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AUGUST 2022

CRISIS IN THE CAROLINAS: BRIDGING THE GAPS IN YOUTH MENTAL HEALTHCARE

A FRAMEWORK FOR YOUTH MENTAL HEALTH IN NORTH AND SOUTH CAROLINA

INTRODUCTION

The United States is in the midst of an ongoing, nationwide mental health crisis. School-aged youth are among those most impacted. Many national, state, and local organizations are working to reverse the trends through upstream prevention efforts. However, because of the complexity and multi-sector reach of youth mental health (YMH) challenges, these efforts are often siloed, lack sustainable funding, and are under-resourced. There is a need for an aligned, cross-sector approach to simplify an illogical system into something that makes sense, is inclusive and attainable.

To achieve this, CaroNova believes it can facilitate the creation of a comprehensive system of care to support the mental health of *all* school-aged youth that integrates emotional and social wellbeing along with traditional mental health supports. The first step to equipping the Carolinas for long-term success is establishing shared goals. CaroNova has created a YMH framework for this purpose. The framework serves to coordinate efforts among sectors, clarify roles, and establish a collective vision for the future of YMH in the Carolinas. The framework has the potential to deliver a future where mental healthcare is provided early, available to all youth, and as accepted and as easy to access and navigate as physical healthcare.

Why Youth Mental Health

YMH has been a growing area of concern across the nation and in the Carolinas for decades. Almost 1 in 5 North Carolinians ages 3 to 17 are unable to access needed mental health care. In South Carolina, the figure is closer to 1 in 3.[1] Due to the lack of access, the number of youth hospitalized for a mental health crisis increased 30 percent from 2019 to 2020[2] and the rate of youth suicide increased nearly 50 percent from 2007 to 2018.[3]

The COVID-19 pandemic intensified the crisis and shed light on the dire circumstances, leading many local and national leaders to declare youth mental health a national emergency[4]. As a result, sectors at the local, regional, and national level have mobilized and allocated new

sources of funding. However, a critical lack of guidance toward cohesive, innovative solutions remains. Without such guidance, the disparate sectors' efforts are unlikely to create effective, long-term change. CaroNova is positioned to coordinate efforts and resource allocation across multiple sectors with actionable plans for sustainable change.

Identifying the Challenges & Solutions

The YMH crisis is a sweeping and complex problem. Potential solutions are impacted by policies, regulations, resourcing, and outcome measures across multiple systems (e.g., health, education) and at multiple levels (federal, state, and local). This creates multi-system layers that youth, their families, and caregivers[a] must navigate—a daunting and costly process, especially for youth in low-income households. Any model for systems change must understand the complexities of the current system, what efforts are currently being made to change the current system, as well as how current efforts are being funded.

In Spring 2022, CaroNova published *The State of Youth Mental Health in the Carolinas* report which highlighted key gaps in the current state of care:

- **Increased social and emotional supports are needed.**[b] These have been shown to produce positive long-term mental health outcomes[5]. Historically, YMH services have largely focused on responding to youth in crisis. While providers and policymakers have recently highlighted the need for prevention, the lack of sustainable funding and infrastructure to support those services results in insufficient ongoing social and emotional supports.
- **School resources are limited.** School staff play an important role in early detection and prevention of YMH crises. Without adequate staffing and funds for YMH support in schools, the onus is on non-clinical staff and youth themselves. The teacher shortage across all grade levels exacerbates this gap in care.
- **The Carolinas lack a sustainable payment and reimbursement model** for upstream, preventative services. Sectors must therefore rely on time-limited funding, such as grants, to cover costs of services, creating added stress on the workforce.
- **It has been difficult to scale fully integrated care or incentivize cross-sector collaboration in North and South Carolina**. Integrated care, along with cross-sector prevention and treatment models, are proven to help youth receive mental healthcare in a timely matter. Difficulty stems from the lack of policies incentivizing the adoption of a singular integrated care model, and siloed efforts at the state-level hindering the ease of implementing best practices.
- **Prohibitive costs for services** decrease access to care for youth with mental health needs.
- **Prohibitive costs for services also impact providers and payors,** often leaving them with few options to support patients with mental health needs, and even fewer tools for upstream intervention[6].

[a] Caregivers encompasses any person, besides a parent, in a youth's life that is providing support for their health and wellbeing. This includes guardians, health providers, school staff, coaches, and so on.
[b] Social and emotional support are social relationships and the perceived support of those relationships. They can include family, friends, teachers, classmates, community.

However, these gaps can be addressed. CaroNova is actively moving through the following three steps to initiate effective YMH support in the Carolinas:

- We have **co-designed a framework that examines opportunities for upstream and early intervention YMH services** in the Carolinas. The framework defines the ideal elements needed for a fully integrated health, school, and community cross-sector model of care. (See Diagram 1 on page 9.)
- We have **drafted a high-level federal block grant funds flow analysis** for the Carolinas. The initial analysis provides insight on current state-level dollar allocations of flexible federal funds that are recurring and relevant to YMH. (See Appendix A) CaroNova is further developing this analysis to explore the full range of potential flexibilities in federal block grant funding. This will help align federal funds with the development of the YMH model of care and a collective vision for the Carolinas.
- We will **co-design and implement pilot communities to test an integrated model** in real time. Pilots will act as learning labs to determine the model's sustainability and scalability for use statewide.

The existing system of youth mental healthcare cannot meet the needs of the current crisis or the needs of future generations. By acting now, CaroNova and its partners can build a new system of YMH care which is holistic and collaborative, focused on supporting the mental well-being of all youth. Together, we can move the Carolinas closer to a collective vision where mental healthcare is normalized and valued, fully integrated with physical health, and easily accessed by all who need it.

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A COHESIVE FRAMEWORK FOR ADDRESSING YOUTH MENTAL HEALTH

Overview

Patients, families, and providers agree that the current status of care for YMH is illogical. CaroNova is positioned to help shift the fragmented components into a coherent system that is effective, inclusive, and accessible to all stakeholders. CaroNova's framework for YMH, developed with input from more than 60 stakeholders representing the three critical sectors (See Appendix A) and people with lived experience, will guide partners in co-designing a model of care for school-aged youth. This reimagined model integrates emotional and social wellbeing with regular physical healthcare, providing preventative mental healthcare for all youth including those already experiencing mental health challenges. The model will also increase community awareness of YMH, reduce community stigma, and increase access to mental wellness supports for youth and their families. CaroNova's framework identifies potential points of access to YMH support in schools, across the health sector, and in the larger community (See Appendix B.).

CaroNova will partner with YMH experts to co-design a comprehensive model of care, using the framework as a guide to stay focused on a multi-sector approach to integrate upstream, preventive YMH services. The framework will serve to inform a topic action team (TAT) [c] on what is needed to co-design and pilot a fully integrated system of care. The TAT will include subject matter experts who are well-versed on national and regional barriers, trends and data pertaining to YMH, and the tangential supports needed to design, build, and implement the new model of care.

Building a Framework for Change

Using the YMH framework, subject matter experts (SMEs)[d] will work through CaroNova's collaborative co-design process to outline an effective system of YMH. The framework leverages the most impactful elements needed to build a sustainable model that simplifies the currently over complex and inaccessible system. It achieves this through strengthened, integrated, cross-sector collaboration and care coordination.

The framework highlights the social, emotional, and mental health services that should be accessible[e] to youth and their families prior to a mental health crisis manifesting. When these services become easier to access, they can greatly reduce, or even prevent, poor mental health outcomes. Using the framework as a blueprint for the model, YMH needs can be addressed before they become crises.

Focusing on three fundamental sectors for change–education, health, and community–the framework identifies specific prevention, assessment, and intervention services needed to fully support youth and their families. The framework concentrates on efforts to integrate and collaborate among these three sectors to develop a broad and comprehensive system. Once the foundation is in place, all other YMH improvement efforts could build on it.

[c] Topic action teams (TAT) are established by CaroNova to provide specific subject matter expertise, and to co-design programs and their associated metrics for CaroNova specific opportunities within sustained focus areas.
[d] SMEs include those who represent the health, school, and community sectors, and those with lived experience.
[e] Accessibility means providing appropriate resources to all youth across multiple sectors and modalities and creating a collaborative cross-sector system that can support and care for youth fully as they move between sectors.

Guiding Principles

With the input of experts and stakeholders, CaroNova has established guiding principles that serve as the foundation for all our work in youth mental health and the TAT will use to remain focused on long-term goals.

Patient Centered
Patients (people with lived experience[f]) are at the center of this initiative. This includes being part of the co-design process to determine the desired outcomes and overall goals and how we will achieve them. Patient perspectives and experiences are collected and considered in every element proposed in this framework. CaroNova conducted patient journey mapping[g] sessions with parents and caregivers of youth diagnosed with mental illnesses, as well as young adults who were diagnosed with mental illness when they were youths, to gather feedback.

Equity Focused & Culturally Inclusive
CaroNova is committed to addressing equitable access to health. Research shows that poverty, orphanhood, ethnicity, race, and sexual orientation increase the risks for worse mental health outcomes in youth[7] [8] [9]. Challenges such as minority youth's reduced access to care and family estrangement trauma among LGBTQ+ youth contribute to these outcomes. It is imperative that care is equitable and accessible to all.

Access to Care
Ease of finding and receiving care is integral to any successful YMH model. YMH resources in the health sector, community, and school system currently lack quality, lag in providing timely health services, and insufficiently address stigma against people with mental health conditions [10] [11]. CaroNova aims to reduce and simplify the barriers that currently stifle access to services and supports that youth need.

Cross-Sector Collaboration
System-level mental health reform is complicated by the inability to easily communicate and share patient information across sectors. This is not due to lack of effort, but rather disparate policies and practices that unintentionally create barriers. The YMH framework sets a foundation to begin restructuring how communication and data can more easily flow across sectors to better support youth and their families through integrated, coordinated care[h]. All solutions should promote and strengthen cross-sector collaboration.

Integrated Care
CaroNova is committed to ensuring seamless, integrated care[i] for the mental healthcare of youth[12] across all three sectors (health, schools, and community). The goal is for mental health and wellness to be seen and treated as part of one's whole health. Without integrated care

[f] People with lived experience include youth who have experienced or are at risk of experiencing mental health challenges and illness. It also includes the families and caregivers that support those youth.
[g] Journey mapping visualizes a narrative timeline of a patient's experience receiving a service. The purpose is to understand the various dimensions of the relationship between the patient and the system providing their care.
[h] Care coordination involves deliberately organizing patient care activities and sharing information among all participants concerned with a patient's care to achieve safer and more effective care, as defined by the Agency for Healthcare Research and Quality.
[i] Integrated care means the collaboration and communication amongst professionals and those providing mental health, physical, and academic supports to youth and their families. The American Psychological Association defines integrated care as the complete blend and collaboration of mental and physical health services.

within and across sectors, youth and their families are prone to falling through the gaps as they attempt to navigate the YMH system.

Capacity Building & Sustainability
CaroNova recognizes the longitudinal and complex nature of this ambitious initiative. The framework is designed to allow for local change to move at the pace feasible given existing resources. Each element of the framework is contingent on workforce variables and long-term funding commitments.

Core Elements

The grid design of CaroNova's framework illustrates the separate roles of the health, education, and community sectors, as well as their points of intersection. Each column represents a sector, while each row describes a YMH support component (prevention, assessment, intervention). Each intersection of columns and rows are *core elements*, which are the supports and services needed to create the ideal system of care for school-aged youth. While not an exhaustive list, the core elements serve as fundamentals that each sector should provide.

Outcomes appear at the end of each row and column. Column outcomes specify how each sector can individually achieve success in strengthening mental health and wellness supports for youth. Row outcomes identify what success looks like when all three sectors work together in each component. Together, these six outcomes move the Carolinas closer to their overall goal of having a cohesive, accessible, and equitable YMH care system.

As with the rest of the framework, the grid was developed and vetted based on input from SMEs and individuals with lived experience as well as CaroNova's exploratory research. Additionally, each of the core elements align with one or more of the following strategies that research indicates have positive long-term impacts on youth mental health:

- **Build community understanding and awareness around YMH**. CaroNova's goal is to destigmatize mental health, so that it is normalized and valued by youth, families, caregivers, health, school, and community sector members. Lack of caregiver (parents, teachers, providers) awareness of mental health is a significant barrier to YMH care access[13]. Caregivers may also feel unequipped to recognize when a child's behavior indicates a serious mental health problem. This lack of recognition can lead to poor academic performance, unnecessary disciplinary actions leading to trauma, or hospitalization due to a crisis. Even when caregivers recognize a problem, they may not feel equipped to provide the type of support that a child needs, leading to unnecessary medical visits, continued poor academic performance, and worsening of the problem. Building knowledge and understanding of mental health among those who care for youth, as well as youth themselves, can help shift views on treatment and support. Core elements that align with this strategy include mental health trainings for those who work with and care for youth, social-emotional learning for youth and teachers, educational opportunities for youth and parents, and mental health awareness-building opportunities across all three sectors.

- **Make access to services and resources easy**. At the most fundamental level, the services and supports recommended in the framework will fall short of their goals if not widely promoted and easy to access by those supporting youth and youth themselves. The current YMH system is fragmented and difficult to navigate[14] while upstream,

prevention resources and services are limited[15]. What services are available can be difficult to access. One study identified access barriers as:

- Systematic and structural issues (e.g., transportation, cost of services and lack of insurance, lack of service providers)
- Views and attitudes towards treatment and support (e.g., consequences of child having a diagnosis, trust in service providers, and social stigma about mental health)
- Knowledge of mental health and the help-seeking process (e.g., caregiver's recognition of the problem and its severity, knowledge of appropriate providers)
- Specific family circumstances (e.g., limited ability to commit time needed for treatment and lack of family support)[16]

Core elements that align with this strategy include providing tools that specify available resources and how to access them, virtual supports, and making services accessible where youth and their families already frequent. These elements aim to simplify the process of connecting youth to services, reduce stigma, and increase awareness of and access to available services.

- **Support those who care for youth**. A top priority identified in every stakeholder meeting, including with parents and caregivers of youth experiencing mental health challenges, is workforce resiliency and caregiver support. Parents and caregivers may lack the knowledge to understand the mental health needs of their youth, feel stressed and overwhelmed, and experience financial burdens when trying to provide the supports their youth needs[17]. Other caregivers, such as teachers and providers, may face job burnout which can ultimately impact the mental health of the youth in their care. Research indicates that youth mental health outcomes improve over time when parents and caregivers are mentally well and have the tools needed to support the youth in their care.[18] Core elements that align with this strategy include education on youth mental health, tactics to develop strong relationships with youth, and supports to reduce caregiver stress and increase caregivers' own self-care. This strategy ensures the personal wellness of parents and caregivers, equipping them to provide the best possible care for others.

- **Implement trauma-informed[j] and resilience[k]-focused approaches.** The link between childhood trauma and negative mental health outcomes is well documented. The earlier in childhood that trauma is experienced, as well as the increased number of traumatic experiences, the greater risk of severe and enduring poor mental health outcomes[19]. Research suggests that negative outcomes from trauma can be prevented by trauma-informed and resilience-focused approaches like training the workforce, developing a safe and secure environment, and providing services that are culturally sensitive[20]. Trauma-informed care on its own is not sufficient. Resilience-focused approaches help build a youth's ability to process and handle difficult situations[21]. These approaches can help prepare youth for success before and after trauma. Core elements that align with

[j] Trauma-informed care seeks to: realize the widespread impact of trauma and understand paths for recovery; recognize the signs and symptoms of trauma in patients, families, and staff; integrate knowledge about trauma into policies, procedures, and practices; and actively avoid re-traumatization, as defined by the Trauma Informed Care Information Center.

[k] Resilience is the process and outcome of successfully adapting to difficult or challenging life experiences, especially through mental, emotional, and behavioral flexibility and adjustment to external and internal demands, as defined by the American Psychological Association.

this strategy are found throughout the framework grid. The prevention elements focus on helping each sector support youth to build resiliency and minimize the potential impacts of trauma, while setting youth up for success. Assessment elements focus on screening youth who may have experienced traumatic events or identifying if youth are at risk. When at-risk youth are identified, caregivers and healthcare providers can implement interventions to prevent long-term, negative mental health outcomes.

By aligning each core element with one or more strategies, the framework provides concrete recommendations to ensure that all youth receive the preventive mental health services they need. In the next phase of the co-design process, the TAT will apply the framework's core elements to identify the specific logistics and resources needed to build a successful YMH care model.

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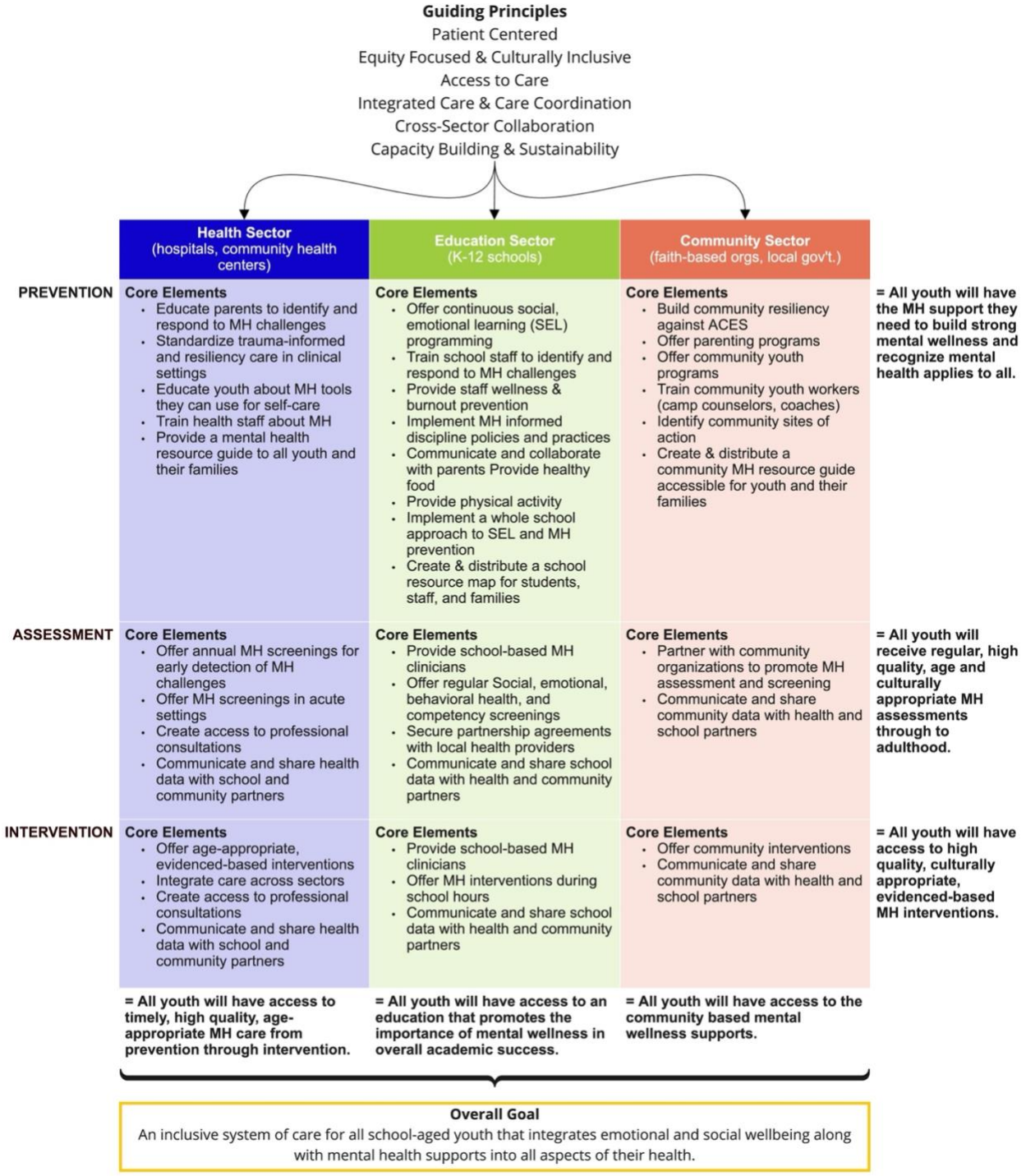
CaroNova's Youth Mental Health Framework

This youth mental health framework (Diagram 1) leverages the most impactful elements needed to build a sustainable model that simplifies an over complex and inaccessible system through strengthened, integrated, cross-sector collaboration and care coordination.

Diagram 1



Outside Influences

Many outside influences directly impact the ultimate outcome and success of this framework. CaroNova has identified the influences that have the greatest potential to impact our ability to achieve intended outcomes. While not directly reflected in the framework, the influences are considered throughout the process.

Workforce
All three sectors (health, education, community) struggle to recruit and retain a quality workforce. Challenges include a lack of capacity due to increased demands for care and services, low wages, lack of reimbursement for providers, limited workforce pipeline opportunities, and overall burnout. The shrinking workforce reduces access to the already limited supports available by increasing wait times for services and diminishing the quality of services available. The workforce shortage is a long-term concern that is unlikely to resolve for many years. CaroNova's model will be designed to operate with the workforce currently available.

Funding
Funding remains one of the greatest challenges for those providing upstream prevention services and supports. Nationally, Medicaid is the largest payor for YMH. Neither North or South Carolina has expanded Medicaid, leaving services underfunded, fragmented, and inaccessible. Without Medicaid expansion, funding for preventative mental health services is limited to federal, state, and local government grants, along with philanthropic sources. Federal block grant funding, while suitable for testing innovative approaches and scaling efforts, proves daunting for services that people rely on for continuity of care. The variety of funding sources can be overwhelming to navigate and organizations grow dependent on piecemeal, temporary funding to meet expenses. Staff time is spent searching for and reporting on grants, which pulls focus from providing care. Schools and health systems turn toward these funding sources given barriers in payment and reimbursement that would ideally cover the cost of needed services. It is critical to understand how current funds are being used and their impact to inform the funding and payment of new models of care.

This is an area that CaroNova is actively exploring in collaboration with the experts in the field. Currently, CaroNova is assessing the impact of funding on YMH through a funds flow analysis to examine the current distribution of federal block grant funds to the Carolinas (Appendix C). Block grants are long-term, recurring funds to state and local levels of government. The analysis allows us to determine how these grants are currently supporting YMH and where they could potentially support more efforts.

Regulatory Environment
State and federal governments shape the youth mental health system across the health, education, and community sectors. Government impact is determined by what governments pay for, how they pay for it, and which standards they enforce. Current state Medicaid policies in the Carolinas do not reflect a commitment to maximizing coverage for YMH. Conversely, private insurers have little incentive to abide by mental health parity standards as demonstrated by historically restrictive and limited coverage for mental health services. CaroNova is working closely with state policymakers to ensure alignment of efforts and to inform state-level standards through our framework.

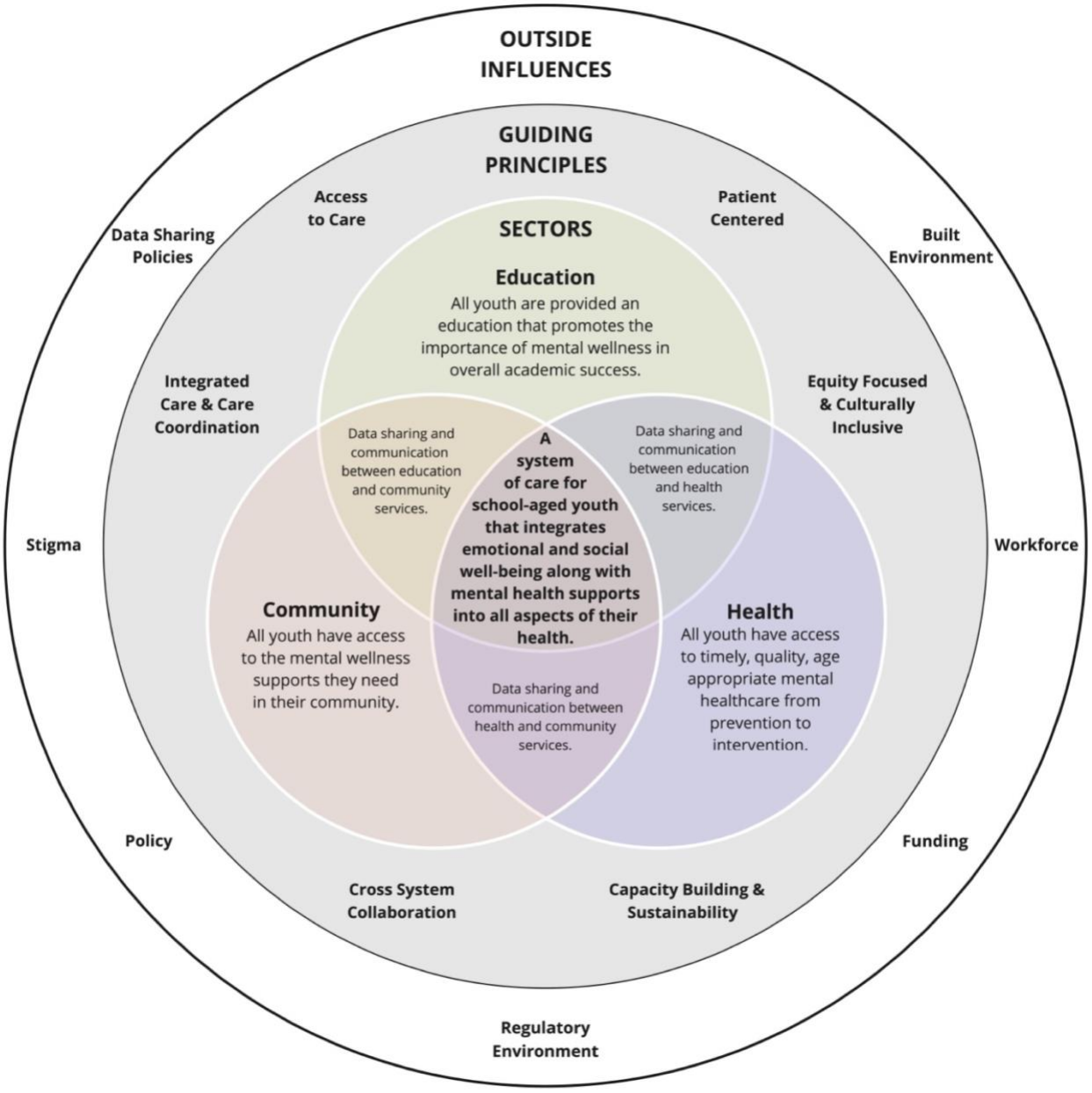
Data Sharing

Currently, both schools and the health system collect data on YMH, yet these two systems are unable to share data with each other. For schools, the Family Educational Rights and Privacy Act (FERPA) limits data sharing, and for health systems, the Health Insurance Portability and Accountability Act (HIPAA) does the same. While these policies were created to protect patients and students, the inability to share data creates gaps in the continuity of care for youth. School staff and health providers indicated that they could better provide care and support for youth by understanding what is being assessed by the other entity in a timely manner. With a lack of succinct data sharing across sectors, the onus is on youth and their caregivers to make sure the correct health information is being captured in both places. A successful model for data sharing has not yet been brought to scale. CaroNova plans to work with the TAT to identify and integrate data sharing best practices and tools into the YMH model.

CaroNova recognizes that the outside influences listed here are key factors to the success of the YMH framework. The model's co-design process will consider these influences' impact and CaroNova will continue to collaborate with those working in these spaces.

Framework Relationships

Diagram 2



NEXT STEPS

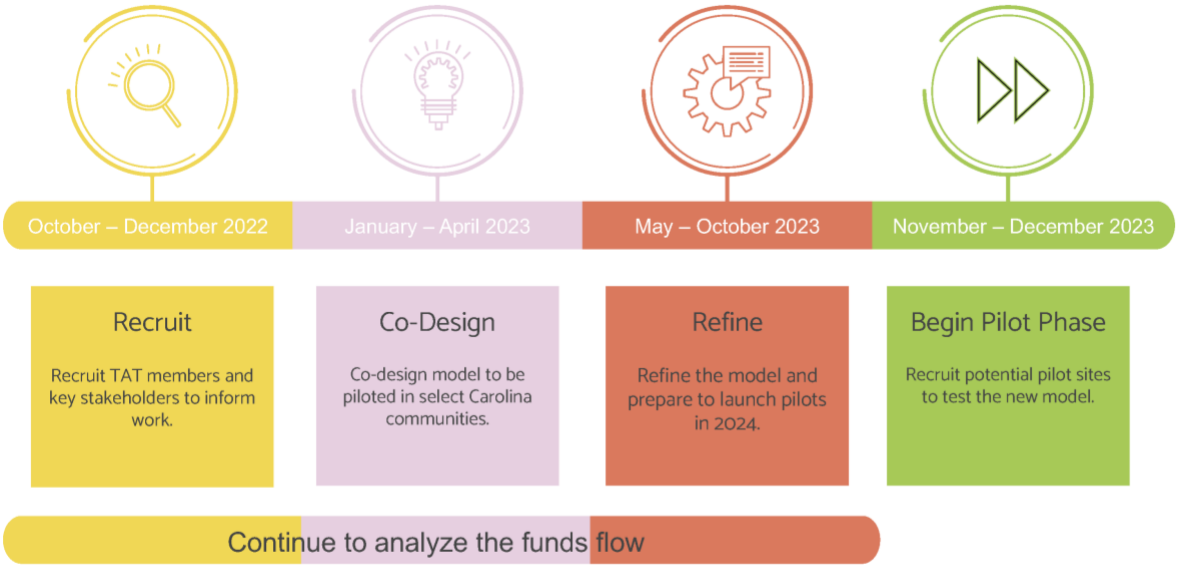
Over the next year, CaroNova will bring together SMEs, thought leaders, providers, and payors from across the Carolinas to form a YMH topic action team (TAT). TAT members will have deep knowledge of YMH, including current trends and opportunities for system reform in the Carolinas. (See Appendix D.)

Once the TAT is established, the team will co-design a model for a new system of care. The model will be a fully integrated, prevention-focused system focused on the upstream services and supports impacting YMH. CaroNova will draft questions to guide and track TAT progress toward the milestones essential for long-term success. (See Appendix E.)

In conjunction with the TAT's model building, CaroNova will continue to explore and track funding streams that flow to and from YMH efforts in the Carolinas. Understanding how these resources work will be crucial to the model design as the TAT searches for long-term, sustainable funding options to support what they develop.

In the fall of 2023, CaroNova will present a recommendation for the new YMH model of care to the advisory board for approval and guidance. CaroNova will then lead efforts to advance the project into the next phase of development. In this phase, CaroNova and its partners will pilot the model in select communities in the Carolinas. The TAT will recruit these communities based on defined criteria and guidance from the advisory board. (See Appendix F.)

Year 1 Timeline



IMPACT

The Carolinas–and the nation–are facing a YMH crisis. CaroNova believes it can coordinate efforts to address this crisis by leveraging shared goals across sectors to build an inclusive mental healthcare system for all school-aged youth in North and South Carolina. This reimagined model of care will integrate emotional and social wellbeing along with mental health supports into all aspects of youth health and development.

To facilitate the development of this comprehensive system of care, CaroNova has created the YMH framework. This framework establishes guiding principles for long-term sustainability, provides a high-level overview of the outside influences that impact shared goals, and outlines immediate next steps. The framework also identifies future milestones necessary for success. We acknowledge that many factors impact YMH outcomes and realizing true system reform will require commitment and a coordinated effort across multiple sectors. The framework identifies those intersections of opportunity and highlights where CaroNova can achieve the greatest impact on the YMH crisis afflicting North and South Carolina.

Appendix A - Stakeholder and Subject Matter Expert Input by Organization

North Carolina

- Appalachian State University
- Atrium Health
- Benchmark
- Blue Ridge Health
- Boys & Girls Club of Central & Eastern NC
- Cone Health
- Duke Center for Autism and Brain Development
- Duke Department of Pediatrics & Behavioral Sciences*****
- Duke Primary Care Behavioral Health Program*****
- Foundation for Health Leadership & Innovation (FHLI) Center of Excellence for Integrated Care
- i2i Center for Integrative Health
- Kellin Foundation*****
- National Alliance on Mental Illness (NAMI) NC
- NC Child
- NC Department of Health and Human Services (DHHS), Mental Health, Developmental Disabilities and Substance Abuse Services (DMHDDSAS)
- NC Department of Health and Human Services (DHHS), Children and Families*****
- NC Department of Public Instruction (DPI)
- NC Department of Public Instruction (DPI) - Healthy Schools
- NC Department of Public Instruction (DPI) – Integrated Academic & Behavior Systems*****
- NC General Assembly
- NC Integrated Care for Kids (InCK)
- NC Matters
- NC Psychiatric Access Line (PAL)*****
- North Carolina Healthcare Association (NCHA)
- Novant Health
- UNC School of Medicine
- WakeMed
- WakeMed Center for Community Health*
- Winer Family Foundation
- YMCA of the Triangle

South Carolina

- Anderson School District 2*****
- BlueCross BlueShield of South Carolina (BCBSSC)
- Boeing Center for Wellness*****
- Medical University of South Carolina (MUSC)
- National Alliance on Mental Illness (NAMI) SC
- Palmetto Care Connections, SC Telehealth Alliance
- Prisma Health*****
- SC Center for Rural Health and Primary Care
- SC Children's Trust
- SC Department of Education*****
- SC Department of Education - Project AWARE
- SC Department of Education - CoIIN
- SC Department of Health and Environmental Control (DHEC)
- SC Department of Health and Human Services (DHHS)
- SC DHHS: Quality through Technology and Innovation in Pediatrics (QTIP)*
- SC Department of Mental Health
- SC Institute of Medicine & Public Health (IMPH)
- SC Office of Rural Health*****
- SC Thrive
- SCHA Behavioral Health Coalition
- South Carolina Department of Education
- South Carolina Hospital Association (SCHA)
- SC Translational Research Institute, MUSC
- University of South Carolina
- University of South Carolina, Institute for Families in Society
- University of South Carolina, Southeastern School Behavioral Health Conference

Regional & National

- Mental Health Technology Transfer Center Network (MHTTC), Southeast Region
- No Limits Counseling
- Yale School of Medicine, Child Study Center; National Center for School Mental Health

* Stakeholders that helped vet the framework

Appendix B – Glossary

To ensure clear comprehension of the framework and its recommendations, we have defined words and phrases used in this document.

Youth Mental Health (YMH)
Mental health is both a person's mental wellness *and* illness. It includes a person's emotional, psychological, and social well-being. It affects how we think, feel, and act.[ix] When we use the phrase youth mental health or YMH, we are referring to:

- Children and adolescents aged 5-17 years old;
- the experiences of and supports for youth and their families and caregivers as they navigate multiple systems of care;
- and the outcomes of these experiences.

Health Sector
Health sector is all organizations that employ healthcare professionals to provide healthcare. This includes hospitals, primary care, community health centers, local health departments, and other healthcare clinicians.

Education Sector
Education sector refers to places of education consisting of grades K-12, as those are the grades that service most 5-17-year-olds. Because children develop at different rates, we will also consider transition approaches as part of the framework. Transition approaches will look at children transitioning from pre-K to kindergarten and youth transitioning from high school to adulthood.

Community Sector
The community sector is the organizations outside of schools or healthcare that youth frequent, or organizations that support youth where they live. These organizations can consist of faith-based organizations, YMCAs, libraries, parks and recreation departments, and other community-based organizations. They are often influenced by local governments.

Prevention
Prevention, in the context of this framework, focuses on the services and supports provided to youth and their families that promote mental wellness, and social and emotional growth.

Assessment
Assessment is the services and supports provided to a youth to determine if they have–or are at risk for developing–mental health challenges or illnesses.

Intervention
Intervention is the services and supports provided to a youth once it is determined they are *at risk of developing* a mental illness or are currently facing mental health challenges. These are not services that are provided post-diagnosis.

Appendix C – Federal Funds Flow Analysis

Federal Block Grant Funds Flow Analysis - August 2022

Introduction
Nearly one in five North Carolinian youth (ages 3 to 17) are unable to access needed mental health care; in South Carolina, closer to one in three youth do not receive such care.[22] Without early access to care, youth may experience traumatic, expensive mental health crises.

The purpose of CaroNova is system redesign; given poor outcomes across the Carolinas, CaroNova is currently working with subject matter experts to co-design a better system of mental healthcare for youth. This system will foster cross-sector coordination to prevent mental health crises by assessing youth mental health and intervening early. In addition to strong cross-sector partnership, funding that aligns with a system of early intervention is crucial.

Shifting the mental healthcare system for youth in the Carolinas toward early intervention requires funds to follow. Some funds are more readily shifted to new uses than others.

The federal government is the largest source of mental healthcare funding.[23] The federal government provides services directly (e.g., for veterans), reimburses the cost of services (e.g., Medicaid or Medicare), and funds grants to states.[24] [25] Funding that reimburses costs tends to reinforce current systems, and COVID-19 relief grants and other emergency funding are not designed to provide long-term support for iterative system redesign. By comparison, block grants are recurring state funding with less oversight and therefore more flexibility. Block grants are not only flexible, but large and consistent sources of funding. In 2018, the Mental Health Block Grant provided $722 million in state funding across all 50 states.[26] The Maternal and Child Health block grant provides state funding with relatively few spending restrictions and has done so since 1935.[27]

Purpose
Identifying the best sources of funding is crucial but not enough to support a system shift toward cross-sector assessment and early intervention for youth mental health. The questions that remain are (1) where states currently allocate their block grant funding and (2) where they could allocate it differently in the future. The following analysis of block grant funding allocation in the Carolinas addresses the first question and sets the foundation for conversations to answer the second.

Methods
CaroNova selected the four federal block grants most relevant to community-based and mental health services: Community Mental Health Services, Substance Abuse Prevention and Treatment, Title IV Maternal and Child Health Services, and Social Services.[l] CaroNova then used the latest publicly available versions of each state block grant report to visually illustrate the flow of grant funding to various services in the Carolinas. A brief description of performance measures or key terms related to youth and children provides some additional context on the specific uses of block grant funds.

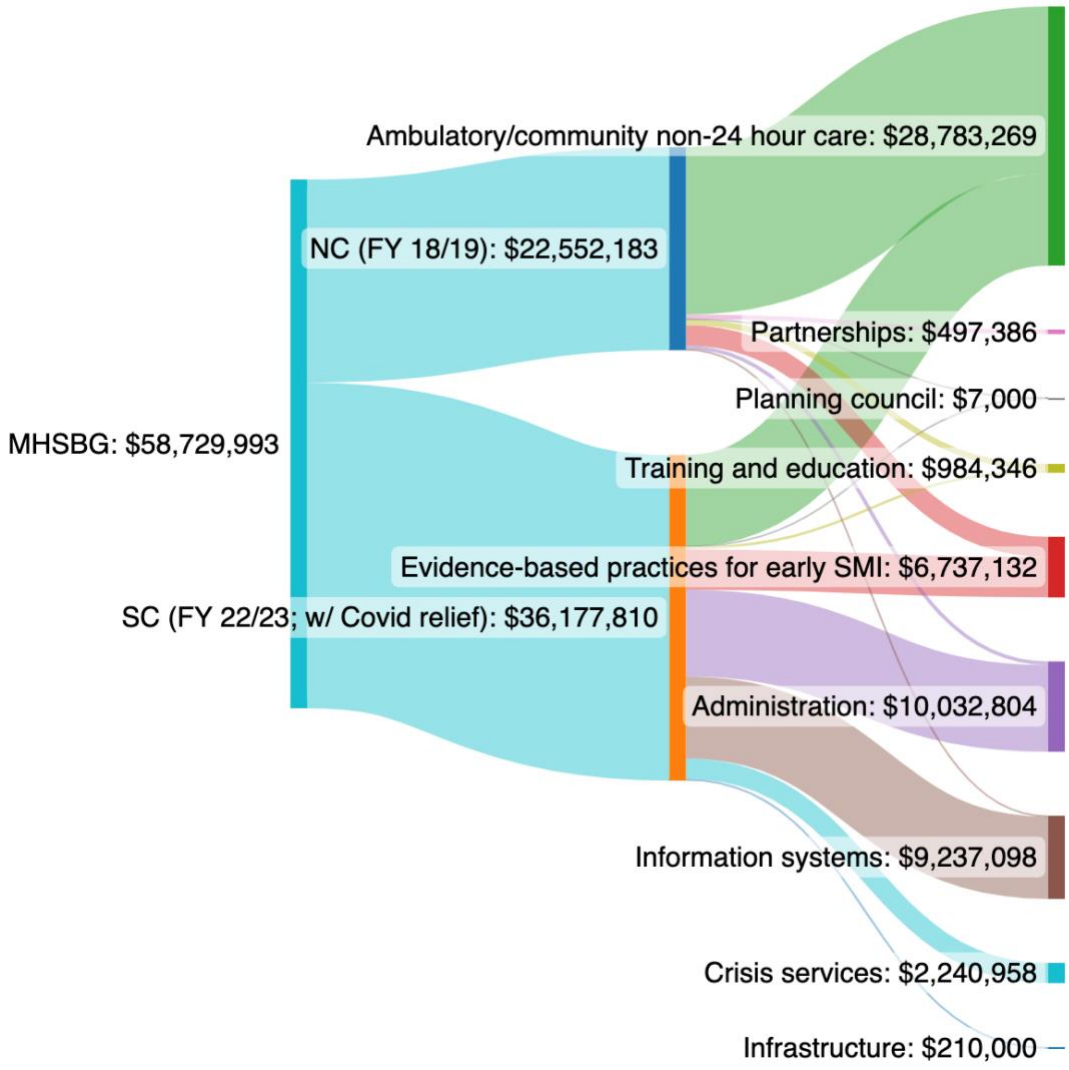
[l] We excluded the Community Services Block Grant as reporting on statewide allocations is not readily available.

Community Mental Health Services Block Grant

The Mental Health Services Block Grant (MHSBG) is SAMHSA funded and available to all 50 states to provide community mental health services. Target populations include (1) adults whose serious mental illness interferes with daily activities such as eating and getting around the community and (2) children with serious emotional disturbances that limit their family, school, or community functioning.[28]

The following diagram shows recent, planned allocation of MHSBG funding in the Carolinas based on publicly available reports.[29] [30] [m] [n] In both states—though by a narrow margin in SC—most funding is for ambulatory care. Performance measures[o] include rates of youth with emotional disturbance in the criminal justice system and receipt of school mental health services.

Planned Allocation of MHSBG Award (Dollars) By State and Service Type
Two Fiscal Years



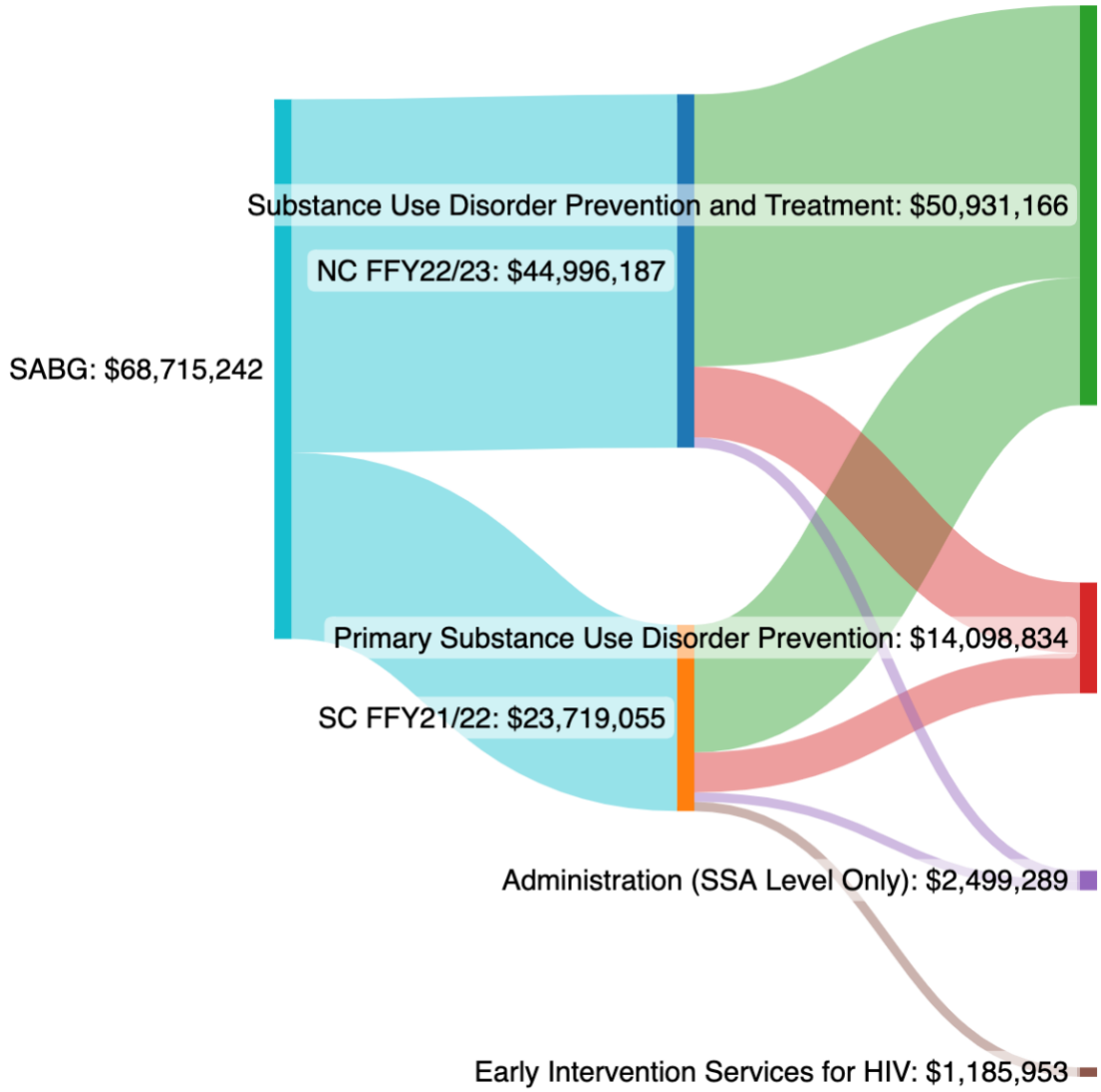
[m] The latest report available on the NC DHHS website is for fiscal year 2019.
[n] Partnerships include Medicaid, the justice system, the state education agency, child welfare, public housing, public health, and emergency management/homeland security.
[o] See the limitations section for more on performance measures.

Substance Abuse Prevention and Treatment Block Grant

The Substance Abuse Prevention and Treatment Block Grant (SABG) is SAMHSA funding available to all 50 states to prevent and treat substance abuse. Primary prevention is a target service. Priority populations include women who are pregnant or have dependent children and intravenous drug users.[31]

The following diagram illustrates recent planned allocation of SABG funding in the Carolinas.[32] [33] Funding for substance use disorder (SUD) prevention and treatment predominates in both NC and SC. Performance targets include measures of availability of SUD treatment for pregnant women and those with CPS[p] cases, underage tobacco sales violations, and SUD treatment for adolescents.[34] [35]

Planned Allocation of SABG Award (Dollars) By State and Service Type
Two Fiscal Years



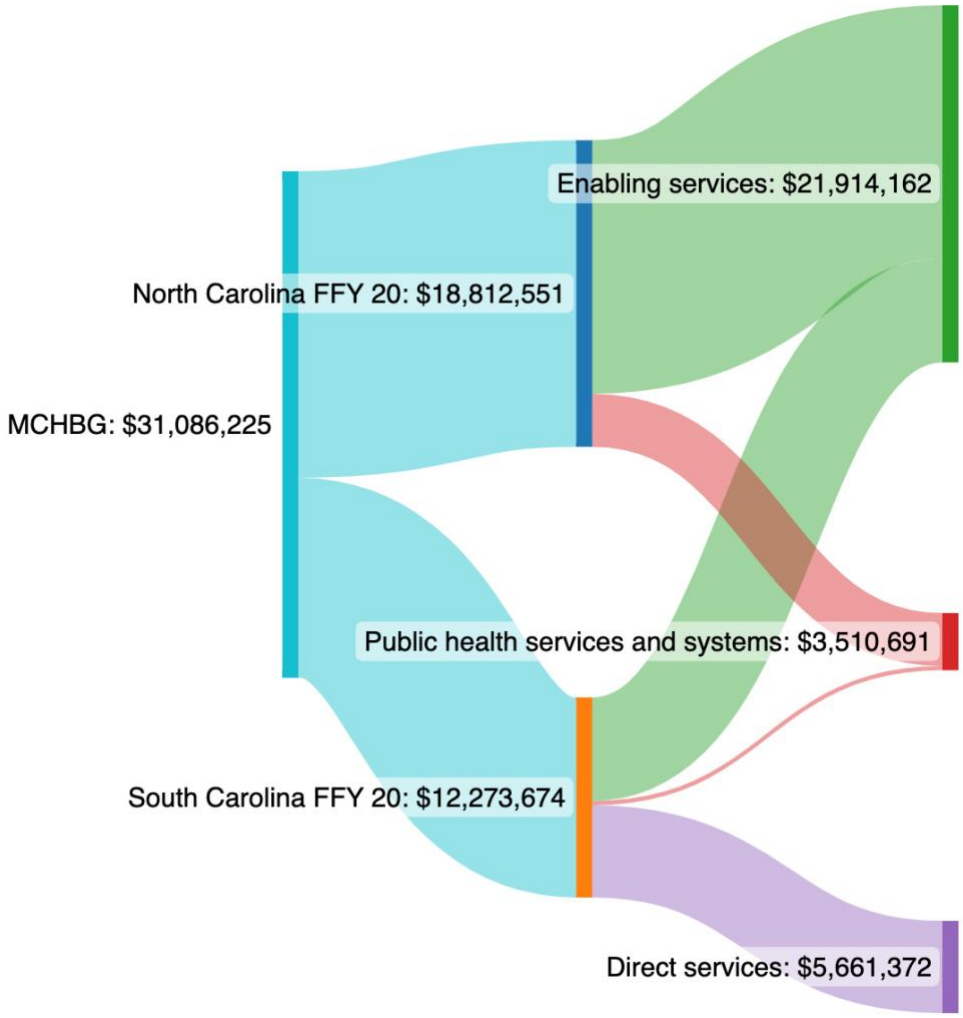
[p] Child Protective Services

Title IV Maternal and Child Health Services Block Grant

The Maternal and Child Health Services Block Grant (MCHBG) is a HRSA grant to support the wellbeing of mothers, infants, and children with special healthcare needs (chronic physical, developmental, behavioral, or emotional conditions).[36] [37]

The following diagram shows recent MCHBG funding allocation in the Carolinas.[38] [39] Most funding, particularly in North Carolina, is allocated to enabling services[q] such as case management, in contrast to direct services such as dental care. Performance measures include rates of low birthweight infants, breastfeeding, parent-completed developmental screenings of newborns, and past year preventive medical visits among adolescents. SC also measures adolescents experiencing bullying.

Allocation of MCHBG Funding (Dollars) By State and Service Type
One Fiscal Year



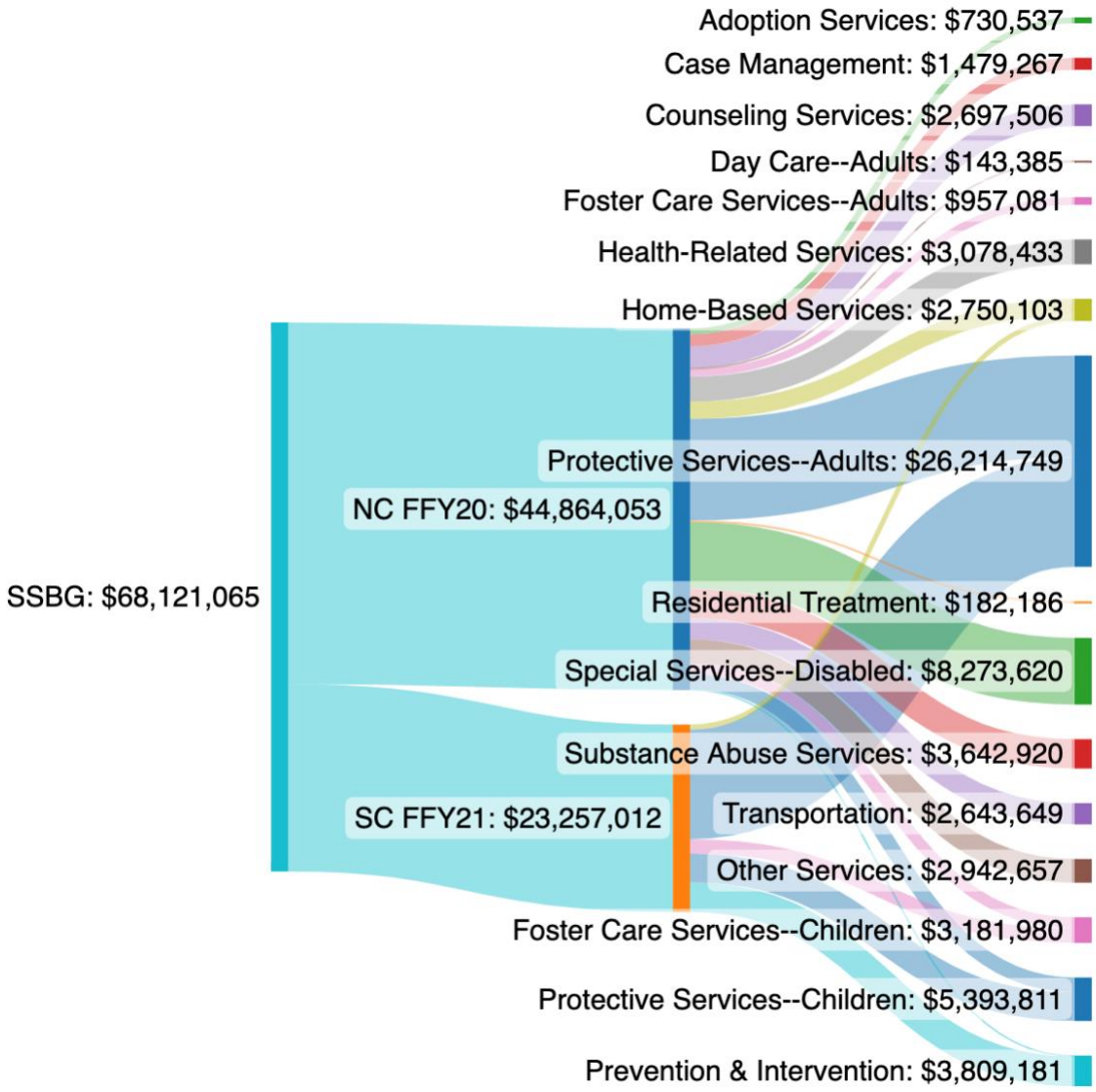
[q] Enabling services include, but are not limited to, case management, care coordination, referrals, translation/interpretation, transportation, eligibility assistance, health education for individuals or families, environmental health risk reduction, health literacy, and outreach.

Social Services Block Grant

The Social Services Block Grant (SSBG) is administered by the US DHHS Office of Community Services. Funding targets children and adults needing protection from abuse, as well as helping people unable to care for themselves to live at home or in an institutional arrangement.[40]

The following diagram shows recent planned allocation of SSBG funding in the Carolinas.[41] [42] Protective services for adults receives the largest share of SSBG funding in both states. Reporting does not outline metrics in the same manner as other major block grants. A search of references to youth in NC highlights transitional living supports and counseling, especially for families and youth at risk of delinquency. A similar search for references to children yields mention in NC and SC of services including early childcare, child support enforcement, and child protective services.

Planned Allocation of SSBG Funding (Dollars) By State and Service Type
One Fiscal Year



Limitations

Several limitations emerged in a review of block grant reporting. State reporting on block grants follow a consistent format, but do not clearly link priority areas to funding levels or provide specific details on the settings or types of organizations to which funding is allocated.

Reports explain the greatest areas of need for funding in the state and list priority areas with associated performance measures. However, it remains unclear to what extent allocation decisions precede the selection of performance measures, versus the other way around. Also unclear is what share of funding allocations are dedicated to achieving performance measures.

The consistent categories states use to describe funding allocations are helpful for cross-state comparisons, but when they are as broad as “enabling services,” pinpointing the levels of funding for distinct services becomes difficult. In cases where allocation categories are more specific, block grant reporting does not consistently highlight the specific organizations or settings receiving funding.

Current limitations make it challenging to interpret how block grant funds are being used compared to how they could be used in the future to support a system of cross-sector assessment and early intervention for youth with mental health needs.

Next Steps

The system of care for youth mental health in the Carolinas needs to shift from a crisis focus to an assessment and early intervention focus. CaroNova will meet with block grant administrators at the state and federal level to clarify the limitations identified in this analysis. CaroNova will also consider continued, regular analyses of federal grantmaking relevant for youth mental health care.

There are multiple sources of funding for youth mental health that do not align with each other to facilitate cross-sector assessment and early intervention. Identifying flexibility in current block grants and other federal funding leverages invaluable resources to reshape the system of mental health care for youth.

CaroNova

Appendix D – Key Stakeholder Engagement & Capacity

Below is a table of the stakeholders to be engaged in some capacity in CaroNova's youth mental health system redesign efforts. The table outlines the ways each stakeholder can contribute to the success of the model and the capacity of each to collaborate. This table is to be used when recruiting topic action team (TAT) members. TAT members will have deep knowledge of the area of focus, trends, and opportunities for system reform across the Carolinas.

Table 1 Key Stakeholder Engagement & Capacity

Stakeholder	Capacity to Collaborate	Ways to Contribute
People w/ Lived Experience (parents, caregivers, advocates)	High	**Topic action team member**; inform model of care; support connection to and be the voice for those with lived experience
School Sector (school administrators, teachers, counselors)	Medium	**Topic action team member**; implementation partner; inform model of care; support connection to school resources
Social Services	Low	Inform model of care; support connection to community and social resources
Community Sector (local government, faith-based organizations, youth programs)	High	**Topic action team member**; implementation partner; inform model of care; provide input on successes and challenges YMH projects being implemented face; support connection to community resources
Health Sector (health systems, private practices, community health centers)	Medium	**Topic action team member**; implementation partner; inform model of care; support connection to health resources
Non-profits & Foundations	High	Inform on current and future funding opportunities; provide input on successes and challenges YMH projects being implemented face; support connection to community resources; implementation partner; policy and advocacy partners
Payors (private & public)	Medium	Inform model of care; provide input on successes and challenges around funding of mental health services

LME/MCO	Low	Implementation partner; inform model of care; provide input on successes and challenges community YMH services being implemented face; support connection to community resources
Policymakers (health, school, and community representatives)	Low	Inform model of care; provide input on successes, challenges, and opportunities around policies impacting YMH

Appendix E – Topic Action Team Learning Questions

Below is a list of preliminary questions for the topic action team to answer to develop the youth mental health model and subsequent pilot. Any required research or support will be provided by CaroNova.

Model Co-Design

- Should the model focus on all school-aged youth or on a subgroup? (Elementary, middle, high school)
- What core elements from the framework should be included in the model?
- Should the model focus on the prevention, assessment, and intervention elements or only on one of the three?
- What stakeholders need to be engaged in the development of the model? How should they be engaged? (See Appendix E for a list of stakeholders.)
- How many Carolina communities should be selected for the model's pilot? What do those communities look like?

Measurable Outcomes

- What are the pilot's specific and measurable goals and outcomes?
- How will we know the wellbeing of the community has changed?
- How will we track progression toward short and long-term goals and outcomes?

Outputs

- What are the greatest costs to the key stakeholders (e.g., suspensions, individualized education plans, emergency department visits)?
- What measures do we have access to and are important to the stakeholders? (Health sector, education sector, community sector)
    - How can these measures be shared across systems?
- What short-term metrics represent indicators of progress?
    - What are the indicators that are likely to be changed in a year or two? What is the threshold for clinically significant change that shows success?
- What evidence demonstrates that the indicators of progress are being adopted in the community?

Indicators of Progress (Mid-term & Final Reports)

- What progress on short-term goals has been made?
- What underlying structural factors changed to help meet the long-term goals?
- What would the community look like if this model did not exist?

Appendix F – Detailed Year One Timeline

October-December 2022

- Recruit and orient subject matter experts from North and South Carolina to form a topic action team (TAT)
- Identify key stakeholders from YMH-adjacent organizations. Discuss the realistic alignment of long-term goals and outcomes
- Develop recommendations on how to best utilize federal funding allocated to the states to support the pilot model and other YMH prevention efforts

January-April 2023

- Facilitate the TAT to
  - review program framework and begin the process of co-designing a pilot model
  - establish core services and resources needed for each section of the framework
  - set specific goals and metrics to measure the impact of the pilot model
- Engage key stakeholders from YMH-adjacent organizations to inform the TAT around the realistic alignment of goals, metrics, and outcomes
- Draft an interim report on the progress of the TAT to date

May-October 2023

- Further refine the model in preparation for piloting
- Work with CaroNova state teams to identify technical assistance needs to support pilots
- Develop readiness assessment criteria to aid in the recruitment of community pilot sites
- Draft an RFA and final report to present to the CaroNova Advisory Board

November-December 2023

- Begin recruitment of initial community pilot sites consisting of a payor, health system, school system, and community partner(s)

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