Funding Infant and Early Childhood Mental Health Consultation as a Medicaid Prevention Direct Service: Michigan’s Approach

This resource focuses on funding for infant early childhood mental health consultation. Included in this resource is information describing the role of Medicaid in the mental health of infants and young children and one state’s use of Medicaid as a prevention direct service to support infant and early childhood mental health consultation within early care and education settings. State leaders can use this information to explore a process and lessons learned for supporting IECMHC as a Medicaid Prevention Direct Service.

What is Infant and Early Childhood Mental Health Consultation (IECMHC)?

IECMHC is a prevention-based service that pairs a mental health consultant with caregivers who work with infants and young children in the settings where they learn and grow, such as early care and education settings, including center-based, home-based, and family, friend and neighbor care. Consultants build adults’ capacity to strengthen and support the healthy social-emotional development of infants and young children.

Implications for Funding IECMHC as a Prevention Direct Service

Although IECMHC is a cost-effective and successful strategy for reducing the likelihood that an infant or young child will experience mental health problems later in life, it is often challenging to fund and financially sustain as a prevention service aimed at infants and young children.1 Unlike clinically based mental health treatment that requires a diagnosis,
IECMHC is not a widely billable service. There is no single national funding source for IECMHC, and most funding comes from state general funds and federal grants.²

The Role of Medicaid in the Mental Health of Infants, Young Children, and Their Families

Medicaid is a cooperative federal and state program that, together with the Children’s Health Insurance Program (CHIP), provides health coverage to families, including children, pregnant women, caregivers, and individuals with disabilities. Federal law requires state Medicaid programs to cover specific groups such as families with low incomes and qualified pregnant women and children. States have additional options for covering other groups, such as individuals receiving home and community-based services.³ These options for other coverage may provide a window for the inclusion of IECMHC within a state plan and as a waiver service. A Medicaid state plan is an agreement between a state and the Federal government defining how the state manages its Medicaid program.

When a state plans to change its program policies or operational approach, states send state plan amendments (SPAs) to the Centers for Medicare and Medicaid Services (CMS) for review and approval. This amendment allows states to modify and expand the services delineated in their original Medicaid plans, such as the inclusion of IECMHC and eligibility criteria, thus increasing coverage opportunities.⁴

Additionally, Medicaid waiver programs provide an avenue for states to redirect their opportunities to test innovative ways to deliver and fund health care services through Medicaid and CHIP.⁵ Two of the four types of waivers offered may help promote IECMHC: Section 1115 and Section 1915(b) managed-care waivers. The former allows states to provide “services not typically covered by Medicaid,” and the latter supports states in allocating funds saved through the managed-care delivery system to cover other services.⁶,⁷,⁸

What Is the Michigan Infant and Early Childhood Mental Health Consultation Program?

With an approach initially developed in the 1990s and refined based on science and practice, Michigan serves as a national model for IECMHC.⁹ Consultants use an evaluated approach that includes partnering with caregivers to listen, observe, assess, plan, and coach around the specific mental health needs of infants, young children, families, and ECE providers. This process enhances Michigan’s IECMHC approach adheres to six central tenets that serve as cornerstones for its services:

1. All consultants provide child/family-centered and programmatic consultation.
2. Consultants have expertise in infant mental health practice, a minimum endorsement as an infant family specialist, and a master’s degree in a mental-health-related field.
3. All supervisors and consultants take part in state-level technical assistance that consists of regular and ongoing professional development, implementation technical assistance, and data review and improvement.
5. Consultants actively engage other early childhood partners.
6. All consultants receive regular reflective supervision as required by state contracts.
How Is Michigan Leveraging Medicaid as a Funding Source for IECMHC?

Michigan leaders, such as early childhood state department directors, recognize the social and economic value of IECMHC and are working to develop strategies to establish the consistent and long-term funding needed to sustain ongoing, comprehensive, and high-quality IECMHC implementation across Michigan’s 83 counties. Over several decades, Michigan’s model has been primarily funded through federal grants that are instrumental yet time-bound and often short-term, putting services in jeopardy.

Because a primary goal of the Prepaid Inpatient Health Plan is to ensure that Medicaid-funded mental health supports and services are available through the authority of 1915(b)(3) of the Social Security Act (referred to as B3), Michigan’s Department of Health and Human Services (MDHHS), Behavioral Health and Developmental Disabilities Administration, Division of Mental Health Services to Children and Families explored B3 supports and services as a classification under which IECMHC could be billed. For IECMHC to be included, the provided supports and services must be medically necessary and promote community inclusion and participation, independence, or productivity when identified in the individual plan of service developed during person-centered planning.\(^\text{10}\)

In 2010, IECMHC was identified as a Medicaid-covered prevention direct service model—a program using individual, family, and group interventions designed to reduce the incidence...
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of behavioral, emotional, or cognitive dysfunction, thus reducing the need for individuals to seek treatment through the public mental health system. IECMHC is one of five Michigan-based direct prevention models that can be made available statewide by the Prepaid Inpatient Health Plan, the state’s provider network for infants and young children from birth to age five who participate in Medicaid and are experiencing behavioral and emotional challenges in their childcare setting.

PROCESS FOR BUILDING IECMHC AS A MEDICAID 1915(B)(3) PREVENTION DIRECT SERVICE

The steps below describe the process that Michigan used to get IECMHC identified as a Medicaid-covered prevention direct service model:

• **STEP 1:** Leveraged opportunity for additions/refinements to Medicaid. Periodically, states plan to make changes to program policies or operational approaches through a state plan amendment. For example, when a window of opportunity for modifications came up in Michigan, Early childhood behavioral health leaders in MDHHS, Behavioral Health and Developmental Disabilities Administration, Division of Mental Health Services to Children and Families, met with the state Medicaid lead for behavioral health and disabilities to put forth IECMHC as a possible prevention direct service.

• **STEP 2:** Drafted language for the Michigan Medicaid Provider Manual, behavioral health chapter, to share with decision-makers. Following the meeting with the behavioral health and developmental disabilities Medicaid lead, the state behavioral health leaders drafted IECMHC language for the manual and moved this language through the MDHHS approval process.

• **STEP 3:** Received approval to include IECMHC language in the Medicaid manual from leadership within MDHHS, Behavioral Health and Developmental Disabilities Administration, Division of Mental Health Services to Children and Families.

• **STEP 4:** MDHHS leadership sent out a communication to Prepaid Inpatient Health Plan (PIHP) providers and community mental health service programs (CMHSP) across the state. Leadership pointed out enhancements and changes to ensure PIHPs and CMHSPs noticed and were aware of the new IECMHC prevention direct service option.

CURRENT ACTIVITIES TO ENHANCE THE USE OF THE IECMHC PREVENTION DIRECT SERVICE

In February 2021, MDHHS, Behavioral Health and Developmental Disabilities Administration, Division of Mental Health Services to Children and Families, disseminated a memo to all PIHP and community mental health service programs across the state, reiterating the inclusion of IECMHC as a prevention direct service within the Michigan Medicaid Provider Manual, with an invitation to join a 12-month IECMHC learning collaborative to learn about the evidence-based model for implementation and to receive support in initiating the use of IECMHC as a prevention direct service.

MDHHS also encourages the state-funded IECMHC programs to recoup 10% of their operating budgets through Medicaid prevention direct service. Division staff facilitates monthly meetings with IECMHC program administrators to provide technical assistance and peer-to-peer support as programs work to use the code for this prevention direct service across diverse systems and populations.

**Lesson 1: Be ready for the opportunity!**

State leaders can explore a state’s Medicaid plan and waiver services to see how IECMHC might
be included. Language that aligns with state requirements and approach to early childhood mental health can be drafted to move on the opportunity to include IECMHC, should it arise.

**Lesson 2: Meet with state Medicaid leader(s).**
State leaders who oversee services for young children and families should find time to meet with state Medicaid leader(s) to discuss IECMHC as a prevention direct serve option. State leaders can develop easy-to-digest talking points that lay out what the IECMHC model is; why IECMHC is a necessary support and service that promotes community inclusion and participation, independence, and/or productivity; effectiveness data; and specific ideas for how IECMHC might be integrated into the state plan or waiver services.

**Lesson 3: Have a training and technical assistance infrastructure in place to guide IECMHC programs.** Leveraging Medicaid for IECMHC service will likely be a new process. Therefore, programs providing IECMHC services need expert guidance and training to understand the policy and practice processes that will enhance access to preventative mental health care for children and families in caregiving settings. For example, programs need know how to navigate multiple funding streams, what practices fall under Medicaid Direct services, and what IECMHC services are allowable under state policy.

**Lesson 5: Recognize that there are limitations to Medicaid funding.** Not all infants, young children, and families can be reached through prevention direct services, so programs providing IECMHC services need to leverage other funding sources to meet the diverse needs of the infants, young children, and families that participate in the program. Additionally, there may be limitations in the duration and breadth of services provided under the state plan or waiver services, necessitating other funding for services not covered, such as programmatic consultation to infants, young children, and families within a center-based program.

For more information on Michigan’s work to include IECMHC as a preventive direct service, please contact:
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**REFERENCES**

