Make Our Behavioral Health System Accountable for Colorado Children, Youth, and Families

Colorado is in a state of urgency for child and youth behavioral health:

- In 2017, suicide was the **leading cause of death** for children ages 10-18 in Colorado.
- In 2017, **31.4% of Colorado youth reported feeling sad** for two or more weeks in the past twelve months.
- Childhood and adolescence are critical periods of risk for the onset of a mental health disorder. Nationally, half of all lifetime cases of mental illness begin by age 14 and three quarters begin by age 24.

Problem: In Colorado, responsibility and authority for children's behavioral health care is dispersed among multiple state agencies and local governments. This fragmentation can lead to lack of coordination, accountability, and flexibility so that children miss early intervention services, receive duplicated support, and need more costly treatments in the long run. Colorado needs a behavioral health system that is accountable for Colorado children, youth, and families.

Solution: Create a children's behavioral health governing body, **the Colorado Children and Youth Behavioral Health Commission,** which would reside in the Office of the Governor. **The Commission would be tasked with advancing specific policy, budgetary, and programmatic priorities and recommendations to better serve the children and families of Colorado** by bringing together child-serving system leadership with representation from the Colorado Departments of Health Care Policy and Financing, Human Services, Public Health and Environment, Education, the Commissioner of Insurance, the Attorney General, counties, and members of the legislature.

- **The Commission would serve as a key behavioral health backbone** for the state by focusing on consistency, alignment, and integration across entities, while preserving existing collaborative behavioral health efforts and upholding local authority and customization.

- Beyond the Commission leadership, there would be an advisory council reporting to the Commission and composed of families, youth, providers, counties, local collaborative management program representation, and others responsible for children's behavioral health. This council would provide input about issues on the ground, strategic direction, and support implementation of the priorities.

- <u>Immediate Actions of the Commission:</u>
    - **Implement cost-effective, "Wraparound" services for eligible children.** Wraparound is a structured approach to service planning and care coordination for individuals with complex needs. Investment in this model **<u>results in per capita cost savings</u>** through reduced use of expensive facility-based care and can lower the number of out-of-home placements.

    - **Children and youth will enjoy better long-term health outcomes when standardized screening and assessments are determined to identify potential behavioral health concerns**. Colorado currently does not have this standardized approach to screening and assessment, which can lead to missed early identification and referral services.

    - **Resolve the challenges of a fragmented behavioral health delivery system by designing an integrated funding pilot to improve access to services.** The Commission, in partnership with the advisory council and stakeholders, would develop a test model for blending and braiding funding **<u>between local governments and state agencies</u>** that can, in future years, be centralized across system structures for children and youth served by multiple systems.

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Strengthening A System of Care
Cost Savings & Better Outcomes

Multiple state and local systems serve children with complex behavioral needs. Most of the children and youth in the child welfare system, and those at risk of abuse and neglect, have an array of physical, mental, social, emotional, educational, and developmental needs.

Bad outcomes are expensive. In Colorado, multiple child-serving agencies pay for intensive mental health services, including costly inpatient and residential mental health treatment services. In 2014, a report by the Colorado Department of Human Services and COACT Colorado found that **4,020 children received over $95 million in residential or inpatient services in FY 2010-2011.** The largest proportion of intensive services were paid by the child welfare system; **child welfare expenditures for these services were nearly $52 million.** The top 10% of children and youth accounted for almost 40% of the spending. Moreover, almost 42% of high utilizing clients in the child welfare system became involved in the Division of Youth Services, relying on additional public systems and expenditures.

"System of care" is a better approach to delivering services based on partnerships that create a broad, integrated process for meeting families' complex needs. The federal government evaluated system of care outcomes in 2012 and found that the model led to improvements in the lives of children and youth, such as decreased behavioral and emotional problems, suicide rates, substance use, and juvenile justice involvement. System of care also increases strengths, such as school attendance and grades, and stable living environments. The financial return on investment for this approach is another meaningful indicator of how cost savings can dramatically impact state and local funding strategies.

States and communities that have adopted a system of care approach have improved behavioral health outcomes and realized cost savings for both state and local governments:

- **Georgia:** A system of care approach with Wraparound services was used for a demonstration waiver with the Centers for Medicare and Medicaid Services. In FY 2011, the average cost to Medicaid for a youth in a psychiatric residential treatment facility was $78,406. During the demonstration, costs declined by 56% to $34,398, an annual savings of $44,008 annually per child.

- **Maine:** After enrollment in a system of care approach using Wraparound, **overall mental health expenditures decreased by 28%** compared with the pre-enrollment period, and expenditures for out-of-home treatment declined 44%.

- **Massachusetts:** A study in Massachusetts found that youth receiving Wraparound services used lower intensity services and had substantially lower claims expense, particularly for inpatient hospitalization and emergency department use—**74% lower inpatient expenses and 32% lower emergency department expenses.**

- **New Jersey:** From 2007-2010, the state reported a **savings of $40 million by reducing the use of acute inpatient psychiatric services**, while residential treatment was reduced by 15% during the same time and length of stay in treatment centers decreased by 25%.

- **Milwaukee:** In Milwaukee, Wisconsin, Medicaid, child welfare, and other system funds are integrated to provide comprehensive services for children and youth. By blending funds into a collaborative service delivery model, **the average cost per child is $3,403 per month. In comparison, monthly expenditures for residential treatment could cost nearly $10,000 and inpatient psychiatric hospitalization could cost at least $38,000.**

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