

Coalition for Juvenile Justice
Spring Conference
Plenary Session

Creative Approaches Using
Medicaid & Other Funding Sources

Why Use Medicaid?
It's Where the Money Is!

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Typical Challenges to Funding Juvenile Justice Services

- ◆ Limited funds – with more heavy reliance on local property-tax funding
- ◆ Restricted Medicaid eligibility for children in detention, jails or correctional facilities
- ◆ Funding is often “siloes” – used for a single program or single purpose – lack of flexibility
- ◆ Largest amount of funds are spent on youth in most restrictive placement ie. Residential treatment, corrections, psychiatric hospitals – limits funding for community-based care
- ◆ Medicaid funding when available is often restricted to limited “fee-for-service” options in state plan



Medicaid's Growing Importance to Mental Health

- ◆ 1986 = \$33.1 billion of mental health care expenditures paid by Medicaid
- ◆ 2003 = \$100.3 billion of mental health care expenditures paid by Medicaid
- ◆ Medicaid = 45% of all public mental health spending



Early and Periodic Screening, Diagnosis and Treatment (EPSDT) – All States Must Provide Access to Medicaid Services for Children

- ◆ Referred to as the “Wraparound benefit”
- ◆ Children have a right to all federally-covered services whether included in a State Medicaid plan or not, if determined through an EPSDT screen
- ◆ EPSDT lawsuits to fund “home-based” wraparound services won in Massachusetts and California



Traditional Medicaid Funding Options

- ◆ Fee-for-Service – eligible recipients can access state plan Medicaid services from licensed or certified Medicaid providers on a “fee-for-service” basis without any restriction on their “freedom of choice”.
- ◆ “Family of One” – children/adolescents 0-21 can be eligible for Medicaid coverage based solely on their income if they require inpatient psychiatric hospitalization. Coverage is for costs of inpatient psychiatric care episode only.
- ◆ Targeted Case Management (explained in later slide).
- ◆ All of the above can be restricted or limited by Medicaid waivers or regulations under Deficit Reduction Act (DRA)



Medicaid Waiver Options

- ◆ 1915 (a) Voluntary, Risk-Based Contract (42 CFR 438.2) – states may create voluntary, managed care arrangements for specialized populations
- ◆ 1915 (b) Managed Care/Freedom of Voice Waivers – states routinely use to create, mandatory enrollment in Managed Care plans, waives freedom of voice, fee-for-service
- ◆ 1915 (c) Home & Community Based Waivers – routinely allows for development & funding of community-based services as alternative to inpatient hospitalization. New demonstrating pilots awarded to 10 states to develop alternatives to psychiatric residential treatment centers (PRTC's)



New Medicaid State Plan Amendment Option – 1915 (i)

- ◆ One positive alternative in Deficit Reduction Act
- ◆ Gives states the ability to provide home & community based services to adults & children with disabilities (including mental health disorders) up to 150% of federal poverty level without requiring a waiver or demonstrating cost neutrality, a state need only amend it's Medicaid plan to provide any of the services now covered under HCBS Waivers
- ◆ States can limit geographical eligibility, enrollment numbers, have stricter income levels and create waiting lists



Family Opportunity Act – Another New Medicaid State Option

- ◆ Scaled down version passed by Congress in 2007 to help families access needed mental health care for children with serious emotional disabilities rather than relinquish custody to State or County
- ◆ States may offer parents with incomes up to 300% of the federal poverty level (\$58,500 for family of four) the opportunity to buy into Medicaid on a sliding scale basis
- ◆ States could phase in over three years
 - Children 0-6 in 2008
 - Children 7-13 in 2009
 - Children 14-18 in 2010



Targeted Case Management for Juvenile Justice & Child Welfare Youth – Recent Changes

- ◆ Defined in federal law as services to assist eligible individual to gain access to needed medical, social, educational and other services
- ◆ Has been extensively used for reimbursement for services provided by mental health, child welfare, juvenile justice and other systems
- ◆ Under Deficit Reduction Act (Feb.2006) and with the end of the moratorium (Mar.2008)
 - Cannot be claimed by child welfare or juvenile justice when service is integrated into the administration of those services and routine work performed by child welfare & probation workers
 - Cannot be a component of other Medicaid covered services ex. Intensive in-home or
 - It can be covered by other third party payors
- ◆ Mental health programs can still claim TCM and the prohibited entities could create mental health services under auspices of mental health system



Wraparound Milwaukee's Approach to Pooling Medicaid & Other Funds for Youth in the Juvenile Justice System

1. Pooled funding comes through multiple child-serving systems in Milwaukee County and State Medicaid Agency
 - ◆ Medicaid Funds (\$18.5 – 19 million)
 - ◆ 1915 (a) waiver and sole source contract between the State Medicaid agency and Milwaukee County Human Services Dept. to create specialized managed care program for 800 youth
 - ◆ “capitated rate” of \$1661 per month per enrollee paid to Wraparound Milwaukee based on actuary determined formula (\$12 million per year)
 - ◆ Additional “fee-for-service” reimbursement for mobile crisis and crisis stabilization services (\$6.5 million per year)



Wraparound Milwaukee's Approach to Pooling Medicaid & Other Funds for Youth in the Juvenile Justice System

- ◆ Juvenile Justice – Delinquency Funds
 - ◆ A fixed annual budget of \$8.2 million paid to Wraparound for SED youth who are adjudicated delinquent and at immediate risk of residential treatment or correctional placement (325-350 youth approx. enrolled on a daily basis)
 - ◆ Case Rate of \$3500 per month for up to 50 youth who are committed to Dept. of Corrections but whose orders are “stayed” and youth admitted to community-based FOCUS program operated by Wraparound Milwaukee and Delinquency & Court Services Division of Milwaukee County
 - ◆ Cost is 50% of State correctional daily rate
 - ◆ \$1.8 million per year in case rate funding

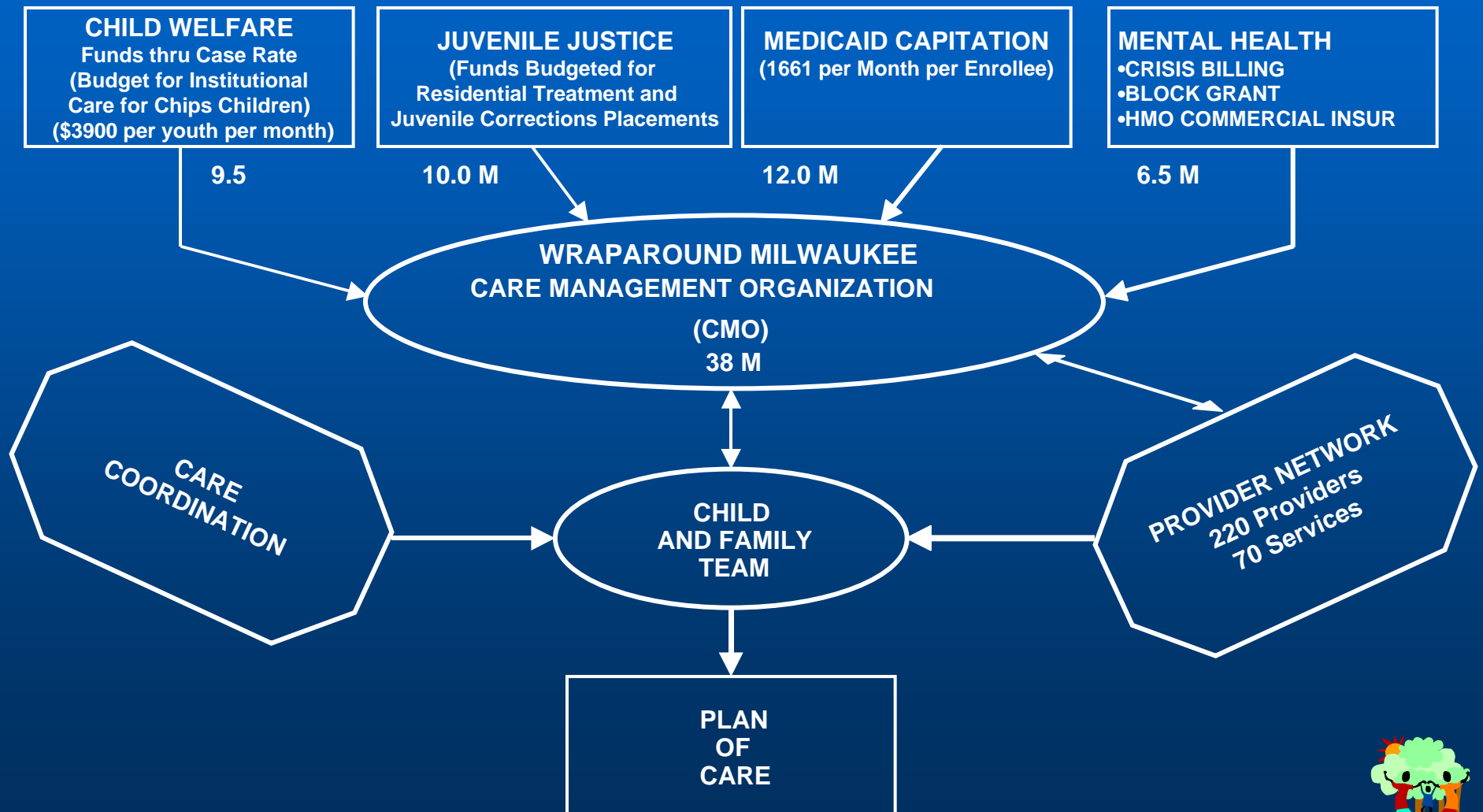


Wraparound Milwaukee Pooled Funding cont'd...

- ◆ Child Welfare
 - ◆ Case Rate of \$3900 per month per child for SED youth under child welfare order who are at imminent risk of residential treatment placement (200-220 youth)
 - ◆ Fixed contract of \$440,000 for provision of mobile crisis service by Wraparound-MUTT team
- ◆ Education
 - ◆ Fixed funds (470,000) for Wraparound Crisis Intervention Teams for Milwaukee Public Schools
 - ◆ "In-kind" school placement services and Safe Schools grant



What are Pooled Funds?



Features of Wraparound Milwaukee's Medicaid Managed Care Model

- ◆ Capitated & case rate payments increase flexibility to fund services
- ◆ “medical necessity” determined by child & family team
- ◆ Funds easily shifted to meet changing system needs
- ◆ Single payor – Wraparound Milwaukee pays for all services
 - Other child serving systems contract with Wraparound Milwaukee
- ◆ One information system for all agencies
- ◆ Extensive provider network – 230 agencies & 70 services
- ◆ More sustainable than other models—particularly with blended funds
- ◆ Cost savings retained in system



What Has Been Achieved in Wraparound Milwaukee

1. Reduction in average number of youth in residential treatment (delinquent & child welfare) from 375 youth to 80 youth
2. Reduction in utilization of inpatient psychiatric hospitalization from 5000 to 175 days per year
3. Reduction in cost of care versus institutional placement
 - \$3980 average monthly cost for child in residential treatment versus \$7600 per month for residential placement, \$7000 per month in a juvenile correctional facility



What Has Been Achieved in Wraparound Milwaukee cont'd...

4. Improved clinical functioning based on CBCL and other nationally normed instruments
5. Reduction in delinquency recidivism rates for youth in Wraparound Milwaukee Program
 - Juvenile sex offenders have most significant reduction
6. Improved school attendance

