

HB 422: Children's Mental Health Outcomes Overview of the Children's Mental Health System

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for the Children, Families, Health, and Human Services Interim Committee
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Background

House Bill 422, approved by the 2015 Legislature, requires the Children, Families, Health, and Human Services Interim Committee to study ways to improve children's mental health outcomes. The bill specifically requires the committee to:

- recommend to the next Legislature a system for evidence-based outcomes and options for performance-based reimbursement for providers; and
- develop legislation for an evidence-based outcomes pilot project to be carried out by the Department of Public Health and Human Services (DPHHS).

This briefing paper provides an overview of the current system of publicly funded mental health services for children.

Who's Eligible for Services?

More than 19,500 children received publicly funded mental health services in Fiscal Year 2014, the most recent year for which complete figures are available. To receive services, a child generally must have a family income at or below 261 percent of the federal poverty level and meet the state's definition of serious emotional disturbance (SED).

An updated SED definition is currently being proposed in an administrative rule change and is expected to go into effect on Oct. 1. The definition varies depending on whether the child is under 6 years of age or 6 years of age and older. Children who are 6 or older must have been found by a licensed mental health professional as having one of 59 mental disorders to a moderate or severe degree. They also must have a moderate to severe functional impairment in at least three of the following areas:

- self care, as shown by a consistent inability to take care of their personal grooming, hygiene, clothing, or nutritional needs;
- community, as shown by a serious enough inability to maintain appropriate safety, behavioral self-regulation, decision making, or judgment that it could result in out-of-home placement;
- social relationships, as shown by a consistent inability to develop and maintain appropriate relationships with peers and adults in a variety of aspects;

- family, as shown by a pattern of significantly disruptive behavior that includes repeated or unprovoked violence towards siblings, parents, or caretakers or a disregard for the safety and welfare of others; and
- school, as shown by an inability to pursue appropriate educational goals because the SED symptoms and behaviors interfere with the educational process.

A child under 6 years of age must meet the functional impairment criteria in at least two of those areas but does not need to have a specific mental health diagnosis. The family and school criteria also differ somewhat from those for older children.

How Are Services Funded?

Most mental health services are paid for with either federal Medicaid or Children's Health Insurance Program (CHIP) funds, matched by state dollars.

The Medicaid program pays for services for children with a family income at or below 143 percent of poverty. Federal funds pay about 65 percent of the cost of services, and the state pays the remainder. Because Medicaid is an entitlement program, it pays for a full range of mental health services and will cover all services considered medically necessary.

When people speak of Montana's children's mental health system, they generally refer to these Medicaid-funded services that are administered by the Children's Mental Health Bureau. The vast majority of children receiving publicly funded services are eligible for Medicaid.

CHIP is administered by the Health Resources Division. It pays for mental health services provided to children with family incomes of 144 percent to 261 percent of poverty. Federal CHIP funds will pay for nearly 99 percent of the costs this biennium. That's because the federal Affordable Care Act increased the federal matching rate for CHIP by 23 percentage points for federal fiscal years 2016 through 2019.

However, CHIP is a block grant program with a finite amount of federal dollars. So the state has placed limits on services some CHIP-eligible children receive through the program's extended mental health plan.

The Legislature also has appropriated general fund to pay for some mental health costs that don't qualify for Medicaid funding. And the state has received grants for specific initiatives from the federal government and other sources, such as the Montana Mental Health Trust.

What Services Are Covered?

Mental health services provided to Montana children range from outpatient activities and therapy to intensive in-patient hospitalization or residential treatment in other facilities.

However, because of the different parameters of the Medicaid and CHIP programs, four home and community-based services for CHIP-eligible children are subject to limits.

The table on Page 4 provides a brief description of the mental health services covered by the Medicaid program and indicates whether CHIP-eligible children also receive the service.

What Does the System Cost?

Medicaid- and CHIP-funded children's mental health services cost about \$127.3 million in FY 2014, as follows:

- \$123.7 million for services to 16,771 Medicaid-eligible children. Comprehensive School and Community Treatment services accounted for the largest share of the costs and the greatest number of children served. Those services were provided to nearly 5,000 children at a cost of about \$32.8 million. In contrast, 655 children received treatment at a therapeutic group home at a cost of \$19.5 million, representing the second-largest amount of money spent on services. And 549 children were treated at psychiatric residential treatment facilities at a cost of about \$18.2 million.

Schools, rather than the state, certify the matching funds for the Comprehensive School and Community Treatment program. Because schools must certify the federal match using public funds, the service is offered only in public schools. Costs to the schools totaled \$16.7 million in FY 2014.

- \$3.6 million for services to 2,778 CHIP-eligible children. Costs for hospital and psychiatric residential treatment facility services totaled about \$961,500, while therapeutic group home costs were about \$198,000.

The state also spends about \$1.2 million a year in general fund for services that don't qualify for federal funds, as follows:

- \$650,000 for room and board costs at therapeutic group homes or therapeutic foster care homes. These funds are available on a sliding-scale basis to youth with family incomes at or below 400 percent of poverty.
- about \$300,000 for supplemental services needed to stabilize and preserve the family and youth and to treat the youth in the home if the youth is currently out of the home. The youth must have a family income at or below 185 percent of poverty.
- \$200,000 a year for respite care for Medicaid-eligible children. The CHIP-funded mental health benefit includes respite care, so a separate appropriation is not made for that service for CHIP children.
- about \$50,000 to \$100,000 a year in uncommitted general fund that can be channeled into the System of Care Account, as available. The Legislature created this account in 2007 to pay for services that will allow high-risk youth receiving services from more than one DPHHS division or state agency to remain in the least restrictive and most appropriate setting.

The table below lists the Medicaid-funded children's mental health services available in Montana, along with two additional columns. The first column indicates whether the service is available to CHIP-eligible children. The second column indicates whether benefits for those children are limited.

Medicaid-Covered Service	CHIP Service	CHIP Limit
Acute Hospital Inpatient Services: Psychiatric inpatient hospital services provided to a youth who is a danger to self or others or whose caregiver cannot reasonably provide for the youth's safety and well-being	x	
Partial Hospital Services: Intensive, structured clinical services for a time-limited period when the services can safely substitute for or lessen the length of an acute hospital stay	x	
Psychiatric Residential Treatment Facility (PRTF): Services provided under the 24-hour direction of a physician in a residential facility when a less restrictive setting cannot meet a youth's clinical and treatment needs	x	
Therapeutic Group Home (TGH): A facility providing a structured group home setting for a youth who cannot be treated in a less restrictive setting because of significant impairments in functioning	x	
Extraordinary Needs Aide Services: Intensive one-to-one behavior management and stabilization services for youth in a TGH whose extreme behaviors cannot be managed by regular staffing		
Home Support Services and Therapeutic Foster Care: In-home therapeutic and family support services for a biological or foster child transitioning to a community setting but still in need of therapeutic surroundings	x	90 days per year
Therapeutic Home Visit: Used for up to 14 days to assess whether a youth is able to successfully transition from a PRTF or TGH to a less restrictive level of care	x	
Targeted Youth Case Management: Services provided when a youth needs coordinated care to meet multiple needs involving mental health, medical, social, nutritional, or educational services		
Day Treatment: Services provided to SED children in a specialized, non-public school classroom setting to improve their ability to function at school and in the community	x	120 hours per year
Comprehensive School and Community Treatment: Services available to any child who meets the SED definition		
Outpatient Therapy: Individual, family, or group therapy with a licensed mental health professional	x	
Medication Management: Prescribing and monitoring of psychoactive medications by a psychiatrist	x	
Community Based Psychiatric Rehabilitation and Support: One-to-one intensive short-term services in the home, school, or community to avoid a more restrictive placement for a youth	x	120 hours per year

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