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How can the system of care approach improve outcomes for children and families involved with child welfare?

This issue brief was developed by the Center for Health Care Strategies, in partnership with Casey Family Programs. It is one of a six-part series on the system of care approach that also includes a strategy brief and jurisdictional profiles of New Hampshire, New Jersey, Ohio, and Oklahoma.

Introduction

In a system of care (SOC) approach, leaders work across systems to improve behavioral health and related outcomes for children and their families by ensuring strategic, coordinated, effective upstream service delivery. Cross-system collaboration — developed in partnership with children, families, and communities — is essential since no single system can provide all necessary services. The SOC approach requires shared accountability for outcomes regardless of which system families enter to access services.

The SOC approach can support child welfare systems in preventing child maltreatment in their communities while meeting the needs of families that come to their attention early — and in the least restrictive setting. This coordinated approach increases child safety and family

System of care definition

"A system of care is a comprehensive spectrum of effective services and supports for children, youth, and young adults with or at risk for mental health or other challenges and their families that is organized into a coordinated network of care, builds meaningful partnerships with families and youth, and is culturally and linguistically responsive in order to help them to thrive at home, in school, in the community, and throughout life."

—Innovations Institute, "The Evolution of the System of Care Approach"

stability, thereby reducing family separations, foster care entries, placements in restrictive group and institutional settings, and unwarranted calls to child protection hotlines — all of which can be mitigated through greater emphasis on front-end services. In addition to improving safety and well-being outcomes, the SOC approach helps to lower operational costs, allowing child welfare systems to invest resources toward preventing child maltreatment rather than back-end responses after harm already has occurred.

Under an effective SOC approach, agencies and partners work together with children and families to address needs and identify appropriate services. Child-serving systems often face challenges coordinating with one other, however, and this fragmentation can exacerbate challenges for children and families seeking behavioral health services. Outcomes can be highly dependent on which agency, or door, the family enters, as each entity has different mandates, priorities, and available resources. In some cases, families are required to relinquish custody of their children to child welfare as a means to access behavioral health services.

To understand the benefits of the SOC approach for child welfare systems and strategies for effective implementation, the Center for Health Care Strategies, drawing heavily on the seminal work of Sheila Pires and Beth Stroul, conducted a literature review and interviews with 24 stakeholders, including national experts, state agency representatives from New Hampshire, New Jersey, Ohio, and Oklahoma, and individuals with lived experience.[1] While there are geographic, political, and other variations across the four highlighted jurisdictions, their approaches share an explicit and sustained commitment to meeting the needs of families involved with child welfare, and each includes ensuring the availability of key home- and community-based services statewide.

Background

The SOC approach was first developed and implemented for children with serious emotional disorders and their families. In 1984, Congress appropriated funds to the Substance Abuse and Mental Health Services Administration (SAMHSA) for the Child and Adolescent Service System Program to plan for serving this population, and soon after, to support implementation through the Children's Mental Health Initiative.[2]

The SOC approach has been implemented to varying degrees across the country in diverse geographic contexts, governance structures, and political climates, with almost every state having received some federal funding to implement or expand this approach. Over the years, additional federal and philanthropic funds have supported implementation and related reform across states and communities, including through the federal Administration for Children and Families, SAMHSA, The Annie E. Casey Foundation, and the Robert Wood Johnson Foundation.[3]

Over the past 40 years, SOC work moved upstream with a broader population focus and prevention strategy that aligns with today's public health approach. While it offers many benefits, the SOC approach has not been scaled in some jurisdictions due to barriers such as limited resources, competing priorities, lack of dedicated leadership and vision over time, or resistance to system-level change.

The system of care approach

Core values

1. Family and youth-driven
2. Community-based
3. Culturally and linguistically competent

Guiding principles

1. Comprehensive array of services and supports
2. Individualized, strengths-based services and supports
3. Evidence-based practices and practice-based evidence
4. Trauma-informed
5. Least restrictive natural environment
6. Partnerships with families and youth
7. Interagency collaboration
8. Care coordination
9. Physical health-mental health integration
10. Developmentally appropriate services and supports
11. Public health approach
12. Mental health equity
13. Data-driven and accountability
14. Rights protection and advocacy

—Innovations Institute, "The Evolution of the System of Care Approach"

Why use the system of care approach?

States, counties, territories, and tribes recently have increased their commitments to engage in cross-system, comprehensive solutions, especially amid rising attention to the behavioral health crisis facing children and older youth. This enhanced focus to coordinate child safety and well-being services followed the COVID-19 pandemic and tracks growing interest in prevention among response systems like child welfare and juvenile justice. It also aligns with long-standing awareness of the benefits of safely reducing entries into foster care and reducing the number of children boarding at psychiatric hospitals. SOC also is an effective approach to address Medicaid's Early and Periodic Screening, Diagnostic, and Treatment benefit, due to the shared focus on prevention and comprehensive services.

The SOC approach can address gaps in service delivery by prioritizing coordinated care that reduces fragmentation and duplication, and creating shared accountability for quality and oversight of programs and services. While the framework is customizable, successful implementation depends on a jurisdiction's ability to: 1) scale home- and community-based services to meet families where they are; 2) maximize multiple funding streams effectively; and 3) have shared accountability across systems for meeting outcomes.

Partnership is central to the SOC approach. In many states, child welfare is one of several system partners at the table, along with behavioral health, Medicaid, juvenile justice, education, health systems, developmental disabilities, and other community providers and local stakeholders. Partners build relationships and identify shared values and goals to build a strategy that meets the unique needs of the children and families in their communities. In addition, it is critical for state agencies to partner with children, families, and older youth, as all bring to the table levels of expertise gained through personal experience. "System of care is not a program," explained Millie Sweeney, director of learning and workforce development for the Family-Run Executive Director Leadership Association. "It is a way of working with youth and family. It is a partnership. It is changing the way you work."

> "The system of care must sit outside of and be separated from any system that has the power and authority to compel families to be part of it, because if you really want true engagement, families have to choose to be in it, and they have to have some ability to guide what it is they're doing, how they're engaging, and what they're engaged in. So it's really critical that this be outside of the child welfare and justice systems."
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> — Joseph Ribsam, Director, Child Welfare and Juvenile Justice Policy, The Annie E. Casey Foundation

Benefits of the system of care for child welfare

Many families involved in child welfare are enrolled in Medicaid or the Children's Health Insurance Program (CHIP). In 2019, more than 40% of children ages 3 to 17 enrolled in Medicaid or CHIP who were also involved with the child welfare system had a behavioral health diagnosis.[4] There are also high rates of psychotropic medication use among children in the child welfare system, which requires effective coordination, monitoring, and oversight — all of which can be supported through a system of care approach.[5]

Leveraging Medicaid to support children and their families is an important sustainability strategy, as Medicaid eligibility is independent of system involvement. Medicaid can support the delivery of covered services beyond the period of a youth or family's engagement with the child welfare system. Working together and embedding SOC values and principles throughout policy and operations helps ensure that children and families are partners in policy, system, and program design, and decision-making.

A properly implemented SOC approach can help achieve the following:

- **Prevent the need for custody relinquishment.** The SOC approach can reduce or eliminate the need for parents to transfer custody of their child to the state in order to access behavioral health services. This can be accomplished by creating a pathway for Medicaid eligibility, such as through a 1915(c) waiver (Tax Equity and Fiscal Responsibility Act of 1982), or working with private insurers to reimburse for home- and community-based services.[6] New Jersey moved its front door to access services from the child welfare and juvenile justice systems to the voluntary children's behavioral health system. This has led to higher service utilization and improved outcomes. The behavioral health system also now has primary responsibility for resource allocation.

- **Support family stability and reduce over-reliance on group and institutional interventions**. When a broad array of home- and community-based services is available, children often can remain at home and receive support in their communities. While out-of-home treatment options still are available to children who need them, New Jersey and Oklahoma have seen a significant reduction in the overuse of residential treatment since implementation of the SOC approach.[7,8,9]

- **Ensure smoother transitions from programs**. Increased system collaboration and care coordination supports continuity of care for families, including as children and older youth transition from residential settings back into their communities. Along with implementing care coordination with high fidelity wraparound services, Ohio has utilized a 1915(c) Medicaid waiver, which offers short-term transition services through OhioRISE to young people who have greater behavioral health needs.

- **Improve outcomes that matter to children and families.** The SOC approach can help ensure impacts that matter most to children and families, such as service accessibility, provider collaboration, consistent and continuous care, reduced judgment and stigma, individualized care, cultural responsiveness, and improved functioning.[10] Oklahoma has seen a reduction in days missed from school, interaction with law enforcement, and self-harm, as well as improvement on assessments that measure functioning and satisfaction with services.[11]

- **Reduce expenditures.** Implementation of the SOC approach and the coordination of services in the child's home and community have contributed to a significant reduction in state child welfare costs in New Hampshire, Oklahoma, and New Jersey. In New Hampshire, for example, expenditures per enrollee have decreased by 28%, which is equivalent to over $115 million in total expenditures.[12]

- **Align with values held by America's indigenous population.** The holistic nature of the SOC approach aligns with many tribes' perspectives on healing and raising children, said David Simmons and Tara Reynon from the National Indian Child Welfare Association. This alignment makes SOC a more appropriate approach for native communities when compared to other state and federal efforts.

- **Align with Child and Family Service Review principles.** The federal Child and Family Services Review principles align with the SOC approach, as they support family-centered practice, provision of community-based services, strengthening family capacity, and individualizing services. One domain acknowledges the importance of a child's mental well-being. Additional federal guidance highlights the importance of a well-coordinated and integrated approach.

State agencies continually face pressure to do more with less. Return on investment analyses that take into account the social value of investments that can be monetized, such as less involvement with juvenile justice, have demonstrated the cost benefits of the SOC approach, as well as steps state agencies can take to assess return on investment. Additionally, a summary of the system of care evidence base points to decreased utilization and costs attributable to reduced inpatient admissions, reduced emergency room visits, reduced arrests, reduced school dropouts, and reduced instances of missed work among caregivers.

Outcomes of the New Jersey Children's System of Care

- **Supports children in their homes and communities.** Nearly all (97%) of the children who received mobile response and stabilization services remained in their living situation.[13]
- **Reduces the need for out-of-home treatment.** The state psychiatric hospital for children and state-run residential programs were closed,[14,15,16] and out-of-home treatment was reduced by more than 60%.[17]
- **Eliminates the need for out-of-state treatment.** No children were in out-of-state behavioral health residential programs, down from 350 prior to statewide implementation.[18,19]
- **Diverts youth from juvenile justice settings.** New Jersey provides detention-alternative beds and behavioral health services for youth in detention. Law enforcement can connect youth and families to mobile response and stabilization services as an alternative to filing a complaint, preventing justice system involvement. In addition, mobile response services can prevent a violation of probation complaint when behavioral health needs are indicated.
- **Supports families and reduces placement disruption.** The SOC approach improved family stability by eliminating custody relinquishment practices for behavioral health needs, thereby reducing the foster care population. It also helped to minimize placement disruption for children in foster care.[20]

Examples of the system of care approach

Key features of the SOC approaches in four states:

Background	Lead agency	Reach	Initiated by	Population served
NEW HAMPSHIRE Child Population: 252,000* Counties: 10 State-administered child welfare system	Bureau for Children's Behavioral Health, under the Department of Health and Human Services	Statewide by 2012 69,141 children served**	Legislature	☒Under 21 ☒Behavioral health ☐ IDD ☒Child welfare-involved ☒Justice-involved
NEW JERSEY Child Population: 2.01 million* Counties: 21 State-administered child welfare system	Division of Children's System of Care, under the Department of Children and Families	Statewide by 2006 36,547 children served***	Parent Advocacy	☒Under 21 ☒Behavioral health ☒ IDD ☒Child welfare-involved ☒Justice-involved

OHIO Child Population: 2.58 million* Counties: 88 County-administered child welfare system	Department of Medicaid	Statewide by 2022 37,748 children served****	Medicaid	☒Under 21 ☒Behavioral Health ☒Intellectual and developmental disability (IDD) ☒Child welfare-involved ☒Justice-involved
OKLAHOMA Child Population: 967,000* Counties: 77 State-administered child welfare system	Department of Mental Health and Substance Use Services	Statewide by 2014 18,447 children served*****	Legislature	☒Under 21 ☒Behavioral health ☐ IDD ☒Child welfare-involved ☒Justice-involved

**Although the approaches listed above support youth ages 18 to 21, population estimates are provided only for children up to age 18. Source: The Annie E. Casey Foundation, Kids Count Data Center*

***Children served from 2019 to 2024 in community mental health centers, residential treatment settings, or care management entities. Source: New Hampshire Division for Children, Youth and Families Bureau for Children's Behavioral Health.*

****As of August 2024. Source: New Jersey Department of Children and Families*

***** As of August 2024. Source: https://medicaid.ohio.gov/news/press-release/ohiorise-2years*

******As of January 2025. Source: Oklahoma Department of Mental Health and Substance Abuse Services.*

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[1] The content of this brief was informed by interviews with Joe Ribsam, Director, Child Welfare and Juvenile Justice Policy, Annie E. Casey Foundation, August 30, 2024; Michelle Zabel, Executive Director, Deborah Harburger, Director of Policy and Financing, and Marlene Matarese, Deputy Director, Innovations Institute at the University of Connecticut, August 29, 2024; David Miller, Senior Operations and Project Director, National Association of State Mental Health Program Directors, August 28, 2024; Pat Hunt, Executive Director, and Millie Sweeney, Director of Learning and Workforce Development, Family-Run Executive Director Leadership Association, August 9, 2024; Tara Reynon, Senior Program Director, and David Simmons, Director of Government Affairs and Advocacy, National Indian Child Welfare Association, August 27, 2024; Julie Collins, Vice President of Practice Excellence, Child Welfare League of America, August 29, 2024; Dr. De Lacy Davis, Executive Director, Alliance of Family Support Organizations, August 14, 2024; Sheamekah Williams, President and CEO, Evolution Foundation, August 15, 2024; Mollie Green, Assistant Commissioner, and Wyndee Davis, Assistant Director, New Jersey Children's System of Care, Department of Children and Families, and Valery Bailey, Executive Director, and Alexandra Morales, Clinical Director, PerformCare, September 10, 2024; Marisa Wiesel, Deputy Director, Maureen Corcoran, Director, and Bridget Harrison, Deputy Director, Ohio Department of Medicaid, August 22, 2024; Morissa Henn, Deputy Commissioner; Marie Noonan, Interim Director of the Division for Children, Youth and Families; Daryll Tenney, Bureau Chief, Bureau for Children's Behavioral Health; and Katja Fox, Director, Division for Behavioral Health, New Hampshire Department of Health and Human Services, August 26, 2024; and Kelly Perry, Senior Director of Child and Adolescent Systems and Crisis Services, Oklahoma Department of Mental Health and Substant Abuse Services, August 28, 2024.

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Casey Family Programs

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P 800.228.3559
P 206.282.7300
F 206.282.3555

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