

INITIATIVE TO EXPAND BEHAVIORAL AND OTHER HEALTH SERVICES IN SCHOOLS

Almost three years ago, The Michigan Health Endowment Fund (MHEF) provided financial support to address the fact that Michigan schools are greatly under resourced with behavioral health, nursing, and other health staff. This is based on both national comparisons and standard assumptions around need. Organizations representing a wide range of interests came together to advance this effort. The goal was to design a system of care that will be financially sustainable.

Initial efforts focused on federal Medicaid funding. There was a recognized opportunity to obtain federal Medicaid matching funds for health services currently being provided to general education students. This evolved into what is now called **Caring for Students (C4S)**. The Medical Services Administration (MSA) within the Michigan Department of Health and Human Services (DHHS) already had done some work on this idea and moved forward to gain federal approval effective January 1, 2019.

While this process was underway, concerns for school safety deepened and the need for behavioral health services for the general school population gained greater recognition. As a result, Michigan's legislature amended the School Aid Act and added \$16.5 million in state general funds for the 2018-19 fiscal year toward mental health services in local schools. The law directed that these funds were to be distributed through Intermediate School Districts (ISD) and that each ISD would receive an equal share. This became known as **31n** in recognition of the section of the School Aid Act that authorized this funding. For the 2019-20 fiscal year, the legislature appropriated \$23 million in new funding under the same framework.

The legislature put several conditions on the 31n funding. ISDs were required to make application showing how the funds would be used and requirements met. The conditions included, among others, a commitment to maintain the existing level of services and use these new funds to expand services, to add a 20% local match to the new funding, and to work under the direction of MDE and DHHS to obtain additional federal Medicaid funding. Effectively, the 31n funding helps to jumpstart the broader initiative but is understood to only begin to address the level of need across the state.

While 31n funding impacts only a limited number of districts, the C4S initiative is statewide and an opportunity for virtually all schools providing general education. There is the expectation that this will result in a meaningful amount of additional funding for local schools. The Medicaid match builds on existing state and local spending for health services to general education students so both the total generated and its distribution across the state is difficult to estimate.

The Medicaid policy for C4S was issued effective October 1, 2019. Essentially, C4S builds on the policy and methodology used to obtain federal Medicaid funding for health services to special education students (called School Based Services). One key difference is that 95% of the new federal funds will go to local education agencies (instead of the 60% for School Based Services). Health services staff in the general education environment will need to be trained on reporting along with local finance and administration. The C4S methodology and its operational components are in the process of being disseminated. Local school districts unaware of this should be hearing about it very soon.