



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE

June 9, 2005

Dear Colleague:

Last year the Department of Public Welfare (Department) undertook the Integrated Children's Services Initiative to begin the process of having all child-serving systems plan together for one system. An integrated system allows children access to all appropriate services regardless of what "door" the child enters. The three reasons that the Department is moving toward integrated children's services are: 1) to be child and family focused by enhancing access; 2) to build systems that serve and protect children through increased accountability; and 3) to maximize the use of federal rather than state or local funding for services that are eligible for federal reimbursement.

As part of the next phase of the Integrated Children's Services Initiative, over the past several months, the Department has been working with counties and providers to identify behavioral health treatment services that are eligible for Medical Assistance funding. The purpose of this phase of the initiative is to identify behavioral health treatment services, both residential and community-based, that are eligible for Medical Assistance funding and determine how those services can be paid by the Medical Assistance Program. However, it is neither the intent, nor proposed in the Governor's budget, that all services currently reimbursed through the child welfare and juvenile justice systems will be transitioned to the Medical Assistance Program.

In fact, the proposed budget for 2005-06 provides that only 4% (or \$77 million) of the proposed \$1.8 billion budget for 2005-06 for child welfare/juvenile justice will be transitioned to Medical Assistance funding. As such, the same funding mechanisms will remain available to county children and youth and juvenile justice agencies to pay for necessary services within their systems.

Currently, Department regional office staff from the Offices of Mental Health and Substance Abuse Services (OMHSAS) and Children, Youth, and Families (OCYF) has been meeting with counties and providers to begin the process of identifying and transitioning eligible services and providers. The Office of Medical Assistance Programs is providing support to the regional offices. This will be an ongoing process for the next several months. The intent of these meetings is to identify those services that should be and can be transitioned to Medical Assistance funding. In a few counties, this transition has already begun. Effective July 1, 2005, the transition will begin in all counties. Services that the Department does not identify as appropriate Medical Assistance services will continue to be reimbursed through the child welfare program funding process.

Attached to this letter is a bulletin that describes this phase of the Children's Integrated Services Initiative. We appreciate your continued collaboration and assistance with this important project to better serve children in Pennsylvania. If you have questions, we encourage you to contact your regional offices in OMHSAS and OCYF for further assistance.

Sincerely,

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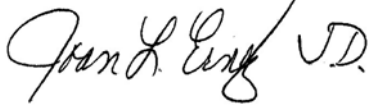

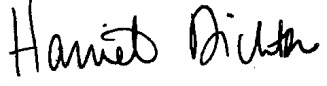
Joan Erney

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Harriet Dichter

Handwritten signature of David S. Feinberg in black ink.

David S. Feinberg

	<b>COMMONWEALTH OF PENNSYLVANIA * DEPARTMENT OF PUBLIC WELFARE</b>		
	<b>NUMBER:</b> 00-05-05	<b>ISSUE DATE:</b> June 9, 2005	<b>EFFECTIVE DATE:</b> July 1, 2005
<b>SUBJECT:</b> Integrated Children's Service Initiative			
<b>BY:</b>  <b>Joan L. Erney</b> Deputy Secretary Office of Mental Health and Substance Abuse Services	<b>BY:</b>  <b>David S. Feinberg</b> Deputy Secretary Office of Medical Assistance Programs	<b>BY:</b>  <b>Harriet Dichter</b> Acting Deputy Secretary Office of Children, Youth and Families	

**SCOPE:**

County Children and Youth Administrators  
 County Children and Youth Fiscal Officers  
 County Commissioners  
 County Human Service Directors  
 Chief Juvenile Probation Officers  
 County Mental Health/Mental Retardation Administrators  
 Juvenile Court Judges Commission  
 Juvenile Detention Centers  
 Private Children and Youth Agencies  
 Single County Authorities

**PURPOSE:**

The purpose of this bulletin is to clarify the Department's policy on payment for behavioral health treatment services for children served in the child welfare and juvenile justice systems and describe the Department of Public Welfare's (Department) Integrated Children's Services Initiative.

**COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:**

Appropriate Regional Office

Origin: Cathy A. Utz 717-705-2912 and Sherry Peters 717-772-7855

**BACKGROUND:**

Last year the Department began the Integrated Children's Services Initiative to ensure that all children have access to the comprehensive range of high quality services available through all public systems, regardless of how the child enters the system. The three reasons that the Department is moving toward integrated children's services are: 1) to be child and family focused by enhancing access to all services funded by the Department; 2) to build systems that serve and protect children through increased accountability; and 3) to maximize the use of federal rather than state or local funding for services that are eligible for federal reimbursement.

This year, as part of Integrated Children's Services planning, the Department has begun an initiative to identify behavioral health treatment services, both residential and community-based, to determine whether and how these services could be more appropriately paid by the Medical Assistance Program. However, the intent of this initiative is not to transition all services currently paid through the child welfare and juvenile justice systems to the Medical Assistance Program. Child welfare funds will continue to be used to support the provision of child welfare and juvenile justice services, including those that are court-ordered.

In fact, the proposed budget for 2005-06 provides that only 4% (or \$77 million) of the proposed \$1.8 billion budget for 2005-06 for child welfare/juvenile justice will be transitioned to Medical Assistance funding. As such, the same funding mechanisms will remain available to county children and youth and juvenile justice agencies to pay for necessary services within their systems.

**DISCUSSION:**

The principles that guide the Integrated Children's Services Initiative include:

- Creating an integrated service system for children to provide access to a continuum of child welfare and juvenile justice services;
- Putting the child's needs first in providing timely access to behavioral health treatment services to children in the child welfare and juvenile justice systems;
- Delivering behavioral health services through coordinated planning processes that involve the behavioral health, child welfare and juvenile justice systems;
- Paying for medically necessary behavioral health treatment services through the Medical Assistance Program for children who are eligible for Medical Assistance;
- Enhancing the quality and monitoring of the delivery of behavioral health treatment services to assure successful treatment outcomes;

- Recognizing that the behavioral health treatment services available to children in the juvenile justice system are delivered in the context of providing balanced attention to the protection of the community, holding children accountable for offenses committed, and to the development of competencies to enable children to become responsible and productive members of their communities;
- Recognizing that the array of services available to children in the child welfare and juvenile justice systems is designed to provide for the children's care, protection, safety and wholesome mental and physical development.

The Department will work with counties and providers to identify the services that are delivered by providers that may be enrolled in the Medical Assistance Program. This initiative should not be construed to preclude children and families from receiving needed services; nor is it meant to disrupt continuity of care for children and families. The multiple and complex needs of dependent and delinquent children can best be addressed with a wide range of services, some of which are behavioral health treatment. By developing a broad array of services from varied funding sources, the Department expects that a comprehensive system of services will be available to children to meet their unique needs.

### **PROCEDURE:**

Beginning on January 1, 2005, the Department began transitioning the payment for certain behavioral health treatment services for eligible children and families to the Medical Assistance Program in five counties. Statewide, this transition will begin on July 1, 2005. The Department acknowledges that not all services will be identified and not all eligible providers will be enrolled by July 1, 2005, or even by June 30, 2006.

As part of this initiative, the Department will assist each county in identifying those providers that are eligible to be enrolled in the Medical Assistance Program in either the managed care or fee-for-service delivery system because they deliver behavioral health treatment services. Expansion of the Medical Assistance network to include qualified providers with which counties currently contract will ensure that providers who are familiar with the complex needs of children served by the child welfare and juvenile justice systems remain available, while being reimbursed through the appropriate funding mechanism. This effort will not result in all services that are provided to or purchased on behalf of children and families becoming behavioral health treatment services. Only those services that have a qualified treatment component will be included in this transition.

In identifying services that have a qualified treatment component, the Department considered behavioral interventions that include a clinical service component delivered in the home, school or community, such as psychological and psychiatric evaluations; individual, group and family therapy; day treatment programs; drug and alcohol

services; community-based placement and residential treatment. Medical Assistance funds are available to pay for services if the following criteria are met:

- the service is covered by the Medical Assistance Program;
- the service provider is enrolled in the Medical Assistance Program;
- the individual receiving the service is a Medical Assistance recipient; and
- the services are medically necessary, as defined in the Department's regulations and contracts with the behavioral health managed care organizations (BH-MCOs).

Those services that do not have a qualified treatment component, are delivered by a provider not enrolled in the Medical Assistance Program, are provided to an individual who is not eligible for Medical Assistance, or are determined to be not medically necessary will continue to be reimbursed consistent with the child welfare funding program (for residential programs, see Medical Assistance Bulletin (MAB) 1157-95-01 – Mental Health Services Provided in a Non-JCAHO Accredited Residential Treatment Facility for Children Under the Age of 21, p. 12, and MAB 1165-95-01, Update – Joint Commission on Accreditation of Health Care Organization (JCAHO) Accredited RTF Services, p. 3.

As this transition occurs, the Department recognizes that some children and families are currently receiving behavioral health services from a provider who will not be enrolled in the Medical Assistance Program. To ensure continuity of care as the transition to the Medical Assistance Program occurs, it is not the intent to require that a child be moved to a Medical Assistance provider if such a transfer is not in the child's best interest. In these instances, the county may claim reimbursement consistent with child welfare program funding requirements and maintain documentation of the reasons for not moving the child in the child's case record.

Requests for authorization for Medical Assistance payment for services, as well as appeals from decisions to deny or reduce services, must be submitted in accordance with existing Department policies and procedures.

### **JUVENILE COURT JURISDICTION:**

The Department recognizes that the Juvenile Act confers the authority on the juvenile court to enter dispositional orders that are directed to the needs of dependent and delinquent children. (See 42 Pa. C.S. §§ 6351, 6352). This initiative is not intended to and will not interfere with the court's authority to enter such orders. One of the principles that guide this initiative is to provide children who are alleged or adjudicated dependent or delinquent with timely access to behavioral health treatment services. The Initiative will therefore have the effect of assisting the court in entering its dispositions. At the same time, court-ordered services for which Medical Assistance funding is not available will continue to be reimbursed consistent with the child welfare funding program.