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Contact: Morris Ardoin, 646-284-9616, ardoin@nccp.org

Follow the Money: Dollars for Children's Mental Health Don't Add Up

The U.S. surgeon general estimates that one out of every five children in America has a diagnosable mental health problem; 15 percent of all adolescents are substance abusers; and 20 percent of those being treated for substance abuse also have a mental health disorder.

If tens of billions of dollars were spent last year on the behavioral health needs of children and youth, then why is that most of America's children, youth and families who need mental health services do not receive them?

New York – Researchers at the National Center for Children in Poverty (NCCP) at Columbia University's Mailman School of Public Health have just released results of a nationwide study that attempts to make sense of how America spends its money to address the behavioral health, particularly mental health, needs of children and youth.

“We spend a considerable amount of money to address child behavioral health, but it never seems enough,” says Janice L. Cooper, PhD, director of children's mental health at NCCP and assistant professor of clinical health policy and management at the Mailman School. “What we wanted to get to the bottom of is, are we spending this money wisely? Or, is it simply a problem of not spending enough?”

According to the NCCP study, funding, particularly Medicaid, drives the quality and capacity of community-based mental health services at a time when other research suggests that fewer than 20 percent of children with mental health service needs and only 9 to 13 percent of youth who need drug and alcohol treatment receive it. Furthermore, there is wide variation of service access, use and outcomes based upon residency, race, ethnicity, income and insurance coverage.

“The bottom line is that nationwide, we see a tremendous unmet need, when it comes to children and youth's mental health in this country,” says Cooper. “What's most alarming, however, is the extent to which children's behavioral health financing defies logic. One would expect that the science on child and youth development, behavioral health and the service needs of children and youth would guide child behavioral health policy, which in turn, would guide fiscal policy. Quite the contrary.”

The key findings of the study include:

- Medicaid's expanded role over the past 25 years in behavioral health financing has led to many positive improvements for children and youth with emotional and behavioral problems.
- At the same time, Medicaid also undermines local capacity to strengthen community-based services, limiting inappropriately the types of services that can be paid for.
- Fiscal policy *plays a major role* in the poor quality that dominates much of community-based service delivery. It is too hard to pay for treatment known to be effective, or even age-appropriate standardized screening and interventions in settings that families trust.
- There is a need for greater accountability for improved outcomes for children, youth and families and particularly for increased federal policy leadership to address geographic, racial, ethnic and linguistic disparities between states.

“We clearly need a new national paradigm to guide fiscal policy for children’s mental health,” says Jane Knitzer, EdD, director of NCCP. “This paradigm must be consistent with the recent call for a public health mental health framework through the President’s New Freedom Commission on Mental Health. But the existing federal legislative framework sends mixed signals and makes it difficult for states to think strategically about service improvement.”

What sharpens the poignancy of today’s picture, says Knitzer, is the dramatic contrast between the body of accumulated knowledge about effective practice and paltry efforts to support implementation of this knowledge through financing. “We not only know what clinical practices work, we know about many that are ineffective. We also know about effective practice settings, and effective timing of interventions to produce maximum impact.”

In this paper, NCCP urges federal leadership by policy makers, specifically:

- Address the lack of capacity at the community level by, for example, redressing the balance between community and residential treatment by requiring that Medicaid, public and private payers reimburse community-based mental health services at market rates.
- Significantly raise the quality of care delivered in community-based and other settings for children, youth and their families.
- Instill accountability for public financing of behavioral health by legislating a new national system to guide fiscal policy for children’s behavioral health.
- Draft and pass legislation that guides fiscally responsive and responsible policies that are linked to improved outcomes; and ensures financing and service delivery that is developmentally-appropriate and research-informed.

For the full report, access: www.nccp.org/publications/pub_804.html. Funding for this study came from the John D. & Catherine T. MacArthur Foundation, the Annie E. Casey Foundation, the California Endowment and the Zellerbach Family Foundation.

The National Center for Children in Poverty (NCCP) is the nation's leading public policy center dedicated to promoting the economic security, health and well-being of America's low-income families and children. Part of Columbia University's Mailman School of Public Health, NCCP uses research to inform policy and practice with the goal of ensuring positive outcomes for the next generation.