

Advocating for Louisiana's Children:
Louisiana's Children are Being Placed Out-of-State

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*1st in a Series of Advocacy Papers with Questions for
Louisiana's 2015 Gubernatorial Candidates*

Louisiana United Methodist Children and Family Services, Inc.
More than 110 Years of Ministry to Louisiana's Children and Families

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“Unfortunately, current providers of residential care for children are disappearing. Some have reduced the number of children they care for due to the new licensing regulations. With this loss of providers and beds, I fear we are also losing the potential to create what could be an exceptional network of care for children.”¹

Since those words were penned in August 2013, Louisiana has lost additional residential group homes for children.

If residential services for children were not needed in Louisiana, this loss of providers would be reasonable. However, a number of Louisiana's children and adolescents must be placed in treatment programs in other states because sufficient treatment services are not available in Louisiana.

Louisiana's Coordinated System of Care recently celebrated its third anniversary. Created by an Executive Order issued by Governor Jindal on March 3, 2011,² Coordinated System of Care became operational when Magellan of Louisiana began acting under the supervision of Louisiana's Department of Health and Hospitals' Office of Behavioral Health as the State Management Organization on March 1, 2012.³

The three goals of Coordinated System of Care are: “Reduction in the number of targeted children and youth in detention and residential settings; Reduction of the state's cost of providing services by leveraging Medicaid and other funding sources; and Improving the overall outcomes for these children and their caregivers”.⁴ These are worthy goals. However, the immediate needs of child must be met as these goals are attempted.

General Fund dollars from each of the four state departments responsible to care for children were pooled as match to expand Medicaid funded behavioral health services. The plan was to use \$65.8 million in existing state general funds to draw down a total of \$101 million in additional Medicaid dollars, providing the state with an estimated total state savings of \$16.3 million through fiscal year 2013.⁵

Of course, when Medicaid dollars are “pulled down”, those dollars come with significant strings attached. There have been consequences to Louisiana's child welfare system.

Residential services for children which were in place when Louisiana created the Louisiana Behavioral Health Partnership and Coordinated System of Care were reduced or eliminated before sufficient replacement services have been made available.

During the planning period for Louisiana's Coordinated System of Care, Louisiana's Department of Health and Hospitals determined Louisiana needed 275 Therapeutic Group Home beds for children and adolescents.⁶ Today, June 3, 2014, Louisiana has only 16 of the required Therapeutic Group Home beds.

Louisiana is short by 259 of the needed Therapeutic Group Home beds in communities. Another way of describing the shortfall is to note that Louisiana has about 5% of the required Therapeutic Group Home beds for children. Louisiana has licensed 2 of the needed 35 Therapeutic Group Homes for children and adolescents⁷. (275 required beds divided by the 8 bed maximum per group home requires 35 licensed Therapeutic Group Homes.)

Short of the estimated need and as evidenced by the placement of Louisiana's children in other states, Louisiana does not have sufficient residential treatment services available for children who require out-of-home care. This must be corrected.

The reasons for the shortage of services are several and include the creation of two new Department of Health and Hospitals-licensed levels of residential care in Louisiana without a practical transition plan for providers who might have become licensed as Treatment Group Homes and Psychiatric Residential Treatment Facilities; the underfunding of services; the absence of transitional or start-up funds for providers interested in acquiring one of the two new licenses; and a reduction in reimbursement rates for existing residential care providers who continued under Department of Children and Family Services licensure.

Some former child and adolescent group home providers in Louisiana have closed up shop. Some of these former non-profits had the experience, staff and the heart to become Treatment Group Home providers under the new system, but they could not afford the transition.

There have been hurdles.

The first hurdle is that a provider must be fully operational and fully staffed for the new Therapeutic Group Home license before a licensing inspection can occur. These new licenses require a significant investment on the front end which is never recouped.

The unreimbursed costs associated with additional staff (who must be hired prior to receiving a Therapeutic Group Home license), the costs of licenses for evidence-based treatment practices,

and the costs of accreditation were all financial burdens former group home providers were required to shoulder to become licensed to provide Therapeutic Group Home services.

There was a second hurdle. Even for those former residential providers which may have possessed sufficient financial reserves, the initial per diem reimbursement rate was set too low to fund operations under the new minimum licensing standards. Figuratively speaking, former providers determined they would start out in a hole and never climb out.

Third hurdle: at the same time former providers faced the significant financial costs of new licenses, the per diem reimbursement rates they had been receiving for residential services provided to children and adolescents were cut. Even today, the per diem payment for Non-Medical Group Homes is less than the rate residential group home providers received before Coordinated System of Care was created.⁸

Call to Action

Louisiana does not have the residential services necessary for children and adolescents. Today, without sufficient services for children and adolescents whose needs cannot be met in their families or in foster care, children are being placed in other states. Until necessary services for children and adolescents become available in Louisiana, children will continue to be placed in other states at a distance from their families.

An important task of Louisiana's next governor will be to ensure the intensive treatment services required for children and adolescents are available in our own state.

Questions for Louisiana's Next Governor:

1. How will you ensure Louisiana's children receive out-of-home care in Louisiana?
2. How will you ensure Louisiana has a properly balanced array of services for children and adolescents?
3. How will you ensure Louisiana's providers of out-of-home care for children who cannot live with their families are reimbursed the costs of care?
4. How will you fast track the recruitment of residential service providers sufficient to meet the needs of Louisiana's children?

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