

Meadows Mental Health Policy Institute

Maximizing Federal Funds for Child Welfare in Texas

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Background

Texas state leaders are redesigning the current foster care system and moving many of the daily functions of foster care from the state to the community. This will enable local communities to keep their children in their communities and build local services capacity for children and families involved with system. Because Texas has such a high percentage of children placed with family or “kinship” caregivers, children in paid foster care tend to have higher needs and require a higher level of services.

Today, children in foster care receive some services that are fully funded by the state because Texas is not drawing down federal dollars for services eligible for federal match. MMHPI has identified a couple of options for obtaining federal funding for services currently being provided to children in foster care through general revenue. Texas could further maximize its foster care Title IV-E (IV-E) funding as it shifts to family- and community-based services and increase its Medicaid Title XIX funding by drawing down federal funds for certain physical and behavioral services that are currently funded through state general revenue. These options can be combined to further leverage limited state dollars and increase federal revenues coming to the state.

Strategic Option (SO)	Rationale
<p>1: DFPS could enhance IV-E funding by utilizing time studies to maximize federal funding.</p>	<p>1 Rationale: DFPS recently concluded a work measurement study for conservatorship workers. This study along with future studies could help to inform which expenses are IV-E allowable and support the shift of case management functions to a community-based provider. It is expected that community-based care will be used to keep children closer to home and in the least restrictive setting possible so that they can obtain permanency sooner. This is in line with federal goals, and therefore, federal funding opportunities should be explored to further support this transition.</p> <p>For example, it’s important to look at using IV-E funding to support community-based services, engagement with the community to identify new foster parents, establishment of different types of needed provider networks, use of technology for more successful case management, and conduct training and readiness activities.</p>
<p>Managed Care Strategies.</p> <p>2a. Use of Value Based Purchasing (VBP) and Alternative Payment Mechanisms (APMs).</p> <p>2b: “In lieu of” authority is another option under managed care that STAR Health can utilize to authorize a service that is cost-effective.</p>	<p>2a Rationale: The current Medicaid STAR Health contract allows the current MCO, Superior, to contract with providers to utilize VBP and APMs to deliver intensive, family- and community-based services that have demonstrated positive outcomes. Thus, Superior can work directly with providers to develop cost-effective, alternative payment arrangements that could result in decreased costs for inpatient services.</p> <p>Note: Value- Based Payments incorporate actual provider costs for delivering a high quality service; and the provider must meet certain outcomes identified prior to obtaining the value based payment.</p> <p>2b Rationale: The state could encourage Superior to expand service arrays that are cost-effective such as crisis respite and other family- and community-based services.</p>

Strategic Option (SO)	Rationale
<p>2c: Encourage Superior to credential more foster care providers to provide Mental Health Targeted Case Management (TCM) and Mental Health Rehabilitative Services (MH Rehab).</p>	<p>2c Rationale: Credentialing more foster care providers would expand the provider base under managed care beyond Local Mental Health Authorities and improve access to these services, which are woefully underutilized. According to the Stephen Group’s 2015 report, Meeting the Needs of High Needs Children in the Texas Child Welfare System, behavioral health care such as TCM and MH Rehab services are not being fully utilized in the foster care system, despite the fact such outpatient mental health services offer numerous benefits, and are a covered benefit in the foster care STARHealth Medicaid program.</p> <p>Very few foster care providers have made their way through the entire MCO credentialing process. It makes great sense for a foster care provider – who knows the child and family best – to serve the child as a TCM or MH provider.</p>
<p>3: The state Medicaid agency can amend its STAR Health contract and develop strategies to utilize Medicaid financing to pay for services that the state may be funding using general revenue.</p>	<p>Rational 3: Use Medicaid to finance existing DFPS general revenue funded services that are allowable Medicaid funded services. This strategy will allow the state to draw down Medicaid funds for services that are currently being funded by general revenue. Some of these services include services like Treatment Foster Care and Crisis Respite, which can serve children and youth with mental health needs in specialized foster care homes in the community instead of inpatient settings.</p> <p>DFPS issued a Request for Information (RFI) for Treatment Foster Care in May 2016 and plans on issuing a Request for Proposal (RFP) in the near future for this service. Additionally, ACH Family Services, which is the Single Source Continuum Contractor for Foster Care in DFPS Region 3b, is currently utilizing Treatment Foster Care for some of the children in their region, but do not have the funding to expand capacity at this time.</p>

References

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