Residential Treatment Care for Children – Why and When is it Appropriate?

The Residential Treatment Center (RTC) has been a mainstay in New Mexico in the out-of-home treatment of youth with behavioral health disorders. The safety and well-being of youth with behavioral health issues have been addressed by RTCs, and the utilization of this service reflects the concerns of many, including judges, social workers, juvenile probation and parole officers, mental health professionals and advocates. With the absence of other treatment resources, RTCs have been the first choice of many individuals for providing treatment to vulnerable youth with behavioral health issues.

Nevertheless, studies have shown that RTC services for youth with behavioral health issues are proportionately over-utilized in New Mexico compared to community-based treatment.


- The Legislative Finance Committee’s 2006 report of the New Mexico Interagency Behavioral Health Collaborative (Collaborative) recommended a shift of the system from residential to community-based care.

The data from these studies and information from national reports (Surgeon General Report on Mental Health and President’s New Freedom Commission are two major reports) support a system that is fundamentally built upon a community-based model. In New Mexico, the development of more community-based treatment and supports for youth with behavioral health issues is required in order to move toward a lower utilization of residential treatment services and therefore a more balanced service delivery system.

As part of the move toward evidence-based practices and community-based treatment, ValueOptions New Mexico (VONM), as the statewide entity for behavioral health in New Mexico, has begun to take a closer look at the utilization of residential treatment for children and adolescents and to identify where community-based treatment and support would be a more appropriate clinical decision. The process by which this increased scrutiny is occurring is consistent with Medicaid regulations and is being reviewed in an ongoing process by the Collaborative.

VONM, the Children, Youth and Families Department (CYFD) and the Collaborative have reviewed utilization data regarding residential placement approval/denial by VONM. This review will be an ongoing process.

In December 2006, VONM began to scrutinize the utilization more closely and the numbers of denials began to increase modestly. VONM believes that the most significant change regarding residential treatment services in the past few months has been an increased scrutiny of all requests for RTC services. VONM is looking at the
medical necessity for RTC services in all cases and whether community-based treatment and support would be a more appropriate intervention for each youth in discussion. The expectation of these changes is to move toward a more balanced service array for youth in need of treatment.

VONM is currently looking carefully at each request for services to determine:

- What services does the child need?
- Are community-based services both appropriate and available?
- Is residential treatment most appropriate or only option for the child at this time?

When a request for RTC services is denied by VONM and the recommended lower level of care for a youth is not available in the child’s community, VONM will approve the higher level of care until an appropriate alternative is identified, assessed, and secured for the youth.

VONM is working closely with CYFD and the Collaborative to develop a plan for an appropriately balanced service delivery system and methods to move toward that balance. VONM and CYFD have met with a sample of providers to discuss and obtain input into the immediate needs of the system. Discussion has taken place to address the prompt development of community-based services and the longer term planning processes.

Additional insights and suggestions of concerned parties, such as judges, probation officers, social workers and advocates, are both welcomed and encouraged. This total input will be solicited following the presentation of an initial plan to the Collaborative on March 29, 2007.