Louisiana Methodist Children's Home
904 DeVille Lane
Ruston, LA 71270-6313
Phone: (318) 255-5020 Fax: (318) 255-6623

**AN OPEN LETTER TO THE LOUISIANA LEGISLATURE**

**RE: Louisiana Legislative Audit,**
***Access to Comprehensive and Appropriate Specialized Behavioral Health Services in Louisiana***

Friday, February 23, 2018

Dear Honorable Louisiana Senators and Representatives,

The Louisiana Legislative Auditor released a performance audit on February 14, 2018, titled, *Access to Comprehensive and Appropriate Specialized Behavioral Health Services in Louisiana*. I believe performance audits like this are essential to the transparency required by the complexity of Louisiana's systems designed to care for children.

While this performance audit by the Louisiana Legislative Auditor is an important step in evaluating children's access to care, it does not provide the full picture. I have written because I want to make sure any decisions you make regarding children's access to treatment are informed by a broader perspective. In my mind, contrary to the impression given by this performance audit, evidence indicates *Managed Care Organizations (MCOs) are the primary barrier to children accessing care in Psychiatric Residential Treatment Facilities*.

I welcome an invitation to speak to you and your staff about this particular issue as well as the overall failure of our state to care well for children during the last three decades.

**ANALYSIS**

As CEO of Louisiana United Methodist Children and Family Services, the organization that operates three of Louisiana's four remaining Psychiatric Residential Treatment Facilities (PRTF), I am very familiar with the barriers which limit children's access to comprehensive and appropriate specialized behavioral health services in Louisiana. Of the 138 remaining PRTF beds in Louisiana, our organization provides 126 of them; 84 in Ruston, 24 in Sulphur and 18 in Mandeville. We provide the only PRTF services for girls, the only PRTF services for boys who have been sexually abused and acted out with others, the only PRTF services for violent children, and the only PRTF services for dually-diagnosed children with developmental disorders

and psychiatric diagnoses. Half of our children are in DCFS custody, half in the custody of their parents.

I hope you will allow me to share additional perspective with you. I believe what I report will make even more transparent the information provided on pages 12 and 13 in the Legislative Auditor's report:

> "Psychiatric Residential Treatment Facilities (PRTFs) in Louisiana provide inpatient psychiatric services to boys aged 5 to 18 and girls aged 11 to 18, and there are four PRTFs in Louisiana with a total of 138 beds as of December 4, 2017. According to OBH, adequate access to PRTFs is a necessary component of a comprehensive array of services for children. OBH notes that PRTF access is affected by provider availability and also may be affected by providers rejecting referrals of youth with particular needs, such as rejecting referrals for youth based on the youth's aggressive behaviors, multiple unsuccessful residential treatment episodes, or complex cooccurring needs such as individuals with both developmental disabilities and behavioral health needs." (Emphasis added.) (*Access to Comprehensive and Appropriate Specialized Behavioral Health Services in Louisiana*, pages 12-13)

**The last sentence of that paragraph provides a long, but only partial explanation of the factors affecting PRTF access for Louisiana's children.** The performance audit notes a few specific reasons PRTF services may have been inappropriate for a particular child, but the subset of reasons does not nearly account for children's inadequate and partial access to PRTF services.

**MCOS NOT MENTIONED AT ALL**

**In fact, the primary barrier to PRTF services for children is not mentioned at all.** By design, *Healthy Louisiana* Managed Care Organizations (MCOs) restrict children's access to PRTF care.

The five *Healthy Louisiana* Managed Care Organizations (MCOs) are the primary limiting factor affecting children's access to PRTF services in Louisiana. This has not always been the case and it only became a significant factor with the integration of behavioral health care into *Healthy Louisiana*.

Prior to the integration of behavioral health services into *Healthy Louisiana*, Magellan acted as the State Management Organization (SMO) for children's behavioral health services. It was much easier for children to access PRTF services then because Magellan acted as a pass-through payer for children's behavioral health services. Unlike *Healthy Louisiana's* MCOs, Magellan could not benefit from restricting the care of children. Magellan's profits were not at risk.

As I understand the fiscal dynamics accompanying the 2015 integration of children's behavioral health services into *Healthy Louisiana*, the five MCOs may benefit by retaining as profit any funds they do not authorize for treatment services.

**CAUSE OF MULTIPLE UNSUCCESSFUL RESIDENTIAL TREATMENT EPISODES**

**OBH reports one reason a PRTF provider might reject a referral of a child is "multiple unsuccessful residential treatment episodes".** *Healthy Louisiana* MCOs create these "multiple unsuccessful residential treatment episodes" when they interrupt a child's care in a PRTF!

I have presented OBH and DCFS with documentation that *Healthy Louisiana* MCOs create multiple placements for children by refusing to authorize residential treatment to completion. When treatment is not completed, "multiple unsuccessful residential treatment episodes" occur. This is an MCO-created problem.

Imagine, following trauma, you enter an Emergency Department with a broken leg and mangled arm. Now, imagine this: halfway through setting your bones and sewing your flesh, your treatment is halted and you are transported elsewhere. Of course, you will not heal properly with incomplete treatment. You will seek intensive care again! Intensive residential care fails the same way. *Nothing good comes from interrupted treatment.*

**UNCONSCIONABLE CONSEQUENCES OF BOUNCING FOSTER CHILDREN AMONG PLACEMENTS**

Prior to the integration of behavioral healthcare into *Healthy Louisiana*, a 15% readmission rate was unusual. On August 9, 2017, I reported to DCFS and OBH that our PRTF readmission rate had risen to 24%. Worse, for children in DCFS custody, the readmission rate for PRTF services was **40%**! **It is absolutely unconscionable that children in DCFS custody are bouncing among placements throughout our state!**

As I reported to the state agencies in August, 2017:

> If a child is discharged from a level of care and then returns, that
> comprises at least 3 actual placements. An example path is PRTF >
> TGH > PRTF. If the first discharge from PRTF occurred before
> treatment was complete, or the treatment offered by the TGH was not
> appropriate to the child's needs - either requiring a readmission
> into PRTF, then the child was moved twice without good reason.

> There is an important body of research into the impact of multiple
> placements for children in child welfare and juvenile justice
> custody. Generally, the more placements, the greater the risk. A good
> initial source is at:

> https://www.childwelfare.gov/topics/outofhome/placement/stability/

> What our DCFS-related readmission information does not indicate are
> the number of placements between the discharge from LMCH and a
> child's readmission. The example path could include more than one
> placement before readmission. For example, PRTF > TGH > HOSP > PRTF.

> For these children, between their first and current admissions
> here, there was an unnecessary placement which effectively added 2
> to the overall number of times these children have been moved. I
> have two thoughts: children are discharging from LMCH before they
> are ready and/or treatment that follows PRTF is not maintaining gains.

> What Louisiana is offering these children is not working for them.

> While they do require residential care, I believe we all agree
> PRTF, as it is configured, is not meeting their needs. In my
> opinion, *PRTF limitations and managed care practices are*
> *interrupting care and disrupting opportunities for stability and*
> *attachment.*

**EMPTY BEDS ARE BAD FOR BUSINESS**

**A grocer who cannot sell groceries goes out of business.** A pharmacist who cannot sell drugs closes shop. Does it really make sense that Northlake, one of Louisiana's five PRTFs during 2017, would close 58 beds on December 4, 2017, if those beds were being used and reimbursed enough to fund their PRTF program as a going concern? In my mind, it does not. So, I reviewed Northlake's PRTF occupancy data for 2017. According to public records, Northlake's PRTF services ran at only 30% occupancy for the year. I do not know whether that was Northlake's intention.

What I know from our own organization's experience is this: it is the *Healthy Louisiana* managed care organizations which determine whether PRTF services are used – not the PRTFs. This is basic. PRTFs with empty beds must cover their on-going staff and operating costs with charitable dollars. Simply put, no PRTF can survive empty beds.

As I reported, Northlake's PRTF ran at 30% occupancy during 2017. Our three PRTFs – Louisiana Methodist Children's Home, Methodist Children's Home of Greater New Orleans, and Methodist Children's Home of Southwest Louisiana – ran occupancy rates of 93%, 74%, and 76%, respectively.

**Availability is NOT a barrier**. On the average day during 2017, Louisiana had 52.8 *empty*, licensed PRTF beds available for children.

In the Fall of 2017, after hearing from stakeholders who believed our PRTF beds remain full, I began emailing a weekly vacancy report to interested stakeholders including DCFS Regional Placement Specialists, OJJ leadership, and Juvenile courts. I want people who are responsible for the care of children to know services *are* available. Even so, getting their children into care past the barriers of *Healthy Louisiana* MCOs is difficult.

Personally, I believe that until it is abundantly clear to the *Healthy Louisiana* MCOs that their **primary** responsibility is the well-being of Louisiana's children who are their members, it will be impossible for Louisiana to create an adequate system of care for children. I believe evidence indicates the fiscal motives of managed care unduly influence the care children receive.

Prior to managed care, this was not an issue in Louisiana. Even during the 2012-2015, *Louisiana Behavioral Health Partnership*, this was not an issue. Today, however, I believe with a structure that incents MCOs to restrict services, *Healthy Louisiana* has created *the* systemic and significant barrier to children accessing and completing treatment.

**SUMMARY AND SOLUTIONS**

As I initially stated, I applaud this performance audit by the Louisiana Legislative Auditor as an important step in evaluating children's access to care. I have provided additional information because I want to make sure any decisions Louisiana's Legislature makes regarding children's access to treatment are made with the larger perspective in mind. In my own mind, evidence indicates MCOs are the primary barrier to children accessing intensive psychiatric residential care.

**Solutions?** Ensuring full access to comprehensive and specialized behavioral health services for children will be a function of removing financial incentives to restrict care, creating mechanisms for the continuous monitoring of child welfare services and outcomes, and trusting Louisiana's child welfare experts – who understand the full range of children's needs – to make the best decisions regarding the care children receive. Specifically:

1 **Remove the profit motive from managing children's behavioral health** by returning to what worked during Louisiana's first managed care model for children's behavioral health, the *Louisiana Behavioral Health Partnership*. Reimplement a pass-through funding model in which MCOs could not profit from restricted care.

2 **There are more child welfare experts in any single DCFS office than on the collected staffs of the *Healthy Louisiana* MCOs**. Trust DCFS and turn to them for the complete picture of a child's need. Wrest decision-making processes away from *InterQual*

computers and understaffed MCO call centers. Restore to Louisiana's Department of Children and Family Services the authority to make decisions regarding the care children receive.

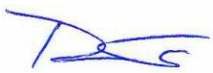
3 To my knowledge, this performance audit is the first of its kind to review access to children's services. **Now that Louisiana has verified lack of access is a critical issue, put protections in place to ensure children's services are routinely monitored to ensure comprehensive and appropriate access is available and utilized**.

Previously, I suggested to the Legislature's Health and Welfare committees and to LDH, that annual reports of out-of-state placements be required by the Legislature. I provided Montana's model legislation as example. I suggested this monitoring because, while Louisiana had empty PRTF beds, MCOs were placing children in under-staffed, out-of-state facilities. *Routine monitoring is necessary, smart, and child-friendly*. Children have no voice of their own. Monitoring mechanisms are critical because complex systems do not listen to children.

4 **Listen to providers**. This particular performance audit seems to have been prepared without use of information obtained from Louisiana's PRTF providers. Today, ***Louisiana has only two PRTF providers*** (and one offers only 12 beds). Louisiana's Legislature must recognize this: without the services of these last two intensive residential care providers, **Louisiana will have no long-term psychiatric services for children and adolescents. That day cannot come.** In my own mind I believe Louisiana's **children benefit most when our Senators and Representatives have access to complete information**.

Thank you for the opportunity to share my perspective about children's access to comprehensive and specialized behavioral health services. If we can provide supplemental information, please accept our invitation to conversation.

Sincerely,



Rick Wheat
President and Chief Executive Officer