

Strategic Financing for Multi-Tiered School Mental Health Services

**Center for School Mental Health
22th Annual Conference
October 2017**

**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

www.ascd.org/programs/learning-and-health/wsc-model.aspx

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:

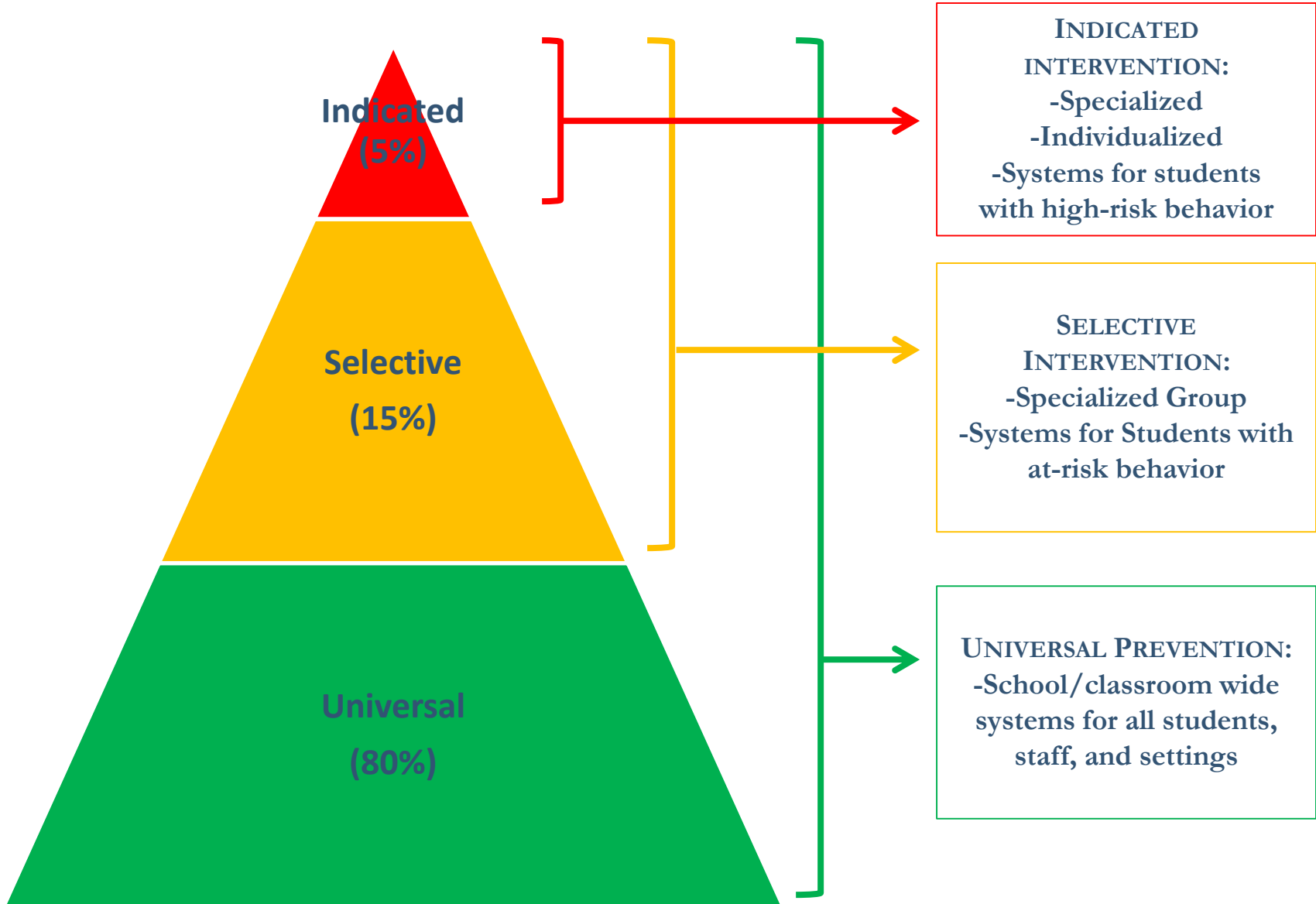
- Both technical (financial and regulatory) and programmatic (best practices) expertise.
- Diverse students and family perspectives
- Empowered representatives of partnering sectors (e.g. public/primary/behavioral health, public safety/justice, social services)

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



What SMH Capacities Are Required?

- ✓ Awareness
 - ✓ Screening, early detection
 - ✓ Early intervention
 - ✓ Treatment
 - ✓ Support (including family)
 - ✓ Follow-up/aftercare
-

Sample *Financing for What?* Worksheet

Services, Program Components, activities to develop and sustain	Over what time period will we develop and implement?	At what pace will we scale up then sustain them?		
		Year 1	Year 2	Year 3
Infrastructure Investments				
SMH Services				
Multi-Tiered Interventions & Supports	Tier 1			
	Tier 2			
	Tier 3			
Consultation/TA				
Training & Staff Development				
CQI Processes				
Data Collection				
Other Operating				
<i>What else?</i>				

Sample Cost Estimates Worksheet

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

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>

State and Local School Funding:

How Does Your State Pay for Schools?

50 State Survey of School Finance Policies (2015)

<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

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

For a
“FEW”

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

Provide for
“SOME”

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

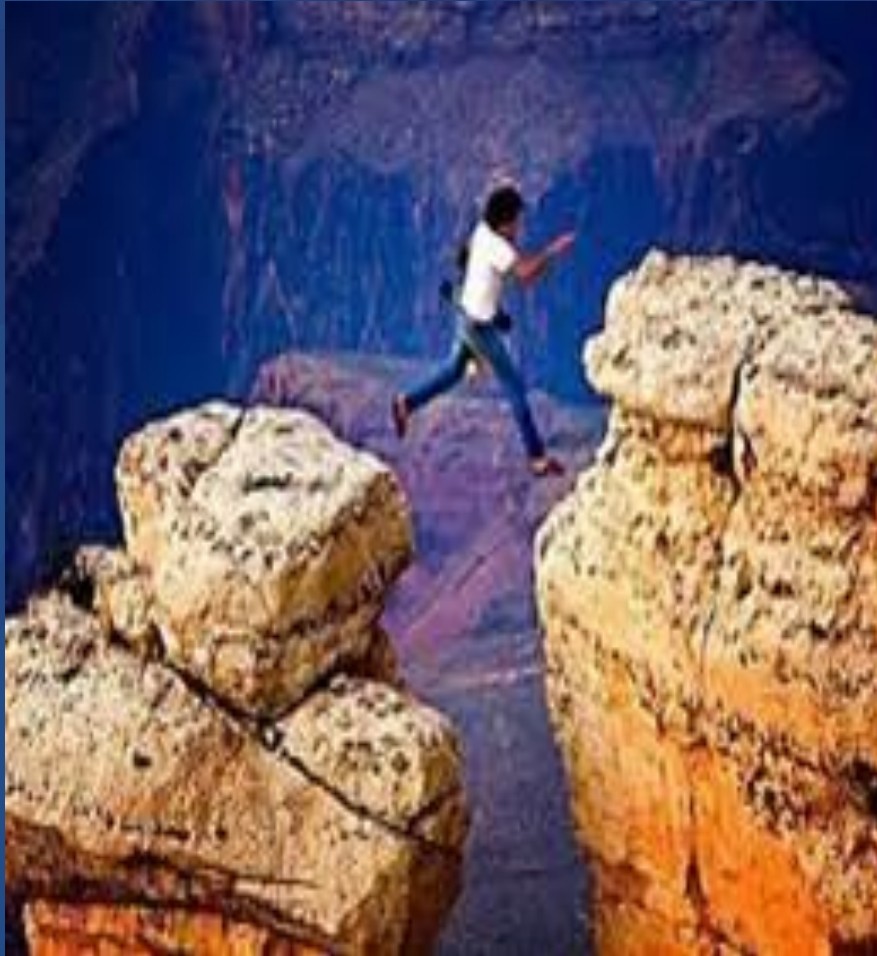
What school/community
supports/resources do we
have in place for “ALL”

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				
Management and Administration				

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

Strategies/ Activities	Year 1			Year 2			Year 3		
	Total Cost	Available Resources	Gap	Total Cost	Available Resources	Gap	Total Cost	Available Resources	Gap
Infrastructure & Capacity									
Services and Supports									
Operational (eg. MIS, CQI)									
Management / Administration									

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

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



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