California Children's Trust

April 15, 2020

STABILIZE AND SUSTAIN YOUTH BEHAVIORAL HEALTH DURING COVID-19

ENABLE TELEHEALTH, MAXIMIZE MEDI-CAL FINANCING AND SAVE THE SAFETY NET

The nation's health care system is in the midst of unprecedented transformation as it responds to the COVID-19 crisis. Transformational policies and innovative approaches to delivering and paying for care—notably telehealth—will undoubtedly forever change the way services are delivered.

California has moved quickly to embrace federal guidance and remove many policy barriers to telehealth utilization in Medi-Cal. With an overall population of almost 40 million people, one in three (13 million) Californians are covered by Medi-Cal. California's 58 counties, some of which are bigger than many states, are now faced with implementing and operationalizing these changes. The lift is enormous.

The crisis provides an opportunity to rethink care for the state's most vulnerable and at-risk children and youth who rely on Medi-Cal and the health and human services safety net. For children who count on the behavioral health safety net, this is a critical moment in time. Approaches required to address the crisis will serve as a lens through which to examine access, equity and disparities in behavioral health delivery.

There Was Already A Children's Mental Health Crisis

104% **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, between 2006 and 2011.

50% **Increase in mental health hospital days** for children between 2006 and 2014

61% **Increase in the rate of self-reported mental health needs** since 2005

Collateral damage of COVID-19 includes:

- **Exacerbates equity gap**: Operating outside of school structures decreases access to resources—tech, food, MH supports, child abuse screening, etc.
- **Massive disruption to children's routines**: Increases anxiety, social isolation and erosion of social capital
- **Economic insecurity and isolation**: Increased risk of intimate partner violence.
- **Destabilization of the provider network**: Dramatic disruption in access to care—behavioral and mental health, reproductive services, etc.

DISRUPTION IN AN ALREADY FRAGMENTED SYSTEM

California has a complex and fragmented behavioral health financing and delivery structure—between the state and counties and between public agencies within counties. Realignment, the 2011 legislation that transferred administrative and financial control from the state to counties, contributes to financing and coordination challenges, especially now when a swift uniform statewide response to COVID-19 is essential. Action must therefore take place quickly at the county level.

In addition, the majority of California counties rely heavily on nonprofit agencies who contract with counties to provide youth behavioral health services. Whether services are provided by a contracted third party or by a county agency, COVID-19 has upended how those services have traditionally been provided.

Social distancing requirements and facility closures have severed critical access points for providing youth behavioral health services. Nearly 50% of youth who receive a Medi-Cal covered mental health service do so through a school setting. These closures create an access crisis for all providers. For the nonprofit providers, it is an access crisis and a revenue crisis, threatening the viability of the county safety net.

Video, text and phone services are now in many cases the only way to reach young people. Current county contract and invoicing arrangements need to be amended to finance mass adoption of these technology delivery modes and to maximize revenue for counties and prevent damage to the safety net.

COVID-19 IS DISRUPTING ACCESS TO CARE FOR CHILDREN & FAMILIES

School Closures Disrupt Access to Care

95% of the state's six million children in public schools

40%-50% of CA youth receiving mental health access at or through their school

Social Distancing Impacts Clinical Settings

State and local social distancing requirements are limiting access to traditional outpatient settings

Lack of Coordination

Lack of coordination between levels of government has been a historical challenge in CA, exacerbated by recent policy actions including 2011 realignment

It is further strained by the rapidly changing landscape created by COVID-19

"Nonprofit child and family services agencies are struggling to keep staff in place at a time when they need to be moving at light speed to adopt technology and reach isolated youth and children who desperately need services. This will severely impact provider readiness for what lies ahead as a result of the COVID-19 crisis."

— Chris Stoner Mertz, CEO, California Alliance of Child and Family Services

COUNTIES ARE TAKING ACTION

Counties are beginning to implement changes to provide immediate revenue relief to providers.

Federal, state and local directives and guidance are helping to enable rapid technology rollout and adoption, including providing flexibility and cover under HIPAA and ways to maximize federal and state funding through claims and reimbursement.

The California Children's Trust is working with stakeholders to promote three essential and urgent actions county agencies are taking to ensure community providers can continue to meet the growing need for behavioral health services in Medi-Cal:

Retainer Payment

- Provide cash flow relief to nonprofit providers who contract with counties via retainer payments within already budgeted contract amounts, with an understanding providers will provide evidence of services provided.
- Reimbursement is tied to "units of service" typically provided in face-to-face settings and that modality is not possible right now.
- Help providers stay afloat financially while volume is temporarily dipped due to access barriers and as nonprofits are transitioning at a rapid-fire pace to technology-enabled service provision.
- No negative fiscal impact as contract amounts are already in approved county budgets and would not change.

Rate Equivalence

- Ensure the implementation of the state's guidance on rate equivalency is achieved by reimbursing providers for technology-enabled services at the same rate as face-to-face services.
- Expand the definition of what qualifies as a reimbursable service in Medi-Cal to also include all technology enabled modalities and especially phone, text and video.
- In this time of isolation and disconnect for children and youth, expand the definition of therapeutic practice to place a higher value on client contact and engagement such as higher reimbursements for text check-ins.
- Recognize the value of more frequent "light touches" in this fragile moment and offset revenue losses for providers and counties as a result of decreasing volume.

THE CITY AND COUNTY OF SAN FRANCISCO ISSUED A POLICY ON MARCH 11, 2020 STATING:

"Suppliers should invoice for the month by calculating 1/12th of the contracted units of service."

"It is the city [of San Francisco's] intent to support the sustainability of nonprofit suppliers by continuing to provide full or partial payment in the event of programmatic closures that are in accordance with official public health recommendations. The policy outlines key considerations and operational procedures."

"As school-based health providers, we are limited in our face-to-face interventions right now. We are using text, phone and video in new ways and we need funding to support their ongoing use. Before COVID-19 we only used texting for scheduling and reminders. Now it is a vital life line to young people—a therapist's intervention in response to a text potentially saved a life the first week of shelter- in-place."

— Saun-Toy Trotter, LMFT Program Director
UCSF Benioff Children's Hospital Oakland / Children's Teen Clinic Youth Uprising Castlemont Health Center

+ Medi-Cal Rate Adjustment

- Raise Medi-Cal rates, within existing contract caps, to offset short-term revenue dip due to a decrease in volume.
- Explore regulatory options to provide reimbursement for actual costs — not the lower of actual vs. county rate as is currently the case — including seeking authority, if needed, through the 1135, 1115, and 1915(b) waiver processes.
- Consider contract arrangements through which providers bill "up to" or "not to exceed" the total existing contract limit. If met before the contract end date, services would continue through the term of the contract even if all funds have been paid out (COST reimbursement vs. FFS reporting).
- Make rate changes retroactive to cover interruption in service provision.

As of the date of this publication, ten counties have either voted to or committed to implementing changes to their contracts with community providers. San Francisco approved an indefinite retainer payment provision while Alameda, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, Ventura, Monterey and Nevada counties have either approved short-term guaranteed payment or taken steps in this direction.

The California Children's Trust has been working with the California Alliance of Child and Family Services (the Alliance) to track developments. The Alliance is posting statements and decisions from counties, and is working closely with the County Behavioral Healthcare Directors Association (CBHDA) to ensure collaboration on efforts to maximize Medi-Cal and get services to those who most need them.

Additionally, the Alliance has developed a detailed set of responses to address ongoing questions from counties and providers, and to support coordination across all stakeholders. These FAQs also provide additional context and detail to The Trust's above three strategies for securing the safety net.

STATE GUIDANCE ISSUED

The California Department of Health Care Services (DHCS) continues to provide guidance to counties on utilizing telehealth services.

The DHCS Behavioral Health Information Notice 20-009 makes the following clear:

- DHCS strongly encourages all counties to work with providers to maximize the number of services provided by telephone and telehealth to minimize community spread of COVID-19, as well as to protect the behavioral health workforce from illness.
- DHCS does not restrict the location of services via telehealth. Patients may receive services via telehealth in their home, and providers may deliver services via telehealth from anywhere in the community, outside a clinic or other provider site.
- DHCS does not have requirements about which live video platform can be used, and the U.S. Department of Health and Human Services Office of Civil Rights (HHS-OCR) has clarified that they will use enforcement discretion and will not impose penalties for noncompliance with the regulatory requirements under the HIPAA Rules when providers use telehealth in good faith during the COVID-19 public health emergency.
- DHCS encourages minimizing administrative burden and waiving any additional county oversight and administrative requirements that are above and beyond DHCS and/or federal requirements.
- Waiver of 42 C.F.R. §438.6(c)(1), as necessary, to permit the State to direct MCO and PIHP payments to network providers, where telehealth/telephonic service is medically appropriate and feasible, at the same rate the MCO or PIHP would pay if the service was provided in person, unless the MCO/PIHP and the provider otherwise agree to a different rate for the telehealth modality.

WORKFORCE TRANSFORMATION DURING A TIME OF EXTREME TRAUMA

Concurrent with the focus on financial sustainability of the safety net, the COVID-19 pandemic spotlights a need to support improved training and supervision for the behavioral health workforce. Provider preparedness and training concerns before the crisis are now exacerbated as practitioners are operating in disaster relief mode. COVID-19 is unprecedented in that everyone is impacted by this adversity. At the same time, the impacts are and will continue to be disproportionately experienced by those who have historically experienced income and access inequities. Counties and stakeholders will need to work across systems to re-examine how the workforce is trained and prepared for the disaster at hand and the recovery ahead.

THE DIGITAL DIVIDE BARRIER TO TELEHEALTH ADOPTION

The focus on provider stability in this time of technology-enabled youth behavioral health in Medi-Cal needs to include action to close the digital divide. A study by the Public Policy Institute of California found 22% of low-income households with school-aged children did not have any internet connection at home, and 48% reported no broadband subscription at home. Nearly half (44%) of these households said cost was the main barrier. Limited data plans and access to reliable devices present additional barriers. In order for telehealth approaches to fully reach those in need, there must be sustained attention to eliminating digital inequities.

SEIZE THE MOMENT

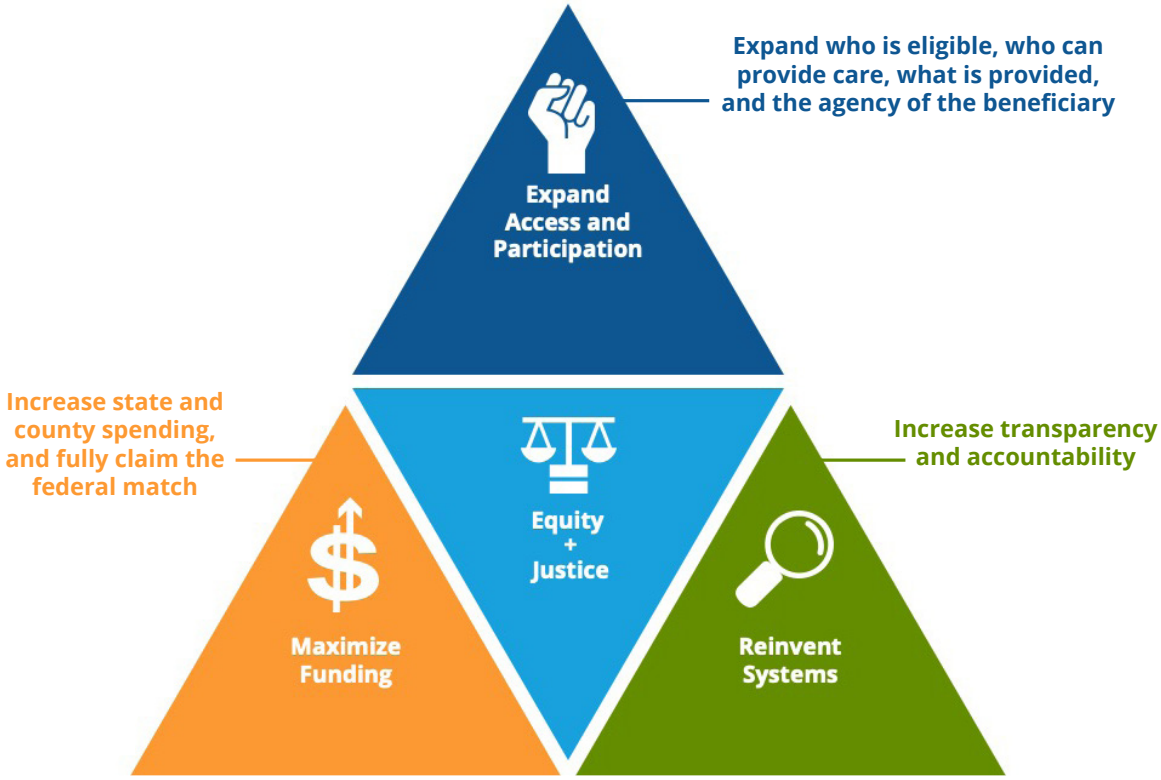
California's COVID-19 response is already transforming the way Medi-Cal behavioral health services are financed and delivered and as of this publication, ten California counties are leading the way to preserve the safety net. Technology implementation in good times is disruptive and imperfect—it forces change and reengineering in almost all areas of any industry. The focus on implementing telehealth solutions needs to include strategies and financing to close the digital divide and improve access to technology-enabled services for the underserved. This has been a near overnight switch to delivering behavioral health services to children and youth via telehealth modalities. It is already forcing change in financing and operations, and done right, it will lead to improved reach and access to children and youth and a reinvention of out-of-date and imperfect systems.

"The overt epidemic of COVID-19 will most certainly exacerbate the silent epidemics of racism, homophobia, transphobia, xenophobia, sexism, child abuse and intimate partner violence – disproportionally experienced by low-income populations. Now is the time to re-think and re-engineer behavioral health workforce training and preparedness. It is the only way the safety net will be prepared for the future."

— Dr. Ken Epstein, PhD, LCSW , Principal, P.R.E.P. For Change Consulting

California Children's Trust is a coalition-supported initiative to reinvent how California finances, defines, administers and delivers children's mental health supports and services. Equity + Justice are at the center of our beliefs, our actions, and our strategy for change.

CALIFORNIA CHILDREN'S TRUST FRAMEWORK FOR SOLUTIONS



This issue brief was written by Claudia Page in partnership with The Children's Trust. Claudia is an independent consultant with experience in implementing technology solutions in the public sector. As a founder of Social Interest Solutions (now Alluma) she worked closely with California counties and the state to improve IT systems and address policy and financing barriers in Medi-Cal, CalFresh and other state and county programs. The Children's Trust thanks Saun-Toy Trotter, Ken Epstein and Chris Stoner Mertz for their contributions and expertise.

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