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Chairperson Christine Kaufmann
Health and Human Services Appropriations Subcommittee
PO Box 200400
Helena, MT 59620-0400

Dear Chairperson Kaufmann and Subcommittee members:

I am writing as a Board member of the Intermountain Children's Home and Services (ICHS) regarding the upcoming hearing on the value of children's mental health services and increased reimbursement rates for providers of these services. I am absolutely convinced of the value of these services for the terribly abused and damaged children referred to our facility, but I will leave it to others more knowledgeable to document that value. I would like to address the desperate need to increase the rates paid by the state to providers of these services, particularly ICHS.

From my perspective as a Board member responsible for maintaining the high quality treatment program at the same time requiring a fiscally responsible budget and maintenance of a reserve fund, the issue of reimbursement by the State of Montana is a critical one.

1. The daily cost of caring and treating the children at Intermountain exceeds by \$118.88 amount the reimbursement of currently provided by the state.

2. It seems to me that increased reimbursement is not only appropriate but the morally right thing to do.

3. However, you might ask, since the state has underpaid the daily cost for many years (in 1995, the cost/day exceeded the state reimbursement rate by \$19.05. In 2000, the cost/day exceeded the state reimbursement rate by \$66.56 and in 2005, the cost/day exceeds the state reimbursement rate by \$118.88) and the program continues to

provide high quality care so desperately needed by a growing number of young children, why should tax funds which we know are limited be increased to cover more of the cost at this time.

4. The most critical reason impacts our Montana kids where it hurts most. To keep the doors open at Intermountain, an increasing number of higher paying out of state placements and private pay clients must be accepted in beds which are needed by Montana kids in order to pay the bills. In 1995 only six out of 32 children (19%) from the Intermountain therapeutic youth group home campus program were from out of state. In 2000, nine out of 32 children (28%) were from out of state. (campus program) and in 2005, eleven out of 32 children (66%) are from out of state. (campus program)

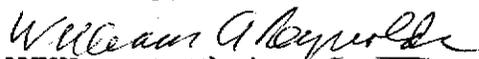
5. For many years the generous donations of our supporting churches, their members and the general public have allowed us to provide a high quality therapeutic program that the daily reimbursement has never covered completely. As costs have continued to rise and reimbursements have lagged, these donated funds no longer have been able to make up the deficit. As a result we currently have over half the beds occupied by out of state and private pay children.

6. It doesn't make sense to turn away Montana children desperately needing the treatment program here and at the same time because there are no beds available in Montana due to the low reimbursement rate, to send some of these children out of state to much more expensive inpatient psychiatric facilities.

7. It becomes more and more difficult to ask and expect our donors to provide an increasing percentage of the cost of care as the state gets further and further behind in funding the program. If there is no relief, we must continue reducing the number of beds available for Montana kids which of itself has a very negative impact on fund raising in Montana for obvious reasons.

In conclusion, I urge you for all of these reasons to bite the bullet and restore appropriate reimbursement rates.

Sincerely,


William A. Reynolds, MD