

## CHAPTER 1111

### BEHAVIORAL HEALTH SERVICES FOR CHILDREN — PSYCHIATRIC MEDICAL INSTITUTIONS — APPLIED BEHAVIOR ANALYSIS

H.F. 2402

**AN ACT** relating to behavioral health services for children including psychiatric medical institutions for children.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. [Section 135H.6, subsection 1](#), paragraph d, Code 2024, is amended by striking the paragraph.

Sec. 2. [Section 135H.6, subsections 2, 3, 4, and 5](#), Code 2024, are amended to read as follows:

2. The department of health and human services shall not give approval to an application which would cause the total number of beds licensed under [this chapter](#) for services reimbursed by the medical assistance program under [chapter 249A](#) to exceed four hundred thirty beds, unless the director of health and human services determines approval of such an application is necessary for good cause. Good cause is established if the health and safety of Iowans would be adversely impacted if the application for additional beds is not approved.

3. In addition to the beds authorized under [subsection 2](#), the department of health and human services may establish not more than thirty beds licensed under [this chapter](#) at the state mental health institute at Independence. ~~The beds shall be exempt from the certificate of need requirement under [subsection 1](#), paragraph “d”.~~

4. The department of health and human services may give approval to conversion of beds approved under [subsection 2](#), to beds which are specialized to provide substance use disorder treatment. However, the total number of beds approved under [subsection 2](#) and [this subsection](#) shall not exceed four hundred thirty, unless approved for good cause by the director pursuant to [subsection 2](#). Conversion of beds under [this subsection](#) shall not require a revision of the certificate of need issued for the psychiatric institution making the conversion. Beds for children who do not reside in this state and whose service costs are not paid by public funds in this state are not subject to the limitations on the number of beds and certificate of need requirements otherwise applicable under [this section](#).

5. A psychiatric institution licensed prior to July 1, 1999, may exceed the number of beds authorized under [subsection 2](#) if the excess beds are used to provide services funded from a source other than the medical assistance program under [chapter 249A](#). Notwithstanding [subsection 1](#), ~~paragraphs “d” and paragraph “e”, and [subsection 2](#)~~, the provision of services using those excess beds does not require ~~a certificate of need or a review by the department of health and human services.~~

Sec. 3. PSYCHIATRIC MEDICAL INSTITUTIONS FOR CHILDREN — ENHANCED MEDICAID REIMBURSEMENT. No later than January 1, 2025, the department of health and human services shall select one or more psychiatric medical institutions for children (PMICs) to provide access to PMIC services for children with specialized needs including problematic sexualized behaviors, a history of aggression, or a diagnosis of intellectual or developmental disability. Prior to rendering services, a selected PMIC shall be licensed pursuant to [section 135H.4](#) and offer a payment structure that provides enhanced reimbursement, which may be used to provide increased staffing ratios, ongoing training of staff in specialized programs that provide evidence-based treatment, and appropriate services and modalities, including but not limited to telemedicine, for children and their families.

Sec. 4. REDUCTION OF REGULATORY BARRIERS AND RESTRICTIONS — PSYCHIATRIC MEDICAL INSTITUTIONS FOR CHILDREN. The department of health and human services shall review the department’s administrative rules regarding psychiatric medical institutions for children (PMICs) and shall update the rules, informed by the findings of the association of children’s residential centers’ most recent nationwide survey and scan

of psychiatric residential treatment facilities, and the recommendations of the coalition for family and children's services in Iowa, to do all of the following:

1. Allow a physician assistant or advanced registered nurse practitioner to serve as a member of the plan of care team as a member who is experienced in child psychiatry or child psychology pursuant to [481 IAC 41.13\(2\)](#).

2. Allow a physician assistant or advanced registered nurse practitioner to be a member of the team to complete the certification of need for services for a PMIC placement pursuant to [481 IAC 41.9](#).

3. Allow licensed professionals, based on competencies rather than license type, to order the use of restraints or seclusions and to conduct post-restraint or seclusion assessments, including via telehealth, to increase response times and expand access to care. The department of inspections, appeals, and licensing shall adopt rules pursuant to [chapter 17A](#) to administer this subsection.

4. a. Allow family therapy and family behavioral health intervention services to be included in billable services during the placement of a child in a PMIC without requiring the child's presence for the family to work on targeted skills essential for the child's success and to prepare the family for the child's return home.

b. Provide reimbursement codes to cover services beyond those provided outside the PMIC care team as necessary to adequately treat substance use disorder, sexualized behaviors, autism, and other services needed to support the child.

5. Standardize all of the following across all managed care organizations as follows:

a. Require that authorization for a PMIC placement shall be retroactive to the date the request for authorization is submitted to the managed care organization not the date the managed care organization responds; or require a managed care organization to respond within five business days from receipt of a request for authorization for a PMIC placement, if the certification of need and independent assessment have been received in a timely manner.

b. Prohibit a managed care organization from denying authorization for a PMIC placement based on lack of parental involvement, lack of participation in behavioral health intervention services on an outpatient basis, or based on other perceived behavioral issues.

c. Allow a managed care organization to authorize an initial PMIC placement of sixty days upon admission with concurrent stay reviews every thirty days thereafter. A PMIC shall submit a care plan to the managed care organization within thirty days of the admission.

d. Require concurrent stay reviews to be standardized and limited to a brief description of progress, or lack of progress, toward the child's goals and objectives.

e. Require a managed care organization to offer support to families, including assistance with transportation to and from a PMIC to visit a child.

6. Notwithstanding any provision of law to the contrary, allow a previously licensed PMIC that has the capacity to provide up to an additional four intermediate care facility for persons with an intellectual disability beds, and which additional beds meet all other licensing and state fire marshal requirements, to increase their licensed capacity to include the additional beds without further review including by the health facilities council.

7. Allow for step-down PMIC placements or supervised apartment living for a child to utilize programming provided in a PMIC while living independently in a smaller residential setting without twenty-four-hour supervision.

Sec. 5. HAWKI PROGRAM — BENEFITS INCLUDED IN QUALIFIED CHILD HEALTH PLAN — REVIEW. The department of health and human services shall review the benefits included in a qualified child health plan under the Hawki program and shall specifically address the inclusion of applied behavior analysis services as a covered benefit. The department shall report the findings of the review to the general assembly by December 1, 2024.

Sec. 6. DEPARTMENTAL REVIEW AND REPORT. The department of health and human services shall review the effectiveness of the reduction of regulatory barriers and restrictions provisions specified in this Act and shall report the resulting costs and savings to the governor and the general assembly by March 1, 2025.

Approved May 1, 2024