



**The Living Room Project** is designed to serve adults dealing with substance abuse disorder (SUD) and/or serious mental illness (SMI) in a compassionate, supportive, and clinically effective environment as an alternative to jail, emergency department visits or inpatient hospitalization. The Living Room project would operate 24 hours a day, every day, and be available for adults 18 and over who have significant mental illness and/or addictions related needs. The goal is to decrease costs to police, jails and hospitals while delivering higher levels of care by improving short and long term client outcomes including reducing recidivism.

The Centerstone Kentucky Living Room Project will serve approximately 20-30 clients each day. As Louisville Metro Corrections considers building a new jail at an estimated cost of \$400 million to accommodate the growing census and rising costs to courts and police; we believe that the Living Room offers a drastically more cost effective alternative. Operating costs for The Living Room Project would be approximately \$750,000, annually, serving more than 9,000 complex consumers that may cost the city more than \$1.8 million to house in the jail for short periods of time; \$9.1 million in Emergency Room visits; and/or \$4.2 million in inpatient hospitalizations.

**Diversion from Louisville Metro Corrections:** According to Louisville's Metro Correction Fact Sheet (Department of Corrections, 2015) the average cost per inmate per day is \$76.00. However, the complex individuals the Living Room Project would serve *can cost upwards of two or three times that – between \$152.00 and \$225.00- per day*. The average length of stay per inmate across all populations is 23 days (Department of Corrections, 2015). With just one deflection from jail to The Living Room Project, the potential costs savings could be upwards of \$5,244 given a cost of \$228 per day for 23 days and we can start these Living Room guests on the road to recovery.

**Reduction in Super Utilizers in Emergency Departments:** According to the Department of Medicaid Services in Kentucky (Department of Public Health, 2014), *79% of Medicaid super- utilizers visiting the emergency department have a behavioral health diagnosis and 45% have a substance use diagnosis*. A super utilizer is defined as someone who has 10 or more emergency department visits in a twelve month period. There are over 11,000 super utilizers in Kentucky with a high concentration in Louisville. The national average cost per emergency department visit is over \$1,000 (Vaidya, 2013). These guests are frequently taken to the ER because they have nowhere else to turn in a crisis.

**Decrease Inpatient Hospitalizations:** The Emergency Psychiatric Services (EPS) program located at The University of Louisville Hospital, a partnership with Centerstone Kentucky, averages 21 evaluations a day. The diversion rate for inpatient hospitalization is 70% of the 8,000 individuals who present each year. *That is over 6,000 times an individual will receive an alternative solution to their crisis*. Included are a significant number of individuals who present at EPS multiple times a year, some as often as 50 or more times. Many of those encounters do not constitute a need for a full psychiatric evaluation as required by law when an individual signs in at EPS. The high utilizers can cost up to \$50,000 on an annual basis. The Living Room program with a cost of \$66.00 per visit, would create a savings of \$46,700 per guest, per year.

**The Living Room Project Goals:**

- Divert 90% of guests from jail, reduce 85% of jail time, and decrease hospital stays by 80% annually.

## Staffing and Outcomes

The proposed site for the Living Room is 708 Magazine Street, a centrally located downtown site convenient for drop off by police, emergency medical personal and others. Our Magazine location has empty space on the first floor next to our large outpatient clinic. With a total of 5,000 square feet available this space is ideally suited for the Living Room. It provides large open space along with areas for private conversation. There are bathrooms and a small space for a kitchen. The site will have a secure entrance easy for all to navigate and enter.

An integral part of The Living Room’s team is the peer support specialists. Peer Specialists are individuals who have lived experience with mental illness and are active in their recovery. Peer specialists will receive extensive training in supportive counseling, assessment, case management, crisis management, and basic operations of The Living Room Project. The peer specialists are certified through a Kentucky Department of Behavioral Health approved curriculum provided by Centerstone Kentucky. Their ongoing professional development is facilitated through weekly individual supervision with The Living Room’s program director. Peer specialists have been shown to greatly improve outcomes for those in crisis because they bring lived understanding to the person in crisis.

### Staffing Pattern

Shift	Staff	Monday - Friday	Hours Covered
First Shift	2 Peer Specialists*	8:30 AM - 5:00 PM	40
Second Shift	2 Peer, 1 LPN**	4:30 PM - 1:00 AM	40
Third Shift	2 Peer, 1 LPN	12:30 AM - 9:00 AM	40

Shift	Staff	Saturday - Sunday	Hours Covered
First Shift	2 Peer, 1 LPN	8:30 AM - 5:00 PM	16
Second Shift	2 Peer, 1 LPN	4:30 PM - 1:00 AM	16
Third Shift	2 Peer, 1 LPN	12:30 AM - 9:00 AM	16

\*First Shift during regular business hours will have access to nursing from the adjacent outpatient clinic office

\*\*LPN on second shift will have Program Manager responsibilities

## Measurable Outcomes

Outcome	Anticipated Change	Savings/ Outcome	Annualized
Deflections	5 deflections per day from jail	Average savings of \$150 per day based on a 5 day stay	\$ 2,737,500.00
	10 deflections per day from arrest by police	Average savings of \$60 an hour for police for every deflected arrest	\$ 219,000.00
	2 deflections per day from emergency psychiatric service	\$1,000 per visit	\$ 730,000.00
	1 deflection from inpatient hospitalization	\$1,000 per day	\$ 365,000.00
Step Downs	5 step downs from jail per day	Engage in services and reduce recidivism	-
	5 Step downs from emergency psychiatric services per day	Engage in services and reduce recidivism	-
<b>Total Annualized Savings</b>			<b>\$ 4,051,500.00</b>

## The Living Room Project 2017 Budget

DESCRIPTION	BUDGET		
NET MEDICAID REV -PEERS	\$ 124,100.00		
LOCAL CONTRACTS REV	\$ 700,000.00		
	\$ -		
<b>TOTAL REVENUE</b>	<b>\$ 824,100.00</b>		
SALARIES & WAGES EXP	\$ 384,500.00		
FRINGE BENEFIT EXP	\$ 96,125.00		
FACILITY EPENSE(BLD USAGE, DATA LINK)	\$ 3,000.00		
FACILITY - TELEPHONE EXP	\$ 2,000.00		
FACILITY - RENTAL EXP	\$ 92,850.00		
FOOD EXP	\$ 30,000.00		
PROGRAM SUPPLIES EXP	\$ 3,000.00		
MEDICAID BAD DEBT	\$ 12,410.00		
DEPRICIATION	\$ 6,000.00		
<b>TOTAL DIVISION EXPENSES</b>	<b>\$ 629,885.00</b>		
<b>DIRECT ALLOCATION EXP</b>	<b>\$ 104,938.84</b>		
<b>TOTAL EXPENSES</b>	<b>\$ 734,823.84</b>		
<b>GAIN/(LOSS)</b>	<b>\$ 89,276.16</b>		
<b>All shifts- Sunday - Saturday</b>	<b>FTE</b>	<b>salary per FTE</b>	<b>Total salary</b>
Peer	8.4	\$ 28,750.00	\$ 241,500.00
LPN	2.2	\$ 40,000.00	\$ 88,000.00
Program Manager	1	\$ 55,000.00	\$ 55,000.00
<b>TOTAL FTE</b>	<b>11.6</b>		<b>\$ 384,500.00</b>

*Delivering Care That Changes People's Lives*

[www.Centerstoneky.org](http://www.Centerstoneky.org)