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## ORCHARD PLACE: 2008 PUBLIC POLICY GOALS

### Uniform Private Insurance Coverage for PMIC Residential Care Services

#### What action is requested?

Amend Iowa Code Sec. 514C.22, Mental Health Parity Act of 2005.

#### What will the legislation do?

Explicitly state legislative intent that the 2005 enactment is intended to require private health insurance policies to cover the first 30 days of PMIC residential care for children with otherwise covered biologically-based mental illness.

#### Why is this legislation needed?

Inconsistency in interpretation of the 2005 law, both within the same insurer and among other insurance carriers, has meant some insurance carriers pay for PMIC services while many do not. The inconsistency of coverage arises due to some carriers' decision that PMIC care is "custodial care" and thus coverage can be disallowed under an exemption in the 2005 law; or that the children in PMIC do have an acute enough diagnosis to qualify for coverage.

Such inconsistency in coverage results in

1. Shifting costs to Medicaid that provides payment for the first 30 days if a parent or custodian has no coverage, or
2. Parents, whose child is not Medicaid eligible, having to forego care for the child because the parents cannot afford paying the daily cost of care for the first month.

The total percentage of Orchard Place's bed days paid by various insurance carriers in calendar year 2007 is only 3.94%; between July 2007 and January 2008 the total percentage of OP's bed days paid by insurance carriers is only 2.80%, despite the fact that over 70% of Orchard Place children come in on a voluntary basis, with a high percentage (up to 75%) of those carrying private insurance.

Considering the children being served in PMIC are the sickest children in the state with the illnesses covered in the 2005 parity legislation and that these children are given the highest level of care, there should be no question that PMIC services should be covered by insurance for the first 30 days of treatment.

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### Orchard Place PMIC Background

Orchard Place's PMIC, one of nine PMICs located throughout Iowa, is one of the original PMICs created in the 1980s and currently is the largest, with 103 of the state's certified 430 residential beds. Children in a PMIC live in a residential non-locked setting where they get 24/7 care and supervision from nursing staff, therapists, and psychiatrists. The children range in age from five to 18, although some PMICs specialize in treating children within a narrower age range. The children typically have passed through multiple treatment programs and clearly are among the most mentally ill children under the State's supervision. The average PMIC length of stay is eleven months.

## **Third-Year Funding for the Multidimensional Treatment Level Foster Care Pilot Project**

### **What action is requested?**

Appropriate \$203,000 to the Department of Human Services for this purpose.

### **What will this do?**

This appropriation will provide funding to Orchard Place in Des Moines and Tanager Place in Cedar Rapids to continue a longitudinal study of the impact on lengths of stay and treatment outcomes by recruiting, training, and assigning foster parents during a child's treatment.

### **Why is it needed?**

For reasons unknown to Orchard Place, DHS did not request these funds and the Governor did not include third-year funding in his FY09 DHS budget. This study was first funded in FY07 and the funding continued at the same level for FY08. After an initial period in 2006 of program design and preparation in cooperation with DHS staff, the program went live in early 2007. Initial data is now coming in as the first children leave the PMIC facility and begin the transition into this specialized foster care environment. Without an FY09 appropriation, the pilot study will end June 30. Orchard Place believes that our results – no matter how positive – are still very preliminary and cannot be translated into sustainable practices. A full report will be made to DHS and the Legislature in 2009 so a determination can be made whether the program should be funded in FY10 for replication elsewhere in Iowa.

## **Support of DHS-led initiatives of mental health system improvement efforts**

### **What action is requested?**

Legislatively support Iowa's self-directed transformation of its mental health and disability system.

### **What will this do?**

The Mental Health Disability System Improvement initiative, led by DHS (Dr. Parks and the MHDS staff), will continue to move forward in Iowa and will gain necessary time to test some of its preliminary findings. The system Redesign Initiative provides a beginning framework and direction for short term actions and longer term strategic planning and action.

DHS needs time to implement their vision and not to repeat mistakes made in previous System Improvement efforts (e.g., CAASP initiative in the late 1980s, or the Technical Assistance Collaborative in the late 1990s).

### **Why is it needed?**

Children's mental health care in Iowa has historically been a stepchild, or, more accurately, a foster child of child welfare and juvenile justice systems or special education. Iowa does not have a comprehensive system of mental health care for children and their families. The Mental Health Disability System Improvement initiative in Iowa must continue to move forward.