



intermountain
restoring hope for children

TESTIMONY

to the

PHHS Joint Appropriations Subcommittee

January 15, 2007

EXHIBIT 17
DATE 1-15-07
HB 2

Good Morning.

My name is Jeffrey Tiberi. I am the Associate Director of Intermountain, a nonprofit, nationally recognized treatment center that serves Montana children with moderate to severe emotional disturbance. Through our Campus Based Program, Intensive Day Treatment Program, our Adoption and Family Support Program, and our outpatient Child & Adolescent Psychiatric Clinic, we serve about 300 children a day throughout western Montana.

The children we serve in our flagship, Campus Based program are ages 4 – 12, in state custody, and have typically failed in outpatient therapy and/or day treatment. On average, these children have been in eight placements of foster homes, psychiatric hospitals, group care, and/or shelter care before reaching our doors.

We come today as a 100 year old Montana grown organization to ask you, the 150 Board of Directors for Montana, four considerations:

1. To fund the services of the Children's Mental Health Bureau (CMHB);
2. To alert you to the concern regarding the federal unbundling of Medicaid rates, resulting in a substantial cost shift to Montana;
3. To support Montana Children's Initiative (MCI) in its request for a rate increase for providers of children's mental health services; and
4. To ask you to consider adjusting the campus group home service rate to an equitable level so that we can continue to serve Montana children.

We are committed to serving children and families and urge you to fund the critical services provided within the Children's Mental Health Bureau (CMHB). We are concerned that important services currently provided for children and families will not be funded when the looming cost shift of Medicaid unbundling occurs.

The federal Center for Medicaid and Medicare Services (CMS) is tightening its definition of "medical necessity" and prohibiting further use of a **daily** "bundled rate." Unbundling has occurred in several states, (26 have been put on notice by CMS) and Montana has been verbally informed (7/06) that the deadline for the unbundling of services is October 1, 2007. When unbundling took place in Colorado in 2006, the state lost \$36 million in federal money for children's mental health, and the system remains in chaos. Colorado was a 50/50 federal match, and since Montana's 2007 match is 69.11%/30.9%, the impact will be proportionally even more significant to the general fund.

We understand the State is aware of the unbundling trend, and we encourage you to look at the experiences in other states for clues as to what could or will happen to the



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children's mental health system in Montana. We remain willing to work with the Department in any way to transition to these new regulations.

We appreciate the efforts last session concerning provider rate increases. These were sorely needed after a decade of flat or declining rates. We still have a ways to go and we support MCI's proposal for provider rate increases of 5% each year of the biennium.

In addition, we ask you to consider an **adjustment** for Campus Based Therapeutic Youth Group Homes. There are only two such providers of this vital treatment level in this state – Intermountain, and Yellowstone Boys and Girls Ranch.

In 2004, the Children and Adult Health Resources Division's administrator initiated a Therapeutic Youth Group Home Task Force to study administrative rules and rates within "out of home care" services for children. This comprehensive group consisted of many providers, the division administrator, CMHB staff, and staff from other departments. The group found a gross inequity between Campus Level rates and others based on licensing, Administrative Rule Requirements, and current reimbursement rates. As part of the task force work, the Bureau contracted with an independent firm from Virginia to analyze all reimbursement rates for out of home care. The firm concurred with the rate inequity for Campus TYGH rates and recommended an equitable rate, given the intensity of service and administrative rule requirements, of halfway between an Intensive Community TYGH rate and the rate of Residential Treatment Facilities.

In preparing the 2008/2009 budget, the CMHB included a rate adjustment for Campus Based TYGH to address this contracting inequity in their budget, though it was subsequently removed. **This inequitable contracting issue has persisted since 1993, resulting in a dramatic decrease in our ability to admit Montana Children in our Campus program.** Today, our Campus TYGH Medicaid Treatment rate is \$162.06. We are requesting an adjustment of \$12 per day per child for each year of the biennium to serve Montana children and achieve the findings of the TYGH Task Force.

In summation, different children need different types of treatment. We absolutely believe in prevention, family based services, and children living in the least restrictive environment; four out of our five programs provide these services. However, if emotional deficits prevent seriously emotionally disturbed children from being in a community or family, they deserve to have access to a step between a locked RTF license level and community based services. Campus Based Therapeutic Group Homes provide this needed level of service for serious emotionally disturbed children.

We appreciate the opportunity to speak to these issues and urge your support of Montana's children.