

Congress of the United States
House of Representatives
Washington, DC 20515-1501

December 10, 2019

The Honorable Kim Reynolds
Governor
State of Iowa
1007 East Grand Avenue
Des Moines, Iowa 50319

Dear Governor Reynolds:

I write to express my concern regarding the recently announced closure of Hillcrest Family Services' Subacute Mental Health Services Program in Dubuque. Hillcrest's difficult decision to discontinue subacute services is largely credited to the state's system of privatized Medicaid and a lack of investment in critical health services.

The Hillcrest Family Services' Subacute Services Program has reportedly operated a loss for about a year and simply could not continue to keep its doors open.¹ Already, Iowa ranks last in the nation when it comes to the availability of in-patient psychiatric treatment and is experiencing a shortage of mental health providers, including psychiatrists.² At a time when Iowans are already struggling to access mental health services, this closure is heartbreaking.

Low and inconsistent reimbursements from Medicaid managed care organizations made it impossible for Hillcrest Family Services to continue offering subacute care.³ In the last several years, Hillcrest was forced to go without hundreds of thousands of dollars owed to them by the big insurance companies controlling our state's Medicaid program.⁴ The state's failure to address the ever-growing problems within Medicaid managed care has put access to mental health care for all Iowans at risk.

¹ "Hillcrest Family Services will discontinue two programs due to lack of funding," *KCRG TV-9*, <https://www.kcrg.com/content/news/Hillcrest-Family-Services-will-discontinue-two-programs-due-to-lack-of-funding-565350192.html>.

² Doris Fuller, et. al., *Going, Going, Gone: Trends and Consequences of Eliminating State Psychiatric Beds, 2016* (Treatment Advocacy Center, Arlington, June 2016); "Iowa Must Act To Alleviate Mental Health Care Deficit," NAMI Iowa, <https://namiiowa.org/iowa-must-act-to-alleviate-mental-health-care-deficit>.

³ *Ibid.*; "Hillcrest Family Services will discontinue two programs due to lack of funding," *KCRG TV-9*, <https://www.kcrg.com/content/news/Hillcrest-Family-Services-will-discontinue-two-programs-due-to-lack-of-funding-565350192.html>.

⁴ "Hillcrest operating subacute unit while waiting on payments from Iowa Medicaid managed care organizations," *KCRG TV-9*, <https://www.kcrg.com/content/news/Hillcrest-operating-subacute-unit-while-waiting-on-payments-from-iowa-Medicaid-managed-care-organizations-499349361.html>.

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Earlier this year, the U.S. Department of Health and Human Services' Office of the Inspector General announced that it would investigate Medicaid managed care organizations and how well they are serving patients. For your awareness, I plan to share a copy of this letter with Acting Inspector General Joanne Chiedi.

The experiment of privatized Medicaid has failed in Iowa and I strongly oppose the state's decision to continue with this model of care. In the interest of preventing future closures, I stand ready to work with you to transition toward a Medicaid program that puts Iowa patients and health care providers first. I thank you for your attention to this matter.

Sincerely,



Abby Finkenauer
Member of Congress

CC: The Honorable Joanne Chiedi