Symposium
Effective Financing Strategies for Systems of Care: Examples from the Field

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Introduction
Findings from the study, Financing Structures and Strategies to Support Effective Systems of Care
- Case study design
- Tests conceptual theory regarding a hypothesized set of financing structures and strategies
- Investigates and describes how these strategies operate in states and communities to create effective financing policies for systems of care

Goals of the Study
- Develop a better understanding of the critical financing structures and strategies needed to support effective systems of care
- Examine how these financing components operate separately and collectively
- Promote policy change through dissemination of study findings and technical assistance to state and local policymakers and their partners

Study Products
- Issue Brief 1: Effective Strategies to Finance a Broad Array of Services and Supports
- Issue Brief 2: Effective Strategies to Finance Family and Youth Partnerships
- Effective Financing Strategies for Systems of Care: Examples from the Field — A Resource Compendium for Developing a Comprehensive Financing Plan (COMING SOON!)

Overview
Symposium describes and provides examples of the seven strategies that are integral to developing a financing plan to support effective systems of care:
1. Identifying spending and utilization patterns
2. Realigning funding streams and structures
3. Financing appropriate services and supports
4. Financing to support family and youth partnerships
5. Financing to improve cultural and linguistic competence and reduce disparities in care
6. Financing to improve the workforce and provider network
7. Financing for accountability

Identify Spending and Utilization Patterns for Children’s Behavioral Health
Use of Customized, Web-Based IT Systems
- Erie County, NY — Care Manager
- Cuyahoga County, OH and Wraparound Milwaukee — Synthesis
- Choices (IN, OH, MD) — The Clinical Manager
- Project Bloom (CO) — TSOC (Tracking System of Care)
Statewide IT Systems
- Arizona
- California
- Hawaii
- New Jersey
### Utilize Diverse Funding Streams from Multiple Systems

| Source          | AZ | HI | VT | NE | NJ         | WX | MI | PA | WA | CA | OR | NV | TX | MS | IN | MI |
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| Juvenile Justice| X  | X  | X  | X  | X          | X  | X  | X  | X  | X  | X  | X  | X  | X  | X  |
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| Health          | X  | X  | X  | X  | X          | X  | X  | X  | X  | X  | X  | X  | X  | X  | X  |

### Example of Use of Diverse Funds from Multiple Systems: Contra Costa County, CA

- Medi-Cal (Rehab Option, EPSDT, TCM, Clinic Option)
- Federal MH Block Grant
- Prop 63 – MHSA
- Sales tax and vehicle licensure fees
- Other State general revenue (e.g., SB 90)
- AB 3632 (Special Education)
- SB 163 AFDC-FC
- AB 1650 Early Childhood Mental Health
- County general revenue
- Mentally Ill Offenders Criminal Reduction Act State grant
- Federal SAMHSA system of care grant and Federal ACF system of care grant

### Pool, Blend or Braid Funds

#### Example: Wraparound Milwaukee

- **VITAL HEALTH:**
  - Per Participant Care Rate
  - Per Capita Contract
  - Child and Family Team
  - Care Coordination
  - Plan of Care

- **FAMILIES UNITED:**
  - $30M Per Participant Case Rate
  - Care Coordination
  - Child and Family Team
  - $300,000

#### Example: Central Nebraska

- Integrated Care Coordination Unit – Region 3 BHS and Central Area Office of Protection and Safety share costs of personnel, space, supplies, equipment
- Multisystemic Therapy – Development financed by Federal system of care grant, Medicaid pays portion of costs as intensive outpatient, Region 3 BHS pays for remainder of costs
- School Wraparound – Local school districts and Region 3 BHS share costs for space and personnel; Schools pay for educational facilitator; Region 3 BHS pays for family facilitator

### Share Costs Across Systems

- Example: Wraparound Milwaukee
  - $450,000 in general revenue from child welfare and
  - $450,000 in general revenue from education as match to expand MUTT – led to $650,000 expansion for schools and $800,000 expansion for child welfare with Medicaid
  - FFP

### Maximize Use of Medicaid

- Cover broad service array (e.g., Arizona, Hawaii)
- High eligibility levels for Medicaid and SCHIP (Hawaii, Vermont)
- Using general revenue from other child serving systems as Medicaid match

#### Example: Wraparound Milwaukee

- $450,000 in general revenue from child welfare and
- $450,000 in general revenue from education as match to expand MUTT – led to $650,000 expansion for schools and $800,000 expansion for child welfare with Medicaid
- FFP

### Use Multiple Medicaid Options

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Re-Direct Spending from “Deep End” Placements

Arizona
- 2003-39% of funding supported 3.6% of children in out-of-home (IP & RTC)
- 2006-25% of funding supported 2.6% of children in out-of-home (mainly TFC)

New Jersey
- 2000-72% of spending was on IP and RTC
- 2005-39% of spending was on IP and RTC

Wraparound Milwaukee
- Inpatient utilization declined from 5,000 days a year to 200
- RTC utilization declined from an average daily population of 375 to 50 youth

Create a Locus of Cross-System Management Accountability for High Utilizing Populations, Including Use of Care Coordinators and Parent Partners

Lead Government Entity
- Central Nebraska Integrated Care Coordination Unit
- Wraparound Milwaukee
- Hawaii Child and Adolescent Mental Health Division
- Cuyahoga County, OH System of Care Office

Lead Nonprofit Agency
- Choices in Marion County, IN; Hamilton County, OH; Baltimore City, Montgomery County and St. Mary’s County, MD
- New Jersey Care Management Organizations

Use Risk-Based Financing and Managed Care Technologies

Case Rates
- Choices: case rate tiers ranging from:
  - $6,500 (highest complexity) to $4,290 (very high risk of out-of-home placement) to $2,780 (community based care, no placement costs) to $1,565 (primarily care coordination) – includes cw, j, educ. dollars; not Medicaid
- Cuyahoga County, OH: $1,602 pmpm (for care coordination only) – Medicaid dollars only
- Central Nebraska: $2,137 pmpm (for care coordination, placement and support services) – does not include Medicaid

Use Risk-Based Financing and Managed Care Technologies

Risk Adjusted Capitation Rates
- Arizona: $600 pmpm for child welfare population compared to $35 pmpm for general child population
- Wraparound Milwaukee:
  - $1,520 risk adjusted capitation rate from Medicaid
  - $3,500 pmpm average case rates from child welfare and juvenile justice

Finance an Extensive Array of Services and Supports

- Study assessed coverage of an extensive list of services and supports
- States and communities studied cover virtually all of the services with few exceptions (e.g., therapeutic nursery)

Array of Services Assessed

- Nonresidential Services
  - Assessment and diagnostic evaluation
  - Outpatient therapy – individual, family, group
  - Medication management
  - Home-based services
  - School-based services
  - Day treatment/partial hospitalization
  - Crisis services
  - Mobile crisis response
  - Behavioral aide services
  - Behavior management skills training
- Residential Services
  - Therapeutic foster care
  - Therapeutic group homes
  - RTC services
  - Inpatient hospital services
- Supportive Services
  - Care management
  - Respite services
  - Wraparound process
  - Family support/education
  - Transportation
  - Mental health consultation
Examples: Additional Covered Services

- Arizona
  - Supported employment
  - Peer support
  - Traiitional healing
  - Flexible funds
- Hawaii
  - Respite homes
  - Respite therapeutic foster care
  - Independent living services
  - Intensive outpatient for co-occurring MH/SA disorders
  - Treatment/service planning
  - Parent skills training
  - Ancillary support services

Example: Choices’ Service Array

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Maximize Medicaid – Expand Coverage

- Add New Services to State Plan
- Change Service Definitions in State Plan
- Use Multiple Medicaid Options, Including Waivers

Examples:
- Arizona – Medicaid carve out, all services covered
- Hawaii – Modified Medicaid plan to cover broad array
- New Jersey – Expanded Medicaid coverage to include more services and create new capacity
- Vermont – Expanded Medicaid coverage, first and principle funding stream

Maximize Medicaid – Use Multiple Medicaid Options

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Example: Hawaii’s Medicaid Rehab Benefit

Covered Services
- Crisis management
- Crisis residential services
- Biopsychosocial rehabilitative programs
- Intensive family intervention
- Therapeutic living supports
- Therapeutic foster care supports
- Intensive outpatient hospital services (partial hospitalization)
- Assertive community treatment

Approval Pending
- Peer supports
- Parent skills training
- Intensive outpatient independent living (co-occurring)
- Community hospital crisis stabilization
- MST
- Multidimensional treatment foster care (MTFC)
- Functional family therapy (FFT)
- Community-based clinical detox

Placement
- Foster care – non therapeutic
- Therapeutic foster care
- Group home care
- Residential treatment
- Shelter care
- Crisis residential
- Acute psychiatric hospitalization
- Supported independent living

Behavioral Health
- Behavioral management
- Crisis intervention
- Day treatment
- Evaluation
- Family assessment
- Family preservation
- Family therapy
- Group therapy
- Individual therapy
- Parent skills training
- Substance abuse therapy (individual and group)

Psychiatric
- Assessment
- Medications followup/psychiatric
- Nursing services

Mental Health
- Community case management/case aide
- Clinical mentor
- Educational mentor
- Life coach/independent living skills mentor
- Parent and family mentor
- Recreational/social mentor
- Support work environment
- Tutor
- Community supervision
- Intensive supervision

Example:
- Choices
- Service Array
- Placement
- Maximize Medicaid
- Use Multiple Medicaid Options
- Example: Hawaii’s Medicaid Rehab Benefit
Use Diverse Funding Streams in Addition to Medicaid

- Use Diverse Funding Streams from Multiple Child-Serving Systems
- Fund Services and Supports Not Covered by Medicaid:
  - Behavioral health general revenue
  - Mental health/substance abuse block grant
- Share Funding with Partner Systems for Specific Services (e.g., TFC, group home, school-based services, etc.) or through Case Rate Contributions:
  - Child welfare (Title IV-E)
  - Juvenile justice
  - Education

Include Multiple System Resources

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Finance Services to Uninsured and Underinsured

- Use general revenue and block grant to finance services for uninsured and underinsured (Arizona, Hawaii)
- Allow families to buy into Medicaid (Hawaii)
- Establish eligibility for services as a “system of care child” financed with state funds (New Jersey)
- Use the “family of one” option under Medicaid (Arizona)

Finance Individualized, Flexible Services – Flex Funds

- Use General Revenue and Grant Dollars to fund Flexible Services and Supports not Covered by Medicaid or Other Financing Streams (Arizona, Hawaii, Vermont)
- Use Case Rates, Blended Funds, Managed Care Approach for Flexible Funding (Central Nebraska, Wraparound Milwaukee, Choices)
- Choices 11 Categories of Flex Funds:
  - Transportation/Auto Repair
  - Childcare/Supervision
  - Housing (Rent, Security)
  - Home Repairs
  - Utilities
  - Food/Supplies
  - Clothing
  - Education
  - Summer Camps & siblings
  - Paid Roommate
  - Incentives/Other

Finance Individualized, Flexible Services – Child & Family Teams

- Bill as Case Management Under Medicaid
- Add Medicaid Code for Providers to Use for Participation in Teams (i.e., Treatment Planning)
- Employ Child & Family Team Coordinators as Wrap Facilitators
- Contract with Family Organizations for Parent Partners
- Use Case Rate and Other Flexible Resources to Finance Provider Participation
- Finance Provider Participation through Additional Authorized Hours

Examples: Finance Child & Family Teams

- Arizona
  - Bill as case management under Medicaid
  - Elements billed as assessment, transportation, family/peer support, interpretation
- Hawaii
  - Mental health care coordinators state employees
  - Contract providers bill under code for “treatment planning”
  - Parent Partners paid by contract with family org (HFAA)
- Vermont
  - Bill as case management under Medicaid
  - SOC legislation requires “coordinated service plan”
- Choices
  - Bill as case management under Medicaid
  - Providers add extra hours to care authorizations to finance participation
- Wraparound Milwaukee
  - Care coordinators employed by Wraparound Milwaukee
  - Blended resource pool pays therapists and other staff to participate
### Finance Evidence-Based and Promising Practices

- Use Grants, Block Grant, State General Revenue Funds for Initial Implementation of EBPs (Selection of EBPs, Training, etc.)
- Use State General Funds to Support Ongoing Coaching, Fidelity Monitoring, Evaluation, Etc.
- Provide State-Funded Supports including Practice Development Specialists, Training and Technical Assistance Centers Focused on EBP Implementation

### Examples: Financing EBPs

**Arizona**
- Wraparound, MST, FTT, MTFC, Behavior therapy
- Grant, block grant, JJ funds used to develop
- State BH funds trainers
- Identified practice elements/components of EBPs
- Medicaid coverage pending for MST, FTT, MTFC, Parent skills training
- State practice development specialists
- State MH funds start-up, training, supervision, fidelity monitoring
- **Central Nebraska**
  - Wraparound, MST
  - SOC grant used to develop
  - Case rate (BH, CW, JJ, ED) used to maintain
  - Families CARE collects Wraparound Fidelity Index data

### Finance Early Childhood Mental Health Services

- Use Multiple Funding Streams to Finance Early Childhood Mental Health Services
  - Medicaid & SCHIP
  - Mental Health General Revenue, MH and SA Block Grant, Grants
  - Title IV-E
  - IDEA (Parts B & C)
  - MCH Title V (Health Care for Children with Special Needs)
  - Head Start
  - Child Care Development Block Grant
  - TANF
  - Child Welfare Block Grant
  - DD
  - Foundations

### Examples: Early Childhood Mental Health Services

**Colorado Project Bloom – 4 Communities**
- Covers broad array of services
- Guided by pyramid and include promotion for all children, prevention for at-risk children, and intervention/treatment for identified children
- Interventions – Based on wraparound approach, includes range of EBPs (e.g., PCIT, Incredible Years, Trauma Focused CBT, Crisis of Security, etc.)
- Includes ECMH consultation to early care and education settings, primary care settings, etc.
- Cross walk of DC:0-3 diagnoses with ICD-9-CM for billing purposes

**Vermont**
- Covers broad array of services
- Interventions – Crisis outreach, case management, home-based services, respite, parent peer support
- Cross agency training
- ECMH consultation, info and referral

**Arizona**
- Covers broad array of services
- Includes ECMH consultation to child care, Head Start, etc.
- Cross walk of 0-3 services with Medicaid-covered services to provide guidance to providers on how to bill Medicaid for 0-3 services

### Financing to Screen High-Risk Populations

- Screen youth entering child welfare and juvenile justice systems and make appropriate referrals for further evaluation or services as indicated.

**Examples:**

- **Arizona**
  - Urgent response system with referral to managed care system within 24 hours for all children removed from home by CPS
  - Referral of children under 3 who come to attention of CPS for developmental assessment within 24 hours, referral to Part C
  - JJ system use of MAYSI-2 screening within 48 hours for all youth entering detention
- **Central Nebraska**
  - Medicaid financed comprehensive assessment for all youth entering JJ for mental health/substance abuse treatment needs ($1,500)

### Financing Linkages with Primary Care

- Providing preventive care, early screening, early intervention and service coordination for children at risk for mental health or substance abuse disorders and their families through pediatric practices

**Examples:**

- **Vermont**
  - Pediatric collaborative approach pilot for 5 years which co-locates MH professionals in pediatric or family practices to screen, coordinate MH or SA treatment, provide short-term intervention, and consultation
  - Financed by Medicaid
  - Will be expanded
Financing to Support Family and Youth Partnerships

Strategies:
- Financing supports for families and youth to participate in service planning meetings
- Financing family and youth peer advocates
- Incorporating financing to provide families and youth with choices of services and/or providers
- Incorporating financing to train providers on how to partner with families and youth
- Providing payment and supports for family and youth participation at the policy level
- Contracting with family organizations
- Financing training and leadership development to prepare families and youth for participation in policy making

Support Family and Youth Involvement and Choice in Service Planning and Delivery

Examples:
- Arizona
  Family and youth participation on child and family teams is one of the core principles of the system. The managed care system pays for child care, transportation, food, and interpreters as needed.
- Erie County, NY
  Child welfare and juvenile justice contracts with the family organization “Families CAN” finance family advocates to assist and support families and youth in service planning.
- Contra Costa, CA
  The various financing streams that go to counties provide a certain degree of flexibility, along with use of parent partners, families and youth with a choice of services and/or providers.

Finance Family and Youth Involvement in Policy Making

Examples:
- Hawaii
  The Child and Adolescent Mental Health Division contracts with providers require submission of youth and family engagement policies at all levels.
- Arizona
  The ADHS/BHS contracts with two family organizations to support families’ participation on state level committees and advisory bodies as well as evaluation and training activities.

Finance Services and Supports for Families/Caregivers

Examples:
- Arizona: Covering Services and Supports to Families Under Medicaid
  Medicaid can pay for family education and peer support, parent education, management skills training and other supports to families if these supports are geared toward improving outcomes for the identified child.
- Central Nebraska: Using Flexible Funds to Finance Services to Families
  The Professional Partners Program includes flex funds that can be used to pay for treatment and services when a family does not have access to a third party payer. There is no charge to families for the care coordination they receive when they are enrolled in Professional Partners Program or the Integrated Care Coordination program.

Financing to Provide Culturally and Linguistically Competent Services and Supports

Examples:
- Arizona: Covering Culturally Specific Services
  Many covered services within the managed care system, such as counseling, can be provided locations that may be more culturally appropriate, such as a sweat lodge. Translation and interpretation are services covered by Medicaid. Certain cultural activities, such as traditional Native healing, can be paid for by the managed care system, though not with Medicaid dollars, but using the other dollars in the system.
- Bethel, Alaska: Community Holistic Development
  Drawing on local resources, the Holistic Development Program conducts presentations on grief processes, youth conferences, healing circles, “Spirit Camps,” and other health promotion activities.

Financing to Reduce Disparities in Access To And Quality Of Services and Supports

Example:
- Wraparound Milwaukee: Analyzing Data by Racial/Ethnic Groups
  The system does analyze utilization and costs by racial/ethnic breakdown and analyzes disproportionality and disparity issues. It has been able to tap into federal Disproportionate Minority Confinement (DNC) dollars through its partnership with the juvenile justice system.
Financing to Reduce Geographic Disparities

Examples:
- **Hawaii**: Providing Incentive Pay to Work in Underserved Areas
  - There are special financing mechanisms to provide services in underserved geographic areas. Incentive pay that is 10% above the standard pay scale is offered as an incentive to work in underserved areas. In addition, transportation is paid for providers to fly to the islands, and travel time is considerable billable time.
- **Arizona**: Establishing Higher Rates for Home and Community-Based Services
  - The fee-for-service rate schedule intentionally pays more for home and community-based versus clinic-based services in an effort to get services to rural areas, among other goals. Also, there is flexibility in the capitation paid to Regional Behavioral Health Authorities (RBHAs) that allows them to pay more for getting providers to rural areas.

Providing Adequate Provider Payment Rates

Examples:
- **Arizona**: Setting higher payment rates for services delivered in out-of-office settings to create incentives for providers to provide home and community-based services.
- **Choices and Wraparound Milwaukee**: Purchases primarily home and community-based services, in effect, creating a strong market for these services and incentives for providers to develop these services.

Financing to Support a Broad, Diversified, Qualified Workforce and Provider Network

Examples:
- **Financing a Broad Array of Providers**
  - **Arizona**: Finances a broad array of providers (such as Native Hawaiian healers) through Medicaid and General Fund resources.
  - **Choices and Wraparound Milwaukee**: Developed a new "community service agency" designation within the managed care system that opened up the provider network to new provider types, including family organizations. Services include: respite, peer support, habilitation, skills training, and crisis services.

Financing for Accountability: Utilization, Quality, Cost & Outcomes Management

Examples:
- **Using an Integrated Management Information System**
  - **Choices**: Developed an integrated management information system, the Clinical Manager (TCM). TCM includes clinical information and plan of care, claims adjudication, service authorization, service utilization, tracking progress, tracking outcomes, tracking costs, and medication management.
  - **Wraparound Milwaukee**: Has data available showing the cost savings for youth who would otherwise be in residential treatment or correctional placements and for children in child welfare who are in more permanent living arrangements.

Evaluate Financing Policies to Ensure that they Support and Promote System of Care Goals and CQI

Example:
- **Hawaii**: Has utilization, cost, quality and outcome data, managed by the Child and Adolescent Mental Health Management Information System (CAMMIS) through its various modules.
  - Providers are required to submit the following quality data to CAMHD on a quarterly basis:
    - **Access data** — number and percentage of referrals reviewed within 48 hours, number and percentage of youth accepted upon referral, number and percentage of youth seen within five days of referral, number and percentage of youth ejected from program
    - **Least restrictive measure** — average length of treatment
    - **Treatment measure** — number and percentage of youth that have met treatment goals
    - **Outcome data** — collected on each child and family served by CAMHD to enable evaluation of the performance of the system and its providers.

Example:
- **Hawaii**: New strategic plan specifies financing policies and strategies to promote the system’s goals. This has set the stage for assessment of the effectiveness of these financing strategies during the course of implementing the strategic plan for the next period.
Factors to Consider in Developing a Strategic Financing Plan

Contextual, environmental, fiscal, and other factors may impact financing systems of care in the future:

- Leadership changes at the state level and resultant changes in policy that leave system of care reforms vulnerable
- Federal shifts in Medicaid financing
- Increased Federal scrutiny of states' use of Medicaid
- End of lawsuits and accompanying court monitoring and potential difficulty in maintaining state's financial and policy investment in the children's mental health system
- Reductions in federal and state funding
- Shrinking psychiatric services and qualified providers
- Emerging new populations (e.g., children and adolescents with co-occurring conditions, such as autism) and burgeoning existing populations (juvenile corrections) that increasingly compete for scarce resources