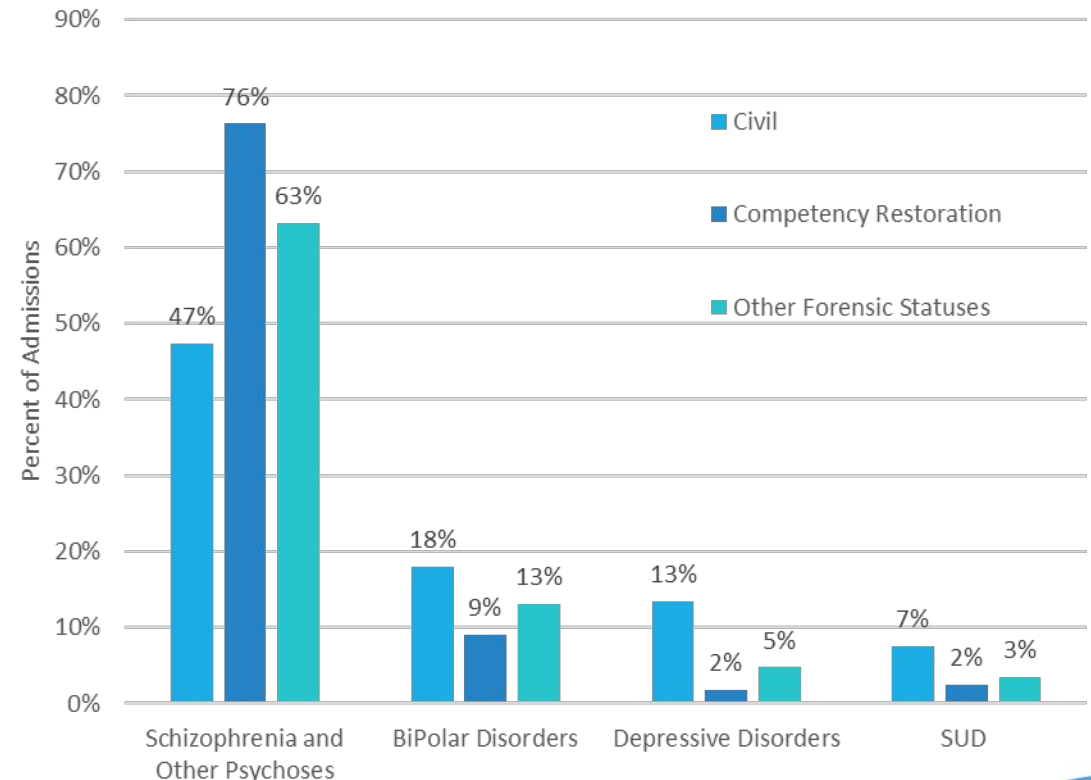
Data on Adult Patients from 30 states participating in NRI's BHPMS

Primary Diagnosis of State Hospital Residents and Admissions, by Legal Status, 2024

Primary Diagnosis of Residents, 2024

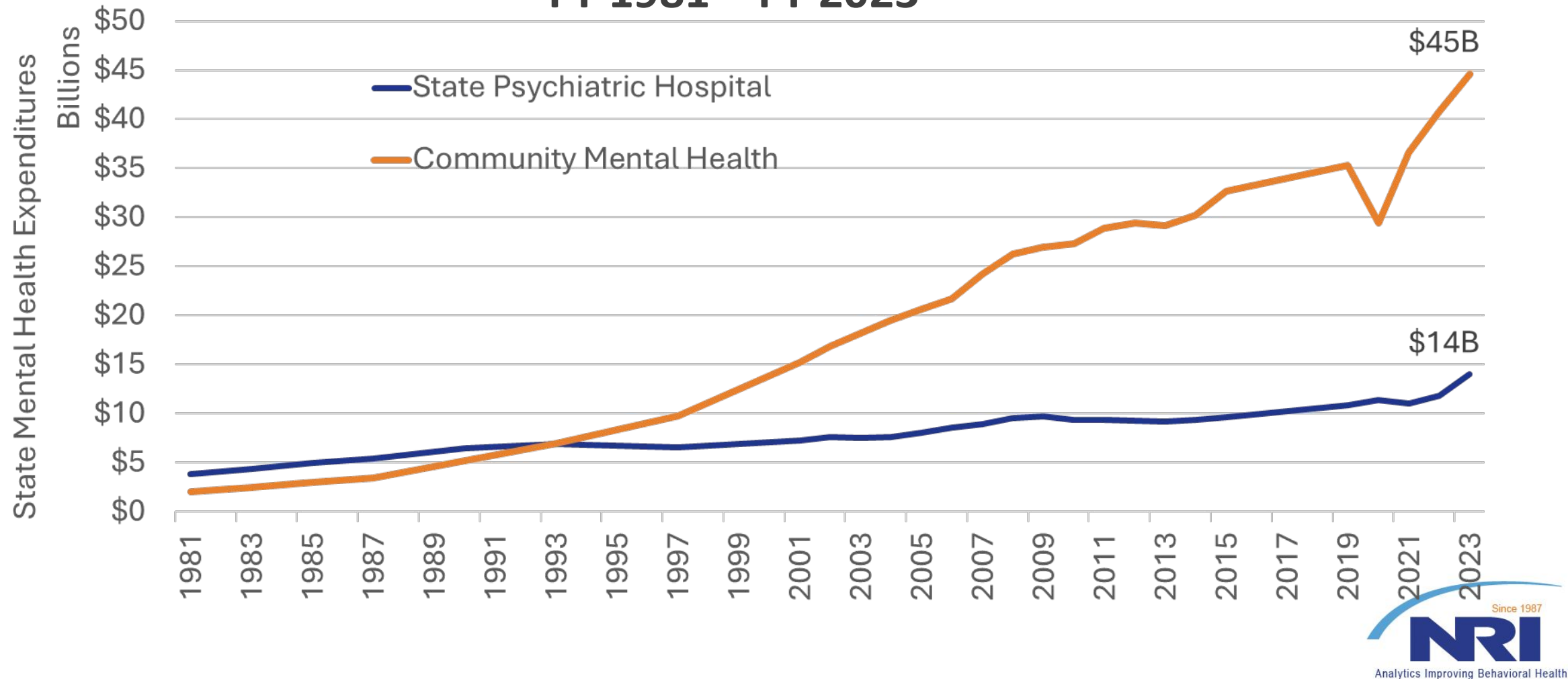


Primary Diagnosis of Admissions, 2024

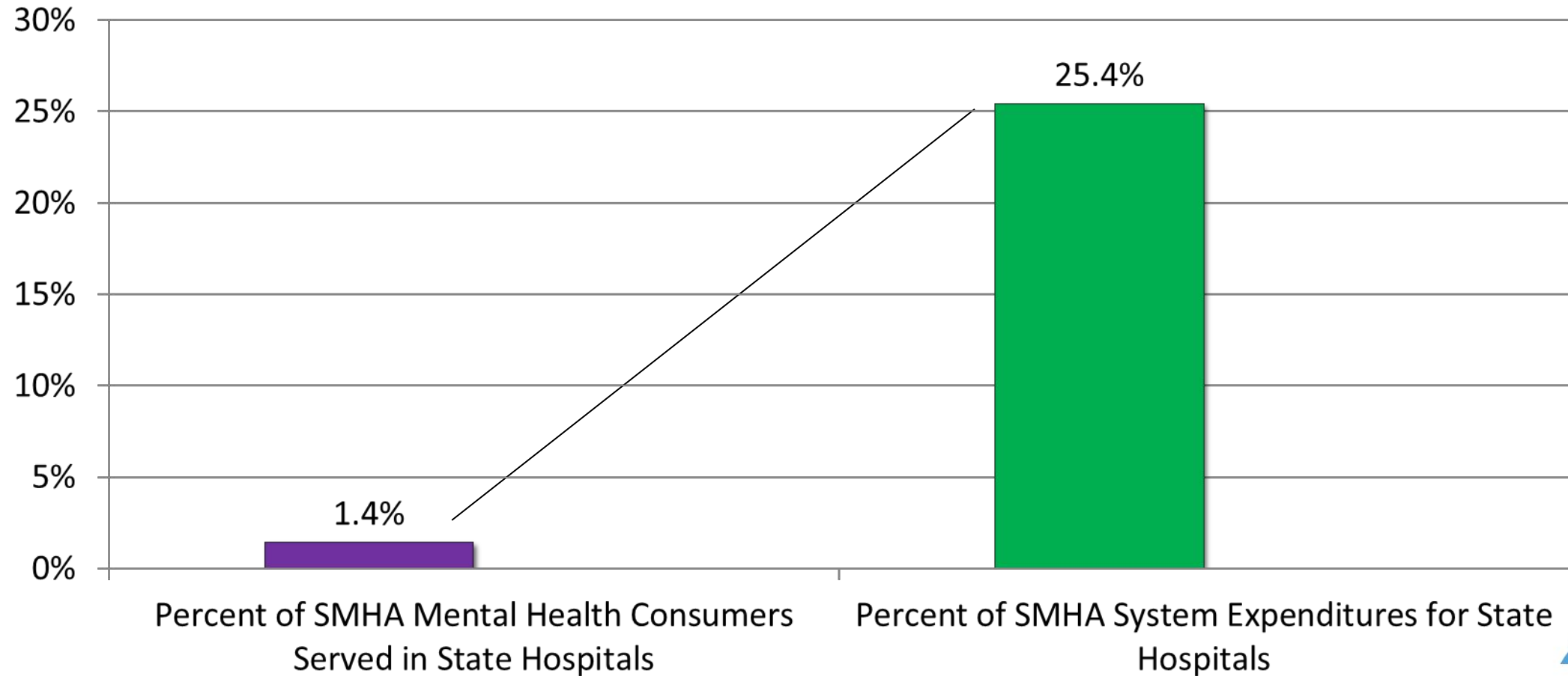


Data on Adult Patients from 30 states participating in NRI's BHPMS

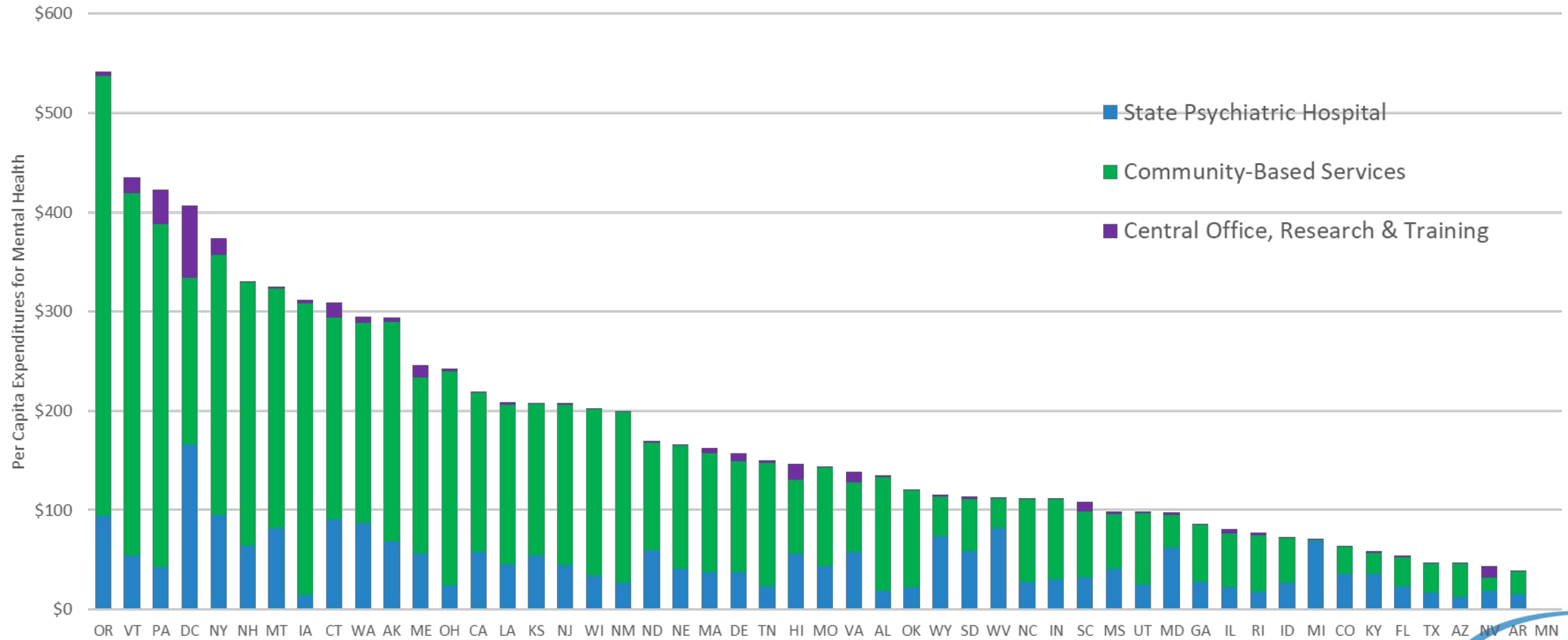
SMHA-Controlled Expenditures for Inpatient Mental Health Services in State Hospitals and Community-Based Mental Health Services, FY 1981 – FY 2023



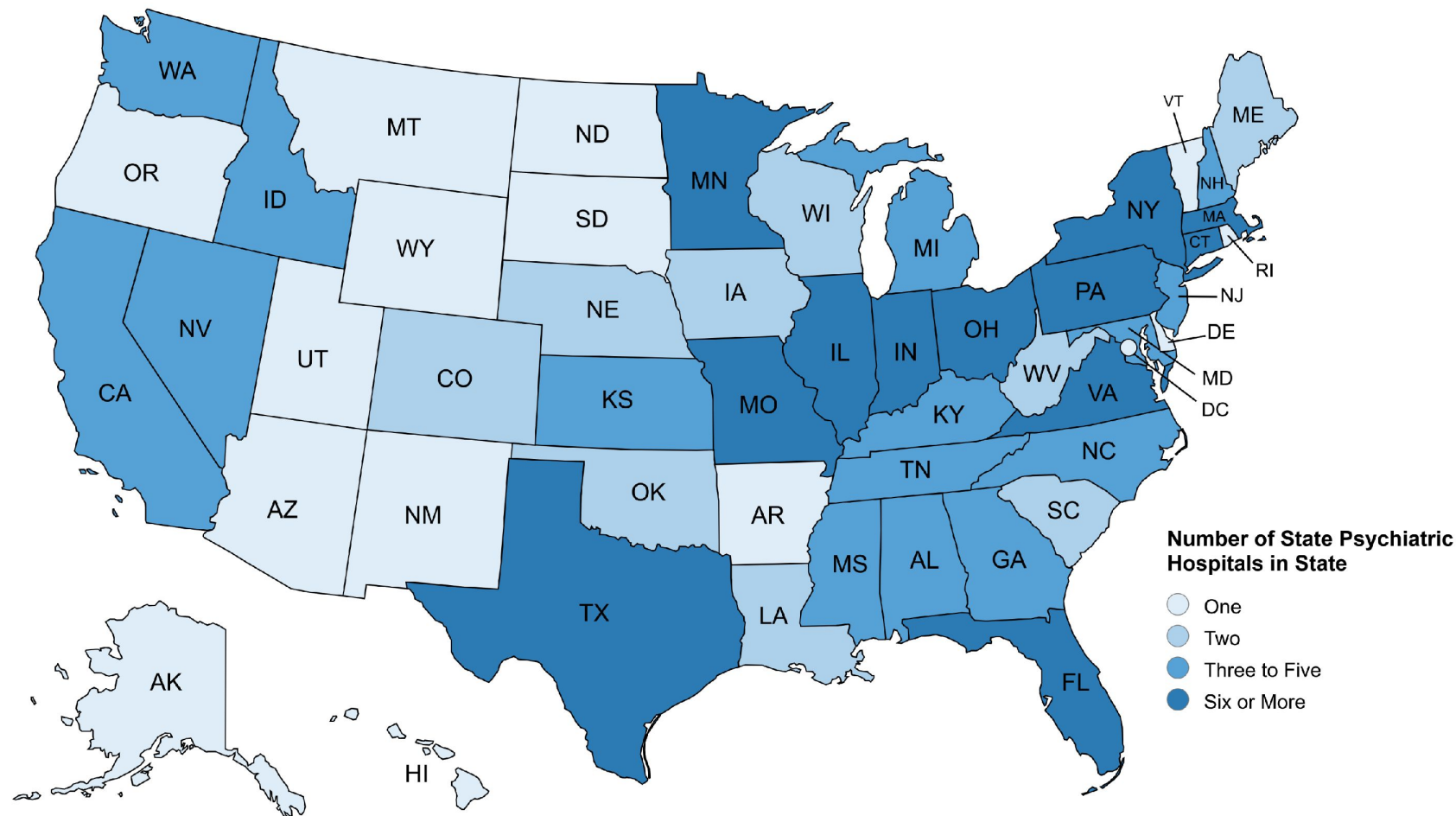
Patients in State Psychiatric Hospitals as a Share of SMHA Systems: FY 2023



FY 2023 SMHA-Controlled Per-Capita Expenditures for Mental Health Services, by State and Mental Health Setting

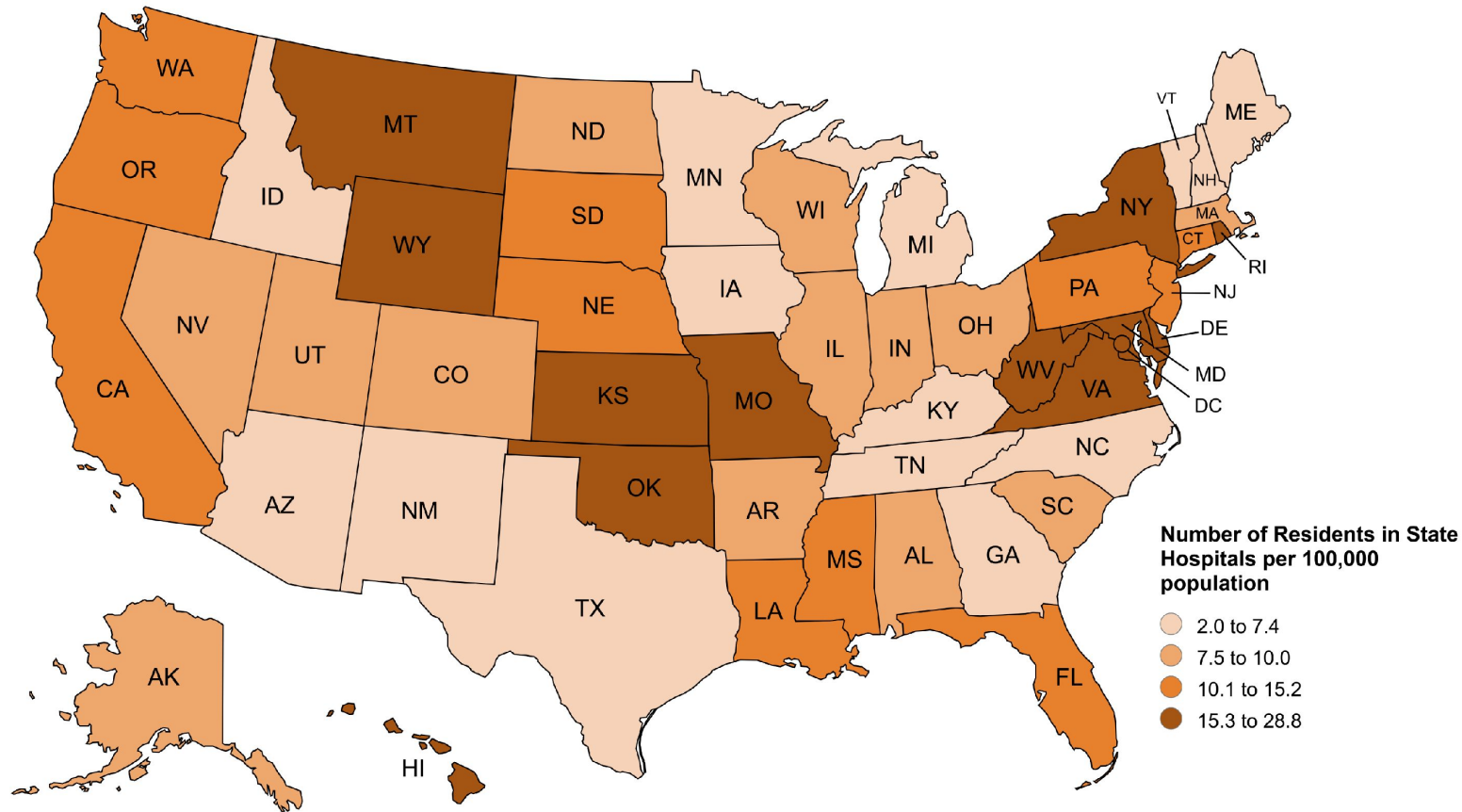


Number of State Psychiatric Hospitals, FY 2025



Created with mapchart.net

Number of State Psychiatric Hospital Patients per 100,000 State Population, 2023



Created with mapchart.net

Source: SAMHSA URS 2023

How States Are Using State Hospitals: 2025

State Hospital Use for Acute, Intermediate, and Long-Term Care	Children	Adolescents	Adults (Civil Status)	Forensics
	(0-12 years)	(13-17 years)	(18-64 years)	
Acute, Intermediate and Long Term	9	12	34	34
Acute & Intermediate	2	2	0	1
Intermediate & Long Term	2	3	5	6
Acute Only (<30 days)	1	2	2	1
Intermediate Only (30-90 days)	1	1	0	1
Long Term Only (>90 days)	1	2	5	3
State Hospitals Not Used for Group	32	26	2	2
No Response	2	2	2	2

Psychiatric Bed Capacity

Discussions of psychiatric bed capacity frequently focuses only on state psychiatric hospitals.

- The reduction of state psychiatric hospitals from over 550,000 patients in the 1950s to less than 40,000 patients today.

Discussion of current inpatient capacity rarely addresses:

- all beds available from different types of organizations
- or the changed roles of state psychiatric hospitals

The paper being written for NASMHPD's TA Coalition Project (funded by SAMHSA) updates a 2017 report with estimates of total current capacity and discusses recent changes in how states use state hospitals.

Recent (last year) News Headlines

“Michigan mental health advocates discuss psychiatric bed shortage with state lawmakers”

Michigan Advance: July 2, 2025

“NYC keeping people with mental illness on Rikers Island due to hospital bed shortage”

Gothamist: April 7, 2025

“Psychiatric bed shortage is a public health emergency”

Arizona Capital Times, January 11, 2025

“Forensic Psychiatric Beds Are Lacking in Colorado”

www.longmotleader.com: Jan 31, 2025

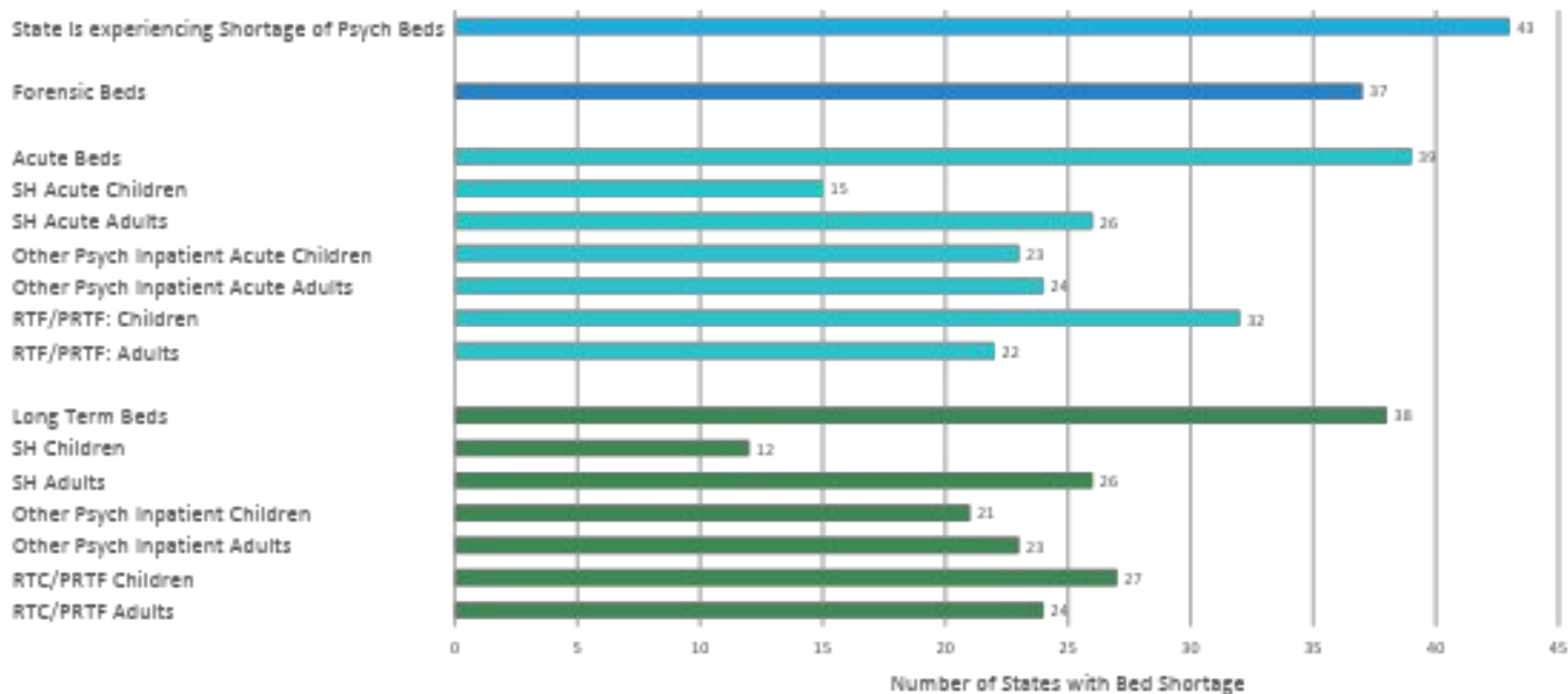
“Minnesota mental health patients stay 25 hours longer than necessary in ER because of shortages.”

Star Tribune, July 22, 2024

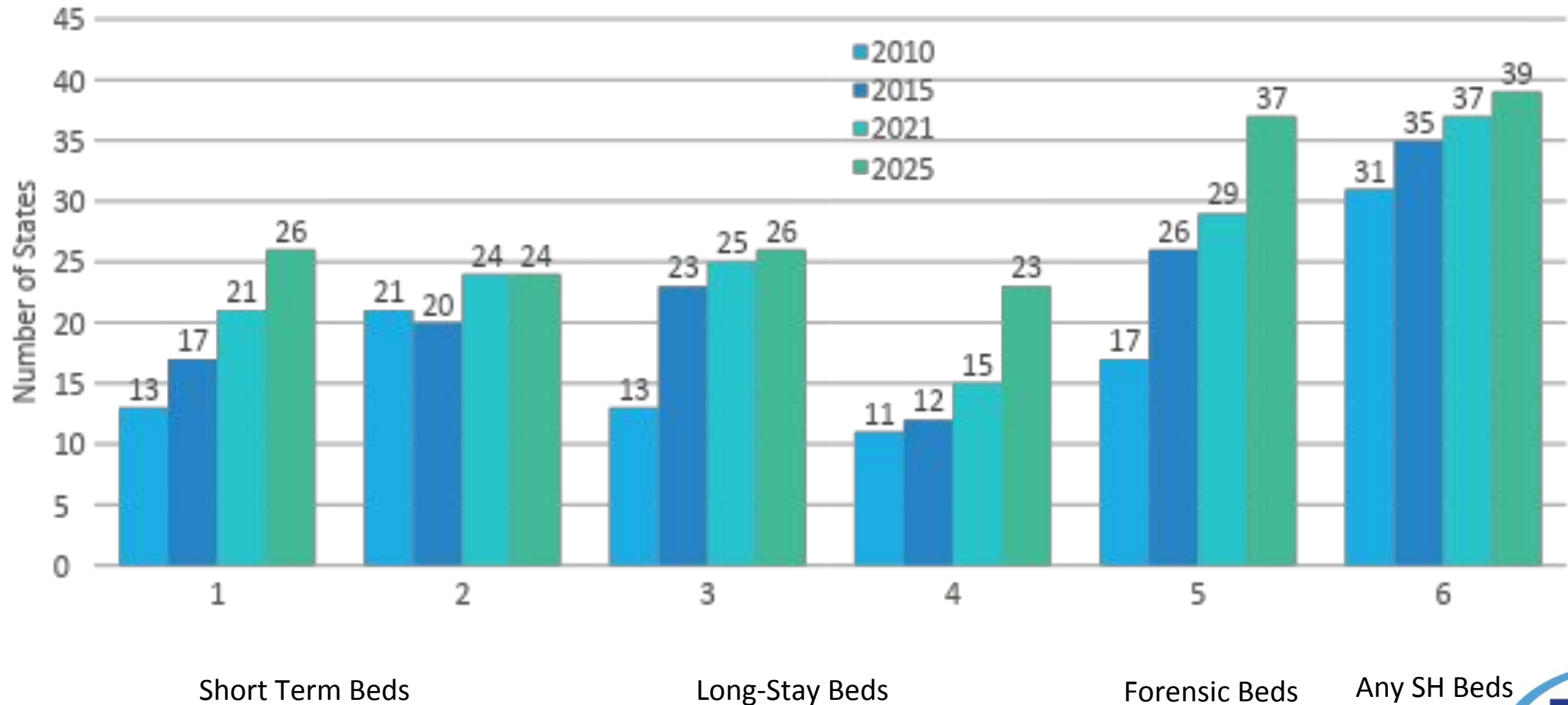
“Maryland Health Department struggling to address psychiatric bed crisis”

Capital Gazette, April 18, 2025

Types of Psychiatric Beds States Report Experiencing Shortages: 2025



Number of SMHAs Experiencing Bed Shortages in State Psychiatric Hospitals, 2010, 2015, 2021, and 2025



Source: NRI 2010, 2015, 2021 and 2025 State MH Profiles

Headlines of the States Building New State Psychiatric Hospitals

Texas to begin construction this year on seven new psychiatric hospital projects

Lawmakers allocated \$2.5 billion to modernize and increase access to inpatient psychiatric care in Texas, including a new maximum-security unit at the San Antonio State Hospital.

San Antonio Express-News, June 7, 2024

Ohio: \$275M mental health facility in the Miami Valley takes next steps

- Dayton Business Journal, December 10, 2024

Kansas: Contractor to break ground on state psychiatric hospital this month after \$86.9M accepted bid

- Wichita Business Journal, Jan 10, 2025

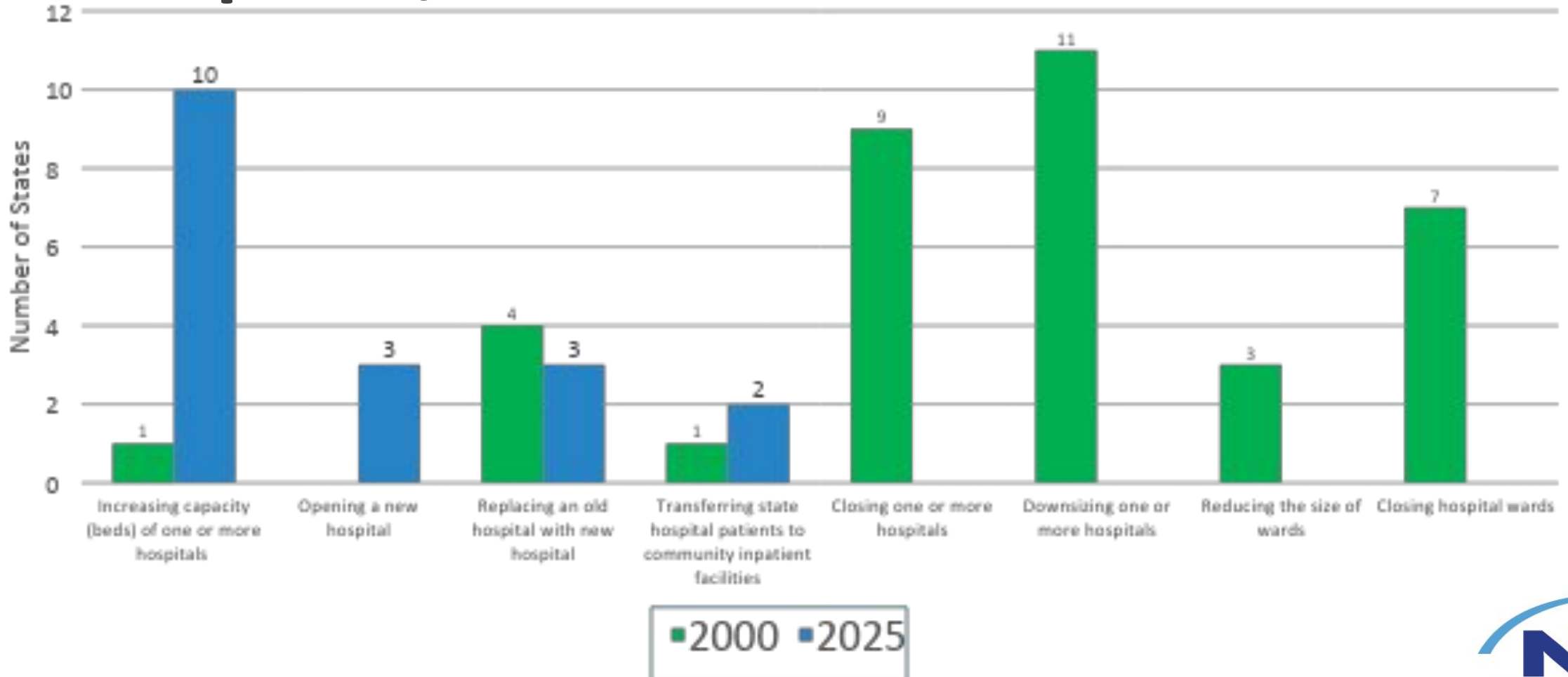
New Hampshire's first forensic psychiatric hospital on track to open in 2026

- Concord Monitor, August 30, 2024

Washington: Construction continues at new Washington psychiatric hospital

- Washington State Standard, May 4, 2025

Number of States Resizing State Hospitals, 2000 and 2025



State Hospital Bed Expansion: Last 2 years and planned for 2025

Forensic Bed:

- 11 States report having opened 1,341 new Forensic Beds in last 2 years
 - 7 States plan to open at least 317 more Forensic beds this year

Children's Psychiatric Beds

- 5 States have opened 116 beds in last 2 years
- 1 state plans to open 15 more children's beds.

States reported having opened 1,743 beds in last 2 years and plans to open 435 beds in 2025

Adult Civil Acute Beds (<30 day LOS)

- 2 states opened 36 beds in last 2 years
- 1 states plans 8 more Acute beds this year

With a few states having closed beds, the net change was 1,621 more beds opened in last 2 years and plans to open at least 313 more beds in 2025

Adult Civil Intermediate (30-90 Day LOS)

- 2 states have opened 158 Intermediate LOS (30-90 day) beds
- Plans to open 85 more beds in 2025

Adult Civil Long-Term Beds

- 4 states opened 92 beds in last 2 years
- 1 state plans to open 10 more beds in 2025

States are Implementing a Variety of Policies/Initiatives to Control State Hospital Use

Civil-Legal Status Patients:

Some States are requiring use of Other Psychiatric Beds before Admission to State Hospitals (often a non-IMD psychiatric unit in a general hospital)

- 13 states require Alternatives before State Hospital Admission for Civil Status Acute Admissions
- 7 States require Alternatives before State Hospital Admission for Children/Adolescents

Forensic-Legal Status Patients

- Shifting to conduct Community and Jail-based Competency Evaluations
- Shifting Misdemeanor and/or non-violent Felony Competency Restoration Services to Community-Based Settings
 - Example: California has allocated \$468 million to counties to create community-based residential treatment homes for diversion and competency restoration. <https://buildingcaldsh.com/>
- Forensic ACT Teams and Forensic Navigators to reduce recidivism
- Mental Health Courts for diversion into services

States are Implementing a Variety of Policies/Initiatives to Control State Hospital Use

Centralized/State-Coordinated Admissions (6 responses)

- Admissions routed through a centralized process
- Some states use real-time "bed boards" to manage referrals.

Screening & Gatekeeping (7 responses)

- Clinical/medical staff (e.g., psychiatrists, admissions teams) evaluate referrals.
- Some states require pre-admission screenings, dual physician certifications, or standardized referral packets.

Community Mental Health (CMH) Involvement (4 responses)

- CMHCs screen referrals, offer diversion options, or conduct crisis evaluations.
- Some states incentivize counties to divert patients to community-based care.

Diversion Efforts (5 responses)

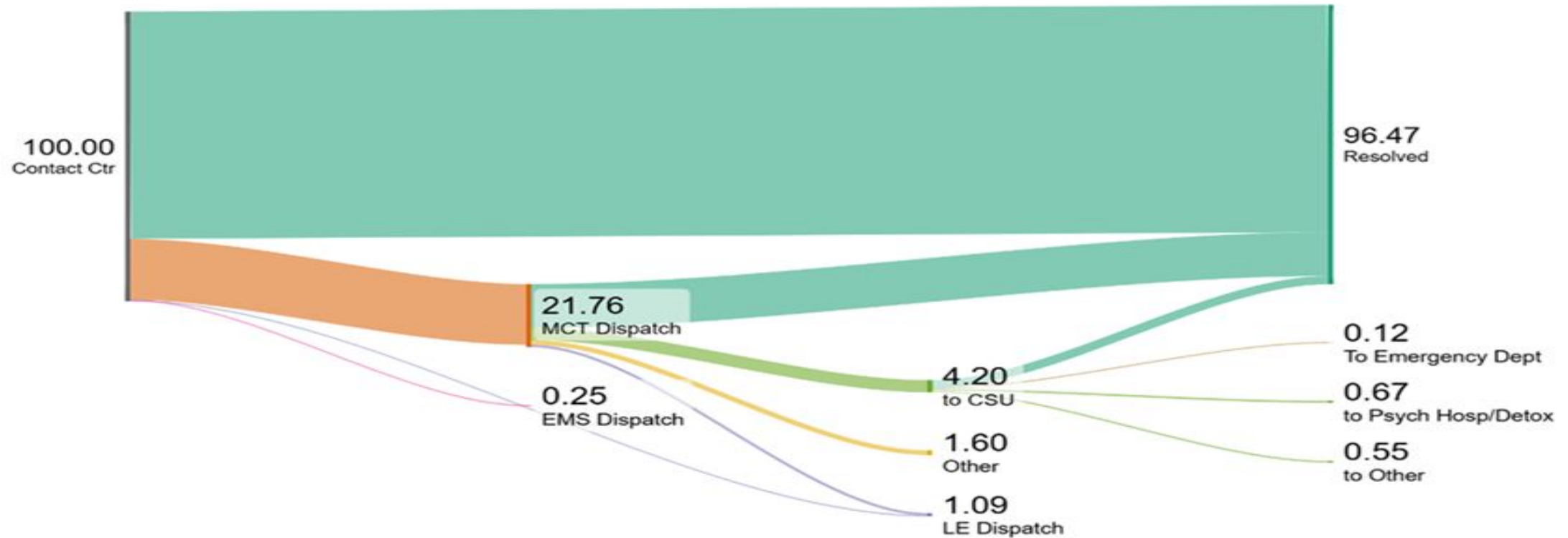
- States prioritize alternatives (e.g., crisis stabilization, community treatment) to reduce hospitalizations.
- Some have dedicated diversion units or contracts with private hospitals.

Implementing Behavioral Health Crisis Services

States are greatly expanding use of Behavioral Health Crisis Services that can divert individuals from psychiatric inpatient care:

1. **Crisis Contact Centers** (such as 988/Lifeline and other State and Local Contact Centers and Warmlines)
 - Over 7.7 million contacts (4.7 million at 988/Lifeline and 3 million at other Contact Centers), with over \$562 million funding for Crisis Contact Centers
 - 18 states are planning to open additional 988/Lifeline Centers
2. **Mobile Crisis Teams**
 - Over 1 million individuals served by over 2,111 teams with over \$912 million of funding
 - 23 states reported plans to open at least 201 new MCTs in 2025
3. **Crisis Stabilization Services**
 - Over 635,000 individuals served with over 748 Crisis Stabilization programs and over \$1.1 billion in funding
 - 27 states reported plans to open at least 115 new Crisis Stabilization programs in 2025

A Full Crisis Service Continuum Can Divert Individuals from State Hospitals: Sample Outcomes of a Call to a Crisis Contact Center



Made at SankeyMATIC.com



Analytics Improving Behavioral Health™

What do you see as the future role for State Hospitals?

Forensic Patients: Some state hospitals are almost entirely Forensic Focused

- Many states are working to divert forensic clients from state hospitals via Mental Health Courts, CIT and Crisis Services, Community and Jail-Based Competency Evaluations and Restorations

Civil Status Patients

- Some States are using state hospitals for short-term Acute Care
- Other States for Long-term care after an initial inpatient stay at a general hospital
- 32 States no longer serve any children in state hospitals

State Dialog on Future Role of State Hospitals

- Dallas Earnshaw, Utah, Superintendent, Utah State Hospital
- Drew Adkins, Kansas, Commissioner, KDADS
- Nelson Smith: Virginia, Commissioner, DBHDS
- Wendy Morris: NASMHPD

For Additional Information...

Contact:

Ted Lutterman

Director of Government and Commercial Research

NASMHPD Research Institute, Inc.

3141 Fairview Park Drive, Suite 370

Falls Church, Virginia 22042

703-738-8164

profiles@nri-inc.org

<http://www.nri-inc.org>

