Strategic Financing for Multi-Tiered School Mental Health Services

Center for School Mental Health
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Frank Rider MS and Elizabeth V. Freeman MSW, LISW-CP & AP
American Institutes for Research
Workshop Objectives

- Learn five-step process to develop an actionable financing plan to provide necessary school mental health services.
- Learn how to apply the strategic financing process to a multi-tiered system of supports.
- Identify primary funding streams and strategies for school mental health services.
“It Takes A Village…”

Wisdom of Whole School, Whole Child, Whole Community Approach:

- Student health, mental health, well-being affects learning success
- Poverty, disability, discrimination, illness, instability inhibit learning
- Student health, well-being affects learning

Student MH Needs Are Prevalent, Costly

- One in five students experience MEBD
- Many with significant MH needs receive no care
- At least some MH problems are preventable
- Poorly addressed MH problems bear great costs
- Much at stake for schools, communities, agencies
Partnering for Student Learning Success Makes Sense

When health, MH, social services, public safety systems share effort with schools:

- Generate cost-effective approaches
- Generate long-term positive outcomes
- Magnify one another’s successes
- Avoid frustration of disjointed, fragmented and “blaming-shaming approaches”
Collaborative Investments in Student Success Generate Enormous Returns

- The Graduation Effect*
- Value of avoiding terrible outcomes
- Body of evidence includes:
  - Safe Schools, Healthy Students investments
  - Systems of Care investments
  - The Finance Project - Case Studies

*http://impact.all4ed.org/#effect/income/united-states/all-students/
Strategic Financing in a Nutshell

Five Step Process:
1. Form SMH Partnership Funding Team
2. Clarify what funding you will need, by when
3. Map current funding and resources
4. Select financing strategies and funding sources
5. Make and execute a financing action plan
Step 1: Form SMH Partnership Funding Team

Multi-faceted membership should reflect:

- Both technical (financial and regulatory) and programmatic (best practices) expertise.
- Diverse students and family perspectives
- Empowered representatives of partnering sectors (e.g. public/primary/behavioral health, public safety/justice, social services)
Step 2: Clarify Funding You Need, by When?

- Services and supports:
  - Types?
  - How many children/youth? How many families?
  - For how long?

- Infrastructure needs
- Supportive operations (e.g., contracting, data collection/CQI)
- Unique costs of “ramping up”
- What other costs?
**Work in 3-D: Full Array of Services/Strategies in Comprehensive MH Services System**

**Indicated Intervention:**
- Specialized
- Individualized
- Systems for students with high-risk behavior

**Selective Intervention:**
- Specialized Group
- Systems for Students with at-risk behavior

**Universal Prevention:**
- School/classroom wide systems for all students, staff, and settings
What SMH Capacities Are Required?

- Awareness
- Screening, early detection
- Early intervention
- Treatment
- Support (including family)
- Follow-up/aftercare
## Sample Financing for What? Worksheet

<table>
<thead>
<tr>
<th>Services, Program Components, activities to develop and sustain</th>
<th>Over what time period will we develop and implement?</th>
<th>At what pace will we scale up then sustain them?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure Investments</td>
<td></td>
<td>Year 1</td>
</tr>
<tr>
<td>SMH Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-Tiered Interventions &amp; Supports</td>
<td>Tier 1</td>
<td></td>
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<tr>
<td></td>
<td>Tier 2</td>
<td></td>
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<tr>
<td></td>
<td>Tier 3</td>
<td></td>
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<tr>
<td>Consultation/TA</td>
<td></td>
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<tr>
<td>Training &amp; Staff Development</td>
<td></td>
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<tr>
<td>CQI Processes</td>
<td></td>
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<tr>
<td>Data Collection</td>
<td></td>
<td></td>
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<tr>
<td>Other Operating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What else?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Sample Cost Estimates Worksheet

<table>
<thead>
<tr>
<th>STRATEGIES/ACTIVITIES</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>INFRASTRUCTURE INVESTMENTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMH Partnership Team</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Website: set-up, maintenance</td>
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</tr>
<tr>
<td>SERVICES AND SUPPORTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBP Interventions (Tiers 1, 2, &amp; 3)</td>
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<tr>
<td>on-line cost-out tools at</td>
<td></td>
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</tr>
<tr>
<td><a href="https://www.cbcsecosttoolkit.org">https://www.cbcsecosttoolkit.org</a></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMH services on site at school</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>TRAINING, TA, CONSULTATION</td>
<td></td>
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<tr>
<td>MANAGEMENT &amp; ADMINISTRATION</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>CQI Processes</td>
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<td></td>
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<tr>
<td>Evaluation / Data Collection</td>
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<tr>
<td>TOTAL</td>
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</tbody>
</table>

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Step 3: Map Current Spending, Resources

- Ongoing funding streams, amounts
- In-kind contributions
- Complementary spending by other systems
- Infrastructure components that will persist
- Operational spending that will persist
- Grant funds/one-time funds?
- What else?
K-12 Education Funding Comes From:

- State Funds: 44%
- Local Revenues: 35%
- Federal Funding Streams: 11%
- Private Sources (*e.g.* tuition): 9%

U.S. Department of Education

[http://www2.ed.gov/about/overview/fed/role.html](http://www2.ed.gov/about/overview/fed/role.html)
State and Local School Funding:

*How Does Your State Pay for Schools?*


https://schoolfinancesdav.wordpress.com/

- State Aid to Education:
  - General Formula
  - Targeted Funding Programs
- Local Taxes:
  - General Formula
  - Targeted Funding Programs/Initiatives
Federal Education Funding:

- Every Student Succeeds Act (*ESSA*)
- Individuals with Disabilities Education Act (*IDEA*)
- Additional federal education funding programs (*workforce development, research and demonstration, targeted programs*)
Health Care/MH Coverage for Children:

- Medicaid
- Children’s Health Insurance Program (CHIP)
- Private Insurance (Employer-Sponsored, Individual Marketplace - including ACA subsidies)
- Uninsured
- Other Health Care Resources
Some Strategies to Fund SMH Programs

For a “FEW”

Provide for “SOME”

What school/community supports/resources do we have in place for “ALL”

- School District funds
- Medicaid EPSDT
- ESSA (Title $)
- Medicaid Admin (MAC) contracts with community agencies, non-profits

MH, BH, SA – public/private coverage
- SB Health Centers
- Hospital Systems
- IDEA
- Medicaid “Free Care”

Integrate, infuse EBPs in school/district curriculum
- Train-the-Trainer
- District, partners equip, supply

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## Sample Resource Mapping Worksheet

<table>
<thead>
<tr>
<th>Strategies/Activities</th>
<th>Source of Funds</th>
<th>Amount</th>
<th>Restriction on Uses of Funds, if any</th>
<th>Expected Timeframe Funding is Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure Investments</td>
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<tr>
<td>Services and Supports</td>
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<tr>
<td>Training, TA, Consultation</td>
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<tr>
<td>Management and Administration</td>
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</tbody>
</table>
After Step 3: Assess Your Spending Gap

What is the gap between current spending and projected fiscal needs?

- by services/supports
- by subpopulations
- by strategy and activity
- by fiscal year
## Sample Funding Gap Analysis Worksheet

<table>
<thead>
<tr>
<th>Strategies/Activities</th>
<th>Year 1</th>
<th></th>
<th>Year 2</th>
<th></th>
<th>Year 3</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Cost</td>
<td>Available Resources</td>
<td>Gap</td>
<td>Total Cost</td>
<td>Available Resources</td>
<td>Gap</td>
</tr>
<tr>
<td>Infrastructure &amp; Capacity</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services and Supports</td>
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<td></td>
</tr>
<tr>
<td>Operational (eg. MIS, CQI)</td>
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</tr>
<tr>
<td>Management / Administration</td>
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</tbody>
</table>

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Step 4: Select Finance Strategies, Funding Sources

Five basic financing strategy options:

A. Redeploy existing resources
B. Refinance to maximize public funds
C. Optimize private insurance resources (e.g. Affordable Care Act coverage)
D. Create new funding structures
E. Raise new revenues
Option A: Re-Deploy Existing Resources

... from high-cost/low-impact ones, to invest in lower cost/higher impact options.

Examples of high-cost, low impact spending?

Examples of lower cost, higher impact spending?
**Option B: Refinance to Maximize Public Funds**

### Examples of Public Funding Sources That Can Pay for Mental Health Services for Children and Their Families

<table>
<thead>
<tr>
<th>Category</th>
<th>Sources</th>
</tr>
</thead>
</table>
| **MEDICAID**                      | Rehabilitation Option  
Targetted Case Management  
EPSDT  
1915(b) & (c) Waivers  
1915(i) state plan amendments  
Clinic Services |
| **MENTAL HEALTH**                | State General Fund  
County General Fund  
Federal MH and SA Block Grants  
Private Insurance |
| **JUVENILE JUSTICE**             | State General Fund  
Federal Grants  
County General Fund |
| **EDUCATION**                    | State/County General Fund  
Local General Fund  
Federal Education Funds (ESEA, IDEA) |
| **OTHER**                        | County General Fund  
City General Fund  
Federal, state or local grant funds  
Foundation Revenue |

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**AIR**

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SMH Funding Mechanisms

✓ Public and private community health providers
✓ Mental health and behavioral health providers
✓ Hospitals
✓ County health clinics
✓ Human service districts
✓ Private providers of third party payers
✓ Contracts between schools and agencies
Assess Your State Health/MH Systems

**Questions to consider:**

- What type of revisions are needed to ensure funding is reimbursable for provider types?
- Are revisions needed to accredit/certify more professionals to provide services?
- Are revisions needed to ensure sufficient supervision is provided by each provider type?
- Other revisions for system effectiveness?
A Few Words about: Medicaid Administrative Claiming

- Can reimburse 50% of school costs for allowable administrative functions [Cost Allocation Plan]:
  - (Re-)Enrollment of students in Medicaid
  - Translation/interpreter services
  - Coordination of EPSDT services
  - “No Wrong Door”

- Must explain and justify procedures used by the State agency to identify and measure costs.
Grant Funding – Types:

- Public / Private
- Public:
  - Formula grants (e.g. ESSA Titles, OJDDP)
  - Block grants (e.g. MH, SUD, Community Development)
  - Discretionary/Project Grants
- Philanthropic/Business: (e.g. seed funding, operating, demonstration)
Option C: Optimize Private Insurance

- ACA subsidizes Qualified Health Plans
- Cover young adults to age 26 on parents’ plans
- Approved preventive services (no out-of-pocket cost)
Option D: Create New Funding Structures

- Blended funding pools (e.g. flex funds)
- Case rates (e.g. Wraparound Milwaukee)
- Care Coordination in schools

Braided funding *(examples)*:

- CAPTA, EPSDT for developmental, MEBD screening;
- Use Special Education funds for Tier 2 groups; use Medicaid ("free care rule"); private insurance for Tier 3 individualized services.

Accountable Care Organizations (ACA)
Option E: Raise New Revenues

- St. Louis Co. “Putting Kids First” (2008)
- Ohio - PAX Good Behavior Game (2014)
- NYC THRIVE Initiative ($850-million, 2016)
- California “Millionaires’ Tax” (2004) 
  *Mental Health Services Act - Prop. 63*
- Pay for Success / Social Impact Bonds
Step 5: Develop, Generate Support for, and Execute Financing Action Plan

- Scan environment for opportunities, threats
- Select the most promising financing strategies
- Prioritize selected strategies for action
- Identify specific action steps
- Generate support for plan
- Be persistent and dynamic
Identify Specific Action Steps

*Who will do*  
*What,*  
*by When?*  
*And How will we know?*
Take-Away Messages:

1. Identify wide range of partners who share schools’ interest in supporting students’ success
2. Match funding strategies to service delivery and costs at each tier
3. Diversify, braid and leverage funding and resources to spread burden, reduce risk and sustain comprehensive approaches
4. Strategic financing for SMH programs is an ongoing endeavor.
Discussion:

1. What promising ideas/examples can you share about SMH funding strategies?

2. What questions do you have about school mental health financing?
For more information, contact:

Frank Rider  
Financing Specialist,  
American Institutes for Research  
frider@air.org

Elizabeth V. Freeman  
SMH Financing Specialist,  
American Institutes for Research  
efreeman@air.org