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American Rescue Plan Home and Community-Based Services Funding: A Review of State Plans to Support Child and Adolescent Mental Health

by Anne Dwyer and Ema Bargeron

The COVID-19 pandemic has taken an unprecedented toll on children's mental health, exacerbating long-standing gaps in mental health care for children in the United States. Fortunately, a number of states plan to invest in initiatives that support youth behavioral and mental health by leveraging funds made available by section 9817 of the American Rescue Plan Act, which provides new, substantial federal funding to states, on a temporary basis, to enhance, expand, and strengthen home and community-based services under the Medicaid program.

Youth in Crisis

According to reports from the Centers for Disease Control and Prevention, children's emergency room visits for mental health issues increased significantly during the pandemic, with visits for adolescent girls for suspected suicide attempts over 50 percent higher during February and March of 2021 when compared to the same period in 2019.[1] At the same time, as noted by the Centers for Medicare & Medicaid Services (CMS), despite an overall rebound for most services for those enrolled in Medicaid and the Children's Health Insurance Program (CHIP), there remains a "notable gap" in services for mental health conditions compared to pre-pandemic rates.[2] According to CMS data, when comparing the pandemic period of March 2020 to May 2021 to the same period two years prior, mental health services for children decreased with 24 percent *fewer* (that's 17.6 million) mental health services for children enrolled in Medicaid and CHIP.[3]

Unfortunately, this growing unmet mental health need for children is not a new issue. According to the Medicaid and CHIP Payment and Access Commission (MACPAC), children in the United States faced long-standing barriers to mental health care before the COVID-19 pandemic. Examining data from 2018, well before the start of the pandemic, MACPAC found that only half of youth (not in an institutional setting) that experienced a major depressive episode and were enrolled in Medicaid and CHIP received mental health treatment.[4] Racial disparities in access to mental health care have also persisted over the past decade with a significant widening of disparities between Black and White children over time.[5]

Calling attention to this deepening crisis, in October 2021, the American Academy of Pediatrics, the American Academy of Child and Adolescent Psychiatry, and the Children's Hospital Association joined together to declare a National Emergency in Child and Adolescent Mental Health.[6] Following this declaration, in December, the United States Surgeon General issued a formal Surgeon General's Advisory on the youth mental health crisis.[7]

American Rescue Plan Opportunity

As highlighted by the Surgeon General in his Advisory, addressing the youth mental health crisis will require a "whole-of-society effort."[8] One opportunity that states are leveraging to better support children's mental health care is section 9817 of the American Rescue Plan Act (ARPA), which created a temporary funding opportunity to provide states with additional support to enhance, expand, or strengthen Medicaid home and community-based services (HCBS), including certain mental health and substance use disorder services. As estimated by the Congressional Budget Office, the provision is expected to provide states with $12 billion in additional funds.[9]

Under section 9817, qualifying states may receive a 10 percentage point increase in their Medicaid matching rate (FMAP) for certain home and community-based services provided to Medicaid enrollees between April 1, 2021 and March 31, 2022.[10] According to CMS guidance, states may then use the state funds freed up by the higher Medicaid matching rate that would otherwise have been spent on HCBS—also known as the "state funds equivalent to the amount of federal funds attributable to the increased FMAP"—from April 1, 2021 until March 31, 2024 to enhance, expand, or strengthen Medicaid home and community-based services.[11] States must also meet certain requirements including that the funds supplement, not supplant existing state funding.

Estimates of the amount of new dollars each state is expected to receive under the opportunity range from $19 million in Wyoming to over $2 billion in California.[12] However, exact amounts will depend on the total amount of funds attributable to the increase in FMAP on HCBS that states claim between April 1, 2021, and March 31, 2022.

To date, every state has submitted initial spending plans and narratives to CMS for approval in order to take up the opportunity. According to CMS guidance, states are also required to submit quarterly spending plans and narratives to CMS, including information on anticipated and/or actual expenditures for the state's activities as well as any updates or modifications to their initial spending plans and narratives.

We have reviewed the spending plans and narratives for the 50 states and DC posted by CMS on Medicaid.gov to see whether and how states are planning to use the funds to support children's mental and behavioral health as part of their planned activities to enhance, expand, or strengthen HCBS.[13] While this brief discusses the findings from the review of state spending plans and narratives, it is important to note that depending on CMS partial or conditional approval status and timing of state action, state implementation of planned activities including those mentioned herein may already be occurring or in progress (i.e., states that have already taken action to increase payment rates for HCBS providers). For CMS approval status, including whether CMS has requested additional information from the state, visit the Medicaid.gov home and community-based services resource page.

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Estimated amount of new dollars states are expected to receive under section 9817 HCBS funding opportunity

Source: P. Chidambaram and M.B. Musumeci, "Potential Impact of Additional Federal Funds for Medicaid HCBS for Seniors and People with Disabilities," (San Francisco: Kaiser Family Foundation, May 2021), available at https://www.kff.org/medicaid/issue-brief/potential-impact-of-additional-federal-funds-for-medicaid-hcbs-for-seniors-and-people-with-disabilities/.

Findings From State Spending Plans and Narratives

The majority of state plans include funding to support behavioral health services overall.

While details vary, the majority of states include additional support for behavioral health, including mental health, in some form as part of their state spending plans and narratives. The most common avenue of additional support for behavioral health included in the plans is through enhanced provider payments such as provider rate increases. Other themes include a focus on investments in behavioral health crisis response including training and expansion of services (see e.g., CO, HI, IA, IN, MA, ME, MI, VA, WA, WV); enhancements to care coordination (see e.g., AK, MI, MN, MO, OH, PA, RI); a focus on the connection between behavioral health and homelessness (see e.g., NH, CA); funding to expand community mental and behavioral health clinics (see e.g., IL, RI, WV); and additional funding support to help transition people from institutional or residential settings to home and community settings (see e.g., AK, CA, CO, HI, MN, NH).[14]

Broader investments in mental and behavioral health were more common than child-specific initiatives, but several state plans include targeted support for youth-focused programs and services.

In addition to broader investments in mental and behavioral health, several state plans include support for children's behavioral and mental health-specific initiatives. For example, Alabama, Michigan, Rhode Island, and Washington include more extensive plans to support and expand mental health services specifically for children and youth.

- **Alabama** includes plans to use the funds to create an enriched community-based home model to serve children and youth with complex emotional and behavioral health needs in the custody of the Department of Youth Services.[15] According to the plan, the enriched homes would act as an extended community, managed by professionals in a home setting with services provided by the programs tailored to each individual's needs. The state also plans to use the funding to create a new community-based model to serve children with mental health and behavioral health needs in the custody of the Department of Human Services.
- **Michigan** includes a host of proposed investments in children's behavioral health under their plan including increasing funding for the delivery of intensive crisis stabilization services, case management and treatment planning, and home-based services for children and families as well as the provision of parent support partners and youth peer support specialists.[16] The state also plans to establish certification criteria for a variety of services to support children and families experiencing behavioral health crises, expand eligibility for community mental health services to children in or at risk for foster care who do not have a mental health diagnosis, and cover family therapy and intensive home-based services for all Medicaid-eligible children who are at risk for developing serious behavioral health challenges regardless of a mental health diagnosis.
- **Rhode Island** similarly includes plans to make investments targeted at children's behavioral health including investing in a single point of access system and pediatric behavioral health hotline as well as expanding preventive and community children's behavioral health services through care coordination, intensive home and community-based services, and other preventive services such as pediatric behavioral health integration.[17]
- **Washington** has some of the most detailed plans to use the funds to invest in initiatives that enhance, expand, and strengthen children's behavioral and mental health care.[18] For example, the state includes plans to increase the capacity of their Children's Intensive In-Home Behavioral Supports waiver by 100 children; provide increased funding for local behavioral health mobile crisis response team capacity and ensure each region has at least one children and youth mobile crisis team that is able to respond to calls from the 988-crisis hotline; and provide grant funding to a rural behavioral health pilot program to improve behavioral health outcomes for young people in rural communities. Washington also plans to invest in early intervention through funding to implement changes to assessment and diagnosis of children ages 0 to 5 years old including funding for training on the application of the Diagnostic Classification of Mental Health and Developmental Disorders of Infancy and Early Childhood: DC: 0-5.

In addition to these more extensive plans, a number of other states include initiatives to target funding support to youth-specific mental and behavioral health services in their state spending plans and narratives. Examples include –

- **Arizona:** Lists "children with behavioral health needs" as one of its four key populations at the center of efforts outlined in its plan and calls out therapeutic foster care for additional payments.[19]
- **Georgia:** Includes an initiative to implement a new Medicaid home and community-based service to provide behavioral aides in the home setting for those under age 21 who are diagnosed with Autism.[20]
- **Hawaii:** Plans to use the funds to ensure competitive wages for children's case managers to support children 3 to 18 years old who require support for emotional or behavioral development to help address shortages of qualified case managers.[21]
- **Illinois:** Plans to use the funds to support the implementation of a new Medicaid home and community-based initiative for children under the age of 21 with intensive behavioral health needs as part of the state's 1915(i) state plan amendment.[22]
- **Minnesota:** Includes an initiative to use the funding to create a "Mobile Person-Centered Unit" to facilitate effective transition of children from Psychiatric Residential Treatment Families and Child and Adolescent Behavioral Health Services.[23]
- **New Jersey:** Proposes implementation of an in-community treatment model for youth with intensive intellectual/developmental disabilities and/or co-occurring behavioral health needs.[24]
- **Ohio:** Plans to expand and enhance services to youth with developmental disabilities and severe behavioral disorders through additional home and community-based services.[25]
- **Pennsylvania:** Plans to provide incentive payments to primary care providers to support pediatric medical homes to enhance care coordination and care management activities including integration of behavioral health, and provide for enhanced training for private duty nurses to staff cases for children who have complex medical conditions including significant behavioral health needs.[26]
- **Vermont:** Plans to use funds to develop a grant opportunity to support provider start-up costs to develop and implement programming to address urgent care needs for children in response to children and youth waiting for services in emergency departments. According to the plan, the opportunity will allow for expansion of the state's "Psychiatric Urgent Care for Kids" program—an initiative to provide a safe alternative crisis intervention site for elementary-aged children who are in mental or psychological distress at school instead of directing them to a hospital emergency department.[27]

A few states also included references to school-based initiatives or services as part of their state spending plans and narratives (see e.g., FL, ID, MN, MO, WA, WV, VT). West Virginia's plan includes the most specifics as it relates to expanding their "Communities in Schools" program in underserved counties.[28] According to the state's plan, the program is aimed at supporting student physical health, mental health, safety, and well-being by developing integrated student support initiatives.

Finally, while not directly targeted towards children, but key to their healthy development and well-being, some states include plans to invest in initiatives to support parent or caregiver mental health and behavioral health needs. For example, Oregon plans to use funds to support the development of resources and services for parents with behavioral health needs.[29] Indiana plans to commit funding to provide mental health supports for caregivers and Maine plans to utilize national best-practice education programs like Mental Health First Aid and Family-to-Family to support families living with family members with co-occurring physical disabilities and mental health needs.[30]

Still More to Be Done

ARPA's section 9817 HCBS funding has provided states with an opportunity to enhance, expand, and strengthen home and community-based services including initiatives that support youth behavioral and mental health, with a number of states including plans to commit resources to such efforts. However, much more will need to be done to address the long-standing unmet mental health needs of children across the nation.

While not the only part of the answer, fully supporting the home and community-based continuum of care is a critical piece of the puzzle. Yet, ARPA funding is temporary and limited in nature. Building off ARPA, the Build Back Better Act would provide additional and longer-term support for home and community-based services by providing states with the option of permanently receiving a six-percentage point increase in their Medicaid matching rate for improving and expanding HCBS.[31] According to the Congressional Budget Office, this could infuse an additional $140 billion in federal funding into the Medicaid home and community-based system to better support such services including mental and behavioral health services and supports for children.[32]

For a full list of the state spending plans and narratives and to find your state's plan as well as CMS approval status, visit the Medicaid.gov home and community-based services resource page.[33]

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Endnotes

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