

August 10, 2012

To:

Governor Rick Perry

Legislative Budget Board

David Lakey, Commissioner of Texas Department of State Health Services

Luanne Southern, Deputy Commissioner of Texas Department of State Health Services

Mike Maples, Assistant Commissioner for Mental Health and Substance Abuse Services

Peggy Perry, Section Director for State Hospital Services

We write to express our concern about the Texas Department of State Health Services' call for bids to privatize a State Hospital, pursuant to rider 63 to the 2012 State Budget. We are concerned that the requirement to cut 10% from the hospital's budget through privatization can only be achieved by reducing the quality of care at a hospital run on an already austere budget. Texas already spends the least per capita on mental health than any other state, at slightly less than 1/3 the national average<sup>1</sup>.

Furthermore, we are particularly concerned that the only respondent to the request for proposal was GEO Care, a subsidiary of private prison corporation GEO Group. GEO Group has a long history of mismanaging the facilities it is charged with operating.

The list of scandals to which GEO can lay claim is a long one. In the past five months alone, the company has made local and national headlines over multiple scandals perpetrated at several different facilities it operates. In April, GEO contracts at three facilities ended in Mississippi, including a youth facility that a federal judge described as having "allowed a cesspool of unconstitutional and inhuman acts and conditions to germinate." Last week, the Associated Press reported three gruesome deaths, including a patient who died in a scalding bathtub, at GEO's South Florida State Hospital. And in our own state, the *Austin American Statesman* reported that GEO has been fined by DSHS for problems at the GEO-run forensic psychiatric facility in Montgomery County, including "unauthorized restraint and seclusion of patients, incomplete medical records, failure to show patient consent for medications and failure to report serious injuries to the state."

GEO also has a long history of operational problems at its facilities in Texas. In 2009, prisoners at GEO-operated Reeves County Detention Center rioted over issues at the facility including poor quality of health care and multiple prisoner deaths. In 2007, the Coke County Juvenile Justice Center was shut down due to the unsafe and unsanitary conditions under GEO operation.

GEO's promise of a 10% reduction in operating costs while simultaneously pledging to maintain standards of excellence is unreasonable. The company's track record demonstrates a repeated failure to deliver on such promises, failing to maintain even basic standards of humanity at its facilities. GEO has faced no competition in this process as the sole bidder.

We urge you to reject this bid until a corporation suitable to operate a Texas State Hospital makes a reasonable proposal, or until the legislature can provide further direction. Please feel free to contact Bob Libal at Grassroots Leadership at (512) 971-0487 or [blibal@grassrootsleadership.org](mailto:blibal@grassrootsleadership.org) to discuss further our concerns around privatizing a state hospital.

*From Representatives of the undersigned organizations:*

American Civil Liberties Union of Texas  
Center for Public Policy Priorities  
Disability Rights Texas  
Grassroots Leadership  
Mental Health America of Texas  
NAMI Austin  
National Association of Social Workers Texas  
Texas NAACP  
Texans Care for Children  
Texas Criminal Justice Coalition  
Texas Jail Project  
Texas State Employees Union  
United Methodist Church, General Board of Church and Society

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<sup>i</sup> Kaiser Family Foundation 2009

<http://www.statehealthfacts.org/comparemaptable.jsp?cat=5&ind=278>