A Strategic Financing Approach to Sustain School-Associated Mental Health Services

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American Institutes for Research



Objectives

- ☐ To learn a basic five-step process to develop an actionable financing plan to provide necessary behavioral health services (screening, assessment, treatment and support) for students.
- ☐ To learn how to apply the strategic financing process to both screening/assessment and treatment/support services.
- ☐ To examine at least four primary funding streams (Medicaid/CHIP, special education, state/local discretionary funds, and commercial insurance) for their potential to pay for necessary behavioral health services for students.



Why Is It Important to Learn about Financing?

1. Many children/families are experiencing poor outcomes; all children/families deserve the best we know how to do.

2. Ineffective services:

- Waste limited available system resources without intended positive outcomes; and
- Systems and communities cannot afford the longterm costs of failure.



Why might we feel like "fish out of water..."





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Why Do Many of Us Lack Confidence When It Comes to Financing Work?

Please share your thoughts about this with us



Why Do Many of Us Lack Confidence When It Comes to Financing Work?

- Financing work is not what attracted us to this work.
- Financing work is complicated.
- We prefer to avoid aspects of our work where we feel less competent.
- "Surely there must be someone else around here whose responsibility it is to be our financing expert."



What Motivations Can Counteract My Lack of Confidence to Tackle Financing?

Please share your thoughts about this with us



What Motivations Can Counteract My Lack of Confidence to Tackle Financing??

I am deeply invested.

I have seen what is possible when our system approaches are adopted at wide scale. As a champion/early adopter:

- If I know how to optimize revenue, then I can spread the benefit of our innovations to more children/students and families.
- Job security, for me and my colleagues.

If not me, then who?"

- Financing professionals may not share my understanding and passion for our innovation.
- Waiting for higher-ups to take care of financing they might not share my priority.



What Can Increase My Confidence to Tackle School Mental Health System Approaches to Sustain Financing?

Please share your thoughts about this with us



What Can Increase My Confidence to Tackle Sustainable SMH Financing?

- Ability to articulate both a clear vision, and a clear pathway to accomplish it.
- Basic understanding of strategic financing.
- "Interpreters" who can provide basic fluency in financing vocabulary
- Knowledge of various funding options for school mental health systems from which to develop a menu of selected options and viable financing strategies.



What Can Increase My Confidence to Tackle Sustainable SMH Financing?

- Access to peer support
- Access to information resources and tools
- Sharing responsibility with others for finance planning
- Confidence borne of:
 - Clear and convincing evidence of great outcomes
 - Demonstrated in Return on Investment [ROI]
 - Testimonials from young people and families.



Aces up Our Sleeves:

- 1. Children and youth represent a "sympathetic" population.
- 2. Strengthening families appeals across the political spectrum.
- 3. We cannot afford the cost of failing to implement the effective practices at the heart of school mental health programs.

Cost of *not* providing effective support and treatment for young people with social and emotional challenges is significant:

- Immediate related costs wasted service dollars
- Long-term/societal costs, including intergenerational costs



Building Our Financing Literacy: A Brief Vocabulary Lesson

- ☐ Appropriation, budget, expenditure
- □ Blended funding
- Braided funding
- Medicaid versus Medicare
- ☐ EPSDT Medicaid [Early Periodic Screening, Diagnosis & Treatment]
- ☐ "In-kind"
- Matching funds
- ☐ Flexible funds ("flex funds")



Strategic Financing in a Nutshell

Five Step Process:

- 1. Clarify what you will need, by when
- 2. Map current funding and resources
- Determine gaps between needs versus existing resources
- 4. Select financing strategies and funding sources
- 5. Make and execute a financing action plan



Step 1:

Clarify What You Need, by When?

What will you need to pay for?

- Services and supports:

 - ☑ How many children/youth? How many families?
- Infrastructure needs
- Supportive operations
 (e.g., contracting, continuous quality improvement)
- Unique costs of "ramping up"
- Other costs?





Financing for What? Worksheet

Strategies and activities, services and supports that we want to develop and sustain	Over what time period will we develop,	At what scale and pace will we build and sustain them?				
	implement and sustain?	Year 1	Year 2	Year 3		
Infrastructure Investments						
SMH Services						
Multi-Tiered Interventions & Supports		AWA				
Consultation/TA						
Training & Staff Development		M N				
CQI Processes						
Data Collection						



Sample Cost Estimates Worksheet

STRATEGIES/ACTIVITIES	2015-16	2016-17	2017-18
INFRASTRUCTURE INVESTMENTS			
School-Community SMH Advisory Team			
SMH Multi-Tiered Services & Supports			1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1
Website: set-up, maintenance			
SERVICES AND SUPPORTS			
EBP Interventions (Tiers 1, 2, & 3) (unit cost x dosage x # of children/year.)			
SMH services on site at school			
Case rate (monthly cost x # months x # of children/families per year)			
TRAINING, TA, CONSULTATION	A. S. J. S. A. S.		
Training of Staff on SMH procedures			
EBPs ongoing training/staff support	- N. W. N.		
MANAGEMENT & ADMINISTRATION			
CQI Processes			
Evaluation / Data Collection			
TOTAL			



Step 2: Map Current Spending

What resources do we already have to work with?

- ☑ Ongoing funding streams, amounts
- ☑ Matching resources that will remain available
- ✓ In-kind contributions
- Complementary spending by other systems
- Existing infrastructure components that will persist
- ☑ Existing operational spending that will persist
- ☑ What else?



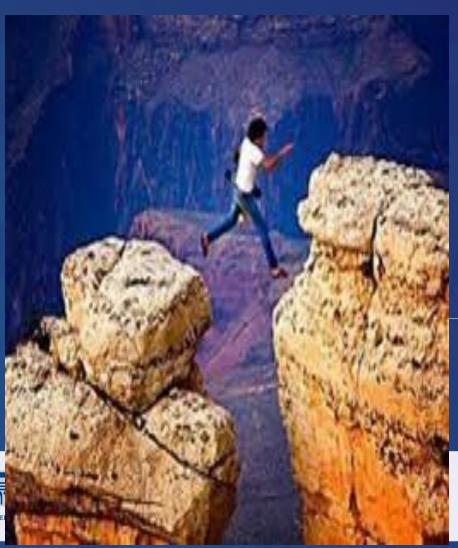


Sample Resource Mapping Worksheet

Strategies/ Activities	Source of Funds	Amount	Restriction on Uses of Funds, if any	Expected Timeframe Funding is Available
Infrastructure Investments				
Services and Supports				
Training, TA, Consultation		- <u>A</u> (A)		
Management and Administration				



Step 3: Assess Your Spending Gap



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

- by services and supports
- by subpopulations
- by strategy and activity
- □ by fiscal year



Sample Funding Gap Analysis Worksheet

Strategies/ Activities	2015-16			2016-17		2017-18			
	Total Costs	Available Resources	Gap	Total Costs	Available Resources	Gap	Total Costs	Available Resources	Gap
Infrastructure & Capacity									
Services and Supports		1							
Evaluation/ Data				1 1					
Collection									
Management & Administration									



Step 4: Select Financing Strategies and Funding Sources

What combination of funding strategies can fill our spending gap? Five basic financing strategy options (you can mix and match):

- A. Redeploy existing resources
- B. Refinance to maximize public funds
- C. Optimize private insurance coverage under Affordable Care Act
- D. Create new funding structures
- E. Raise new revenues



Option A: Re-Deploy Existing Resources

... from high-cost, low-impact, services and activities; to invest in lower cost and/or higher impact options.

Examples of high-cost, low impact spending?
1
2
Examples of lower cost, higher impact spending?
1.

Please share examples from your work?



Option B: Refinance to Maximize Public Funds

EXAMPLES OF PUBLIC FUNDING SOURCES THAT CAN PAY FOR MENTAL HEALTH SERVICES FOR CHILDREN AND THEIR FAMILIES

MEDICAID

Rehabilitation Option Targetted Case Management EPSDT 1915(b) & (c) Waivers 1915(i) state plan amendments Clinic Services

CHILD WELFARE

Federal Title IV-E (foster re/adoption)
Federal Title IV-B (CW services)
Federal Family Preservation
State General Fund
County Child Welfare General Fund

PRIMARY and PUBLIC HEALTH

State, County General Funds Title V – Maternal & Child Health Fee for 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





Medicaid (and S-CHIP) Spending

- Largest single funder of MH/BH care for Americans
- Medicaid covers 22% of the US population (72 million people)
- Medicaid expenditures account for 16% (about 1/6th) of all national healthcare expenditures
- Total Medicaid and S-CHIP expenditures FFY 2011 = \$397.6-billion

Source: Kaiser Family Foundation (March 2015), Medicaid Moving Forward (http://kff.org/health-reform/issue-brief/medicaid-moving-forward/)



Medicaid

- Eligibility based on financial/categorical need
- Federal/State match (Federal Medical Assistance Percentage) and varies considerably by state and territory
- State Medicaid agencies and federal Center for Medicaid Services (CMS):
 - Determine the extent of who is eligible
 - ✓ Determine services: type, amount, duration and scope
 - Determine the delivery system for services
 - Establish provider types, qualifications
 - ✓ Set payment rates for services
 - ✓ Administer the day-to-day operations

Centers for Medicare & Medicaid Services, FY 2013 Justification of Estimates for Appropriations Committees



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
- ✓ Training and technical assistance



Assess Your State MH/BH Systems

Questions to consider:

- What services are reimbursable in clinics, schools, and community?
- What type of reimbursement system is available?
- What type of professionals are certified to provide each service?
- What type of supervision and medical oversight is required?



Assessing State Systems

Review your state's options for funding school MH services:

- State Medicaid plan for departments of Health and Human Services (HHS), Mental Health, Drug & Alcohol
- CHIP State Plan on Medicaid.gov website
 - ★ Find your state plan

http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Childrens-Health-Insurance-Program-CHIP/CHIPRA.html

* Follow the link to your state's plan (on right side of website)

http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Childrens-Health-Insurance-Program-CHIP/CHIP-State-Program-Information.html



What Is Medicaid's EPSDT Benefit?

Early and Periodic Screening, Diagnosis, and Treatment

- Entitled benefit for all children enrolled within mandatory Medicaid eligibility groups
- States must cover preventive and primary care, including dental, hearing, vision care, and mental/behavioral health services that are medically necessary
- EPSDT also covers long-term care needs of children with special healthcare needs (e.g., therapies, medical equipment, support services)

Reference "EPSDT: A Guide for States" (CMS, 2014)

<u>http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Downloads /EPSDT_Coverage_Guide.pdf</u>



IDEA, Part C

(enacted in 1986, rules amended in 2011)

- Early intervention services for infants and toddlers with disabilities
- November 2011 rules amendment changes:
 - √ Family engagement
 - ✓ Child find/evaluations/assessments/eligibility
 - ✓ Intensive Family Support Program development, implementation, and review
 - ✓ Transition from Part C to other programs
 - Coordination with Head Start/Early Head Start, early education, and child care programs.



Medicaid Administrative Claiming

- Provides schools with reimbursement for administrative services through the Public Assistance Cost Allocation Plan, (e.g. methodologies, claiming mechanisms, interagency agreements, and other relevant issues) that will be used when claiming and appropriately allocating costs.
- Cost Allocation Costs must be supported by an allocation methodology that includes a narrative description of the procedures that the state agency will use in identifying and measuring costs.
- School-Based Services The school setting provides a unique opportunity to enroll eligible children in the Medicaid program, and to assist children who are already enrolled in Medicaid to access the benefits available to them.

<u>http://www.medicaid.gov/medicaid-chip-program-information/by-topics/financing-and-reimbursement/medicaid-administrative-claiming.html</u>



US Department of Education – Discretionary Grants

Race to the Top:

- State Grants: http://www2.ed.gov/programs/racetothetop/awards.html
- Early Learning Grants:
 - http://www2.ed.gov/programs/racetothetop-earlylearningchallenge/ awardsphase-1.html
- District Grants:
 - ☑ http://www2.ed.gov/programs/racetothetop-district/awards.html

State Personnel Development Grants (SPDG) funded by Office of Special Education Programs (OSEP)

Grantees: <u>http://www.signetwork.org/content_pages/5</u>

Safe Supportive Schools

Grantees: http://safesupportiveschools.ed.gov/index.php?id=106



Option C: Optimize Private Insurance

- ACA subsidizes Qualified Health Plans
- Young adults to age 26 coverage on parents' plans
- Approved preventive services at no out-of-pocket cost

Example: Cobb County SD, Georgia

Example: Kershaw County, SC



Option D: Create New Funding Structures

- Blended funding pools (e.g. flex funds)
- Case rates (Wraparound Milwaukee)
- Care Coordination in schools
- Braided funding define, examples:
 - ☑ Use CAPTA or EPSDT for developmental, MEBD screening;
 - ☑ Use Special Education funds for Tier 2 groups; use Medicaid, private insurance for Tier 3 individualized services.
- Accountable Care Organizations (ACA)



Option E: Raise New Revenues

- ☑ Tobacco settlement funds (1998)
- ☑ California "Millionaires' Tax" (2004)
 Mental Health Services Act Prop. 63
- ☑ 3 Ohio counties tax levy for PAX Good Behavior Game (May 2014) http://paxis.org/news/view/ohio-counties-pass-levy-to-support-pax-good-behavior-game
- Pay for Success / Social Impact Bonds



Example of Financial Mapping: Core Funding SourcesFinancial Resources for SMH Program

	11 11	Federal Funds	State Funds	Community Funds	Grant Funds
	Total Amount Expended	Medicaid	CHIP; DHHS; DOE; MH/BH Block Grants	ED / Schools; JJ / LE; MH/BH; Youth agencies	
	By Service Type	Victor in the			
	Screening				
	Assessment and diagnostic evaluation				
	Training		$A \cap \{1, \dots, N\}$	V 1 1 1 1 1	
	Parent support & training	- NA - V			
	Care Coordination				
	Wraparound			1 1 1	
	Physical health services				
	Mental/behavioral health services				



School Mental Health Funding Examples:

Children's Service Fund

- * St. Louis County, MO
 - County tax funds SMH programs
 - Community MH staff provides services responding to a RFP
 - Services reimbursed through this fund

Community Foundation Funding

- * Blue Cross Blue Shield Foundation of South Carolina
 - Has funded SMH projects in rural SC for the past 9 years at 10 new schools each year
 - SMH program funds a nurse and a mental health counselor to work in schools
 - Health clinic and mental health county provider sustain services through their agency funding



Funding Examples of State Medicaid Plan Improvements to Better Support School MH Services

- ★ Michigan IDEA Medicaid revised to include Tier 2 & 3 MH counseling sessions by school professionals
- * South Carolina DOE developed a Psychosocial Behavioral Health Rehab Medicaid Standard for Tiers 2 and 3 counseling; DMH supplies state reoccurring funds for rural SMH
- * Arkansas DSS revised SW job description to provide care coordination services in the schools; state cross agency partnership to blend-braid funding for SMH treatment
- ★ Alabama DOE and MH developed cross system funding to support SMH programming
- ★ Tennessee SMH funding for case managers in schools for Tier 2 and 3 services
- ★ California "Mental Health Services Act" (MHSA) SMH program funded through additional tax, and local ownership of SMH program development to fit local needs



Step 5: Develop, Generate Support for, and Execute Financing Action Plan

- ☑ Scan environment for opportunities and threats
- ☑ Select the most promising financing strategies
- Prioritize selected strategies for action
- ☑ Identify specific action steps



Identify Specific Action Steps

Who will do

What,

by When?

And How will we know?



The Costs of System Failure

School Mental Health initiatives can reduce poor outcomes in terms of both avoidable human suffering, and quantifiable costs to our whole American community:

- Substance abuse estimated cost to society = \$370,000
 - \$970,000 per person over lifetime
- Criminality estimated costs of a "life of crime" =
 \$1.3-million \$1.5-million per person.
- School dropout estimated cost to society =
 \$243,000 \$388,000 per person over lifetime

Jones, Dodge, Foster & Nix (2002), Conduct Problems Prevention Research Group



Costs of System Failure:

High School Dropout Example

Reducing school dropout rate to 10% = \$260,000 increased income per person over lifetime; each dropout costs taxpayers \$292,000 over lifetime. *US Census Bureau estimates; Northeastern University*

United States: \$8.1-billion in lost income per year (\$1.3-billion annual federal tax revenue and \$661-million annual state/local tax revenue)

http://impact.all4ed.org/#effect/income/united-states/all-students/

New York: \$374-million in lost income

(\$50-million per year loss of local and state tax revenue)

North Carolina: \$333-million in lost income (\$45-million annual tax receipts)

South Carolina: \$194-million in lost income (\$18-million annual tax receipts)
Local impacts (state and local tax revenue per year):

Syracuse NY - \$2.8-million; Rochester NY - \$4-million; Elmira NY - \$200,000 Raleigh/Cary NC - \$4.3-million Columbia SC - \$3.5-million



Calculate same for <u>your</u> state/community, using tools at http://impact.all4ed.org/

Additional Funding Options



SAMHSA Block Grants

Flexible:

- Can "seed" new services (e.g., start-up expenses)
- Can pay for infrastructure costs
- Can serve otherwise unserved/underserved populations
 (e.g., infants and toddlers; military veterans/families; LGBTQ students)

Two SAMHSA block grants made to each state:

- Substance Abuse Prevention and Treatment Block Grant
- Community Mental Health Services Block Grant

National scan of states' use of SAMHSA block grants (2013) at: http://www.pasocpartnership.org/uploads/media/Block%20Grant%20Scan%209-23-13.pdf



SAMHSA Discretionary Grants

- Project LAUNCH
- Safe Schools/Healthy Students
- Children's Mental Health Initiative –
 Systems of Care expansion grants
- Garrett Lee Smith Suicide Prevention
- Now Is The Time Healthy Transitions

SAMHSA Grantee Locator Database:

http://www.samhsa.gov/grants-awards-by-state



Child Welfare Funding Streams

- Title IV-B Subpart 2: Promoting Safe and Stable Families (family preservation)
- Title IV-E: Foster Care and Adoption Assistance
- Title XX: Social Services Block Grant
- Title IV-E Waiver Demonstration Projects
- 29 states have existing waivers:
 http://www.acf.hhs.gov/sites/default/files/cb/waiver_summary_table_active.pdf
- Child Abuse Prevention and Treatment Act (CAPTA)



Child Abuse Prevention and Treatment Act

(enacted 2003, amended 2010)

- States must refer certain children under age 3 to early intervention services under Part C of IDEA.
- The CAPTA Reauthorization (2010):
 - Encourages family participation in case planning and placement
 - Requires that newborns diagnosed with fetal alcohol spectrum syndrome receive appropriate referrals to CPS by health care providers
 - ✓ New sexual abuse-related provisions
 - ☑ Mandates criminal record checks for other adults living in adoptive and foster homes



Leverage Contemporary Workforce Development Opportunities

Example: Health Resources and Services Administration (HRSA)

- Help to train the next generation of healthcare professionals
- Improve the diversity of the workforce
- Reorient workforce toward interdisciplinary, patient-centered care through targeted support to students and clinicians and grants to colleges, universities and other training institutions

"Our FY 2013 budget request places a strong emphasis on investing in programs that take important steps toward implementing health care reform and improving healthcare access for underserved populations."

Mary K. Wakefield, Ph.D., R.N., HRSA Administrator, FY 2013 Congressional Justification for the Health Resources and Services Administration (HRSA)



Workforce Development Opportunities and Higher Education Partnerships

- HRSA Mental and Behavioral Health Education and Training Grants – Professionals, and Para-Professionals http://www.hrsa.gov/grants/apply/assistance/behavioralhealth/index.html
- ☑ Health Profession Opportunity Grants
 http://www.acf.hhs.gov/programs/ofa/programs/hpog
- ✓ Veterans Employment & Training Service (Dept. of Labor – VETS): http://www.dol.gov/vets/
- ☑ Trade Adjustment Assistance Community College and Career Training Grant Program http://www.doleta.gov/grants/pdf/SGA-DFA-PY-13-10.pdf
- ✓ Workforce Innovation & Opportunity Act (2014) http://www.doleta.gov/WIOA/



Show Me the Money!

Never Overlook the Obvious:

Federal grants and cooperative agreements (e.g. ED, CMHI, ACF)

Think Outside the Box:

New Federal/State opportunities - (Medicaid waivers, plan amendments; NITT grants; HRSA/DoL workforce development, Title 4E Waivers)

Where the Action Is: Private Insurance – MH Parity (e.g. Qualified Health Plans through the ACA Marketplace exchanges)

Redeploy funds into more cost-effective services

Box? What Box?

Private-Public Partnerships with United Way/community organizations, private foundations, social impact bonds [Pay for Success], corporate grants, and higher education partnerships

Transcend the Slice, and Grow the Pie!

Leverage individual and family strengths and assets, natural and other informal supports



Reference Resources: Billing Codes (for Medicaid, CHIP, and commercial insurance)

• HRSA – SAMHSA State Billing Worksheets www.integration.samhsa.gov/financing/billingtools#billing -- tools and resources

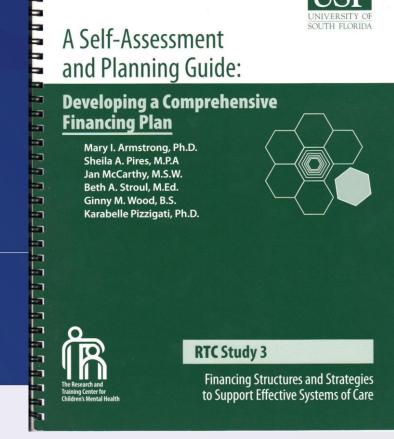
• Medical Billing/Coding Guides, Training Course www.MedicalBillingAndCoding.org (it's free!)



Financing Self-Assessment and Planning Guide (url on next slide)

GUIDE CONTENTS:

- Identification of Current Spending and Utilization Patterns Across Systems
- Realignment of Funding Streams and Structures
- Financing of Appropriate Services and Supports
- Financing to Support Family and Youth Partnerships
- Financing to Improve Cultural/Linguistic
 Competence and Reduce Disparities
- Financing to Improve the Workforce and Provider Network
- Financing for Accountability





Additional Resources:

Something Old, Something New...

1. Something Old:

Developing a Comprehensive Financing Plan to Support Effective Systems of Care – Self-Assessment/Planning Guide

http://rtckids.fmhi.usf.edu/rtcpubs/hctrking/pubs/AssessPlanGuide2006/default.cfm? sm_au_=iVVHDTkH7WDQnWSr

2. Something New:

Partner Build Grow – Action Guide/Tools and Resources Center for Health and Health Care in Schools (2015) http://actionguide.healthinschools.org/

3. Something Borrowed:

Communication Planning for Program Success & Sustainability
Self-Paced On-line Learning Module
http://airhsdlearning.airws.org/communicationmodule1/story.html

4. Something Else:

Resource Library – National Resource Center http://www.healthysafechildren.org/resource-library?sshs_topic=65



MENTAL HEALTH FINANCING IN THE UNITED STATES: A PRIMER

MENTAL HEALTH
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Prepared by:

Rachel L. Garfield

Kaiser Commission on Medicaid and the Uninsured





Kaiser Commission on Medicaid and the Uninsured (2011)

https://kaiserfamilyfoundation.files.wordpress.com/2013/01/8182.pdf



Center for School Mental Health Online Learning Modules (free!)



Community-Partnered School Behavioral Health Implementation Modules

- 1. Community-Partnered School Behavioral Health: An Overview
- 2. Operations: An Overview of Policies, Practices, and Procedures
- 3. Overview of School Language and Policy
- 4. Funding Community-Partnered School Behavioral Health
- Resource Mapping
- 6. Teaming
- 7. Evidence-Based Practices and Programs: Identifying and Selecting EBPs
- 8. Implementation Science: Lessons for School Behavioral Health
- 9. Data Informed Decision Making
- 10. School Behavioral Health Teacher Consultation
- 11. Psychiatry in Schools
- 12. Starting Early: Supporting Social Emotional Development & School Readiness
- 13. School Behavioral Health Program Evaluation 101
- 14. Ten Critical Factors to Advance State and District School BH Objectives
- 15. Working with State Leaders to Scale-Up School BH Programming



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Discussion: What additional questions do you have about school mental health financing?



THANK YOU

for Being a Champion for School Mental Health in your Community!

