



# MCA 52-2-311: OUT-OF-STATE PLACEMENT ANNUAL REPORT SFY 2023

Children, Families, Health, and Human Services Interim Committee

Reporting Period: July 1, 2022, through June 30, 2023.

August 29, 2023

## OVERVIEW

The following statutorily required report is completed by the Department of Public Health and Human Services (DPHHS) Children's Mental Health Bureau (CMHB), in coordination with the Child and Family Services Division (CFSD), the Youth Services Division of the Department of Corrections (DOC), and Youth Court or Juvenile Justice (JJ).

The following report is organized according to MCA 52-2-311 reporting requirements by section with findings under each section.

### **52-2-311. Out-of-state placement monitoring and reporting.**

*(1) The department shall collect the following information regarding high-risk children with multiagency service needs:*

- (a) the number of children placed out-of-state;*
- (b) the reasons each child was placed out-of-state;*
- (c) the costs for each child placed out-of-state;*
- (d) the process used to avoid out-of-state placements; and*
- (e) the number of in-state providers participating in the pool.*

*(2) For children whose placement is funded in whole or in part by Medicaid, the report must include information indicating other department programs with which the child is involved.*

*(3) On an ongoing basis, the department shall attempt to reduce out-of-state placements.*

*(4) The department shall report annually to the children, families, health, and human services interim committee concerning the information it has collected under this section and the results of the efforts it has made to reduce out-of-state placements.*

### **Definitions**

"Psychiatric Residential Treatment Facility (PRTF)" means a facility accredited by the Joint Commission on Accreditation of Health Care Organizations (JCAHO), Council on Accreditation (COA), or the Commission on Accreditation of Rehabilitation Facilities (CARF) or any other organizations designated by the Secretary of the United States Department of Health and Human Services as authorized to accredit psychiatric hospitals for Medicaid participation, and which operates for the primary purpose of providing residential psychiatric care to persons under 21 years of age. The youth must meet the Montana Medicaid Serious Emotional Disturbance (SED) criteria for PRTF services. The federal definition of Inpatient Psychiatric Services for Individuals Under Age 21 can be found in the Code of Federal Regulations, Title 42, Part 441, Subpart D, and

the specific service requirements for Psychiatric Residential Treatment Facilities can be found in the Children’s Mental Health Bureau Medicaid Services Provider Manual.

“Therapeutic Group Home (TGH)” means a treatment facility providing therapeutic services licensed and under contract with the department as a youth care facility with the supervision and intensity of treatment required to manage and treat up to eight youth who meet the SED diagnosis and functional impairment criteria as determined by the department. The definition of Therapeutic Group Home can be found in the Administrative Rules of Montana, Title 37, Chapter 97, subchapter 102 and the specific service requirements can be found in the Children’s Mental Health Bureau Medicaid Services Provider Manual.

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## PROCESS

This report includes youth whose treatment is paid by all State agencies and divisions, though the report is compiled by the Children’s Mental Health Bureau (CMHB), which is a Medicaid bureau within DPHHS. The report distinguishes between youth whose treatment is funded solely by Medicaid, those whose treatment is funded by Medicaid, but the Child and Family Services Division (CFSD), Juvenile Justice (JJ), or the Department of Corrections (DOC) was the custodian and/or had placement authority, and those whose treatment is funded solely by CFSD, JJ, or DOC.

This is the annual report to the Legislature covering SFY 2023 (July 1, 2022, through June 30, 2023), and includes only children who were in treatment out-of-state (OOS) on or after July 1, 2022, and on or before June 30, 2023. During this reporting period there were youth who received treatment in more than one out-of-state facility. These youth are only counted once regardless of the number of unique out-of-state facilities.

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## RESULTS

### ***MCA 52-2-311. OUT-OF-STATE PLACEMENT MONITORING AND REPORTING.***

#### ***(1) THE DEPARTMENT SHALL COLLECT THE FOLLOWING INFORMATION REGARDING HIGH-RISK CHILDREN WITH MULTIAGENCY SERVICE NEEDS:***

##### ***A) THE NUMBER OF CHILDREN PLACED OUT-OF-STATE***

The following table represents the total number of youths who received treatment in an out-of-state residential program, by agency, during the reporting period, July 1, 2022, through June 30, 2023, as well as the results from the annual report for SFY 2022 for reference.

**Table 1: Number of Youth who Received Treatment in an Out-of-State Residential Program**

REPORTING AGENCY	SFY 22 (07/01/21-06/30/22)		SFY 23 (07/01/22-06/30/23)	
	PRTF	TGH	PRTF	TGH
Children’s Mental Health Bureau/ Medicaid (Parent/Guardian Placement)	102	10	90	16
Child & Family Services Division (CFSD)	63	37	68	20
Juvenile Justice	24	30	15	28
Juvenile Justice & CFSD	4	14	0	0
Department of Corrections	1	0	1	1
<b>Totals</b>	<b>194</b>	<b>91</b>	<b>174</b>	<b>65</b>

To provide context to these numbers, the CMHB served 21,895 youth in SFY 2022. In addition to receiving mental health services from primary care providers and local qualified health centers, Montana Medicaid youth received the following community-based mental health services:

**Table 1(a): Number of Youth who Received Community-Based Treatment for Mental Health**

SERVICE	YOUTH SERVED
Licensed Professional Counselor (LCPC)	7,738
Licensed Clinical Social Worker (LCSW)	6,032
Comprehensive School and Community Treatment (CSCT)	2,892
Targeted Case Management – Mental Health	3,254
Psychiatrist	1,970
Mental Health Center	1,348
Psychologist	906
Home Support Services / Therapeutic Foster Care	623

**B) THE REASONS EACH CHILD WAS PLACED OUT-OF-STATE**

The Children’s Mental Health Bureau is not a placing agency. Medicaid funding is only available if a youth placed out of state has been determined to meet medical necessity criteria for PRTF level of care *and* has been denied admission by all in-state PRTFs. To meet medical necessity criteria for PRTF, a youth must exhibit behaviors or symptoms of serious emotional disturbance of a severe and persistent nature requiring 24-hour treatment under the direction of a physician. In addition, the prognosis for treatment at the PRTF level of care must reasonably be expected to improve the clinical condition/serious emotional disturbance of the youth or prevent further regression based upon a physician’s evaluation.

Table 2 shows the denial reasons as reported on initial stay requests for out-of-state PRTF placements. The most common reasons youth are denied admission to in-state PRTFs are:

- No beds available (at max capacity, limited staffing)
- Unable to treat current condition (co-occurring medical conditions, maladaptive sexualized behaviors, requires acute care, in need of substance abuse treatment)
- Aggression (physical, verbal, or combination)
- Does not meet age requirement (too young for program, too old for program)
- Not a good fit for the current milieu

- Elopement risk (runs away)
- Has met the maximum benefit for PRTF treatment

The following table displays the reasons noted by each reporting agency as to why the youth needed an out-of-state placement during the reporting period, July 1, 2022, through June 30, 2023. Information in this section is obtained from prior authorization records for Medicaid funded placements. Reporting agencies using non-Medicaid funding sources did not list denials, as this is not required within their agencies.

**Table 2: Reasons for PRTF Out-of-State Placement**

IN-STATE DENIAL REASONS	PERCENTAGE OF YOUTH WITH IN-STATE DENIALS IN SFY 2023 (07/01/22-06/30/23)	
	PRTF 1	PRTF 2
Aggression	27%	24%
At max capacity	24%	24%
Other (special circumstances or needs the facility cannot address and/or meet)	19%	12%
Not a good fit for the current milieu	11%	14%
Does not meet age requirement	9%	10%
Unable to treat current condition (too acute, sexualized behaviors or substance abuse)	4%	6%
Elopement risk (runs away)	6%	3%
Has met maximum benefit from PRTF treatment	0%	7%

**C) THE COSTS FOR EACH CHILD PLACED OUT-OF-STATE**

Table 3 displays the average cost per youth for Psychiatric Residential Treating Facility (PRTF) and Therapeutic Group Home (TGH) for state fiscal years 2022 and 2023. The cost was calculated by multiplying the average days youth were placed by the average cost per day.

**Table 3: Cost Per Youth**

AVERAGE DAYS AND COST	SFY 22		SFY 23	
	07/01/21-06/30/22		07/01/22-06/30/23	
	PRTF	TGH	PRTF	TGH
AVERAGE DAYS IN SFY	128 days	148 days	140 days	156 days
AVERAGE COST PER YOUTH PER DAY	\$467*	\$231*	\$494*	\$199*
AVERAGE COST PER YOUTH PER YEAR	\$59,665	\$34,186	\$68,943	\$30,867

\*Average cost per day varies due to variance in daily payment from non-Medicaid funded stay.

Averages from the SFY2022 Out-of-State Report were updated from average per stay, to average per youth for comparability.

Table 3a: Montana Medicaid Reimbursement Rates

SFY 22		SFY 23	
Out-of-State PRTF	TGH*	Out-of-State PRTF	TGH*
50% of usual and customary charges, not to exceed <b>\$452.04</b>	<b>\$201.82</b>	50% of usual and customary charges, not to exceed <b>\$456.56</b>	<b>\$203.84</b>

\*In-state and out-of-state TGHs are paid at the same rate.

**D) THE PROCESS USED TO AVOID OUT-OF-STATE PLACEMENTS**

The Children’s Mental Health Bureau (CMHB) is not a placing agency; however, CMHB has policies in place to reduce out-of-state placements for youth with Medicaid funding. CMHB requires specific utilization review of medical necessity criteria for both in and out-of-state Therapeutic Group Homes (TGHs) and Psychiatric Residential Treatment Facilities (PRTFs); review of medical necessity every 30 days for PRTFs; and assigned Regional Care Coordinators and Regional Resource Specialists to each out-of-state PRTF to ensure that youth are being treated in the least restrictive level of care at the earliest possible time in their home communities.

For a youth to be admitted into an out-of-state PRTF:

- (1) The provider must request admission from of all Montana PRTFs and be denied admission. The provider must document the denials in the file of the youth.
- (2) The Montana PRTFs may deny services for one of the following reasons:
  - (a) the facility cannot meet the clinical and/or treatment needs of the youth; or
  - (b) an opening is not available.
- (3) The Montana PRTFs must specify the reasons the facility is unable to meet the needs of the youth or state when the next bed opening will be available for the youth.
- (4) Legal representatives of all Montana Medicaid youth who are admitted to OOS PRTFs must complete an Interstate Compact Agreement before the youth leaves the state as part of the prior authorization process. The form is located on the department's website at: Interstate Compact on the Placement of Children (ICPC)

*Reference: Children’s Mental Health Bureau Medicaid Services Provider Manual, pg. 18.*

**Challenging Placement Staffing**

CMHB has created a workgroup consisting of CMHB staff and representatives from Montana Medicaid-enrolled Psychiatric Residential Treatment Facilities (PRTF) and Therapeutic Group Homes (TGH). The workgroup has been formed with the intention of collaboration to support treating Montana youth with complex needs, in Montana, as often as possible. The workgroup will function as an additional resource in support of Montana youth and families.

- Workgroup will meet twice monthly and will be facilitated by a member of CMHB.
- Participating providers will complete ‘challenging case’ form and submit to CMHB prior to meeting.
- Participating providers and CMHB will refrain from utilizing identifying information regarding youth presented.
- Presenting provider(s) will present information to workgroup.
- Workgroup will discuss available resources and capacity to serve the youth with current provider resources, and/or discuss recommendations for additional resources required to meet the needs of the youth.

- Facilitator will note action plans when relevant.

### **Parent Outreach Letter**

In SFY 2022, CMHB began sending letters to parents and guardians when their child began receiving treatment in a PRTF. The letter serves to provide information and resources to family members to help families know what to expect with residential treatment and assist them with services post discharge. Favorable discharge is one component that may reduce readmission to PRTF level of care, including out-of-state PRTF.

### **Warm Hand-Off Policies**

CMHB has policy which allows Home Support Services and Targeted Case Management to be delivered concurrent with residential treatment to support families and youth in successful discharge from residential care prior to discharge. Community-based services provided concurrently with residential care must be coordinated with the TGH or PRTF and directly involve the youth's parents or guardians.

### **Montana Residential Provider Survey and Site Visits**

In collaboration with University of Montana's Center for Children, Families, and Workforce Development, CMHB completed a survey of all Medicaid-enrolled organizations providing PRTF or TGH level of care in Montana. The purpose of the survey was to gather information on organization and treatment capacity of our in-state provider pool. Information gathered on organization capacity included:

- Licensed beds
- Census Information – average census, current census, Medicaid census
- Current number of out of state placements
- Age and gender of youth served

### **Guidehouse Study – Provider Rate Increases**

The 2023 Legislative Session authorized significant provider rate increases for many children's mental health services. We anticipate growth in community-based services because of these rate increases. Increasing access to community-based services is a critical component to reducing residential care and out of state residential treatment.

Additionally, parallel to the Guidehouse Rate Study, CMHB worked with Guidehouse to identify other policy or reimbursement changes to support the goal of reducing reliance on out of state residential programs. In the proposed Mega Rule which implements the SFY2023 provider rate increases, CMHB proposed to align the reimbursement rates of in state and out of state PRTFs.

### ***E) THE NUMBER OF IN-STATE PROVIDERS PARTICIPATING IN THE POOL***

See list of provider pool in **Appendix A**.

***2) For children whose placement is funded in whole or in part by Medicaid, the report must include information indicating other department programs with which the child is involved.***

Table 4 represents the number of youths placed in an out-of-state placement and which agency funded whole or in part for the reporting period of July 1, 2022, through June 30, 2023.

**Table 4: Funding Source**

FUNDING SOURCE	SFY 22		SFY 23	
	07/01/21-06/30/22		07/01/22-06/30/23	
	PRTF	TGH	PRTF	TGH
Parent or Guardian placement authority with Medicaid Funding	96	9	89	16
Parent or Guardian placement authority with EPSDT single case agreement funding	8	1	1	2
CFS placement authority with Medicaid Funding only or Medicaid and CFS funding	61	37	48	18
DOC placement authority with Medicaid Funding	0	0	0	0
JJ placement authority with Medicaid Funding	17	22	10	21
Child & Family Services Only	0	0	20	2
Department of Corrections Only	1	0	1	0
Juvenile Justice Only	7	8	4	6
Both CFS and either JJ or DOC involvement, funding by Medicaid	4	14	0	0
Placed by and funding with both CFS and either DOC or JJ	0	0	1	0
<b>Total</b>	<b>194</b>	<b>91</b>	<b>174</b>	<b>65</b>

Table 5 displays the instances of Serious Emotional Disturbance (SED) diagnosis for youth being treated in out-of-state residential programs. The primary diagnosis is found in either the Qualitrac database operated by Telligen, in claims data, or as reported by the placement agency.

**Table 5: Percentage of Instance of SED Diagnosis 07/1/22-06/30/23**

SED DIAGNOSIS	PERCENTAGE OF YOUTH WITH DIAGNOSIS	
	PRTF	TGH
Disruptive and Impulse Control Disorders	56%	42%
Depressive Disorders	16%	18%
Trauma and Stressor Related Disorders	11%	24%
Autism Spectrum Disorders	11%	3%
Anxiety Disorders	1%	4%
Bipolar Disorders	2%	1%
Schizophrenia Spectrum	2%	0%
Other / Unknown	1%	8%

## Appendix A: Provider Pool between July 1, 2022, through June 30, 2023

### Number of In-State Providers Participating in Pool in SFY 2023

Source: Youth Care Facility Licensing Report OIG, August 2023

#### **In-State Psychiatric Residential Treatment Facilities:**

- Shodair Children’s Hospital, Helena, MT
- Yellowstone Boys and Girls Ranch, Billings, MT

#### **In-State Therapeutic Group Homes:**

##### AWARE

- Lost Creek Group Home, Anaconda
- Clark Fork Group Home, Anaconda
- Pintler Group Home, Anaconda
- Gold Creek Group Home, Anaconda
- Washoe Group Home, Anaconda
- Mount Powell Group Home, Anaconda
- Timberline Group Home, Billings
- Whiteway Group Home, Butte
- Ottawa Group Home, Butte
- Renz Group Home, Butte
- Pinski Group Home, Great Falls
- Castle Pines Group Home, Great Falls

##### Intermountain

- Intermountain Children’s Home Cottages (two cottages), Helena

##### New Day

- New Day Inc, Units 2, 3, 4, and 7, Billings

##### Partnership for Children

- Sunrise Children’s Home, Missoula

##### Youth Dynamics

- Rimview Group Home, Billings
- S.T.A.R. Group Home, Billings
- Rivers Edge Group Home, Billings
- Lakeview Group Home, Billings
- North Skyline Youth Home, Great Falls

- New Beginnings Group Home, Boulder
- New Journey Group Home, Boulder
- Opportunity Group Home, Boulder
- Lewis & Clark Group Home, Helena

##### Youth Homes

- Radtke Home for Boys, Missoula
- Talbot Boys Home, Missoula
- Talbot Girls Home, Missoula

##### Temporary Closures in SFY 2023

- Youth Dynamics - Choices Group Home, Boulder
- Partnership for Children – Gallagher Children’s Home, Missoula
- Intermountain Children’s Home, (two cottages) Cottages

##### Closures in SFY 2023

- Aware – Gilbert Group Home, Missoula
- Aware – Franklin Group Home, Missoula
- Montana Community Services – Miles Avenue Group Home, Billings
- Montana Community Services – Custer Group Home, Billings
- Montana Community Services – Parkhill Group Home, Billings



### **Out-of-State Medicaid Enrolled Providers in SFY 2023**

#### **Out-of-State Psychiatric Residential Treatment Facilities:**

- Benchmark Behavioral Health, Woods Cross, UT
- Coastal Harbor, Savannah, GA
- Copper Hills Youth Center, West Jordan, UT
- Dakota Boys and Girls Ranch, Minot, ND
- Devereux Georgia, Kennesaw, GA
- Havenwood Academy / Zion Hills Academy, Cedar City, UT
- Kids Peace, Orefield, PA
- Little Creek Behavioral Health, Conway, AR
- Millcreek of Arkansas, Fordyce, AR
- Millcreek of Magee, Magee, MS
- Norris Academy, Andersonville, TN
- Piney Ridge Treatment Center, Waynesville, MO
- Resource Treatment Center, Indianapolis, IN
- Rolling Hills Hospital, Ada, OK
- UHS of Provo Canyon, Inc., Provo, UT
- Sierra Sage, Minden, NV
- Wyoming Behavioral Institute, Casper, WY

#### **Out-of-State Therapeutic Group Home**

- Falcon Ridge Ranch, Virgin, UT
- Lava Heights, Toquerville, UT
- Woodward Youth Corporation, Estherville, IA
- Youth Health Associates, Clearfield, UT