

In a <u>21st century child and family well-being system</u>, 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, <u>family resource centers</u> (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.



Updated October 2023 casey.org 1

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.¹

San Francisco's experience

San Francisco maintains a network of 26 FRCs created and funded by the <u>San Francisco Department of Early Childhood</u> (formerly First 5 San Francisco), the <u>Department of Children, Youth and Their Families</u>, and the <u>San Francisco Human Services Agency</u>,² with backbone support from <u>Safe & Sound</u>. 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

put in the work together. "It's more a matter of will than skill," he says.

The San Francisco team has worked for over two years to establish strong relationships among all participating entities, identify applicable billing codes, and train staff on the processes by which claims will be created and supported. Initial claims faced a multilayered and lengthy process of review and quality assurance. Now that these initial pathways have been successfully laid, however, funds should begin to flow more steadily.

"The thing that's exciting about Medicaid Administrative Activities is that it is a constantly self-generating revenue stream," says Theresa Zighera, interim executive director of the San Francisco Department of Early Childhood. "The more you understand it, the more work you do on it, and the better you get at it, the more funding you could potentially receive to support families. We suspect that with some agencies, the sky could be the limit in terms of more flexibly, creatively supporting families."

Based on analysis of the FRC networks' pre-COVID service records, Briscoe estimates a steady annual revenue stream of \$750,000 across the 15 participating FRCs is possible once this approach is fully implemented. If successful, the FRCs will then be free to use these unrestricted funds flexibly —to shore up budgets and provide new or expanded services for families, including job readiness, parent education, housing support, and mental/behavioral health.

The nuts and bolts of how MAA works

MAA claiming is governed by both federal and state policy. The federal policy, spelled out in an Office of Management and Budget letter from 2003, applies to every state. States, in turn, draft their own Medicaid

plans in alignment with that guidance. State Medicaid plans determine which administrative activities are allowable, who can be reimbursed for those activities (including whether community-based organizations are eligible to participate), and how billing will take place. These plans are administered by a single state agency, typically a public health department. The FRCs in San Francisco first opted to pursue the time study approach, but pivoted to the direct charge option when the burden on staff became apparent. As staff capacity increases, they will continue to assess whether to go back to the time study approach.

For an FRC (or other community-based organization) to receive MAA reimbursement, it must do **all of the following**:

- Provide a service that is reimbursable under the guidelines of all of these authorities. Eligibility is based on the service provided. It is not client-specific (meaning it does not have to be provided directly to a client who is eligible for or receiving Medicaid).
- Pay for that service using public funds that have not been used for a federal match under any other program (known as a "certified public expenditure").
- Establish a relationship with a public partner that is willing to submit the claim on behalf of the provider and return some (or all) of the reimbursed funds to the provider that submits the claim.

There are two primary ways to approach the billing. The **time study** option requires staff to track their time in 15-minute increments to determine what portion of their work is billable to each code. This option requires a significant administrative burden, particularly to set up and train staff and keep a record of direct charges, but it may be more lucrative in the long run as it results

The building blocks of this program are pretty simple. The guidance applies to all states. If it's an eligible expenditure and service, you should be able to claim the match.

— ALEX BRISCOE,
PRINCIPAL, THE PUBLIC WORKS ALLIANCE

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

- but without that step, it would be very unlikely to get participation from FRCs and their staff.)
- Staff commitment and engagement at every level. The time study method of billing does not take long once staff are trained. Data show that most San Francisco FRC staff spend just three to five minutes per week in the system. However, it does take time and effort to learn the system. These additional factors have helped the FRCs succeed:
 - * Leadership. Although only a tiny percentage of Albright's time was billable as the CEO of Sight & Sound, she completed a time study each week alongside her team. "I need to be billing alongside my colleagues because it shows my commitment and faith in this work," she says.
 - * Mission. It's critical to convey to staff why this is important to the agency's mission and how it will enable the organization to do more for the families it serves.
 - Repeated and customized training. A single, standardized training will not be enough. FRCs and their staff need training on how to apply the codes specific to their work.
 - * Internal champions. One FRC staff member noted how helpful it was to have colleagues onsite that he knew personally, available for help and coaching. A weekly "office hours" drop-in session in the early weeks of implementation proved particularly valuable.

- * Helpdesk. Optimas Services, a consultant specializing in helping governmental agencies and community-based organizations draw down federal reimbursement dollars, offers a helpline number that any staff person can call for immediate one-to-one help with billing questions.
- * Tracking and accountability. Jessica Patterson of Optimas recommends tracking completion of time as the primary indicator, rather than how much of that time is billable. "We can always work on where they're coding their time," she says. "But if you have people who aren't willing to track their time in 15-minute increments, then you'll never have a successful system, and you'll never be able to submit a claim."
- Collaborative networks that pool resources for consultant support and approach government partners together are more likely to succeed.
 Working together, the San Francisco FRCs were able to capitalize on an opportunity that likely would have been too daunting for any one organization working alone.
- Intensive consultant support. All of the partners relied on Optimas for consulting. Drawing on the firm's deep knowledge of the state Medicaid system, Optimas was able to use Department of Early Childhood data including each FRC's scope of work, invoices, performance measures, and participant data to assess the likelihood of a successful claim before even approaching the CBOs. "That gave everyone a sense of confidence

I wasn't exactly looking forward to the time tracking. It seemed like just another thing, in addition to my normal tasks. But once I got into it and understood, not just the process but what it could mean for our community, it didn't end up being as daunting as I thought it was going to be. This is going to allow us to support families better, not just with funding but with information. At the end of the day, if it's supporting our families, that's what matters.

— ANDRE CRUZ-HILL,
TALKLINE SUPERVISOR, SAFE & SOUND

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.



- P 206.282.7300
- F 206.282.3555

casey.org | KMResources@casey.org









