

Testimony before the Joint Appropriations Subcommittee on Health and Human Services

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Good morning. My name is Val Saltzgaver and I am the Chief Financial Officer of Orchard Place and I'm also currently serving as the interim CEO. Thank you for inviting me here today. It is certainly a privilege to speak to this committee and we appreciate all your efforts to bring children's mental health issues to the forefront.

I'd like to give a quick overview of Orchard Place for those of you not familiar with our organization. We are a 127-year-old children's mental health organization based here in Des Moines, serving almost 8,000 children annually from throughout the state. We have three primary operating divisions – our 103-bed psychiatric medical institute for children (PMIC) residential facility through our Orchard Place Campus division; our community mental health center through our Child Guidance Center division; and our community-based services through our PACE division. Our budget is \$19 million and we employ approximately 325 staff. We are very proud of the work we do for children and families in the state and appreciate all the support we have received from this committee as well as other legislators and the Department of Human Services staff over the years.

You've asked me here today to give you our perspective on recent changes occurring in children's mental health as well as changes planned for this year. For our organization, the biggest change has been the transition of both PMIC services in 2012 and Behavioral Health Intervention Services (BHIS) in 2011 from the Iowa Medicaid Enterprise in the Department of Human Services to the managed care company, Magellan. That may sound like nothing more than a change in funders to many of you, but it has been much more than that. Magellan brings much to the table in its organizational structure, its professionalism, and its levels of accountability for all providers. Orchard Place has long promoted more accountability and transparency in our field and we are happy to see others are promoting that as well. There are two continuing areas of focus that will help ensure the future success of this transition:

1. First - children need discharge planning that is well thought out by all parties involved in their care. Children are not adults – they can't be discharged with little notice and be expected to succeed. This change can't just be about reducing the length of stay at PMIC's without understanding the significant role that family members, local schools, and lower levels of care play in making sure our kids are successful after they are discharged. This transition from residential placement back to the community is absolutely critical to a child's post-PMIC success. Orchard Place has built its reputation on making sure kids succeed when they leave our residential program – we have to make sure this continues - and that the voices of our psychiatrists and therapists are listened to when planning for the nature and timing of discharges.
2. Second - Payment rates must continually be addressed in the Medicaid arena. Too often rates remain stagnant for many providers for too long, despite rising costs for everyone.

At Orchard Place, almost 70% of our entire client base is fee-for-service Medicaid clients. Many in the private sector can and do decline to serve this low income population. Yet Orchard Place and many of our non-profit colleagues don't have the option of not serving this population - it's part of our mission and who we are. But such a reliance on Medicaid funding makes it extremely difficult to maintain high standards of service while welcoming all who ask us for service. I've been at this for a long time - 13 years as the CFO for Orchard Place - and every year I tell my board of directors about the difficulties of balancing the budget. I urge you all to pay attention to this issue as you make your decisions this legislative session.

As you all know, Orchard Place continues to play an active role in children's mental health advocacy. Two weeks ago, I attended the mental health public forum at Plymouth Church here in Des Moines, sponsored by several of Iowa's leading mental health advocacy organizations. Both Senator Hatch and Representative Heaton spoke convincingly about the challenges we face and the opportunities within our reach. I was so pleased to see several hundred community members in attendance. They really care about the same things everyone in this room cares about - achieving success in mental health redesign. Let me briefly highlight four key elements we believe are necessary for shaping and funding a successful makeover of this system in the coming year:

1. First - **Integrated Health Homes** have the potential to significantly transform children's mental health services. We are happy to partner with Magellan as one of the first organizations to implement health homes for severely mentally ill children that are Medicaid-eligible. Our experience with our System of Care program, using appropriations approved by this committee over the last 3 years, will help significantly in that transition. The concept of a Care Manager to help Medicaid recipients navigate the health care system and manage those services is fundamental to the operations of a health home. Orchard Place is on-board in making health homes a reality - but we ask for patience and flexibility as we work to figure out exactly the right process for kids. Programs don't change overnight and the early months of the health home implementation process will be absolutely crucial to making this program viable for children and families, for the State, and for provider organizations.
2. Secondly, the issue of a **Psychiatric Shortage** is not a topic being widely discussed. But the shortage of psychiatrists in this state and in the nation continues to plague the best of our intentions to redesign this system. At Orchard Place, our psychiatrists are at the heart of the treatment team and we believe that's a major reason why we've had such amazing results with the kids we serve. We've been blessed to have a full-time child psychiatrist at our community mental health center and two contracted psychiatrists at our residential program. We've also added to our psychiatric capacity with the addition of two nurse practitioners and we even practice tele-medicine with one of our psychiatrists.

We know many organizations are not as fortunate as we have been in our recruiting efforts but if you ask our program staff at Orchard Place, I believe they would all say that

we are only one crisis away from being in that same boat. The State of Iowa must come up with innovative ways to recruit and retain psychiatrists and other allied health professionals as well as increasing the number of people choosing a professional career in mental health. We also know that here at Orchard Place, we will have to come up with our own ways to address these issues. This will not be an easy task for us or for the State – but it’s a necessary and vital part of achieving success for the children we serve.

3. Another important issue is the **promotion of early identification and prevention efforts for mental health issues for kids.** We all are familiar with the horrific events that have occurred in our classrooms across the nation - Newtown, Virginia Tech, Columbine. Many people are choosing sides on the issue of gun control to solve the issue that they believe is at the heart of the problem. I won’t take sides on that issue today but I will say this. At the heart of virtually every major school incident is a mental health issue. These incidents involve kids and families that are desperate for help, and they are not getting it. We all have to do a better job of addressing mental health issues early in a child’s life. That means the State, that means providers, and that means families. At Orchard Place, we have partnered with our local United Way to provide school-based therapists in over 60 schools in central Iowa. We have worked with our local Juvenile Court to place 6 school-based liaisons in the area high schools. We have a group of early childhood therapists who work with young children to address their mental health. We’ve trained all our therapists on the use of trauma-informed care and annually sponsor a conference for the community on this topic. And we operate the local Child Care Resource and Referral program that, among other things, helps child care providers obtain proper training and provide safe environments for the children they serve. These are all great programs. But we need to do more. We all need to do more.
4. And finally **Medicaid Expansion** – Much as been said about Medicaid expansion, by legislators, the Governor, the press. We understand the arguments both for and against Medicaid expansion. But for us here at Orchard Place, if it means more people have access to services and more people get the treatment they need, whether that be physical health or mental health, then we’re for it. I’m a financial person and it’s impossible for me not to think about the financial implications of any decision. But in this field, decisions have to be made using a combination of both the financial realities and the morally right thing to do. And Medicaid expansion fits the bill in both of those categories.

Thank you again for the invitation to speak to your committee today. We appreciate the opportunity.