

# HB 167

*"An Act relating to the care of children  
in state custody placed in nonprofit institutions outside the state."*

Representative Zack Fields  
House Health & Social Services

May 2, 2023

# HB 167

HB 167 seeks to **improve in-state care and reduce reliance** on for-profit out of state psychiatric residential treatment facilities (PRTF).

Excessive reliance on out-of-state PRTFs **is expensive, abusive, and perpetuates systematic violence against predominantly Alaska Native children.**

The result is that the State of Alaska **pays high costs, often provides substandard care, sometimes even harming the mental and behavioral health of kids.**

# 2022 DOJ Report:

1. In Alaska, children with behavioral health challenges are **institutionalized out of state at high rates and for long periods**.
2. Many of these children are **eligible** for community-based services and supports that Alaska offers through Medicaid, however **the state has failed to provide necessary services** to the extent that it violates Title II of the Americans with Disabilities Act (ADA).
3. With the adoption of the Medicaid 1115 Waiver, the State of Alaska **must endeavor to provide the necessary community services for children** in integrated and appropriate settings that do not rely excessively on institutionalization.
4. For-profit institutions have been shown in many cases to be **abusive, ineffective and expensive**.

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## INVESTIGATION OF THE STATE OF ALASKA'S BEHAVIORAL HEALTH SYSTEM FOR CHILDREN

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United States Department of Justice  
Civil Rights Division

December 15, 2022

# Failing Kids

## Department of Justice investigation finds Alaska unnecessarily institutionalizes children, violating federal law

By Michelle Theriault Boots

Updated: December 16, 2022

Published: December 16, 2022

Being institutionalized “can be devastating for children — and uniquely so for Alaska Native children, compounding the trauma of past generations when Alaska Native youth were routinely taken from their communities and sent to boarding schools,” the report says.

**Alaska worked to bring kids home from Outside psychiatric institutions. Now, more are being sent away again.**

By Michelle Theriault Boots

Updated: May 26, 2019

Published: May 21, 2019

**‘Part of the same system’: DOJ investigates similarities between Indigenous boarding schools, mental health treatment facilities**

Another teenage girl had been living in a psychiatric institution in Utah for eight months but could “very likely return” to her home, a village near Bethel, if the services she needed were available somewhere nearby. But there were no services for her, so she remained locked up in Utah.

# Long History of Alaskans sent to Outside facilities

## Investigation Of Hospital's Profits Opened

Institution Caring  
For Alaskan Mental  
Patients Scrutinized

By A. ROBERT SMITH

Times-Washington Correspondent



THE OREGONIAN, SUNDAY, JULY 24, 1955

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*Coes Deny 'Shocking' Profits,  
Defend Morningside Policies*

Page 6 — Fairbanks News-Miner, Monday, Sept. 19, 1955

## Government Launches Audit Of Morningside Hospital

By A. ROBERT SMITH

Times-Washington Correspondent

## INSANE PATIENTS SOON TO GO OUTSIDE

Marshal Love Is Perfecting Arrangements to Send the Four Unfortunates to Oregon Asylum as Soon as the Grand Jury Takes Action in the Case of Mrs. Blanche Duval—Deputation With Marshal and Guards Will Make Large Party.

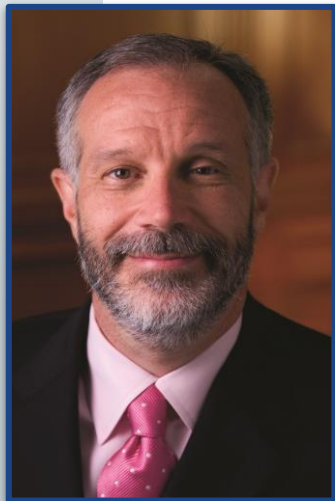
*Morningside  
Hospital*

PORTLAND, OREGON

# Profits, not patients, come first in many facilities



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United Health Services  
CFO Steve Filton

Chief Financial Officer Steve Filton told investors Wednesday morning that revenue per adjusted day in the behavioral division had risen from pre-pandemic 2%-3% annual increases to 5%-6% during the last several quarters. For Q1 2023, the increase was 5% year over year.

"As we continue to hire more people in those capacity constraints, you know, there's a change in the dynamic with the payers," Filton told investors. "In many instances, I think we're still going to have leverage with the payers in many of our geographies. ... Their choices and their options to have their patients treated at other settings, at least in some geographies, is severely limited. I think we've been pretty successful, and at the end of the day, that revenue per adjusted day is evidence of that."

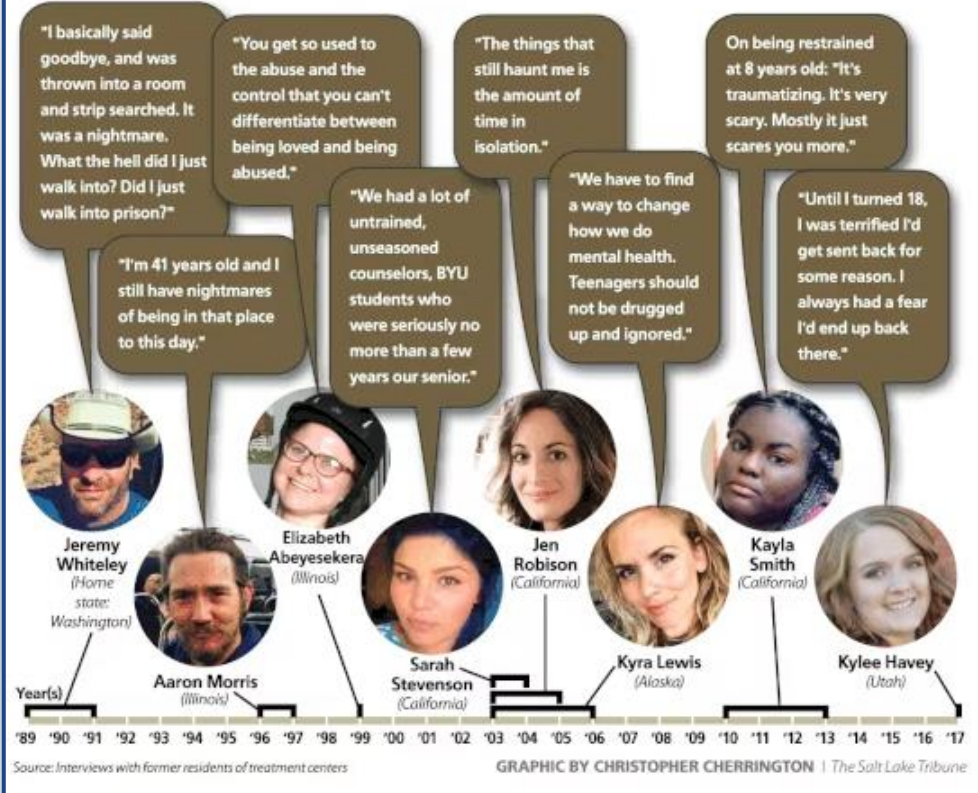


# Provo Canyon School

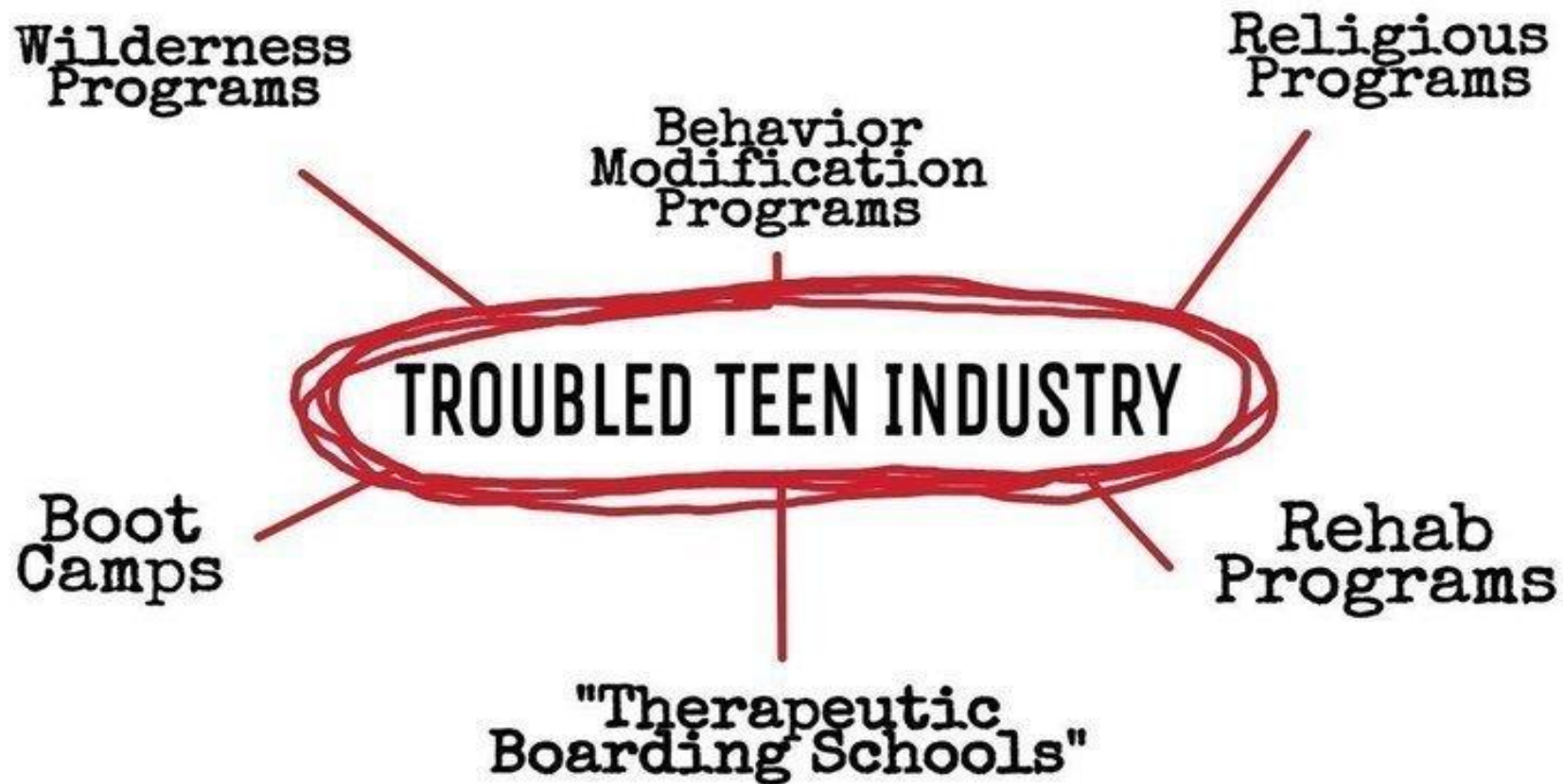
- Provo Canyon is one of many PRTFs owned by Universal Health Services.
- Provo Canyon has a **history of abuse** allegations that span decades. Despite repeated complaints, Alaska continues to send children to Provo Canyon.
- According to the Alaska DOH, approximately **345** Alaskan children were sent to Provo Canyon between 2012-2022.
- Alaska spent more than **\$31 million** in Medicaid funding over **six years** sending **511 kids** to PRTFs like Provo Canyon in Utah.

## Trauma at Provo Canyon School

One of Utah's biggest residential treatment centers, Provo Canyon School, also has been a consistent source of complaints. Eight former residents talked to The Salt Lake Tribune.



# Profits Over Patients As Described by Private Equity:



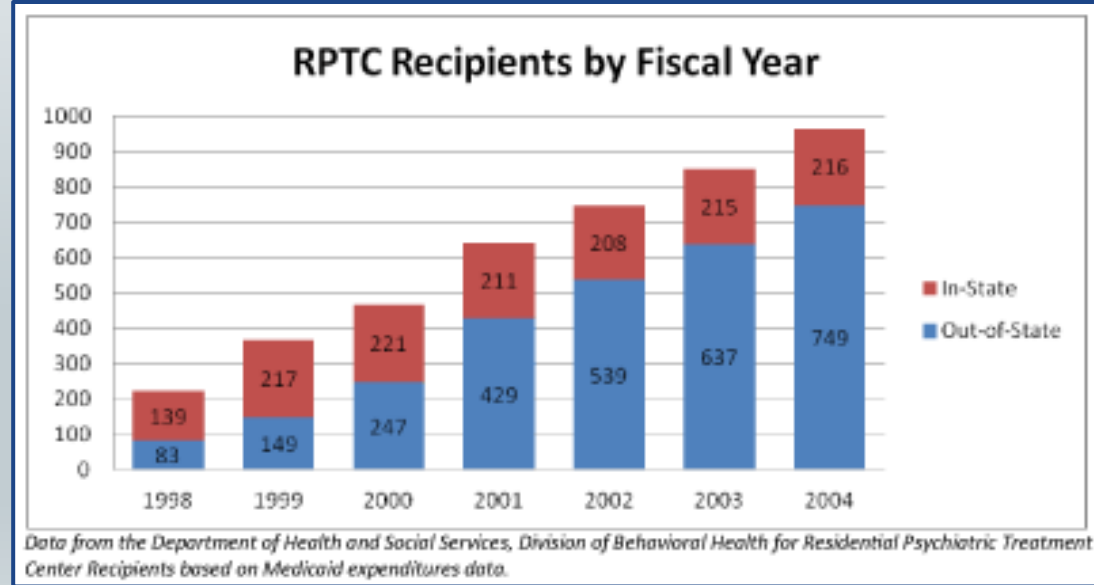


# Bring The Kids Home: A Model That Works

The Bring The Kids Home (BTKH) Initiative was established in 2004 by the Alaska DHHS and the Alaska Mental Health Trust to address the high numbers of out-of-state placement of children and to provide resources for in-state treatment.

## Primary Goals:

1. Significantly **reduce** the numbers of Alaskan youth placed in Outside PRTFs.
2. **Build capacity** and core competencies of in-state providers to serve children with all levels of behavioral health needs.
3. Develop an **integrated, culturally-competent system** to serve children as **close to home** as possible

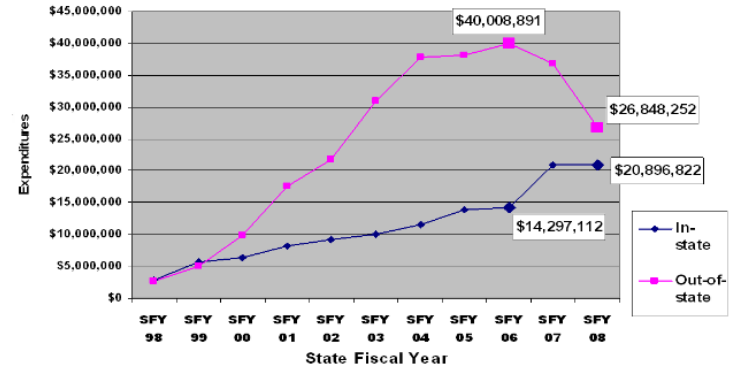


# Bring the Kids Home (Con't)

## Accomplishments

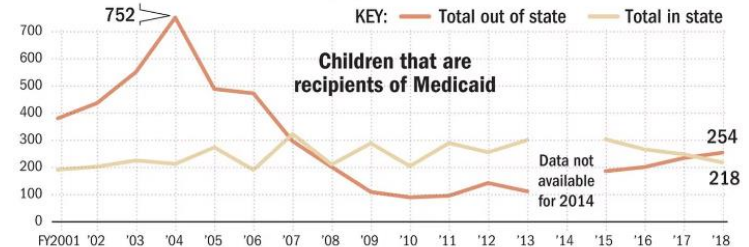
- 28 new BTKH operating grants helped develop services in **12 communities**.
- During FY 06/07 **56 new in-state beds** were developed.
- Funded expanded **culturally-competent**, close to home, tribal mental health services that accessed **100% federal reimbursement rate**.
- Addressed workforce issues with **new grants** through training and mentoring.
- In FY 2007, **enrolled 58 students** in new “Residential Services Certificate Program”.

Shift In RPTC Expenditures

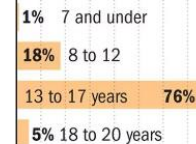


Data for FY05-07 are from Behavioral Health based on paid claims for Medicaid data. Expenditure data for FY08 are from Finance Management Services and includes all claims incurred and paid in FY08 and claims incurred in FY08 and paid in the first quarter of FY09.

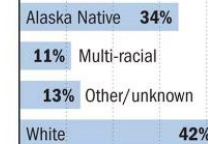
Alaska children sent to Outside psychiatric residential treatment centers



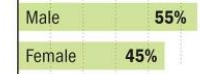
By age, FY 2015-18



By race, FY 2015-18



By sex, FY 2015-18



Source: Alaska Department of Health and Social Services

KEVIN POWELL / Anchorage Daily News

Totals and look for FY 2015-18 by demographics

# Bring The Kids Home, again

Bartlett Regional Hospital saw a need in the region to alleviate the high number of youth placed in out of state psychiatric facilities.

- Addresses **urgent mental health** needs by providing the first crisis center for youths in Southeast Alaska.
- Reduces the number of children experiencing a behavioral health crisis who must leave their communities and families.
- 8-bed capacity, 24/7 crisis care.
- Provides **23-hour crisis observation** and stabilization and crisis residential services up to 7 days.



An architect's depiction shows the first crisis stabilization center for youth and adults in Southeast Alaska, now under construction at Bartlett Region Hospital and scheduled for completion in March of 2023. Among the goals for the center is reducing the number of youths experiencing a behavioral health crisis who must leave the community and receive treatment away from their families. (City and Borough of Juneau)

Juneau Bartlett Regional Hospital's  
first crisis stabilization center for youth

# Context and What's Next:

- The State is negotiating with USDOJ, and a negotiated agreement may provide guidance on how Legislature can support better in-state care.
- Workforce shortages and API being over capacity are opportunities to look at systems improvement now.
- If the Legislature wants to support improvement of care in communities, this bill is an opportunity to convene
  - Department of Health / Department of Family & Community Services
  - Alaska Mental Health Trust Authority
  - Tribal Entities
  - Stakeholders..to provide guidance on how legislature can support Bringing the Kids Home.

**Questions?**