

# **State of Alaska FY2009 Governor's Operating Budget**

## **Department of Health and Social Services Services for Severely Emotionally Disturbed Youth Component Budget Summary**

**Component: Services for Severely Emotionally Disturbed Youth**

**Contribution to Department's Mission**

To protect and improve the quality of life for consumers impacted by mental disorders or illness.

**Core Services**

The Services for Severely Emotionally Disturbed Youth component provides competitive grant funding to community mental health agencies for a range of services for severely emotionally disturbed youth and their families, and for those youth who are at risk of becoming severely emotionally disturbed. The core services provided are assessment, psychotherapy, chemotherapy, case management and rehabilitation. Specialized services include individual skill building, day treatment, home-based therapy and residential services.

**FY2009 Resources Allocated to Achieve Results**

<b>FY2009 Component Budget: \$10,567,900</b>	<b>Personnel:</b>	
	Full time	0
	Part time	0
	<b>Total</b>	<b>0</b>

**Key Component Challenges**

As part of the Bring the Kids Home initiative (BTKH), the department has been and will continue to initiate a number of actions. Some of these include collaborative work groups with planning board staff, state staff, agency staff and parent advocates. Funded projects include: improving existing gatekeeping processes and incorporating new gatekeeping and care coordination structures focused on non-custody children; working to develop additional capacity in homes, schools, communities and regions; stepping children down to less intensive services as quickly as appropriate; and developing the entire continuum of care to meet long-term system needs.

Challenges include:

1. The number of children placed in out-of-state residential psychiatric centers continues to present a significant challenge. While system stakeholders are aligned in their desire to reverse this trend, and indicators are showing the success of the initiative in reducing the numbers of children in out-of-state care, there are many children accessing out-of-state care. This absorbs resources that could be used in-state. An on-going financial investment is required to expand in-state services to meet the uniquely complex needs of these children and to develop a system where children and families receive services earlier to prevent movement into residential care.
2. A challenge to the in-state system of care is the need for both immediate and long-term workforce development. This will continue to be a focus of the initiative and a challenge, particularly in rural areas. This includes developing and sustaining therapeutic foster and group home parents, and highly skilled professional and paraprofessional staff.
3. An additional challenge is the development and institutionalization of mechanisms to support home and community based services. Due to the unique and varying nature of Alaska's communities, this requires creativity and flexibility. It also requires accessing natural supports and community resources to supplement the professional and paid resources. Through this initiative, we are building the system to allow/develop individual solutions for individual families. However, these efforts are still segmented and must be expanded across the state. Examples include pilot projects to provide care coordination, to build capacity for wraparound facilitation,

to make funding available for individualized service agreements, and to start up pilot projects to reduce residential care in specific communities.

4. In the children's mental health system, there is an increasing focus on addressing the needs of infants and young children to avoid development of more intensive needs later in life. An on-going challenge is to identify funding support for these early intervention and prevention activities. The integration of substance abuse and mental health provides an opportunity to leverage prevention activities by pooling resources.

## Significant Changes in Results to be Delivered in FY2009

The state is beginning to see tangible improvements in the system of care for children as a result of the major redesign caused by the Bring the Kids Home (BTKH) initiative. Such results are already measured by a reduction of children in out-of-state placements: in April of 2006 there were 429 children in out-of-state care; in October of 2007 there were 260 children in out-of-state care (a 39% decrease). Results for 2009 are anticipated to be:

- Expansion of community-based services through implementation of a wrap-around service model that capitalizes on community resources, Individualized Service Agreements and Medicaid
- Expanded access to small group homes in rural communities
- Decreased flow of children to services out of state

This will be accomplished as funding that in the past covered the cost of out-of-state care is being reinvested into the in-state service delivery system, allowing it to expand to meet the needs of our children in Alaska.

For FY09, the BTKH Funding Focus Group is requesting general fund and Alaska Mental Health Trust funds for the following projects:

### - Anchorage Crisis Stabilization

This funding is continued from FY08. The funding will provide operating expenses for a single 15-bed facility (or two smaller ones) to start up and become operational. Through these services, youth-in-crisis will be stabilized in as low a level of care as diagnostically appropriate. These beds would be appropriate for custody and non-custody youth referred from acute care, or for children who might be assessed and stabilized in a community setting rather than moving directly into acute care. This project is a partnership between Behavioral Health, Children's Services and Juvenile Justice.

Anticipated outcomes include diversion from unnecessary movement into acute care, and a decrease in movement from acute to higher-level, costlier, and out-of-state facilities. In addition, we anticipate that this program will increase referral into lower levels of residential care in-state, and increased requests for individualized service funds. As noted above, Behavioral Health has successfully utilized start-up funding to leverage development of needed in-state capacity and to increase community based service delivery.

### - Expansion of School-Based Services via grant:

This project started in FY08 and will continue/expand during FY09. Through grants, this funding will support use of Evidenced-Based Practices (EBP) in schools and collaborations between Community Behavioral Health Centers (CHBC) and schools. These grants will start in FY08 and be continued/expanded during FY09. Grants will be available to schools wishing to implement EBP (from a list provided by BH) or to CBHCs and schools who partner to expand school behavioral health services. EBP could be targeted towards children at risk of a Serious Emotional Disturbance (SED Youth).

Program level outcomes include increase in school/CMHC partnerships and increased attention to developing supports in the school. Child and family level outcomes include successful diversion from higher levels of care and a decrease in transition failures for children returning to school from residential care (less recidivism). For FY 04-06, the greatest risk of readmission to an RTPC occurred within 31-180 days from discharge (44.2%), followed by 1-30 days (30.9%). (First Health Data: BH P & P Unit).

### -Community Behavioral Health Centers Outpatient Residential Services and Training:

These two pools of funding are solicited through statewide grants for innovative programs/training to reduce the need for intensive residential level services. Special populations are emphasized, such as children with severe emotional disturbances and a Fetal Alcohol Spectrum Disorder; children aged 0-6; and other groups of children for whom in-state services are lacking. Each year, the solicitation is adjusted to reflect the capacity developed during previous years and the gaps that remain. For FY09, there will be a focus on developing capacity for services in rural hubs.

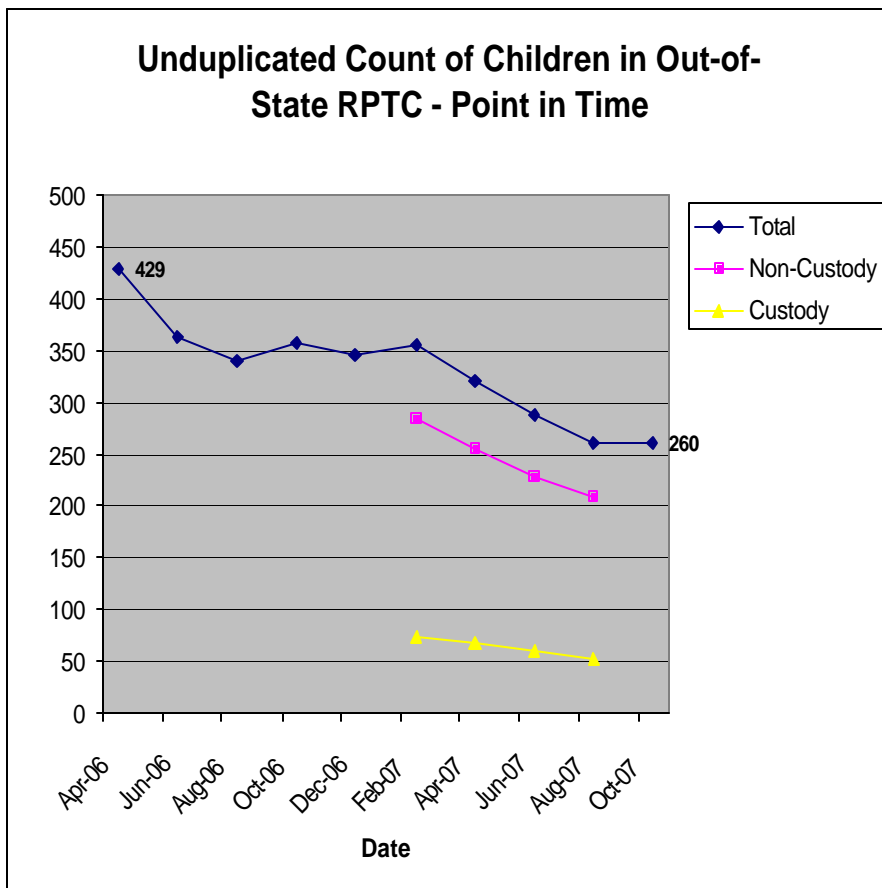
Start-up grants have one to two years to build sustainability using all available funding streams (grant funds, Mental

Health Medicaid, insurance, co-pay). The Trust's plan is for programs to utilize the Trust's funds initially and taper to GF/MH support as needed to sustain capacity.

Starting in FY08, and continuing in FY09, an independent contractor will be utilized to assist in program evaluation. The primary goal of these interventions is to help use lower levels of care that are more appropriate and cost-effective. Ongoing quarterly grant reporting suggests that this is being achieved: through FY08, 28 BTKH grants were awarded in 12 communities including Kotzebue, Anchorage, and Metlakatla. During FY06 and FY07, almost 500 children were served through these grants. 162 children were assisted to "step down" from higher levels of care, and 74 children were stepped down from an out-of-state RPTC to an in-state program at a lower level of care. In addition, many children were kept in-state or in a community setting instead of moving into a higher level of care.

### Major Component Accomplishments in 2007

During FY07, the Bring the Kids Home Initiative began to demonstrate the impacts of the allocation of resources in the form of staff time and effort and funding. The chart below demonstrates the decrease in numbers of children in residential psychiatric treatment centers:



This reflects a 39.4% decrease in number of children in Out-of-State Residential Psychiatric Treatment Centers at a point in time.

This decrease was between April 2006 and October 2007.

We expect this to level over the fall and early winter and then a continue to decrease.

Source of Data: DBH Program and Planning from First Health Data

Bring the Kids Home (BTKH) project accomplishments for FY07 that contributed to this decrease include:

During FY06 and FY07, capital projects made considerable progress in establishing in-state Residential Psychiatric Treatment Center (RPTC) programs with support through Denali Commission funding. Juneau Youth Services/SEARHC and North Star in Anchorage have each opened new facilities with RPTC level beds. During FY08, Family Centered Services of Alaska will open a new RPTC in Fairbanks. Southcentral Foundation continues development of an RPTC at Eklutna oriented to meet the cultural needs of Alaska Native youth and families. By the end of FY09, the in-state RPTC capacity will have increased by approximately 224 beds and reached a stable level.

During FY07 BTKH operational grants served approximately 387 children: 39 of these children were stepped down from

out-of-state RPTC care and 109 were stepped down from more restrictive in-state care. In addition, 123 were diverted from moving into higher levels of care. This effort also created approximately 23 new beds targeting difficult sub-populations of children experiencing Severe Emotional Disturbance. An emphasis was placed on implementing best and promising practices. A few examples of projects and their impacts include:

- Several projects increased the service capacity for children with severe emotional disturbances on Prince of Wales Island by expanding school based services across the island and starting two therapeutic foster/group homes so that children do not have to leave to receive structured residential services. None of the youth involved in the projects moved into higher levels of care.
- One continuation project prepared families for their children's return home to the community. The project served 24 children who were stepping down from out-of-state care, from higher levels of in-state care or being diverted from out-of-state care. None of the youth involved with the project moved back into a higher level of care.
- One project implemented the "Assertive Continuing Care" which is one of the nationally recognized best practices. This grant allowed the agency (previously targeting children with substance abuse disorders only) to begin serving children with severe emotional disturbances and co-occurring substance use disorders. In the second year of the project, outcomes included a 76% increase in children with severe emotional disturbance served and a 32% increase in retention in aftercare.
- One project continued implementation of the best practice "Early Childhood Mental Health Consultation" and kept 100 young children from being expelled from child care or early learning settings. Removal from child care and early learning settings has been linked to poor long-term outcomes. Early intervention to assist parents, day care and teachers can impact the outcomes for not only a child, but an entire family.
- Other projects developed capacity for therapeutic foster and group home beds, transitional living beds and individualized supports for transitional aged youth.

During FY07, the division began utilizing new Individualized Service Agreements to help divert children from residential care and step children down successfully from residential care. Funded through the Mental Health Trust Authority, Individualized Service Agreements (ISA) cover the cost of clinically necessary services and prevents institutional care. ISAs are the mechanisms through which funds are allocated to provide services to youth that cannot be reimbursed through Medicaid fee-for-service or Behavioral Rehabilitation Services (BRS) financing. During FY07, six Community Mental Health Centers (CMHC) signed on as ISA providers. During FY08, use of ISA will be expanded to BRS providers and additional CMHCs will be trained in their use to divert children and support families.

During FY07, the department engaged in aggressive review of policies, procedures and regulations around the children's behavioral health system to support BTKH goals. Efforts included:

- The division, working with the Office of Rate Review, initiated and completed two cost and rate reviews, developing a specific rate for secure beds.
- In collaboration with the Division of Health Care Services, the Division of Behavioral Health contracted with McKesson Corporation in the use of a Level of Care Assessment, referred to as "InterQual". The population includes adults, adolescents, and children and assesses chemical dependency, mental health, and co-occurring disorders. During FY06 this tool was piloted for children in acute care settings and those youth being referred for ISA funds. During FY07, refinements were made to the use of the tool. During FY08, level of care assessment will be piloted in the community and for the Fetal Alcohol Spectrum Disorder Demonstration Waiver.
- The division continues to develop integrated mental health and substance abuse regulations that will positively impact agencies' ability to provide integrated and comprehensive services to children.
- Collaboration with tribal providers to expand tribal access to Mental Health Medicaid to expand service delivery in rural areas, to expand access to culturally oriented services and to expand access to federal match.
- Development of a new "Education Subcommittee" for BTKH that will target collaboration with the school system to improve in-state access to coordinated services.
- Targeting education for schools about the new regulations that allow access to Medicaid for services for children with Individual Education Plans and behavioral health problems impacting school performance.
- Regulations planning efforts aimed at making it easier to serve young children and their families. The goal is to allow services to be initiated before children begin to move into higher levels of restrictive and expensive care.

During FY07, the division's utilization review staff began active, ongoing successful implementation of diversion and system development activities, including:

- Working with staff of the three in-state acute care facilities to divert children from out-of-state care when clinically

appropriate. Acute care facilities are the major referral source to out-of-state RPTCs.

- Revising policies and procedures related to management of the RPTC system, including revising requirements for family therapy while a child is in an RPTC, and revising requirements of discharge planning.
- Maintaining data on children served in out-of-state care and those diverted, to allow better system management.
- Revising and soliciting the contract for authorization of inpatient psychiatric services, resulting in a new contractor starting January 1, 2008. In addition to authorizing inpatient psychiatric services, the contractor will supply additional data, reports, and provide care coordination to effectively transition youth from RPTCs to lower levels of care.
- Collaborating with outpatient providers about possible discharge plans for youth in acute care and helping to facilitate the use of ISAs.
- Completing the “BTKH Summits” in FY08. These summits began in FY07 to assist and engage different areas across the State to plan for serving youth in their home communities, address local system gaps, identify funding issues, and educate communities on available resources.
- During FY07, utilization review staff was joined by two new BTKH Coordinators, one each from the Office of Children's Services and the Division of Juvenile Justice. These coordinators are responsible for working with the utilization review staff, as well as within their respective divisions, toward BTKH goals.
- The division continued collaborating with the BTKH Coordinators of OCS and DJJ in the development of a Resource Committee to staff youth in acute care, and others. The role of these resource committees is to provide in-state treatment options for custody and non-custody children in acute care (and others), ensuring that the appropriate treatment services are matched with the client's clinical needs, as close to their community and family as possible. Preliminary data analysis for FY07 indicates the total number of youth diverted from RPTCs via the Resource Team is approximately 30.

During FY07, workforce development activities continued and began to expand. Development of a skilled workforce is an underlying foundation of the BTKH initiative. As new programs and new facilities are developed, staff must be available to work with children and their families, challenging behaviors and complex needs. A workforce sub-committee is charged to develop workforce resources in Alaska. Three small groups were formed to tackle this task including Training and Education, Competencies, and Stakeholder Input and Funding.

The Training and Education Group focused on the implementation of the Residential Services Certificate Program.

- The Center for Human Development developed five courses with a clear focus on kids and residential care as a trial.
- Final university approval for the courses was received in February 2007.
- The advisory board recommended an in-house practicum and visiting other facilities to broaden student's experience, and the use of a variety of strategies to market the program to encourage participation.

The Competencies Group articulated specific competencies for the Residential Services Certificate Program.

- A preliminary list of core competencies that can be infused across the board into Alaska's workforce development system was developed during 07.

Members of the Stakeholder Input and Funding Group were actively involved in activities to interface BTKH within the Alaska Mental Health Trust Authority's focus area on workforce development.

## Statutory and Regulatory Authority

AS 47.30.520 - 620	Community Mental Health Services Act
AS 47.30.655 - 915	State Mental Health Policy
AS 47.30.011 - 061	Mental Health Trust Authority
7 AAC 78	Grant Programs
7 AAC 72	Civil Commitment
7 AAC 71	Community Mental Health Services

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**Services for Severely Emotionally Disturbed Youth  
Component Financial Summary**

*All dollars shown in thousands*

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	2.8	55.0	55.0
72000 Travel	118.7	0.0	0.0
73000 Services	223.4	814.2	814.2
74000 Commodities	75.2	0.0	0.0
75000 Capital Outlay	14.0	0.0	0.0
77000 Grants, Benefits	6,349.0	8,935.7	9,698.7
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>6,783.1</b>	<b>9,804.9</b>	<b>10,567.9</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	199.9	517.7	517.7
1004 General Fund Receipts	564.9	687.0	898.0
1037 General Fund / Mental Health	4,666.2	6,750.2	8,102.2
1092 Mental Health Trust Authority Authorized Receipts	1,352.1	1,850.0	1,050.0
<b>Funding Totals</b>	<b>6,783.1</b>	<b>9,804.9</b>	<b>10,567.9</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	199.9	517.7	517.7
<b>Restricted Total</b>		<b>199.9</b>	<b>517.7</b>	<b>517.7</b>
<b>Total Estimated Revenues</b>		<b>199.9</b>	<b>517.7</b>	<b>517.7</b>



**Summary of Component Budget Changes  
From FY2008 Management Plan to FY2009 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2008 Management Plan</b>	<b>7,437.2</b>	<b>517.7</b>	<b>1,850.0</b>	<b>9,804.9</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer in General Funds from Medicaid Services due to Elimination of Proshare Financing	211.0	0.0	0.0	211.0
-Reverse FY2008 MH Trust Recommendation	0.0	0.0	-1,850.0	-1,850.0
<b>Proposed budget increases:</b>				
-Discontinue Private ProShare Refinancing	902.0	0.0	0.0	902.0
-MH Trust: BTKH - Anchorage Crisis Stabilization, 15 beds and develop single point of entry	200.0	0.0	100.0	300.0
-MH Trust: BTKH - Individualized Services	250.0	0.0	250.0	500.0
-MH Trust: BTKH - Expansion of school-based services capacity via grants	0.0	0.0	200.0	200.0
-MH Trust: BTKH - Home and Community based start up grants	0.0	0.0	500.0	500.0
<b>FY2009 Governor</b>	<b>9,000.2</b>	<b>517.7</b>	<b>1,050.0</b>	<b>10,567.9</b>