



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEC 17 2008

DEPARTMENT OF HUMAN SERVICES
EUGENE I. GESSOW, DIRECTOR

Representative Lisa Heddens
4541 513th Avenue
Ames, IA 50014

Dear Representative Heddens:

This letter is provided in response to questions recently asked regarding Iowans with mental health, mental retardation, developmental disabilities, brain injury, or autism spectrum disorders that are in out-of-state treatment facilities.

General Background Information:

Out-of-state placement for individuals with mental health disorders or other disabilities is used as a treatment option when specialized services and care are determined to not be available in Iowa and after multiple attempts have been made to find a service option for the individual within the state of Iowa. Out-of-state services are utilized primarily related to individuals with autism, brain injury, ventilator dependence, serious emotional disturbance, and/or other developmental disabilities.

There are three types of out-of-state services/facilities that are most commonly used by the State of Iowa.

1. Congregate Foster Group Care: Congregate Foster Group Care is used for children who are the responsibility of the Department of Human Services (DHS) or Juvenile Court Services (JCS) when it is determined that a child will benefit from residential-based, congregated, structured living in a licensed setting with intensive staff supervision. This placement option is used for children who are considered unable to live in a family home setting due to aggressive behavior, social, emotional or physical disabilities, or, multiple handicaps. Not all children receiving treatment in congregated foster group care being described here have an identified disability.

2. PMIC (Psychiatric Medical Institution for Children) or equivalent: Psychiatric residential treatment is used for children who have mental health disorders or a mental health disorder with other co-occurring disorders (e.g., substance abuse, mental retardation, developmental disability, brain injury, autism spectrum disorders). To be considered for treatment in a PMIC, a child must have a comprehensive assessment that determines non-residential services in the community do not meet the child's treatment needs; treatment of the child's psychiatric condition requires services in an inpatient setting under the direction of a physician; and, residential treatment can reasonably be expected to improve the child's condition or prevent further regression, so that ongoing residential services will not be needed.

During SFY08, 1,062 children received PMIC-level services. 1,019 (95.95%) received treatment in-state and 43 (4.05%) received treatment out-of-state. Since SFY03 between 95.95% and 98.08% of children receiving PMIC-level services were served by in-state providers.

3. Skilled Nursing: Out-of-state skilled nursing is used for special needs populations. A pre-approval review process is followed for out-of-state skilled nursing facility placements for children and adults. The review must determine that a documented medical need for skilled care

exists as determined by the Iowa Medicaid Enterprise. A review of placements indicates that all SFY 08 out-of-state skilled nursing facility placements were related to individuals with a brain injury, diagnosed mental health disorder, or ventilator dependence support.

A list of the most commonly used out-of-state facilities is provided below.

Psychiatric Inpatient Treatment Facilities – Similar to Iowa’s PMIC (for children age 21 and under)

1. Laurel Oaks, Dothan, Alabama
2. Benchmark Behavioral Health Systems, Woods Cross, Utah
3. San Marcos, San Marcos, Texas
4. Laurel Ridge, San Antonio, Texas
5. The Oaks Treatment Center, Austin, Texas
6. Texas NeuroRehab Center, Austin, Texas
7. Cedar Springs Behavioral Health System, Colorado Springs, Colorado
8. Benchmark, Woods Cross, Utah (males only)
9. Laurel Heights Hospital, Atlanta, Georgia
10. Cumberland Hospital, New Kent, Virginia (medical needs with mental health as secondary diagnosis)
11. Girls and Boys Town, Omaha, Nebraska
12. Boys Town Hospital Residential Treatment Center, Omaha, Nebraska
13. Girls and Boys Town, South Sioux Falls, Nebraska
14. Devereux Florida
15. Devereux Colorado
16. Devereux Texas
17. Devereux Arizona
18. Meridell Achievement Center, Liberty Hill, Texas
19. Center for Comprehensive Services, Joliet, Illinois (brain injury program and no exception to policy necessary)

Group Care Facilities for children¹:

1. Chileda Institute, La Crosse, Wisconsin (mental retardation and emotionally disturbed)
2. Clinicare Corporation, Wyalusing and Eau Claire, Wisconsin (mental retardation, emotionally disturbed, other condition unspecified)
3. Father Flanagan's Boys Town, Omaha, Nebraska (emotionally disturbed, other condition unspecified)
4. Girls and Boys Town, Omaha, Nebraska
5. Leo Hoffman Center, St. Peter, Minnesota (mental retardation, emotionally disturbed, other condition unspecified)
6. Nexus, Inc., Manteno, Illinois (emotionally disturbed)
7. Wyalusing, Prairie du Chien, Wisconsin

¹ The disabilities shown in parentheses have been provided only as an example and do not represent all disabilities that may be served by a provider.

8. Oconomowoc Development Training Center, Oconomowoc, Wisconsin (mental retardation, physical disability, emotionally disturbed, other condition unspecified)
9. Eau Claire Academy, Eau Claire, Wisconsin
10. Sky Ranch for Boys, South Dakota (emotionally disturbed)

Skilled Nursing Facilities

1. Ambassador Health System, Lincoln, Nebraska (ventilator care)
2. Ambassador Health System, Omaha, Nebraska (ventilator care)
3. Brookhaven Hospital, Tulsa, Oklahoma (Behavioral health and brain injury with cognitive impairment, aggression, and physical disabilities)
4. Center for Comprehensive Services, Carbondale, Illinois (Acquired Brain Injury)
5. Center for Comprehensive Services, Tampa, Florida
6. Children's Care Hospital and School, Sioux Falls, South Dakota
7. Quality Living, Inc., Omaha, Nebraska
8. Brookhaven, Tulsa, Oklahoma (Adults from Iowa at Brookhaven have a co-occurring Brain Injury and mental health disorder).

Response to Questions:

#1. The number of persons with disabilities placed outside of the state for the purpose of receiving services.

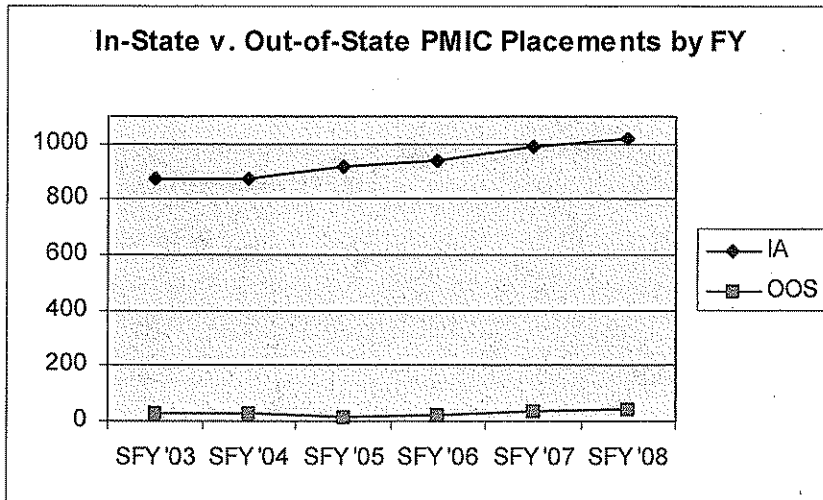
A total of 205 Iowans with mental illness or other disabilities received treatment at out-of-state facilities in SFY 08.

A. Number of kids placed out-of-state -with break down between special education needs vs. Juvenile Justice Issues.

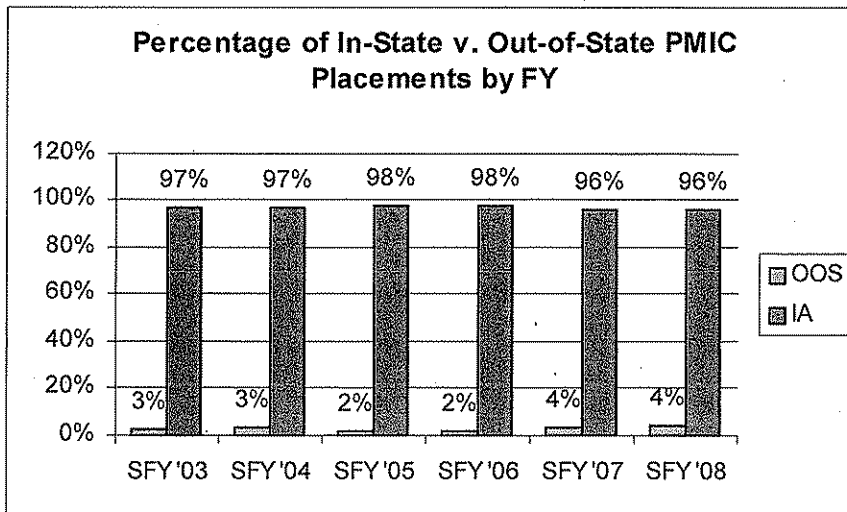
During SFY 08, 148 children were placed out-of-state. 91 were placed in Congregate Foster Group Care (31 of the 91 placements in Congregate Foster Group Care were not identified in the DHS data system as having a disability); 43 were placed in PMIC-level services; 9 in a skilled nursing facility; and, 5 in other facilities. 112 placements made were related to a child's behavioral or mental health needs or SED.

The total number of children served by PMIC-level services has grown by 17.5% or 158 from SFY04 to SFY08 (SFY04 = 904; SFY08 = 1,062). In-state providers served 95.95% or 1,019 children. Out-of-state providers served 4.05% or 43 of the children served at the PMIC-level.

The charts below show changes in the number of placements/admissions to in-state and out-of-state PMIC-level services from SFY03 to SFY08.



While the number of children served by PMIC-level services is growing for Iowa, the percent served in-state compared to out-of-state has remained somewhat constant since SFY03. Between 96% and 98% of those needing PMIC-level services have been served in-state since SFY03 compared to between 2% and 4% being served out-of-state for the same period as shown in the chart below.



1. **Role of Education:** Children placed in out-of-state treatment facilities through DHS are not placed because of educational needs. Out-of state treatment options for children are utilized for the purpose of treatment of a mental health disorder or other disability in a residential care setting and are not utilized for the purposes of educating the child. The Department of Education is involved in these placements because of responsibility for supporting the child's educational needs while the child is in an out-of-state treatment facility.

2. **Juvenile Justice:** During SFY08, 10 of the children placed out-of-state for Congregate Foster Group Care were placed through Juvenile Court Services (JCS).

3. **Congregate Foster Group Care:** The total number of children in out-of-state Congregate Foster Group Care in SFY08 was 91. Of these children, DHS data indicates that 60 had a disability with several having co-occurring disabilities. The DHS coordinates the educational needs of children in its care with the Department of Education given their responsibility to provide for the education while Iowa children are placed in foster care.

Out-of-state placements utilized for children in SFY08:

SFY 08 Iowa Children who are Out-of-state ²						
Type of Facility	MI/SED	MR	DD	BI	AUTISM	Total
Skilled Nursing	8			1		9
PMIC/PRTF	43					43
Group Care ¹	X	X	X	X	X	91
Other Facilities	1	1			3	5
Total	52	1		1	3	148 total

B. Adult Needs - How many served out-of-state?

- 1) Mental Health
- 2) MR
- 3) BI
- 4) Etc.

56 adults were placed out-of-state in SFY08. 21 were placed in specialty hospitals for mental illness or chronic mental illness and had a co-occurring Brain Injury; 30 adults were placed in Skilled Nursing Facilities related to Brain Injury and had a co-occurring mental health disorder; and, 5 adults were placed in a facility for Ventilator Dependency Support. The chart below shows the placement breakout for adults in out-of-state facilities during SFY08:

SFY 08 Iowa Adults who are Out-of-state						
Type of Facility	MI/CMI	MR	DD	BI	Ventilator Support	Total
Skilled Nursing				30 ³	5	35
Specialty Hospital	21 ⁴					21
Total	21			30	5	56 total

² 31 of the 91 children in out-of-state congregated foster group care placements in SFY08 were not identified in the DHS data system as having a disability, although they may also have a disability.

³ These individuals have co-occurring diagnosis of brain injury and mental illness

⁴ These individuals have co-occurring diagnosis of brain injury and mental illness

#2. What is the average length of stay and cost for out-of-state placement? If this can be broken down between adult and kids and between different (Adult) disabilities that'd be great.

SFY 08 Cost Summary Out-of-state Iowans					
Facility	Average Length of Stay	Average Per Person Per Diem Rate	SFY 08 Total ⁵	Children	Adults
Skilled Nursing	No less than 12 months.	\$484.00 (Range is \$279 to \$690)	\$ 1,095,467	X	
PMIC	226 days	\$382.10	\$ 3,718,640	X	
Other	These are recent placements, thus less than 6 months.	\$510.00	\$ 127,501	X	
Group Care: Chileda Institute	331 days	\$301.00	\$ 198,875	X	
Group Care: Clinicare Corp.	256 days	\$252.00	\$ 1,644,973	X	
Group Care: Father Flanagan's	287 days	\$63.00	\$ 236,342	X	
Group Care: Leo Hoffman Center	355 days	\$284.00	\$ 175,885	X	
Group Care: Nexus, Inc.	341 days	\$277.00	\$ 94,474	X	
Group Care: Oconomowoc Dev. Center	300 days	\$295.00	\$ 593,936	X	
Group Care: Sky Ranch for Boys	278 days	\$57.00	\$ 31,892	X	
MI - Specialty Hospital	Generally more than one year.	\$869.00	\$ 8,969,947		X
BI - Skilled Nursing	Generally more than one year.	\$869.00	\$ 1,430,289		X
Total*			\$ 17,269,875		
*Note: The total expenditures reflected in this chart exclude the costs of the 31 children placed in a congregate foster group care who did not have an identified disability in the data system.					

The average length of stay (ALOS) for out-of-state individuals is usually expected to be at least one-year or longer due to the special needs of the individuals served.

Co-occurring Mental Illness and Brain Injury – Most of the adults placed with out-of-state treatment facilities had a co-occurring mental health disorder and brain injury. These admissions generally have an average length of stay of greater than one year.

The average per diem for adults with co-occurring MI and BI disorders was \$869.00 during SFY08. The total SFY08 cost to provide care for adults with co-occurring mental health and brain injury disorders out-of-state was \$10,400,237⁶. The total cost of care for individuals treated out-of-state in a specialty mental health hospital was \$8,969,947 during SFY08. The cost of care for individuals treated out-of-state in a skilled nursing facility for Brain Injury was \$1,430,290 during SFY08. Out-of-state treatment for these individuals is accessed through the IME Pre-Approval process.

#3. What is the barrier to serving these folks in Iowa? Availability? Eligibility? Costs? Staffing? Appropriateness?

A. Availability: The availability of services within the state of Iowa is an ongoing challenge. Although intensive home and community based service options are available in Iowa, access to specialized services is not available on a consistent statewide basis. Individuals with mental health or other disabilities often have to wait to obtain services in the community and many go without services altogether. Provider waiting lists and insurance status of the consumer and/or family can impact access to services.

Although HCBS Waivers provide valuable home and community based services options for individuals who meet the clinical eligibility criteria, the Waivers do have funding and "slot" limitations, which can result in home and community based service waiting lists and impact referrals to other more restrictive options, including out-of-state service options.

B. Eligibility: A critical first step regarding eligibility is provider eligibility. An out-of-state provider must be a facility that is or can enroll as a medical institution for Medicaid funding through the Iowa Medicaid program.

Skilled Nursing: A Standardized Assessment and Services Evaluation Tool are used as the basis for determining the need for skilled nursing care by the Iowa Medicaid Enterprise.

For adults, there are only 2 facilities out-of-state ~ Brookhaven Hospital and the Center for Comprehensive Services (CCS) ~ that are enrolled with Iowa Medicaid. Both facilities provide services to clients with brain injury.

Brookhaven Hospital/Tulsa receives referrals from many sources ~ hospitals, families, the DHS, and others. Brookhaven Hospital has an Iowa field evaluator who visits the client, and then requests an Exception to Policy for placement at Brookhaven. Although there are requirements for a certain number of in-state denials from Iowa providers for some out-of-state options, Brookhaven Hospital is not required to provide a list of in-state denials to accompany their DHS Exception to Policy request.

⁶ Does not include Group Care Costs

The Center for Comprehensive Services (CCS) receives referrals from many sources ~ hospitals, families, the DHS, and others. The CCS has a field evaluator who visits the client. CSS is required to obtain 5-6 denials from in-state providers before they can request placement at CCS Carbondale or CCS Tampa. The referring entity is responsible for obtaining the in-state denials for the CCS field evaluator.

Medicaid eligibility for out-of-state treatment is reviewed on an annual basis. A Medicaid Review form (Form 470-3118) is sent to the recipient/family/legal representative. Medicaid eligibility must be maintained to insure continued service reimbursement as an eligibility requirement for the out-of-state services program.

C. Costs:

Regarding residential or inpatient treatment (Children) - The cost for residential or inpatient treatment for children has not been identified as a barrier to access this type of treatment. This is, in part, due to federal Medicaid rules, which allow a child's eligibility for Medicaid to be determined based on the child's resources rather than parental resources and/or income when the child is receiving certain types of inpatient and/or residential treatment. This allows children who would not typically meet Medicaid eligibility for services in the community to receive Medicaid support for treatment in certain types of residential (PMIC like facilities) or inpatient (Institution for Mental Disorders - IMD types of facilities) settings.

Regarding PMIC types of treatment facilities (Children) - Iowa administrative rules limit the per diem payment for PMIC providers in Iowa. According to providers, the payment cap makes providing certain intensive treatment and staffing cost prohibitive. For example, children with extreme behaviors that require 1:1 staffing incurs costs greater than available reimbursement for in-state providers. However, out-of-state providers can be paid a higher rate for this level of services through an exception to policy process for residential and/or inpatient treatment. In-state PMIC providers receive a per diem that cannot exceed \$167.19 compared to out-of-state providers who receive an average per diem of \$382.10 for children from Iowa.

Regarding congregate foster group care (Children) Congregate group care placements are made to out-of-state facilities when it has been determined a child's needs are exceptional and appropriate services are not available in Iowa. These placements are not decided based on costs. In some cases, contracts with out-of-state providers use the same rate setting methodology as for Iowa providers. In other cases, Iowa must follow the payment or contracting laws governing the providers in the states where a child is placed; that may result in care more costly than the in-state cost. Congregate foster group care is used when it is appropriate to the individualized needs of a particular child and is intended to enable children to overcome behavioral health problems by providing a structured living arrangement. The vast majority of congregate foster group care placements occur in Iowa (887 of 948 children in group care on October 31, 2008 were served by in-state providers).

Regarding residential treatment for adults - The cost of residential treatment for adults has not been identified as a barrier to services because social security benefits typically support this type of treatment.

D. Staffing: Some out-of-state congregate foster group care placements are made based on a providers proven expertise in serving children with aggressive, assaultive, and self-injurious behaviors; lack of emotional stability and impulse control; multiple diagnoses; or, mental retardation and violent or aggressive behaviors.

PMIC providers in Iowa are not typically staffed to handle extreme behaviors. However, provider staffing has not been identified as a barrier to access to in-state services.

E. Appropriateness: Appropriateness of services, need for placement, and availability of in-state resources are considered for all out-of-state placements prior to seeking and making a referral for any out-of-state treatment option.

- **Brain Injury:** Treatment services that address and support individuals with brain injury who no longer need post-injury acute medical care and rehabilitation and intervention but have not been rehabilitated to the point where they could successfully benefit from the HCBS Medicaid Brain Injury Waiver services (if slots are available) have limited availability in Iowa.
- **Ventilator Dependent Individuals:** There are only four (4) skilled nursing facilities in Iowa that provide ventilator support services.
- **Spinal Cord Injuries:** There are no skilled nursing facilities in Iowa that specialize in the treatment of spinal cord injuries as of this writing.
- **Dual Diagnosis (MR/MI):** There are limited in-state providers that specialize in treating persons with dual diagnoses (MR/MI) in Iowa.

Many of the individuals (adults and children) who are served through the out-of-state Skilled Nursing pre-approval program may have been able to be served or could possibly be served through the Medicaid HCBS Waiver for Brain Injury or the Medicaid HCBS Children's Mental Health Waiver, if Waiver "slots" were available.

#4. Is there a particular disability that is being served more predominately out-of-state vs. another?

Children: Of the total number of children with mental health disorders or other disabilities who are receiving services in an out-of-state facility, the majority of children have mental health disorders or a mental health disorder that co-occurs with another disorder(s). Diagnoses treated by out-of-state providers include: autism; brain injury; ventilator dependence; aggressive, impulsive, assaultive, and self-injurious behaviors; treatment for sexually acting out behaviors; or multiple complicating diagnoses.

Adults: Of the total number of adults with mental health disorders or other disabilities who are receiving services in an out-of-state facility, the majority of adults have a brain injury or a brain injury that co-occurs with a mental health disorder.

#5. Is there a process within each disability discipline to go through for outside placement? If so, what is the protocol people need to go through? (i.e.: certain amount of denials in IA to be able to seek out-of-state placement, etc.).

The processes for placement in an out-of-state treatment facility are typically based on type of facility or placement option rather than by type of disability. Providers are selected based on their capacity to address special needs, e.g., some specialize in serving children with low IQ's/mental retardation; others offer programs for children with autism combined with other developmental disabilities; while others offer treatment for youth with sexually acting out behaviors, support for ventilator dependent individuals, and other specialty areas.

Congregate Foster Group Care (Children): Congregate Foster Group care is used by both DHS and JCS. All placements are approved following DHS Service Area placement assessment protocols that determine the need for this level of placement. All placements into foster group care require a court order. The most appropriate provider is selected based on the individual needs of each child. All providers (in- and out-of-state) are provided information on each child so the provider can determine if it can meet the needs of the child. At the same time, DHS assesses the appropriateness of the provider to match the needs of the individual needing services.

If it is determined that a child needs out-of-state congregated foster group care placement, the DHS Employee Manual (policy guidance manual) provides the following protocol:

1. The out-of-state placement must be reviewed and approved by the DHS Service Area Manager or designee.
2. The facility selected must be licensed to provide group care by the state in which it is located.
3. The facility must contract with the Department of Human Services and use the rate setting methodology provided in 441 Iowa Administrative Code 156.9(1) and (2).
4. Reasons that an out-of-state placement is needed and the efforts made to avoid an out-of-state placement must be documented in the child's Family Case Plan.
5. Additionally, workers must assure that placement approval by the Service Area Manager or designee or the Chief Juvenile Court Officer has been received and that interstate compact procedures are followed. Approval by the Service Area Manager or Chief Juvenile Court Officer is made only when the placement is consistent with the child placement goals of the Family Case Plan.

Approval of an exception to DHS policy is required for the placement if the out-of-state provider does not meet the above criteria. The Director may consider that appropriate care is not available within the state, using the following criteria:

- The child's treatment needs are exceptional.
- Appropriate in-state alternatives are not available.
- Using juvenile court ordered service funds couldn't develop an appropriate in-state alternative.
- The placement and additional payment are expected to be time-limited with anticipated outcomes identified.
- The Service Area Manager or Chief Juvenile Court Officer has approved the placement.

When exceptions are requested, the DHS social worker provides clinical documentation to support the placement, psychiatric information within the last 3 - 6 months, any

assessment/psychological evaluation, a court order, the current case permanency plan, and any other pertinent information to support the placement request.

PMIC (Children): Treatment in a PMIC-level setting requires a statement from the current treating psychiatrist documenting the need for residential treatment. Other facilities have to have been denied or determined to be inappropriate to meet the needs of the individual.

Skilled Nursing: The Out-of-State skilled nursing facility pre-approval process is used for both children and adults who (1) have a documented medical need for skilled care and (2) meet skilled level of care as determined by IME Medical Services. By history, these children and adults have, a diagnosed brain injury, have a diagnosed mental health disorder, or a medical condition that requires ventilator dependence support.

The basic eligibility requirements for out-of-state placement for skilled nursing facilities includes:

1. Services are not available in State to meet the applicant's needs.
2. The applicant is Medicaid eligible for facility services.
3. The applicant has been determined to meet the need for skilled level of care as determined by Iowa Medicaid Enterprises (IME) Medical Services.
4. At a minimum, written documentation of denial from six provider agencies in Iowa is required before the review and pre-approval process for out-of-state placement is considered.

Summary

DHS is committed to seeking service options that provide the most appropriate services to Iowans with mental health disorders and other disabilities to enable them to live in the community and setting of their choice within Iowa. It is recognized that there is a need for development of specialty services in Iowa in the areas discussed above. DHS continues to work with providers across Iowa to develop appropriate, quality in-state services and resources.

Sincerely,



Eugene I. Gessow
Director

cc: Dale Todd, Chair, MHMRDDBI Commission
Zeke Furlong, House Majority Caucus staff
Bill Gardam, DHS - MHDS Interim Division Administrator
Pamela Alger, DHS - MHDS Bureau Chief, Child and Adolescent Services
Kelley Pennington, PhD., DHS - MHDS Bureau Chief, Adult and Emergency Services