California Children's Trust

MAXIMIZING MEDICAID FUNDING:
LEVERAGING THE COMMON DENOMINATOR ACROSS ALL CHILD SERVING SYSTEMS TO RE-INVENT BEHAVIORAL HEALTH

Overview and Call-to-Action

CWDA , Fall 2020

THERE IS A CRISIS IN CHILDREN'S MENTAL HEALTH

Consider the facts

Increase in inpatient visits for suicide, suicidal ideation and self injury for children ages 1-17 years old, and 151% increase for children ages 10-14

Increase in mental health hospital days for children between 2006 and 2014

Increase in the rate of self-reported mental health needs since 2005

California ranks low in the country for providing behavioral, social and development screenings that are key to identifying early signs of challenges

THE “PRICE” IS HIGHER FOR BLACK AND BROWN CHILDREN

They receive the wrong services at the wrong time

81%

81% of children on medicaid are **black or brown**.

2X

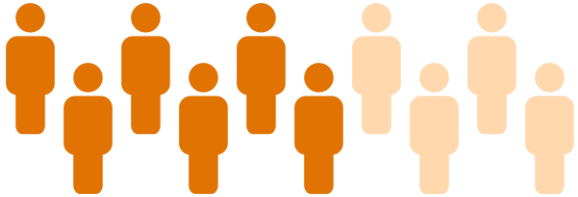
The **suicide rate for black children**, aged 5-12 is 2x that of their white peers.

70%

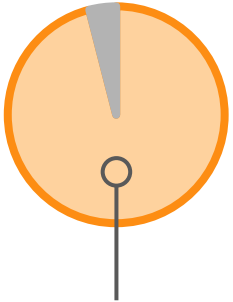
70% **of youth in California's juvenile justice system have unmet behavioral health needs**, and youth of color are over-represented in the system.

Addressing disproportionality in the mental health system is not just a matter of tweaking access or programs, it is a matter of rooting out racist infrastructure.

AND ALTHOUGH ELIGIBILITY FOR MENTAL HEALTH SERVICES HAS INCREASED



6 million of California's 10 million children are covered by Medi-Cal and EPSDT entitlement
(a 33% increase over last five years)



96% of California children are covered by a health plan with a **mental health benefit**

ACCESS TO MENTAL HEALTH SERVICES, ESPECIALLY FOR VULNERABLE CHILDREN, HAS DECLINED

The access rate (one-time visit), has declined from 4.5% to 4.1%. For ongoing access (more than 5 visits), the rate is down to 3%

Those accessing care, are approaching the system **in crisis**

There has been a 20% increase in **crisis service utilization** since 2011

WE HAVE A ONCE-IN-A-GENERATION OPPORTUNITY TO ADDRESS THE CRISIS

Public opinion and policymaker agendas are aligned

- **Political will**: New administration has stated focus on children's well-being.
- **Community support**: Half (52%) of all Californians say their community does not have enough mental health providers to serve local needs.

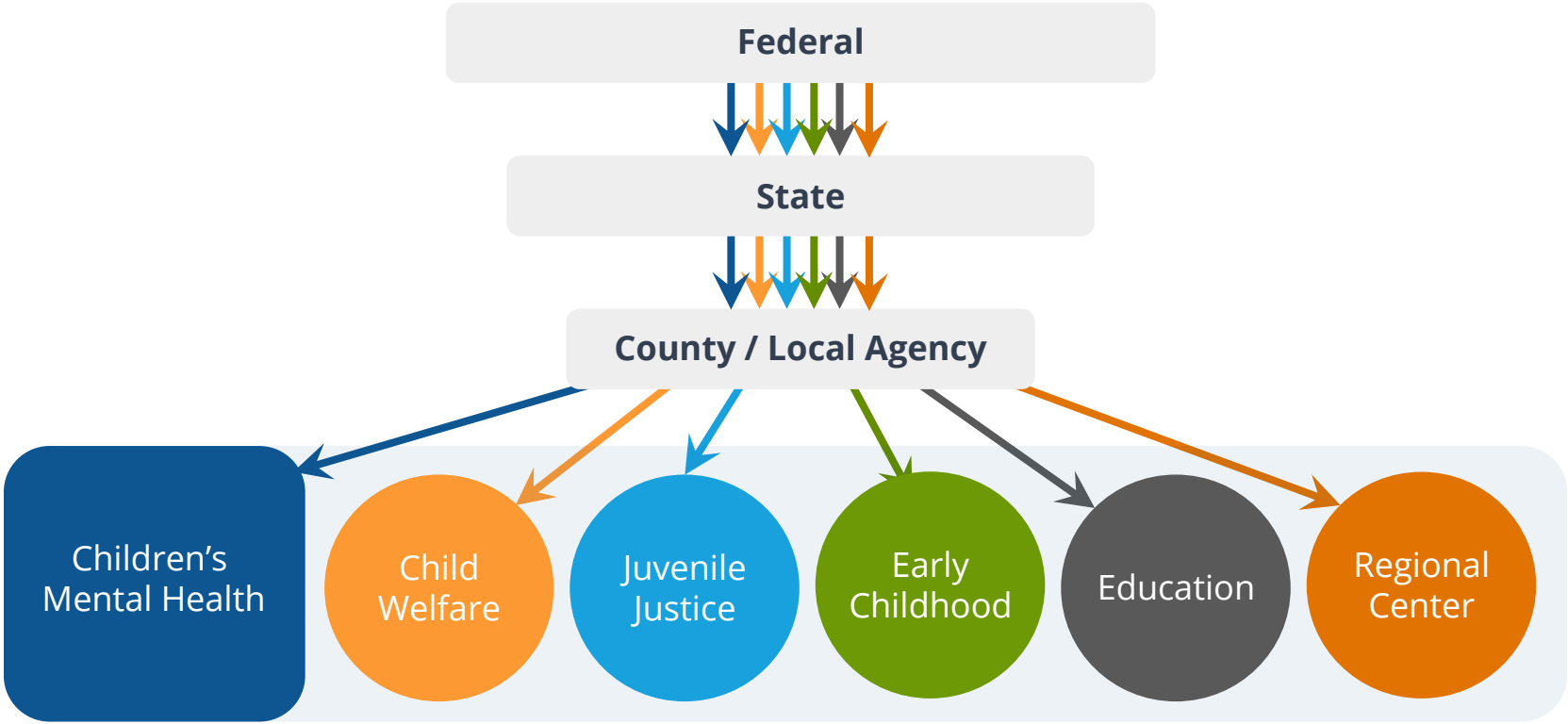
To take advantage of this moment in time we must:

- Embrace the critical need to reform our financing strategy, **and**
- Fundamentally transform how we fund and administer children's behavioral health services, **during a time when**
- COVID-19 has created massive holes in local safety net services due to dramatic revenue decreases and budget cuts.

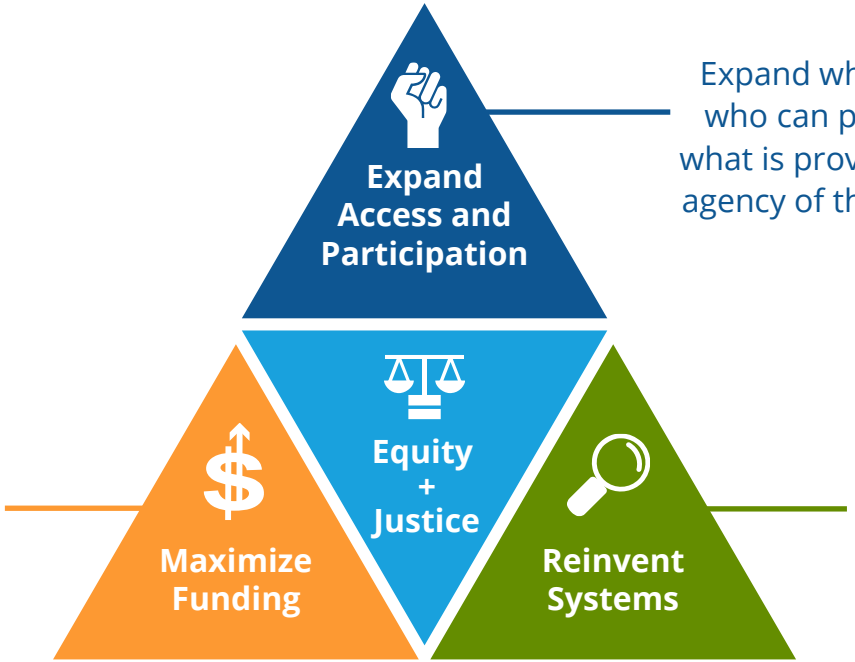
WHAT WILL CALIFORNIA DO—
AS THE FIFTH LARGEST ECONOMY IN THE WORLD—WHEN IT SEES THAT TWICE AS MANY OF ITS CHILDREN ARE TRYING TO KILL THEMSELVES?

THE SOLUTION

MEDICAID IS THE TIE THAT BINDS FRAGMENTED CHILDREN'S SYSTEMS



THIS IS THE TRUST'S FRAMEWORK FOR SOLUTIONS



Expand who is eligible, who can provide care, what is provided, and the agency of the beneficiary

Increase state and county spending, and fully claim the federal match

Increase transparency and accountability

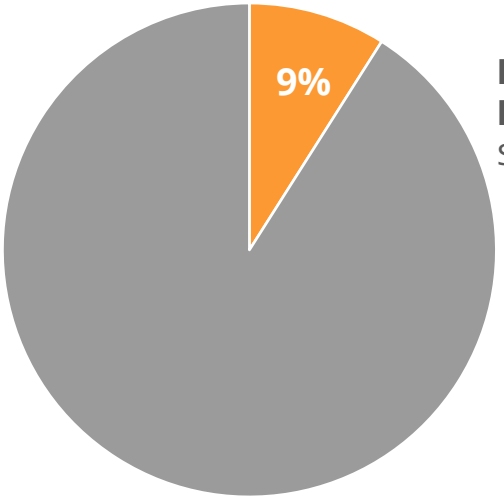
BEFORE WE CAN TALK ABOUT SOLUTIONS, WE HAVE TO UNDERSTAND THE SYSTEMS AND THE PROBLEMS

THE SYSTEMS

MEDICAID BY THE NUMBERS

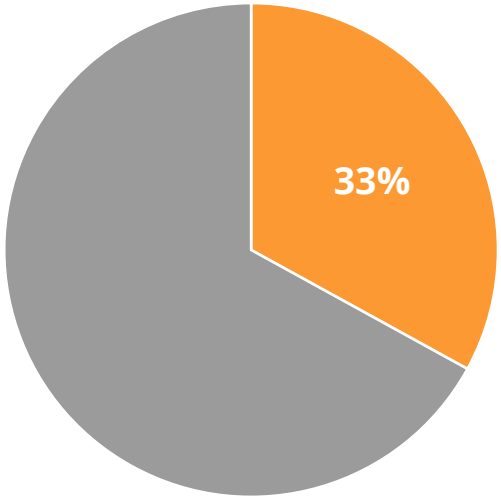
1/3 of Californians are covered by Medi-Cal (California's version of MEDICAID), which underinvests in their mental and behavioral health. Children are historically the most underfunded.

Total Dollars: $105.2 Billion



BEHAVIORAL HEALTH: $12 BILLION

Total Californians: 39 Million



MEDI-CAL COVERED: 13 MILLION

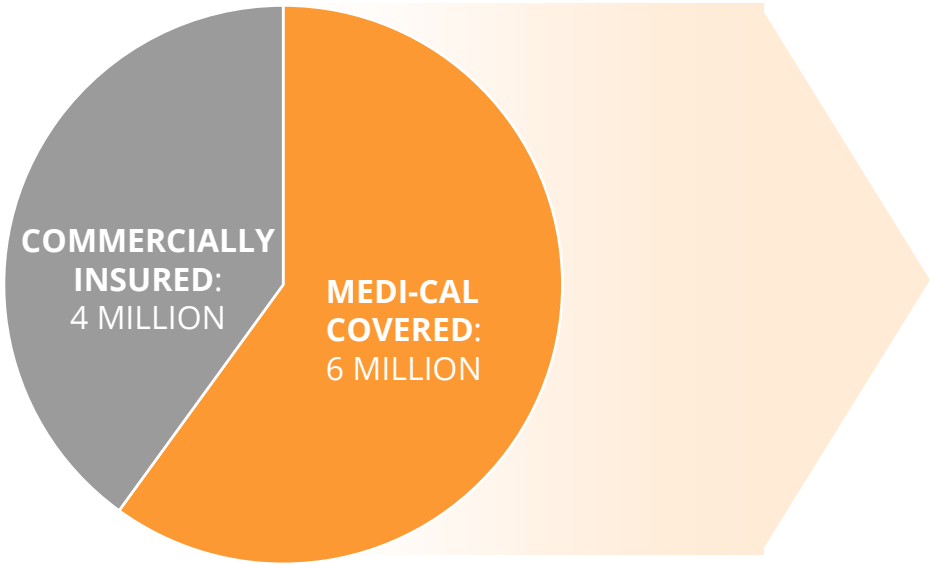
*Current budget estimates show a 25% increase in Medi-Cal enrollees due to COVID-19

THE SYSTEMS

MEDICAID BY THE NUMBERS – CALIFORNIA'S KIDS

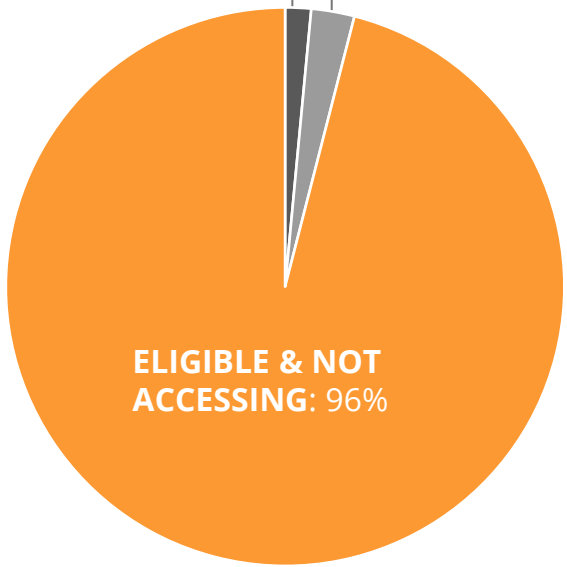
Almost 6 out of 10 children are covered by Medi-Cal. They are served by county administered Specialty Mental Health Plans (MHP) and Medi-Cal Managed Care Organizations (MCO'S)

Total California Children: 10 Million



MCO Total Served Annually: 90,000 Kids

MHP Total Served Annually: 152,409 Kids



CHILDREN HAVE UNIQUE ACCESS TO FEDERAL MATCHING DOLLARS

EPSDT is an entitlement.

All allowable expenditures for eligible populations must be matched.

ORIGIN STORY OF EPSDT: THE VIETNAM WAR

- 50% of draftees failed their medical and/or mental health entrance exam for reasons that it was determined could have been addressed in childhood and adolescence.
- These young adults typically came from impoverished families (nearly 50%) and had experienced unrelenting deprivation in health care, education, and employment.
- The report's findings provided compelling evidence for an underlying tenet of President Johnson's conclusion that improving the health and well being of the nation's poor required strategies aimed at ameliorating the effects of social, economic, and health disparities—a foundational finding for the establishment of EPSDT.

THE FEDERAL MATCH IS GUARANTEED

- **Certified Public Expenditure (CPE)** = A state's use of public funds spent by other government entities (in this case, a county) to claim federal reimbursement for Medicaid services.
- **Federal Financial Participation (FFP)** = The Federal share of Medicaid dollars – GUARANTEED

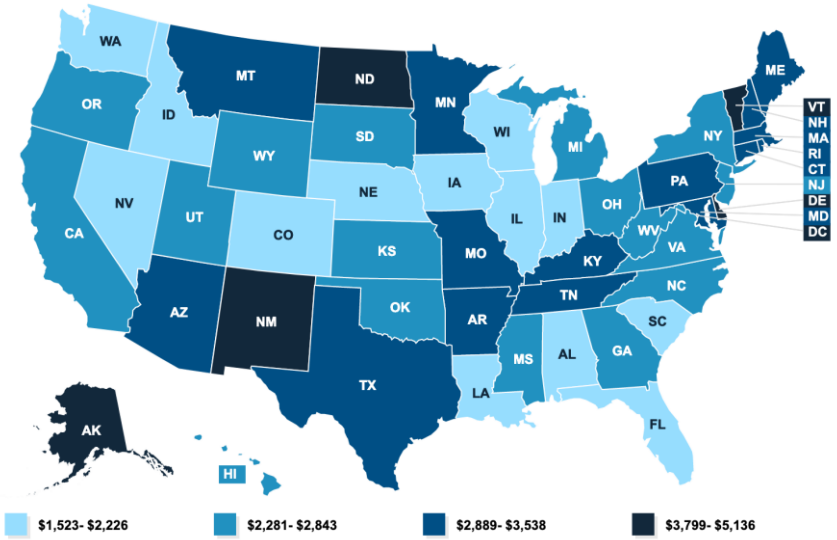
THE PROBLEMS

DRAMATIC UNDER-INVESTMENT

- **California is in the bottom 1/3 nationally** for health spending at $2,500 per child enrollee .
- Children represent **42% of enrollees** but only **14% of expenditures**.

Medicaid Spending per Child

FY 2014



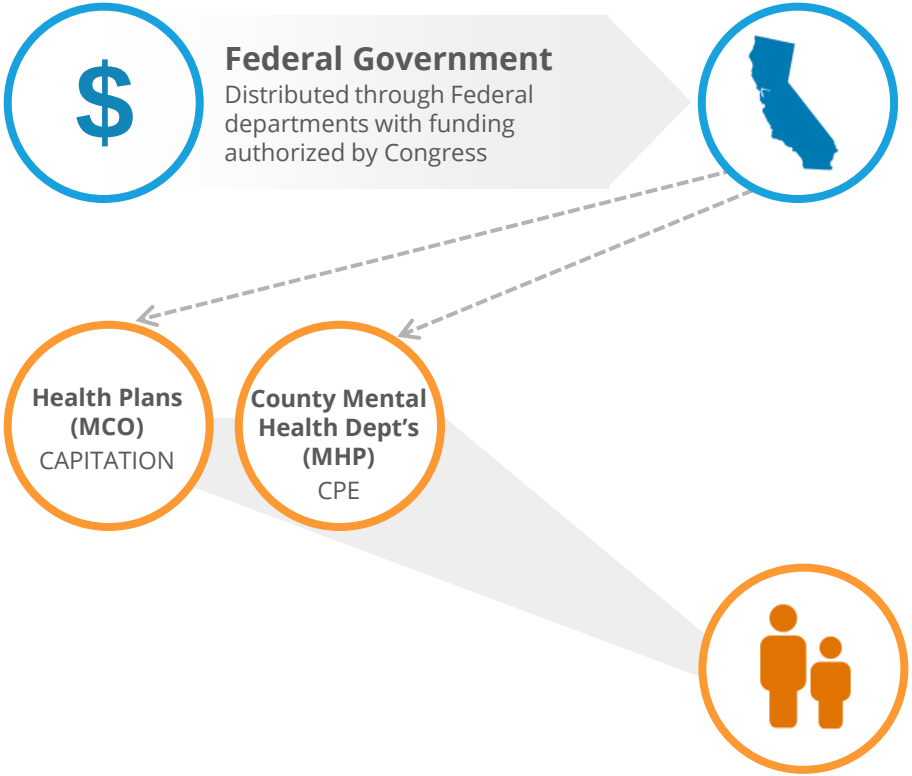
THE PROBLEMS

CALIFORNIA'S FRAGMENTED, CAUTIOUS AND COMPLEX SYSTEMS

- Fragmented child-serving systems make it difficult to coordinate care and find innovative payment solutions.
- Entrenched cultural differences amongst systems undermine trust and collaboration.
- The structure of the federal reimbursement—provider-county-state-federal—triggers cautious behavior and stymies the entrepreneurial spirit needed to find and follow CPE dollars.
- A uniquely complex and administratively burdened system for claiming specialty mental health services.

THE SOLUTION

FOLLOW MEDICAID DOLLARS TO FIND MONEY LEFT ON THE TABLE



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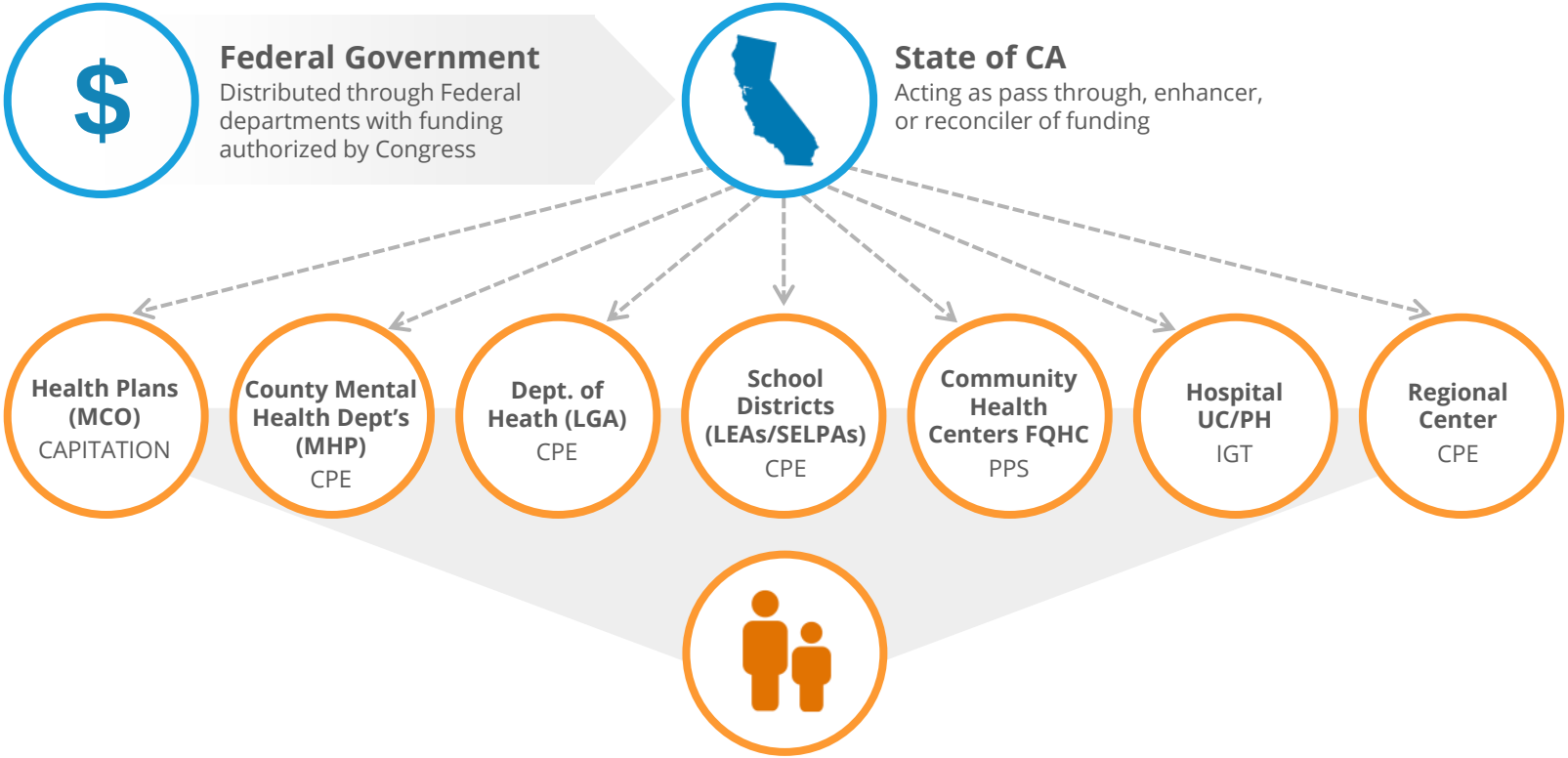

WHAT CAN WE DO TO INCREASE STATE AND COUNTY SPENDING, AND FULLY CLAIM THE FEDERAL MATCH

How We Do It

- Transform state and local Medicaid claiming practices.
- Expand the role and participation of managed care organizations.
- Dig deeper into child-serving systems to find eligible share dollars.
- Advocate for increased Federal Medical Assistance Percentages (FMAP).