



STRATEGY BRIEF

# STRONG FAMILIES

## Can Medicaid be leveraged as a **sustainable source of prevention funding for family resource centers?**

In a [21st century child and family well-being system](#), government and communities work together to support families upstream and prevent crises that might result in child welfare system involvement. As one effective element of such a system, [family resource centers](#) (FRCs) provide community-driven services to children and families, often in economically underserved neighborhoods. While every center's service array is unique to its community, most share a common challenge of securing adequate public and private funding to support the flexible and prevention services that families need most.

Although many FRCs have become familiar with Title IV-E Prevention funding, another source of federal financing — Medicaid Administrative Activities, or MAA — often is less understood and overlooked. In the City and County of San Francisco, however, building on a previous success in Alameda County, Calif., a strong coalition of partners is testing whether and how MAA can be successfully accessed by FRCs as a sustainable source of funds to help prevent child welfare system involvement and support positive outcomes for families. To date, the San Francisco FRCs have had one round of successful Medicaid administrative claiming, totaling around \$300,000, which is expected to increase over time.



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This brief provides a preliminary snapshot of San Francisco's approach, including developing a sustainable funding structure, building capacity among the FRCs to participate in Medicaid administrative claiming, and lessons learned.<sup>1</sup>

## San Francisco's experience

San Francisco maintains a network of 26 FRCs created and funded by the [San Francisco Department of Early Childhood](#) (formerly First 5 San Francisco), the [Department of Children, Youth and Their Families](#), and the [San Francisco Human Services Agency](#),<sup>2</sup> with backbone support from [Safe & Sound](#). In 2020, that network of FRCs was facing possible declining budget support amid rapidly increasing needs. With consulting assistance from The Public Works Alliance and Optimas Services, Inc., the group approached its local Medicaid authority through the Department of Public Health about submitting a MAA reimbursement claim for some FRC activities.

The idea had been raised and dismissed before. The San Francisco FRCs vary greatly in the services they offer, but none provide direct health care. At first blush, they seemed unlikely to be an eligible recipient of Medicaid funds. Some also were daunted by prior experiences with or preconceptions about Medicaid and the threat of audits and repayment. But in the early days of the COVID-19 pandemic, before the American Rescue Plan was passed, "people were willing to think differently," said Katie Albright, former chief executive officer and president of Safe & Sound who now serves as a senior advisor for the organization.

After a close look at the services the FRCs provide, facilitated by data that each network member already was providing to the San Francisco Department of Early Childhood, consultant Alex Briscoe of The Public Works Alliance and his team were able to identify a number of activities that met [MAA program guidelines](#) and helped connect Medicaid-eligible families to a number of FRC services:

- Resource navigation
- Referral and care coordination, including scheduling, transportation, and arranging for health care (medical and dental appointments)
- Policy development
- Program planning
- Eligibility and enrollment
- Outreach (health fairs, creating flyers for prenatal programs)
- Facilitating prenatal care
- Helping clients access COVID vaccines and testing

Briscoe brought to the table his prior experience as the director of the Alameda County Health Care Services Agency, where he oversaw an MAA claim for the East Bay Agency for Children's FRC that grew over a period of nearly a decade to \$450,000 per year in a budget of \$1.7 million. Briscoe says that while accessing MAA reimbursement is not a quick process, it can be accomplished when partners are willing to

A big reason family resource centers are so effective is because they connect families to a more comprehensive system of support. They remove barriers and connect with other systems and organizations to support families. However, this happens at an administrative cost that is not typically resourced or funded to scale. Tapping into Medicaid Administrative Activities for this component of the work holds incredible promise and potential for the sustainability and growth of our system of care, and even greater promise for families in the years to come.

— THERESA ZIGHERA,  
INTERIM EXECUTIVE DIRECTOR, SAN FRANCISCO DEPARTMENT OF EARLY CHILDHOOD



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in more services being covered. In the alternative method, **direct charge**, the FRC's contract specifies that a certain percentage of its time will be billable. The agency submits a claim for that percentage of its eligible expenses. This method involves less administrative burden but is likely to generate much less in reimbursement. To start, the FRC's in San Francisco opted to pursue the direct charge approach to minimize the burden on staff, with a goal of building in the time study option as capacity increases.

In both options, Medicaid administrative claims provide reimbursement for **50 cents on each dollar for eligible claimed activities**. There is no upper limit for qualifiable claims. These reimbursed funds also are **unrestricted**, meaning they can be used to advance positive outcomes for families, including to offset the costs of direct services, offer flexible funds for families, or to pay for agency overhead. The San Francisco Department of Early Childhood, which as the FRCs' funder is doing much of the administrative work, is returning up to 90% of the funds — and all of the funding flexibility — back to its grantees. "We have not put any restrictions or limitations on the way their match is spent," says Derik Aoki, senior program officer of the department. "It's going to come to them, and they can spend it on any services that contribute to upstream support for families. We know that kind of flexibility within an agency budget is more valuable than a dollar that you must spend on a case manager or improving your facility."

## Key implementation factors

Some specific elements have facilitated the advancement of this effort in San Francisco:

- **A pre-existing commitment to prevention.** To make a service reimbursement claim, unmatched dollars already must be invested in the service through a combination of other public or private funding streams. "This is a marginal revenue strategy, not a core operations strategy," Briscoe says.
- **Strong funder/provider relationships.** The Department of Early Childhood has a close relationship with the FRCs, not only as a longstanding funder, but as an evaluator and trusted partner. The department knew that FRCs needed more funding to support families at the same time revenue was declining, so it invested in helping its grantees diversify further to stay afloat. Strong relationships throughout the network also helped all partners engage with trust in a process that was well-founded but far from guaranteed. "Safe & Sound has put our good will with the other FRCs on the line," Albright says. "We all trust each other that it's going to work out."
- **Support from government partners.** Relationships also are key when approaching the government agency that will ultimately run the claim. The agency has to be willing to not only run the claim, but also pass most of the reimbursed funds back to the organization making the claim. (The agency technically is not required to pass those funds on,

This is not just about revenue maximization. It is an outcomes-based approach. This didn't happen because we said, 'We need Medicaid funding,' but because we want to create a strong family support system, and having sustainable funding is critical to that. If you were going to replicate this, you would need to find someone in the jurisdiction — a government agency, an umbrella nonprofit, or someone in a collective impact role — who can think about the big picture, about creating sustainability for the community-based support system as a whole.

— JENNY PEARLMAN,  
CHIEF POLICY OFFICER, SAFE & SOUND





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that it was a match, and that it would result in some concrete draw-downs down the line,” Aoki says. This analysis was followed by individual conversations with each agency and unit to map their specific day-to-day work to the billing codes. These codes then were entered into a customized digital time-tracking tool (accessible from smartphone, laptop, or tablet) that shows staff only the codes relevant to their work.

## Considerations to assess readiness

For FRCs just getting started, some initial questions can be used to assess agency and community readiness to submit an MAA claim:

- What does our state Medicaid plan allow? Who in the state agency can be approached to determine

whether community-based organizations are eligible to submit claims?

- Does our agency provide services that are eligible for reimbursement under our state plan? Is our agency and community willing or able to alter our service array in order to become eligible?
- Does our agency receive city, county, or state funds that can be used for the match?
- Does our community have a larger coalition or network of similar organizations that can approach our Medicaid agency together?
- Do our agency have a relationship with the public authority (county or state) that may be willing to run the claim and return most or all of the reimbursed funds back to us?

To learn more, visit [Questions from the field](#) at [Casey.org](#).

1 This brief was developed from interviews with: Erica Kisch, Executive Director, Compass Community Services, on 10/14/21; Jessica Patterson, Optimas Services, Inc., on 12/02/21; Mimi Demissew, Executive Director, Our Family Coalition, on 10/20/21; Andre Cruz-Hill, TALKLine Supervisor (01/31/22), Jenny Pearlman, Chief Policy Officer, (07/26/21), and Katie Albright, former Chief Executive Officer and President (11/1/21), Safe & Sound; Derik Aoki, Senior Program Officer (11/1/21) and Theresa Zighera, Interim Executive Director (10/01/22), San Francisco Department of Early Childhood; Alex Briscoe, Principal (12/02/21) and Jeff Metcalfe, Director (07/26/21), The Public Works Alliance.

2 San Francisco Human Services Agency is the city-county child protection agency.

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